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## Exploring the Future Direction of Japan's MBA Education

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**Abstract:** In this paper, we explore the future direction of Japan's MBA education. First, we review literature discussing the problems in the US model of MBA education and then build a framework of analysis. Second, we review the history of MBA education in Japan. We divide its evolution into three stages, demonstrating how MBA education has developed since the first business school was established in Japan. Third, we examine the current situation and define the challenging issues on the basis of our survey of the Professional Graduate School System. Finally, we examine Japan's case based on a framework of analysis and note some implications. The study clarifies that the main target market of MBA education in Japan has shifted from full-time students dispatched from companies to part-time self-sponsored students. Further, more than 60 percent of the teaching staff in Japan's professional business schools are professional practitioners. The results suggest that Japan's MBA education has developed differently than in other foreign countries because the business context of in-house human-resource development is dominant here.

**Keywords:** Part-time MBA programmes, professional graduate school system, practitioner professor, practical education methods

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## 1 Introduction

This paper explores the future direction of Japan's MBA education by reviewing its history, building a framework of analysis, and examining its current situation. The first MBA programme in Japan was established in 1978 as the Keio Business School. Thus, the history of Japan's MBA education is relatively short. However, MBA education is gradually being accepted in the country.

Research has noted that in-house human resource development is dominant in Japan (Kanbayashi, Morita & Okabe, 2008; Nishizawa, 1996; Okazaki-Ward, 1993, 2001). The Japanese style of management is based on a system of lifetime employment and seniority-based promotion; therefore, most large companies employ new graduates as a cohort and develop them internally through on-the-job training. Furthermore, if off-the-job training is provided to employees, such training programmes are customized to offer company-specific knowledge and skills. Consequently, the demand for MBA programmes is minimal (Okazaki-Ward, 1993, 2001).

The Japanese business community has not readily accepted MBA education, but the Japanese government has strongly promoted the need to develop professionals with advanced specialized skills in the global economy. The Ministry of Education, Culture, Sports, Science and Technology (MEXT) founded the Professional School System in 1999 and then reorganized it as the Professional Graduate School System in 2003. Therefore, it is appropriate timing to assess its results and examine improvements that may be needed. In fact, MEXT conducted a thorough survey of the system in 2009 and published the results in 2010.

Japan is still in the process of incorporating MBA education nationally and has followed a different evolutionary process than the US model. Therefore, examining Japan's case is useful in rethinking the value of MBA education and searching for its social role.

## 2 Literature review

In this section, we first review the literature that investigates problems with the US model of MBA education. Then we build a framework of analysis to examine the social role of Japan's MBA education.

The literature contains many criticisms of MBA education; hence, we chose representative criticisms, which we will summarize here. First, some researchers criticize MBA education for not meeting the needs of the business community. According to Gosling and Mintzberg (2004) and Mintzberg (2004), MBA education focuses on the functions of business and not the practice of managing;

therefore, business schools do not sufficiently contribute to developing practical managers. Pfeffer & Fong (2002, 2004) note the contradiction that business schools are commercially successful but do a poor job of educating and preparing their students. They also suggest that little influence flows from academia to industry, but that academics are influenced by practitioners. Furthermore, Bennis & O'Toole (2005) severely criticize business schools for being overly dominated by the science model and thus not responding to their dual mission to educate practitioners and create knowledge through research. Consequently, the importance of maintaining a balance between scientific rigour and practical relevance is discussed.

Second, there is a research trend to criticize business schools for causing a serious confrontation between ethics and social values. In fact, Podolny (2009) warns that business schools underestimate the importance of discussing ethics and values with students. Podolny further suggests that media rankings distort the social role of business schools by overly emphasizing career success and salary increases. Pfeffer & Fong (2004) also suggest that business schools play a crucial role in setting professional values and responsibilities. In fact, on the basis of some research studies (Brown & Choong, 2003; Hendershott, Drinan, & Cross, 2000; McCabe, 2001; McCabe, Dukerich, & Dutton, 1991, 1992), they argue that business schools are sending the implicit message that unethical behaviour is acceptable.

