
CURRICULUM VITAE

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EDUCATION

Ph.D. in Economics (expected May 2008), Duke University, Durham, NC, USA

M.A. in Economics (2002), The University of Mississippi, University, MS, USA

M.E. in Civil Engineering (1999), Tongji University, Shanghai, China

B.E. in Civil Engineering (1996), Tongji University, Shanghai, China

AREAS OF SPECIALIZATION

Primary Field: Financial Economics

Secondary Field: Microeconomic Theory

DISSERTATION

Title: Essays on Corporate Governance

Committee: Michael Bradley (chair), Curtis Taylor, Simon Gervais, David T. Robinson

PROFESSIONAL AND ACADEMIC EXPERIENCE

- 2002~2007 Department of Economics, Duke University, Durham, NC, USA
- Teaching Assistant, Intermediate Microeconomics (ECON 105, Spring 2006)
 - Teaching Assistant, Public Finance (ECON 187/287, Fall 2005)
 - Teaching Assistant, Intermediate Macroeconomics (ECON 110, Fall 2004, Spring 2005)
 - Teaching Assistant, Game Theory (ECON 205, AEA Summer Program, Summer 2004, 2005)
 - Research Assistant for Han Hong, Summer 2004
- 2006~2007 Fuqua School of Business, Duke University, Durham, NC, USA
- Teaching Assistant, Corporate Finance (Weekend Executive MBA Program, FIN 351W, Summer 2006, 2007)
 - Teaching Assistant, Corporate Finance (Daytime MBA Program, FIN 351, Fall 2006, Spring 2007)
 - Research Assistant for Alon Brav, Summer and Fall 2003
 - Research Assistant for Michael Bradley, Spring 2006 to Spring 2007
- 2006 School of Law, Duke University, Durham, NC, USA
- Teaching Assistant, Principles of Corporate Finance (LAW 396, Fall 2006)
- 2004~2007 Treasurer for Dream Corps for Harmonious Development International, incorporated in NC, USA, an NPO devoted to promoting rural education in China (www.dreamcorps.org)
- 2000~2002 Department of Economics, The University of Mississippi, University, MS, USA
- Research Assistant for Walt Mayer (Summer 2001-Summer 2002)
 - Research Assistant for Gary Kochenberger (Fall 2000-Spring 2001)
- 1999~2000 Marketing Shanghai Representative, BeBeyond.com, Chicago, USA
- 1999 Principal Engineer, Shanghai MAX-ABM Steel Building System, Shanghai, China
- 1996 Internship, East China Architectural Design and Research Institute, Shanghai, China

WORKING PAPERS IN FINANCE/ECONOMICS

1. "The Monitoring and Advisory Functions of Corporate Boards: Theory and Evidence", November 2007, Job Market Paper
2. "Corporate Governance, Credit Ratings, Bond Yields and Firm Performance ", with Michael Bradley, George Dallas, and Elizabeth Snyderwine, December 2007
3. "Pilot or Watchdog? A Theory of Endogenous Choice of Advisory Role by Boards of Directors", July 2007
4. "How Independence Means Different Things for Different Independent Directors?" (in progress)
5. "On the Causality of the Association Between Corporate Governance and Firm Performance" (in progress)

PUBLICATIONS IN CIVIL ENGINEERING

1. "Feasibility of TL and UL Methods for Computation of Geometrically Nonlinear Frames" (in Chinese), Shanxi Architecture, No. 75, 2000
2. "Large Displacement and Post-Deflection of Initially Bent Thin-walled Plate" (in Chinese, with Cimian Zhu), Shanghai Mechanics Journal, No.4, Vol. 19, Apr. 1998
3. "The Asymptotic Strength of Thin-Walled Column" (in Chinese, with Cimian Zhu), Journal of Tongji University, No.3, Vol. 25, Jun, 1997

ACADEMIC AND PROFESSIONAL HONORS and AWARDS

Summer Research Fellowship, The Graduate School, Duke University, Summer 2006

Full Tuition Scholarship, Duke University, 2002-present

Allen C. Kelly Fellowship, Department of Economics, Duke University, 2002-2003

Herein Center Scholarship, The University of Mississippi, 2000-2001

SKILLS and OTHER INFORMATION

Computer Skills: SAS, STATA, MATLAB, C, Fortran, LaTeX, MS Office

Languages: English (fluent), Chinese (native)

REFERENCES

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DISSERTATION SYNOPSIS

This dissertation consists of five related papers on corporate governance, especially corporate board of directors. The focus was put on the examination, both theoretically and empirically, of the two major roles played by boards: monitoring and advising the management, and whether and to what extent there is tradeoff between these two roles. I also examine corporate governance on bond ratings and spreads, and the causality between corporate governance and firm performance.

