# Xinjie Ma

Fox School of Business
1801 Liacouras Walk,
Philadelphia, PA 19122

Email: xinjie.ma@temple.edu
Cell: 301-906-3088
Intro Video: https://youtu.be/pQexbXMuqNg

## EDUCATION

**Ph.D. in Business Administration: Accounting**                              May 2021
  Temple University, Fox School of Business and Management, Philadelphia, PA

**M.S. in Accounting**                              May 2015
  American University, Kogod School of Business, Washington, DC

**M.S. in Business: Finance**                              Dec 2012
  University of Maryland, Robert H. Smith School of Business, College Park, MD

**B.S. in Management: Electronic Commerce**                              Jun 2011
  Beijing Foreign Studies University, International Business School, Beijing, China

## RESEARCH INTERESTS

Financial Accounting, Managerial Accounting, Public Disclosure, Textual Analysis

## WORKING PAPERS (* presentations by co-authors)

"Measuring Investment Opportunities Using Financial Statement Text" with S. Basu and H. Tran
- Forthcoming at *The Accounting Review*
- Presented at 2019 AAA Annual Meeting*, 2019 Hawaii Accounting Research Conference*, 2018 SEC Doctoral Student Symposium, 2018 Mid-Atlantic Region Meeting*, 2018 Annual Eastern Finance Association Meeting, and 2018 FARS Midyear Meeting*

"When Doing Good for Society is Good for Shareholders: Importance of Alignment between Generic Strategy and CSR" with R. Banker, C. Pomare, Y. Zhang, and Y. Liao
- Conditionally accepted at *Review of Accounting Studies*
- Presented at 2019 AAA Annual Meeting* and 2019 Conference on the Convergence of Financial and Managerial Accounting*

"Stuck in the Middle? Using the Exploration-Exploitation Lens to Reconcile the Generic Strategy" with R. Banker, S. Awate, and R. Mudambi
- Presented at 2020 AAA Annual Meeting

"Ending on a High Note: A "Hockey Stick" Graph of Managerial Tone within Earnings Conference Calls"
- Presented at 2021 SPARK: Meeting of the Regions

"Information Uncertainty and Critical Accounting Policies and Estimates" with E. Gordon and E. Runesson
- Presented at 2018 AAA Annual Meeting* and Temple 100th Anniversary Accounting Conference

"A Textual Measure of Porter's Generic Strategies" with R. Banker and Y. Liang
- Received second place for Best Paper Award at 2018 MIT Asia Conference in Accounting
- Funded by Seed Funding from the Fox School Young Scholars Interdisciplinary Forum
- Presented at 2018 AAA Annual Meeting, 2018 MIT Asia Conference in Accounting*, 2018 MAS Midyear Meeting, and 2017 Conference on the Convergence of Financial and Managerial Accounting Research

"A Textual Measure of Business Strategy" with R. Banker
- Received third place for Third/Fourth Year Paper at the Annual PhD Student Research Competition (Fox School of Business, Temple University)
- Presented at Temple Brownbag workshop*, 2020 AAA Annual Meeting, 2019 Conference on the Convergence of Financial and Managerial Accounting*

## ACADEMIC EXPERIENCE

***Instructor*** — Spring 2019
Managerial Accounting, Temple University

***Guest Python Instructor*** — Spring 2019
PhD Seminar: Special Topics in Accounting

***Teaching Assistant/Tutor*** — Fall 2014
Advanced Financial Reporting, American University

***Research Assistant*** — Fall 2014
American University

## PROGRAMMING LANGUAGES & CERTIFICATIONS

Python, SAS (SAS Certified Base & Advanced Programmer), Stata

## GRANTS & HONORS

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| Fox 3MT Competition Winner | 2021 |
| Cochran Award for Excellence in Research by a PhD Student (Temple University) | 2020 |
| IMA Doctoral Summer Research Scholarship | 2018 |
| Seed Funding Awards from 14th Fox School Young Scholars Interdisciplinary Forum | 2017 |
| Outstanding Graduate (Beijing Foreign Studies University) | 2011 |
| Alumni Honors Scholarship (Beijing Foreign Studies University) | 2010 |
| University Honors Scholarship (Beijing Foreign Studies University) | 2009 |

## REFERENCES

Sudipta Basu (chair)
Professor of Accounting and Robert
Livingstone Johnson Senior Research Fellow
Fox School of Business
Temple University
sudipta.basu@temple.edu
+1 (215)204-0489

Elizabeth Gordon
Professor of Accounting and Merves
Research Fellow
Fox School of Business
Temple University
egordon@temple.edu
+1 (215)204-6422

Dmitri Byzalov
Associate Professor of Accounting
Fox School of Business
Temple University
dmitri.byzalov@temple.edu
+1 (617)529-3805

Yi Liang
Assistant Professor of Accounting
Fox School of Business
Temple University
yi.liang@temple.edu
+1 (215)204-8125

# ABSTRACTS OF WORKING PAPERS

**"Ending on a High Note: A "Hockey Stick" Graph of Managerial Tone within Earnings Conference Calls"**

I investigate systematic patterns of tone within an earnings call and how market participants react to such variation. Prior research suggests that people heavily weigh the final moments of an experience. I explore whether managers end earnings calls with a more positive tone to manipulate the audience's impression of the call. My analyses of more than 57,000 earnings call transcripts show that the tone of managers' answers improves markedly near the end of the earnings call. The magnitude of tone improvement is negatively associated with current and future firm performance, which suggests that managers end on a high note to mask negative information. Moreover, the magnitude of tone improvement is associated with negative 3-day abnormal stock return and downward analyst forecast revisions. Together these findings suggest that the market participants quickly price the information that managers try to conceal by ending on a high note.

