U.S. Business Needs for Employees with International Expertise

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Executive Summary

This article presents the results of a survey of US companies designed to identify the demand for corporate employees with international competence, including international skills and/or knowledge of foreign languages and world areas. The survey data is analyzed to help U.S. academic institutions evaluate the suitability of their current international business degree and executive education programs, and guide modifications in programming, as appropriate.

The results of the study clearly call for a continuing need for international business education in the US. Indeed, with the projected growth of international operations, additional international business education programs will need to be developed, particularly programs with a focus on Asia. At the very least, all business graduates need to have an appreciation for cross-cultural differences and a global perspective. Additional training programs, both degree and non-degree, are also needed to provide management personnel with the higher levels of knowledge needed to address the competitive challenges of the global business environment.
Introduction

Business education’s major objective is the preparation of qualified employees for industry positions. Thus, the main concern of educators is not the transmission of knowledge for its own sake, but the production of highly skilled and educated graduates who can go into the corporate world and perform to the best of their abilities as to create more prosperous work environments, firms, industries and nations. Thus, universities and colleges are in the “business” of developing a high quality human resource that is an essential input into the corporate environment.

In reality, however, due to a lack of good information about what employers want as well as the financial realities of the competitive environment for business education, some business schools focus on creating curricula that satisfies the expectations of their students and may disregard, to some extent, their business community. Universities need more information to have a better grasp of what knowledge and skills corporations, industries and governments need from their workforce in order to compete in the business environment. This is especially true when we consider the global business environment, in which employers face a vast array of complex forces and competitive issues.

For decades, international business researchers have been asking both business school professors and top managers about the human resource needs of companies with respect to their international business operations. Even though the results show that international business educators perceive a greater need for international skills than top managers (Porter and McKibbin, 1988), the studies have found that business executives do believe international skills are important. For example, Nehrt (1977) suggests that every manager, and not just those who deal with international business directly through exporting or having foreign operations, should have some formal education and training in international business. Moxon, O’Shea, Brown, & Escher (1997)
found that global awareness and cultural sensitivity are important international skills. Webb, Mayer, Pioche and Allen (1999) suggest that business students need international training. Hoffman and Gopinath (1994) conclude that CEOs perceive international issues as relevant to the success of their firms.

However, some other studies have found that executives do not consider international education and skills as exceptionally important. For example, Kobrin (1984) states that about 70% of executives think international expertise is learned on the job. Ball and McCulloch (1993) find similar results, that 78% of executives believe that their employees learn the international aspects of their business on the job. Reynolds and Rice (1988) as well as Bikson and Law (1994) found that other skills and traits (i.e., technical skills, cognitive and social skills and personal traits) are more important to business success than international skills. When researchers have compared their results with previous studies having different findings, their general explanation is that environmental changes or differences have possibly triggered a change in managers’ perceptions about the importance of international skills. This suggests that top managers’ needs, requirements and perceptions may shift through time.

When it comes to answering the question of what international skills are important for employees hired for international positions, the true question becomes a matter of how much of a difference will these skills make in the performance of such employees, or if technical and business skills are enough for them to perform appropriately. To the authors’ knowledge, the last study that surveyed executives and actual recruiters about their international business human resource requirements was done in 1997 (Moxon, O’Shea, Brown & Escher, 1997). With increasing globalization of the business environment and greater concerns about terrorism and homeland
security, there is a need to reassess what top managers perceive to be the critical workforce skills necessary for their organizations to succeed in today’s business environment.

To better inform the development of business education, the “US Business Needs for Employees with International Expertise” survey was developed. This survey is an extension of the study carried out by Moxon, et al. in 1997, and addresses more specific issues of entry level versus management level skill requirements, and professional staff versus line management. It also solicits information about the impact of heightened risks of terrorism on international operations and staffing practices. A copy of the questionnaire can be found in the Appendix.

The primary research issues addressed in the survey are:

- Do US executives believe that international skills are important for the employees that they hire? If so, what types of international knowledge are needed and at what level?
- Do executives engage their companies’ employees in training programs that develop international skills, and if so, who are the main providers of such programs?
- In what ways do executives think US business schools should improve with respect to their international business education programs?

