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**A Perspective on the Potential of Chinese Business Schools: A Call For Greater  
Attention to Context, Differentiation, and Developing an Indigenous Model**

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## **ABSTRACT**

Chinese business schools have made impressive progress in improving their quality, but there is still room for improvement. However, they have improved largely by copying the traditional American model of business education at a time when this model is coming under increasing critique for good reasons, including placing great effort on producing much rigorously conducted research, which makes little practical impact. Thus, having learned much from foreign business schools, the time has come for Chinese business schools to be bold and pursue their own model. Such a model should focus more on research that pays increased attention to context, including indigenous research, and is of greater practical relevance. Furthermore, given ongoing change inside Chinese business schools and in their external environment, it may be easier to make needed changes in China. Regarding teaching, business schools are encouraged to move beyond a focus on teaching content well to teaching content in ways that it can be readily applied; do more to develop understanding of how to leverage modern technologies like AI, big data, internet of things, and digitalization; focus more on adjusting teaching to the local context; and focus more on developing innovation/creativity and analytical ability, rather than memorization of facts.

**KEYWORDS:** business schools, change, China, context, indigenous research

## INTRODUCTION

Chinese business schools have made impressive progress since they first started in about 1980, especially in the past 20 years when they probably made the most improvement of business schools in any country. However, that progress has mostly focused on copying a largely American model of business education, and more recently that model has been increasingly questioned by a growing number of people for a variety of good reasons. These challenges include:

- the general nature of the MBA program, which is the core of most American business schools yet often fails to provide enough specialized skills in the area in which participants need to be experts;
- the way in which technology—such as artificial intelligence (AI), blockchain, and digitization—is quickly transforming how way the world works, yet most business schools offer insufficient courses in technology-focused areas;
- the rigorous but often less practically relevant nature of much research produced by many business schools;
- the efforts by many business school faculty made to publish in top academic journals at the expense of everything else, such as the application of their research and its extension to practitioners;
- the focus placed by many business schools on teaching knowledge yet not such that it can be readily applied in organizations; and
- the reluctance to update education often enough to keep up with the pace of change in the world.

In short, the traditional dominant American model of business education does not meet the needs of businesses and thus is increasingly being questioned. For example, in a review of

five previous studies of business school education, Rynes and Bartunek (2013) find that the MBA curriculum is misaligned with the competencies needed. Thus, change is urgently needed at business schools as suggested by a growing number of people (e.g., Jack, 2021; Mintzberg, 2004; Navarro, 2008; Parker, 2018; RRBM co-founders, 2017; Rynes & Bartunek, 2013; Shapiro & Kirkman, 2018; Vanhonacker, 2021).

Further, Chinese business schools are unlikely to be able to deliver an American model of business education as well as American business schools can, because of their well-developed resources and expertise. However, if Chinese business schools learn from the American model but develop a Chinese model of business education, they will have a better chance of becoming world leaders. This article offers some suggestions on what such a model should look like. Chief among these suggestions is that although it is still important for Chinese business schools to expose students to the best practices around the world, that should be combined with a greater focus on what works best in China. In other words, much more attention needs to be paid to the Chinese context, including national culture and institutions, accompanied by more indigenous research and teaching.

Over the past several decades, Chinese business schools have improved a great deal, yet the need for further progress remains. In support of this claim, Sohu (2015) relays the view of Xiongwen Lu, the dean of the Fudan School of Management, who states that the overall quality of management education in China has not yet reached the level of the leading business schools in the world and do not yet fully meet China's needs. The Chinese economy is likely to become the world's largest by 2030, so as labor costs rise there, its firms need to find competitive advantages beyond cheap wages and to learn how to increase their international scope. Thus, China has a great need for quality business education.

In this article, we make some generalizations, but it is important to acknowledge that there are always outliers. Further, although some of the problems mentioned here are not

unique to Chinese business schools, they are well-placed to address these problems because their transforming status and the rather different local environment which makes direct applicability of many Western practices not an effective solution.

This article primarily focuses on public Chinese business schools, which are state owned (unlike Sino-foreign business schools or private business schools) and comprise the majority of business schools in the country; we will call “Chinese business schools” throughout this article. We explore the practices used at many Chinese business schools and highlight some weaknesses to motivate changes that would help Chinese business schools improve. We begin by discussing the performance of Chinese business schools, and then successively cover research, teaching, administration, best practice examples from Chinese business schools, and best practice examples from niches, and end with some conclusions.