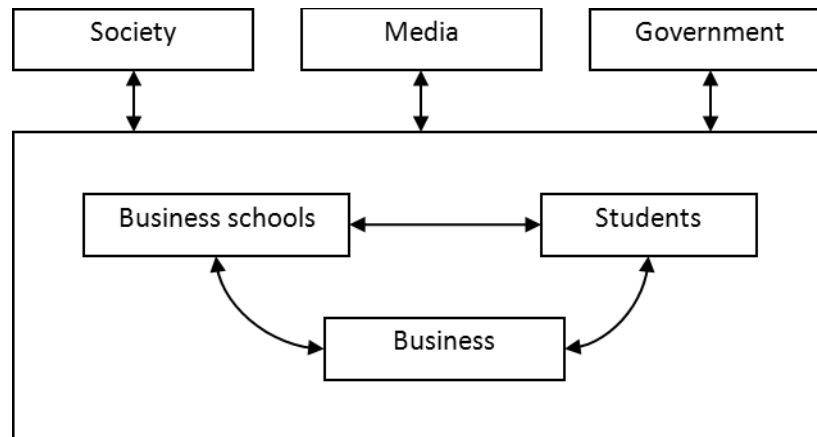
To cope with these issues, Khurana & Nohria (2008) propose that business schools set their own rigorous code of professional ethics, with those who violate such a code being stripped of their MBA degrees. On the other hand, Barker (2010) suggests that enhancing the skill of integration is important and so is changing the focus to collaboration rather than knowledge. Thus, business schools must respond to ethics and social values by clarifying the social significance of their programmes.

Third, some studies have focused on the influence of media rankings on business schools. DeAngelo, DeAngelo, and Zimmerman (2005) note that media rankings do not adequately measure the overall quality of full-time MBA programmes. They emphasize that rankings concentrate on short-run performance over the long-term social value of business schools. Trank & Rynes (2003) also criticize media rankings for not measuring the actual learning in business schools. These rankings reflect placement rates, starting salaries, and incoming student quality, based on GMAT scores and prior salaries. According to Trank & Rynes, therefore, these rating criteria distort the admissions, career advising, and placement functions of MBA programmes. Pfeffer & Fong (2004) argue that business schools risk strengthening more signalling, screening, and sorting functions than educational functions if they focus too much on career success. Podolny (2009) pointed out that media rankings cause severe competition among business schools; hence, deans have to pay more attention to raising their rankings than improving their curricula and courses. Thus, media rankings have a strong impact on changing the social role of business schools.

As reviewed in the previous section, business schools are exposed to the influence of various stakeholders: students, the business sector, media, and society. To deepen our understanding of the social role of business schools, we examine the relationships between these stakeholders. As we note in the following sections, the government also plays an important role in incorporating MBA education in Japan; therefore, we add the government as a stakeholder in our framework. Business schools, students, and the business sector are the core stakeholders in MBA education; however, their behaviours are significantly influenced by media, society, and the government. Consequently, we propose a framework of analysis on the basis of the relationships between these stakeholders, as shown in Figure 1. From this viewpoint, we examine Japan's model of MBA education in the following sections. In particular, we focus on

the methods used by Japanese business schools to build relationships with their stakeholders.

**Figure 1** Relationships between stakeholders in MBA education



### 3 Reviewing the history of Japan's MBA education

In this section, we review the history of Japan's MBA education by following its evolution through three stages.

#### 3.1 First stage: 1978–1988

The history of MBA education began in 1978 when Keio University established a two-year MBA programme, now known as the Keio Business School (KBS) (Aoi, 2005; Ishida, 1997; Ono, 1999, 2008). However, Keio University's involvement in professional business education goes back to 1956, when it invited two professors from Harvard University to start an executive course (Ishida, 1997; Ono, 1999, 2008). In 1962, Keio University began to send its teaching staff for training at Harvard Business School (HBS) and then offered some executive courses as training seminars for companies. The university established its one-year postgraduate programme in 1969 (Ishida, 1997) and reorganized it as a two-year programme in 1978.

