

Business Education in China: Current State and Future Direction

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ABSTRACT In this commentary, I expand on Fey's (2022) perspective on the future development of Chinese business schools. In particular, I explore some of the nuances related to Chinese business schools that were not covered by Fey with the goal of continuing this important dialogue.

KEYWORDS business education, China, Chinese business schools

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I thank Carl Fey (2022), Professor of Alto University in Finland and former Dean of Business School at Nottingham University (Ningbo), for writing this meaningful and enlightening article on the future development of Chinese business schools.

I concur with his observation that management education in China has made tremendous progress over the past 20 years, which almost equated to the progress made in Western countries over the past half century. Chinese management education, especially the quality of MBA and EMBA programs, has reached or even exceeded the world average in general, with some programs listed on the Top 100 in the *Financial Times* for consecutive years. Research excellence of several universities (e.g., Fudan University and Tsinghua University) has also stayed in the Top 100 list of UTD ranking in the past few years. Moreover, Chinese business schools have produced numerous high-quality management talents and entrepreneurs. Many have become c-level executives of multinational companies in China, and some have joined senior management teams of regional and global headquarters of multinational companies. More and more scholars, whether they returned to China after receiving their education overseas or completed their doctoral degrees in China, have published influential academic papers based on Chinese business practices, cases, and data. The transformation process is both rapid and gradual, starting with a few business schools at top universities located in the most developed regions of China. These business schools took the lead to

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collaborate with top business schools in the West and learn from them. These initiatives and activities have accelerated the advancement of China's business education. However, I also recognize that for business schools located in less developed regions of China, their progress is slower and far behind international standards (such as AACSB).

I also concur with Fey's observation regarding the challenges Chinese business schools face. For example, the curriculum for management education is mainly borrowed from the West, both in terms of management theories, strategic approaches, and business cases. Although a group of Chinese business schools, including Fudan University School of Management, Tsinghua University School of Economics and Management, Dalian University of Technology School of Economics and Management, and China Europe International Business School (CEIBS), have made considerable efforts in developing local cases in China, they are still far from being sufficient. In addition, despite the fact that high quality papers are published in top management journals, many of them are either confirming or falsifying the application of Western theories in China. Some scholars explored new business phenomena in China and attempted to propose theories to explain such phenomena, but there is a lack of original theoretical contributions. Many scholars publish articles just for the sake of publishing, including those published in high-ranking journals co-authored with international scholars, in which they usually use secondary data from the US, which is not so relevant to the Chinese business context.

Furthermore, it is also true that in early years, the MBA and EMBA curricula in China's business schools were copied from their Western counterparts. Case-teaching methods are valued in China and many business schools in China are trying to develop their own cases, yet the number of local cases is insufficient. The good news is, however, that there is a consensus among Chinese business schools that faculty should be encouraged to develop more indigenous cases that focus on unique business issues faced by Chinese organizations.

Another issue mentioned in Fey's (2022) article is related to the administrative aspect of Chinese business schools. Due to the centralized structure of China's higher education system, bureaucracy is prevalent, which might not be that different from many other traditional universities around the world. For example, how to improve the tenure and promotion system? How to better evaluate faculty performance on research, teaching, and service? How to simplify the processes that can facilitate decision making and improve operation efficiency of business schools? These are the main points that require long-term efforts to address.

Finally, I also like Fey's (2022) suggestions on the future development of China's business schools. Teaching should focus more on the Chinese context to better prepare managers for the constantly changing business environment of China. Faculty should be encouraged to think about how to articulate their research findings based on China's business practices in relation to contexts beyond China. Meanwhile, research on the impact of ever-evolving technology

(e.g., AI, blockchain, digitization of businesses) on business operation and management should be encouraged, which can generate new insights across cultural boundaries. New technologies should also be used in classrooms to prepare students to deal with the challenges accompanied with new advancement of technology.

Meanwhile, I wanted to point out a few things that were inaccurately presented in Fey's (2022) article, which mainly relied on data before 2019. As China is a rapidly developing country, the business education landscape is also shifting quickly.

