Business Education in Asia

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KAIST Business School
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A Key Question

- What is the current state of business education in (Far East) Asia?
Why Asia?
Asia is a Continent of:

- The largest land area
- The most populous continent
- The most rapidly growing economy
- The most diverse in:
  - People
  - Language
  - Culture
  - Food
- The most rapidly growing and globalizing businesses
  - The largest demand of business education
- The largest number of business schools and programs
  - World: 12,000
  - Asia: 5,000+
    - China: 1,300
    - India: 1,200 (AMDISA est. 4,000?)
Population

• 4 Billion in 2008 (60% of World Population)
• Projected Population In Asia: 5 Billion by 2030
GDP Growth

GDP in Asia: 30+% of World GDP, The Fastest Growing Economy
Global 200: Asian Companies

Source: FORTUNE
Asian Innovative Companies

SONY

HUAWEI

Canon

Sinopec

POSCO

Panasonic

Nintendo

Haier

Lenovo

Samsung

Toyota

LG

Chery

Fujitsu

Hyundai

Nippon Steel

中国移动通信

CHINA MOBILE

Honda
Business in Asia: Early Ages

- Silk Road
- Noodle Road
- Tea Road
- Caravans, Traders

- Flourish of Commerce, But No Business Education
  - Belittlement of Business
History of Management Education

- 1819: The 1st Business School, ESCP in France
- 1881: The 1st Undergraduate Business School, Wharton
- 1898: European Business Schools, Harvard
- 1900: The 1st Graduate School of Business, Dartmouth
- 1921: The 1st MBA Degree, Harvard Business School
- 1921: Nanjing University in China
- 1943: The 1st Executive MBA Program, Chicago
- 1968: AIM in Philippines
Business Education in Asia

Business Schools

- Africa: 1933; 16%
- America: 3661; 31%
- Asia: 5547; 46%
- Europe: 742; 6%

AACSB Accreditation

- Africa: 1; 0%
- America: 41; 6%
- Asia: 28; 4%
- Europe: 98; 15%
- Oceania: 490; 75%

7.7% in 2011
Associations of Business Schools

- AACSB International
  - The Association to Advance Collegiate Schools of Business
  - International Accreditation Body
  - Total Membership: 1,200
  - Total Accredited Schools: 633 (July 2011)
  - Accredited Schools in Asia-Pacific: 49

- EFMD
  - The European Foundation for Management Development
  - International Accreditation Body: EQUIS, EPAS, etc.
  - Total Membership: 750
  - Total Accredited Schools: 129
  - Accredited Schools in Asia-Pacific: 31

- AAPBS
  - The Association of Asia-Pacific Business Schools
  - Collaboration Body (Not Accreditation Body)
  - Total Membership: 150
AAPBS

- Established in 2004
- Member Schools: 150
  - Inaugural Council Members
    - Australia: U. of Sydney
    - China: Tsinghua SEM
    - Hong Kong: HKUST
    - India: IIM-Ahmedabad
    - Japan: Keio Business School
    - Korea: KAIST Business School
    - New Zealand: U. of Otago
    - Philippines: AIM
    - Singapore: NUS
    - Taiwan: NTU
    - Thailand: Sasin

- Annual Conference and Mid-Year Workshop
  - The 7th AAPBS Conference
    - November 17-18 2011, U. of Auckland, New Zealand
Accredited Schools in Asia-Pacific

- Australia: 10 (AACSB), 8 (EFMD)
- China: 12 (AACSB), 11 (EFMD)
- India: 0 (AACSB), 0 (EFMD)
- Japan: 2 (AACSB), 1 (EFMD)
- Korea: 9 (AACSB), 2 (EFMD)
- New Zealand: 6 (AACSB), 3 (EFMD)
- Philippine: 3 (AACSB), 3 (EFMD)
- Singapore: 2 (AACSB), 5 (EFMD)
- Taiwan: 1 (AACSB), 1 (EFMD)
- Thailand: 1 (AACSB), 1 (EFMD)
FT Global MBA Rankings 2011: Asian Business Schools

<table>
<thead>
<tr>
<th>Rank</th>
<th>School</th>
<th>Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>HKUST</td>
<td>China</td>
</tr>
<tr>
<td>11</td>
<td>IIM-Ahmedabad</td>
<td>India</td>
</tr>
<tr>
<td>13</td>
<td>ISB</td>
<td>India</td>
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<tr>
<td>17</td>
<td>CEIBS</td>
<td>China</td>
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<td>23</td>
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<td>Singapore</td>
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<td>33</td>
<td>Nanyang Business School</td>
<td>Singapore</td>
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<tr>
<td>35</td>
<td>Australian School of Business: AGSM</td>
<td>Australia</td>
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<tr>
<td>53</td>
<td>Melbourne Business School</td>
<td>Australia</td>
</tr>
<tr>
<td>68</td>
<td>SP Jain Center of Management</td>
<td>Dubai/Singapore</td>
</tr>
<tr>
<td>99</td>
<td>KAIST Business School</td>
<td>Korea</td>
</tr>
</tbody>
</table>
Criticisms on Business Schools

- **Gordon-Howell Report in 1959 (Ford Foundation)**
  - Business schools: Vocational/trade schools
  - Weak in research and academics

- **Porter-McKibben Report in 1988 (AACSB)**
  - Meaningless research: Researches for research
  - Strengthening Curriculum
    - Breath
    - Outside influences on business
    - Internationalization
    - Information and service sectors
    - Soft skills
    - Integration of disciplines
Pendulum of Business Education

Practice

Relevance

Theory

Excellence
A Key Issue of Business Education

- How to balance between the Relevance in practice and Excellence in academic rigor?
Relevance of Business Education

- Two Key Factors:
  - Stages of Economic Development
    - Agricultural Economy
    - Industrial Economy
    - Knowledge Economy
  - Culture-Fit: Human Contents
    - East vs. West
    - North vs. South
    - Ethnic Cultures
Evolution of Business Education

Economic Growth

- Book Keeping
- Management Science
  - O.R.
  - MIS
  - OM
  - Supply Chain
  - Accounting
- HRM
  - Organization
  - Innovation
  - Strategy
  - Marketing
  - Finance
  - Ethics

- Agricultural Economy
  - Agriculture
- Industrial Economy
  - Manufacturing
- Knowledge Economy
  - Service
Human Contents of Management Disciplines/Fields

- HRM
- Organization, Corporate Governance
- Innovation
- Strategy, Leadership
- Marketing
- Information Systems
- Operations Management
- Finance
- Accounting

Soft

Hard
Issues of Asian Business Education

- **Quality than Quantity**
  - Scarcity of Qualified Teachers
  - Scarcity of Quality Teaching Materials: Asian Cases

- **Relevance**
  - Stage of Economic Development
  - Culture-Fit: Asian Management

- **Financial Problem**
  - Low Donation and Small Endowment
  - Cheap Tuition

- **Lack of Autonomy**
  - Government Influence and Intervention: Guidance?

- **Globalization**
  - International Faculty and Students
  - Glocalization: Harmonization
Final Words

- The Long Way to Go for Asian Business Schools
- However, despite all the Problems and Difficulties,

The Future is in Asia!!!
Thank you very much!

謝謝!

ありがとう!

감사합니다!