KBS aims to develop general managers; therefore, it has adopted the case method of learning from Harvard. KBS has spent more than 20 years in training its teaching staff and developing case materials through this collaboration with the Harvard Business School. Most KBS students were originally sent by corporations. From 1969 to 1978, approximately 70 to 80 percent of these students were financially supported by their employers, but this ratio decreased to 50 percent after 1978 (Ono, 1999, 2008). Thus, Keio University started its MBA programme by conducting training seminars for companies; their target students were mainly employees dispatched from companies.

In the late 1980s, Japanese companies began to send their employees to overseas MBA programmes in order to develop senior managers who could start up international businesses. According to "*Bei no bijinesu sukuru*" (1989), the rate of Japanese students in top US business schools was about 20 to 30 percent, and more than 90 percent of them were sponsored by Japanese companies ("*Beikoku bijinesu sukuru*," 1984). Since Japan had only one MBA programme at this time, most companies sent their employees to business schools in the United States.

Most Japanese companies regarded MBA education as a tool for developing their employees as general managers or as managers who could set up international businesses (Kagono, 1996; Kim, 2002). In fact, Suzuki (1988) argues that Japanese business people who earned an MBA in the US have contributed to the establishment of many international businesses. Japanese companies began to seriously internationalize their business in the 1980s (Okazaki-Ward, 2001). To develop global leaders, the International University of Japan (IUJ) was founded in 1982 with the support of more than one thousand companies, and its first MBA programme began in 1988. This programme was conducted in English and offered only to full-time students. Most students were sent from the companies that supported this school (IUJ, 2011).

### 3.2 *Second stage: 1989–1998*

The second stage covered most of the 1990s. During this time, Japan suffered from the burst of the bubble economy. To overcome the recession, the Japanese government supported the development of adult education on a full scale (Amano, 2004; Ito, 2007; Japan Institute for Labour Policy and Training [JILPT], 1997). In 1988, the University Council of Japan (UCJ) published a report titled “Enhancing the flexibility of the graduate school system.” This report encouraged Japanese universities to accept more adult students at the graduate school level, approved the establishment of evening graduate schools for this purpose, and allowed universities to exempt the master’s thesis as a degree requirement. In response to this report, MEXT amended its Standards for the Establishment of Graduate Schools to allow each university to establish an evening graduate school and to make its programme term and entrance requirements more flexible. In 1991, UCJ also released the report “Quantitative enlargement of graduate schools” and set a numerical target of doubling the number of graduate school students by 2000.

In response to the government’s suggestions, some universities, such as Kobe University, Tsukuba University, and Aoyama Gakuin University, implemented two-year evening programmes (Kagono, 1996). Kagono indicates that the year 1989 was a memorable year for MBA education in Japan because the new graduate schools of business were set up to develop professionals, and a new format, the part-time MBA programme, was introduced.

Many universities established evening graduate schools. However, most of them still focused on research since that was the traditional design (Amano, 2004). According to JILPT (1997), only two percent of the MBA schools used case studies or more practical education methods, while 43 percent adopted the lecture style and 35 percent the seminar style as their teaching methods. Business students were also required to complete a master’s thesis, which made most programmes seem less practitioner-oriented (JILPT, 1997).

Within this context, Kobe University attempted to improve its programme for business people. Their concept of the programme is as follows (Kagono, 1996): (1) the programme is organized with company-sponsored students in mind; (2) it aims to develop professional knowledge and skills; (3) it focuses on project-based research as the teaching method; (4) the limitations of faculty resources restrict the range of topics that students can study each year; and (5) the course is held as an evening programme so that students can combine work and study. Thus, Kobe University tried to establish a new type of business school.

In the 1990s, Japanese companies reduced the number of employees sent to business schools in the United States; however, the number of self-financed students going to these schools was increasing (“MBA *ryugaku*,” 1998). Moreover, an increasing number of female students were applying to business

schools in the United States, so they could enhance their abilities and skills to work for foreign companies (“*Mezase MBA*,” 1996). Kobayashi (1996) argues that the economic downturn caused these trends because the structural change in employment had been taking place since the 1990s.

Japanese companies divided their employees into three main groups: the long-term competence accumulation group, the highly professional competence utilization group, and the flexible employment group. Consequently, people became aware of the need to protect their jobs by enhancing their employability. Business people invested their time and money in securing their survival, owing to the more severe business environment.