First, the problems mentioned in Fey's article are not unique to Chinese business schools; instead, they are universal to second-tier or third-tier business schools all over the world, be they located in the US, Europe, or any other countries or regions. Second, China does not have any independent business schools that have legitimacy in awarding academic degrees, except for CEIBS (China Europe International Business School). Affiliated with different universities with different backgrounds, histories, international partnerships, and resource integration capabilities, Chinese business schools can be in very different stages of development in terms of teaching and research. For instance, a dozen Chinese business schools are now regarded as advanced business schools, meaning that they can establish collaborative relationships with top-ranked business schools around the world as equal partners. They are internationally accredited, and actively engage in the business education community, sharing best practices at the international conferences or Dean's gatherings. Many faculty of these schools also conduct collaborative research with world-renowned scholars. However, there are many more second-tier business schools in China that need to catch up. More than 20 years ago, we did learn mainly from the US, but today we draw upon the strengths of business schools outside the US, as there is no one-size-fits-all approach in business education. In fact, even within the US, the quality of business school varies a great deal. There is no 'one and only' American business school model that fits best. Meanwhile, more and more Chinese business schools focus on combining general business theories with local business practices, especially with regional economic reality and business needs. It is of course undeniable that American business schools will still remain leaders in business education, so learning from the US and cooperating with leading schools and scholars in the US should still be an important strategy for Chinese schools to grow.

Third, in recent years China experienced rapid changes, including economic development, business model innovation, and management education. For example, the case-teaching method, whether it is a written case, a live case, a video case, has been widely used in Chinese business schools. To assess a scholar's academic strengths and achievements, we are paying more attention to their representative works, instead of the quantity of published papers in top journals. In addition, Fey (2022: 987) observed that 'Chinese business schools normally have

close contacts with a variety of companies, but they need to increase interaction with them, for example, by forming collaborations with several non-competing firms to participate in a range of research projects over a two- to five-year period. The firms might be willing to offer financial support for research, in return for joining discussions on benchmarking and best practices with relevant faculty'. I am doubtful about the pervasiveness of this observation, because it is certainly seen as an occasional case in China as well as in other countries. Regarding Fey's (2022: 987) observation that 'Chinese business schools should also encourage what is relevant to key issues in business and society at large, including sustainability, digitization, remote work, big data, and government policies that affect business', I am happy to report that this situation has been dramatically improved in recent years. Business school faculty have done a lot of research in these fields, with the support of corporate links and government funding.

As for the evaluation of faculty performance, there is no perfect benchmark or criteria in the world. Building effective academic evaluation criteria is one of the most critical tasks for achieving the mission, vision, and core values of universities and business schools. In recent years, the Chinese government has encouraged schools to evaluate faculty not based on the quantity, but on quality of published papers. More and more universities, including business schools, are starting to pay more attention to the peer review of faculty's representative works. Although such approach may rely too much on the reviewers' academic standard, professional ethics, and fairness, it does to some extent reduce the bias of relying too heavily on the number of publications. I especially wanted to mention that the business schools of nine universities, including Fudan University, Peking University, Tsinghua University, and Zhejiang University have participated in the Responsible Research in Business & Management (RRBM) network initiated by Professor Anne Tsui to promote more responsible and meaningful research on Chinese business practice.

Furthermore, I feel that Fey's (2022: 992) assessment that 'Chinese firms face new management challenges that are not always covered in traditional business school curriculum' is not entirely accurate. The fact is, more and more Chinese business schools favor real cases and the latest business practices in their teaching, use the latest textbooks and cases, and conduct field studies on companies in their regions to enrich their curriculum. Also, Fey (2022) suggests that Chinese business schools should have more international exposure and become more international. While it is generally a good suggestion, I feel that it cannot be applied to all schools. For those along the coast or in regions with strong export-oriented economy, they should push their students to have international exposure and master strong English communication skills. Yet, for those in the inland and Western regions of China, I don't think such requirements are generally necessary. In essence, each business school shall develop its own mission and adopt approaches that can facilitate mission accomplishment.

In addition, as I mentioned earlier the administration of higher education in China is still relatively centralized, and some new policies have had an important impact on business education. For example, 6 years ago the Chinese government started to require all EMBA applicants to take a national entrance examination. The main reason for this policy change was because a few business schools violated the existing regulations of EMBA education. The government also believed that EMBA tuition was relatively expensive, so it restricted government officials and executives of state-owned enterprises to enroll in these programs. These policies were reasonable solutions to the problems at the time, which may change in the future.

To sum up, I think Fey's article provides an overall picture of management education in China, which can help readers to gain a relatively comprehensive and objective understanding. I believe that through dialogue and cooperation, Chinese business schools will continue to learn from global leading business schools, and more importantly, leverage successful and innovative practices they have developed and accumulated so far to make their due contribution to the evolution of global management education.

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