**Survey Design and Business Respondents**

**Survey Design and Administration**

Questionnaires were sent both directly and indirectly to potential respondents. Directly, the survey was sent to CEOs and HR Directors of Fortune 500 and INC 500 companies. Indirectly, 30 Centers for International Business Education and Research (CIBERs) and 56 BIE grant recipient schools were asked to collaborate in the data collection efforts by sending out surveys to five of
their contact companies. Twenty of the 30 CIBERs and 17 of the 56 BIE grant recipients participated in this way. All the firms are located in the US. In order to increase the response rate, when the email address of the CEOs and HR directors of the INC 500 and Fortune 500 companies was available at their company’s website, a follow up email with an electronic version of the questionnaire was sent. Unfortunately, we found very few of such email addresses. All CIBERs and BIE schools were also emailed the electronic version of the questionnaire so that they could follow up with their contact companies. All in all, the responses received from the Fortune 500 and INC 500 targeted firms were very low. Therefore the study findings are primarily based on the responses received from the contact companies of the CIBERs and BIE grantees. One hundred and twenty seven surveys were returned, of which 16 were unusable, resulting in a total of 111 usable surveys for the analyses.

**Business Respondents and Companies’ Profile**

Since top managers other than the CEO or HR director answered several of the surveys, this research treats the respondents as top managers and not exclusively as CEOs or HR directors. Some of the other top managers that answered the survey were Executive VPs, Senior VPs, Directors and Senior Managers working in a variety of functional areas like International Business Development, International Sales, Operations, Marketing and Finance. Of the respondents, 32% were CEOs and 9% were HR Directors. Seventy-two percent of the respondents indicated that they have responsibility for their company’s international business, and 52% of these have responsibility for the total organization. Fifty-nine percent are involved in making international hiring and overseas assignment decisions. Twenty-five percent had held an international assignment during their career and almost 40% spoke a foreign language.
With respect to company profile, we asked about industry, size, sales and international involvement (see Table 1).

Table 1  
Number of Companies

<table>
<thead>
<tr>
<th>Industry</th>
<th>Company Size measured as number of employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 500</td>
<td>501 to 5,000</td>
</tr>
<tr>
<td>Manufacturing Firm</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>Service Firm</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Retail Firm</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Financial Service Firm</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Telecommunications and/or Internet Firm</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
<td>25</td>
</tr>
</tbody>
</table>

Figure 1 illustrates the industry composition of the sample. Forty-two percent of the companies were in the manufacturing sector, 25% were in the service sector, 3% were in retail, 6% were in the financial sector, 4% were in the telecommunications and/or Internet sectors, and 20% were reported to be in other industries than the ones mentioned previously.

Figure 1  
Firms by Industry
The majority of the firms are small and medium sized companies (see Figure 2). Fifty-five percent had less than 500 employees, 23% had between 501-5,000 employees, 5% had between 5,001 to 20,000 employees and 14% had more than 20,000 employees.

With regard to sales, 6% of the firms surveyed did not provide this figure, 16% had less than $3M sales, 28% had between $3M - $20M sales, 13% had between $20M - $100M sales, 18% had between $100M - $500M sales, 6% had between $500M - $1B sales, 5% had between $1B - $3B sales and 9% had more than $3B sales.

Figure 3 shows international sales as a percentage of total sales. In the companies surveyed, international sales represented an average of over 26% of total sales. Twenty-four percent of the companies had less than 5% of their sales coming from international business, thirty-six percent of the companies had between 5% and 30% of their sales coming from international business, twenty-four percent of the companies had more than 30% of their sales coming from international business, and sixteen percent of the companies did not provide this information.
An average of 18% of the employees of the companies surveyed were involved in international business activities. Figure 4 shows the percentage of employees working in international business activities. Forty-one percent of the surveyed companies had less than 5% of their employees working in international activities, thirty-two percent of the companies had between 5% and 30% of their employees working in international activities, fifteen percent of the companies had more than 30% of their employees working in international activities, and eleven of the companies did not provide this information.
These descriptive statistics suggest that we had a broad range of companies in our sample. The large representation by small to medium sized companies is reflective of the US economic base as a whole, and such firms are contributing an increasing part of America’s export base. For example, in 1970, 80% of US exports came from less than 1% of firms (primarily large multinationals), but by 1990, 50% of US exports were made by firms with less than 500 employees. The sample is also relevant to our research question because it has been recognized that even firms that do not have large international operations have to face the threat of foreign competitors (Reynolds and Rice, 1988), and therefore, their top managers should still have a perception about the importance of international skills for their employees. This is particularly true for manufacturing industries.