Responding to the government suggestions to make graduate schools more practical, most universities started a part-time programme for adult students. The main recruitment focus of the business schools then gradually shifted from business students sent by companies to self-financed students. According to JILPT (1997), by the late 1990s, 18.6 percent of the students were completely supported by companies and 11.1 percent were partly sponsored by companies. Thus, only about 30 percent of the students were now company-sponsored. The direction of this reform was appropriate for existing business trends; however, the main problem was that most programmes were still research-oriented and not practitioner-oriented. As we have already argued, most schools did not adopt practical education methods and still required business students to complete a master's thesis.

### 3.3 *Third stage: 1999–the present*

In the 21<sup>st</sup> century, Japan's economy and society are more globalized, diversified, and complicated, as are the social needs for training professionals with advanced specialized skills (MEXT, 2003). In 1998, the UCJ released a report titled “The image of the university in the 21<sup>st</sup> century and the reform plan for the future.” This report suggested the establishment of a graduate school that would focus on developing advanced professionals through practical education (MEXT, 2003). In response to this suggestion, MEXT established the Professional School System in 1999, which encouraged Hitotsubashi University to establish a business school and Kyoto University to inaugurate a professional school for public health. By 2003, four additional professional schools were established, in fields such as business management, finance, and public health.

In 2003, MEXT reorganized its Professional School System into the Professional Graduate School System to make it more flexible. This new system has four characteristics: (1) the standard period required to complete a degree is two years (however, it is possible to shorten it to one year); (2) a master's thesis is not necessary to finish the programme; (3) practical education methods such as case studies, discussions, internships, and field studies have been adopted; (4) practitioners with sufficient work experience are required to be employed as staff (MEXT, 2003).

MEXT has set a new standard for professional schools to become more practical. Now when universities establish a new programme, they have to obtain approval from MEXT. Furthermore, each university has to undergo an accreditation review every five years (MEXT, 2011). To improve the quality of education offered, each university is closely monitored and assessed against the new standard.

The number of professional graduate schools has been increasing since MEXT encouraged their development. By 2011, a total of 186 graduate schools were established, including 30 business schools and 18 accounting schools (MEXT, 2011). The study programmes have also broadened, from business

management, finance, and public health to accounting, public policy-making, intellectual property, clinical psychology, law, education, and more.

The number of employees sent to US business schools continues to decrease as the number of MBA students in Japan increases; most of these students are now self-financed (“MBA *bumu*,” 2006). One advantage of Japanese MBA programmes is that they are less expensive than their overseas counterparts. In addition, students do not have to quit their jobs and can use their newly gained knowledge and skills immediately in their workplaces. It is also clear that business employees have become even more sensitive about protecting their jobs by enhancing their employability; hence, part-time programmes are valuable to them (“*Fukyo*,” 2010).

Thus, the shift from full-time to part-time programmes continues to increase, and self-financed students are now dominant in the business schools. Business professionals have gradually recognized the importance of business-focused schools, and the government has encouraged the development of more practical programmes for professional graduate schools.

#### 4 Current situation and challenging issues

This section first examines the current situation of the Professional Graduate School System through the survey conducted by MEXT (2010). Next, it examines the programmes, tuition fees, educational methods, and material development, by investigating the information provided on each school's website and from other sources. We visited six professional graduate schools and business schools to interview their decision-makers and to clarify more precisely how they develop practical educational methods. Finally, this section summarizes the problems highlighted by these sources and currently faced by professional graduate schools.

In 2010, MEXT conducted a thorough survey of all 186 professional graduate schools to review the results of its policies over the past decade. Here, we focus on the 30 universities providing MBA programmes.

##### 4.1 Enrolment

Relating to the admission of students, the rate of filling their enrolment quota is 91 percent, with the competition rate at 1.5 times. The survey noted that 45.2 percent of schools cannot fill their quota of examinees; therefore, supply exceeds demand. As for the students' age composition, the percentages of students by age group are listed in Table 1.

