



# Copying from others or developing locally?

## Successes and challenges of MBA education in China (1990-2010)

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### Abstract

**Purpose** – The purpose of this paper is to examine the uniqueness of management development in China during 1990 and 2010 as represented by the MBA education, and to explore its successes and challenges in the Chinese transitioning context.

**Design/methodology/approach** – The authors adopted an approach that integrated content analysis of literature, historical data and interviews.

**Findings** – It was found that successful practices such as the National MBA Education Supervisory Committee, the top-down approach by the government, the emphasis on international collaborations and faculty development, national MBA entrance examinations, and other related measures have maintained the MBA education system on its current development course, while challenges from the ever-changing context, the balance between internationalization and localization, curriculum design with the Chinese characteristics will continue to shape the future of MBA education in China.

**Practical implications** – Copying from others for management development in the initial stage may be feasible, but it is the localization that ensures flexibility and sustainability.

**Originality/value** – There has been insufficient systematic assessment of MBA education in China. This paper examined MBA practices and challenges in the past two decades of development and offers policy implications for future program development.

**Keywords** Management development, Master of business administration, Localization, China

**Paper type** Research paper

### Introduction

In 2010, China adopted the “Outline of China’s National Plan for Medium and Long-Term Education Reform and Development (2010-2020)” that announced “a strategic goal to be achieved by 2020 is to fundamentally modernize education, shape a learning society, and transform China into a country rich in human resources[1]”. This guideline will exert a significant influence throughout the education system and on the human resource management (HRM) practices in China. As an integrated part of the education system and a special form of management development, MBA education in China was transplanted from the west (Fan, 1998; Tong, 2000; Berrell *et al.*, 2001; Bai and Enderwick, 2005) and has been recognized as a crucial component for developing Chinese managers (Wang, 1999; Wu and Tong, 2001; Berrell *et al.*, 2001; Guo *et al.*, 2009).

In China, MBA education has experienced ups and downs due to lack of experience, societal acceptance, and instructional resources, especially in the initial period (Zhao *et al.*, 2003; Wu and Tong, 2001). It has also played a vital role in developing Chinese local management talents. According to China National MBA Education Supervisory Committee (CNMESC, 2010), the number of MBA programs in China has increased by 20 times, from nine to 182, during the past two decades. The number of annual



admissions has grown from 94 in 1991 to over 30,000 in 2010. Pressured by the need of producing more managers, most MBA programs simply copied the US model (Zhao *et al.*, 2003) with management concepts and models originated from the west and with singular instructional methods (e.g. lecturing) in early times. The US model was featured with “functional silo” curriculum design which led to a professional degree of MBA (Zhao *et al.*, 2003, pp. 219-20). While the US model is a prevailing one in the world, it has been criticized in almost all areas of operations (Friga *et al.*, 2003; Mazza *et al.*, 2005; Mintzberg, 2004; Navarro, 2008).

### Significance and purpose

At a time China reaches a milestone of two decades of MBA education, insufficient systematic assessment of the development of MBA education in China is available in the literature. As a global phenomenon, examining the evolution and challenges experienced in the nation’s MBA education may offer policy implications for future MBA program development.

The purpose of this study is to systematically analyze the successes and challenges of MBA education as a special form of management development and unveil the unique way of human resource development (HRD) in China during 1990-2010. We first provide a descriptive overview of historical context for management education in China, and then focus on its successful practices of MBA education in the past two decades and the challenges ahead. We further explore implications for the future management development endeavors.

### Method

We employed a multi-methods approach, combining content and historical analysis as well as interviews with key stakeholders. We first searched the Web of Knowledge and the China Knowledge Resource Integrated Database with combinations of the following keywords: MBA education, China, HRM, management development, successes, challenges, localization, and globalization. We identified 121 related articles in English and Chinese languages. The articles were reduced to around 30 after a first-round review, indicating the scarce literature in this area. We then approached the CNMESC, which provided generous support with exclusive documents such as regulatory policies, evaluation reports, and meeting minutes from 1988 to 2009. A subsequent coding-based content analysis was conducted to derive themes. Holsti’s (1969) intercoder reliability formula was adopted to check the consistency of separate coding decisions by the two authors (coders) and it produced a coefficient of 0.91. The method of frequency count for themes was adopted. We identified 20 thematic items falling in two general categories, successes and challenges, of MBA education (Table I).