**Survey Results**

**Current and future importance of regions**

The first issue that we solicited information about was the importance of various world regions to the companies, both now and in the future. This information may be useful in guiding the area studies and language education that business students are encouraged to take. Respondents were asked to rate current importance and future importance of five different regions to their companies (see Figure 5). The ranking of current markets in order of importance are Asia, Europe, Latin American, Middle East, and Africa. Companies expect all markets to increase in importance in the future.
Over half the companies ranked Asia of great importance to their international activities, and over 76% rated Asia to be of great importance in the future (Table 2). Europe was the second most important, followed by Latin America. Although the regions of Africa and the Middle East may be critical to the US in terms of national security, their role in international business is currently of less importance to the firms in our survey. Of course, this inverse relationship between regions of interest to business versus security is not merely coincidental, as business investors require stable political environments for successful business operations. The results indicate that a great emphasis on the less commonly taught languages of Asia may better fill the needs of US business in the global market.

Table 2

<table>
<thead>
<tr>
<th>World Region</th>
<th>Importance Now</th>
<th>Importance in the Future</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
<td>Some</td>
</tr>
<tr>
<td>Europe</td>
<td>17</td>
<td>38</td>
</tr>
<tr>
<td>Asia</td>
<td>16</td>
<td>29</td>
</tr>
<tr>
<td>Latin America</td>
<td>28</td>
<td>40</td>
</tr>
<tr>
<td>Middle East</td>
<td>56</td>
<td>27</td>
</tr>
<tr>
<td>Africa</td>
<td>66</td>
<td>25</td>
</tr>
</tbody>
</table>
Growth of International Business

Figure 6 shows that almost 40% of the companies said that their international sales are growing more rapidly than domestic sales, while less than 35% of the companies surveyed reported that their international activities are growing less rapidly than their domestic activities. Thus, international activities are currently representing an important part of US business activities.

![Figure 6](chart.png)

Similarly, Figure 7 shows that over 60% of companies reported that over the next 10 years the proportion of their total sales revenue that comes from international business will be higher. This result suggests that, overall, the global market will become increasingly important to them in the future and that the international market represents tremendous opportunities for US companies to grow beyond the domestic market. It can be inferred from these results that the demand for business graduates with international skills and knowledge will also increase.
Past performance experience

Figure 8 shows that, in the past five years, almost 30 percent of the companies believe they have failed to fully exploit international business opportunities due to insufficient internationally competent personnel. Insufficient international competence affected firms in different ways as shown in Table 3. Firms that claimed they had missed opportunities due to insufficient internationally competent personnel indicated that they missed market or business opportunities abroad, suffered from a bias toward a US point of view, or failed to anticipate the needs of international customers.
Figure 8

The failure to fully exploit international business opportunities due to insufficient internationally competent personnel in the past five years

<table>
<thead>
<tr>
<th>Ways in which Insufficient International Competence affected firms</th>
<th>Percentage of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Missed marketing/business opportunities</td>
<td>21%</td>
</tr>
<tr>
<td>Failed to recognize important shifts in host country policies toward foreign owned corporations</td>
<td>4%</td>
</tr>
<tr>
<td>Suffered from a bias toward a US point of view</td>
<td>15%</td>
</tr>
<tr>
<td>Failed to anticipate the needs of international customers</td>
<td>13%</td>
</tr>
<tr>
<td>Not fully capitalized on expertise available or tech advances occurring abroad</td>
<td>11%</td>
</tr>
</tbody>
</table>

Table 3

How did the insufficient international competence affect the firm?

Threat of Terrorism and Federal Security Measures

Figures 9 and 10 show that 25% of the companies have reconsidered the international awareness and competence among their professional staff and line management in the US as well as abroad due to the threat of terrorism. In addition, over 30% of the companies have been affected by the new federal security measures. These statistics clearly show that the events of September eleven have had an important effect on businesses, but that the effect to date has not been as devastating as feared by many.
Staffing Needs and Patterns

Current Staffing of International Positions

Table 4 and Figure 11 show the current staffing policies for management in both US offices and foreign offices that handle international activities of the companies surveyed. About 49% of the firms indicated that they handle international operations from the US rather than using offices
located abroad. This is consistent with the smaller size of many of the participating firms. About 80% of the companies indicated that they staff the international operations management positions in their US offices with mostly or exclusively US nationals, while only 12% of the companies surveyed have a mix of foreign nationals and US staff in their management positions in the US.

