THE STATE OF MARKETING AND BUSINESS EDUCATION IN CHINA

Ilan Alon and Le Lu

Every truth has four corners: as a teacher I give you one corner, and it is for you to find the other three. — Confucius

China has recently experienced an increased demand for Western-style marketing and business practices due in part to a burgeoning economy and recent entry into the WTO. Market-based education has diffused rapidly across China as Chinese universities have started to imitate their Western counterparts and have entered into joint venture agreements with them. First, increased demand for Western-style education has far exceeded supply, causing shortages of qualified workers. Second, marketing and business education still lags behind the West in quality and pedagogical approaches. Third, Western-based approaches exert social influences by challenging the traditional assumptions of educational institutions and business and economic functions. This paper discusses the cultural development of Chinese educational systems, the growth of modern marketing and business education, and the challenges facing marketing and business education in China today.

Introduction

Market-based business education in China is a discrete field devoted to the acquisition and application of the unique set of knowledge and skills used in commercial or industrial establishments. It develops an understanding of business, technology, and economic concepts; it develops opportunities for the application of basic academic, thinking, and interpersonal skills; it helps in the economic transition which China has embarked on since 1978. Its study contributes to a student becoming a productive worker, an economically successful entrepreneur, and a keen consumer. Business education thus defined and described is applicable in the Chinese context today, but the systematic development of education in business-related fields and its nationwide application has a brief history, going back no more than twenty years. Thus, any effort to evaluate China’s business education with the criteria used in the judgment of western business education is essentially doomed. A reasonable evaluation has to be based on the social and historical background of China’s business education. This article sets the framework for analyzing marketing and business education in China, aiming to provide a macro-understanding of China’s business education, a framework into which anyone who is interested in a more detailed knowledge can deposit his/her information.

The need for marketing education has become apparent, as China has transitioned from a planned economy controlled by the state to a more capitalistic society guided by free market principles (Alon 2003a). Marketing education in China has followed the general path of business education: before the formation of the communist government in 1949, it was taught in universities throughout China. After that point, a seller’s market was developed, one based on resource scarcity controlled by the central government, and there was no need for market-based consumer orientation, distribution, pricing, promotion, or branding (Zhou 1991). Marketing and business education as it is taught in the West reappeared in 1978 when the Central Committee

Marketing Education Review, Volume 14, Number 1 (Spring 2004).
of the Chinese Communist Party called for a market socialist economy, a politically autocratic liberal economy. Because of the liberalization of the economy, a buyers’ market has emerged, and marketing, along with other market-based business functions, has grown in importance. A derived demand for marketing and business education followed. It should be noted that the term “business” in China roughly corresponds to commerce, economics, and/or management, and includes marketing as a core component (Zhou 1991). The development of marketing education, business education, and liberal economics education is thus intertwined.

First, a brief look at the Chinese educational tradition and history will foster an understanding of today’s education in China in a general sense; more to the point of this paper, such an overview will reveal a striking contrast between what education and business theory meant and were like in the past and what they mean and are like today in modern China. Subsequent to this discussion, the rapid growth of business education in today’s China is surveyed, together with a short introduction of typical modes of business education. Following a discussion of the rationales behind the rapid growth is an examination of the challenges China’s business education is confronted with and questions Chinese business educators are trying to find solutions to. Many of the illustrations used in the essay are found in Shanghai and Beijing, two major cities representing the direction of development China is following.

Cultural Development of Chinese Educational Systems

Traditional education in Chinese history is embedded in Confucian culture. The ultimate purpose of education is not only moral and cultural cultivation and the cultivation of social and political administrative skills. This educational tradition has the following features:

1) It emphasized the inheritance of knowledge rather than its creation. Teaching is what is passed on from the teacher to the learner for him to copy.

2) It attached greater importance to social and political functions than to skills in economic and productive activities. The focus of education in both public and private schools was Confucian classical models and texts. Moral instruction formed the focus of education.

