

The Current Situation and Problems of China's Management Education*

Jiahe Zhao

.....«Contents».....

- I. A brief introduction on history**
- II. An overview on management education after reforms**
- III. The management education in universities and institutes**

This paper gives a brief introduction and overview on current situation of China's management education. It also discusses some syllabus samples of different education level to explain the education philosophy and problems.

I. A brief introduction on history

Before 1949 China was a backward country in both economic and education fields. Total students graduated from universities were merely 180,000 from 1928 to 1947. There were very few universities and colleges involved in economics, finance, accounting and industrial management education. The management education was in a small scale and did not bring much influence to the economy. Most important staffs, working in governments and enterprises, were either educated abroad or foreigners. This situation lasted until 1949, the foundation year of the People's Republic of China.

After liberation, all new economic and education structures were learned from Soviet Union. The economic system was a central planning system controlled through administrative measure. Almost every Chinese enterprises were owned by state, it was only a subsidiary unit of a government department.

Author: School of Economics and Management, Tsinghua University.

* Paper presented at International Symposium on Trends in Business Education and Research, Seoul National University, Seoul, Korea, October 16, 1990.

All economic factors and resources, such as prices, capital investment, wages, raw materials, energy supply and labor force were controlled by various departments. The requirements to all staffs and managers were to execute the plans determined from upper authorities.

Meanwhile, all universities and colleges were new-established or re-adjusted to Soviet style specialized units, such as finance institute, textile institute, etc; they belonged to relevant ministries. However, the State Education Commission still controlled comprehensive universities, majoring in liberal arts and pure science, and some engineering universities. Started from that time, Chinese universities and institutes were separated to two groups: liberal arts school, training staffs, officials and scientists, and engineering school, training engineers and technicians.

From 1949 to 1978, 100,000 students graduated from finance and economic department in liberal arts universities and institutes, 270,000 graduated from vocational finance school, they got jobs in departments and state-owned enterprises by government planning. In the mean time, few management departments were set up in engineering universities for teaching engineering economic courses to engineering students, and for training small number of industrial management students.

In early 50's, some faculty members were sent to Soviet Union for degree study and more were gathered in the Harbin Industrial University, located in northeastern China, to study production management and engineering economics courses from Soviet professors.

In this period, managers of enterprises and officials of departments were designated and promoted by upper authorities on their capability, experience and politic performance, without professional and academic education requirements.

II. An overview on management education after reforms

Since 1978, along with reforms process, many market mechanism factors

were introduced into the planning economy. Local governments got larger power and enterprises changed gradually towards the direction of independent entity. Consequently, Chinese management education developed rapidly in past ten years, various forms of education and training had been experienced.

In 1988, around 400 institutes, constituting 30% of the total number of the institutes of higher education in China, had management departments or specialities. These institutes include both units, which belong directly to State Education Commission and to local governments or ministries. Their students are selected from high school graduates through national competitive entrance examination. The situation of these institutes will be discussed in next section.

According to the urgent needs of managerial personnel, after 1978, more than one hundred Administrative Staffs Institutes and training centers, belonging to local governments or ministries, were established. Their students are selected from managers, engineers, workers, staffs and officials, who are working in enterprises and departments: they have different education background, ages and working experiences. Usually students study in these institutes for a short period, from several weeks to several months, concentrating in some specific courses. Then they will get a diploma or a certificate and return to original organizations, probably some students will get in higher position. After reforms, when a manager is designated or promoted, his education background and professional training level become one important factor. For instance, every director or chief manager of a factory must pass the director-exam, so the directors programs for preparing the exam are very popular in these institutes.

Among these institutes, five Chinese-foreigner joint-center were established in mid-80's. Most courses are taught by foreign professors, the curriculums and textbooks are also from western countries. These five joint-center are located in Beijing (EC), Dalian (U.S.A.), Tianjing (Japan), Shanghai (Germany) and Chengdu (Canada). All these centers are funded by government departments and related foreign government agencies. After graduation, some

student will have opportunity to visit abroad for a few months. Obviously, it is an attractive training program.