Furthermore, we conducted semi-structured interviews with 26 deans of leading business schools, 53 instructors, 68 domestic and international students, 32 graduates, and 25 human resource managers from Chinese and multinational companies. The informants were selected randomly on various occasions, such as the Dean’s conferences organized by CNMESC, alumni gatherings, and visits to different schools and companies during 2009-2010. The interviews were conducted through phone calls or face-to-face conversations. Interviewees were asked to identify three successes and three challenges of MBA programs in China out of the 20 items identified through

**Table I.**  
20 items related to  
successes and challenges  
of MBA education in  
China

Frequency rank	Successes	Challenges
1	CNMESC	Changing environments
2	International collaborations	Curriculum design
3	Faculty development	Faculty development
4	National MBA entrance exams	Localization
5	Collaborations with government agencies	Internationalization
6	National MBA program assessment	Admission reform
7	Steady growth in MBA programs	IT technology and pedagogical innovations
8	Keeping up with the needs of the economic development	Specialization of MBA programs
9	Consensus on MBA education philosophy	Case development
10	Improved teaching materials	MBA program administration and services

the literature review (Table I). The interview results were summarized in Table II. The top six successes and four major challenges are to be presented subsequently.

### Management education in China: the historical context

The modernization of China can be categorized into three stages. The first stage was from the end of nineteenth century (the late Qing Dynasty) to 1949 when the People's Republic of China was founded. The second stage was from 1949 to 1978 when China opened its door to the world under the leadership of Deng Xiaoping (Zhao *et al.*, 2003). The third stage was from 1978 to present. Along with the modernization process,

Frequency rank	Successes	Interview results <sup>a</sup> (%)	Challenges	Interview results <sup>a</sup> (%)
1	CNMESC	39	Changing environments	54
2	International collaborations	46	Curriculum design	43
3	Faculty development	42	Faculty development	41
4	National MBA entrance exams	34	Localization	51
5	Collaborations with government agencies	31	Internationalization	36
6	National MBA program assessment	30	Admission reform	21
7	Steady growth in MBA programs	31	IT technology and pedagogical innovations	19
8	Keeping up with the needs of the economic development	23	Specialization of MBA programs	18
9	Consensus on MBA education philosophy	11	Case development	5
10	Improved teaching materials	7	MBA program administration and services	7

**Table II.**  
Successes and challenges  
of MBA education in  
China

**Note:** <sup>a</sup>The interview results here refer to the percentages of informants who choose the items as the top 3 successes and challenges

the need for managers has also grown at an unprecedented speed, particularly for the third stage.

China lost an opium war in the mid-nineteenth century and became semi-colonized. A self-strengthening movement gained momentum and attempted to learn from the advanced technologies in the west to resist the invasion of Western powers. Zhang Zhidong (1837-1909), a statesman and educational reformer (Ayers, 1971; Twitchett and Fairbank, 2008), advocated the idea of “Learning from Chinese for fundamental principles, learning from the west for practical application” in 1898 (Ayers, 1971). Essentially, he advocated a balance between the Chinese heritage and adoption of western scientific knowledge and technical skills. In the first-half of the twentieth century, the industrialization in China intensified and demanded more talents with scientific and technical knowledge. It was a beginning period for formal management education in China.

During the 1950s-1970s, China’s economy was dominated by state-owned enterprises. The 1950s saw the establishment of an “economic carder training system” and mainly relied on then Soviet Union for personnel training (Goodall *et al.*, 2004). The cultural revolution from 1966 to 1976 witnessed the drastic setback on the training of managerial personnel along with the suffering economy (Zhao *et al.*, 2003).

Deng Xiaoping’s efforts in modernizing China in 1978 triggered the growing need for managerial talents. The late 1970s-1990s was considered an experimental period and the economy started transitioning from “a sluggish Soviet-style centrally-planned economy to a more market-oriented economy” (Yang and Zhang, 2003, p. 349). Most businesses operated on a limited scale and the managers were usually appointed by the governing body, and there was no such notion as “professional managers”. In 1993, the government specified its goal to build “a socialist market economy” and the enterprise law came into effect. It was the same period that MBA education took off in China. Clearly management education has been intertwined with the economic development stages.