In my job market paper, titled “**The Monitoring and Advisory Functions of Corporate Boards: Theory and Evidence**”, I develop and test a model of the two primary functions of the board of directors of a public corporation: monitoring and advising management. The model shows that there is tradeoff between these two functions: advising management leads to lower monitoring quality and higher agency costs. It is therefore not optimal for the board to advise unless its ability to do so is sufficiently high to overcome these costs. To test the model, I use the number of independent directors who are at the same time executive board members of other corporations as an empirical proxy for the board's ability to advise. Consistent with the predictions of the model, I find that independent executives (IEs) are associated with lower monitoring quality and higher agency costs. I provide the first direct and comprehensive evidence for the advisory function of the board, by contrasting the corporate policies these executives choose for their own firms with those they advocate as IEs. I find that IEs are positively, significantly, and causally associated with firm performance. These results suggest that boards act optimally in balancing their monitoring and advisory functions, as predicted by the model. Finally, I argue that the significant relation between IEs and firm performance is due to the scarcity of IEs, and use the passage of Sarbanes-Oxley Act as a natural experiment to demonstrate the validity of this argument.

In a closely related paper titled “**How Independence Means Different Things for Different Independent Directors?**” (in progress) I examine different monitoring and advising patterns for independent executives (IE, independent directors who are active executives for other firms) and other type of independent directors (INE). I find INEs are better monitors than IEs for the major governance functions, but are associated with lower advising intensity. I also find INEs are positively associated with firm performance except when using a structural estimation method, in which the association becomes negative. This contrasts with the robust positive association between IEs and firm performance. I document different turnover patterns for IEs and INEs, suggesting that the market for independent directors might be segmented.

On the theoretical side, in the paper titled **“Pilot or Watchdog? A Theory of Endogenous Choice of Advisory Role by Boards of Directors”**, I extend the theory in my job market paper and consider the incentive for the board to advise when shareholders can or cannot monitor them directly. The theory implies that having large shareholders as monitors has benefit as well as cost. Although large shareholders can displace a less abler board ex-post, they also discourage the board to choose advisory role ex-ante, as such role will jeopardize their career as directors and hence private benefit associated with it.

In the paper titled **“Corporate Governance, Credit Ratings, Bond Yields and Firm Performance”** (co-authored with Michael Bradley, George Dallas, and Elizabeth Snyderwine), we examine the empirical relations between the governance structure of public corporations in the United States and the rating and pricing of their debt securities. We study an unbalanced panel of 775 unique U.S. firms from 2001 through 2007 and identify several statistically significant relations between corporate governance factors and credit ratings, bond spreads and firm values. We find that credit ratings are negatively related to the presence of antitakeover measures for firms with speculative grade ratings and positively related to the presence of antitakeover measures for firms with investment grade ratings. Moreover, we find that spreads are positively related to the presence of antitakeover measures, and this relation is significantly stronger for firms with less than investment grade credit scores. Our findings also suggest that more stable boards, defined as having attributes relating to board tenure, director liability indemnification and classified board structures are related to higher credit ratings and lower bond spreads. We conjecture that boards with greater stability may be better positioned to take into consideration the longer term interests of the firm as a whole, thus benefiting the firm's creditors. Finally, our empirical results reveal that some governance variables have the same sign with respect to both credit ratings and bond spreads, which suggests that bond traders and ratings agencies may differ in their interpretation of the effects of certain governance attributes on bond prices.

Finally, the paper **“On the Causality of the Association Between Corporate Governance and Firm Performance” (in progress)**, I examine the causality for the significantly negative association between Gompers, Ishii, and Metrick (2003)'s G-Index and firm performance, by testing whether G-index and its individual components are associated with proxies for management entrenchment, including lower takeover-likelihood, lower management and directors turnover, and higher CEO compensation. I fail to find evidence supporting these hypotheses, which implies the causality might go from performance to corporate governance rather than the other way around, consistent with recent evidence from other papers.