



Media Release

SMU faculty receives 2015 Ig Nobel Prize in Harvard University

*Singapore winner lauded for research: **“What Doesn't Kill You Will Only Make You More Risk-Loving: Early-Life Disasters and CEO Behaviour”***

Singapore, 6 October 2015 – Assistant Professor of Finance Gennaro Bernile from the Singapore Management University's (SMU) Lee Kong Chian School of Business (LKCSB), has won the renowned 2015 Ig Nobel Prize in the Management category. He is the only Singapore-based researcher in this year's list of winners, and stood out for his extraordinary research on early-life disasters' influences on CEOs' behaviour.

The Ig Nobel Prizes honour achievements that “make people LAUGH, and then THINK”. While they celebrate the unusual and imaginative, the intention is to spur people's interest in science, medicine, and technology. With a 25-year history, 10 awards are given each year to unusual or trivial achievements in scientific research. Organised by scientific humour magazine “Annals of Improbable Research” (AIR), the prizes are presented by a group that includes genuine Nobel Laureates at a ceremony at Harvard University, which is followed by a set of public lectures by the winners at the Massachusetts Institute of Technology (MIT).

Assistant Professor Bernile's winning research titled *“What Doesn't Kill You Will Only Make You More Risk-Loving: Early-Life Disasters and CEO Behaviour”* was co-authored with Assistant Professor Vineet Bhagwat (University of Oregon) and Professor P. Raghavendra Rau (University of Cambridge). According to the study, which was based on a dataset on natural disasters dating back to 1900 and cross-checked against more than 1,600 CEOs' birthdates and birth places, CEOs who experience fatal disasters without extremely negative consequences lead firms that behave more aggressively, whereas CEOs who witness the extreme downside of disasters behave more conservatively.

These findings have potentially important and broad practical implications for c-suite executives and businesses. Intelligent risk-taking is important for growing businesses, and stimulating creativity and innovation, however, a firm's risk-taking behaviour and risk propensity is very much dependent on its Chief Executive and Board of Directors. The findings suggest that a Board of Directors should care about an individual's risk-appetite before that person is appointed as CEO and/or when designing compensation packages, because ultimately, these could mean real economic consequences on companies' risks and cost of capital. By the same token, investors may want to make similar considerations when deciding how to allocate their equity investments.

The research proves that it may now be worthwhile for hirers to know about potential CEOs' childhood fatal disaster encounters. At least in part, economic decision-making and risk-taking is in fact the product of one's past life-experiences – even those that may seem distant and potentially irrelevant.

Assistant Professor Bernile received the award at the 2015 Ig Nobel Prize ceremony on 17 September at Harvard University. Commenting on his win, he said “While the Ig Nobel Prize is known for appealing to the masses by focusing on the outrageous and humorous at the onset, which may be embarrassing at first, the scientific value of the seemingly funny or out-of-the-ordinary research sinks in soon after. After giving the informal public lecture and hearing other researchers at MIT’s renowned Huntington hall packed with eager audiences, and re-evaluating the experiences, I feel it is certainly distinguished honour and recognition to have won the Prize that lived up to its vision – of helping more people notice remarkable research in the first place, spurring them to think and understand more about the benefits and applications, and encouraging more creativity and inquisition, after some good laughs. It is infinitely better than producing research that makes people ‘THINK and then LAUGH’, which is known to happen quite a bit!”

Assistant Professor Bernile has built up a broad portfolio of multi-disciplinary research that studies various aspects of corporate finance in new and rigorous ways, in line with SMU’s emphasis on generating leading-edge and multi-disciplinary research with global impact. In 2013, he was also part of a three-member team (including SMU Assistant Professors of Finance Hu Jianfeng and Tang Yuehua), who worked on a study that found ‘leaks’ in the U.S. Federal Reserve’s procedures for locking up market-moving information. Having analysed high frequency data from the late 1990s through June 2013, they found “robust evidence of informed trading” during the period when members of the news media had access to sensitive Fed monetary policy releases but before they were made public. The research was widely reported in the local and international press.

