

2014 U.S. Business Needs for Employees with International Expertise

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Prepared for the

**Internationalization of U.S. Education in the 21st Century
The Future of International and Foreign Language Studies
A Research Conference on National Needs and Policy Implications**

**April 11-13, 2014
Williamsburg Lodge
310 S England St, Williamsburg, VA 23187
Sponsored by the Coalition for International Education**

Acknowledgements

The authors would like to thank the Coalition for International Education for facilitating the organization of the conference and the College of William and Mary for hosting the event. The authors also would like to acknowledge the generous support from the Carnegie Corporation of New York, and the Henry Luce Foundation. The Association for International Business Education and Research also contributed to the development of this report.

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Introduction

Business education's major objective is the preparation of qualified employees for industry positions. Thus, the main concern of educators is the production of highly skilled and educated graduates who can go into the corporate world and perform to the best of their abilities to create more prosperous work environments, firms, industries and nations. 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 quality 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 synchronize the needs with their educational product/service. This is especially true when we consider the global business environment, in which employers face a vast array of complex forces and competitive issues.

This 2014 research study is an extension of the 2003 Kedia and Daniel study and provides a longitudinal comparison with data obtained from that survey a decade ago. The primary research issues addressed in the survey are:

- Do U.S. 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 U.S. business schools should improve with respect to their international business education programs?

Academic Studies on the Need for International Business Skills

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 better inform the development of business education, in 2003, the "U.S. Business Needs for Employees with International Expertise" survey was developed. This survey was carried out by Kedia and Daniel in 2003, and addressed specific issues of entry level versus management level skill requirements, and professional staff versus line management. It also solicited information about the impact of heightened risks of terrorism on international operations and staffing practices. Kedia and Daniel (2003) findings indicate that the international business aspect of U.S. companies represented an important part of their entire business and was expected to increase over the next 10 years. Eighty percent of the respondents believed their overall business would increase if more international expertise were available on their staff. The results also indicated that companies would place a greater emphasis on international competence among management and employees in the next ten years. An appreciation for cross-cultural differences was the most important international skill sought by companies for both professional staff and line management employees, closely followed by a global perspective. The results indicated that management personnel also needed an understanding of local markets and business practices and country socio-economic and political knowledge. Respondents indicated that U.S. 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. Results of the 2003 survey indicated that international skills were 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 was an even greater need for international understanding, and personnel also needed to have more market specific knowledge. Therefore, MBA and executive programs needed more focus on understanding the business and marketing issues relating to international business. 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 of great importance. Similarly 25% of the firms believed that international work experience had great importance. U.S. firms relied more on in-house and consulting firm providers than on universities for training programs to promote international competence among their employees. The two most important areas in international business education that participating companies believed should be improved were a stronger international emphasis in business school curricula and more emphasis on learning about other world areas/countries.

The results of the 2003 study clearly called for a continuing need for international business education in the U.S., and additional international business education programs, particularly with a focus on Asia. At the very least, all business graduates needed an appreciation for cross-cultural differences and a global perspective. Additional training programs, both degree and non-degree, were needed to provide management personnel with the higher levels of knowledge needed to address the competitive challenges of the global business environment.

Surveys by other industry organizations and media

In addition to academic studies of international business skills, there have been a number of other surveys conducted by industry groups, consulting firms and the financial media addressing the issue. The findings of these studies indicate that there is a changing business environment, resulting in the need for a changing business organization. To begin with, over the past decade companies have become more global. In a multinational context, managers must have the ability to adapt to new cultures and business environments. Leaders of organizations in the U.S. are adopting a more global mind-set -- and so are HR professionals. In addition to traditional skills and qualities, organizations are looking for employees with new traits and characteristics in the 21st Century. The discussion below summarizes some of these industry studies.

According to a Manpower Group's 2011 Survey, 51% of American employers report difficulties in filling positions due to lack of available talent. A study by Harvey (2009) found that in addition to the traditional characteristics of analytical intelligence and creative intelligence, due to increased globalization managers also need cultural intelligence, which includes the ability to work in a cross-cultural environment, foreign language ability, and the ability to integrate and translate cultural cues. Molinsky (2012) found that companies are becoming more global, and the workforce is more diverse than ever before. They identified the top three skills needed by 21st Century managers as the ability to effectively use online networks, the ability to divide attention deliberately for inspiration and creation, and to switch between cultures. A 2010 report conducted by the *Economist Intelligence Unit*, which drew responses from 479 senior executives, showed that there is more diversity in the workplace and therefore more need for employers to have good soft skills such as communication skills and cultural

awareness. In particular, 19% of respondents expect their managers to speak an Asian language, and more and more companies are looking for job candidates who can work cross-culturally.

