

# THE GREENING OF CHINA'S B-SCHOOLS

*As China races to economic prosperity, the nation is threatened by pollution and environmental degradation. The good news is that a coalition of its new business schools is working to make principles of sustainable enterprise a key part of the education of every new MBA.*

A quarter-century of robust economic growth, coupled with accession to the World Trade Organization, has ensured that China will be one of the world's most prominent arenas for business expansion well into the 21st century. However, industrialization brings with it the potential for environmental degradation and depletion of valuable natural resources, which entails economic costs of its own. In an effort to reconcile economic development with clean production, China's business leaders and business school community are working together to train the next generation to seize competitive advantage through sustainable management.

**by Rick Bunch  
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illustration by Chris McAllister

China's business schools have a tremendous opportunity to influence the course of China's business sector because growth in the economy has caused demand for trained managers to skyrocket. MBA education didn't arrive in mainland China until 1990; there are now 63 business schools in China accredited by its National MBA Education Supervisory Committee. Inducing change in the still nascent business education system will have a huge effect on the way managers are trained—and, in turn, on the way Chinese businesses are run in the future.

One avenue they're using is a collaboration with the Business-Education-Leadership-Learning (BELL) program run by the World Resources Institute (WRI). BELL, which has operated successfully in North America for ten years, held its inaugural China BELL Conference in 2000. Since then, it has continued working with China's business professors and senior government officials to help business schools infuse concepts of sustainability and environmental stewardship into their core curricula.





## The Road to Change

Until recently, few Chinese business schools offered electives on sustainability or environmental topics, and no case studies existed that focused on sustainability issues. Because the Chinese educational system is strongly centralized, and strict accreditation processes leave individual schools little room for independent change, introducing concepts of sustainable enterprise across the educational system has proved to be an ongoing challenge. This structure has also acted as a disincentive for the development of new material, which has stifled innovation from individual faculty in China.

Slowly, however, progress is being made. Professors from the leading Chinese schools have published course modules in seven management disciplines, and experienced case writers have led case development workshops that will result in publication of several Chinese environmental management cases. The course modules also serve as the basis for China's first environmental management textbook, which will be published in the fall and distributed to every business professor in China.

Innovative programs in sustainable enterprise also have been launched at a few Chinese business schools. Peking University's Guanghua School of Management is one of the only schools on mainland China that offers an elective course in environmental management, which is team-taught by professors in economics and accounting. Although enrollment is not always high, the leadership of three of the university's

professors—Wang Liyan, Zhang Zheng, and Yang Dongning—has propelled a small but motivated group to start promoting sustainability at the business school.

In addition, last November Peking University launched the College of Environmental Sciences, the first of its kind on the mainland. It takes an interdisciplinary approach that also will involve professors at the business school.

The School of Management at the Dalian University of Technology offers courses in environmental management that are very well-attended by both undergraduates and graduate business students, as well as students in other disciplines. With guidance and support from the Canadian International Development Agency, Dalian has developed a long-term agenda on sustainability. As more and more professors are trained in sustainability workshops, and as a nationally recognized environmental curriculum becomes available, more ground-breaking business education initiatives surely will follow.

## Engaging All Schools

Because a culture of emulation prevails in China, and because curriculum standards are centralized and prescriptive, it's been essential that the top-tier, trendsetting schools be the

## The World of WRI

The World Resources Institute is an environmental think tank in Washington, D.C., that looks for practical ways to protect the earth and improve people's lives. WRI brings together corporations, entrepreneurs, investors, and business schools to accelerate change in business practice. For more than a decade, WRI's Sustainable Enterprise Program has harnessed the power of business to create profitable solutions to environmental and developmental challenges. In addition to China BELL, WRI is concentrating on several other projects:

- With the **BELL** network, first established in North America in 1994, WRI works to provide curriculum resources and technical assistance to educators. The BELL Conferences, workshops, and materials exchange organized by WRI also allow faculty to share teaching innovations and resources.

- **LA-BELL** was created in 1994 as the Latin American extension of the BELL network. Since then, LA-BELL has been communicating to the business and business education com-

munities in Latin America that the success of the region relies heavily upon the ability to compete in new, rapidly growing markets. WRI strives to help Latin American business schools understand the competitive advantage attained by establishing practices of sustainable management.