Table 4

<table>
<thead>
<tr>
<th>Current staffing practices for management positions in international business operations</th>
<th>In U.S. Offices</th>
<th>In Foreign Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost exclusively with U.S. nationals</td>
<td>59%</td>
<td>2%</td>
</tr>
<tr>
<td>Mostly with U.S. Nationals, but with some foreign nationals</td>
<td>23%</td>
<td>4%</td>
</tr>
<tr>
<td>With a mix of U.S. and foreign nationals</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Mostly with foreign nationals, but with some U.S. nationals</td>
<td>2%</td>
<td>16%</td>
</tr>
<tr>
<td>Almost exclusively with foreign nationals</td>
<td>1%</td>
<td>21%</td>
</tr>
<tr>
<td>We have no foreign offices; international operations are handled from the U.S.</td>
<td>-</td>
<td>49%</td>
</tr>
</tbody>
</table>

With respect to their foreign offices, Figure 11 illustrates that it is clear that those companies that do have foreign offices rely mainly on foreign nationals to manage them. In general, companies hire US nationals to manage their US operations and hire foreign nationals to manage their foreign operations. This indicates that there is a tendency of US companies to not send U.S. expatriates to foreign operations and to have a low use of foreign nationals in US management positions. It is not clear whether this is primarily due to cost considerations and immigration restrictions, or whether the US talent pool has insufficient language and cultural knowledge to function effectively abroad. However, this trend suggests that US companies may be missing the opportunity to employ talented people and to reap the benefits of a more multicultural management team, both at their home-country operations and host country operations, since they are hiring what seems to be more convenient, US nationals at US offices and foreign nationals at foreign offices.
Figure 12 shows that almost 80% of the companies would expect their overall business to increase either somewhat or a great deal, if more international expertise were available on their staff. This has obvious implications for how they evaluate the impact of international expertise on their companies’ success, and supports the need for more internationally competent business graduates.

Importance of International Expertise for Professional Staff and Line Management
Another aspect of the study focused on the perceptions of companies regarding what kinds of international expertise are important for two different employment categories, namely, professional staff and line management. Line functions are those jobs that directly affect the principal work flow in an organization. Staff functions are support jobs that provide service and advice to line departments (Hellriegel, Slocum and Woodman, 1999).

**Figure 13**

**Importance of International Expertise for Professional Staff and Line Management**

Figure 13 and Table 5 show that, in general, the companies surveyed consider that their professional staff management should have more international skills and knowledge than line management employees. Among the six international skills and knowledge categories that were shown to the respondents, appreciation for cross-cultural differences is the most important skill for both professional staff and line management, followed by a global perspective. An understanding of local markets and business practices was also considered to be of great importance for professional staff by almost half of the firms.
Foreign language skills and international work experience received the lowest average ratings, probably because so many of the firms handle their international operations from the US. Even so, about 20% of the firms indicate that foreign language skills and international work experience are of great importance to them for both line and professional staff management. Only about 10% of the firms indicated that all international skills and knowledge were not important for professional staff managers and only 20% for line management. This indicates that, at a minimum, firms need their management personnel to understand the global economic climate in which the firm operates.

<table>
<thead>
<tr>
<th>International Knowledge and Skills</th>
<th>Importance for Professional Staff</th>
<th>Importance for Line Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
<td>Some</td>
</tr>
<tr>
<td>Country socio-economic/political knowledge</td>
<td>13%</td>
<td>52%</td>
</tr>
<tr>
<td>Appreciation for cross cultural difference</td>
<td>7%</td>
<td>35%</td>
</tr>
<tr>
<td>A global perspective</td>
<td>9%</td>
<td>36%</td>
</tr>
<tr>
<td>Understanding of local markets/business practices</td>
<td>9%</td>
<td>42%</td>
</tr>
<tr>
<td>International work experience</td>
<td>25%</td>
<td>52%</td>
</tr>
<tr>
<td>Foreign language skills</td>
<td>27%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Importance of International Knowledge for Hiring, Reassignment, or Promotion Decisions

Some of the most significant results of the study were the differences between what companies need from management level versus entry level personnel. Companies were asked at what organizational level, in terms of hiring, assignment, or promotion decisions for professional staff and line management, do international and/or language skills become important factors in staffing decision process. The results are reported in figures 14 and 15.

