

Blurring the line

MBA hiring
in China
gets more
complicated

Conventional wisdom once held that Chinese MBA graduates from Western programs were almost by definition superior to domestic MBA holders. Western business schools offered the most rigorous training, the best teaching and most advanced facilities. Chinese students who studied abroad were expected to be more adept at dealing with representatives of foreign companies, and familiar with the nuances of working in an office employing foreigners alongside Chinese.

On the other hand, when employers required someone who could operate in China, they frequently looked for domestic MBA grads, who were perceived as better connected locally and more accustomed to socialism with Chinese characteristics. However, what was once a rigid distinction – international experience versus domestic savvy – is now a blur.

Wilson Chan, managing partner at Hong Kong Recruitment (HKR), acknowledged that his clients prefer to hire graduates from Western schools, as they tend to be of a higher caliber. But he was quick to add the caveat that overseas graduates usually require additional training.

"Although their professors have usually worked in China, they are not actively involved, so [their knowledge] is second-hand or outdated." He is also critical of the lack of practical experience gained by many overseas MBA graduates. "They learn a lot of theories, [but] it doesn't teach them how to do business in China."

This rings true with Robert Parkinson, managing director for China at Antal International. He recalled an anecdote from a CEO of a Western company, who said he had to "unlearn" the MBA from many of his hires who were trained overseas.

Chinese schools have come a long way since the first MBA courses began in 1991. Now, the country's best schools have moved into direct competition with Western programs in terms of faculty quality, graduate salary performance and international mobility.

They've also had almost two decades to improve their local knowledge, building case study databases around the experience of companies doing business in China. The University of Hong Kong's Asia Case Research Centre – which Assistant Dean and Director of MBA Programs Dr Chris Chan refers to as "the jewel in the faculty's crown" – is a case in point. The center has numerous case studies on the challenges faced by multinationals operating in China, and the portfolio continues to grow.

The same is true at Shanghai Jiao Tong University's Antai College of Economics & Management, which has also built its own case study database. According to Associate Professor Dr Joy Gang Qian, each faculty member is required to contribute a new case each year.

The proud, the few

Yet there is still a large proportion of inferior quality domestic school graduates.

"I have interviewed people with MBA degrees where I seriously wondered what they learned during the program," said Marc van der Chijs, co-founder of Tudou.com and CEO of Spil Games Asia. "That's why I would only try to hire from the top [Chinese] schools."

HKR's Chan's clients will only give credence to graduates from a school that runs a joint venture program with a Western university.

Qian is philosophical about where her school stands in relation to those in the US and Europe. "The Western schools have more advanced teaching methods and facilities, so it's a challenge to compete," she said. "But as the economic crisis bites, we expect a rise in the quality of applicants."

The 2009 MBA candidacy rate for domestic programs has indeed shot up. The MBA Education Center of Lingnan College at Sun Yat-sen University has noted a 26.7% increase in applications, and applications to the Guangdong University of Foreign Studies have risen 132%.

However, experience still trumps degree. A study Sanofi-Aventis conducted of their MBA graduates' on-the-job performance revealed that the benefits inexperienced MBAs get from their degree are limited.

"Is someone who has studied for as long as they could really the right person for the corporate world?" asked Antal's Parkinson. ♦



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