The concept of MBA was first born in the USA when Harvard Business School (HBS) launched the first program in 1908. In the early 1980s, two major joint initiatives with international assistance introduced modern management concepts to China. One was National Center for Industrial Science and Technology Management Development co-sponsored by the US Government in 1980. The other grew out of the China Europe Management Institute assisted by the European Commission, and later developed into China Europe International Business School (CEIBS) located in Shanghai (Fischer, 1999). Meanwhile, a group of visionary Chinese educators began to explore the possibility of launching domestic MBA programs with the Ministry of Education (MOE). One of them, Cheng Siwei, now Chairman of CNMESC, even enrolled in an MBA program in the USA for a first-hand experience in MBA studies. A few other forerunners conducted an in-depth research on MBA education in the USA in the 1980s that had generated significant impact on the development of MBA in terms of curriculum design and program administration (Wu and Tong, 2001; Zhao *et al.*, 2003). These forerunners were acutely aware that they needed uphold the guideline, “rely on oneself, draw the advantages of counterparts, learn from past experiences and form one’s own characteristics” (Wu and Tong, 2001, p. 1). This principle echoes with the idea by Zhang Zhidong a century ago.

During 1988-1989, Chinese Government initiated extensive discussions on launching MBA programs and conducted a feasibility study with the assistance of several Chinese universities. The MOE then authorized the first cohort of nine schools to pilot MBA

programs starting in 1991 (Wu and Tong, 2001). This was a milestone because MBA became the very first professional degree conferred in China. The accumulated experiences in administering MBA programs had offered standards and guidance for other professional degrees in the country. Started from 86 graduates in 1993, the number of MBA graduates grew to over 20,000 in 20 years. Yet, there is still enormous potential for future growth.

### **Successes of MBA education in China**

We analyze six success factors of MBA education in China based on the content analysis and interviews in this section. They include, the role of CNMESC, international collaborations, collaboration with government agencies, national MBA entrance examinations, faculty, steady growth in MBA programs and national MBA program assessment involve political, social and economic factors at varying degrees. The combined effects contribute to the uniqueness of MBA education.

#### *China national MBA education supervisory committee*

Political influence is a major factor that shape MBA education in China. Earlier MBA programs were supervised by the National MBA Coordinating Group founded in 1991, which evolved into CNMESC in 1994, reporting to the Academic Degree Commission of the Chinese State Council (ADCCSC) and the Graduate Education Office of MOE. The committee is composed of 15-25 representatives from academia and practice nationwide, each serving a term of four years. It is supported by a standing secretariat. The committee is responsible for coordinating nationwide MBA education. It currently consists of six sub-committees in faculty and curriculum development, evaluation assessment and strategic studies, case development, international collaborations, appraisal and accreditation, and program development in Central and Western China, respectively[2].

The Coordination Group and CNMESC have played an influential role in advancing the MBA education. At a macro-level, the committee provides consulting services to the ADCCSC and the MOE in strategic directions for MBA education, including, recommending new MBA schools, creating directive curriculum, admission and evaluation criteria, and administering national MBA entrance examination. At a meso-level, CNMESC guides the MBA schools, calls for deans' annual meetings, and promotes regional exchanges among schools. At a micro-level, CNMESC facilitates seminars and workshops for faculty and coordinates curriculum development, selects and recommends cases and textbooks. It also serves as a bridge between academia and industry and between domestic MBA schools and their foreign counterparts for international collaborations. CNMESC has, and will continue to have, a profound impact on the development of MBA education in China[3].

#### *International collaborations*

Developing active international collaboration is a major theme that characterizes MBA education in China. In 1994, Zhu Rongji, the fifth Premier of China, encouraged MBA schools to "be courageous enough to learn and introduce the latest course contents and teaching methods from all renowned business schools in the world[4]". As Professor Zhao Chunjun, Vice Chairman of CNMESC noted in the interview, "International collaboration is a core element in substantially advancing MBA programs and

faculty quality". An example is the MIT-China Management Education Project. Two universities, Tsinghua and Fudan, first joined in the collaborative MBA Program in 1996 (Wu and Tong, 2001). As faculty development is a top priority, Chinese faculty visit MIT Sloan School of Management for course development and incorporate the acquired knowledge and new pedagogy into the classrooms back to their home programs. Owing to its success, the project has been extended twice from the original five years (1996-2001) to 2011[5].

Another example is the "Temasek Foundation – CNMESC Western-Inland China MBA Schools Faculty Development and MBA Capacity Building Program" (2008-2011)[6]. Five universities in the Eastern region partnered with five counterparts in the Western-Inland region to help improve their MBA education capabilities. The program includes leadership development for the deans, faculty development, and administrative capability building. The purpose was to build five high-quality MBA programs in five Western-Inland provinces. This will enable the schools to help other adjacent schools and nurture more managerial talents in less developed areas.

CNMESC has also joined hands with Richard Ivey School of Business (RISB) of the University of Western Ontario, to deliver an annual workshop on case teaching and writing for junior faculty across China since 1998. More than 600 Chinese faculty members have participated in the workshop[7]. To extend the long-term partnership, CNMESC, RISB, and China Management Case-Sharing Center signed a memo on case development and publishing in early 2010. This initiative aims to enhance Chinese business faculty's capabilities of case development and instructions, and to play an important role in case-based instructions sharing Chinese business practices with the rest of the world[8].

