



Development of MBA Education in China: Opportunities and Challenges for Western Universities

ZHOU Peng
Faculty of Business
University of Southern Queensland
Toowoomba Queensland Australia

Development of MBA Education in China: Opportunities and Challenges for Western Universities

ZHOU Peng
Faculty of Business
University of Southern Queensland
Toowoomba, QLD 4350

Abstract

China's embrace of the market economy has created a growing demand for business education, in particular for MBA programs. This paper first reviews development of MBA education in China as a basis for then discussing problems with current Chinese MBA teaching. Next, suggestions of how to solve these problems are presented. Finally, opportunities and challenges for Western universities to participate in China's MBA education are addressed.

Keywords: MBA, China, management education, instruction method, learning style, Confucian culture

Introduction

China has attracted increasing attention from all over the world for its growing economy in the past two decades. With a GDP of US\$1.237 trillion recorded in 2002, China is now the sixth biggest economy in the world and will be the world's second by 2030 (Newton & Subbaraman 2002). According to UNCTAD (2002), China absorbed more than US\$50 billion net foreign direct investment (FDI) in 2002. This figure is nearly one-tenth of the world total and enables China to eclipse the United States to be the largest recipient of FDI inflow worldwide. With its rapid economic development and further opening to the world market, there is an urgent need for MBA qualified professionals to boom China's economy (Newell 1999; Shi 2000; Southworth 1999). However, Chinese higher education institutes simply cannot satisfy this demand for managerial talents and the existing gap between demand and supply creates a significant market for MBA education.

This article reviews the development of MBA education in Mainland China, with particular focus on identifying current problems and proposing possible solutions. It aims to help Western business schools gain a better understanding of opportunities and challenges as brought about by this emerging international education market. Subsequently, the article consists of three parts. The first part introduces the development of MBA education in Mainland China to give interested readers a general background. Then the second part proceeds to highlight problems reflected in current Chinese MBA education and puts forward potential solutions. The final part concludes the article by pinpointing opportunities and challenges for Western business schools to develop the Chinese MBA education market.

Development of MBA education in China

China's MBA education has evolved from its three management education traditions under the planning economy and was strongly influenced by the Western approach in the late 1980s. Since the early 1990s, MBA education in Mainland China has experienced rapid developments. To better understand its current situation, this first section aims to review the development of MBA education in Mainland China in three periods. That is, traditional management education before 1978, transitional stage with influences from the West between during the 1980s, and recent development since the early 1990s.

Chinese management education traditions. From 1949 to 1978, China was a central command economy modeled from the former Soviet Union. Under the centrally-planned economic system, all production activities were planned and coordinated by either the central or provincial and municipal governments. Economic planning committees at different administration levels were responsible for allocating raw materials, setting production quotas for enterprises within their jurisdiction and distributing finished goods for the whole society. Thus, a Chinese enterprise at that time was nothing more than a production unit in the national economic system (Newell 1999). Given this background, the ultimate objective of management education in this period was to train committed communism believers who could then implement orders from the central government and convince people of Mao's ideas (Borgonjon & Vanhonacker 1994).

Accordingly, traditional Chinese management education under the central-commanded economy before 1978 was centered on Marxism ideology, in particular on Mao's ideas and socialism practice. While management theories introduced from the West in the late 1890s were preserved in some higher education institutes like Shanghai Jiaotong University, at the early stage when communists took power in Mainland China, Western management theories were gradually replaced by Soviet Union style textbooks and socialism ideology (Li & Maxwell 1989). Indeed, such subjects as organisational behavior or Western style economics were not allowed to be taught in Chinese higher education institutes before 1978, because they were considered antisocialist (Wang 1987). Based on the Soviet model, Chinese higher education institutes were restructured into three types of comprehensive universities, technological institutes and financial and economic colleges (Borgonjon & Vanhonacker 1994; Shi 2000).

Three streams of management education can be identified with these three types of Chinese higher education institutes. The first stream is economic management taught in many comprehensive universities, which dealt with management at a macro level with Marxist economics and socialism theory at the centre (Zhao 1997). The second stream is industrial management engineering lectured at technological institutes, which was largely influenced by the scientific management theory or Taylorism with an emphasis on quantitative methods rather than qualitative skills (Shi 2000). The third stream is financial management delivered at specialized financial and economics colleges, which was

designed to satisfy book-keeping requirements for the central-planned socialist economy (Wang 1987). Only after the open door policy was implemented in 1979, were more courses with a Western flavor such as strategic management, marketing, human resource management and information management system included in these three streams.

Clearly, management education was a function to serve political and economic requirements in Mainland China. Teaching focus and curriculum structure have changed over time to suit these political and economic requirements at different stages. For example, while Marxism ideology and Mao Zedong's ideas were considered as priorities during the Cultural Revolution (1966-1976), scientific management in the Taylorism tradition has been conceived as important since 1979. The reason is that such an operational focus is useful to improve production efficiency but in no way threatens the socialist ideology (Borgonjon & Vanhonacker 1994). Indeed, emphasis on such an operational approach helped the nation to quickly narrow the gap between demand and supply with most living necessities at the beginning of the economic reform.

As a result of this obsession with the operational approach, Chinese management education was preoccupied with a production-focused rather than people-oriented tradition and emphasized quantitative techniques instead of qualitative skills. As observed by many Western scholars (for example, Borgonjon & Vanhonacker 1992; Branine 1996; Warner 1992), modern management was understood in China as a science characterized with a set of well-defined methods that would naturally lead to an optimal solution to a given business problem. Therefore, traditional Chinese management education was biased toward numbers-oriented subjects such as management science, operational research, system engineering, quality management, accounting, business statistics and quantitative decision theory and forecasting techniques (Borgonjon & Vanhonacker 1994; Warner 1992). However, progressive changes have happened with more influences from the Western world since the open door policy.

