

Producing International Expertise in MBA Programs

Abstract

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Business schools have been engaged in the process of curriculum internationalization for more than half a century, yet significant issues and challenges remain. The pervasiveness of the global dimension in all aspects of the business of large corporations have caused some to call into question the necessity for any separate treatment of international business.

The purpose of this paper is to review the current status of international business education at the top graduate business programs in the United States, with a view toward looking at the development of international business expertise for firms that are active in international activities. The paper focuses on curricular activities designed to generate expertise, but tries to place these activities in the context of the larger effort to provide managers with what my colleague Jeffrey S. Arpan refers to as awareness and understanding of the international dimension of business.

There are of course multiple dimensions to International Business expertise. In the first place there are specific aspects of business functions that are defined by the cross-border nature of the business transaction. The primary response historically to the need for expertise in the international dimension of a business function has been the development of functionally based courses in international. Secondly, international business education cuts across functional lines. There are certain aspects of global business in which the emphasis has to be on the global rather than on functional. A third dimension to international business expertise is regional and cultural in nature. How is business to be conducted in a specific region of the world, or, more frequently, how does the conduct of business in a portion of the world compare with the conduct of business in the United States? Fourthly, there is the issue of the ability to communicate in the language of another country and culture.

The paper seeks to answer five major questions. The first is the broad question is how top business schools incorporate international content in the core of their graduate business program. Second, most graduate business programs develop their expertise through the provision of advanced courses within a particular discipline. We review issues associated the development of particular advanced topic courses and the use of these courses in areas of concentration. A number of schools offer areas of concentration in International Business or programs that have a specific regional focus. A limited number of business schools have made international a crosscutting or dominant theme of their MBA, or run multiple MBA level programs with one having a specifically international business orientation. We discuss the issue of foreign language availability at the MBA level.

During the period September-November 2002 a detailed review of the international course offerings and programs available at sixty-six drawn from two overlapping sets of MBA programs, those included in the *Financial Times* survey of Top 100 MBA

programs in the year 2002 and those business schools not ranked in the Top 100 but which currently have a Title VI Center for International Business grant. The raw data for the review was the electronic version of the catalog or bulletin of the academic institution.

We look first at core content. More often than not a stand-alone international business course was required within the core. Four of these programs are International MBAs or programs for which the international dimension is the organizing principle for the program. Of the remaining sixty-three academic programs, thirty-eight require at least one internationally oriented core course. Nine schools require two international courses and three require three international courses. Fifteen business schools require courses that are general introductions to international business. Eleven provide courses that are strategic in emphasis. At ten of the schools the primary focus of the only required international course was global economics; at two schools an economic course was required along with one other course in International Business, and at a third the economics course was one of two from which a choice could be made. Schools with CIBERs were more likely to have international business courses in the core than schools without CIBERs.

We identified the graduate business electives available at specific business schools from their catalogs and classified them as either functionally oriented, thematically oriented (cross-disciplinary international business courses) or regionally oriented. The continuing dominance of functionally oriented courses is marked. On average, each business school provided 6.35 functional international electives. The maximum number of international electives at any one school is 22, and seven schools offered ten or more electives.

Thematic courses in International Business, which include courses in International Business Strategy and other topics that are substantially cross disciplinary in content, were less frequently offered; on average 4.14 such courses were available, with a maximum of nineteen, and four schools offering ten or more such courses. Regional courses were the least frequently offered. Preliminary review of the data indicates that a significant number of the courses are concerned with Asian business practices by Pacific Basin institutions. In aggregate the thirty CIBER business schools provided on average exactly 20% more international business expertise courses than their non-CIBER peers. Specifically, CIBER schools provided on average 24.3% more functional courses, 12.5% more thematic courses, and 25.0% more regional courses than do non-CIBER schools.

We attempted to identify the number of different concentrations available at the schools chosen for our study and also sought to determine the availability of an international business expertise-developing course that could be taken as part of that concentration. Tables 5.4 and 5.5 provide a summary of the results for CIBER and non-CIBER schools that offer listed concentrations; nine CIBER schools and eight non-CIBER schools do not offer formal listed concentrations.

CIBER schools on average offer slightly more concentrations than the non-CIBER schools. The number of concentrations at particular business schools ranges from three to

twenty-three. Some 56.2% of business concentrations at CIBER schools allow students to take an international business course to fulfill concentration requirements. This calculation excludes the concentrations at one CIBER business school for which details of the concentrations were not available. The comparable figure at non-CIBER schools is 49.8%.