3) It stressed the achievement and reputation of an individual but treated “the mention of profits” as despicable. One was advised to fulfill economic goals through the acquisition of high official positions, rather than through direct involvement in economic activities.

By the end of Qing Dynasty (1644-1911), when Western culture began to exert an impact on Chinese culture, the Qing government had abolished the Royal Examination System and founded schools in the modern sense. By eliminating the bureaucratic hierarchy that was the center of all individual career goals, China effectively began a movement towards its present state. Only then did Western educational concepts and methods find their way into China. However, higher education then – in the early twentieth century – was weighted more heavily in favor of social sciences and humanities than engineering and business education. Successive waves of political and economic instability rocked China in this period. As a result, China saw neither the establishment of a systematic industrial and commercial management theory nor a corresponding educational system; however, Western theories of industrial and commercial management as well as practical knowledge, such as accounting and trade regulations, were being taught in some higher educational institutions at that time.

The 1950s saw China establish a planned economy characterizing public ownership, an economy based on a completely different theory from that which resides at the core of Western economic theory. The models and patterns of management were imported from the former Soviet Union. One of the most important features of the economic system was the integration of political functions, economic functions and social functions into one economic unit. This economy, as a natural result, set up a management theory with its own characteristics and its own rules of operation. The An Gang Constitution, for example, put forward principles specific to the management of socialist enterprises. As the government controlled the economic activities of these enterprises, the role and force of the market were close to zero. Enterprises did not need to make decisions concerning production according to the demands of the market, nor did they need to make strategic planning in response to market competition. Therefore, the absence of a rationalist economic basis led to the absence of modern industrial and commercial management theories in practice and in education. The dominant economic theory taught in the university was political economics, a theory based on Marxism. Some Western economic theories were also introduced and taught, but not for practical purposes: that is, they were not to be used in “real” economic activities.

During the Cultural Revolution (1966-1976), higher education existed in name only; in reality, colleges and universities were battlefields for revolution. Economics courses were among those completely removed from the curriculum as “capitalist products” and the idea of a “Business School” had too capitalist a connotation to
be allowed to exist. 1977, the second year following the termination of the disastrous Cultural Revolution, witnessed a turning point in the history of China’s higher education, for it was the year in which the higher-education national entrance examination system was restored. Universities all over China began to enroll students in many disciplines. However, marketing and business were not chief among them for both practical and political reasons. The second year after the restoration of the entrance examination saw the enrollment of business and economics students by the Shanghai University for Economics and Finance, but these students were admitted at a lower grade level than the level at which engineering and science students were admitted. Only three specialized courses were initially offered: accounting, statistics, and industrial economics. The economic system at that time did not require very much more of its practitioners.

With the opening-up of China since 1978, an increasing number of Chinese universities have set up departments or colleges of marketing, economics and trade, management, and other business-related fields. These departments have little trouble attracting strong students due to an increasing market demand by both domestic and international companies for more sophisticated and modern marketing and business skills. The government encourages and cooperates with educational institutions in the training and education of specialists for modern enterprises.

Describing the education system in China, Hu and Grove (1999) suggested that the transmission of knowledge is oriented more toward theory than toward practice and application; great emphasis is placed on details and facts, which are often committed to memory; a key learning objective is to know and be able to state facts and theories as givens; the content of learning is whatever is found in assigned texts or other readings as books are the sources of authority; the teachers whose classroom styles are most admired are those who give clearly structured, information-packed lectures written on the blackboard (which students copy verbatim).

This educational philosophy contrasts with the American model, which is increasingly based on case studies, discussion, and experiential education. In the Chinese students’ view, run-of-the-mill discussions waste precious time that ought to be used by the teacher to deliver intellectual treasures. Therefore, Chinese students often come to the classroom as an attentive, respectful and passive audience. This pedagogical tradition is, unfortunately, evident even in MBA education. As a result, China’s MBA education has the following features, which are incompatible with the model of MBA education generally found in the West:

1) More transmission of knowledge than encouragement of creative thinking;
2) More classroom teaching than practicum;
3) More academic research than experience sharing;
4) More theoretical analysis than case study;
5) More basic theory courses than courses that develop students’ comprehensive abilities as managers and executives.