## **HOW ARE CHINESE BUSINESS SCHOOLS PERFORMING?**

First, we compare the performance of Chinese business schools to that of business schools in other countries and, despite the difficulty of measuring performance, consider how performance has changed over time. One indicator of improved teaching quality in recent years is the fact that three mainland Chinese universities were in the top 50 (actually in the top 25) in the 2020 *Financial Times* EMBA rankings and an additional seven programs in the top 50, including joint programs with foreign schools in China and programs run by foreign schools in China. By comparison, in 2001 only one EMBA program and no joint programs in mainland China were ranked in the top 50. In 2020 India had no EMBA programs in the top 50, and Singapore and Hong Kong each had two local and two joint/foreign programs, compared with one in Hong Kong in 2001 and none in Singapore. Although in 2020 the US remains the leader, with 7 US schools and 6 joint programs, its dominance has significantly slipped, as it had 26 US schools in the top 50 in 2001. This US slippage raises the question of

whether its model is the best one for Chinese business schools to follow and opens opportunities for Chinese business schools pursuing other models such as their own. See Table 1 for more details.

----- Insert Table 1 about here -----

In terms of research, two schools in mainland China were among the top 100 schools in the 2016-2020 University of Texas at Dallas Research Ranking (Fudan at #91 and Tsinghua at #96), compared with 2000-2004, when none were in the top 100. The UT Dallas Research Ranking is based on the number of publications over a five-year period in the 24 most prestigious business journals called the Dallas 24 list. Over the same period, India had no schools were in the top 100, Singapore had 3 schools, Hong Kong 5, and the US 70 in the top 100. Zhang and Wu (2019) indicate that, in 2018, the number of publications by management scholars from mainland China in the Science Citation Index or Social Science Citation Index, which is based on a much broader set of journals, ranked second behind only the US.

In 2000 no Chinese business schools were accredited by the three major business school international accreditation agencies: AACSB, EFMD/EQUIS, or AMBA. As of mid-2020, 30 Chinese business schools had been accredited by AACSB, about 20 by EFMD/EQUIS, and about 40 by AMBA (Wang & Van Fleet, 2021) which illustrates the rise in their quality, which is assisted in part merely by going through the accreditation process.

## **RESEARCH**

Research at Chinese business schools today is excessively focused on publishing in top international academic journals at the expenses of everything else, with too much emphasis on where they publish and not enough on what they publish and on the quantity of top publications and not enough on the quality and impact of these publications. For example, the

faculty needs to be encouraged to pursue research that addresses topics of key importance to China and the world. The improvement in the research methods and skills achieved by Chinese scholars is laudable, enabling them to conduct rigorous research; the next step is to focus more on creating systems that encourage faculty to pursue more innovative projects, which could have a larger impact on both management theory and practice though they might be riskier.

### **Research with a Larger Impact on Management Theory and Practice Needs to Be Encouraged More**

Many have criticized research at business schools as not having enough practical impact (RRMB, 2017; Shapiro & Kirkman, 2018; Vanhonacker, 2021), and this is especially the case in China. As Glick, Tsui, and Davis (2018: 36) note, “With a few notable exceptions scholarly research [done in business schools] rarely reaches the worlds of business or policy, and academic journals are neither read nor cited widely beyond the academic community.” Managers in general are unlikely to read articles in top academic journals as they are largely written for other academics, not practitioners. Thus, as elsewhere, Chinese management scholars should be encouraged to write a practically oriented articles based on research projects or to communicate study findings in more mainstream media outlets (TV, radio, newspapers, websites, etc.), textbooks, talks, and teaching. They also need assistance in gaining contacts enabling them to obtain wider exposure of their articles as well as in writing in a style that is more accessible to a wider readership. To help scholars publish in the popular press it can be helpful to have a person with good contacts in the popular press who can help faculty establish contacts with the most relevant practitioner outlets for them and



help them edit their articles such that their writing is in a style that is more accessible to a wider readership.