Figure 14 focuses on professional staff, for both management and entry levels. Sixty-eight percent of the companies indicated that a global perspective was important for professional staff
management versus only 26% for entry level staff. An appreciation for cross-cultural differences and foreign language skills were the most important requirements at the entry level for both staff and line personnel, with between 20% and 40% of the firms indicating that these were important skills at the entry level. As professional staff move into management, they need to increase their global perspective and cross-cultural appreciation, as 60% to 70% of the firms believe these skills are important for professional staff management versus only 25% to 45% for entry level staff positions. This makes sense when one considers the increasingly broad range and impact of decisions made as managers progress in their careers.

Figure 14

![Importance of International Skills in Professional Staff Positions](image)

Figure 15 focuses on line management positions, for both management and entry levels. In general, line personnel require less international knowledge than professional staff at all levels. With respect to line positions at the management level, appreciation for cross-cultural differences, a global perspective and understanding of local markets or business practices have almost equivalent importance for companies when they make staffing decisions. For line positions at the entry-level, appreciation for cross-cultural differences is the most important skill and foreign
language skill is the second most important skill. Overall, other international skills for line positions seem to have little importance at the entry level, primarily because such personnel would typically have little decision making authority and little contact with customers, suppliers and others outside their company.

From Figures 14 and 15, it is evident that the requirement for international skills in professional staff positions is much higher than in line management positions. This finding is consistent with that presented previously in Table 5 and Figure 13. Also, as seen in Figures 14 and 15, it can be concluded that international skills at the entry level have less relevance than at management levels. These findings have significant implications for US business schools and indicate that MBA and executive programs may need a much greater emphasis on assuring that participants achieve a global perspective and an appreciation for cross-cultural differences,
political and economic environments and business markets. From the students’ perspectives, they may need to realize that although international knowledge may not be an advantage in their first job, it will become increasingly important as they advance in their career path.

Figures 16 and 17 reveal that while over 30% of the firms indicated that it is currently difficult to find US nationals with the international knowledge, expertise and language skills needed, almost 80% of the firms will place a greater emphasis on international competence among management and employees over the next ten years. This is consistent with the proportion of firms that expect their percentage of international sales to increase, and clearly indicates that there will be a greater demand for international business education in the US over the next decade.

![Figure 16](image-url)
International Training Programs

Training Program Involvement

Perhaps as a result of the increasing importance of international operations and the need for greater levels of international expertise at management levels, over half the firms indicated that they have engaged in training programs designed to promote international competence. Figure 18 shows the answer to the question: “Has your firm engaged in programs designed to promote international competence in your employees?” showing that 52% of firms have provided such training to their employees.
Table 6 and Figure 19 show the types of providers and the kinds of training programs that companies have engaged in. From the graph, we can conclude that, in general terms, the provider of choice of companies to promote international competence amongst their employees is in-house training, followed by consulting firms, and then universities and finally non-profit/government providers. To provide foreign language training, companies rely, in rank order, on consulting firms, in-house training and universities. Non-profit/government providers were not used to provide foreign language training. Universities are least used to provide pre-departure training for expatriates. Consulting firms, universities, and non-profit/government providers about equally provide international cross-cultural seminars. The type of training program that companies mainly engage in is regional or global updates. Multicultural staff management is the training program least likely to be used by companies.
Table 6
Percentage of Firms Providing International Training programs and Source

<table>
<thead>
<tr>
<th>Training Focus</th>
<th>In-house program</th>
<th>University</th>
<th>Consulting firm</th>
<th>Non-profit /Govt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>International cross-cultural seminars</td>
<td>14%</td>
<td>11%</td>
<td>11%</td>
<td>11%</td>
</tr>
<tr>
<td>Pre-departure training for expatriates</td>
<td>16%</td>
<td>1%</td>
<td>10%</td>
<td>3%</td>
</tr>
<tr>
<td>Foreign language training</td>
<td>14%</td>
<td>10%</td>
<td>16%</td>
<td>-</td>
</tr>
<tr>
<td>Regional or global updates</td>
<td>23%</td>
<td>10%</td>
<td>12%</td>
<td>17%</td>
</tr>
<tr>
<td>Multi-cultural staff management</td>
<td>12%</td>
<td>4%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Cross-national functional teams</td>
<td>15%</td>
<td>4%</td>
<td>5%</td>
<td>1%</td>
</tr>
</tbody>
</table>