Marketing and Business Educational Systems

The rapid growth of marketing and business education in China’s higher education institutions is more varied in form than it is in the Western context, and represents a development over the last twenty years. Three types of educational systems have been developed to teach marketing and business:

1) Business-education programs in Chinese universities.
2) Joint business-education programs between Chinese universities and foreign universities.
3) University-based government programs.

While the first one is found anywhere in the world, the second and the third types are typical of today’s China. Currently, more than two-thirds of the universities and colleges in the Shanghai area have developed international cooperation programs at different levels with universities from a variety of developed countries. International cooperation is much encouraged and advocated in China, for it is seen as one of the chief channels of knowledge. Such cooperation is also seen as an economical short cut to the acquisition of Western educational resources, educational concepts and models. It also speeds the training of a cadre of educated, specialized professionals for China’s market economy. As far as business programs are concerned, most international cooperation takes the form of foreign professors teaching an average of 8-10 specialized business courses in Chinese universities as “Foreign Experts.” The professors are invited to make textbook recommendations, model instructional methods that incorporate Western cultural practices, and to advocate curricular design or modification. A good illustration of this cooperative structure is the arrangement between the University of Shanghai for Science and Technology and the City University of New York, Queens College. Out of the 10 courses taught by foreign professors from the United States, three are marketing-related: Marketing, Advertising, and International Marketing.

Another distinguishing feature of marketing and business education in China is government participation. The government puts much stress on educating a work
force with specialized market-based knowledge in the expectation that these people will be able to play a role in the reform of the market economy, especially in the reform of the operational structure of state-owned enterprises. It thus encourages universities, through its educational policy, to run and expand business-related programs and it provides universities substantial support. The China Machinery Industry Shanghai Sloan School of Management at the University of Shanghai for Science and Technology is a good illustration of governmental influence. The Shanghai-Sloan School is an executive training certificate program involving a collaboration between MIT’s Sloan School of Management and the University of Shanghai for Science and Technology. This cooperative venture was established and is supported through the offices of the former Ministry of Machinery Building Industry. Established in 1996, the program set the objective of training high-level managers for state-owned enterprises and organizations who “not only adhere to the principle of a market economy with Chinese characteristics, but also have the insight of global economics and technological development as well as management competence and expertise” (Administration Report of China Machinery Industry Shanghai Sloan School of Management at USST 2000).

The China Europe International Business School (CEIBS) offers another illustration of government participation in business education. CEIBS was set up in 1994 with the support of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), the Shanghai Municipal Government, and the European Union. With government backing, CEIBS has been able to capitalize on high-end international educational resources and has set the objective of becoming one of the top business schools in Asia. It is a new product of economic reform and the significance of its establishment lies in its being the first of its kind in China. CEIBS occupies a special place in China’s higher education sector, special in the sense that it will play a leading role in developing business-education models, and will contribute to the education of first-class MBA students, managers and executives working in or going to work in China. It is the leading institution in China. Programs of this nature may seem extremely expensive when one looks only at average income levels in China (the tuition fees for these programs are 8-15 times of the tuition fees in regular business training program in the university), but two facts work to mitigate a too-easy rejection of such programs due to their cost: first, some of the trainees are financially supported by the enterprises or government organizations they work for; second, they are presently irreplaceable, providing functions that cannot be replaced by any other form of business education. While mainstream business programs are mainly aimed at providing business communities with a basic work force with some specialized knowledge, government projects are geared towards the production of a sophisticated, Western and globally focused upper-level management corps. CEIBS offers MBA education in which several Western-style marketing courses are offered. Other notable examples include Shanghai Jiaotong University, one of the leading universities in China, and the European Foundation for Management Development.