Other international collaborations have also been noted, such as the faculty development initiatives through the Fulbright Scholar Program in the USA and those funded by Canadian International Development Agency in 1980s, to name a few. As international collaboration further develops, especially in the transitioning Chinese context, the balance of internationalization and localization becomes an issue, which will be address later.

#### *National MBA entrance examinations*

In earlier years, MBA entrance examinations were administered by respective pilot programs that resulted in significant differences in difficulty levels of tests, student quality, and perceived fairness of the process. In 1997, a national MBA entrance examination (*Guan-li-lei Ruxue Kaoshi* (GRK)) was adopted nationwide to unify the entrance requirements for selecting high-potential students with reasonable work experience and ensure a fair competition. This reform changed the image of MBA education, winning more societal acceptance and support (Wu and Tong, 2001; Zhao *et al.*, 2003).

To improve the testing process, CNMESC established a GRK center in Nanjing. The initiatives include an integration of testing subjects and allocating more weight on admission interviews. Initially, applicants had to take five examinations. They are now combined in one comprehensive test to reduce workload for preparations and attract more capable applicants (Wu and Tong, 2001). The purpose was to select best candidates and to screen out those with high testing scores but low potentials.



### *Collaboration with government agencies*

Introducing MBA education to China has been supported by the government. In 1997, the State Economics and Trade Commission worked with CNMESC and developed a joint part-time MBA program, encouraging managers with a bachelor's degree to participate in MBA studies in 56 designated universities across China (Wang, 1999; Wu and Tong, 2001). This program was collaborated among government agencies such as the Ministry of Railways, the State-owned Assets Administrations. It has been operated for over a decade, producing tens of thousands of well-informed managers (Li and Wu, 2009).

Collaboration with government agencies is mutually beneficial. For government agencies, they intend to train managerial personnel in quality MBA programs for enhancing the overall managerial capacity (Bai and Enderwick, 2005). For CNMESC, it is an important channel for reaching a large qualified candidate pool, making its student body more diverse, and ultimately creating greater impact on the economic development (Zhao *et al.*, 2003). Meanwhile, CNMESC also worked on building relationships with government and industries for resources to enhance MBA education. The investment in MBA education at the government, enterprise and individual levels has been fruitful (Yang and Wang, 2009).

### *Faculty*

The quantity and quality of business faculty has been a bottleneck of MBA education in China. In the early 1990s, faculty members in MBA programs were usually not trained in the field of management. To revitalize the situation, CNMESC constantly prioritized faculty development on its agenda (Wu and Tong, 2001; Zhao *et al.*, 2003; CNMESC, 1994-2009). Additional to international collaborations, CNMESC organized faculty training and development workshops focusing on core courses conducted by faculty members in leading business schools. Each core course has an appointed national coordinator, responsible for course-based faculty exchanges on a regular basis.

According to Association to Advance Collegiate Schools of Business (AACSB) accreditation standards[9], a qualified business faculty member is to hold a doctorate or equivalent in a business-related field, and must constantly keep up with the frontiers through academic contributions, pedagogic innovations and practical experiences with the real business world. Yet the case is quite different in China, as the country started conferring its academic degrees in 1981[10], and many senior professors possess only a master's degree. This is one of the challenges China's MBA programs face when seeking international accreditations.

The quality of business faculty members has been improved dramatically since the advent of the twenty-first century (Zhao *et al.*, 2003; CNMESC, 2000-2009). As the Chinese economy booms, business schools in China are able to attract faculty and graduating PhDs from overseas, as well as practitioners from industries. In the transitioning process, universities such as Tsinghua invited dozens of senior professors (originated from China, but working in overseas universities) to teach part-time[11]. Nearly, half of those have returned now teach in business schools across China. The arrival of new faculty members has enhanced the quality of MBA programs. This finding was also confirmed by the MBA graduates in the interviews.

### *Growth and assessment*

In examining the development path of MBA education, we find its growth pattern is a unique one. The number of MBA schools increased from nine in 1991, to 56 in 1997, and 89 in 2004, further to 127 in 2008 and 182 in 2010 (CNMESC, 2010).

