

## **Case Study of Chinese and U.S. University, College of Business Partnerships: Form, Process, Opportunities, and Challenges**

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*This paper presents the experiences of three regional universities - one public and two private - that have established academic partnerships in business with Chinese institutions of higher education. The paper briefly highlights the process used by three universities to establish linkages with their Chinese partners, the relative success of these alliances, and the lessons learned in the process. Although many Western Universities have established partnerships with Chinese Universities, there remains an enormous unmet demand for Western business education in China. However, Western business schools must prepare themselves for the many challenges in establishing these partnerships.*

### **INTRODUCTION**

During the last thirty years, the emergence of China as a global political and economic superpower and the social transformation resulting from China's open-door policy initiated under the late Deng Xiaoping in the late 1970s has led not only to an expansion of international business but also to expanding interconnections with Western institutions of higher education. As of 2006, "more than 1,400 foreign higher education institutions have been approved by various education authorities in China to operate in the country (Altbach, 2006)." According to Min (2004), China possesses one of the largest university systems in the world with more than 3,000 universities and colleges that educate more than 13 million students and employ over 1.45 million staff members, including more than a half million faculty.

During the past decade, a growing number of Chinese universities began to forge academic alliances with Western universities. These alliances were formed for several reasons. First, throughout the 1990s, many non-accredited Western colleges and universities established partnerships with Chinese institutions to respond to growing opportunities in this new market. In time, Chinese government and university officials began to realize that having accredited colleges and universities from other countries means quality in the delivery of higher education. As a result, in 2001, Chinese education officials mandated all non-accredited schools to cease operations. China's system of higher education has no accrediting body in place similar to the U.S. regional accreditation system. Thus, alliances with accredited U.S. and other Western and even Asian universities can ensure a quality control mechanism with partnered Chinese

institutions. Second, although the size of China's system of higher education is vast and rapidly expanding, the unmet demand for higher education is still immense. According to Min, enrollments at higher education institutions in China grew from 3 percent of the college age cohort in the early 1980s to about 14 percent by 2002, largely by adding over 500 new universities. Nevertheless, the demand for Chinese higher education chronically exceeds the supply of available seats. Third, although the quality of Chinese universities is improving<sup>1</sup>, the average Western university is widely considered to be superior to the average Mainland Chinese University in terms of the quality of faculty and academic programs, and in terms of the production of refereed scholarship. As a result, the demand for a Western educational experience or degree has led many Chinese universities to actively seek out academic linkages with Western counterparts. Finally, because of China's rapid economic growth and expansion, its needs for a well-trained and educated workforce that only a high quality system of higher education can provide are vast and pressing.

Although the number and variety of academic linkages between Western and Chinese universities is very large and growing, relatively little has been written about the nature, opportunities, and challenges of creating and managing Western university-Chinese university academic alliances. The objective of this paper is to help add to this literature by discussing the collective experiences that three U.S. universities have had with establishing and managing academic alliances with several Chinese university partners.

## **STRUCTURE AND DEVELOPMENT OF THREE U.S.-CHINESE UNIVERSITY PARTNERSHIPS**

Universities throughout the world have forged partnerships with Chinese universities, ranging from well known Ivey League schools such as Yale, with more than 80 academic partnerships with Chinese universities, to other smaller and less well-known public and private institutions (Monaghan, 2006). The academic focuses of these partnerships vary in nature, scope and duration. For example, the University of Michigan has developed a program that offers courses in subjects such as religion and psycholinguistics (Hvistendahl, 2009), while the University of Denver's Graduate School of Social Work established program in Social Work that has been in place since the early 1990s. The University of Nottingham went even further, opening a brand new branch campus in Ningbo, China in 2005 in cooperation with Zhejiang Wanli University. More recently, Renesselaer Polytechnic Institute launched a five-year collaboration with leading Chinese universities that, in addition to management education, established formal ties between entrepreneurial centers at each institution (M2 Communication Press Release, 2008).

The Chinese-Western university partnerships discussed in this article involve three Eastern U.S. universities that have established programs in undergraduate and graduate business education in China: one, Florida Gulf Coast University, is a medium-sized comprehensive public institution; and two, Keuka College and Thomas University, are smaller, private institutions.

