



WORLD CLASS IN

Preparing for a Paradigm Shift

To remain competitive in today's hyper-connected and highly globalized world, companies and business leaders face more pressure now than ever before to stay on top of advances in technology. The newly appointed Dean of HKUST Business School, Professor Kar Yan Tam, shares his views on how innovation has shaped the world of business and why it is relevant to business education

By **Jennifer Khoo**



Kar Yan Tam

Founded in 1991, the Hong Kong University of Science and Technology Business School (HKUST Business School), is part of a sprawling, green campus located on the coast of Clearwater Bay overlooking the inner seas of Sai Kung. Academically, the business school is renowned for a full range of education programs, from undergraduate degrees to post-graduate professional degrees and non-degree executive programs.

Since joining the faculty in 1992, Professor Tam has not only witnessed the institution's tremendous growth from the ground up, but also played a pivotal role in shaping its modern reputation as a top-tier, internationally acclaimed business school, with a top-ranked MBA program in Asia and an EMBA program considered best in the world for five consecutive years.

With a background in mathematics, IT, and business, and a strong supporter of academia-business collaboration, Professor Tam has pioneered a number of key initiatives including HKUST's Global Business Program and Undergraduate Research Opportunities Program. He believes a business education should be "intellectually challenging" and "practically relevant."

A changing landscape

The model of business education has evolved considerably to become what it is today. In the past,

students tended to specialize in one of the functional areas of business: accounting, finance, marketing, or operations; however, recent trends have indicated an expansion of that teaching model, moving towards a broader educational experience that integrates knowledge of different functional areas.

Moreover, there has been an additional focus on helping students to cultivate personal qualities such as perseverance and positive thinking; transferable skills such as planning, communication and execution of ideas; and the ability to work with people of different cultural backgrounds and perspectives towards a common goal.

Professor Tam asserts that these qualities have become essential for commercial success in today's globalized world, to the extent that many modern business programs are starting to edge away from the traditional teaching model of merely cultivating technical skills in favor of one that also encourages whole person development.

Technical skills, however crucial, can only be learned in a classroom to a degree. Most people learn best by doing, and since many employers nowadays have training schemes in place for new graduates who may be inexperienced, technical skills are acquired gradually on the job.

Thus, Professor Tam believes that the real value proposition of a good business education program lies in the environment it creates for students to acquire transferrable skills as well as business knowledge – an

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environment which they may not have access to elsewhere – before they enter the workplace.

In an age of doing business without national boundaries, there is a particular emphasis in business schools on the development of a global perspective and openness towards other cultures among students, Professor Tam points out. And HKUST is no different: it employs a diverse faculty of more than 140 staff made up of over 25 different nationalities, and has one of the highest percentages in Hong Kong of international students enrolled in its BBA, MBA, and EMBA programs.

In addition to a diverse environment, over 50 percent of the student body of HKUST Business School have the opportunity to spend at least one semester studying abroad, and over 80 percent will have had some form of overseas experience by the time they graduate. This overseas study and work experience is also highly valued by employers, explains the Dean.

“We really see a difference in our students, particularly at the undergraduate level, when they go abroad for a semester. The difference is very apparent,” Professor Tam says. “They return from overseas feeling more confident and willing to talk to people, sometimes without even realizing it themselves,” he adds.

Impact of technology

A specialist in the fields of “Big Data” and “e-Commerce,” Professor Tam says the role of technology is becoming inexorably intertwined with the way the world is doing business, particularly with regards to the nature of business transactions. The notion that consumers rely on traditional intermediaries to conduct economic activities is gradually fading.

The development of crowd-funding and financial technology (FinTech) platforms, along with advances in e-commerce with big data, has enabled buyers and sellers to come together directly; a trend that sees modern day economies growing at a faster pace than ever before, urging traditional intermediaries to rethink their business models.

“The question is, as Bill Gates suggested, we need banking, but do we need banks?” Professor Tam says. The ideas behind some of the novel business models we praise today, he adds, were in fact conceived some time ago, but they simply weren’t feasible back then due to suboptimal conditions like slow processing speeds and poor connectivity.

