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Steering the MBA

The numbers speak for themselves. When China first introduced an MBA programme in 1991, only 90 students signed up. Last year, an estimated 25,000 enrolled in China's business schools. Choices are aplenty, with more than 100 such schools in China alone.

The spike in enrolment figures should not come as a surprise, when you consider that China is now the third largest economy in the world. The bounty is large and many hope to cash in.

Dean **Qian Yingyi** of Tsinghua University School of Economics and Management in Beijing, believes the number of applicants will only continue to increase.

"We're very happy to see our first cohort of the Tsinghua-INSEAD joint degree (Executive) MBA programmes students graduate in January," says Qian, who was at INSEAD's Singapore campus for a closed-door Deans' meeting.

The second cohort, he adds, was currently studying at the Singapore campus, while an active recruitment drive is in progress for the third cohort.

Qian is also a proponent of diversity. Besides INSEAD, Tsinghua also has multiple partnerships with other top-tier business schools – in particular, MIT for its MBA programme, Harvard Business School for Executive Education programmes, and Stanford Graduate School of Business for its student exchange programme.

Likewise, Shanghai Jiao Tong University (SJTU) has partnered with MIT for its dual-degree programme,

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China Leaders for Manufacturing (CLFM). **Wang Hua Fang**, dean of Antai College of Economics and Management at SJTU, says the programme is a hybrid of the MIT and SJTU models. "The CLFM programme takes advantage of MIT's model and SJTU's strong engineering and management disciplines to develop unique leaders for the manufacturing industry of China, who can supply expertise to global corporations."

Where East meets West

Such collaborations are becoming increasingly relevant in today's global marketplace. One has to look no further than the current economic crisis to see the impact it will have on all the markets.

That is why some of China's business schools – the top-tier ones at least – have curricula that embrace both Eastern and Western ideals.

At the China Europe International Business School, or CEIBS, foreigners account for 40 per cent of the student population. The school's dean, Rolf Cremer, says that although the school originally recruited exclusively Chinese students, it has since accepted applications from other nationalities, as he believes this will further enrich the programme.

“There is no Chinese accounting or Chinese economics or Chinese marketing. But there is a way and there has to be a way of how these functional areas – accounting, marketing, finance whatever – have to relate to the reality, the institutional, cultural, linguistic, etc., reality – legal reality of China,” he adds.

Cremer credits the Chinese government for being both far-sighted and open-minded.

“The willingness of the Chinese to allow in their state-owned systems, foreign universities to come in to partner with their own universities to offer MBAs, to offer programmes and degrees that actually were more part of the Chinese system and they were not used to, that is what I refer to when I say there was a distinct openness in the system.”

CEIBS, a stand-alone business school created in China but which adheres to Western international standards, was, according to Cremer, set up as a “special education zone” to transfer knowledge and best practices into China from foreign business schools, as well as to gather information about how an international level management education would work in practice.

A healthy equilibrium

Xiang Bing, Dean of the Cheung Kong Graduate School of Business in Beijing, echoes Cremer’s view; he too believes that the curriculum has to be balanced.

“The US may be more broadly Western B-schools that pay more attention to modern enterprises, like GE, like IBM, and the research focus on state-owned-enterprises (SOEs) and private companies is rather limited. If you go to a country like China, we have SOEs, we have private companies which contribute about 70 per cent of China’s GDP. They are different players compared with multinationals and modern corporations.”

Xiang says two fundamental changes are already in place. The first involves leading multinationals which are working towards integrating China and India into their global play. The second change is the rise of “new kids on the block”, like a home-grown company from China or India. Xiang adds that this shift will also transform many sectors along the way, although he cautions that “not many schools were positioned to study all of this.”

IQ vs EQ

In addition to having balance in the curriculum, the deans also feel that Chinese graduates in particular, are not yet up to par where “soft skills” are concerned.

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“They are strong in some aspects but they’re weak in other aspects such as communications, leadership, teamwork ... This is what we discovered and we want to put more emphasis on that,” says Tsinghua’s Qian. He explains that this may very well be the result of China’s one-child policy, where children had to grow up without the company of siblings.

CEIBS’ Cremer concurs, and adds that “functional knowledge” is not enough for those who aspire to work on a global platform. “If they are suddenly operating in Germany or in Italy, or in Canada, in the United States, in South America or in Africa – that is a very important part of their effectiveness in the marketplace.”

Wang Zhongming, Executive Dean of the School of Management in Zhejiang University in Hangzhou, thinks Chinese MBA graduates also tend to fall short of their Western counterparts in the ‘real’ world. “Very often, we have comments from the labour market that the Chinese business students are too much theoretical – lack of enough competencies or skills. So now we emphasise capabilities of dealing with real life issues.”

Cheung Kong GSB has taken this one step further. Xiang says they have brought in Humanities “in a serious way” to the curriculum of MBA and EMBA programmes.

“The point I’m making is we need to be more global in perspective. That means you got to be sensitive to disparity in religion and values. And we need to be more broadly focused, not (just think of) value creation for shareholders (and) the GDP.”

Xiang suggests that perhaps we just need to go back to the basics. “We need to have some modification of some of the fundamental values which really have been underpinning Western civilisation – like humans are the centre of everything. We can exploit anything we want.”

“I think, in that regard, the wisdom from China and India may be brought forward in the next run of enlightenment. A Renaissance is possible and that may be absolutely essential for real sustainability in the long term.”

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