Chinese business schools should encourage research that makes significant contributions to both management theory and practice. For example, Baldrige, Floyd, and Markoczy (2004) found a positive relationship between academic quality measured by the number of citations in an article and practical relevance as judged by a panel of consultants, executives, and human resource professionals based on 120 articles published in top academic management journals. However, this relationship should be viewed with caution, as the correlation was only  $r = 0.20$ . Traditional academic articles and more applied practical outputs can come from the same research projects and can be synergistic and interact in a helix model if done correctly. Engaged scholarship, the principles of responsible research outlined by Responsible Research in Business and Management (RRBM), and other suggestions are described below.

The notion of producing articles with a high academic and practical impact is consistent with the concept of engaged scholarship (Van De Ven, 2007, Van De Ven & Johnson, 2006), which suggests that scholars should engage with various stakeholders (other researchers, managers, etc.) as we conduct our research to incorporate different perspectives, receive feedback, or collaborate in research. Therefore, before starting a project, it is useful to conduct several exploratory interviews with managers about the subject of a study because their feedback often leads to useful refinements in the research design and can ensure that the topic to be explored is of practical use.

Chinese business schools tend to have a large proportion of junior faculty, who have only had contact with databases, not managers at companies. Having first-hand contact with companies is important for all faculty, even those doing large-sample quantitative research

using secondary data, as it helps ensure that the research addresses issues that are important to business and have practical relevance.

At the institutional level, 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. Opening up a continuing conversation with these firms could also facilitate primary empirical research. Faculty could involve other firms for projects they wanted including even a large sample of firms for quantitative studies.

In addition to refocusing existing research so that it will have more practical impact, Chinese business schools should also encourage work that is relevant to key problems in business and society at large, including sustainability, digitization, remote work, big data, and government policies that affect business. They should redirect scholarship from studies that fill a small gap in theory with only a small incremental advance in understanding toward those that address pressing and practical issues.

### **Research That Pays More Attention to the Context Should Be Encouraged More**

Despite their achievement in excelling at quantitative research methods and collecting data, Chinese academics have developed less expertise in innovative theory and research designs. Chinese business schools need to focus more on elaborating Chinese management methods to better inform our understanding of management theory and practice in China. Culture and institutional differences do affect how many management phenomena work. China has a unique, rich, and long cultural history which strongly influences how

management works in China today. Scholars are increasingly called to pay attention to context in management research and especially in Chinese management research (e.g., Tsui, 2018; Van de Ven, Meyer, & Jing, 2018). It is a missed opportunity that Chinese business schools have not placed greater focus on this path.

This attention to context can be accomplished in different ways. The first is by directly comparing how a phenomenon works in China and in other parts of the world (e.g., a study on distributive justice in the US, China, and Russia uses this approach: Giacobbe-Miller, Miller, Zhang & Victorov, 2003). Such an approach is particularly useful to explore the applicability in China of a theory developed in the West or vice versa. For example, studies on how human resource management practices affect performance often rely on human capital theory, showing that human resource management practices facilitate performance in both the US and China, but that different practices are most important in China compared to the US.

The second is indigenous Chinese management research, in which authors take a Chinese perspective in conceptualizing research problems and formulating theories (Li, Leung, Chen, & Luo, 2012). Many scholars have raised the importance of conducting more indigenous management research that focuses on China (e.g., Leung, 2012; Li, 2012; Li, Leung, Chen, & Luo, 2012; Tsui, 2018). Some examples are Child and Rodrigues (2005), which explains the internationalization of Chinese firms; and Luo, Huang, and Wang (2011), who explore how *guanxi* (networking) works in China. In addition, Li (2008) explains that trust works differently in China than in the West because Chinese embrace yin-yang duality, in contrast to the either/or logic in the West, and in the Chinese approach exchanges are personalized and informal, in contrast to the West, where depersonalized and formal exchanges are preferred.

Third are indigenous Chinese research studies with generalizations, which explain how things work in China but in doing so suggest a theory that may also be relevant elsewhere or even globally. One example of this approach is Fang (2011), which presents a yin-yang approach that he links to Confucian culture. He then extends this to suggest that people in any country have a distribution of cultural values and that having opposing cultural values helps to reinforce, develop, and complement them and suggests that this yin-yang theory of culture has some value in countries other than China. Online payment systems and rapid change are examples of other phenomena which are more common in China than elsewhere and thus more noticeable, but theories developed about them might have wider relevance, a generalization that needs to be explored, rather than merely being assumed.