### **Florida Gulf Coast University Partnerships**

Florida Gulf Coast University (FGCU) is a teaching and research university, and is one of eleven campuses of the State University System of Florida. FGCU is accredited by the Southern Association of Colleges and Schools (SACS) and its Lutgert College of Business is accredited by the Association to Advance Collegiate Schools of Business (AACSB) International.

In September 2005, the president of FGCU traveled to Tianjin, China and signed an agreement establishing a formal relationship between FGCU and Nankai University, which is widely recognized as among the best universities in China. As a part of this agreement, FGCU created the Institute of Chinese Studies to facilitate academic programming and other linkages between Nankai and FGCU. In June 2006, FGCU signed a similar university partnership agreement with Yantai University and Binzhou Medical University, both located in Yantai, Shandong, China. In addition to the university partnership, delegates from the City of Yantai traveled to Southwest Florida to sign a *Sister City* business and cultural agreement with representatives of Southwest Florida business and government.

Partnerships with Chinese institutions can take many different forms. They can range from: developing undergraduate and graduate degree programs; tuition exchange programs that allow students to complete degrees with a combination of courses taken at the partnered institutions; developing joint research; sponsoring faculty and study tours; and cross cultural training programs for practitioners. As shown in the accompanying Table 1, FGCU's partnership agreements provide for the establishment of several different types of programs over time.

**TABLE 1**  
**FGCU PARTNERSHIP ARRANGEMENTS**

<p><b>Programs Currently Operating:</b></p> <ul style="list-style-type: none"> <li>• <u>Tuition Exchange Program.</u> FGCU has a special undergraduate tuition exchange program with both Nankai University and Yantai University. Under this arrangement, up to five students from both FGCU and our partners may attend the partner school for up to two semesters while paying home university tuition. Visiting students would be responsible for such things as room, board, books and fees (i.e. health fees, etc.) at the partner school. Although desired, an equal exchange of students is not required for this program.</li> <li>• <u>Business network opportunities.</u> As part of the FGCU Lutgert College of Business "Second Circle" international program under which international academic partnerships are broadened to include business communities, both university partners would encourage the development of contact between external business and cultural organizations in both countries. These contacts include visits by both university and external constituents to both partner locations. Although still in the early stages of development, business delegations from China already have traveled to Southwest Florida and a business and government delegation from Florida is planning to travel to Yantai, China on a similar mission.</li> </ul> <p><b>Programs Not Operating Or Under Development:</b></p> <ul style="list-style-type: none"> <li>• <u>Undergraduate 2+2 (transfer student) Program.</u> FGCU is working towards offering its Chinese partner university undergraduate students with an opportunity to earn undergraduate (bachelors) degrees from both FGCU and their home universities. Degree programs are now being developed for all colleges and disciplines.</li> <li>• <u>Internet masters programs.</u> FGCU is also exploring the possibility of developing Internet Masters Programs with its Chinese partner universities that would enable partner university students to earn Internet based Master's Degrees from FGCU.</li> <li>• <u>Faculty exchange programs.</u> FGCU's agreements provide for exchanges of faculty to enhance promote faculty linkages, enhance faculty development, and to promote collaborative research.</li> <li>• <u>Visiting student summer program.</u> To enhance the partnership, FGCU and its partner universities are exploring the development of a limited duration visiting student summer program. Costs would be determined on a program by program basis, considering academic credit, length of stay, and structured activities.</li> <li>• <u>Executive development programs.</u> FGCU's Lutgert College of Business is exploring the development of a series of Executive Development Certificate Programs to be delivered in collaboration with its Chinese partners. These programs would be managed by the FGCU College of Business Center for Leadership &amp; Innovation. The primary audience would be either Chinese or American executives who would benefit from knowledge about how to do business in the other's country. Such executive development programs would be modeled after the special international executive programs FGCU now provides for industry leaders from Germany and Western Europe. It is presumed that similar programs could be developed for either Chinese or American executives and offered in either Florida or China, using a combination of Chinese and FGCU faculty.</li> <li>• <u>Other potential areas of opportunity.</u> As part of student and faculty support in the partnership, the parties will explore ways to cooperate in sharing library materials such as books and journals. Also, the universities will explore opportunities for faculty exchanges, advanced education and collaborative research.</li> </ul>
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In the four years FGCU's partnership agreements have been in place, only the tuition exchange program with Yantai University has experienced significant development. Under the Yantai University-FGCU tuition exchange program, up to five students from each institution enroll as they normally would at their home university and study for up to two semesters at the partner campus. No student participant is awarded a degree from the partner institution. Student participants from both institutions are responsible for their own travel, room and board.

