

With Zuckerberg's Help, China Dean Targets Creativity Over Rote

By Bloomberg News

(Bloomberg) -- Mark Zuckerberg made global news when he went out on a limb and spoke his newly-learned Mandarin to students at China's elite Tsinghua University. Behind the headlines, and taking bolder risks, was Qian Yingyi.

Dean of the School of Economics and Management, Qian orchestrated the visit and recruited the Harvard dropout as an adviser even though Facebook Inc. is blocked by the communist nation's censors. Almost nine years after he was hand-picked by former Premier Zhu Rongji to help shake up the school, Qian has boosted the proportion of classes taught in English, recruited overseas academics, teamed with other schools and added to an advisory board that reads like a who's who of global business.

"We want to nurture leaders, every kind of them including nonprofit leaders, opinion leaders and pop-culture leaders," Qian said in a three-hour interview at the university, which minted President Xi Jinping and predecessor Hu Jintao. "I want them to have aspirations, have their own understanding of life and have their own values. I want them to be different."

With more than three decades of Chinese investment and manufacturing-led growth now slowing, Qian is on a mission to inject innovation into the country's next generation of leaders. They will help determine whether fresh minds find the new economic drivers needed to stave off a middle-income trap that's ensnared other developing economies as competitiveness waned. To accomplish his goal, Qian, 58, said he's stolen "shamelessly" from practices observed in a 25-year U.S. academic career that spanned degrees from Columbia, Yale and Harvard and teaching stints at Stanford and Berkeley.

Innovation Key

"The key to China's future is innovation," said Fred Hu, chairman of Beijing-based Primavera Capital Group and former China head of Goldman Sachs Group Inc. "The country is desperately short of creative talent."

Dominated by rote learning, strict discipline and cramming, China's education system cramps the thinking needed to create breakthrough branded products such as iPhones or Facebook. One illustration: Shenzhen-based telecommunication-network provider Huawei Technologies Co. became the first Chinese company to make it onto Interbrand's ranking of the world's top 100 brands last year, in 94th place.

That's where advisers like Zuckerberg come in. The billionaire, whose wife has Chinese heritage, drew cheers from Tsinghua students when he spoke Mandarin with them in October, telling them of the importance of making tough choices.

In the past two years, Qian also has added Apple Inc.'s Tim Cook, Citigroup Inc.'s Michael Corbat and Alibaba Group Holding Ltd.'s Jack Ma to the advisory board. They joined incumbents including Blackstone Group's Steve Schwarzman, Goldman Sachs Chairman Lloyd

Blankfein and Carlyle Group's co-founder David Rubenstein.

Qian's Belief

"He is very hard to say no to," Rubenstein, now chairman of the board, said in an interview. "He personally believes strongly in the school and therefore you get a sense from him that the school is very important."

Innovation at Tsinghua has "a multiplier effect" across China as a role model emulated by other universities, said David Schmittlein, dean of the MIT Sloan School of Management in Cambridge, Massachusetts, who sits on Tsinghua business school's advisory committee. Its joint executive MBA program with France's INSEAD was ranked third globally by the Financial Times in 2014.

The economic program isn't as highly regarded, according to a private evaluation of programs in China in 2014 that ranked it 15th, after nearby Renmin University of China and Peking University and even behind less prestigious Southwestern University of Finance and Economics in Sichuan. That survey is "misleading because it emphasizes the size of the program, not its quality," Qian said.

New Ambitions

Qian's school had about 4,500 enrolled students last year. Across China, MBA programs have expanded since their 1991 start to 236 today, according to China Education Center Ltd., which advises foreign students seeking to study in the nation.

Alumnus Wu Dan is one illustration of how Qian's revolution is transforming young minds. The 26-year-old native of Chengdu city in the western province of Sichuan planned an investment-banking career before the critical-thinking classes introduced by Qian spurred new ambitions.

"Changing China's education is a great goal of mine," said Wu, who is studying the Waldorf teaching system and its emphasis on creative play, critical thinking and empathy at the Rudolf Steiner College in Fair Oaks, California. "Revamping education doesn't start with reform from the top but with personal growth from the bottom up."