The ADCCSC conducted formal assessments of the first and second cohorts of 26 MBA programs in 2000 and the third cohort in 2001 in areas of teaching facilities, faculty, program administration, curriculum design and extracurricular activities, teaching effectiveness and special program features. The successful evaluations of the first three cohorts heralded in a new development stage and the ten year (1991-2001) piloting efforts laid a foundation for the establishment of MBA education system in China. In 2009, the assessment criteria were extended to: program design, institutionalization, process management, teaching support, faculty, facilities, educational effectiveness, and special program features (CNMESC, 2000-2009).

Considerable attention has been paid to a balanced expansion of MBA programs in different regions across the nation (CNMESC, 2008). Usually, one top university in a province is first authorized for an MBA program. When its quality reaches the standards, more schools in the area will be authorized with the first serving as a prototype. The national MBA program assessment headed by the ADCCSC is a mechanism for the quality and balanced development of MBA education in different provinces. CNMESC currently has a sub-committee for MBA program development in Central and Western China[12]. To help new MBA schools in these areas, business faculty members of top universities will fly out to teach. These efforts were used to narrow the gap between different MBA programs (Guo *et al.*, 2009).

In 2007, the School of Economics and Management at Tsinghua University became the first in mainland China accredited by AACSB International[13]. This triggered a wave of others to seek international recognition, a phenomenon foreseen by Zhang and Zhao (2006). Interviews with the deans show that meeting the international accreditation standards help them integrate with the international standards. More importantly, schools see accreditation process as an opportunity to improve program quality and administration with international standards as benchmarking while developing locally. Considering the uniqueness and complexity of MBA programs across China, CNMESC has started to explore its own accreditation criteria as a necessary extension of the national MBA program assessment for quality assurance. In designing its accreditation criteria and practices, CNMESC will use AACSB and European Quality Improvement System accreditation standards as benchmarks, encouraging global initiatives but emphasizing on local attributes to be in concert with the economic development in the area (CNMESC, 2010).

### **Challenges**

Although MBA education in China has been successful over the past two decades, it is confronted with challenges. The changing market, curriculum design, faculty, the balance of internationalization and localization are identified as major ones among other challenges at the national, regional and individual school levels. Owing to the space limitation, we present four pressing ones.

#### *The changing market*

The dynamics of the Chinese economy has brought the MBA education both successes and challenges. Meeting the changes means survival and sustainability. Friga *et al.* (2003)



note that within the next ten to 20 years, the dynamics of the demand and supply of education is likely to be the drivers of change, including globalization, progress in technologies, demographic shifts, deregulation as well as new workplace requirements. Datar *et al.* (2010) also offer comprehensive evidence of ongoing changes happening in the USA.

We find a similar trend in China. Competition for high-potential candidates is intensified as more MBA education providers join the game. Additional to a few competitive MBA programs offered by independent schools in China, such as CEIBS and Cheung Kong Graduate School of Business, some US business schools are increasing their presence through geographic expansion or satellite campuses in China, such as the branches of Stanford[14] and Chicago Universities[15] in Beijing, Harvard[16] and New York Universities[17] in Shanghai, Duke University in Jiangsu Province[18]. Along with the growing MBA education, there are now increasing numbers of substitute professional degrees available for potential candidates, e.g. Master of Public Administration, Master of Professional Accounting. Corporations also choose to offer formalized equivalent programs to employees (Wang and Wang, 2006; Wang *et al.*, 2009). The further segmentation of the management education market in China may occur by discipline, funding source, or by the end product. The change in MBA education supply is a challenge Chinese business schools have to face.

There are also dramatic changes on the demand side. The prospective MBA candidates now belong to a generation born in a new social and economic context between the 1980s and 1990s. They are well-informed, skilled with the internet and familiar with new technologies, and they need more development in personality, capabilities and experiences (Gu *et al.*, 2010). The full-time programs currently last for two years, and part-time for three years. In recent years, the number of full-time MBA students has been decreasing. More students expect to reduce on-campus time and to enroll in a part-time program. Thus, program duration may need to be flexible to meet the demand. It can be expected that the enrollment patterns will shift accordingly. MBA programs need to adapt to this change and develop new products such as online MBAs via e-learning technologies to reach their audiences[19].

#### *Curriculum design*

To standardize the knowledge structure delivered by MBA programs, CNMESC compiles recommended syllabi for MBA courses, and mandates minimum requirements for core courses, credits, contact hours, case teaching, faculty, and program administration. In response to the changing market, MBA programs need to make substantial changes in course design and instructions. The relevancy of MBA programs in a dynamic world has long been debated (Pfeffer and Fong, 2002; Mintzberg, 2004; Bennis and O'Toole, 2005; Datar *et al.*, 2010). Currently the US model is still dominant across the world (Mazza *et al.*, 2005). However, Cappelli (2009) observed that since the time Financial Times started ranking MBA programs worldwide in 1999, there were only three non-US schools in the top 20 list. But by 2008, this number grew to 11. Attempts have been made recently by US business schools (e.g. Stanford, Yale and HBS) to redesign MBA curriculum, but a web-based survey of MBA core curricula in top-ranked US business schools implied that the frequently criticized "functional silo" still exist (Navarro, 2008).