### **Changes Are Needed in How Chinese Business Schools Measure Research Output**

Many Chinese business schools have adopted the traditional American model, which focuses on publication in top international academic journals. This has an advantage in that it creates an objective system for hiring, promoting, and evaluating faculty. It also helps spread academic research around the world. However, when taken to an extreme, this focus on publication comes at the expense of other important goals. While Chinese business schools needed to have their faculty publish more in top international academic journals over the last two decades, but, having reached a certain level of publication, they now need to turn to addressing a core function of research: advancing understanding of the important and interesting business/ management phenomena. Young Chinese academics in particular need to reorient their research plans from publishing a particular number of papers in top journals without enough concern about the content to conducting research that advances understanding about important real-world phenomena. Doing so can and should still result in publications in top academic journals, but publications which will make greater Impact.

In considering promotions of faculty, Chinese business schools should not merely count the number of their publications in top journals but focus on the academic and practical impact of those articles. To measure academic impact, Chinese business schools can consider the number of Google Scholar citations of a paper. However, it takes a number of years after an article has been published for this metric to be meaningful; moreover, articles published in niche areas receive fewer citations. To measure the practical impact of a journal article, Chinese business schools could employ the Altmetric Attention Score ([www.altmetric.com](http://www.altmetric.com)), an interesting initiative that is already used for articles in most major academic journals. This score gauges the broad practical impact of a journal article by counting the number of times it is mentioned in news articles, blogs, policy documents, patents, Wikipedia, other peer-reviewed publications, Weibo (trackable only before 2015), Google+ (trackable only before 2019), F1000, open syllabi, LinkedIn (trackable only before 2014), Twitter, Reddit, and so on. The calculation of the score is complex as it is not just a mathematical sum of the times the article is mentioned instead gives different components different weights and accounts for duplicated tweets and tier ratings. The Altmetric Attention Score is not a perfect metric, but it starts us thinking about ways to measure practical impact.

It may be useful to consider the practical impact of a scholar (or a research group or school), rather than that of a single article since scholars often leverage work from multiple articles when talking to the press. One such system, the Rotterdam School of Management's Sustainability Development Goals Mapper (see <https://rsmmetrics.nl/sustainable-developmentgoals/triple-crown-sdg>), which is designed to compare schools, ranks the importance for society or business of research conducted by a business school, research group, or academic. Using AI and a modified version of Google's BERT algorithm, the system searches the text of journal article abstracts to determine the relevance of the research to the United Nations' sustainability goals.

In still another approach, scholars could be asked to describe the impact of their research on practice. The ideal metric for determining practical impact has not yet been developed, but we could start by encouraging faculty to think beyond the number of academic articles they publish in top journals and consider, instead, the impact on academia and management practice.

### **Chinese Business Schools Should Encourage Faculty to Use Their Own Research More in Their Teaching**

Getting others to talk about and use a scholar's research is valuable, but it takes quite some effort. An option that requires considerably less effort and Chinese business schools should encourage is encouraging their faculty to use their own research in a practical way in their teaching. For example, faculty could talk about an example from a qualitative study, present regression output as a bar chart, present a model that was developed in an academic article, or use a model and data collected for an academic study to do benchmarking with an executive education client.

### **More Should Be Done to Develop Faculty at Chinese Business Schools**

Most business schools in China have research seminars, but few have developed extensive research methods and teaching methods seminar series aimed at faculty, so they should organize more of them. In China, as elsewhere, most faculty do most of their learning on their own after completing their PhD. Because the state of the art in research and teaching methods is rapidly changing, Chinese business schools in particular could benefit by enabling an environment in which faculty members, from junior to senior, can comfortably participate in

workshops to gain more knowledge and organizing more research and teaching methods workshops.

## **TEACHING**

### **More Interactive, Innovative, and Analytical Teaching Are Needed**

Too many Chinese business schools, especially in undergraduate and master of science degree programs, rely excessively on lectures and tests of facts and models that students can memorize. Nowadays, most information and even skills can be readily obtained and learned, increasingly through the use of computers. A great deal of knowledge is available online, through videos, including recorded and live lectures, which are often free or inexpensive, as well as in books and articles. What businesses need most in new hires is good analytical ability and innovative thinking as well as the rapid application of knowledge. Chinese business schools have done well at teaching analytical ability and have made some progress in teaching innovative thinking/creativity but still have some weakness in these areas.

