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EDUCATION	Cranfield University, United Kingdom <ul style="list-style-type: none">▪ Ph.D., Finance▪ M.Res., Management Research	Expected 2007 2005
	Lancaster University, United Kingdom <ul style="list-style-type: none">▪ M.Sc., Finance (with Distinction)	2003
	Zhangshan University, PR China <ul style="list-style-type: none">▪ B.A., International Finance	2001
RESEARCH INTERESTS	Corporate finance, behavioral finance, executive compensation, corporate governance, empirical studies in mergers and acquisitions, principal-agent model, real option analysis	
WORKING PAPER	Managerial Incentives, Risk-taking, Overconfidence, and Acquirer Shareholder Value Creation in Mergers and Acquisitions (co-author with Sudi Sudarsanam)	
WORK IN PROGRESS	Dynamic Analysis of Risk Incentives in Corporate Acquisitions	
CONFERENCE PRESENTATIONS	European Doctoral Research Conference, London, UK, March, 2005 Research Summer School, EDAMBA, Soreze, France, August, 2004	
COMPUTING EXPERIENCE	SAS, C++, VBA, CompuStat, CRSP, ExecuComp, DataStream, SDC, Thomson Financial	
PROFESSIONAL EXPERIENCE	Financial Analyst, China International Trust and Investment Corporation, Southern Group, Co., Ltd., China	2001-2002
	<ul style="list-style-type: none">▪ Financial statement analysis & financial management▪ Internal auditing	
HONORS & AWARDS	Full Ph.D. Student Scholarship, Cranfield University	2003-now
	Distinction Award of M.Sc. Finance, Lancaster University	2003
	Award of Outstanding Academic Performance, ZhongShan University	1999
	Award of Outstanding Academic Performance, ZhongShan University	1998
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	Prof. Sudi Sudarsanam	p.s.sudarsanam@cranfield.ac.uk
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Paper Abstract

Managerial Incentives, Risk-taking, Overconfidence, and Acquirer Shareholder Value Creation in Mergers and Acquisitions (co-author with Sudi Sudarsanam)

This paper provides empirical evidence of strong relations among managerial incentives, risk-taking, and acquirer post-acquisition performance. Our analyses suggest that two primary measures of managerial incentives, the sensitivity of CEO wealth to stock price (Delta) and the sensitivity of CEO wealth to stock return volatility (Vega), affect the managerial risk-taking propensity and firm performance differently. Generally, both Delta and Vega are beneficial to shareholder value creation. In the analysis of the risk change due to corporate acquisition, our regression analyses support the hypotheses that the increase in the risk change is associated with the increase in Vega while the decrease in risk change is related to the increase in Delta. However, even though the increase in Vega is directly related to the acquirer post-acquisition performance and is associated with the increase in the risk change, it is unlikely that the risk change that is related to Vega has positive impact on the acquirer post-acquisition performance. Similarly, the risk change that is related to Delta has no significant impact on the acquirer post-acquisition performance. Our analysis of managerial behavioral bias, overconfidence, is consistent with the hypothesis that managerial overconfidence provides an alternative solution to the underinvestment problem caused by managerial risk aversion. In addition to the ordinary least squares regression, we employ simultaneous equations model to account for the endogeneity among managerial incentives, risk, and performance. To our best knowledge, our study is among the first to use the simultaneous equations model in investigating the impact of managerial incentives on shareholder value in the context of mergers and acquisitions.

Early-stage Work

Dynamic Analysis of Risk Incentives in Corporate Acquisitions