Creativity Challenge

Nurturing greater creativity in MBA students is "a tall order" after years of disciplined learning, said Gavriel Salvendy, professor emeritus at the School of Industrial Engineering at Purdue University in West Lafayette, Indiana. He headed Tsinghua's Department of Industrial Engineering from 2001 to 2011 and advised it on how to foster greater innovation.

"You can achieve only a certain gain within a short time," he said. "An MBA is only two years. This creativity process needs to start from the home, from the kindergarten, high schools. The business school may not be enough time."

Alibaba's Ma, a graduate of the humbler Hangzhou Normal University, made similar points when he spoke to students four months before Zuckerberg, urging them to keep improving even after graduating.

"Tsinghua is good, but what you learn here won't be enough," said Ma, China's richest man and another advisory-board member. "After 30 years, if you don't forget your dreams and you still have smiling faces like this, that's success."

Tireless Approach

Qian is trying to overcome the challenges through hard work. "He is a person who doesn't really seem to sleep," said Carlyle's Rubenstein.

Beijing-born and raised, Qian attributes his stamina to a stint on a farm in Guizhou in China's southwest, where his parents were sent during the cultural revolution. When paramount leader Deng Xiaoping restarted college entrance exams in 1977, Qian, then back in Beijing, was among the first to take them. He started at Tsinghua in 1978 to study math.

Undergraduate success prompted encouragement from a professor to further his studies abroad, spurring Qian's 1981 move to Columbia University in New York City, where he embarked on a master's degree in statistics. His next stop was Yale University in New Haven, Connecticut, and a master's in management science, then on to Harvard in Cambridge, Massachusetts, where he completed his PhD in 1990.

Teaching jobs ensued at Stanford University in California, the University of Maryland, College Park, and the University of California, Berkeley.

International Focus

It was this international experience that attracted Zhu Rongji, China's premier from 1998 to 2003. Qian had advised Zhu during his years at Stanford on policies such as introducing a corporate governance structure to state-owned enterprises. Qian gave up tenure at Berkeley to become dean at Tsinghua's business school in 2006.

The standard of English shocked him. Embarrassed by students who couldn't express themselves in front of foreign dignitaries, Qian said he wished he "could disappear into a hole in the ground."

Determined to turn that around, he marched into a microeconomics class taught in Chinese by former central bank adviser Li Daokui, whom he studied with at Harvard, to ask him to switch to English after the break.

"I started with people I know and then went to others who can teach in English, one by one," Qian said in his book-lined office at the school, which traces its roots to 1926 when the department of economics was originally established.

English Courses

Within a year, more than 50 percent of the undergraduate courses were in English, compared with fewer than 10 percent before. The number of professors with doctorates from overseas universities has increased to more than 50 percent from about 20 percent, Qian said, adding that since he joined, 83 of the 85 new faculty members have degrees from abroad.

Equally important was his message that the school wouldn't be a slave to the broader university's traditional strengths in science and engineering.

"How did I show there is a regime change in the MBA curriculum? No quantitative courses at all in the first eight weeks," he said. Instead, all the courses focused on "soft skills and only then did people know that it's a regime change, a radical change, a dramatic change."

Elite Pool

China's leaders typically are drawn from a pool of elite schools, atop of which sit Tsinghua and Peking University, both in the same northwest corner of Beijing.

Finance Minister Lou Jiwei is a Tsinghua alumnus, as is central bank governor Zhou Xiaochuan, who is also on the school's advisory board. To complete the circle, Qian is an adviser to the People's Bank of China.

Zhu Rongji, the School of Economics and Management's founding dean in 1984, remains honorary chairman of the board, a panel that is far from passive. Fellow member Schwarzman donated \$100 million to the Schwarzman Scholars program based at Tsinghua, designed to educate the next generation of global leaders. Bloomberg Philanthropies -- which is led by Michael Bloomberg, the founder and majority owner of Bloomberg LP, the parent of Bloomberg News -- is among the program's funders.

"I've grown concerned with how cultural divides, misunderstandings and imbalances in power between nations can lead to unnecessary tension," Blackstone's Schwarzman wrote in an e-mail. "My hope in creating Schwarzman Scholars is that if we give future leaders from around the world first-hand exposure to China and its people, we might be able to create a more peaceful and prosperous world."

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