Knowledge and creativity/innovation are both critical to success in business, so teaching innovative/creative thinking is especially necessary in China. However, as Moules (2017) notes, a “more passive pedagogical approach prevails in China, characterized by rote learning and memorizing facts.” For example, Yinyi Qian, who was dean of the Tsinghua University School of Economics and Management from 2006 to 2018, stated: “One of the problems of our education system is that it puts too much emphasis on ‘knowledge’—leading to a perception that there’s nothing beyond teachers’ teaching and students’ acquiring knowledge.” But he recognizes that not just knowledge but also curiosity and imagination are needed.

Moreover, it is important for Chinese business schools to teach students to be innovative so that Chinese firms can develop more advanced products and services,

leveraging more intellectual property developed in-country; that would enable the firms to charge more for their products and services and thereby keep up with rising salary levels. In addition, students need to be motivated to work on and teach the skills needed for social innovation to ensure that energy is effectively directed toward helping China and the world address key challenges. This view is supported by Chen (2021), who interviewed Haitao Li, the associate dean of MBA programs at Cheung Kong Graduate School of Business in China. Li believes that China, and its MBA programs, need to focus not only on scientific and technological innovation and manufacturing upgrading but also social innovation, because a firm is unlikely to last very long if it does not improve people's lives.

To help increase innovation/creativity as well as understanding of how to implement learning, even greater focus on using more interactive teaching is needed in China through methods such as case teaching, live cases, simulations, roleplay, and discussion. The use of live cases, in particular, can help teach the specifics of a local context and student understanding of how to apply what they learn. This is important since only content which students understand how to apply is useful. This last point is key, as it is an area that is most relevant to firms and a current weakness at Chinese business schools. The use of interactive teaching methods in China might need some adaptation for best results, such as leveraging groups—for example, in a case discussion forming more short breakout groups and calling for opinions from groups, rather than seeking individual views.

As reported by Suho (2015), Dean Xiongwen Lu at Fudan University School of Management names three key weaknesses at Chinese business schools that need to be addressed. First, the teaching methods are too traditional, as shown by the fact that few adopt case teaching methods and emphasize classroom interaction, and most still use one-way teaching (teachers speak, and students listen). Second, instruction at MBA and EMBA programs in China is based too much on Western mainstream business schools and not



enough on China's local environment and business practices. Third, Chinese business schools still lack enough faculty who can interact and collaborate with foreign professors.

### **Chinese Business Is Becoming More International So Business Schools Need to Teach Effective Interaction with Foreigners and New Aspects of International Business**

The international business content taught at Chinese business schools needs to be increased and revised because of changes in Chinese businesses and the world. Chinese business is increasingly international. China is also simultaneously experiencing new demands for globalization and decoupling. As the cost advantages in Chinese manufacturing have decreased because of rising labor costs and as excess capacity at many state-owned enterprises has increased, Chinese firms are being encouraged to expand abroad, especially to countries that are part of the Belt and Road Initiative and in Africa. Supply chain disruption and politics, including the drive for reshoring, increasingly interfere with supply chains and foreign direct investment in China, resulting in foreign companies considering duplication and regional supply chains more seriously. At the same time, the increasing effectiveness of remote work and IT development make significant outsourcing easier, for example, by following the Nike model of outsourcing production. Moreover, sustainability issues are also increasingly important and should be discussed. The pros and cons of capitalist economies should also be discussed as capitalism is being questioned now more than it has been in recent decades.

Thus, Chinese firms face new management challenges that are not always covered in the traditional business school curriculum, but they should be. More attention to developing intercultural competence is also needed, as Chinese business schools must develop leaders who can work well across cultures (Javaid, Söilen, & Li, 2020). One way to address this

problem is to expose students to multicultural interaction, which can help Chinese students learn intercultural interaction skills. Because Chinese business schools tend to have mostly Chinese students and faculty, it is important for them to increase the proportion of foreign faculty and students, though doing so is complicated by language issues. The average at the top 100 business schools globally is 49% foreign faculty and 36% foreign students, compared with the situation at leading Chinese business schools such as 2% foreign faculty and 1% foreign students at Shanghai Jiaotong University and 8% foreign faculty and 2% foreign students at Fudan University. The increasingly common use of online communication platforms has created more opportunities for innovative Chinese business schools to use them for cross-cultural interaction, such as working on team projects with students in other countries, though in-person cross-cultural interaction is preferable for developing cross-cultural competence when possible.