Modern Growth of Marketing and Business Education

The rapid growth of marketing and business education is reflected in the increasingly large numbers of students who opt for this focus in higher education. It was not until the mid-1980s that business schools began to be set up in regular educational institutions in China; the real development of business schools took place in the 1990s with the deepening of economic reform. The late-1990s saw a dramatic increase in enrollment. The number of students enrolled in business programs (including economics) increased from 396,534 persons in 1994 to 554,569 persons in 2001 (China Statistical Yearbook 1996, 2002).

The above numbers do not yet include the number of students in language colleges. The growing number of foreign language colleges is a remarkable phenomenon characteristic of an emerging market moving towards internationalization and globalization. The significance of these students as regards the present topic is that a large percentage of the students in foreign language colleges are students who, in answering the needs of the market, have business-related minors that are usually put in parentheses in recruitment brochures, for example, French (Marketing), English (International Business) or German (Economics and Trade). This is a unique form of business education that started in mid-1990s when the market economy had replaced the planned economy as the main feature of China’s economy. The number of students who declared English (or English literature) majors increased from 350,291 in 1994 to 417,604 in 2001 (China Statistical Yearbook 1996, 2002).

One may ask why the number of literature students is increasing in a rapidly developing economy. The fact is that Colleges of Chinese Literature are shrinking and Colleges of Foreign Languages that offer only literature courses are rare. Thus, the increase indicated here represents an increase in the number of language students who minored in business or economics. Therefore, add-
ing the number of language students in strictly business-oriented programs to the number of students in business-related programs, we find, using 2001 enrollment information, that approximately 18% of the university students in China are taking business courses. When this is compared to the situation in 1979 when only one university in Shanghai enrolled just a few dozen economics students and offered only three economics courses, one sees a dramatic change, a change brought about by the equally dramatic transition in the economic system.

In the 1990s, Zhou (1991) and Chao (1995) reviewed the state of marketing education in China and found similar results:

- Transition to a market economy has promoted demand for marketing education.
- There is a lack of suitable books and qualified teachers.
- There is a lack of facilities and supporting teaching resources.
- Greater integration with the global economy is needed, and marketing can help.

These conclusions are in general still valid today. However, there have been rapid changes in the market economy of China, a diffusion of foreign ideas and foreign capital, and recent developments in University education relating to marketing and business education in the past decade. The development of the MBA, in which marketing is core, is one such development.

The appearance and growth of MBA programs is worth mentioning. While MBA education started in the US in the late 1800s, China’s MBA education started gaining momentum in the 1990s. However, recent growth, brief though the span may be, has spawned some significant figures relevant to China as a rapidly expanding market. Since 1991, when MBA programs first made their appearance in nine universities, 62 universities in 27 provinces and cities have developed MBA programs. Enrollment figures show a marked increase: annual enrollment has increased at a rate of 6-7% per year, from a few hundreds in 1991 to 12,173 in 2001. The total number of MBA students over the past twelve years approximates to 47,000, of whom 12,041 have obtained their degrees. However, the relative immaturity of Chinese MBA programs, coupled with increases in demand from local enterprises and joint ventures, has several down sides, which will be discussed in a latter section.

In sum, modern marketing and business education in China can be said to have really started only in the early 1990s when the concept of “establishing a modern enterprise system” was put forward and when China was entering the age of the “socialist market economy.” While residual educational concepts from the old cultural tradition and from the planned economy still make themselves felt in today’s education in one way or another, business education in today’s China is a fashionable boom for young people. This trend is expected to continue for a long time.

Behind the Growth of Marketing and Business Education

Behind all the excitement about marketing and business education is the benefit people see and think they can harvest if they invest in it. In addition to this benefit-driven motivation, the socio-political background offers a more profound explanation for the current enthusiasm for marketing and business education as an imported Western concept.

