

EDUCATING for Global BUSINESS

BY JANET HULSTRAND

WHEN NEW JERSEY NATIVE MARSHALL STARK was looking for an M.B.A. program, he knew he wanted a “world-class” two-year program. He also wanted a program that would expose him to a highly diverse student population. “I wanted a traditional program in a foreign locale,” Marshall says, adding, “Most programs are pretty global in outlook: what I wanted was the foreign experience, and diversity among the students.”

At London Business School he found all he was looking for and more. Class discussions about cases from emerging markets were often given an invaluable added dimension by the fact that some of his classmates had direct experience in those markets. A two-day trip to Germany to visit the BMW and Porsche factories in Leipzig was eye-opening: “The efficiency and cleanliness of those factories is something that I think Americans and many others can learn a great deal from.” Intense, long-term, firsthand exposure to one foreign global market—London—and the benefit of hearing about many others through the experiences and perspective of his fellow students gave Marshall something else that he found invaluable. “I learned that in order to effectively function in certain countries, you really need to have a deep understanding of the rules and norms—both formal and informal—of that country,” he says. Some of the norms of business practice that he observed in London surprised him. “Coming from New York City, I was under the impression that in order to be successful, you had to constantly go at 200 miles an hour toward your goals,” Marshall explains. “The English take a different approach: they spend far more time socializing or working informally, often over a pint of beer. I have partaken in many

such sessions and I must admit that I made a great deal of progress during them. This experience has reinforced my belief in the value of the social aspect of business.” His favorite classes were in marketing “because they really forced me to think about the customer, their needs and wants. This is a challenging subject in the context of globalized business, since the ‘customer’ differs so wildly depending on geography. My professors were sensitive to this and as a result I learned a lot about how effective marketing might differ around the world.” A 2007 LBS graduate, Marshall plans to use the knowledge he gained in his M.B.A. program to build a career in global consulting, with a focus on entrepreneurial activities focusing on global renewable energy. “My experience at LBS has certainly laid the groundwork for a successful few years in consultancy,” Marshall says, “and I am sure that the network I have built, as well as the cultural sensitivities I have developed, will help me in my career.”

That we live in an increasingly global economy is undeniable: the U.S. Census Bureau estimates that approximately one in five U.S. manufacturing jobs is now tied to exports. U.S. business leaders are well aware of the need for employees who are globally competent and who can help them keep up with increasingly vigorous



Business schools in the U.S. and abroad are internationalizing their programs to better prepare their graduates to become globally competent business leaders and citizens of the world.

Kara Penn, a MIT Sloan School of Management graduate, worked during the summer for a World of Good in Southeast Asia.

competition from abroad. And U.S. businesses are not the only ones grappling to maintain their hold on market share. While U.S. schools of business have traditionally dominated the M.B.A. market, they are now facing growing competition from schools in Europe as well as other parts of the world. According to the Graduate Management Admissions Council (GMAC) Application Trends Survey released in July 2006, 24 percent of American M.B.A. candidates were seriously considering enrolling in European programs—and the number of U.S. students applying to European schools has seen a 62 percent increase from 2000-2006. On the other side of the coin, the percentage of European Graduate Management Admissions Test (GMAT) test-takers sending their scores to U.S. programs has fallen from 61 percent in 2001 to 47 percent in 2006. Alluding to a recent increase in the volume of applications by international students to U.S.-based M.B.A. programs after several years of decline, Karen Maccaro, associate dean of the F.W. Olin Graduate School of Business at Babson College cautions against being overly optimistic. “The notion of the U.S. being the one-stop-shop for graduate business education is starting to erode as more and more schools abroad are being accredited, many of them even by AACSB (The Association to Advance Collegiate Schools of Business),” Maccaro says, adding “I think at some point we’re going to see the competition globally become much more severe.”

Emerging Economies and Their Impact on Internationalization

Clearly one of the most compelling forces to affect business as well as business studies are rapidly expanding economies in India, China, and other parts of Asia, as well as other parts of the world. Maccaro has seen student interest in gaining international experience during the M.B.A. grow “considerably” over the past seven years. “Every year our offshore elective courses are oversubscribed...the demand for experience in China is so great that we’ve gone from offering the course once a year to twice a year,” Maccaro says, adding, “It’s not all that surprising, given everything happening in China in the business community. It’s great to see that students seem to really realize the impact this is going to have on them and on their careers.”