**Table 1** Students' age composition

<i>Age</i>	<i>Percentage</i>
20–29	23
30–39	51
40–49	21
≥ 50	5

*Source:* MEXT (2010)

As noted, a majority of students are in their 30s and 40s, with extensive and diverse work experiences. Of the enrolled students, 85.4 percent are part-time students entering from companies and other institutions; 84 percent continue to work; and 7 percent quit their jobs to attend school. The self-sponsored students comprise 67 percent of total enrolment, whereas 17 percent of them are financially supported by their companies. Thus, most students are part-time, with many years of work experience, and are paying for their own degrees.

#### 4.2 Faculty members

As for the staff, professors with extensive work experience comprise 56.2 percent of the faculties. According to the Standards for the Professional Graduate School System, each school has to employ at least 30 percent practitioners on their faculty, such as an executive, lawyer, accountant, or engineer. However, most schools accept more than the required percentage as professors; for example, in six schools, this rate is more than 70 percent. Consequently, the percentage of practitioner professors is much larger than that of academic professors. These facts suggest that Japan has not yet developed sufficient teaching staff for business schools, particularly academic professors.

#### 4.3 Relationships with companies, government agencies, and other institutions

These schools receive 46 percent of their support from companies, government agencies, and other institutions. Specifically, 9.4 percent of them invite advisory board members from these institutions; 37.5 percent accept donated courses, and 21.9 percent have visiting lecturers with advanced work experience. Only 12.5 percent of the schools send their students to participate in internship programmes.

MEXT (2010) indicates that the number of schools receiving substantive support for education is limited and that most schools do not provide career-support services to their students. Therefore, the schools need to build strong relationships with these potential partners to improve MBA education and its value to the workplace.

#### 4.4 MBA programmes

Next, we discuss the programmes, tuition fees, educational methods, and material development. We examine them on the basis of the information provided by each school's website and other sources (Keio Business School, 2009; Nikkei Career Magazine, 2010).

Twelve schools were founded by national universities, two are within public universities, and 15 are at private universities. One school was established as a limited company. Thus, the majority of MBA programmes are offered by private universities.

Ten of the 30 schools provide full-time programmes, while the others provide only part-time programmes—an evening-and-weekend programme or a weekend programme. Most programmes are conducted in Japanese; however, five schools provide programmes conducted in English.

The number of students also differs between the programmes. We divided the schools into three sizes on the basis of their enrolment quota: a small-sized school that accepts fewer than 49 students a year, a middle-sized school that accepts 50 to 99 students a year, and a large-sized school that accepts more than 100 students a year. According to this classification, the distribution of business schools by size is noted in Table 2. The smallest school accepts 15 students a year, whereas the largest accepts 300 students a year.

**Table 2** The sizes of business schools

<i>Students (per annum)</i>	<i>Schools</i>
≤ 49	13
50–99	11
≥ 100	6

Source: MEXT (2011)



Most small-sized schools were founded by national universities, while most middle- and large-sized schools were founded by private universities. As noted, supply exceeds demand; therefore, the middle- and large-sized universities have more difficulty filling their quotas of students.

Various programmes are available at these schools. Twelve programmes have been designed for general managers, and specialist programmes are also offered to define a competitive edge. Eight programmes focus on technology management, five on international management, four on entrepreneurship, and one on regional economy and management. Two additional programmes develop specialists in finance and health care.

#### 4.5 Tuition fees

The tuition fees at private universities are more than twice as much as those at national and public universities. The annual tuition fee of most national and public universities is 535,800 yen, whereas that of most private schools is more than 1,200,000 yen. The most expensive annual fee is 1,680,000 yen. Therefore, national and public universities have a competitive advantage in terms of tuition fees. The average annual income in Japan is 4,060,000 yen (National Tax Agency, 2010); therefore, it is assumed that applicants seriously consider the value of a business school before applying.

#### 4.6 Education methods

We examined the educational methods by reviewing the courses provided by each school, as described on their websites, and found that educational methods vary among the MBA programmes. Based on this survey, the educational methods adopted by each business school are noted in Table 3.

**Table 3** Educational methods

<i>Methods</i>	<i>Occurrence (out of 30 universities)</i>
Case method	8
Project-based method	21
Field study	4
Internship	9
Master's thesis	12

*Source:* The list of 30 universities with MBA programmes is available at the website of MEXT at [www.mext.go.jp/a\\_menu/koutou/senmonshoku/08060508.htm](http://www.mext.go.jp/a_menu/koutou/senmonshoku/08060508.htm).