III. The management education in universities and institutes

Due to meet the great demand of managerial personnel, various education and training program have experienced unprecedented development in different kinds of universities and institutes. More than 20 finance and economic institutes of higher education were restored or newly established after 1978. The number of management or economic related specialities increased from 150 in 1978 to 1,100 in 1986. In 1988, 33,000 new students were enrolled in these specialities, amounting to 60% of total enrollment, the main sources of new students were from senior high school graduates of that year. In the same year, total management students amounted to 140,000, accounting for 7% of the total students registered in universities and institutes. Among them, 5,400 were post-graduates, 62,000 were undergraduates, and 74,000 students were trained for specific vocations, it was called professional class in China, studied for 2 or 3 years instead of 4 or 5 years in institutes and universities. In 1988, the number of management graduates was more than 20,000, constituting 4% of total graduates from all universities and institutes.

A. The professional classes

In Chinese higher education system, there is a national entrance exam for all high school graduates, who are willing to be enrolled in universities, institutes and professional classes. A student will be allocated to one speciality in university, institute or professional class, according to their score of exam and preference in order. Still, there are more than two-thirds of high school graduates can not be accepted due to facilities shortage. Therefore, the students enrolled in professional classes are at the bottom of these lucky students.

Compare to the universities and institutes syllabus, the professional class usually decreases the lecture hours of fundamental courses, such as mathematics,

physics, foreign language, and other courses are taught in less-depth. The program will be completed within two or three years and awards diploma to graduates. However, students can get enough knowledges and skills to working in low or middle level administrative jobs, particularly in the fields of finance, accounting, etc.

In general speaking, the size of vocational training should be further expanded to meet the rapid increasing demands of personnel requirements from departments of taxation, insurance, banking, auditing, etc. To some extent, this is more important and difficult task than other higher management education.

B. The undergraduate level

The management education in undergraduate level can be categorized to three groups.

The first group has four year program and concentrates in same disciplines as the professional classes, but learn more maths, foreign language, etc. Besides, students have some option courses for expanding their knowledges. The graduates will get jobs in enterprises and government agencies, and take the administrative staff position for specific professional work, same as the professional class students.

They will spend 9% of total credits, it is called learning hour in China, including in-class and out-class hour, on studying Marxism-politic-economics, Philosophy and History of Chinese Communist Party and revolution; 32% of credits for basic courses, such as Foreign Language (9%), Physical training (7%), maths, Chinese language and Physics for some universities; 40% of credits for professional courses: National Economic Planning, Statistics, Accounting, Finance, Marketing, Business Economics, Fundamental of Management, Computer Language, Organizational Behavior, etc. The syllabus also includes 20% of credits for option courses: Operating Research, Macro-economics, Management Information System, Econometrics, Investment, Human Resource Management, International Business, etc.

The total credits are 2,800~3,000 in seven semesters, but the lecture hours, around 50 minutes, depend on different courses, for example, the Marketing course lecture hours are 32 but credits are 64. The Maths course lecture hours are 128 and credits are 384. At the final (eighth) semester, students usually have to finish a paper, discussing either an enterprise situation or existing finance, economic problems. This training method is learned from Soviet Union in the early 50's, and it is helpful for students to practise their knowledges and skills with a practical project. The qualified graduate from four year program will be awarded the Bachelor Degree.

As the current Chinese economic system is experimented with the basic idea to combine the planning economy with market mechanism, professors occasionally feel difficulty in explaining the difference between practice and principle.

The second group of undergraduate management education was started in mid-80's in some engineering universities and institutes. Because enterprises get more autonomy to run business, the managers are confronting with many new problems such as marketing, financing, etc. On this occasion, the ideas of training managers with technical knowledge appeared in some engineering universities and institutes.

About hundreds of 'management engineering' department are established, the basic education philosophy is to combine engineering and management training. The syllabus is a unique mixture of basic courses from Chinese engineering education program and the western style MBA courses (Table 1). The graduates are supposed to be a manager or a deputy in industrial firms. Apparently, it was attractive at that time. However, the results were not so bright as expected.