First, under the policy pursued by the Chinese government to replace the planned economy with the market economy, each enterprise becomes an independent economic entity, the level of profit realization being the true and only indicator of success or failure. This dramatic change has given rise to fierce competition for market share and, accordingly, enterprises are faced with a completely new situation, one completely at odds with the old economic system. In addition to production, service and quality, the efficiency and effectiveness of internal management has become a matter of life and death for the enterprise and a prerequisite for its existence. In a crucial shift from the old system, the new system puts the enterprise in direct confrontation with its external environment, forcing the company to deal with issues such as consumer demand, sources of capital, sales channels, raw material supply, employment, product promotion, pricing, competition, etc. Therefore, great attention has been paid to industrial and commercial education, as different techniques are necessary to navigate in the new Chinese economic system.

Second, inevitably, the opening up of China’s economy led the country into increasingly close contact with the world economy. China’s entry into the WTO and the speeding up of globalization make it impossible for China to go its own way, which means that China has to abandon idiosyncrasy in favor of following generally accepted rules for economic activity. Obviously, economically advanced countries have many decades invested in the development of mature marketing systems, industrial and commercial operations and management, and institutional structure. To be a successful participant in this world, China must familiarize itself with these market-based operational systems and the principles and norms that support them. Without knowing the motivation behind
economic behavior and the (sometimes invisible) rules of economic activity, Chinese enterprises can never hope to acquire competitive power in their confrontations with foreign enterprises. Therefore, Chinese enterprises have turned to educational institutions for better knowledge of the business world, especially imported knowledge from the economically advanced West.

Third, the policy of pursuing a market economy and encouraging differing ownership models for domestic enterprises does not necessarily mean the elimination of state-owned enterprises. On the contrary, those state-owned enterprises that play an important role in the national economy will keep their status. In fact, the Chinese government regards it as a vitally significant task to not only preserve the important position of state-owned enterprises, but also to develop and expand their economic scope in the Chinese economy. But these enterprises will have to abide by the norms and rules generally observed in the market, while at the same time fulfilling the production or trade quotas assigned by the government to ensure the increase of enterprise value.

Since the modernization of state-owned enterprises in China is strategically meaningful to the Chinese economy, the government has established educational bases for training specialists and has developed policies encouraging the management of state-owned enterprises to take business and management courses. The government even sends some managers to economically advanced countries or puts them in important positions in large joint ventures to further their theoretical and experiential learning. These are not random measures, but are an integral part of long-term strategic planning.

A look at the composition of MBA students in Qinghua University, known as a leading University and the cradle of top leaders of the central government, may help illustrate the point made here (see Figure 1). What is especially noteworthy is the percentage of students from state-owned enterprises, which are normally large enterprises that play a pivotal role in China’s national economy. A large percentage of joint ventures are ones

---

(2003/3/24)

SOE: state owned enterprises
POE: private owned enterprise
FOE: solely foreign owned enterprise
JV: joint ventures
GOV: government organizations
OFF JOB: those who quit job
ED/CUL: educational and cultural institutions
created between foreign investors and large state-owned enterprises. A special feature of this initiative is the government’s expectation that students should introduce Western marketing and business knowledge into government enterprises and into government itself.

Fourth, an increasing number of foreign companies and enterprises have flocked to the Chinese market since the market opened up in 1978. These enterprises and companies, running on their own operational rules, need local human capital, and this has created a variety of opportunities in a burgeoning job market. Multilingual candidates with backgrounds in business education are finding that a number of jobs – from interpreter to business manager – are available. As the average salaries in joint ventures or wholly owned ventures are higher than those offered in state-owned organizations, especially for highly qualified candidates seeking upper-level positions, young people are highly motivated to take business-oriented subjects and specialized courses, thereby acquiring credentials that allow them to compete for the highest paying jobs. The composition of MBA students in CEIBS illustrated in Figure 2 may indicate a strong awareness of MBA education among employees in foreign owned enterprises and joint ventures.