When participants were asked why they had not used universities and colleges as a resource to provide training programs, the most common answers, in order of frequency, were because they were not aware that they existed (i.e., not enough advertising on the part of the schools), too costly, and too theoretical and not very practical. This suggests that universities need to be more aggressive in reaching out to businesses and letting them know the types of programs that they can provide. It may also indicate a need for universities to partner with private sector sources to meet the increased demand for the practical and cost effective training that smaller US firms need.
Figure 20 shows how satisfied companies have been with the training programs that they have engaged in. Over 71% of the companies that have engaged in training programs have been satisfied. This shows that, overall, companies are satisfied with training programs that provide international competence, but that there is still some improvement needed.
Importance to Improve International business Education

The final section of the survey solicited input from the firms as to how international business education at the graduate and undergraduate level could be improved. As seen in Table 7 and Figure 21, companies were asked about a number of specific suggestions for improving international business content in BBA and MBA programs. Specifically, they were asked whether it was important or not to have: 1) the creation of data banks/clearing houses on international resources, 2) improved academic outreach to businesses seeking greater international competence, 3) stronger international emphasis in business school curricula, 4) more emphasis on learning about other world areas/countries and their cultures, 5) mandatory foreign language, and 6) more emphasis on exchange/overseas internship programs.

The data show that a stronger international emphasis in business school curricula and more emphasis on learning about other world areas/countries are the two most importance areas to
improve international business education. Over half the firms indicated that improving these two areas was of great importance. About one third of the firms indicated that it was of great importance to improve academic outreach to businesses seeking international competence. In general, over 75% of the firms considered all items as having at least “some importance” for improved international business education programs.

Table 7

<table>
<thead>
<tr>
<th>Suggested International Education Improvement</th>
<th>Importance of Improvement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>More emphasis on exchange programs</td>
<td>26%</td>
</tr>
<tr>
<td>Mandatory foreign language training</td>
<td>24%</td>
</tr>
<tr>
<td>More emphasis on learning about other world areas</td>
<td>13%</td>
</tr>
<tr>
<td>Stronger international emphasis in business curricula</td>
<td>15%</td>
</tr>
<tr>
<td>Improved academic outreach to businesses</td>
<td>24%</td>
</tr>
<tr>
<td>Creation of databanks /clearinghouses on international resources</td>
<td>23%</td>
</tr>
</tbody>
</table>

Conclusions and Implications

Survey Conclusions

After analyzing the data, we can summarize the main findings of the study as follows.

1. The international business aspect of US companies represents an important part of their entire business currently and is expected to increase over the next 10 years.

2. Eighty percent of the companies believe their overall business would increase if more international expertise were available on their staff.

3. Companies will place a greater emphasis on international competence among management and employees in the next ten years.
4. An appreciation for cross-cultural differences is the most important international skill sought by companies for both professional staff and line management employees, closely followed by a global perspective. Management personnel also need an understanding of local markets/ business practices and country socio-economic and political knowledge. US universities should have a stronger emphasis on integrating international and cross-cultural topics into all curricula, since these skills seem to be universally needed by business, even at the entry level.

5. International skills are more important at the management level than at the entry level in terms of hiring, reassignment and/or promotion decisions. At the management level, there is an even greater need for international understanding, and personnel also need to have more market specific knowledge. Therefore, MBA and executive programs should have more focus on understanding the business and marketing issues relating to international business.

6. While foreign language skills received the lowest average rating in importance as a skill sought by companies, about 20% of the companies rated foreign language skills to be of great importance. Similarly 25% of the firms believe that international work experience is of great importance.

7. US firms rely more on in-house and consulting firm providers than on universities for training programs to promote international competence among their employees. Universities need to publicize their executive training and other services available to businesses, as many businesses do not realize that the universities can be a resource for them in this area.
8. The two most important areas in international business education that participating companies believe should be improved are a stronger international emphasis in business school curricula and more emphasis on learning about other world areas/countries.