**"Measuring Investment Opportunities Using Financial Statement Text"** with S. Basu and H. Tran

We show that firms' investment opportunity sets (IOS) are multidimensional. Analyzing Form 10-K texts, we identify 445 unique keywords that predict firms' future investments during 1995-2009 and group them into 43 underlying factors. Industry-specific factors include Bio-Pharma, Banking, Information Technology, Oil & Gas, and Retail Stores, while more general factors include Equity Intensity, Debt Intensity, Lease, Going Concern, and Acquisition. These factors form our multidimensional measures of IOS. They outperform Tobin's Q and/or industry fixed effects, in predicting out-of-sample (2010-15) investments and related corporate policies, and even inform incrementally over lagged dependent variables. We trace the factors' improved predictive power to their multidimensional nature, which captures IOS-related variation within and between industries, and stability in IOS that allows 10-K texts to be more informative.

**"When Doing Good for Society is Good for Shareholders: Importance of Alignment between Generic Strategy and CSR"** with R. Banker, C. Pomare, Y. Zhang, and Y. Liao

This paper investigates whether firms' generic strategies are aligned with their Corporate Social Responsibility (CSR) performance and whether such an alignment is beneficial to their shareholders. We express generic strategies in terms of innovating differentiation, marketing differentiation, and cost leadership. We argue that due to their focus on innovative behaviors, innovating differentiators use CSR as a way to demonstrate their shared values (i.e., clan control mechanism) with society and to gain a Social License to Operate (SLO) from society. We use textual measures of strategy from 10-K filings and CSR data from the Kinder, Lydenberg & Domini (KLD) social performance indicators, resulting in a sample of 2,887 U.S firms and 19,621 firm-year observations from the fiscal years 1995 to 2015. As expected, we find that innovating differentiators is positively associated with CSR and that R&D mediates this positive association. Moreover, we find that innovating differentiators who perform well in CSR show higher financial performance than other firms.

**"Stuck in the Middle? Using the Exploration-Exploitation Lens to Reconcile the Generic Strategy"** with R. Banker, S. Awate, and R. Mudambi

In both research and pedagogy, strategy scholars have long distinguished between the "generic" strategies of cost leadership and differentiation, positing that the two strategies individually are superior to a "stuck-in-

the-middle" strategy that combines both. However, there is little empirical evidence for this thesis. We argue this is because while cost leadership is exploitative, differentiation may be unpacked into a downstream exploitative strategy of customer intimacy and an upstream exploratory strategy of product leadership. Inferior "stuck-in-the-middle" performance is a result of a strategic mismatch that occurs when the firm combines exploratory product leadership with exploitative cost leadership. Combining exploitative customer intimacy with exploitative cost leadership avoids this mismatch, enhancing performance. Analyzing 45,132 U.S. firm-year observations from 1995 to 2015, we find strong support for our theory.

"**Information Uncertainty and Critical Accounting Policies and Estimates**" with E. Gordon and E. Runesson

We examine the relation between critical accounting policies and estimates (CAPE) disclosures in the Form 10-K and information uncertainty, measured as analysts' forecast errors and dispersion. CAPE disclosures can either 1) increase information uncertainty by revealing unknown estimation uncertainties, 2) decrease information uncertainty by resolving known estimation uncertainties, or 3) have no effect on information uncertainty because of their discretionary and boilerplate nature. Using computerized content analysis, we create indices of estimation words, language specificity, and accounting topics. We find that more estimation words are associated with higher analysts' earnings forecast dispersion and forecast errors in the period immediately following the release of the 10-K (consistent with the first prediction). Meanwhile, more specific language, and to some extent the mention of specific accounting topics, moderates this relation, reducing dispersion and absolute forecast errors (consistent with the second prediction). This paper contributes to the literature by explicitly considering the effect of accounting disclosures of estimation uncertainty on analysts' forecast properties.

"**A Textual Measure of Porter's Generic Strategies**" with R. Banker and Y. Liang

To gain and sustain competitive advantage, a firm may orient its strategy to differentiating its products and services or reducing its costs (Porter, 1980). Most prior studies measure strategy using data from executive surveys, proprietary databases, or panelist evaluation. These research methods are costly to implement and, consequently, restrict the scope of research. We develop a textual measure of strategy using the annual 10-K filings of U.S. public firms. We validate our measure by showing that its properties and its associations with operating activities are consistent with those suggested in the prior literature. We document that our measure of strategy is associated with firm performance as expected. Overall, our approach can be useful for many potential studies in management and other business disciplines.

"**A Textual Measure of Business Strategy**" with R. Banker

This paper uses text parsing analysis on managerial self-disclosure in regulatory Form 10-K and develops a three-dimensional measure of business strategy for a large-sample over 22 years. To ensure content validity, we draw the keyword list from prior literature. Adding to the face validity of the three-dimensional measure, we show that the measure exhibits substantial variation across and within industries and changes over time in responding to economic shocks. We also observe an overall persistent trend of the measure, indicating that the measure has high test-retest reliability. Further, we examine construct validity and find that the measure behaves as theory predicts. We find evidence that different strategies imply different resource allocation to strategic investments, affect important earnings properties and accounting policies, and have different implications on firm performance. (More information is available in AAA Annual Meeting paper gallery at https://www.morressier.com/article/textual-measure-business-strategy/5f0c7d3058e581e69b05d007?)