- End -

Enclosures:

1. Research paper “What Doesn't Kill You Will Only Make You More Risk-Loving: Early-Life Disasters and CEO Behaviour”, Gennaro Bernile, Vineet Bhagwat, and P. Raghavendra Rau, Asian Finance Association (AsianFA) 2015 Conference Paper. Accepted for publication in the Journal of Finance. http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2660019
2. Photos download link: <https://www.dropbox.com/sh/1qqooem5d4tmhv/AADCFZfJ29Sytm013o76MJ1Xa?dl=0>
3. Photo 1 – Caption: Assistant Professor Gennaro Bernile (right) receiving the Ig Nobel Prize with his co-researcher Professor Raghavendra Rau (left) during the 2015 Prize Ceremony at Harvard University in September [Credit: “Improbable Research”]
4. Photo 2 – Caption: During the one-minute speech at the Prize Ceremony, Assistant Professor Gennaro Bernile (middle) is reminded by the little official ‘time-keeper’ to keep it short before she gets bored. [Credit: “Improbable Research”]
5. Photo 3 – Caption: Assistant Professor Gennaro Bernile’s portrait shot [Credit: “SMU” or Singapore Management University”]
6. SMU Podcast on the research insights and implications: <https://www.smu.edu.sg/podcast/impact-ceos-childhood-experiences-and-board-diversity-firms-risk-taking-behaviours>
7. Assistant Professor Gennaro Bernile’s Chinese name: 帅纳

About Singapore Management University

A premier university in Asia, the Singapore Management University (SMU) is internationally recognised for its world-class research and distinguished teaching. Established in 2000, SMU's mission is to generate leading-edge research with global impact and produce broad-based, creative and entrepreneurial leaders for the knowledge-based economy. SMU education is known for its highly interactive, collaborative and project-based approach to learning, and for its technologically enabled pedagogy of seminar-style teaching in small class sizes.

Home to around 8,800 undergraduate and postgraduate students, SMU comprises six schools: School of Accountancy, Lee Kong Chian School of Business, School of Economics, School of Information Systems, School of Law, and School of Social Sciences. SMU offers a wide range of bachelors, masters and PhD degree programmes in the disciplinary areas associated with the six schools, as well as in interdisciplinary combinations of these areas.

SMU has an emphasis on generating rigorous, high-impact, and relevant multi-disciplinary research that addresses Asian issues of global relevance. SMU faculty members collaborate with leading international researchers and universities from USA, Europe, China and India, as well as with partners in the business community and public sector, through its research institutes, centres and labs. SMU's city campus is a state-of-the-art facility located in the heart of downtown Singapore, fostering strategic linkages with business, government and the wider community. www.smu.edu.sg

About Lee Kong Chian School of Business

SMU commenced its curriculum in 2000 with the School of Business, which welcomed its pioneer cohort of students in August 2000. In 2004, the Lee Foundation contributed S\$50 million to SMU in honour of the late Dr Lee Kong Chian, a well-known Southeast Asian businessman, philanthropist and community leader. In recognition of the Lee Foundation's generosity, SMU named in perpetuity the School of Business, the building and the university-wide scholars programme after Dr Lee Kong Chian.

Today, Lee Kong Chian School of Business (LKCSB) is a dynamic Asian business school with about 3,500 students and over a hundred full-time faculty members with postgraduate degrees from renowned universities such as Cornell, Harvard, INSEAD, Oxford, Stanford and Yale. The school offers undergraduate, master's and doctoral programmes and is affiliated with a number of research centres such as the Sim Kee Boon Institute for Financial Economics and the Centre for Marketing Excellence.

In 2011, LKCSB received both the AACSB (Association to Advance Collegiate Schools of Business) accreditation and a five-year EQUIS (European Quality Improvement System) accreditation. For both accreditations, the School has the distinction of being one of the youngest schools in the world to be accredited. In June 2012, LKCSB also gained admission into the EMBA Council to join the ranks of other internationally-renowned business schools. SMU LKCSB is currently ranked fourth in Asia and 58th worldwide in the University of Texas, Dallas rankings for research contributions for the period 2010 – 2014. www.business.smu.edu.sg

Media Contacts:

Huang Peiling
Snr Asst Director, Corporate Communications
Singapore Management University
DID: +65 6828 0964
Email: plhuang@smu.edu.sg

Charlene Liew
Asst Director, Corporate Communications
Singapore Management University
DID: +65 6828 0020
Email: charleneliew@smu.edu.sg

Photo 1



Photo 2



Photo 3

