Andrew (Yunchou) ZHANG

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EDUCATION

The University of Hong Kong, HK

PhD in Economics	Sept. 2018 – Aug. 2025 (*expected*)
Master of Economics	Sept. 2016 – Aug. 2018
Bachelor of Economics and Finance (with First Class Honours)	Sept. 2012 – Aug. 2016

McGill University – Desautels Faculty of Management, Montreal

Exchange Programme	Sept. 2014 – Dec. 2014

RESEARCH INTERESTS

Organizational Economics, Contract Theory, Personnel Economics

WORKING PAPER

"**Optimal Rule Enforcement**" (with Hanzhe Li and Jin Li)

(Job Market Paper)

Firms typically establish rules to induce desired performance from workers, but it is the manager that decides if and when the rule is enforced. On one hand, the manager can compel the worker to exert effort by enforcing the rule. On the other hand, however, this comes with a cost for the manager. This paper investigates the optimal enforcement of rules in employment relationships and examines how this is affected by the enforcement cost. When the enforcement cost is sufficiently low, we dovetail with Gouldner (1954) by showing that the rule is often enforced to curb the worker's tendency to shirk. In contrast, when the enforcement cost is relatively high, our novel result is that the manager can ignore the rule and, even if she intends to enforce it, she only does so in the first several periods.

"**Optimal Talent Hoarding**" (with Jin Li)

(selected to be part of the poster session at AEA meeting in January 2025)

This paper develops a relational contracting model to study how the managers can best motivate and keep their workers when the worker's promotion opportunity is the manager's private information. Managers would like to keep capable workers as long as possible. But doing so unduly will de-motivate the worker. The optimal relational contract contains three phases:

Hoarding, Promotion, and Coasting. In the first phase, talent hoarding occurs so that the worker will not get promoted even if the promotion opportunity is available. Effort is efficient while job allocation is not. In the second phase, the worker exerts effort and gets promoted when there is an opportunity. Both effort and job allocation are efficient. In the third phase, the worker gets promoted when there is an opportunity, but he will not put effort. Job allocation is efficient while effort is not. While the total working duration remains the same, more capable workers suffer from more severe talent hoarding. A higher frequency of opportunity empowers the manager to make better promise, leading to more talent hoarding.

RESEARCH IN PROGRESS

"**Pay for Crisis**" (with Hanzhe Li and Jin Li)

"**Promotion or Training: A Model of Talent Hoarding**"

"**Managing KOLs in Wanghong Economy**" (with Hanzhe Li)

HONORS AND AWARDS

Postgraduate Scholarships	2018 – 2022
FBE PhD Entrance Scholarship	2018 – 2019
HKU Foundation Scholarships for Outstanding Mainland Students	2012 – 2016
Dean's Honours List	2012 – 2016
Beta Gamma Sigma	2016
C.V. Starr Scholarships	2014

TEACHING ASSISTANT EXPERIENCE

Undergraduate: Games and Decisions, Economics of Networks, Intermediate Macroeconomics

MEcon: Macroeconomic Analysis

MBA: Capstone Project

SKILLS

Language: Mandarin (native), English (proficient), Cantonese (fluent)

Software: Proficient in Microsoft Office, Latex; Basic knowledge in Stata, MATLAB, R, SAS