While the students got in enterprises, they could not supervise other administrative and technical personnel, because the new graduates were not familiar with daily business and engineering works. And they would not compete with professional students in staff level because they thought it was not their jobs.

Table 1. One syllabus of "Management Engineering" speciality

Common Courses,	500 lecture hours. (190 for foreign language, 60 for physical training, the rest for politic-related courses)
Fundamental Courses,	400 lecture hours (150 for physics, 250 for maths)
Technical Fundamentals,	430 lecture hours (50 for engineering drawing, 72 for electronics, 80 for mechanics, the rest for metal processing and equipments)
Professional Fundamentals,	720 lecture hours
MIS,	80 lecture hours
OR, Accounting, Economics, Business Strategy, Production Management,	64 lecture hours each.
Statistics, Corporate finance, Engineering economics, Organization Behavior,	48 lecture hours each.
Different Major course group,	200 lecture hours each.
Business Strategy...Marketing, Consumer behavior,	
Production Management...R & D Management, Labor management	
Quality Management...	
Equipment Management...	
Fields Study	4~6 Weeks
Thesis	3 months

On the other hand, perhaps it is more important that these young graduates were around 22 years old and spending all the past time in home and school. They knew very few about the real society, particularly the human relation and organizational behavior. Traditionally, Chinese enterprises and departments usually selected middle-high level managers and officials from the experienced low level staffs, so these graduates were not welcome. In recent years, the enrollment of this group students were declined, because the graduates could not get appropriate jobs.

The third group of undergraduate level in management education was developed in recent years. It was called the second Bachelor degree in management. Students, who have already gotten Bachelor degree in engineering, may take additive two year management courses and get the second Bachelor Degree in management. Or, some smart engineering students may take management courses simultaneously in the late three years of five year program. These graduates will get the engineering major Bachelor degree

and the second Management Bachelor degree at the same time.

Owing to broader knowledge and more flexibility, this group of students have more opportunities to choose better jobs. For example, the chemical trading company is willing to accept graduates who have both chemical and management degree.

There are some controversies on both the second and the third group management education. Do we need to train students to master knowledge and skill from two disciplines far away each other? Particularly in the undergraduate level. Some professors believe that the most important thing is the capability, but not knowledge, for a senior manager or official, if they have enough education background and can learn new knowledge when necessary. But other professors insist that the students with combined knowledges contribute much in future industrial and technical fields.

C. The post-graduate management education

Chinese education degree system is just established after reforms, and it is a combination of western and Soviet style. There is a National Degree Committee, which consists of some old and famous professors and experts of universities and research institutions, to investigate and confirm which universities and institutions can be authorized to award Ph.D. and Master degree in specific disciplines. Also, this committee investigate and confirm who can be qualified supervisors of Ph.D. candidates.

Due to historical reason, the liberal arts and finance universities have more seats in management degree education, for instance, there are more than 70 authorities to award master degree in liberal arts and finance universities, institutes, but only 50 authorities in engineering and technical universities are approved. (Table 2)

This situation in Ph.D. education is much clear than Masters, there are around 150 Ph.D. candidiate supervisors in liberal arts and finance universities, but only 15 supervisors in Engineering Universities.

The Master degree program usually takes 2 to 2.5 years, students are

Table 2. The number of authorized group which may award master degree in Management Education

Liberal arts and Finance Universities, Institutes		Engineering Universities and Institutes	
Industrial Economics	12	* Management Engineering	26
International Trade	6	Operation Research	4
Engineering Economics	2	Engineering Economics	5
Enterprise Management	12	System Analysis	5
International Finance	7	Transportation Management	11
Finance	14		
Accounting	17	* Including MIS and International Business	

enrolled from two different channels. One channel is directly from graduates of that year, and the other channel is from the staffs, who have 2~5 year working experiences after university graduation. Of course, these two channel have different entrance exam, the later channel requires less maths and foreign language capabilities to meet experienced students situation.