According to the Standard for Professional Graduate Schools, each school has to use practical education methods. Most schools have adopted the project course as the practical education method to teach business planning or problem solving. The name of the project course differs among the schools: workshop, project research, business planning, and project seminar. To gain more clarity, we interviewed six business schools and also participated in some projects. In these project courses, students are required to write a report on business planning or problem solving and present it in front of the teaching staff. Most projects do not involve any collaboration with companies, even though all six schools that we visited emphasized that building relationships with companies is one of their important issues.

In Japan, traditionally, a seminar class style was common for the master's thesis, and hence it is assumed that the project course has replaced the master's thesis or individual research project in some schools. However, the master's thesis or individual research project is still required by some programmes. Clearly, a research orientation is still present in some schools.

#### 4.7 *Case development*

Relating to material development, about seven schools are more likely to support the development of case materials. Hitotsubashi University develops about ten cases a year and accumulates them over the years. These are published in their review journal and casebooks. Waseda University, Aoyama Gakuin University, and Chuo University also publish some cases each year in their review journals. Doshisha University develops and discloses some cases on their website. Otaru University published some books that include cases developed in their school. Tokyo Institute of Technology continuously develops cases with the collaboration of companies. According to MEXT (2010), 27 percent of these schools engage in developing their educational materials with foreign universities and or companies.

Because only a limited number of schools engage in developing case materials, case development is still insufficient in Japan.

#### 4.8 *Challenging issues*

Finally, we highlight some challenging issues within the Professional Graduate School System on the basis of the MEXT report (2010). One of the most serious problems is that many of these schools cannot attract enough applicants to fill their student quotas. In fact, more than 50 percent of the schools do not fill their quotas each year. However, as indicated, the rate of filling quotas is about 90 percent. To overcome this problem, the government suggests that these schools should better understand the needs of the industrial world and promote the value of their schools (MEXT, 2010). However, some external factors, such as recession and a school's location, become obstacles that are difficult to overcome.

Second, the government promotes improvement in the content and methods of education. MEXT indicates that the balance between theory and practice is important but generally not being met. On the one hand, too many practitioner professors may lead to the neglect of theory. On the other hand, if schools build their MBA programme without enough practitioner professors or collaborations with companies and other institutions, the programmes will not be relevant to the business world. Thus, the balance needs to be more seriously considered by the schools.

Third, MEXT warns that the number of practitioners on the faculties is too large, and the definition of practitioner professors is too vague. This is verified since, in some schools, more than 70 percent of faculty members are practitioners. Furthermore, the knowledge and skills of some practitioner professors are too obsolete, so their contributions are not useful to students. Thus, developing more academic professors for these schools is one of the most urgent problems in Japan.

Fourth, MEXT argues that the schools do not provide sufficient career support to their students. Most schools do not build a strong enough relationship with companies and other institutions to receive their assistance. The government strongly suggests that schools provide services to support their students in finding jobs and also track the careers of students after graduation.

Fifth, MEXT recommends that the quality of education should be closely monitored and improved by third-party accreditation. Professional graduate schools are required to undergo accreditation every five years, but currently, this is not done in a useful manner. Accreditation associations do not necessarily check the quality carefully, and the accreditation standards and methods are not appropriate to the programmes. Hence, the current system does not work well.

Sixth, MEXT suggests that each school needs to release more information about the value of the education offered. To promote the importance of MBA education, schools must make continuous efforts to understand the needs of the business world and improve their education programmes. Moreover, they must build a strong relationship with their stakeholders and improve their publicity.

It has been a decade since the Professional Graduate School System was established in Japan. Each business school continues its efforts to make its MBA programme more practical and useful. However, some challenging issues must still be overcome.

## 5 Discussion and implications

This section examines Japan's case based on the framework of analysis proposed in Section 2 and indicates the resulting implications. Then, the future direction of Japan's MBA education is explored.