Arguably the most effective methodology within the traditional MBA to provide international expertise is by providing the student with an international business concentration. A little less than 60% of business schools that offer concentrations have a separate concentration in international business. There is little difference between the CIBER and non-CIBER schools in the development of concentrations. Some 59% (13 of 22) of the MBA programs at CIBER schools offered such a concentration, while 57% (16 of 28) non-CIBER schools made International Business Concentrations available for their MBAs. However, including those CIBER schools offering separate International Business programs, the percentage of CIBER schools offering international business programs or concentrations increases to 66.7% (18 of 27).

In creating an International Business concentration, the choice of courses included can range from a program consisting primarily of functional international courses to ones that blend functional, thematic or regional courses. The vast majority of courses included in these concentrations are functional in nature. Regional expertise may be generated through in-country activities, language study, or the occasional regional business course.

An alternative to having an international business concentration (formal or informal) within an MBA program is creating a stand-alone program that has the international conduct of business as its primary organizing and differentiating characteristic. One major continued issue regarding international business education is that of providing graduates that are foreign-language capable. Most graduate business programs do not contain a major language requirement for the MBA degree. In our review we attempted to identify the business schools that provided organized language instruction linked in some fashion to the business program. Table 8.1 presents our findings.

We found twenty business schools that offer MBA students some form of language option. Of these, eleven were CIBER institutions and nine were not. At the CIBER institutions the average number of languages available was 4.4, while at the non-CIBER institutions, the average number of languages available was 2.1. CIBER institutions provided 79% of the instruction in the less commonly taught languages of Chinese and Japanese.

Throughout the paper comparisons have been made between CIBER and non-CIBER business schools. Along most dimensions, the commitment of CIBER schools to international business education appears to be greater than we find for non-CIBER schools. While it cannot be argued that the Centers for International Business Education program of Title VI bears the entire responsibility for the difference, nonetheless, it is clear that a case can be made that the CIBER program has made a difference and has helped to sustain that difference over the years.

CIBER business schools are more likely to include specific international material in the core of their business program. They offer on average more international business electives and proportionately more of their concentrations include international business courses. They are marginally more likely to offer international business concentrations. CIBER schools are home to almost all of the specialized international business degree programs. They are the leader in incorporating foreign language into their graduate programs of business. Finally, CIBERs, through programs that develop faculty at other business schools and through the demonstration effect of successful international business programs, certainly have merited continued and expanded funding.

Graduate business education is responsive to its two primary customers: the participants in graduate programs and the companies that hire them upon graduation. First, the conclusions of Kedia and Daniel regarding the needs of corporations for international business expertise reflect most clearly the reason why business schools are devoting significant resources to the internationalization of their curriculum. The inclusion of international business courses and material in the MBA core clearly reflects the need for a stronger international emphasis in business curricula, as does the inclusion of international material in functional areas of concentration and in the development of international business concentrations. Even though the achievement of top business school programs in providing these alternatives is substantial, apparently we are still not doing enough to meet corporate perceived need.

The second general area of need for improvement is the emphasis on learning about other world areas. Our research demonstrates that U.S. business schools, while providing some regional expertise in their graduate courses, have chosen to concentrate their efforts in providing functional rather than regional courses, using other methods, such as exchange programs and study tours to provide regional understanding. Here CIBER schools have taken the lead in moving into the specific regions of the world identified by Kedia and Daniel.

The continued lower rating for foreign language skills by corporate executives is both troubling and understandable. Foreign language is typically viewed as a complementary skill, not a skill that replaces business education. CIBER schools are the clear leader in providing or emphasizing foreign language skills at the graduate level.

Finally, we must continue to have a national strategy that encourages both participants in graduate programs and business schools to provide these critical language skills to managers and future managers most likely to use them. In my view this strategy has two dimensions. The first is the development of a far more aggressive foreign language strategy for the population from which business school graduate students are drawn. Particularly in K-12 and undergraduate programs we need to develop true capability in foreign language in a much broader population of students. Second, at the graduate level, we need to expand the opportunities for the application of foreign language in business curricula, through regional emphases, study abroad, overseas internships and the myriad other inventive ways that have been fostered by Title VI programs.