FGCU students typically enroll in a six credit *Study Abroad* course for the classes they take at Yantai University and enroll in an additional two to three additional courses at FGCU to maintain full time degree-seeking enrollment status. FGCU students usually enroll in other FGCU courses as distance students or work with an FGCU professor in an independent study context or both. Because the number and variety of courses taught at Yantai University in English is very limited, FGCU students typically enroll in courses focusing on Mandarin language and culture.

Yantai University students can enroll in any course at FGCU as long as they meet the prerequisites and language proficiency requirements. Yantai University students are selected based on their ability to participate both financially and academically. Because this is not a degree granting program, Yantai University students are not required to submit TOEFL or similar English language proficiency scores. They are required only to submit a letter written by the Yantai University administration attesting to their proficiency in English.

During the four years this program has been in place, all Yantai University student participants have successfully passed and were awarded credit for the courses they were enrolled in at FGCU. Although only three FGCU students have chosen to participate in this program to date, all have been successful at Yantai University. Several of the students from both FGCU and its China partner institutions have written photo diaries detailing their experiences which can be viewed at the FGCU Institute of Chinese Studies Website.<sup>2</sup>

FGCU's other program initiatives such as a degree-granting Undergraduate 2+2 (transfer student) Program has not developed for several reasons. First, a 2+2 program would be attractive primarily for Chinese partner students who wish to study and earn degrees at FGCU. Because tuition at FGCU for out-of-state students is very expensive, it is likely that some form of tuition reduction will be necessary for this program to develop, which won't be possible until current budget constraints facing the State of Florida University System ease.<sup>3</sup> In addition, because Chinese university participants will be transferring credit for their first two years as undergraduates at their home institution, transfer credits must be reviewed and approved by an independent accrediting agency to ensure that FGCU's accreditation standards are not jeopardized if such a program is implemented. Also, Chinese student participants would need to meet minimum TOEFL scores in order to enroll. Despite these hurdles, Yantai University has expressed strong interest in pursuing the Undergraduate 2+2 (transfer student) program. However, unless substantial support on the part of top administration at FGCU is forthcoming, it is unlikely that such a program will be implemented in the near future.

In addition to the tuition exchange program, FGCU's partnership agreements have also led to limited business and cultural exchange and networking activities. In January 2008, through its partnership with Nankai University, FGCU hosted a contemporary Chinese art exhibit featuring the work of five renowned Chinese artists at its art gallery. In addition, FGCU has hosted several business delegations from China who traveled to southwest Florida on trade missions. Because of a lack of financial and administrative support, none of FGCU's other potential areas of collaboration (such as an Internet Masters Program, Faculty Exchange Program, Visiting Student Summer Program, or Executive Development Program), are expected to develop in the near future.

### **Keuka College and Thomas University**

Keuka College, founded in 1890, is an independent, private four year residential, coeducational, liberal arts based institution located in Western New York. Keuka is accredited by the Middle States Association of Colleges and Secondary Schools and is one of only 32 American colleges and universities approved by the Chinese government to offer degree programs in China. Keuka formed its first partnership with Chinese Universities in 2002. During the past eight years, Keuka has become the largest foreign provider of higher education in China reaching a total enrollment at one period of over 6,000 students.

During the initial few years of the partnership, Keuka worked with as many as 11 different Chinese institutions. The relationships have since been refined and reduced to what are considered the top four institutions. Keuka is currently partnered with Tianjin University of Science and Technology, Yunnan University of Finance and Economics, Jimei University and Wenzhou University. The reduction in

number of sites was largely due to advice provided directly by China's Ministry of Education. The officials from the Ministry, liking what they saw in Keuka's programs, suggested that the current four schools were really more appropriate and at the stature best suited for Keuka's partnership. Consequently this reduction in partnered schools, worked well for Keuka, and resulted in less cumbersome oversight for Keuka in its management and maintenance of its China Program.