Some schools are looking ahead to “the next China,” nurturing connections and developing programs in Africa, Latin America, and other underdeveloped areas of the world economy. A recent *Business Week* article covered efforts by U.S. business schools to develop a variety of international experiences for their students in Africa, ranging from traditional exchange programs to more innovative, hands-on project approaches to learning that put students in direct contact with business leaders in the communities, helping them to understand the complex challenges presented by problems such as the scarcity of clean water, the AIDS epidemic, and the continuing legacy of racial tension left over from years of apartheid. [“B-Schools Put Africa on the Curriculum,” by Jane Porter, *Business Week*, February 5, 2007.]



Marshall Stark, an American who recently completed an M.B.A. at London Business School, in Cotswolds, England.

Global Educational Partnerships: A Key Strategy

One of the most effective ways of providing quality international educational experiences for business students is through international partnerships between schools. Many schools are already working with educational partners abroad to provide their students with an international component to their business studies, and many of those who are not yet doing so are actively seeking to develop such partnerships.

One increasingly common approach is for partner institutions to offer dual degree programs. Arizona’s Thunderbird School of Global Management and the Instituto Tecnológico y de Estudios Superiores de Monterrey in Mexico offer a joint Global M.B.A. degree that uses state-of-the-art communications technology to administer lectures to students in more than eleven locations in six different countries of Latin America, as well as in Miami. Thunderbird President Dr. Ángel Cabrera is enthusiastic about the possibilities attainable through this use of technology. “In each of these locations we have groups of 10 or 20 students who go to a learning center and there they can hear a faculty member delivering a lecture from our studio in Glendale,” Cabrera explains. The course is interactive—students can introduce questions online in real-time. “So you have a very international group of students from all the different countries in Latin America, and some U.S. students as well, studying together with students from other countries and cultures. They are developing a very global mindset, and a global set of skills through the use of

technology,” says Cabrera, adding, “The students spend a week at the beginning of the course at Thunderbird and a week again at the end, but apart from that they are working from their home institutions and continuing in their jobs. This is something that would not be possible without technology.” Tech de Monterrey is also currently working with Babson’s Olin School of Business, developing a dual master’s of science and management degree program. Students will earn degrees from both institutions, and spend time at both campuses—in Mexico and in Massachusetts. “This is really exciting,” says Maccaro. “And we are not alone. Many schools are looking to find high-quality partners in other parts of the world, and to leverage those connections so the students can benefit from both sets of faculty and both experiences. It’s an amazing opportunity.”

The dual degree programs that help develop students’ global awareness and competency are not always with partners across the world: in some cases they may be just across town, or across campus. At Harvard, a new joint degree program between the schools of business and government will prepare students to work in positions of influence at the crossroads of business, government, and nonprofit organizations, dealing with challenges in such critical areas as health care, the environment, economic development, and government regulation. “Graduates of this new program will be able to address some of the world’s most pressing issues—is-

sues that call for collaboration between the public and private sectors, and that require leaders who can effectively operate in both areas,” says Dean David T. Ellwood, of Harvard’s Kennedy School of Government. “The interaction between business and government for the greater good of society has never been more important,” adds Business School Dean Jay O. Light. “As they embark on careers that will have a significant impact on corporate policy and public affairs, students in this program will benefit from the strong practical focus that is the hallmark of both schools.” (The Kennedy School has also recently instituted a dual degree program with nearby MIT Sloan.) And at the University of Pennsylvania’s Wharton School of Business, students in the Lauder Institute earn a dual degree (M.B.A./M.A. in International Studies), affording them the opportunity to benefit from intensive language study

and cultural immersion programs at the same time they are earning their business degrees. Language proficiency is given a high priority at the Lauder Institute: entering students must already have acquired advanced proficiency in a second language and during the course of their studies must proceed to the superior level (i.e., oral proficiency equal to that of native speakers), as measured by the American Council for the Teaching of Foreign Languages (ACTFL) scale.