- **Environmental Enterprise Corps** pairs MBA students with entrepreneurs who are establishing or expanding environmental companies in Latin America and China. In addition to providing pro bono advisory services to entrepreneurs, EEC educates MBA students and the next generation of business leaders, making them aware of the business opportunities available in fast-growth environmental sectors.

- **Beyond Grey Pinstripes** is a biennial report published jointly by WRI and the Aspen Institute Initiative for Social Innovation through Business. Full-time MBA programs in the U.S. and abroad are surveyed and then assessed as to how well they are integrating social impact and environmental management issues into their management curricula. The report not only highlights the most innovative MBA programs, but also recognizes faculty who have been trailblazers in the field.

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first to champion principles of sustainable enterprise. Once professors from prestigious Chinese business schools became “track leaders” for China BELL programs and other sustainable enterprise classes, they helped create a buzz in the Chinese business education community about principles of environmental management. When top schools embrace these concepts, the smaller schools are likely to follow.

In North America and Europe, the market for education at business schools is largely driven by demand, which sends a steady stream of students and revenues through their programs. In addition, because Western education systems have freedom to innovate, even a single professor can bring about significant institutional change that ripples to faculty and administrators at other schools.

In China, on the other hand, it’s quite different. The Chinese educational system is driven by supply, which places limits on its capacity for innovation. Furthermore, a centralized bureaucracy is still evident, even in China’s relatively new business education system. For any change to occur in programs, the resources must be approved, and usually made available, through various bureaucratic units. For the most part, individual professors and institutions are effectively discouraged from promoting innovation, since innovators not only have to develop a new curriculum, but persuade an entire educational system to approve it before it can be put into practice.

For now, the demand-driven nature of American education has proved to be more conducive to institutionalizing change. But in the long run, we may find that the bureaucratic nature of Chinese education will bring about curricular change on a large scale in a relatively short span of time, because once the bureaucracy approves new programming, virtually all schools will adopt it.

### First Lessons

More than two years after business schools and China BELL began working together, two points have become clear:

**Sustainability matters.** Concepts of environmental management and sustainable development are extremely important to the developing world. For too long, it has been assumed that environmental stewardship was a first-world luxury that could only be addressed once a certain level of economic prosperity had been reached. It was also assumed that developing countries would fail to make a concentrated effort to balance economic growth with sustainability.

Yet government leaders and business faculty have shown great enthusiasm for the integration of sustainability into business education, proving that developing countries place value on the environment. Their commitment shows that sustainable enterprise is not only possible, but necessary, in

these parts of the world. This has implications for the members of the global business community, who will see that understanding the complex interaction between business and the environment is necessary for tomorrow’s business leaders—not only in China, but worldwide.

**Collaboration is key.** Several of the innovative programs that have surfaced in Chinese business schools have come as a direct result of collaboration with Western counterparts. For example, Betty Diener of the University of Massachusetts in Boston spent a semester as a Fulbright visiting professor at Tsinghua University. Her work there with marketing professor Song Xuebao proved to be of great assistance in furthering the infusion of sustainability and environmental modules into Song’s core marketing course. Eric Orts of the Wharton School at the University of Pennsylvania in Philadelphia also spent several months at Tsinghua as a Freeman visiting professor. His presence added environmental subjects to an already extensive collaboration between the two schools.

Much of the resource development that can be initiated by groups such as the BELL team also relies heavily on international collaboration. Course modules, which have been the first step in developing China’s first environmental management textbook, are the products of collaborative workshops between Chinese track leaders and their American counterparts—business school faculty who have themselves successfully integrated environmental topics into mainstream management curriculum. For example, the business cases that are currently in development as the result of BELL collaborations have benefited from similar trans-Pacific working relationships.

Of course, these collaborations are often fruitful for American professors as well, whether they are working in China or hosting Chinese professors at American schools. These exchanges provide outstanding opportunities for Westerners to gain insights into a developing country’s perspectives on the ways business and environmental stewardship can drive each other.

It’s an exciting time to be involved in business education in China. As the country itself grows into a powerful industrialized nation, business schools will be providing managers to lead the new corporations to wealth and stability. The better the schools, the more prepared managers will be to meet the challenges of the 21st century. **■**

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