Keuka currently offers an undergraduate degree in business administration using a 3+1 model under which Chinese student participants complete 90 credit hours at their home (Chinese) institution and 30 credit hours with Keuka College. All 30 of the hours taken with Keuka College are completed at the Chinese Partner School but the courses are delivered by Western educated faculty. However, only a small number of faculty who teach the Keuka courses are drawn directly from full time Keuka faculty. Most faculty are recruited from business faculty at other U.S. Institutions or are retired or semi-retired business faculty from other Western institutions. When the program initially began, many of the faculty who taught in the China program participated for a period of two-weeks to one month to teach one to two courses. As the program evolved, however, a majority of visiting faculty now go to China for one to three month teaching assignments and teach multiple courses because it was determined that sending faculty to teach one course for a time period of less than one month was too short to provide quality education, especially when the school was working with students who had less than a full command of the English language. In addition, Keuka and its in-country partner (who served as the initial intermediary when the program was first established) quickly found that it was not economically feasible to pay for travel and board for faculty for teaching assignments of less than one month. Ideally, Keuka sought out faculty who could remain in-country for three months, thus giving an option to not only assign the faculty member to teach several courses, but also the ability to teach courses at more than one of the Chinese partner universities. In time, a growing number of assigned faculty lived and taught full time in China. At one time, Keuka had access to over 40 Western educated business faculty residing in China.

One of this paper's co-authors (who was the chief architect of the Keuka program and was the then Provost and Vice President at Keuka College) is today the President of Thomas University, a small liberal arts university in southwest Georgia. Under his leadership in 2007, Thomas University forged a partnership with Eurasia University, a highly regarded private higher education institution in China. In addition, during the past three years, Thomas University developed and delivered a certificate program in Career Development to over 900 students. The program includes coursework and a practicum. In China, career development is considered ground-breaking work as it is only in recent years that the government has openly encouraged competitiveness in the job market. It should also be noted that the whole notion of "personal career development" is a relatively new phenomenon in China. More recently, Thomas University is working on new partnerships to jointly deliver their Master of Business Administration (MBA) degree and an RN to BSN program. At this present time, partner agreements have been signed with, Huaqiao University for the proposed MBA program, and Wenzhou Medical College for the RN to BSN program.

## **LESSONS: CHALLENGES AND OPPORTUNITIES**

While FGCU is a medium sized comprehensive university and Keuka College and Thomas University are smaller liberal arts universities, the authors feel that the lessons learned through the development and management of their alliances with Chinese universities would be useful to any Western institution that is considering a partnership with a Chinese university.

### **Lesson 1: Establishing Relationships Using Intermediaries**

The importance of collaborating with or employing a trustworthy individual with significant and relevant Chinese contacts and connections as an in-country agent cannot be overemphasized. Using an intermediary in business development and negotiations is common in China. In fact, most businesspeople in China will tell you it absolutely essential. From a cultural standpoint, establishing a personal relationship is far more important in China than in Western countries. In general, the Chinese will



establish the relationship first and if a trusting personal relationship is cultivated, only then will business follow. A skilled Chinese intermediary can assist in navigating China's complex higher education and government bureaucracy networks. Western universities are unable to pursue academic alliances with Chinese universities unless the Provincial and/or Central government provides explicit approval. Accomplishing this requires a skilled negotiator who understands the nuances of culture and the goals and objectives of both parties. In addition, the intermediary can help to establish personal relationships with potential partner university counterparts, which is traditionally achieved through face-to-face meetings and social activities. Furthermore, a skilled intermediary can save an enormous amount of time and money by helping to develop relationships, expediting the negotiating process, the obtaining the best terms possible for your side.

FGCU's China partnership exploration process was initiated by intermediaries who had close contacts with top Chinese government officials and academic administrators. In the case of Nankai University, a U.S. businessman with operations in China and ties to Nankai University initiated the partnership exploration process through FGCU's president. In the case of Yantai University and Binzhou Medical University, the partnership was initiated by a Chinese born American academic with ties to Yantai's political and academic leadership. It is important to note that although the intermediary is critical in the process, the university must assume the primary role in negotiating the partnership agreement to ensure that it conforms to its own interests and capabilities.