As China's MBA education is still in its formative stage, much of the knowledge base is imported from the west. Although managerial basics of Western management are

similar, their management and leadership styles are culture-laden and not universally applicable across nations (Li, 1999; Berrell *et al.*, 2001; Bai and Enderwick, 2005; Wang and Wang, 2006). A fundamental issue is that Chinese cultural context does not share the same system of meaning with the west (Newell, 1999). Yet international students enrolled in China's MBA programs find that the curriculum looks like those in the west and lacks the Chinese elements they have expected. All these call for a redesign of the MBA curriculum with the Chinese characteristics.

Navarro (2008) summarizes six features of an ideal MBA curriculum: multidisciplinary integration, experiential learning, soft-skill development, global perspective, information technology focus, and ethics and corporate social responsibility, with a focus on student-based rather than faculty- or corporate-based management knowledge (Thompson and Purdy, 2009). A few elite business schools in China have proposed a vision of "Global perspective, China focus" since 2008. The objective is to maintain balances between knowledge and capabilities, between academic rigor and practical relevance, and between local roots and global perspectives. But the implementation of such an intricate curriculum has imposed numerous challenges for program administrators, faculty and students.

The goal for Chinese MBA programs is to nurture future business leaders. Our interviews showed that there has been a tendency toward more leadership and entrepreneurship programs. According to a framework developed by the US Army, leadership has three interrelated components: knowing, doing, and being. As Datar *et al.* (2010) notes, "Ever since the Ford and Carnegie reports, most MBA curricula have emphasized knowing at the expense of doing and being". If the rationale of balanced knowing, doing and being is universally applicable, MBA curricula in China need to undergo more changes in the near future. The essence is the reflective, critical and experiential learning. The traditional Chinese classroom is featured with rote/repetitive learning, and the shift towards experiential learning needs enormous efforts in innovative pedagogy by faculty member, active participation and reflection by students, and continued support from the business community.

Multidisciplinary integration, soft-skill development, and global perspective are all challenges to China's MBA programs that require high-quality faculty member's efforts to facilitate students' learning. Integration means more coordination between faculty members who tend to be independent scholars; soft-skill development involves in small-group activities, coaching, and real-world problem solving; global perspective implies more diverse student body in terms of nationalities, international projects, and outside classroom experiences.

Business ethics is another critical element of MBA curriculum, especially in China where a transitioning economy is featured with its overwhelming pace, momentum and complexity. Qi and Jiang (2007) found that business ethics problems originated from social, enterprise and educational contexts. They proposed a framework of business ethics education in knowledge, skill and value aspects. MBA education must shoulder the responsibility to build ethical leaders and enhance students' awareness, judgment, and decision making of ethical issues. However, teaching and research on business ethics, and corporate social responsibility, have lagged behind due to the shortage of qualified faculty in the field.

There is also growing awareness that MBA education must deliver explicit, and more importantly, implicit knowledge. Implicit knowledge is personal and

context-specific, usually hard to articulate (Yang, 2004) and thus, more challenging to deliver and acquire. Curriculum design with distinguishable Chinese characteristics imposes daunting challenges to MBA educators. It needs enduring efforts and strong sensitivity to the contextual changes for a success.

### *Faculty*

The shortage of business faculty members has been a challenge from the beginning, and two decades later the problem has not been eased. An alarming phenomenon is that core courses in developing soft-skills such as “Leadership”, “Strategic Management”, and “Managerial Communications” are in particular short of faculty. Furthermore, the quality of business faculty is quite uneven across the nation. Most high-quality business faculty members are concentrated in top universities in developed East-coast regions. Though CNMESC encourages and organizes experience-sharing activities between these universities and the late comers, the development of faculty in less developed areas still need much time and resources.

The structure and experience of business faculty is another worrying issue. Since 2000, a large number of junior faculty members have been recruited. The majority was recent doctoral graduates overseas with insufficient experience in the business world, neither were they acquainted with the business situation in China. Hence, faculty development as a function of the school administration has a long way to go.