The results of the study clearly call for a continuing need for international business education in the US. Indeed, with the projected growth of international operations, additional international business education programs will need to be developed, particularly programs with a focus on Asia. At the very least, all business graduates need to have an appreciation for cross-cultural differences and a global perspective. Additional training programs, both degree and non-degree, are also needed to provide management personnel with the higher levels of knowledge needed to address the competitive challenges of the global business environment.
References


# U.S. Business Needs for Employees with International Expertise

*A survey of business needs for employees with international business knowledge, skills, and experience*

## Section A – Company Profile and International Activities

1. Which of the Following best describes your firm?
   - Manufacturing Firm
   - Service Firm
   - Financial Service Firm
   - Telecommunications and/or Internet Firm
   - Other (Please Specify:)

2. Approximate number of employees in your company:
   - Less than 500
   - 501-5,000
   - 5,001-20,000
   - More than 20,000

3. Approximate percentage of your employees working in positions requiring international knowledge or expertise: %

4. Approximate total US dollar sales of your firm during the last fiscal year:
   - Less than $3M
   - $3-$20 M
   - $20-$100 M
   - $100-$500 M
   - $500 M - $1 B
   - $1-$3 B
   - Greater than $3 B

5. Approximate percentage of your firm’s total sales generated from international business: %

6. How important are the following regions to your international activities NOW and in the FUTURE (10 years):

<table>
<thead>
<tr>
<th>Region</th>
<th>NOW</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latin America</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Middle East</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td></td>
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</tr>
</tbody>
</table>

7. Overall, How would you say your international activities are growing now compared to our domestic activities?
   - Less rapidly
   - About the same
   - More rapidly

8. Based on your knowledge and experience, what will characterize your firm’s international business, as a percentage of total sales revenue, over the next ten years?
   - A small percentage will be derived internationally
   - About the same percentage will be derived internationally
   - A higher percentage will be derived internationally

9. How important is it for your professional staff and line management personnel to have the following basic international skills/knowledge?

   **Professional Staff**

<table>
<thead>
<tr>
<th>Skill</th>
<th>NOW</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country socio-economic/Political knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appreciation for cross-cultural differences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A global perspective</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Understanding of local markets/business practices</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International work experience</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign language skills</td>
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<td></td>
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</tbody>
</table>

   **Line Management**

<table>
<thead>
<tr>
<th>Skill</th>
<th>NOW</th>
<th>FUTURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country socio-economic/Political knowledge</td>
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<td></td>
<td></td>
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<tr>
<td>Foreign language skills</td>
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</tbody>
</table>
10. If you had more international expertise on your staff, do you feel your overall business would increase?
   - [ ] 1. Not at all
   - [ ] 2. Some
   - [ ] 3. A Great deal

11. In the past five years has your firm failed to fully exploit international business opportunities due to insufficient internationally competent personnel?
   - [ ] Yes
   - [ ] No

   If ‘yes,’ in what way or ways has insufficient international competence affected your firm?
   - [ ] We have missed significant marketing/business opportunities abroad
   - [ ] We have failed to recognize important shifts in host country policies toward foreign owned corporations
   - [ ] We have suffered from a bias toward a United States point of view
   - [ ] We have, at times, failed to anticipate the needs of our international customers
   - [ ] We have not fully capitalized on expertise available or technological advances occurring abroad
   - [ ] Other (Please specify):

12. Has the threat of terrorism caused your firm to reconsider the importance of international awareness and competence among your professional staff and line management here as well as abroad?
   - [ ] Yes
   - [ ] No

   If you answered ‘yes,’ please explain the ways in which your personnel staffing decisions have been impacted:

13. Have the new federal security measures affected your business?
   - [ ] Yes
   - [ ] No

   If so, please explain how they have specifically impacted your business:

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**Section B – Staffing Needs and Patterns**

1. How does your company currently staff management positions in your international business operations?

   - In US Offices
   - In Foreign Offices
   - [ ] 0. We have no foreign offices; international operations are handled from the US
   - [ ] 1. Almost exclusively with US nationals
   - [ ] 2. Mostly with US nationals, but with some foreign nationals
   - [ ] 3. With a mix of US and foreign nationals
   - [ ] 4. Mostly with foreign nationals, but with some US nationals
   - [ ] 5. Almost exclusively with foreign nationals