In the case of Keuka College and later Thomas University, the relationships began with an intermediary who had more than 30 years experience developing and delivering programs in the U.S. and China. Identifying an intermediary with this level of experience, skill and understanding of both U.S. and Chinese higher education systems is very difficult. In the case of Keuka College and Thomas University the intermediary was not merely an agent but also a partner in the process who had a significant stake in the outcome, which ensured more productive engagement when actual negotiations began.

## **Lesson 2: Identifying and Qualifying Prospective Partner Schools**

The identification and qualification of prospective partner schools is a critical initial step that many Western institutions perform poorly. Like the U.S., China has multiple tiers of colleges and universities in terms of mission and quality. Keuka College and Thomas University found it beneficial to seek out partners from China's so-called second tier (in terms of quality) schools. These schools are highly respected regional universities that are well supported by the local or provincial government and often well-connected to the business community. Perhaps most importantly from the perspective of the Western university, these schools are generally more eager to establish a relationship. As a result, they are often more willing to accommodate the needs of the Western school in order to grow their own institution.

For Florida Gulf Coast University, Nankai University was identified as a partner by an FGCU benefactor who also functioned as the intermediary for that relationship. This person had extensive business interests and connections in both Florida and in the city of Tianjin where Nankai University is located. Nankai is widely regarded as a top tier Chinese university that often ranks among the top ten in terms of quality in China. Unfortunately, Nankai University was not a particularly good fit for FGCU since it already had established many international partnerships with the many far more prestigious American universities. As a result, Nankai was never truly committed to the relationship because it was primarily established for the benefit of FGCU's U.S. intermediary/benefactor.

In contrast, FGCU's partnership with Yantai University developed quickly and the partnership agreement included a *Sister City* agreement with Southwest Florida that was established to further business and cultural ties between the two regions. As a result, the Yantai University partnership was a much better fit for FGCU.

After qualifying the school and implementing a program, it is important to closely monitor the deliverable promised by the Chinese partner institution. For example, when the Keuka China program was in its early years, it learned that resources at one of its partnered campuses were very limited, equipment was missing, technology was not working, and students' English language skills were less than adequate. Even more dramatic, Keuka discovered that the school's Director had reduced funding for

resources and equipment to support the programs and had not paid the staff of the school in three months.<sup>4</sup> As a result, the partnership and agreement with this university was quickly terminated.

The central lesson is that the potential pool of Chinese partner universities is vast and expanding and it is important to forge an alliance that is a good fit to ensure success for both institutions. Also, Keuka College learned that it is important to establish standards of expectations and to disconnect from a relationship when those standards were not met.

### **Lesson 3: Establishing Goals and Developing a Strategic Plan**

For any Western university entering the Chinese market through a collaborative partnership, establishing achievable program goals and developing a strategic plan early in the process is essential. Goals and plans must incorporate variables such as resources, financial projections, approvals, logistics, staffing, monitoring, and quality control. Planning must include financial projections and a cost-benefit analysis. Risks must be identified, monitored and managed, and agreements should be carefully evaluated by the institution's legal counsel. Typical collaborative agreements between Western universities and Chinese universities generally range from three to five years, depending on the nature of the program. A failure in goal setting and strategic planning in international initiatives can result in underestimating costs or overestimating revenues (or both), ultimately resulting in failure and substantial financial losses.

Florida Gulf Coast University's partnership agreement with Nankai University was launched with the belief that a significant financial commitment by a private donor (who was also acting as FGCU's intermediary) was forthcoming. FGCU sent a contingent of university and southwest Florida community leaders to Tianjin where they met with their counterparts and signed the deal. After they returned, FGCU established the Institute of Chinese Studies (ICS) to support the development and administration of programming. Initial plans and even architectural renderings were developed for the construction of an FGCU satellite campus at Nankai University's Campus. Unfortunately, because the private gift never materialized, the ICS lacked administrative and financial support and commitment. When Nankai University realized the financial investment at their campus would not materialize, their interest in the partnership waned; and other than minimal activity early on, implementation of programming between FGCU and Nankai University has never materialized.

In contrast, despite a lack of financial and administrative support, FGCU's alliance with Yantai University experienced significant initial development primarily because Yantai University was a better fit and because the university partnership agreement was accompanied by a Sister City agreement, which generated additional community and political backing and media attention. In addition, FGCU began its collaboration by launching the Tuition Exchange Program, which requires very limited financial and administrative support. Participation in the program has been uneven, however. While more than 20 Yantai University students have participated in the four years the program has been active, only three FGCU students have enrolled, both because of the limited courses available in English at Yantai and because minimal interest on the part of FGCU students to spend a semester or more living in China.