Influences from the Western world. With its striving to become a market economy after 1979, China's economic structure experienced dramatic transition. Firstly, state owned enterprises (SOE) were gradually transformed from 'government production units' to independent economic entities with increased autonomy to decide what to produce and

how to market their finished goods or services. Secondly, increasing in-flow of FDI has resulted in numerous joint ventures or foreign-controlled corporations being established in China, which require to be managed according to Western standards. Thirdly, hundreds of thousands of private and rural (collectively-owned) enterprises have emerged which, to a large degree, are operating under a free market mechanism with only limited policy guidance from the local governments.

As a result, Chinese managers have been challenged to improve their managerial competence and administrative skills to cope with the changing business environment. Most of their past knowledge in management was inadequate and their roles in the national economic system have changed from bureaucratic order-takers to innovative entrepreneurs (Newell 1999). This empowerment of management has forced them to learn how to independently judge marketing opportunities, make investment and production decisions, and obtain resources in a competitive environment that is full of uncertainty and unpredictability (Borgonjon & Vanhonacker 1994). A vivid metaphor to describe this social phenomenon at the transition of Chinese economy is that a Chinese manager felt like ‘a non-swimmer being suddenly plunged into the “sea of market” by the force of reform’ and he or she ‘rushed in desperate search for new management concepts and techniques’ (Fan 1998, p. 203).

In response, the Chinese government implemented several management training schemes throughout the 1980s by taking a ‘look West’ approach (Borgonjon & Vanbonacker 1994). Among them, two are important in terms of influencing the development of Chinese MBA education. The first is a cooperative management training agreement reached between the Chinese government and the United States’ Department of Commerce in 1984, which resulted in a National Center for Industrial Science and Technology Management Development being established at the coastal city of Dalian (Fischer 1999; Li 1996). This Dalian-based program taught Chinese students MBA courses offered by Buffalo College of Administration, New York State University, complemented by subjects relating to China’s enterprise management practice delivered by the then Dalian Institute of Technology (Li 1996). The second program was sponsored by the European Commission and the China Enterprise Management Association, with the China Europe Management Institute (CEMI) being founded in Beijing in 1984 (Fischer 1999). This second Sino-Foreign program

recruited both MBA and EMBA students each year, with teaching faculty being pooled from leading business schools across Europe through the network of the European Foundation for Management Development (EFMD) (Southworth 1999).

These two international cooperative projects were lauded as successful in the 1980s but ended differently. The Sino-US program lasted for almost ten years but went out of existence in the early 1990s, due to the American government's inability to maintain its involvement (Fischer 1999). Altogether 241 MBA qualified graduates completed this program in five terms and many of them have attained high profile positions in the Chinese government (Li 1996). The Sino-European program tells a different story. During its ten year's operation from 1984 to 1994, a total of 236 Chinese managerial personnel were trained (Wang 1999). In September 1994, the Sino-European program was relocated to Shanghai and renamed as the China Europe International Business School (CEIBS), which is now a joint venture of the European Union Committee and the Shanghai Municipal Government with its own buildings and teaching facilities in the Pudong campus of Shanghai Jiaotong University (Southworth 1999). Indeed, CEIBS is now a leading international MBA education institute in Mainland China, and was ranked the 43th worldwide and the number one in Asia for its English MBA programs (Economist Intelligence Unit 2002).

These two international cooperation initiatives introduced the idea of the Western style MBA into China Mainland. At the general government level, these two international cooperation programs helped the Chinese national leaders to realize that management is a profession in a modern economy and qualified managers should be trained in a systematic way. At the more specific educational level, these two projects enabled Chinese academics to understand that management is concerned with not only the 'hard' side of management science but also the 'soft' side of administration arts. Along with modern management theories introduced by those American or European professors, Western MBA curriculum and the case study method was imported into China for the first time. Therefore, it is widely agreed that these two international cooperation projects set the foundation for the development of Chinese domestic MBA education.

Recent development in MBA programs. Given the increasing demand for professional managers in the nation's booming economy, the Chinese government decided to embark on its own domestic MBA education program in the late 1980s. With the pragmatic economic reform initiated by Deng Xiaoping, Chinese economy experienced a period of dynamic growth in the 1980s (Clarke 1999). However, the Chinese government realized that if this economic growth should be maintained it is urgent to upgrade Chinese managers' knowledge and skills (Borgonjon & Vanhonacker 1994). Consequently, a series of decisions have been made to develop Chinese domestic MBA programs since the late 1980s (Shi 2000; Wang 1999; Zhao 1997). Table 1 provides a chronological overview of major events of Chinese MBA education development since the program was introduced into Mainland China with the two above mentioned international cooperative projects.

Table 1. A chronological overview of major events of Chinese MBA education development

Year	Major events
1984	The Sino-American cooperative management training program was established at Dalian with 40 MBA intakes in 1985
1984	The Sino-European cooperative management training program was founded in Beijing with 34 MBA intakes
1988	Management professors were assembled to conduct feasibility study on setting up MBA programs in Chinese universities
1989	A task force was set up to formulate a working plan regarding training objectives, admission criteria, course structure, teaching methods and degree conferment
1990	A national decree was issued to legislate setting up MBA programs on a trial base in selected Chinese universities
1991	A National MBA Coordination Group was organised and nine Chinese universities were authorized to offer experimental MBA programs with 86 intakes in total
1993	A further 17 Chinese universities were added to the experimental list to make 26 universities eligible to offer MBA
1994	The previous National MBA Coordination Group was renamed as National MBA Guiding Committee, which proposed a guiding MBA curriculum for individual universities to follow
1995	Thirty more Chinese universities were approved to offer MBA programs, which increased the total number to 56
1996	Random quality assessments were conducted of the 56 experimental MBA programs and several national training projects were organised for core MBA subjects
1997	The GRK national MBA entrance examination system was introduced and all Chinese MBA applicants are required to sit for the test in five subjects
2001	Another six Chinese universities were approved to run MBA programs and this totals the eligible Chinese MBA institutes to 62
2002	Thirty of the 62 MBA eligible Chinese universities were permitted to offer EMBA programs

Source: compiled from sources acknowledged in the text below

As shown in table 1, an initial effort to develop Chinese domestic MBA education was made in 1988 when a number of management professors were assembled by the national Academic Degrees Committee (ADC) to conduct a feasibility study on how to carry out MBA education in Chinese universities (Li 1996). Consequently, a task force was set up in 1989 to formulate a working plan regarding training objectives, admission criteria, course structure, teaching methods and degree conferment of MBA programs to be provided in Chinese universities (Shi 2000). Then in 1990, a national decree was issued by the State Council to legislate setting up MBA programs on a trial base in selected Chinese universities (Zhou 1998).