2. In terms of hiring, reassignment, or promotion decisions, at what organizational level do international and/or language skills become important factors in the staffing decision process? (Check all that are appropriate)

<table>
<thead>
<tr>
<th>International Knowledge</th>
<th>Entry level Professional Staff Positions</th>
<th>Management Level Professional Staff Positions</th>
<th>Entry level Line Positions</th>
<th>Management level Line Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country socio-economic/Political knowledge</td>
<td>[ ]</td>
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<td>[ ]</td>
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<td>Foreign language skills</td>
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</tbody>
</table>

3. Is it difficult for you to find US nationals with the int’l knowledge, expertise, &/or language skills needed by your firm?
   - [ ] Yes
   - [ ] No

   If ‘yes,’ please list/describe the knowledge, expertise, or skills that are most difficult to find:

4. Over the next 10 years will your company place a greater emphasis on int’l competence among management and employees?
   - [ ] Yes
   - [ ] No

---

**Section C – International Training Programs**

1. Has your firm engaged in programs designed to promote international competence?
   - [ ] Yes
   - [ ] No

   If ‘yes,’ please fill in the matrix below to indicate the nature of the program(s) and their provider(s):

<table>
<thead>
<tr>
<th>Type of Program</th>
<th>In-House Program</th>
<th>University Provider</th>
<th>Consulting Firm Provider</th>
<th>Non-profit/Gov’t Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>International Cross-Cultural Seminars</td>
<td>[ ]</td>
<td>[ ]</td>
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<td>[ ]</td>
</tr>
<tr>
<td>Pre-Departure training for expatriates</td>
<td>Foreign language training</td>
<td>Regional or Global updates</td>
<td>Multicultural staff Management</td>
<td>Cross-National Functional teams</td>
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</tbody>
</table>

2. Have these programs met your international business needs?

- Yes
- No

If ‘no,’ please explain:

3. If your firm has not used university business schools as a resource to assist in the development of international competencies, please explain why?

4. There has been considerable discussion about improving international education at the BBA, MBA and EMBA levels. Listed below are a number of specific suggestions for improving international business content in undergraduate and graduate business programs. Please indicate their importance for your firm’s future needs.

<table>
<thead>
<tr>
<th>Suggestion</th>
<th>1. Not Important</th>
<th>2. Of Some importance</th>
<th>3. Of Great Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>More emphasis on exchange/overseas internship programs</td>
<td></td>
<td></td>
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<tr>
<td>Mandatory foreign language training</td>
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<tr>
<td>More emphasis on learning about other world areas/countries &amp; their cultures</td>
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<tr>
<td>Stronger international emphasis in business school curricula</td>
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<tr>
<td>Improved academic outreach to businesses seeking greater international competence</td>
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<tr>
<td>Creation of data banks/clearinghouses on international resources</td>
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</tbody>
</table>

5. What changes would you suggest for existing international business programs?

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**Section D – Respondent Information**

1. What is the title of your position?

2. Do you have responsibility for your company’s international business?

- Yes
- No

If ‘yes,’ please indicate which category best represents your responsibilities:

- Responsible for the total organization
- Responsible for the organization’s international division
- Responsible for a specific country or region
- Responsible for a specific functional area

3. Have you ever held an international assignment(s)?

- Yes
- No

If ‘yes,’ how many times have you served abroad?

- 1. Once
- 2. Twice
- 3. Three or more times

4. Which of the following best reflects how you perceive your career in terms of assignments you have had and want to have?

- 1. Domestic
- 2. Mixed international and domestic
- 3. International

5. Do you speak any languages other than English?

- Yes
- No

6. Are you involved in making international hiring and/or overseas assignment decisions?

- Yes
- No

If ‘yes,’ how often do you participate in those decisions?

- 1. Once a year
- 2. Twice a year
- 3. Three times a year
- 4. Four or more times a year

Thank you for taking time to complete the survey!

Please return it as an e-mail attachment to lperez@memphis.edu, or print it out and send it to:

International Business Survey
Robert Wang Center for International Business (CIBER)
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Memphis, TN 38152-3130