



BY BOB SKIPPER

DR. JOHNNY CHAN SAYS HE'S FOUND HIS DREAM JOB.

"I ENJOY THE WHOLE RESEARCH-TEACHING PROCESS," HE SAID. "IT'S AMAZING AND FUN. AND I GET PAID TO DO IT."

Dr. Chan came to Western Kentucky University in 2003 as the Leon and Ruby Mai Page Chair in the Department of Accounting and Finance. He brought with him a passion of doing research and teaching that has fueled a prolific publishing career that includes more than fifty articles in refereed journals.

His publication schedule has not waned since he arrived at Western. In less than nine months since he joined Western, Dr. Chan has had ten articles published or accepted for publication. He

Enjoying the Process



Photo By Sheryl Hagan-Booth photocoilage by Tom Meacham

has been selected in a study of researchers as the leading author in financial education from 1991 to 2003, and was chosen in a survey as one of the top 100 researchers in terms of the number of financial publications over the past thirty years.

"I think the key is that you have to enjoy the classes, enjoy reading, enjoy writing your thoughts out and trying something new," Dr. Chan continued. "Sometimes the research may not work, but in those cases you just have to bury that research project and move on to something else. A lot of the time a little thing today may help you out five, six, ten years later."

While he did research in fixed income, mutual funds, real estate, and exchange rates, much of Dr. Chan's current research is focused in two areas: derivatives and financial education. Dr. Chan examines index options to see how they provide information on stock market volatility, how that volatility relates to stock market movements

and index futures movements and the interrelationships among index options, index futures and the stock market in general.

He also examines how different teaching methods, or pedagogies, could improve the student learning experience. It was during one such project — the effectiveness of collaborative learning — that Dr. Chan began to more fully understand and apply the selectivity bias concept that he was first exposed to as an undergraduate economics student.

Dr. Chan was comparing two classes to determine the effectiveness of collaborative teaching method in 1995. While many researchers would examine the grades of the students who completed the course, those methodologies did not take into

account students who dropped out, possibly because of the new teaching method. In this case, they would be missing a big chunk of data, he said.

"It is likely that a lot of researchers, when they do these

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survey research and class experiments, do not consider possible selectivity bias," he explained. "That is why the 1996 *Journal of Financial Education* paper became a very well cited paper, it was the first one that looked into the possible selectivity bias in student performance research. And that was the exciting part because I recalled something from when I was a college senior."

Ten years later, he understood the selectivity bias concept and applied it to research. "That just tells something about the lifetime learning concept and how a lot of times we might learn something we might not really understand at the time, but as long as we have some rough idea, a few years later, even ten years later in this case, you will be able to use it," said Chan. "You just have to enjoy the whole learning process and even if you don't use it the next day or next year, it will always come back. That's how I encourage my students. That's the exciting part."

Dr. Chan recently published a few articles on ranking finance departments. He calls this "research in the research of finance to see how different finance programs or finance departments rank in other parts of the world." The data were collected over a twelve-year period from 1990 to 2001, and he was able to track researchers who moved from one university to another as they continued to publish. As Dr. Chan explains, "In the past when people talked about academic department ranking, they just did the ranking without additional interpretation. That's why we received a lot of attention because when people think about moving from one job to another job, finance professors are interested in knowing the contributing factors. So it's more like an integrated economics-finance piece."

The integration of economics and finance are natural for Dr. Chan, who began his academic career as an economics major. He earned a bachelor's degree in economics from Chinese University of Hong Kong. He moved to the United States to work on a master's degree in economics at the University of Alabama. There a friend enrolled in an MBA-level finance class. "He asked me to accompany him to be a working partner, so to speak," Dr. Chan said. "I came across an excellent finance teacher and a very good scholar, Carolyn Carroll at the University of Alabama, and I found the finance subjects very exciting and very interesting."

In this kind of research, says Chan, "You pay a lot of attention to real-life situations. A lot of them are economics, but a lot are finance. This is kind of a good mix."

Since earning his doctorate, Dr. Chan has held tenured faculty positions at the University of Dayton, the University of Wisconsin-Parkside and Moorhead State University. He is also a Chartered Financial Analyst charter holder and is

serving a three-year term as a director of Midwest Finance Association.

His interest was always in the relationship between research and teaching. "I truly enjoyed the teaching process even when I was in the undergraduate program," Dr. Chan said.

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