Business faculty members should be capable enough to “balance the multiple missions of high-quality scholarship, educating future leaders, and informing management practice” (McGrath, 2007, p. 1376). But in reality not many has the capability. Particularly, junior faculty members are often more academically oriented due to the schools’ promotion criteria. A recent trend is to encourage more publications on quality international academic journals. Such practice may exacerbate the imbalance of multiple missions. There has been a constant call for changes in the evaluation criteria faculty assessment, yet this is a general challenge to international practices as well.

Ideally, business faculty should be able to bridge practice and theory, and to be constantly innovative in pedagogical method to meet students’ needs. It can be predicted that the shortage of high-quality faculty members will be a long-term constraint considering the explosive needs of MBA education in China.

### *Internationalization versus localization*

The relationship between internationalization and localization has been a major concern among management educators. Zhao *et al.* (2003) showed that internationalization of management education had been a global trend, and most business schools highlighted internationalization in their mission statements. However, we posit internationalization must go hand in hand with localization. Because internationalization does not imply simply copying management education models from other countries. Management learning and practice is to be rooted in a country’s culture and socioeconomic context. Otherwise, it is difficult to produce qualified managerial talents that meet the local and global needs.

An aspect of localization is to develop more local-based knowledge and curriculum. This may lead to a different model from that of the USA or a new stage of MBA education in China. MBA programs in different areas need to develop the capabilities and provide differentiated products – specialized programs that reflect the local needs,

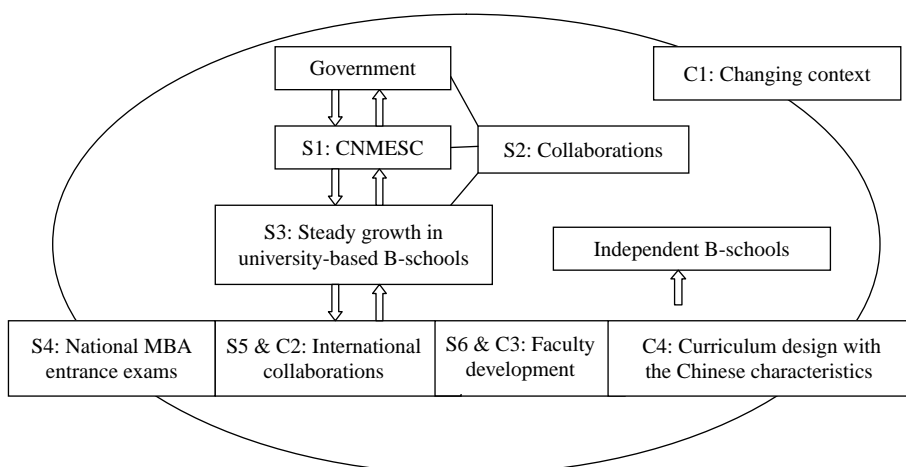
interests, and advantages. This way, the core competence and distinctive strengths of programs will be more observable. For example, schools in Shanghai may build more elements of multinational practices and financial management in the curriculum while programs in Western China may be focused on the development of local economy and businesses. Interrelated socioeconomic and political forces in a given area may be manifested in its management education endeavors and gradually form its own niche or become specialized in a certain field (Guo *et al.*, 2009; Li and Wu, 2009).

### Discussions and implications

The uniqueness of China's management development endeavors is situated in the transitioning context, including social, economic, political and cultural factors, as well as factors in educational organizations. We summarize the findings in Figure 1.

The economic transition since the 1980s created unprecedented need for qualified managerial talents. From the beginning, economic, social and political factors are driving forces for China's MBA education. The establishment of CNMESC and its supervisory role in regulating MBA education involved political and social forces. It is interesting to note that among the six successes and four major challenges identified, two fell in both categories (internationalization and faculty development).

Overall, the establishment of the MBA education system and HRD as a national strategy were initiated and implemented with a top-down approach (Yang *et al.*, 2004; Wang *et al.*, 2009), similar to the traditional central-planning practice. A typical example is the number of authorized MBA programs. The ultimate decision maker is the ADCCSC and MOE while CNMESC has the authority to make recommendations for qualified schools. It has a mix of advantages and disadvantages. The approval mechanism that involves in government bodies and a semi-government organization (CNMESC) is a necessary measure for quality assurance, but it confines the overall supply of the programs. However, if all schools were allowed to offer MBA programs with a free-market approach, it would create a chaos, resulting in severe shortage of educational resources



**Figure 1.**  
Successes and challenges:  
MBA education in China

Notes: \*S: success; C: challenge

and deteriorated quality. This top-down approach exercises a strong control in initiating, implementing and evaluating MBA programs.