As discussed in Section 3, the main target market of Japan's MBA education used to be full-time students who were financially supported by companies. Therefore, Japan's business schools began by fulfilling the needs of the business community. However, in-house human resource development is dominant in Japan, and therefore the necessity of business schools was not recognized in the business world. Companies who needed to develop global leaders for international business sent their employees to US business schools and later established a business school, the International University of Japan (IUJ), themselves.

Second, the government supported university MBA programmes by promoting business education for working adults, so that the target market shifted to part-time, self-financed students. This change has increased the number of business students, demonstrating that the value of a business school is gradually being recognized in Japan. The government established the Professional Graduate School System to accelerate this movement. As a result, business people have begun to recognize the importance of MBA programmes.

Third, graduate schools were formerly designed for research, and therefore the process of responding to the needs of the business community was slow. As argued in Section 4, business schools in Japan have many hurdles to overcome. To increase the number of applicants, it is crucial for these schools to understand the needs of business people, develop their teaching staff, and improve their educational methods and teaching materials. This will improve the quality of business schools, and more business people will recognize their value.

Overall, we conclude that Japan's business schools are strengthening their relationships with core stakeholders: the business sector and students. In this paper, we only briefly refer to the relationship of business schools with society and media, because the presence of business schools is not well recognized in these spheres and the influence of society and media on these schools is not strong. However, we discuss the government's role in promoting the importance of MBA education in Japan since the government plays a crucial role in incorporating and monitoring business schools.

Next, on the basis of Section 4, we suggest future directions to improve MBA education in Japan. First, business schools have to meet the needs of business people. The main target market of business schools is now part-time, self-financed students in their 30s and 40s, with many years of diverse work experience. Therefore, a diversity of programmes will be required, such as the existing programmes: international management, regional economy and management, technology specialists, and entrepreneurs. It is important to clarify

the focus of each programme as well as improve its quality. If the value of business schools is more widely recognized in the business world, companies and other institutions may respond more positively, sending their employees to these schools. Another need of business people is the demand for executive MBAs or executive education, which will increase in the future. In fact, KBS and Waseda University now offer executive education courses.

Second, one of the most urgent challenges is to develop teaching staff. The number of academic professors who are capable of teaching in business schools is very limited, and therefore, each school needs to seriously consider how to develop its professors. In 2004, KBS established a research institute to develop educational methods. This institute provides some courses in the use of the case method for their teaching staff.

Third, business schools must develop practical educational methods and teaching materials to which both practitioners and academic professors can contribute. As seen in Section 3, most schools employ practitioner professors who have significant work experience, skills, and knowledge in their specific work areas. Therefore, practitioner professors should be used to make MBA programmes more relevant. Project-based education, such as real-world consulting projects, is one possible method, involving a collaboration of academic and practitioner professors (Lamond, 1995). Moreover, business schools need to build close relationships with companies and other institutions to make their programmes more pertinent to real-world needs (Neelankavil, 1994; Starkey & Tempest, 2005). Academic professors still overemphasize the importance of a master's thesis or research paper, but they will be required to change their attitudes towards a more practical MBA programme that balances relevance and rigour.

Finally, it is also important to develop appropriate case materials for business schools. This does not mean that Japan needs to copy the American model of MBA education. Developing cases in collaboration with companies and other institutions could help the teaching staff and students understand the needs and realities of the business world. Business schools are expected to play an important role in bridging the academic and business worlds, and therefore this collaborative relationship is sorely needed.

## **6 Limitations and recommendations for future research**

This study has several limitations. First, we focused on business schools, and hence the relationships with other stakeholders are examined from their viewpoint. To more fully understand these dynamic relationships, we need to examine the interactions among other stakeholders. For example, we should conduct questionnaire surveys and interviews with MBA students and staff members in human resource development departments to determine how they evaluate business schools.

Second, we used the US model as a target market for comparison. However, diverse models also exist in Europe and Asia and the Pacific region. Consequently, we should also investigate these models, to deepen our understanding of the social role of MBA education.

Third, before we examine the dynamic relationships among stakeholders and compare different models, we need to refine the framework of analysis for MBA education. For example, there are other stakeholders to be examined, such as university administrations and accreditation associations. In future research, we would like to clarify the social role of Japan's MBA education by addressing these limitations.

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