### **Transformative Technologies Need to Be Taught More in Chinese Business Schools**

The content taught in most business schools around the world is becoming dated and the traditional design of MBA programs is coming under question. This is in part because it is becoming easier to find information and because technologies are developing. Thus, there is a great opportunity for Chinese business schools to differentiate themselves and combine general management knowledge traditionally taught in an MBA program with knowledge about modern technologies like AI, blockchain, internet of things, digitalization, and cloud computing especially since China is becoming a world leader in these areas. There are great opportunities to learn about possible uses of these technologies and how to apply these technologies to business. Chinese business schools could even do business improvement projects focusing on using these technologies to improve some process / aspect of a firm as a

course project. For example, having students work in an AI lab to actually implement some idea they had using AI in business helps uses of the technologies become more real and understandable even if the applications the students could do themselves often need to be rather basic. Such projects and courses are also a great opportunity to bring students from engineering and business majors together to work on a project which more closely mirrors what occurs in business.

### **Teaching Should Focus More on the Chinese Context**

As mentioned earlier, more research needs to focus on the Chinese context, and the same is true of classroom teaching at Chinese business schools. An increase in indigenous management research will provide content for this effort including the use of indigenous models, examples, and case studies. Further, students and executives today are not keen to read long case studies, so there is good scope to explore creating and using new types of cases such as video cases, animation cases, multimedia cases, and virtual reality cases. The curriculum should also include Chinese philosophy and how it informs operations at Chinese firms. Involving more Chinese managers in giving guest lectures should also be encouraged as it can help teach about Chinese context. At the same time, students also need to learn about international best practices. comparison to typical practices as explained by .

### **The Large Role of the Chinese Government**

The Chinese government influences Chinese business schools to a greater extent than is the case with governments in most other countries. In recent years, it has heavily supported them, but at the same time, it has imposed greater regulation in an effort to ensure the quality of business education and decrease corruption. The changes are well-intended and some have

been helpful in weeding out some low-quality programs, but also make some innovation more difficult.

In July 2018 China's Ministry of Education required Chinese universities to close 234 (including 24 undergraduate business programs) of the approximately 2,300 Sino-foreign joint degrees and partnerships that had been formed (Editors, 2018). They were largely partnerships with less well-known foreign universities, some of which were in the process of shuttering. One can view it as a type of house-cleaning and getting rid of these largely lower-quality/level degrees was probably useful for China. Some of them were attracting parents to send their children to study there at large financial cost to the families with the assertion that because they were providing a foreign education it was prestigious and high-quality, but this was not always the case. The closures, however, raised concern that more reputable Sino-foreign degree programs could be shut down in the future.

Another important change to note is that Gutsatz (2017) reports, in 2017: "the Central Commission for Discipline Inspection—an ideological watchdog of the government—sent inspectors to 29 universities with the objective of identifying possible corruption, financial discrepancies, 'upholding the party's leadership,' and rooting out 'political bias.' As a result, 14 of them—including some top universities ... were accused of ideological infractions." This is an example of additional content regulation at Chinese business schools in recent years.

In 2014 Chinese government officials and executives at some state-owned enterprises had to start paying tuition to attend EMBA programs, which for most was prohibitively expensive. Previously, their tuition had mostly been paid by the organizations for which they worked or by private companies, which gave these government officials personal research grants. This change was made to try to decrease potential corruption, but as a result, most government officials stopped attending EMBA programs which is unfortunate as this change

occurred just when China began to focus more on increasing efficiency in the operation of government and state-owned enterprises.

Before 2015/2016, business schools' EMBA activities were not tightly regulated in China, but then those programs began to face regulations similar to those of other degree programs. For example, in 2016 China started requiring EMBA programs to use entrance exams. Regulation has helped to eliminate some low-quality EMBA programs that did not focus enough on teaching content and, instead, focused too much on making money by offering EMBA programs whose prime benefits were that participants would receive an EMBA degree. However, increased regulation has also made innovation more difficult. The other increased regulation of EMBA programs, restrictions on attendance in them, and the need for employees of the Chinese government and some state-owned enterprises to pay their own tuition has reduced demand for the programs 75% in 2016 compared with 2013, according to Hancock (2017).