**Discussion of Marketing and Business Education Challenges**

While China’s marketing and business education, driven by a growing demand, is on the one hand an exciting prospect, on the other hand it is confronted with some problems to which there do not seem to be immediate solutions. Having discussed the growth of marketing and business education at the macro level, and its bright potential for future development, we turn our attention to three daunting issues related to marketing and business education: problems in educational transformation, lack of resources and qualified teachers, and the need to localize business education.

**Problems in Educational Transformation**

Traditional education in China in the Confucian culture views education as the cultivation of social and political administrative skills. In the planned economy, students were financially supported by the government and were assigned a job after graduation. They were expected to implement the policies of the government. This orientation is clearly summarized by the following dicta, well known during much of period preceding 1978 and illustrative of the normative, moral goals of all education: “Socialist education should serve socialist politics and socialist construction”; the purpose of education is “to transform the young into people with highly developed social consciences and the knowledge needed to serve the construction of the socialist state.” Therefore, the basis of curricular design is not what the market demands; rather, it is what is required by the educational administrative body that represents the government.
Consumer orientation in education is a novel idea in China (to some extent introduced by business educators), threatening traditional relationships between teachers and students. As Zhang Weijing, Dean of School of Management of Beijing University, has been quoted as saying by a journalist from 21st Century Economics on the topic of MBA education in China, “Traditional education is responsible for the government while MBA education is geared to the market. … We used to see our students as our products, the products of professors and the college, while MBA education regards students as clients.” While it may not be difficult to understand and accept the view of market orientation instead of government orientation, most professors would find it very hard to come to an agreement with an approach that totally changes the teacher-student relationship. The Chinese word for a teacher, laoshi, is a term signifying considerable respect and deference, not simply a designation of social rank and function. Laoshi and student are viewed to be in superior-subordinate roles, with laoshi being expected to take a strong interest in the development of the student as a whole person. Therefore, s/he plays the mentor as well as the parental role and his job is jiaoshu yuren, literally, teaching book knowledge and educating people, implying bringing up youth to be socially oriented. Jiaoshu yuren is a quality of a good teacher who is able to integrate yuren into his pedagogy. Some professors argue that if students are clients, they are analogically customers in a shop and all teachers need to do is supply the commodities sought. This view is equally unacceptable to many students who were taught from early age that the teacher is “the engineer of the human soul” and “a teacher for a day, a father for a whole life.” It follows that both the educator and the educated agree that the educator provides what he thinks is beneficial to be educated, instead of what the educated thinks he needs. This teacher-student relationship has been the model for thousands of years in a culture that puts much emphasis on sacred texts worthy of being committed to memory.

In sum, the traditional educational system is rooted in Confucian orthodoxy. The Chinese economy’s emergence into the global capitalistic system is requiring a new set of skills and abilities, and Western style education is filling this gap. However, in exporting its methods, Western education is challenging the very assumptions on which Chinese education operates, and induces a transformation in its system that threatens traditional elements. A key question worth studying is how Chinese educational methods, in marketing and business as well as in other subjects, can adapt to and integrate with the global economy.

Lack of Resources and Qualified Teachers

Another problem lies in the lack of qualified and experienced faculty, necessary facilities, and teaching materials and reference books. The solution to the latter two issues is not especially difficult; in fact, some higher educational institutions engaged in business education, especially MBA education, are well equipped and imported business textbooks are not as difficult to obtain as they were years ago. However, that aspect that concerns teacher resources and teacher quality constitutes a problem that needs to be addressed immediately. The growing numbers of business schools and students do not correspond with the growth of business educators in China, especially in the initial stages of program expansion. This was a problem back in 1991 when Zhou was writing, and it continues to be a problem today.