Other partnerships focus on forming collaborative relationships through faculty and student exchange, shared research opportunities, and curriculum development. The Indian School of Business (ISB) in Hyderabad was established in 2001 with support from 50 of the world’s top corporations and two U.S.-based business schools—the University of Pennsylvania’s Wharton School, and Northwestern University’s Kellogg Graduate School of Management. Designed from its inception to be a global center for developing future business leaders of Asia, ISB offers a curriculum that emphasizes management in transitional and rapidly evolving economies. Wharton recently announced the renewal of its association with ISB for another five years, expressing appreciation at the benefits that the collaboration has provided both partners in this endeavor. Dean M. Rammohan Rao, speaking for ISB, says “ISB has benefited



Dr. Ángel Cabrera,
president of the
Thunderbird
School of Global
Management



The Instituto Tecnológico y de Estudios Superiores de Monterrey in Mexico and Arizona’s Thunderbird School of Global Management offer a joint Global M.B.A. degree.

a great deal from its association with Wharton, especially in designing our curriculum and in getting the active support of leading faculty members.”

Executive M.B.A.s: International Focus in High Demand

One of the greatest areas of growth in applications according to the 2006 GMAC Application Trends Survey was in Executive M.B.A. programs: this also is an area in which European business schools are perhaps generally speaking more in tune with student demand than many U.S. schools. When Alesha Collins, who currently works as a customer quality program manager at Honeywell International in Phoenix decided she wanted to participate in an E.M.B.A. program, she applied to only two schools, both of them overseas. “I had studied for a year in Italy as an undergrad, and after that experience I was compelled to explore M.B.A. options abroad. I wanted to focus on international management, and what better place to learn this than in a truly international setting?”

Alesha found other advantages to foreign programs as well. “The main difference I found between programs abroad and in the U.S. was in the diversity of the class,” Alesha says, noting that while her future classmates come from all over the world, there is so far only one other American in the program she was accepted into. “Most

[foreign M.B.A. programs] also require a minimum of 3–4 years work experience, which means that you benefit from the diversity of your classmates not only culturally, but also in the tremendous variation of work experience and industries. I didn’t want to be in class...with students fresh out of undergrad.”

The application process to IMD, in Lausanne, Switzerland, was a rigorous one: Alesha had to write sixteen essays, and provide three industry recommendations, one of them from someone at the executive level. She also had to go to Lausanne for a round of intensive personal interviews and discussion of case studies. But she was rewarded for her efforts by acceptance into the program, and is looking forward to beginning her studies in January. In addition to recognizing the benefits of working with and learning from a more diverse and more mature student population, Alesha liked the way the IMD program was designed: “IMD and INSEAD [Institut Européen d’Administration des Affaires] both offer the full M.B.A. in one year. This adds to the appeal...It’s very intense, and everyone is fully committed. In addition, the ROI [return on investment] is much faster, as you are only out of industry for one year,” she says, adding, “It’s an exceptional opportunity.”

Alesha is particularly looking forward to working on her international consulting project, where she will have the chance to apply what she has learned in a hands-on environment, working

CIBE(R) Centers | Leading the Way

IN 1988 Congress allocated funds to create Centers for International Business Education (CIBE) at American institutions of higher learning as a way of increasing the nation’s economic competitiveness. (Program participants soon added an “R” for “research,” making the acronym of choice CIBER in all but official documents.) Since 1989, through this program, the U.S. Department of Education has been developing outreach efforts aimed at U.S. business executives, policymakers, academics, and students. There are currently 31 designated CIBE Centers at major research institutions, carrying out more than 900 programs designed to im-

prove U.S. citizens’ global competency.

The six primary objectives of the CIBE centers are to (1) support faculty and curriculum development; to create, develop, and improve executive education programs; (2) to support and improve the teaching of foreign languages, especially “business” languages; and (3) to develop outreach programs for other institutions, such as community colleges, as well as the business community.

One well-known CIBE-funded project, created at Michigan State University’s CIBE, is the globalEDGE Web portal (<http://globaledge.msu.edu/>), a very popular online resource for business executives, academics, and

students interested in international business issues. Another is the Penn Lauder CIBER, which offers a highly regarded 30-hour intensive business language program.