Formal MBA education started in the early 1990s in Mainland China. In 1991, a National MBA Coordination Group was organized to implement trial MBA programs and nine universities were authorized to offer experimental MBA programs with 86 intakes altogether (Wang 1999). A further seventeen universities were added to this experimental list to make 26 universities eligible to offer MBA education in China in 1993. As Chinese higher education institutes generally lacked the necessary expertise and teaching materials for MBA education, many of these experimental universities sought assistance from their Western counterparts. To name a few, Nanjing University partnered with the University of Missouri-Columbia of the United States, Qinghua was assisted by the University of Western Ontario and Beijing University cooperated with Fordham University. Understandably, many of the Chinese MBA providers transplanted Western curriculum into their own courses (Shi 2000).

To ensure the quality of these national MBA programs, a National MBA Guiding Committee was set up in 1994 to replace the previous National MBA Coordination Group (Zhou 1998). Before that, individual universities designed and administered their own admission examinations to screen qualified applicants, subject to the recruitment quota assigned by the state Ministry of Education (Shi 2000). In order to unify entrance standards across different universities, it was decided that a national admission examination system should be established for the MBA programs (Li 1996). Also, a guiding MBA curriculum was proposed by the National Guiding Committee (this curriculum will be discussed in more detail in the next section), which individual universities are *recommended* to follow when designing their own courses.

The late 1990s witnessed the flourishing of Chinese domestic MBA programs. In 1995, thirty more universities were approved to offer MBA programs, which increased the number of authorized MBA providers to a total of 56 (Shi 2000). Beginning in 1996, the National Guiding Committee for MBA Education conducted random quality assessments of these 56 experimental MBA programs and organized several national training projects to improve Chinese MBA teachers' skills in most core subjects such as marketing and human resource management (Network of Chinese MBA 2002). Furthermore, a national MBA entrance examination system by the name of GRK, which is similar to the American GMAT, was established in 1997 and all MBA applicants are required to sit for the test in

five subjects: Chinese language and logic, English, mathematics, management, and politics (Zhao 1997). In addition, efforts were made to compile case materials that were specific to the Chinese business context (Wang 1999). Through these measures, the quality of MBA education in Mainland China has been significantly enhanced.

Chinese MBA education transmitted from the experimental stage to a development stage in 2002. Currently, 62 universities are permitted to offer MBA programs and 30 of these have been authorized to provide EMBA programs (see appendix). With the increase of officially eligible MBA programs, the annual enrollment of MBA students in Chinese universities has grown from 86 in 1991 to about 15,000 in 2002 (*People's Daily* 2002). As of April 2001, Chinese universities have enrolled more than 47,000 MBA students and 12,041 of them have graduated. However, given that there are over 284, 000 SOEs, more than 428,000 joint ventures or foreign-owned corporations and about 2,000,000 private or township enterprises in the country, there is still a huge gap between MBA supply and demand that needs to be filled (Chinese MBA Website 2002). Indeed, it is estimated that China will need millions of MBAs (Southworth 1999) for its booming economy and the annual intake of MBA students will need to be expanded to around 30,000 by 2006.

To summarize, management education in Mainland China has evolved from a political-ideology-dominated model to an economic-function-oriented approach. In particular, the rapid business growth brought about by economic reform and the open door policy has created an unsatisfied demand for professional managers. Differing from those earlier pure policy implementers required in the central command system, the professional managers demanded for the free economy should, first of all, understand the underlying mechanism of a market economy. Furthermore, they should be able to utilize available resources to maintain sustainable corporate development in a dynamic competitive environment. To meet the demand for such professional managers, Western style MBA education was imported into China in the early 1980s and Chinese MBA education has experienced a dramatic growth in the last decade of the twentieth century.

Observed problems and proposed solutions

As discussed above, Western assistance has been sought to help develop Chinese MBA education. While such a 'look West' approach was necessary in the initial learning stage, some deeper problems have gradually emerged, which need to be addressed if further progress is to be achieved. Three problems pertaining to teaching issues of MBA education in Mainland China, that is, course structure, teaching material and instruction method, are discussed in this second section with possible solutions proposed.

Course structure. The typical Chinese MBA curriculum as recommended by the National MBA Guiding Committee consists of three modules, as shown in table 2. The first module contains *fundamental* subjects that are required for the degree such as Socialist Political Economics, Foreign Language, Management Science, Managerial Economics, and Business Statistics. The second module contains *compulsory* subjects that deal with major functions of management: Accounting, Financial Management, Marketing Management, Operational Management, Organisational Behaviour, Management Information System and Strategic Management. The third module includes other *elective* subjects which allow students to pursue directions of their own interest: Business Law, Macroeconomics, Security Investment, Management Ethics, International Business, Decision Simulation, Electronic Commerce, and Management Communication. In addition, Chinese MBA students are required to do a three months' field practice for a research project and complete a mini thesis at the end of their study. A typical Chinese MBA can be finished in two-and-one-half years full-time or three years part-time (Haight & Kwong 1999).