In universities without coherent business programs, it is not unusual for professors with expertise in a different field, such as engineering or linguistics, to “become” Professors of Marketing and Business by just taking a few related courses. Furthermore, it is still common for MA or MBA graduates to teach business courses right after graduation, even if they do not have any significant business experience to speak of. The teaching methodology thus used in the classroom is often a poor one, unfortunately: novice teachers without substantial experience in classroom pedagogy, the business world, or the discipline spoon-feed students from the textbook. The quality of teaching depends too heavily on the teacher’s conscientiousness and sense of duty, and too little on those professional qualifications that lead to quality teaching and the transference of skills and expertise.

This lack of qualifications in business educators is magnified by a deficiency in the quantity of business professors. Out of about 7.2 million college students, about 1.4 million majored in business in 2001. There are only about 53,000 business educators to serve this number of students: 5,000 Professors, 15,000 Associate Professors, 10,000 Lecturers, 20,000 Assistant Professors, and 3,000 Teaching Assistants. Making matters worse is that about 65% of these educators are in the area of economics, many trained in Marxist orientations with little training in “liberal” economics (China Statistical Yearbook 2001).

The following numbers show a shocking lack of faculty in China’s business-education sector. The overall teacher-to-student ration in Chinese universities is 1:14. In business-related areas, the situation is worse with a ratio of 1:26. It should be noted that these figures do not include the foreign language students mentioned earlier who minored in business. When that number is taken into account, the issue becomes even graver. The surprisingly small number of full professors is upsetting, too: there are about 1,600 business
students for each full professor. Considering the number of years business education has existed in China, it is not altogether surprising that so few have achieved this high rank. However, the issue needs to be raised: while it is easy for the number of business students to grow simply through one year’s enrollment, it may take a decade or more for a teacher to be promoted to full professorship, and for Chinese business scholarship and practice to catch up.

The general problems of quality and quantity deficiency discussed above are replicated in MBA education. Although MBA programs have the best business faculty of any institution, data show that the annual market demand for people with MBA backgrounds is estimated to be around 30,000, but the total number of MBA graduates so far does not exceed 20,000. This suggests a pent-up demand for MBA education in China, with scarce local skills to fill this demand. The lack of quality and quantity of marketing and business professional skills may explain why the 2003 MBA entrance examination in both Beijing and Shanghai decreased by 11% and 5%, respectively, while MA programs, which are more theoretically driven, are in a much better situation.

Western marketing, business and economic models dominate today’s globally oriented thinking. China, with its Confucian culture that attaches greater importance to moral gains than to economic gains and its history of centralized economic planning, has a very different theoretical system and operational principles; consequently, China has operated under a different set of “rules-of-the-game” to date. The present scenario is that different groups in China—foreign ventures and domestic enterprises—compete under differing assumptions of business conduct. If this situation continues, the impact of WTO membership on China’s transition toward an independent economy based on impartial and fair rules may be delayed (Li 2003). It is widely recognized that reforms in business education are needed for China to meet internationally acknowledged standards. One of the most promising innovations in recent educational history is the increasing number of linkages between Chinese and foreign institutions of higher education in the establishment of progressive business education programs.

Given the lack of faculty as a strategic concern for the development of marketing and business education in China, Western universities may be advised to develop educational programs designed for training the “trainers” of future business leaders who can then strive for better integration within the global marketplace.

Localization of Business Education

Chinese marketing and business students have benefited from the collective knowledge of Western marketing theories, management models and classroom methodologies. While it is a trend that paves the way for the internationalization of business education and the globalization of the Chinese economy, the progress of global integration is hindered by a number of factors, including an educational system that is still a product of the planned economy, the government-oriented principles and political correctness in the making of the curriculum. Adapting marketing and business education to Western models has the advantage of infusing much-needed knowledge that will help China to be competitive in an international business arena and have a broader vision of the global economy. The main sources from which this global perspective is to be derived are foreign books, foreign teachers and, increasingly, the Internet (although access to the Internet is sometimes controlled). These resources, however, have their limits.