Although initial interest and optimism for other provisions of the Yantai partnership was initially high, development and implementation of more comprehensive programming such as the degree-granting Undergraduate 2+2 (transfer student) Program, which requires a deeper commitment, seems unlikely. Not long after FGCU's China partnership agreements were signed, FGCU experienced a change in leadership at both the President and Provost Level and neither office (after the change) has expressed significant interest in supporting FGCU's China initiatives. For example, the minimal support provided to the Director of the Institute of Chinese Studies (a course release) was withdrawn in fall 2009. Without the critical support of top administration, further development of FGCU's China other initiatives with Yantai University are doubtful.

Keuka College and Thomas University were far more ambitious in their programming than FGCU and had critical financial and administrative commitment and support from top administration for their more bold initiatives. In addition to their more aggressive approach, Keuka and Thomas employed a business model and strategic planning process that was designed to minimize risk. While its risk control strategy may have constrained Keuka College and Thomas University's ability to generate revenue somewhat, it

also has helped them to avoid suffering financial loss. Specifically, Keuka and Thomas University's primary responsibility was to develop curriculum and to identify and hire qualified faculty. Because of that, Keuka and Thomas' administrative investment was minimal, while their in-country partners were required to provide the entire administrative infrastructure (marketing, student recruitment and support, faculty expenses, relationship with partnered universities, etc.). As a result, the in-country partner received a greater share of the net revenue, but their risk and overall investment was greater. This model has proven to be financially successful for both Keuka College and Thomas University. In addition, it has resulted in an enriched international climate for students and faculty.

#### **Lesson 4: Understanding and Working with the Communist Party of China (CPC)**

It is essential that any school that is considering forming a partnership with a Chinese university understand the role of the Communist Party of China (CPC) and its influence over university decisions. CPC influence exists at the local, provincial and national levels. Depending on the Chinese institution, a range of government agencies and ministries could have regulatory influence and control. In addition, it is important to develop a good relationship with the Party Secretary, who often also holds the title of Vice President at the Chinese university you are working with. In general, the Party Secretary is the highest authority at the university, unless the President is also the Party Secretary. The Party Secretary usually employs staff that report directly to him or her. CPC influence is not limited only to public universities in China. Even private Chinese institutions are monitored and influenced by the CPC. In fact, private institutions could not exist without the support and approval of the CPC. Respect for the party is essential and any discussion of politics (and religion) should be avoided.

#### **Lesson 5: The Importance of Faculty, Staff and Administration Commitment**

Developing deep, successful collaborative partnerships requires commitment to the effort on the part of faculty, staff and administration of both the Chinese and Western institutions. For degree-granting programs such as those operated by Keuka College and Thomas University, buy-in at all levels of the university was necessary to ensure everyone was prepared and committed to success. Although the evidence is anecdotal, the authors have observed that many U.S. and Chinese universities often initiate the development of foreign partnerships as *feel good exercises* for administration whereby top administrators travel abroad to the partner university, participate in ceremonies, and even sign agreements, only to go back home without acting on them.

The lack of development of most of the programs provided for in FGCU's partnership agreements was largely due to a lack of commitment and support by university leadership. As mentioned earlier, not long after FGCU experienced a change in leadership in top administration, it became clear the programming initiatives with Yantai University were not a priority and the development of a potentially profitable and self-supporting 2+2 program would not be pursued. The development of programming with Nankai University didn't evolve largely because of a lack of interest on the part of its top administration once they learned that a promised financial investment by FGCU's intermediary/benefactor would not be forthcoming.

In contrast, Keuka College and Thomas University demonstrated from the outset that top administration from the President on down was fully committed to its China partnerships. However, because both Keuka and Thomas ambitiously launched what they expected to be self-supporting and profitable degree granting programs, it was necessary to engage faculty to ensure they would be willing to take ownership of the initiatives. Unless faculty are enthusiastic, committed, and willing to support and participate in the partnerships, they would be difficult to operate and staff even with administrative backing. For faculty, often the most important aspect of the program (aside from sufficient financial support for participation) is academic integrity. Faculty are right to demand assurance that the degrees it grants to its Chinese partner students are not watered down but are in every way as rigorous as degrees granted back home. To ensure this is the case, it is essential that academic control be maintained by the Western University to control quality of delivery and compliance with Western accrediting bodies.