Table 2. The typical Chinese MBA curriculum recommended by the National MBA Guiding Committee

Module	Name of courses	Hour/credit*
Degree courses	Socialist Political Economics	48/3
	Foreign Language (English)	110/6
	Management Science	48/3
	Managerial Economics	48/3
	Data, Model and Decision (Business Statistics)	48/3
Compulsory courses	Accounting	48/3
	Financial Management	48/3
	Marketing Management	48/3
	Operational Management	48/3
	Organisational Behaviour	48/3
	Human Resource Management	48/3
	Management Information System	48/3
Elective courses**	Strategic Management	48/3
	Business Law	48/3
	Macroeconomics	48/3
	Security Investment	48/3
	Management Ethics	48/3
	International Business	48/3
	Decision Simulation	48/3
	Electronic Commerce	48/3
Management Communication	48/3	
Other requirement	Field Practice (Project of Study/Research)	3 months

Note: *the teaching hour may vary depending on the university that offers the MBA program

**three to five elective courses may be required up to individual universities

Obviously, Chinese MBA programs are characterized with a ‘cocktail’ curriculum that incorporates current Western-style business courses with traditional Chinese management subjects. While such a one-for-all purpose guiding curriculum helped to keep courses of Chinese MBA program comparable across different authorized providers, it restricts individual business schools’ autonomy to decide on their own course structure and therefore to shape their competitive edge in areas of their own strength. Accordingly, the graduates will become generalists rather than specialists. As professional managers are needed in different departments of a company, considerations can be given to streamline the Chinese MBA curriculum into different specializations such as general management, human resource management, production management, management information system, marketing, international business, financial management and business accounting. Such specialization will enable MBA graduates to better meet job requirements of different management positions in the business world (Shi 2000; Wang 1999), because students would be trained to handle administrative issues in a particular area.

Different universities then need to be granted the necessary autonomy to decide on their own course structure in their chosen specialization(s) (Wang 1999). For example, comprehensive Chinese universities may wish to follow the general or human resource management direction and focus on subjects such as strategic management, organizational change, strategic leadership, organizational behavior and corporate communication, given their heritage in liberal education. Similarly, technological universities are more suitable to specialize in production management or management information system that focuses on optimal or technical solutions to workplace problems. Therefore, courses can be organized around management science, operational research, project management or information technology related subjects. Following the same logic, financial management and business accounting should be favored by the traditional financial colleges and marketing and international business with economic institutes.

A fundamental consideration of how to determine the course structure is not only what a business school can teach, but also more importantly what is needed in the labor market. Hence, authorized MBA institutes should periodically review their courses and make necessary adjustments accordingly. For instance, corporate governance seems to be an important but missing subject in the current Chinese MBA curriculum. Considering that many Chinese enterprises have been transformed to shareholding companies, practical knowledge in this field is desired in the business community (Haight & Kwong 1999). Moreover, different business schools can even further differentiate their MBA offerings by focusing on a particular aspect of a chosen specialization. For example, while marketing can be a popular specialization with many universities, a particular business school may choose to focus on electronic business to create a competitive edge for itself.

In short, Chinese MBAs should diversify their curriculum by narrowing their teaching focus on alternative specializations. While the fundamental and compulsory modules seem to be applicable to all specializations and therefore can be maintained, the elective module needs to be re-designed to accommodate more courses for different specializations. For example, suitable courses for a marketing specialization in the elective module may include consumer behavior, advertising, marketing communication, marketing channels, marketing management, market research, e-marketing and international marketing. In this way, different business schools may pursue their own differentiation basis in the elective module

while maintaining comparable components in the fundamental and compulsory modules.

Teaching material. Another problem pertaining to MBA education in Mainland China is the lack of applicable teaching materials. Most teaching materials used in current MBA programs are either compiled or written by Chinese academics based on Western textbooks or simply imported from English-speaking countries like the United States and United Kingdom. The major problem with these teaching materials is that the theories and case studies are contrived in a Western background and therefore lack relevance to Chinese business practice. To contextualize these teaching materials, not only should some of the content be rewritten but also many Chinese specific issues should be addressed and incorporated (Newell 1999). For example, while ‘mianzi’ (which means personal concern about one’s moral integrity and social status) and ‘guanxi’ (which means one’s personal network or connections through which favors can be gained) are at the core of Confucian culture and influence Chinese behavior to a great degree, these concepts are almost never touched in any Western organizational or consumer behavior textbooks.

More specifically, two approaches can be observed regarding usage of Western imported teaching materials in Chinese MBA programs. The first approach is to translate popular Western MBA textbooks into Chinese and then deliver the courses to Chinese students in their native language. This first approach is popular with most Chinese MBA programs that are designed to meet the needs of domestic SOEs. The reason is that most of the students enrolled in these programs are less competent in English, although they have to pass the GRK entrance test, and they are going to work under the Chinese domestic environment. The second approach simply adopts original Western MBA textbooks and all subjects are then taught in English. This second approach is embraced by some premiere MBA programs such as the BiMBA program at Beijing University. These premiere MBAs have a clear international orientation and the English requirement for the students is normally higher, because the graduates are more likely to be employed by Sino-foreign joint ventures or multinational corporations.

The contextualizing issue applies regardless of which approach is taken. Although it is beneficial for the international MBA programs to adopt original English textbooks, the focus should be put on effectively transferring applicable management knowledge and

administrative skills rather than on simply enhancing students' English capability. As knowledge described in the English textbooks is a product of Western culture, Chinese students often lack the cultural background to fully appreciate its underpinning meaning (Newell 1999), even if they have a good command of the language. Therefore, efforts are needed to relate the Western management theories to ongoing Chinese economic reform so that the students can better grasp the knowledge and are capable of applying it to practice. For those domestic oriented MBA programs taught in Chinese, attention should be paid not only to accurate translation of Western textbooks but also to incorporating best Chinese business management practice into content and delivery of appropriate courses. In either case, supplementing Western teaching materials with Chinese local examples or case studies is a feasible way to help Chinese learners to better understand theories or concepts borrowed from the West (Berrell, Wrathall & Wright 2001; Thompson 2000).