In 2014 the Chinese government also capped the price/student/day for most executive education programs for government officials of about 100 RMB for a training day or 200-500 RMB/person/day including food, classrooms, and lodging. This is significantly below the prices traditionally charged for such programs in China by most leading business schools for cohorts of 30-40 students and is even below the cost in most cases. This has led some business schools to devise innovative solutions for payment, such as acceptance of split contracts in which some money paid to them is designated as for the program and the rest for research (which does not have the same caps). However, in reality, the payment is largely for the program, even though often some research is also conducted. Other business schools turned down such contracts, finding them unethical. Although the price caps were intended to reduce corruption, it ended up doing more harm than good. They formally applied only to government organizations and some state-owned enterprises but were followed by many

state-owned enterprises and even some private firms, a frequent practice in China. Similarly, new rules in about 2014 made it more difficult for Chinese government officials to take part in training programs with portions conducted abroad. Though intended to address programs that were more like foreign vacations, these rules also prevented attendance at many legitimate training programs that offered opportunities for gaining intercultural competence, a skill that Chinese managers most lack.

### **ADMINISTRATION: CHINESE BUSINESS SCHOOLS SHOULD BECOME LESS BUREAUCRATIC**

Chinese business schools would benefit by becoming less bureaucratic. For example, many Chinese business schools are too restrictive about which international conferences they will fund faculty to attend sometimes only funding attending the top conference in the field and not other leading conferences. For example, some Chinese business schools fund attendance by scholars to the Academy of Management Conference but not the Academy of International Business Conference. In addition, many Chinese business schools do not allow faculty to remain in the country where the conference is held to take some vacation afterward, even if they pay for it personally. Such vacation could provide useful international experience.

Moreover, many Chinese business schools have quotas for the percentage of faculty who can be promoted in a given year, which decreases beneficial collaboration. For example, if four people are applying for promotion from assistant to associate professor, often only two can be promoted and a key question in the promotion discussion is which are the best two. It would be beneficial to decrease this competitive atmosphere by evaluating each candidate against criteria they needed to reach rather than considering who is best among colleagues. These criteria drive faculty behavior. So if decisions on promotion at most good business schools in China are based on publication in top international journals, then that will be the

focus of the faculty efforts. It would be beneficial for Chinese business schools to differentiate themselves and add an evaluation of practical impact.

## **CHINESE BEST-PRACTICE EXAMPLES TO EMULATE**

### **Best-Practice Examples to Emulate from Local Chinese Business Schools**

Some Chinese business schools have developed some best practices from which other Chinese business schools and business schools around the world could learn. For example, partially inspired by the RRBM organization and its founder, Ann Tsui, the deans of the top nine business schools in China plus Renmin University formed a group called the C9+ consortium. It met in November 2019 and December 2020 to help these schools to focus more on responsible research (rigorous research to address issues that are important for the world and have a practical impact), which is a way for Chinese business schools to differentiate themselves. The 2020 meeting was expanded to include about 100 deans at business schools in China. Following are some examples of best practices related to responsible research at five business schools in the C9+ group.<sup>1</sup>

The Fudan University School of Business modified its promotion system to reward faculty who conduct field research, particularly if it is aimed at understanding the real problems faced by firms in China and offering potential solutions. To further encourage faculty to get out into the field, the dean led a visit to more than 30 technology-driven firms, giving them the opportunity to obtain valuable practical understanding and contacts.

The Guanghua School of Management at Peking University invested over RMB 14 million to support thought leadership research projects focused on social, economic, and organizational issues in China. Guanghua also leveraged this research, with greater efforts at

providing policy advice. It also established three interdisciplinary research platforms to facilitate responsible and impactful research.

The Tsinghua University School of Economics and Management began to encourage hiring decisions that consider whether the candidate has conducted research that is relevant for China and helps society.

Zhejiang University adopted a business-plus model that includes interdisciplinary teams to collaborate with firms, government, and other external stakeholders in impactful and innovative research.

Shanghai Jiantong University's Antai College of Economics and Management and the Bank of China are co-developing the School of Technological Finance. Such extensive industry-education collaboration will help ensure that research which addresses industry needs will be conducted and more quickly and extensively transferred to industry. The School of Technological Finance also encourages a focus on the Chinese context, innovation, and multidisciplinary which are beneficial.

With government and business school financial and policy support, many Chinese business schools have improved the quality of their research and teaching by engaging in international collaboration, a practice that other countries should emulate. This collaboration includes Chinese scholars working with foreign co-authors, foreign professors serving as visiting professors at Chinese universities, many faculty at Chinese universities having obtained PhDs or other degrees abroad, and faculty at Chinese universities having spent time abroad at well-respected foreign universities.