The grants, which are competitive, are awarded on a four-year funding cycle. Schools interested in applying for the CIBE program can find out more at www.ed.gov/programs/iegpsbic. Information on the Department’s Business and International Education program, which provides grants to institutions of higher education who work with trade associations and businesses to improve the teaching of business, can be found at: www.ed.gov/programs/iegpsbic.

at the executive level on a project submitted to the school by a multinational company. “I hope to come out with a strong business foundation and appreciation for the ways business is conducted in other areas of the world,” Alesha says. “I hope my M.B.A. will be a springboard into another industry, and give me the opportunity to lead toward executive management in the luxury consumer goods industry.”

While foreign schools have much to offer students with their E.M.B.A. programs, many U.S. schools also offer a number of possibilities. A Wharton/INSEAD collaboration offers participants in its Executive Education program the opportunity to study on four campuses located in three continents—in Philadelphia, San Francisco, Singapore, and Fontainebleau. And a new Wharton collaboration, the Dubai Leaders Program, recently offered its first cohort of 35 executives from Dubai the opportunity to participate in a “Global Learning Journey” that took them to Singapore, Hong Kong, and Shenzhen in the People’s Republic of China, followed by a visit to the Wharton campus in Pennsylvania to meet with faculty and discuss what they had learned. “We tried to provide a comparative lens,” says Diane Eynon, Wharton Executive Education program director. “Participants were asked to identify and compare the relative strengths and weaknesses of Singapore and Hong Kong and reflect on how these compare with Dubai’s own strengths and weaknesses. We wanted them to explore the strategic implications these answers might have for the operations of Dubai World in Dubai, and the rest of the world.” With the development and improvement of executive education as one of the primary objectives of the Department of Education’s CIBE program, students should see an increasing array of exciting options becoming available in U.S. schools.

Integrating Foreign Languages and Internationalizing Curricula

While recent years have brought much improvement in the level of awareness of faculty, administrators and students regarding the importance of internationalization, and a wealth of programs that offer students the opportunity to become more globally competent, there are still formidable obstacles to overcome if the United States hopes to retain its competitive edge in the world economy.

One of the most fundamental needs among U.S. workers at every level is for greater proficiency in foreign languages. This is also unfortunately one of the areas least responsive to a “quick-fix” approach. Learning foreign languages requires individualized, concentrated, intense effort over a considerable period of time. Fortunately, there are ways to accelerate the process of learning and a good deal of ef-

fort has been applied to learning about some of those ways in recent years. The teaching of foreign languages is one of the top priorities of the U.S. Department of Education’s CIBE program (see box). The CIBE at Michigan State University, along with the University’s Center for Language Education and Research, has developed a three-year program that provides cutting-edge guidance on business language issues pertinent to maintaining U.S. global competitiveness. And the annual Business Language and Culture Conference, sponsored in rotation by CIBEs around the country, brings business executives and foreign language faculty together to focus on the specific training needs of different regions of the country.

Another area that needs to be given much more attention is the integration of business school curricula with area and international studies. “For business students to truly achieve greater global understanding, a strong need exists to integrate and link these disciplines,” according to Dr. G. Tomas Hult, director of the Broad International Business Center at Michigan State University, and executive director of the Academy of International Business. “Business schools should also dig deeper into the international aspects of their functional fields, such as finance, management, and marketing. The combination of interdisciplinary focus and the deepening of functional understanding is powerful, and is likely to produce students with much greater global expertise. Such curriculum development should be an important concern for administrators and educators who are seeking to provide opportunities for business students to gain more meaningful international experiences during their studies.”