Indeed, applicability of management knowledge is confined to political, social, cultural and economic constraints. While some best business practice may have a universal application, others tend to be culturally specific and thus direct or even modified transfer is difficult or impossible (Howe & Martin 1998). In support, it is argued that uncritical copying of Western management theories and techniques to developing countries could result in organizational inefficiency and ineffectiveness (Jaeger 1990). As a matter of fact, Chinese managers' understanding of managerial work in many cases is different from that of their Western counterparts, due to the collective nature of Chinese culture (Berrell, Wrathall & Wright 2001; Warner 1993). For example, in the West, human resource management is concerned with handling relationships between workers and their organization and therefore it is mainly an administrative process of implementing established regulations or procedures. However, in China, this practice is often more likely to be influenced by many other human factors like 'renqing' (which means giving or gaining favors by not abiding by strict regulations or procedures) or 'guanxi' and so has to deal with other issues beyond its boundary like conflicts in an employee's family.

Most importantly, Chinese wisdom of business management should be appreciated in the MBA teaching materials and this will contribute to knowledge building for the academic community worldwide. While Chinese academics and students have developed mounting enthusiasm for Western management theories or concepts, much ancient Chinese wisdom

such as Sunzi's *Art of War* and Zhu Geniang's thirty-six strategies have also been introduced to the West. More recently, Chinese enterprise restructuring has attracted attention worldwide and it is regarded that many lessons can be learnt from Chinese successful economic reforms (Chen & Jefferson 1992; Lin & Cai 1996). There is no reason why this knowledge should not be recognized by and introduced to the Chinese MBA students. In this regard, efforts are needed from Chinese scholars involved in MBA teaching to publish more China specific teaching materials so that not only their teaching performance can be enhanced but also academics from other countries can benefit from this knowledge.

Instruction method. Much of the criticisms about Chinese MBA education focus on instruction methods. As learning in traditional Chinese culture is mostly a one-way process of knowledge transferring from teachers to students, typical Chinese teaching is characterized by dominate lecturing of the teacher and rote learning of the students (Haight & Kwong 1999). Teachers' responsibility in the classroom is twofold: instilling ideas and maintaining discipline. All students are *forced* to concentrate on listening to whatever the teacher says in the classroom; otherwise they will be reprimanded or punished. Students are often occupied with note taking during the class because no ready made handouts are available. In many cases, there will be only one correct or standard answer to a question of assignments or examinations. As a result, cues are sought from the instructor and students will collaborate after class. Such instruction methods have been practiced in China since Confucius and can be still observed with Chinese MBA teaching nowadays (Chan 1999).

Obviously, this traditional 'chalk-and-talk' method is not appropriate and a more interactive approach is needed for effective MBA education in China. As realized by many Chinese scholars (for example, Shi 2000; Wang 1999; Zhao 1997), practical skill training is as important as theoretical knowledge learning for MBA education. Skills that should be emphasized to Chinese MBA students include analytical thinking and professional communication (Haight & Kwong 1999). While many Chinese students are good at memorizing theories or concepts from the textbook, they generally lack capabilities to apply abstract theories or concepts to analyze practical problems in the business world (Chan 1999). On the other hand, Chinese MBA students are relatively weaker in practical communication skills in terms of public speaking and professional writing (Haight & Kwong 1999), partly due to the fact that they seldom get any detailed comments on

mistakes made in their oral presentations or written assignments. To cultivate Chinese students' capabilities in these areas, it is important to create an interactive atmosphere in classroom by utilising different instruction methods such as case studies, group discussing, role playing and team working.

However, one major obstacle of MBA education in China is the lack of qualified teaching staff. As most Chinese MBA lecturers were trained to teach traditional theory-focused Chinese management subjects, they generally lack practical knowledge of the business world (Zhou 1998). Furthermore, a lack of proficiency in English hinders many MBA teaching staff from keep abreast of new development in business education in developed countries (Shi 2000). In fact, many Chinese MBA instructors still rely on their past knowledge of Chinese management to teach MBA students more or less in the traditional way (Chen 1997). To solve this problem, Chinese business schools should try to recruit more Western educated academics to join their MBA teaching staff and expand their exchange programs with Western universities. Also, Chinese MBA lecturers should be encouraged to conduct business consulting projects so that they can gain more knowledge of the practical world. Furthermore, guest lecturers can be invited from the business world to conduct seminars or workshops with MBA students and visiting scholars from developed countries can be used to teach MBA subjects.

Attention should also be paid to transform Chinese MBA students from passive listeners to active learners. Chinese students tend to be quiet and are often reluctant to express their opinions in classroom situations, because they are afraid of offending others by giving inappropriate or immature comments and therefore losing face in public (Bond 1992). As Chinese students are often geared to arriving at the 'right solution' to a problem, they get used to obtaining concrete answers from the lecturer and generally lack independent critical thinking capability to solve practical problems (Chan 1999). To change this Chinese students' typical learning style, a more student-centered, participative teaching approach should be adopted by Chinese MBA lecturers. That is, Chinese MBA students should be encouraged to conduct more discussion and presentation in class. Rather than traditional closed examination, their study performance can be assessed by more analytical activities such as academic essays, project reports and case studies. In this way, both their critical thinking capabilities and professional communication skills can be improved over

time and hopefully in the end they will evolve from passive listeners to active learners.

Many modern teaching techniques can be utilized to implement the interactive approach. Besides case study and computer simulation that have gained popularity with Chinese MBA education, other modern techniques such as lecturing with assistance of PowerPoint slides, teleconferencing and virtual discussion group on the internet are also beneficial (Dacko 2001). Using PowerPoint slides while lecturing with handouts available will relieve Chinese students from busy note taking and therefore make the lecture less of a burden and more enjoyable. With teleconferencing, more experienced academics as well as business practitioners from the country or even over the world can be pooled to give lectures and thus students may have opportunities to be exposed to diverse ideas and teaching styles. Engaging students in online discussion may not only make the learning process more interesting (as students can experience the cutting edge information technology) but also help to overcome Chinese students' concern of 'face' (as participants can disguise their names).

In summary, Chinese MBA education suffers from a narrowly defined curriculum, a shortage of appropriate teaching materials and out-of-date instruction methods. To improve Chinese MBA education quality, not only efforts are needed to streamline the Chinese MBA curriculum into specializations and develop teaching materials specific to Chinese business environment, but also attention should be paid to change the teaching approach from the traditional lecture format to one that is more conducive to participative learning so that students can think critically.