### **The Value of Niches to Facilitate Experimentation and Emulate What Works**

Transition research (Geels & Schot, 2007; Markard, Raven, & Truffer 2012) discusses the role played by niches, which are places that are somewhat protected from dominating forces,



in developing and testing innovations that facilitate transition. The Chinese government has facilitated the creation of niches to enable experimentation that will develop useful innovations for business schools. Some of these niches are Sino-foreign university business schools, such as Nottingham University Ningbo China, Xi'an Jiaotong Liverpool, and New York University in Shanghai); international joint venture business schools, such as China Europe International Business School; private business schools such as the Cheung Kong Graduate School of Business; Greater China branch campus business schools, such as the Chinese University of Hong Kong Shenzhen; and mainland Chinese branch campuses of Chinese universities such as Peking University's HSBC Business School in Shenzhen.

Business schools in these niches have created some interesting examples of best practice that traditional Chinese business schools could emulate. For example, China Europe International Business School (CEIBS) benefits from having a mix of international and Chinese faculty and shows that business schools based in China can benefit from more interaction with business. CEIBS faculty have easy access to firms for research, and this interaction helps ensure that faculty research is more relevant to business. CEIBS is also a good example of the benefits of actively producing Chinese cases to create contextually relevant teaching material which students like and benefit from. Finally, CEIBS provides a good example of how to establish and leverage international branch campuses. CEIBS has branch campuses in Switzerland and Ghana. The Swiss branch campus in particular has been useful in giving Chinese executives international experience.

Another example of a best-practice niche is New York University Shanghai, which illustrates the movement of students between campuses in different countries to create diverse experiences for them and a more diverse student body. Further, Nottingham University Business School China has China's most international faculty, with members from more than 20 countries; it has a strong focus on interactive teaching, a focus on activities to develop

faculty research and teaching skills, such as a teaching method seminar series and a research method seminar series, and impacts business by offering long-term transformative executive education programs, which not only teach but also help firms apply what they learn. Peking University's HSBC business school shows that branch campuses in China can be innovative places to experiment and leverage international branch campuses (they have a branch campus in the UK, which it uses to give Chinese students and executives international experience and to serve as a source of more international students for its Chinese campus by having UK-based students go there on exchange programs). Finally, the Chinese University of Hong Kong Business School Shenzhen leverages semiautonomous research institutes, such as its Shenzhen Finance Institute, to have a greater practical impact on government policy and business practice.

China also has a wide range of joint- or double-degree programs with foreign business schools at all levels, which are a form of experimentation. For example, according to Gutsatz (2017), in 2017 at least 35 joint- or double-degree EMBA programs between Chinese and foreign business schools were operating in China. Experimentation in niches enables China to learn what works well in business schools in China.

## **CONCLUSIONS**

Over the past two decades, Chinese business schools have probably advanced more rapidly than those anywhere else in the world, yet they still have room for improvement. This article highlights some current weaknesses and offers suggestions on areas that need strengthening. They need to continue to scan the world for best practices and collaborate with foreign faculty and professors, but at the same time, they should take the next step and exert the self-confidence to not just copy the traditional American model of business education which is now being increasingly questioned, but to develop a Chinese model of business education

based on the local context while incorporating international elements and focusing on how to have a greater practical impact.

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**Table 1**

**Number of EMBA Programs in Different Countries and Regions Ranked in the top 50  
in the *Financial Times* Ranking in 2001 and 2021**

<b>Country</b>	<b># Local Programs in 2020</b>	<b># Joint or Foreign Programs in 2020</b>	<b># Local Programs in 2001</b>	<b># Joint or Foreign Programs in 2001</b>
Mainland China	3	7	1	0
Singapore	2	2	0	0
Hong Kong	2	2	1	0
India	0	0	0	0
US	7	6	26	0

Note 1: Location of the program is based on what is listed in the *Financial Times* ranking.

Note 2: A local program means that it is run exclusively by a business school in the host country.

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**ENDNOTES**

<sup>1</sup> Information in this section is based on an insightful presentation by Zhi-Xue Zhang at Responsible Research in Business and Management (RRBM)'s 2021 Responsible Research Summit, from the author's conversations and knowledge, and from examining business school websites.