It is also important to ensure that any benefits realized by the partnerships (financial or otherwise) are shared with the academic division. Thomas University created a specific fund in which profits from its China partnerships are funneled for exclusive use by the academic units that generate the revenue. Even if a faculty member in the unit has no direct involvement in the program, benefits from the partnership quickly become apparent to all home faculty.

### **Lesson 6: Understanding the Nuances of Negotiating with Chinese Partners**

The process of negotiating agreements with Chinese partners requires time and patience. For all three schools discussed in this paper, participants were advised and prepared by their intermediaries of the importance of taking the time and having the patience necessary to structure the partnerships carefully to ensure program quality. Typically, Western university administrators, particularly those from the U.S., enter negotiations with clear time frames and expectations in mind. The Western negotiator feels that once a deal is agreed upon and the agreement is signed, negotiations end. However, in our experience in dealing with our Chinese counterparts this is not always the case. Time lines are often drawn-out and negotiations for agreement are dynamic and often become an on-going process.

### **CONCLUSION AND SUMMARY**

During the past decade, many Western business schools have been attracted to the allure and opportunities of setting up partnerships with Chinese institutions because of the significant demand for business education that exists there. Although many Western business schools have established relationships with Chinese institutions, most were not substantially implemented and many others were terminated. As an example, Case Business School (London) joint executive education program initiated with Shanghai University of Finance and Economics in 2004 has been closed. More recently, "the University of Maryland's, Robert H. Smith School of Business and China's University of International Business and Economics have suspended their five-year Beijing operation." Also, "SUNY Buffalo, which had worked with Renmin University of China to launch the country's first executive MBA program in 1998, had enrollment troubles as more schools competed for qualified applicants." As a result, "SUNY ended the joint venture in 2004 (Damast, 2008)".

Often the partnership between the Western business school and the Chinese Institution is launched with unbridled enthusiasm and optimism. However, unless the Western School understands the process of negotiating and working with the CPC and Chinese universities, enthusiasm can wane as Western educators become frustrated because they are unprepared for opaque process of working with Chinese education authorities. As FGCU, Keuka, and Thomas University have found, negotiating and establishing partnerships with Chinese universities is a lengthy and complex process. It is about building relationships; structuring financially viable programs that minimize risk; knowing and understanding the Chinese political power structure; and realizing and understanding the time and effort it will take to fully develop the partnership. Frequently we have found that Western schools have unrealistic expectations of making quick profits and generating a rapid return on investment.

As Napoleon said more than two hundred years ago "*Let China sleep, for when she wakes, she will shake the world.*" The growth of China since Deng Xiaoping opened the doors to the west in the late 1970s has been nothing less than phenomenal. During the past several decades, the growth and expansion of international business has led to an expansion of collaborative partnerships and programs between Western and Chinese institutions of higher education. While opportunities for collaboration will continue to grow and expand, it is essential to understand the process and nature of creating these alliances to ensure success.

### **NUMBERED NOTES:**

1. According to the online version of the Times Higher Education, six mainland Chinese universities are included in its 2008 edition of the Top World 200 Universities Ranking list including Peking

University (#50), Tsinghua University (#56), Fudan University (#113), the University of Science and Technology of China (#141), Nanjing University (#143), and Shanghai Jiao Tong University (#144). Expanding the list to include Hong Kong universities brings that total to ten.

2. The Florida Gulf Coast University Institute of Chinese Studies website can be viewed at [www.fgcu.edu/cob/ics](http://www.fgcu.edu/cob/ics). This page was accessed on July 10, 2010.
3. Full time (15 credit hours per semester) tuition and fees for 2009-2010 for Florida residents will cost \$4,642. For out of state residents, including international students, full-time tuition and fees for the same period will be \$19,901. <http://www.fgcu.edu/AS/FinancialAid/cost-of-attendance.html>. This page was accessed on July 24, 2009.
4. This was quite unusual. Chinese university staff and Chinese people in general are known for their kindness, hospitality, diligence and commitment.

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