Opportunities and challenges for Western institutes

China's unsatisfied demand for MBA qualified professional managers and its limited capacity to supply provide many opportunities for Western business schools to tap into the emerging market. However, differences between Chinese and Western culture has also brought about many challenges for Western professors to teach Chinese MBA students. While the opportunities should not be missed, the challenges also need to be realized.

Marketing opportunities. With rapid economic development and its 1.3 billion population, China is emerging as the world largest market for international education. As a result of its open-door policy and ongoing economic reform, China has successfully maintained an average GDP growth over 9 percent for the past two decades (Cai & Wang 2002; Morrison 2002). As China's free market continues to flourish, foreign higher education degrees are sought after by more and more young Chinese. In particular, an MBA accredited in Western countries is most favored, because business elites are heavily needed in the country and well rewarded in salary (Jennings 2001a). Meanwhile, the market for management education within many Western countries has reached maturity and universities in these countries are facing the problem of decreased financial support from their governments (Howe & Martin 1998). Therefore, forces of both demand and supply have led to many Western universities establishing a presence in the Chinese market.

One way to exploit this market opportunity is to attract Chinese students to study overseas. From 1978 to 1998, China has sent over 320,000 students to study overseas in 103 countries (Shen 2000) and currently around 50,000 fee-paying Chinese students go to study abroad every year (Yi 2001) and this number is increasing at 20 percent annually (*People's Daily* 2001). English-speaking countries accounted for approximately 75 percent to 80 percent of Chinese students abroad and the top four destination countries favored by prospective Chinese students are the United States, Canada, the United Kingdom and Australia (Böhm & King 1999). China's share of the total international students in these host countries has increased significantly in recent years. In the United States, United Kingdom and Australia, Chinese students make up more than 10 percent of all international enrolments. Thus China has become the number one source country for these host countries. Of these Chinese students, about 30 to 40 percent are enrolled in business courses (Böhm & King 1999; Economist 2003).

Another option is to establish a direct presence in the Chinese market and deliver courses locally. While millions of MBA qualified professionals will be needed (Southworth 1999), so far only about 15,000 MBA holders have graduated from the authorized Chinese universities. It is estimated that the Chinese executive education market is at about 250 million American dollars in 2002 and will reach 400 million in 2006 (Ribeiro 2002). Given this huge gap between demand and supply, many Western business schools have promoted

their MBAs to China. While accurate statistics are unavailable, it is estimated that hundreds of foreign involved MBA education or training programs are currently running in Mainland China, either permitted by the Chinese central government or in collaboration with regional authorities (Shi 2000). As the Chinese central government maintains strict control over foreign degrees being offered in China, a common way to tap into the market is to build alliances with local Chinese educational institutions. Other alternatives include cooperating with major multinational companies in China which have an immediate demand to train their local Chinese employees or selling courses over the internet with assistance of a local agent to recruit and administrate students.

Indeed, demand for international-minded MBAs is growing as a result of China's 2001 accession to the WTO. As more and more foreign companies are rushing into the rapidly growing Chinese market, managers with knowledge of Western business practice and administrative skills to deal with Chinese culture are well sought after by multinationals (Frazer 1999). Since most Chinese domestic universities are incapable to give students the desired international perspective, Western and Sino-foreign joint MBA programs are preferred by prospective Chinese students as well as potential MBA employers for their global outlook (Jennings 2001b). With further reform in the Chinese higher education sector, restrictions on entry of foreign universities into the Chinese market are likely to be relaxed (Shi 2000). This will lead to more Western MBAs being delivered in China and competition for Chinese students will eventually become more intensive. To be better positioned in the market, many Western business schools are beginning to establish satellite branches in major cities of China and tailoring their courses to suit the local needs.

Pedagogical challenges. While the market opportunities are promising, pedagogical challenges should also be realized. The major challenge comes from learning differences between Chinese and Western culture. According to Redding (1990), Chinese learning is characterized with: emphasis on perception of the concrete; non-development of abstract thought; emphasis on particulars rather than universals; practicality as central focus; and concern for reconciliation, harmony and balance. In contrast, good learning in the West typically revolves around: deeper knowledge of concrete facts; use of abstract frameworks for conceptualization; importance of universals over particular; emphasis of theory; and capability development through competition, participation and observation (Biggs 1994).

Western professors may find it helpful to be aware of these cultural differences when assigned to teach Chinese MBA students. For example, in essay writing, many Chinese students are likely to be descriptive rather than analytical. If any arguments are developed, they are likely to be based on personal opinions instead of credible evidence, because in Chinese tradition knowledge is not open to challenge and Chinese tend to take a holistic rather than a positive approach to justification. Not many Chinese students will appreciate using diagrams or figures to demonstrate understanding of sophisticated issues, because they have learnt from solid examples rather than abstract conceptualisation. Discussion may either not refer to relevant theories or concepts of the subject or simply be copied from the textbook without acknowledging sources. This is largely due to the fact that many Chinese students simply have never been told how to cite correctly in a consistent style in their previous study. Quite often, many parts of the students' assignments will appear to be similar or even identical, as many Chinese students will collaborate after class to crack the 'right' answer for a question.

These differences should also be made clear to Chinese students if they are expected to perform well with a Western MBA. It might be a good idea to explain referencing issues and communication skills in much more detail to Chinese students at the very beginning of their study. As well, avoidance of unethical behaviours such as plagiarism and collusion need to be emphasised. Most importantly, attention should be paid to help Chinese students to overcome constraints of Chinese culture so that their critical thinking capabilities can be cultivated (Martinsons & Martinsons 1996). In group discussion, Chinese students should be encouraged to express different ideas. To make them more participative, instructors could chat with them after class to establish some kind of personal relationship. Once adjusted to the Western higher education system and after overcoming the language barrier, many Chinese students can outperform their Western counterparts in many areas (Stevenson & Lee 1996).