The concept behind Uber for example, is essentially the collection and processing of data to support a

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huge yield management scheme – an idea that has existed some years back. Today, the commercialization of this concept is possible due to advances and accessibility to technologies such as mobile devices and digital map infrastructure.

The immediate implications of this trend for consumers have so far only been positive: access to lower prices and far more choices, a more efficient purchase process, and shorter transaction times, to name a few. The implications from a business perspective, on the other hand, have caused a wave of disruptions to the way business is conducted.

In a highly competitive business environment amid a shift towards automation, organizations of all sizes are faced with growing pressure to stay relevant. Innovation and entrepreneurship, as in the past, will remain two important keys to business success in the 21st century. And it starts with human capital.

In order to stay relevant, companies need to hire people who not only are technically skilled but are also creative, passionate, and can think “outside the box,” Professor Tam emphasizes. The values of innovation and entrepreneurship are no longer restricted to the start-up world; these qualities are desirable in big corporations too, from entry-level staff to C-suite executives.

“The core values of innovation and entrepreneurship are indeed an important aspect of the HKUST Business School,” he notes, citing an “Entrepreneurial Bootcamp” as part of its Kellogg-HKUST Executive MBA program for senior executives, led by faculty members and alumni who have had success and substantial experience in the real world of entrepreneurship.



Many of the program's participants, he adds, are interested in making an investment in start-ups and are eager to learn more about the current commercial landscape from other business owners. In fact, many of the school's alumni and current students have gone on to start their own businesses upon graduating; most notable recently is Bradley Chiang, who founded a start-up called Snapask when he was a year-three student at HKUST Business School, and made the 2016 *Forbes Asia* "30 under 30" list for the Consumer Tech sector.

An imminent shift

Despite the current economic uncertainty facing many of the world's developed and developing countries, Asia is still experiencing steady economic growth, with many companies in the region looking for ways to step onto the global stage. This presents a constant stream of new opportunities for well-trained executives to climb up their career ladders.

Chinese telecommunications giant Huawei, for instance, which has announced an ambitious plan to launch its 5G network in 2020 and further expand its market share globally, will certainly be looking to hire people with not only the right technical skills but also crucial attributes, including the ability to work with people from different backgrounds and cultures, and the willingness to travel or relocate for global assignments.

From his own experience, Professor Tam has observed that graduates who possess a combination of skills in business and technology are extremely sought after by employers, with demand set to increase as


companies begin to realize what is necessary for commercial success in today's economic environment.

Furthermore, accessibility to technology has opened the window to a world of opportunities for young graduates who have the knowledge and time to invest into start-ups of their own, with a growing number of them declining high paying jobs in traditional industries such as law or finance, in order to pursue an entrepreneurial career path.

From an educational standpoint, Professor Tam believes that changes in the world should be reflected in the classroom. "No one can foresee exactly what will happen in the future, but the conditions necessary for a technological paradigm shift are already in place. The key is to develop the right mindset and the skills to deal with these changes once they arrive."

As head of the HKUST Business School, Professor Tam is set to continue on the path of academic research "anchored on relevance" in order to maximize the impact it has. "We need to communicate our research to the public in ways they will understand and have an interest in what we're finding out through our research," he says.

The school has actively engaged with corporations on collaborations in a mutually beneficial relationship – an important tie between the business community and academia on issues relevant to MBA and EMBA students. "The point of a business education is not just to produce specialists, but to expose students to the world of business where, hopefully, they will find their own path," Professor Tam says.

"The most important thing is to develop a passion that will guide you through difficult times, as without passion, people can easily lose their sense of purpose," he believes. "Find a career you are passionate about, and not necessarily in one of the traditional industries." 

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Editor's Note:

The Kellogg-HKUST Executive MBA Program is an exempted course under the Non-local Higher and Professional Education (Regulation) Ordinance Cap 493 (the Ordinance) of Hong Kong. It is a matter of discretion for individual employers to recognize any qualification to which this course may lead.