The successful practices such as the supervisory role by the CNMESC and close ties with government agencies, continuing emphasis on international collaborations and faculty development, the national entrance examinations, and the controlled expansion of MBA programs across the country have worked well in its initial development stage. Yet, the practices in the past two decades may not be sufficient to address the challenges ahead.

The top-down approach by the CNMESC has helped regulate MBA programs by numbers, but it may lag behind the social, economic and cultural changes in the business world. Would the national MBA entrance examinations still be effective in selecting right candidates needed by the market? Can individual schools have more autonomy in admission and program administration processes? Are employers satisfied with the graduates they recruit? According to our interview data, an overall evaluation of the effectiveness of MBA education in China seems to be necessary. And more autonomy on the part of individual business schools may provoke greater creativity in admission, curriculum design, and specialization of various programs.

Intensive international collaborations have allowed MBA programs to catch up quickly. Yet the transferability of management knowledge from the west to the east is often questioned, not only by MBA students, but also by MBA administrators in the interviews. So how to maintain a balance between localization and internationalization remains an issue in MBA courses and the overall curriculum design. How to create more Chinese elements and develop more cases from the Chinese context to meet the needs of the students? How to blend the local needs and global vision in program design? These are questions that need serious considerations.

A related issue is the qualifications of business faculty members, who are expected to be academically competent, practically experienced, and globally and locally informed. Can “rookies” attracted from overseas bridge the theory and the practice? Do faculty management policies encourage them to remain academically active and still being interested in innovative instructions? These questions also deserve an in-depth assessment in order to instill innovation into the MBA programs.

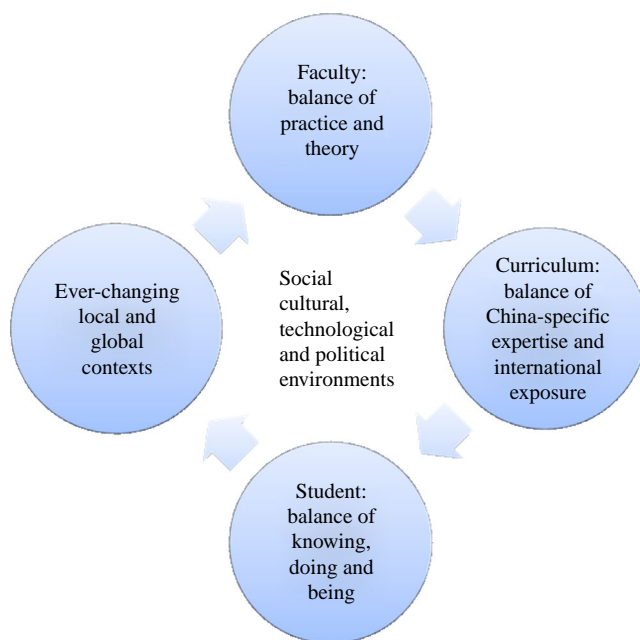
We posit that the unique characteristics of ideal MBA programs in China should include balanced development in the following areas:

- a balance of practice and theory for faculty members;
- a balance of China-specific expertise and international exposure for curriculum and instructions; and
- a balance of knowing, doing, and being for student learning.

It is important to draw meaningful lessons from the experiences of others, yet the success and sustainability of MBA education in China ultimately relies on the local roots combined with global visions to meet the challenges looming ahead. Direct transplanting of others' practices may cause serious drawbacks (Yang *et al.*, 2006). In today's world, it is impossible to resist the trend of globalization, but it is the localization that ensures flexibility, vitality, and sustainability (Figure 2).

### Conclusion

The identified successes and challenges of MBA education in China shows that learning from the west in its early stage has allowed the system to develop rapidly for meeting



**Figure 2.**  
Unique characteristics  
of ideal MBA programs  
in China

the urgent human resource needs of the economic growth. At its booming stage, MBA educators need to be aware of the need for localizing the already globalized models. Under this background, CNMESC and individual schools need to consider their own strategic options, combining local elements and global perspectives. Internationalization is an irreversible trend. The MBA educational system has been shaped by two major aspects, the MBA model from the USA makes it easy to copy, and the rankings and accreditation procedures makes globalization a must (Mazza *et al.*, 2005). We also identified three domestic forces for localization as well: the national need for managerial talents with local expertise, unique development pattern of MBA programs across China, and CNMESC's continued efforts to build an MBA education system with the Chinese characteristics. By examining the two decades' development of the MBA education in China, it can help envision the future. While each country follows its own course, China has provided a unique example and lessons for other countries with similar social and economic contexts in MBA education as well as overall management development.

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