More fundamentally, Western academics need to understand the Chinese business environment if they hope what they teach to the Chinese students can be useful. Since most theories or concepts of a Western MBA subject were developed predominantly in Anglo-Saxon societies and are based on Western values, their applicability to Chinese reality needs to be scrutinised. A recent report noted that many Chinese business school

graduates are so focused on Western-derived models that they lose the local perspectives and skills to solve problems (Anonymous 2002). In one case, a group of Chinese MBA graduates developed a well researched proposal based on a Western model for an energy-trading project in Shanxi province of China. But unfortunately they ignored the need to build relationships with local officials. Understandably, the project was killed by the local officials at the end. This example vividly illustrates that the application of Western theory to China has to consider influences of Chinese culture.

Conclusion

MBA education has witnessed rapid expansion in Mainland China since the early 1990s to meet the economic development of the country. However, due to influences of its earlier management education traditions, Chinese MBA education is suffering from a narrowly defined curriculum, a shortage of qualified teaching staff and outdated instruction methods. To improve Chinese MBA teaching quality, accredited universities need to be able to decide their own course structure according to the demands of the labour market, business schools should embrace a more participative teaching approach so that students' critical thinking capability and professional communication skills can be improved. Most importantly, Chinese business academics should focus on developing more localised teaching materials and case studies that are specific to Chinese reality. Meanwhile, the existing gap between supply of and demand for Chinese MBA graduates offers a good opportunity for Western business schools to tap into the most populated market. To enable effective learning to occur with Chinese MBA students, not only should the courses be tailored to the target market but also many cultural obstacles need to be overcome.

References

- Anonymous 2002, 'MBAs Lose Perspective,' *Far Eastern Economic Review*, vol. 164, no. 21, May 30, p. 24.
- Berrell, M, Wrathall, J & Wright, P 2001, 'A Model for Chinese Management Education: Adapting the Case Study Method to Transfer Management Knowledge,' *Cross Cultural Management*, vol. 8, no. 1, pp. 28-44.
- Biggs, J 1994, 'Asian learners through Western eyes: an astigmatic paradox,' *Australian and New Zealand Journal of Vocational Educational Research*, vol. 2, part 2, pp. 40-63.
- Böhm, A & King, R 1999, *Positioning Australian Institutions for the Future: An analysis of the international education markets in the People's Republic of China*, IDP Education Australia, Sydney.
- Bond, M H 1992, *Beyond the Chinese Face – Insights from Psychology*, Oxford University Press, Oxford.
- Borgonjon, J & Vanhonacker, W R 1994, 'Management training and education in the People's Republic of China', *The International Journal of Human Resource Management*, vol. 5, no. 2, pp. 327-356.
- & — 1992, 'Modernizing China's managers', *The China Business Review*, September-October, pp. 12-18.
- Branine, M 1996, 'Observations on training and management development in the People's Republic of China', *Personnel Review*, vol. 25, no. 1, pp. 25-39.
- Cai, F & Wang, M 2002, 'How fast and how far can China's GDP grow?' *China & World Economy*, vol. 10, no. 5, pp. 9-15.
- Chan, S 1999, 'The Chinese learner – a question of style', *Education + Training*, vol. 41, no. 6/7, pp. 294-304.

Chen, K & Jefferson, G H 1992, 'Lessons from China's economic reform,' *Journal of Comparative Economics*, vol. 16, no. 2, pp. 201-226.

Chen, R 1997, 'The quality of managers and the quality of MBA education', *Academic Degree and Graduate Education*, issue 5, pp. 53-56 (in Chinese).

Chinese MBA Website 2002, 'China will speed up its development of MBA education', viewed 18 December 2002, <<http://www.mba.org.cn/news/old1205/704.html>>, (in Chinese).

Clarke, T 1999, 'Economic growth, institutional development and personal freedom: the educational needs of China,' *Education + Training*, vol. 41, no. 6/7, pp. 336-343.

Dacko, S G 2001, 'Narrowing skill development gaps in marketing and MBA programs: the role of innovative technologies for distance learning,' *Journal of Marketing Education*, vol. 23, no. 3, pp. 228-240.

Economist 2003, 'Western promise: Chinese students are flooding in to British universities,' *The Economist*, vol. 366, issue 8317, March 29, p. 53.

Economist Intelligence Unit 2002, 'Which MBA?' viewed 18 May 2003, <<http://mba.eiu.com/index.asp?layout=2002rankings>>.

Fan, Y 1998, 'The transfer of Western management to China,' *Management Learning*, vol. 29, no. 2, pp. 201-221.

Fischer, W A 1999, 'To change China redux: a tale of two cities,' *Education + Training*, vol. 41, no. 6/7, pp. 277-285.

Frazer, A J 1999, 'A scouting report on training options,' *The China Business Review*, vol. 26, no. 1, pp. 44-47.

Haight, G T & Kwong, K K 1999, 'Future of the MBA in China', *Business Forum*, vol. 24, nos. 1/2, pp. 33-36.

Howe, W S & Martin, G 1998, 'Internationalisation Strategies for Management Education,' *Journal of Management Development*, vol. 17, no. 6, pp. 447-462.

Jaeger, A 1990, 'The Applicability of Western Management Techniques in Developing Countries: A Cultural Perspective,' in A. Jaeger and R. Kanungo (eds), *Management in Developing Countries*, Routledge, London.

Jennings, R 2001a, 'China embraces the MBA,' *Far Eastern Economic Review*, vol. 164, no. 28, p. 61.

— 2001b, 'MBAs in China: Is the demand being met?' *China Staff*, September, pp. 6-8.

Li, G & Maxwell, P 1989, 'Higher business education in China', Working Paper 4-89, Curtin Business School, Curtin University of Technology, Australia.

Li, S 1996, 'MBA: fast-track to success,' *Beijing Review*, April 8-14, pp. 17-20.

Lin, J Y & Cai, F 1996, 'The lessons of China's transition to a market economy,' *CATO Journal*, vol. 16, no. 2, Fall, pp. 201-232.