Still another challenge is keeping the doors open to international students who wish to study in U.S. business schools. Having a diverse, international student body is of course both one of the simplest and

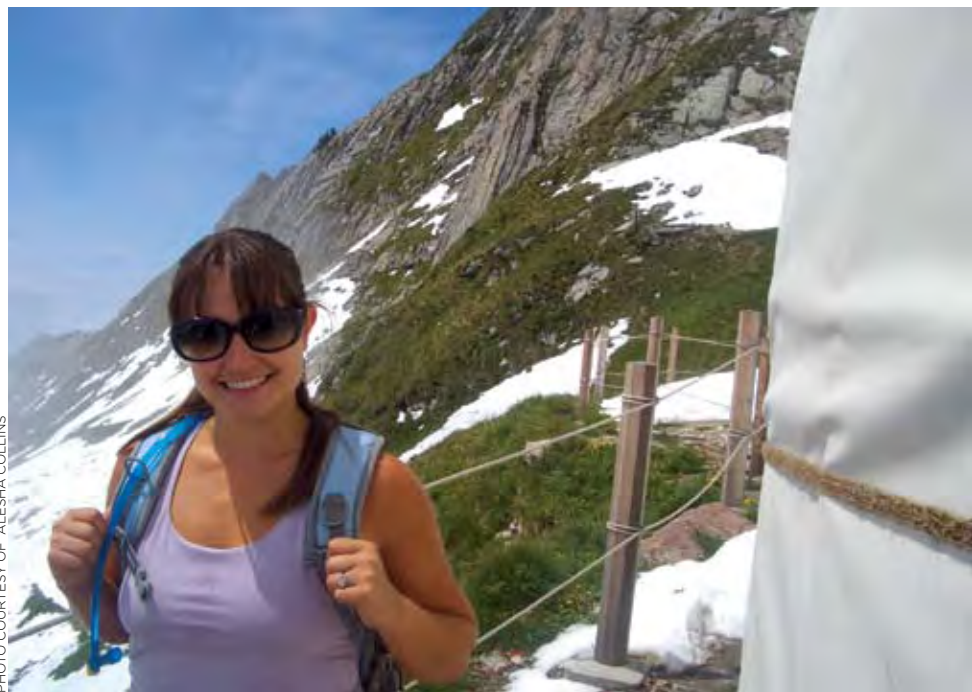


PHOTO COURTESY OF ALESHA COLLINS

Alesha Collins, a Phoenix-based employee of Honeywell International is in the Executive M.B.A. program IMD in Lausanne, Switzerland. Here, she is hiking at Rochers De Naye, just up the mountain from Montreux in Switzerland.

A nighttime photograph of the U.S. Capitol building in Washington, D.C. The building is brightly lit with warm yellow lights from its windows and blue accent lighting on its dome and roofline. The lights create a strong reflection on the dark water in the foreground. The sky is dark with some light clouds.

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one of the best ways of internationalizing a program. Elias Khalil, who came to the United States from Lebanon to study management and consulting at Thunderbird, says the diversity of national backgrounds among his fellow students is an important part of what makes the curriculum at Thunderbird “truly global,” adding, “Learning Mandarin Chinese or taking a trip to China, this does not make a program international. [At Thunderbird] I can name hundreds of examples where we were in class and somebody said, ‘I was there during this period, and this is what we experienced,’ or ‘I was there at that time and this is what we did.’ These insights from other students are as valuable as any explanation offered in class.”

Unfortunately, the “visa squeeze” and restrictions on immigration, especially since 2001, have made keeping a diverse, international student population a real challenge for U.S. educators. According to Karen Maccaro, “The visa issue affects us on both ends.” In spring 2007, a run on visas brought about a 24-hour total shut-down in the process. Schools across the country were deeply concerned, wondering whether the foreign students they had admitted to their programs would be allowed to come into the country. “And on the other side,” Maccaro says, “we have been facing even more significant challenges with regard to finding opportunities for students who are not permanent residents in the United States. There is reluctance on the part of many U.S.-based businesses to sponsor students after graduation.” Maccaro points out that businesses have legitimate concerns when hiring students from overseas, many of whom are quite frank about expressing their desire to return to their home countries after only a year or two on the job in the United States. “We work with our students to help them start thinking of themselves as the solution to a company’s business problem,” Maccaro says. “We teach them to approach their job search by asking themselves as clearly as they can, what are their long-term goals, what are their short-term goals, and how are they a good match for the company’s business issue? We find that when students really focus on their own personal strengths, skill sets, and what they can bring to the table, if it’s the right match, the company doesn’t mind expending the effort to hire and train them. But they need to be convinced that this person is going to address a business need, and also that they are not only interested in a year or two of employment. It’s a big challenge. It’s enormously difficult, but not at all impossible. Every year we find that those students who are really willing to apply themselves are very competitive in this market.”

