

Evolving Models of Business Education in Asia-Pacific
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Two years ago when I delivered a welcome address to a similar AACSB conference, the pain and anger from the global banking crisis was still a festering wound. Now, just as the crusty scab from the wound is ready to scrape off, we confront an even more potentially disastrous global crisis in Europe. The only consolation for leaders of *business* education, which we all purport to be, is that while the *first* crisis could partially be attributed to a massive, even systemic failure in educating business leaders, the *current* mess in Euro land is clearly a failure of *political* will and leadership.

But to the extent that leadership itself is a partial product of education, educators must be asking themselves: where did we go so wrong? How could an entire generation of responsible, respectable business and political leaders have acted with such self-interest and short sightedness?

How can today's business students not be cynical about their elders, and how can we squarely and honestly face the failure of education to meet the very challenge we have always put out there as our mission -- to shape and produce the future leaders of tomorrow? We all teach the ABCs of business, we all rank here or there in university rankings, we all are proud of our curriculum and our faculty, and of course we all have the salutary ethics and leadership classes which apparently impart nothing lasting but pay lip service to our mission.

For us in Asia, watching Greece unwind in slow motion recalls Thailand in 1997, and lessons learnt then have served Asia well, but the pundits in the West which lectured us on all our failings, have themselves failed dismally in their time of trial. The corporate practices which led to Enron's collapse have all been forgotten.

Are we still liable to the same human tendencies of greed, excess, and unaccountability? Has board governance and ethical leadership necessarily improved in the past two decades?

This is an urgent question we must all address, otherwise we too are hypocrites, professing one belief and doing something else altogether. Like countries which have emphasised growth over sustainable development, or companies which focus on profit maximization rather than stakeholder benefits, we have perhaps emphasised skills training over lasting, sustainable values to impart to our future leaders.

The challenge for Asia-Pacific business education is to evolve new paradigms of business education which can avoid the pitfalls which led to the collapse of Lehman Bros and the ongoing Euro crisis, and help students to navigate a business, ethical and cultural environment vastly different from even a decade ago.

Traditionally, business education has largely evolved from a post-industrial Western concept and creation; Asian business schools have all modelled themselves and benchmarked their achievements according to Western norms. Research excellence is still measured by citations in Western publications which have very little interest in Asian issues; theories of marketing, strategy, management, consumer behaviour and more, are predicated on Western case studies. Leadership and ethics curriculum are based on Western values and philosophical foundations.

This has served us well and Asian academia should certainly continue to benchmark against, and learn from, the best Western academic standards which empirically has a far longer and deeper history in business education. But as the failures of Western business and political leadership have become only too clear in recent years, future leaders in Asia must be taught according to new paradigms of learning. The foundations of accounting, finance and

marketing are universally the same, but styles of leadership, ethical modes of conduct even the type of capitalist model has changed.

We have to think deeper about the role and utility of a business education for future generations of Asian students. We cannot simply assume that what worked in Harvard or Cambridge for their future leaders is automatically relevant to Asia's circumstances.

If we are to rise to this challenge, a fundamental starting point is that business education cannot be divorced from the historical and cultural context within which it is taught. And the corollary to this of course, is that we have to discover, develop and then impart the unique historical, philosophical and cultural contexts within which various Asian civilisations achieved their pinnacle, learning from what made us great and at the same time, what led to the decline and even downfall of some Asian civilisations. A business student has to go beyond the basic memorization of formula, rules and foundations of business functions; he or she is also a student of history, of politics, of cross border communication and cultural exchange. This is particularly pertinent given the diversity of the Asian continent.

Western historians have recently worried about whether Western civilisation, which rose to dominance over the entire world some three hundred years ago, is spirally towards an inevitable decline. Niall Ferguson in his recent book Civilisation, named six factors which led to what he called the rise of the West over the Rest. Like other Western thought leaders, Ferguson was searching from past lessons, signposts for the recovery of Western civilizational resurgence.

Asian thought leaders are tasked to do the opposite. They must understand what made Asian civilisations great in their heyday, then what led to their protracted decline, and how they must abandon some values and traditions whilst rediscovering and building upon other traditions, in order to ensure that the much vaunted Asian century becomes a sustained reality rather than just a hopeful promise.

Some oft-cited reasons for the rise of the West have been recognized in Asia and adopted so that we can play catch-up, but other factors have still lagged behind. For example, the role of science and the focus on the empirical method of proof – which Ferguson also cited -- - was a major reason for the rise and dominance of the West. It is no accident that every Asian child is now told by parents to focus on science and engineering. But the rule of law rather than rule of man, which led to lasting institutional development in the West, is still sorely lacking in too many Asian nations.

As for business itself, as East Asia emerges as a major economic region, it should not simply adopt the American or European models of capitalism, but create its own alternative, rooted in its own, traditional value systems. The common, recurring socio-ethical tradition of East Asia is its communitarian, family-focused, webs of mutual obligations. This communitarian characteristic of East Asian culture can, if thoughtfully enhanced, nurtured and developed, replace the highly individualistic, Darwinian ethos of American capitalism, or the state-welfares tendencies of Euro-capitalism.

What does this mean in actual practice? Communitarian capitalism would be more stakeholder and less shareholder-driven. The interests of the community of stakeholders in an enterprise – the owners, the employees, the larger community, would be a higher consideration than simply return on capital. Such ideas – hitherto almost heretical in traditional business school curriculum – have been driven largely by the antipathy of many students towards the leaders which their schools produced.

But to really understand the roots of the communitarian ethos which has underpinned East Asian cultural heritage requires students to perhaps undergo a foundational curriculum similar to some American universities where all undergraduates are schooled in the fundamental philosophical and literary traditions of Western

civilization. This has in recent years become unfashionable in the West, but perhaps is necessary in Asia so that our young people understand the values of the societies from where they came and in which they must build upon.

In Asian business today, the role of government and government-related companies as well as the dynamics of family-controlled companies are arguably greater than in the West. Successfully navigating the nuances of linguistic and cultural differences requires a deeper understanding of Asian traditions and social mores.

As Niall Ferguson has pointed out, every living population constitute less than ten percent of those who have preceded them, so surely the experience of the past ninety percent, even if they came centuries before those living today, have something to contribute. If East Asia does not learn from its own history, we are doomed to repeat it.

In order to achieve these objectives, business schools' curricula need to be more holistic and not just business-specific. Especially for undergraduate business schools, the need is more than ever, to teach the liberal arts, social sciences and humanities, so that our graduates are not just financial analysts or business managers, but people whose management skills have been built around a solid knowledge of what has driven, and will drive, their society.

Our role as business school leaders is to create future generations of business leaders who are knowledgeable about or at least cognizant of their ancestors' successes and failures, so that the Asian century is not just a re-used template from the Western world, and we simply produce yellow or brown-skinned Gordon Gecko's.

The challenge is enormous -- to create a destiny which was been waiting for us since several hundred years ago, when Asia started its long decline. Along this journey, we must remember that the only sustainable growth which connects all of us must be based on the

simple but all too easily forgotten truism that the mission of business and the purpose of growth, is to build a better society for all.

Thank you and have a good conference.