At the final semester, all students are required to complete a thesis and pass the defense. Usually, the experienced students have less maths analysis and computer programming in their thesis, so it is more likely western style MBA and the first group is close to M.S. The basic courses structure are the same for two channel students. A syllabus sample is shown in table 3.

The Chinese MBA education will be formally started in six leading universities next year, even the enrollment of experienced students have been implemented for many years. They are welcome by universities and professors for many reasons. First, experienced students make the class active and interesting. Second, in their thesis stage, they can access the real situation and data more easily, it is very important for thesis and professors research works. Third, when they return to enterprises and government agencies, the bridges connecting university with enterprises and government will be naturally established.

However, the Chinese real situation is often not the case. Because enterprises and government are always reluctant to allow good staffs and managers to

Table 3. Graduate Students Courses

School of Economics and Management Tsinghua University

• Common Course		
Selected Reading of "The Capital"		48 Lecture hours
or		
Dialectics of Nature (Philosophy of Science and Technology)		48
First Foreign Language (English)		48
Operation Research		64
• Core Courses for major in Enterprises Management		
Fundamentals of management	48	Select 3 courses
Finance & Accounting	48	
Marketing	32	
Production Management	48	
Enterprise Strategy	32	
Quality Management	32	
• Core Courses for major in International Business		
International Trade	48	Select 3 courses
International Finance	48	
International Economics	32	
Multinational Strategy	32	
International Marketing	32	
• Pre-required Courses		
Western Economics	48	
Engineering Economics	48	
Business law	32	
Applied Statistics	32	
• Option Courses		
MIS and DSS	64	
International Trade	48	
Input-output Analysis	32	
Advanced OR	64	
Social Practice 4~6 weeks		
Thesis 4~5 months		

Pre-required courses were offered to those student who were graduated from engineering university and did not take such courses before. The basic contents of Engineering Economics course are discounted cash flow analysis and project evaluation. The Fundamentals of Management course includes basic contents of organization behavior course.

be enrolled as a full time student, and the part time education, except TV university, can not be implemented due to bad public transportation condition. On the other hand, managers and staffs are also afraid of losing their position or promotion opportunity in this two years. Hence, enrolled students level is

not so good as expected.

From above mentioned situation, the problem of postgraduate education is lack of good students resources. The smart graduates from universities and institutes are willing to be enrolled in foreign university for Master degree education, or finding a job in joint-venture enterprise to get high salary and waiting opportunity to study abroad.

In facts, nowadays Chinese System is based on regional and department fragmentation. So part time or short term professional and vocational classes funded by local governments, ministries and large enterprises will be expanded further. There is a possible way that universities and these units may make joint effort to train part-time MBA from their staffs, managers and officials. However, it will depend on whether the State Education Commission and National Degree Committee agree to award Master degree to these part-time graduates. In the past, part-time students were deemed that was informal education, the academic level was not as high as normal full time education. To get consensus on this question will take long time.

D. The Ph.D degree education and faculty members

As it is well known, young faculty members are mainly from Ph.D. students. But the National Degree Committee put strict limit on supervisors and their Ph.D. students number, particularly in management discipline, about 15 professors are permitted to accept around 30 Ph.D. candidates per year (exclude the liberal arts and finance institutes). Therefore, in current management school, 50% of faculty members are from engineering or maths department and their age are over 40~45, 50% of faculty members are less than 30 years old and having Master degree, they are waiting for study abroad to get Ph.D. degree. Nobody knows when they will return. The shortage of new faculty member must be a bottleneck of further management education development.

A brief summary

The management education, unlike engineering and pure science education, is closely relied on the politic, economic and social environment. Since the Chinese reforms is just in the very beginning stage, the management education is also at the first step of long-march. Along with the undertaking experiments on combining the planning control with market economy, there must be many new contents, which will be put in business courses. In the wake of gradual change on the staffs recruiting and promoting system, the management education will get its appropriate position in China.

Notes: all data came from the Chinese statistic sources.