Creating More Socially Responsible Businesses and Managers

It’s hard to find a business school today that is not aware of the importance of internationalizing the curriculum. But some schools were ahead of the pack. Arizona’s Thunderbird School of Global Management was established in 1946, in the aftermath of World



PHOTO COURTESY OF ELIAS KHALIL

Elias Khalil, from Lebanon, is an MBA candidate at the Thunderbird School of Global Management in Arizona. Here, he is in Pompeii in Italy.

War II, by a former U.S. military man, Lt. General Barton Kyle Yount, who had a vision of business as a tool for maintaining peace in the world. Sixty years later, Thunderbird is hardly alone in recognizing the importance of training business leaders who are able to understand and cooperate with colleagues and competitors from a variety of cultural and linguistic backgrounds around the world.

And Thunderbird is still a leader in the field of international business education. As head of a task force assigned by the United Nations (U.N.) Global Compact, Thunderbird President Angel Cabrera recently led more than 50 deans and professors from the world’s premier business schools in drafting a set of principles for responsible management education that were presented in July to the Secretary General of the U.N. “It used to be that these issues—the social responsibilities of businesses and the ethical responsibilities of managers—were considered as an afterthought,” Cabrera says. “The M.B.A. was where you’d learn your ‘real stuff,’ your finance, your marketing strategy and so on, and then maybe an ethics course was added, sometimes as an elective, sometimes as a core course, sometimes as a set of lectures. We are seeing a change of mindset now; scholars and business schools recognize that the social, environmental, and ethical aspects of running a business are an integral part of managing a business, and you cannot separate it, and you should not. If you are dealing with a case of Company X that is opening a manufacturing plant somewhere in China, or in Southeast Asia, you have to have a clear strategy about how you’re going to deal with environmental degradation, or insufficient education, or child labor, or human rights violations with some of your suppliers. You cannot talk about strategy without talking about those things. It’s becoming more a part of the core of what we do.”

Cabrera sees an encouraging trend in student attitudes also. “We are seeing more and more students who don’t want to have to choose between having a great career and making a difference in the world: they want to do both. We get a lot of people who have been in the Peace Corps and then they decide they want to get an

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M.B.A. And they say, 'I don't want to work until I'm 60, and then I'll do something meaningful. I want to do both, now.'"

One program that gives students this kind of opportunity was introduced last June at the University of Southern California, which announced that it was sending a team of students from the Marshall School of Business to help create a comprehensive, sustainable busi-

ness plan for two innovative international schools in Botswana. "This project incorporates everything we emphasize at Marshall—entrepreneurial thinking, interdisciplinary strategy, global impact, and serving others," says David Belasco, an adjunct professor who accompanied the students to Africa. Lida Jennings, director of Marshall's full-time M.B.A. program, who also went on the trip, adds, "Through their

academic and professional pursuits, our business students strive to be successful leaders in today's global economy. However, they also understand their responsibility to help others. This project connects their talent and passion with an incredible opportunity to make a difference in the world."

Kara Penn, a recent M.B.A. graduate of MIT Sloan School of Management, is perhaps a perfect example of this new internationally savvy M.B.A. student. The program she participated in was a traditional M.B.A. program, but there is nothing traditional about Kara's goals or passions. While still a student at Sloan, she spent a summer in Southeast Asia working for an organization called World of Good, which focuses on supporting fair trade artisan crafts as a means of supporting disenfranchised peoples, especially women, from around the world. A 2007 graduate, Kara has now contracted with MIT and the Center for Collective Intelligence to help build a global climate "collaboratorium" that will pull together scientists, policy makers, and concerned citizens from around the world "to pool their efforts and address the reality of climate change." When asked what her long-term career plans are, Kara says, "My plan is to remain extremely committed to mobilizing and using the power of business to create social and environmental change," and adds, "My life goal is to be a committed global citizen: my career is just an extension of that goal."

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