In China, much of the teaching methodology used in the classroom is often based on rote memorization of foreign concepts. These concepts are explained in the context of foreign countries, ones in which most Chinese students have little experience. Adding to the aggravation is the foreign language in which much of the material exists. It constitutes another barrier to accessing Western knowledge and a wide range of international communications. Since there is too much reliance on translation and interpretation, by the time a translated version of a textbook or an academic work comes out in Chinese, subsequent editions of the book may have been published in the original language. Simultaneous interpretation of a lecture given by an English-speaking business professor in the classroom takes up time and limits the amount of information that can be transferred. There is an increasing need for Chinese knowledge creation by Chinese scholars for Chinese students that fits the global business models.

Because of the traditional concept of education, both Chinese teachers and students hold books and written materials in awe and use them as sources of opinions or interpretations. From primary school all the way to postgraduate education, tests are viewed as the absolute determinants of a student’s future. Students are accustomed to book-related knowledge, and they are good at taking tests based on the knowledge learned in the classroom and from a few assigned readings. Internships, case studies, simulations and group consulting projects—regarded as integral parts of a business education, especially an MBA education, in the West—are missing from the curriculum of most marketing and business programs, even MBA programs, in China. A key question that arises is how to integrate new Western-style experiential-based and participatory teaching methods to students who are accustomed to the present educational system.
The educational discourse system formed and developed in the Western business academy is being introduced into China, a country grounded in a very different cultural setting and a country that is still economically underdeveloped. China’s business educators are now trying to assimilate the system. But how can this discourse system fit into Chinese business culture? Obviously, it involves a long process: accepting and understanding it, and being able to use its concepts in an environment to which the conceptual system of the discourse is totally new, if not alien. Alon (2003b) has discussed the unique nature of Chinese culture and suggested that Western business theories may not be relevant to the current Chinese context. In most state-owned and privately owned local enterprises, there is an increasing awareness of the need to absorb the imported system, but implementation is slow due to key environmental and organizational differences. It is not difficult to understand why some marketing and business graduates are frustrated when they fail to make the necessary adjustments to their working environment.

For this reason, some scholars argue against indiscriminate acceptance of Western theories and models without modifying them to suit local needs. It has been argued that a discourse system should be established, a system shared and adapted to the Chinese business culture and, at the same time, compatible with the system used in the mainstream of the world economy. In a more specific sense, to develop a domestic discourse system of this kind is to develop marketing ideas, economic theories and management models characteristic of China’s economy.

Some preliminary research has been conducted on cultural differences and on the educational approaches that may be appropriate for the unique state of business education in China (e.g., Aguinis and Roth 2003). Using a sample of 76 MBA students in Beijing, Thompson (2000) noted that Chinese students are as receptive to Western concepts as they are to Western ideas. They are able to use its concepts in an environment to which the conceptual system of the discourse is totally new, if not alien. In this case, the conceptual system is totally new, if not alien. Thompson (2000) noted in a more specific sense, to develop a domestic discourse system of this kind is to develop marketing ideas, economic theories and management models characteristic of China’s economy.

Some preliminary research has been conducted on cultural differences and on the educational approaches that may be appropriate for the unique state of business education in China (e.g., Aguinis and Roth 2003). Using a sample of 76 MBA students in Beijing, Thompson (2000) noted that Chinese students are as receptive to Western concepts as they are to Western ideas. They are able to use its concepts in an environment to which the conceptual system of the discourse is totally new, if not alien. In this case, the conceptual system is totally new, if not alien. Thompson (2000) noted in a more specific sense, to develop a domestic discourse system of this kind is to develop marketing ideas, economic theories and management models characteristic of China’s economy.

In conclusion, marketing and business education, a totally Western concept of education, is burgeoning in China. To equip China to compete when the country’s economy is becoming fully merged into the world economy, those who teach marketing and business in China have to shoulder the daunting responsibilities of learning, adapting, integrating, educating, and developing. They must engage in a process, and not merely settle for finalized products.

References


Peng, Kung-Ming (1999), Knowledge Economy and Education, Nanjing Normal University Press.