Martinsons, M G & Martinsons, A B 1996, 'Conquering cultural constraints to cultivate Chinese management creativity and innovation,' *Journal of Management Development*, vol. 15, no. 9, pp. 18-35.

Morrison, W M 2002, *Issue Brief for Congress: China's Economic Conditions*, Foreign Affairs, Defense, and Trade Division, American Congress, updated May 29.

Newell, S 1999, 'The transfer of management knowledge to China: building learning communities rather than translating Western textbooks?' *Education + Training*, vol. 41, no. 6/7, pp. 286-293.

Network of Chinese MBA 2002, 'National MBA Guiding Committee,' viewed 4 December 2002, <<http://www.mba-a.com/mba05.asp>>, (in Chinese).

Newton, A & Subbaraman, R 2002, *China: Gigantic Possibilities, Present Realities*, Lehman Brothers.

People's Daily 2002, 'China will speed up development of MBA education, the planned recruitment for 2002 is 15,000', 12 May, (in Chinese).

— 2001, 'Hot and cool thinking over studying abroad – reflections on China international higher education exhibition tour 2001,' 18 February, (in Chinese).

Redding, G 1990, *The Spirit of Chinese Capitalism*, Walter de Gruyter, New York, NY.

Ribeiro, T 2002, 'China seeks growth,' *The Banker*, August, p. 82.

Shen, L 2000, 'Thirty-two hundred thousands study overseas in twenty years,' *Life Daily*, 6 January, Study Abroad Information Section, (in Chinese).

Shi, Y 2000, 'A status report on MBA education in China,' *International Journal of Educational Reform*, vol. 9, no. 4, pp. 328-334.

Southworth, D B 1999, 'Building a business school in China: the case of the China Europe International Business School (CEIBS),' *Education + Training*, vol. 41, no. 6/7, pp. 325-330.

Stevenson, H W & Lee, S Y 1996, 'The academic achievement of Chinese students,' in *The Handbook of Chinese Psychology*, ed. M. H. Bond, Oxford University Press, Hong Kong, pp. 124-142.

Thompson, E R 2000, 'Are Teaching Cases Appropriate in a Mainland Chinese Context? Evidence From Beijing MBA Students,' *Journal of Education for Business*, vol. 7, no. 1, pp. 108-112.

UNCTAD 2002, 'UNCTAD PREDICTS 27% DROP IN FDI INFLOWS THIS YEAR: China may outstrip U.S. as world's largest FDI recipient,' TAD/INF/PR/63, 24/10/02, viewed 1 May 2003 <<http://www.unctad.org/Templates/Webflyer.asp?docID=2832&intItemID=2068&lang=1>>.

Wang, Z 1987, 'Management education in China: retrospects and prospects', Management Paper No. 5, Graduate School of Management, Monash University, Australia.

Wang, Z M 1999, 'Current models and innovative strategies in management education in China', *Education + Training*, vol. 41, no. 6/7, pp. 312-318.

Warner, M 1993, 'Human Resource Management with Chinese Characteristics,' *International Journal of Human Resource Management*, vol. 4, no. 1, pp. 45-65.

— 1992, *How Chinese Managers Learn*, Macmillan, London.

Yi, Y 2001, 'Promotion war in hot for international education market,' viewed 1 July 2001, <<http://abroad.netbig.com/head/h1/456/20010629/105509.htm>>, (in Chinese).

Zhao, S 1997, 'MBA graduate education in the People's Republic of China', *Journal of the Australian and New Zealand Academy of Management*, vol. 3, no. 1, pp. 59-66.

Zhou, W 1998, 'MBA education in China', *Journal of Higher Education in Jiangshu*, issue 3, pp. 64-66 (in Chinese).

Appendix: A list of 62 officially approved Chinese universities to offer MBA programs*

1. Xi'an Jiaotong University**
2. Qinghua (Tsinghua) University**
3. Tianjin University**
4. Shanghai Jiaotong University**
5. Renmin University of China**
6. Zhejiang University**
7. Shanghai University of Finance & Economics**
8. University of Science and Technology of China
9. Harbin Institute of Technology**
10. Tongji University**
11. Fudan University**
12. Zhongshan (Sun Yat-Sen) University**
13. Dalian University of Technology**
14. Nanjing University**
15. Hunan University**
16. Xiamen University**
17. Huazhong University of Science and Technology**
18. Wuhan University**
19. Nankai University**
20. Beihang University (Beijing University of Aeronautics & Astronautics)
21. Beijing (Peking) University**
22. China University of Mining & Technology
23. Central South University
24. Southeast University
25. Wuhan University of Technology
26. Southwest Jiaotong University
27. Jilin University
28. DongBei (Northeast) University of Finance & Economics**
29. Jinan University**
30. Northern Jiaotong University**
31. South China University of Technology**
32. Zhongnan University of Economics and Law**

33. Beijing Institute of Technology**
34. Northeastern University
35. Nanjing University of Science and Technology
36. Tianjin University of Finance & Economics
37. Sichuan University
38. South Western University of Finance and Economics**
39. Northwestern Polytechnical University
40. University of Science and Technology Beijing
41. Chongqing University**
42. Liaoning University
43. Shandong University
44. Harbin Engineering University
45. Beijing University of Posts & Telecommunications
46. University of Electronic Science and Technology of China**
47. Shanxi University of Finance & Economics
48. Hebei University of Technology
49. Yunnan University
50. Guangxi University
51. University of International Business and Economics**
52. Jiangxi University of Finance & Economics
53. Zhengzhou University
54. Northwest University
55. Inner Mangolia University
56. Lanzhou University
57. Donghua University
58. East China University of Science and Technology
59. Xi'an University of Technology
60. Shanghai Maritime University**
61. Xinjiang Institute of Finance and Economics
62. Guizhou University of Technology

Note: *this list is based on the 2002 ranking of Chinese MBA programs published by the Guangdong Academy of Management Science.

**These universities also have been authorised to run EMBA programs and their ranking is in the same sequence as appeared in the list.