In a 2012 interview with HR Magazine managing editor Desda Moss, Chris Hamilton, Senior VP, Chubb Group of Insurance companies emphasized that “The ability to work across geographies, cultures and diverse business demands is an important skill.” Similarly, Tyler (2011) interviewed a number of HR professionals and concluded that “human resource professionals need to gain self-awareness, second languages and multicultural savvy to manage international workforces.” Kurtz (2013) found that foreign language skills were among the hottest skills needed in the workplace, with highest pay levels being garnered by those with Middle Eastern language skills for government jobs, and Asian language skills for business.

The IBM CHRO Study, “Working beyond borders: insights from the Global Chief Human Resource Officer Study” (2011), which is based on conversations with more than 700 Chief Human Resource Officers worldwide, found that attracting and retaining talent across different geographies will require leaders to appreciate and understand individuals from different cultures and backgrounds. They concluded that some of the most important leadership qualities over the next five years are creativity, integrity and global thinking.

In the 2011 SHRM Workplace Forecast survey report (2011), a majority of U.S. HR professionals believed the following trends will have a "major strategic impact" on businesses:

- Increased global competition for jobs, markets and talent (72% of respondents),
- The economic growth of emerging markets such as India, China and Brazil (62%),
- A greater need for *cross-cultural* understanding and savvy in business settings (61%).

Similarly, a 2010 Society of Human Resource conducted survey found that cross-cultural intelligence and a global intelligence/global mindset were among the top 10 qualities needed by successful managers. To support global business operations, employees in technical fields, such

as accounting and law, are also finding international knowledge increasingly important. Sixty-nine percent of the 2,100 U.S. CFOs surveyed by Robert Half Management Resources indicated that having expertise in such topics as international tax laws and global regulatory requirements will be somewhat or very necessary for accounting and finance professionals five years from now (Bramwell, 2013). This is consistent with a 2009 survey of more than 1,400 CFOs across the United States by Accountemps, which found that multilingual skills and international experience are among the top six qualifications needed by job candidates.

To better understand how intercultural skills are considered, assessed and developed in the modern workplace, the British Council, Booz Allen Hamilton and Ipsos Public Affairs conducted a 2013 survey of HR managers at 367 large employers in nine countries: Brazil, China, India, Indonesia, Jordan, South Africa, the United Arab Emirates (UAE), the United Kingdom (UK), and the United States (U.S.) (2013). They concluded that

“The modern workplace is increasingly globalised and competitive. Communicating with customers, colleagues and partners across international borders is now an everyday occurrence for many workers around the world. Consequently, employers are under strong pressure to find employees who are not only technically proficient, but also culturally astute and able to thrive in a global work environment.”

Summary of previous research

Increasing FDI in the U.S. and the increased expansion of U.S. companies into the global marketplace will have a major strategic impact on the workplace. As a result, foreign language skills, the ability to work cross-culturally, international experience, and adaptability are increasingly important to employers. Further, as they move up the organization into management

positions, employees should possess a global mindset and cultural intelligence for effective strategic decision-making.

Our study is designed to provide further insights into the specific international business and language skills needed by U.S. businesses to succeed in the increasingly global economy.

Survey Design

The *2014 U.S. Business Needs for Employees with International Expertise* survey provides an update of the 2003 business needs survey (Kedia and Daniel, 2003), designed and updated by the authors with input from international business faculty experts in higher education across the U.S. The revised questionnaire was pretested with several executives prior to gathering the data. The data for this report was gathered online with the help of Precision Sample, a professional research firm, who solicited data from U.S. executives who have supervisory responsibility or are involved in human resource decisions. Over 836 usable responses were obtained in this way. The analysis represents the results of the entire set of responses. While the 2014 questionnaire was almost identical to the 2003 version, the sampling process in 2014 was completed using an online process, soliciting panel data with a larger and more representative sample than the 2003 survey, which gathered data from 111 managers using a paper-based survey and polling a convenience sample from the network of Centers for International Business across the U.S. For this reason, the authors believe that the 2014 results are not only more current, but more reliable with regard to representing attitudes of managers across the U.S. in a variety of industries.

Business Respondents Profile

Respondents to the survey included department heads, directors, managers, and supervisors working in a variety of functional areas in international business development, sales, operations, marketing, human resources, information technology and finance. Of the respondents, nine percent of the respondents indicated that they have responsibility for their company's international business, and 53% of these have responsibility for the total organization. Sixty percent are involved in making international hiring and overseas assignment decisions. Forty-seven percent had held an international assignment during their career and almost 65% spoke a foreign language.

With respect to the company profile, we asked about industry, size, sales and international involvement (see Table 1).

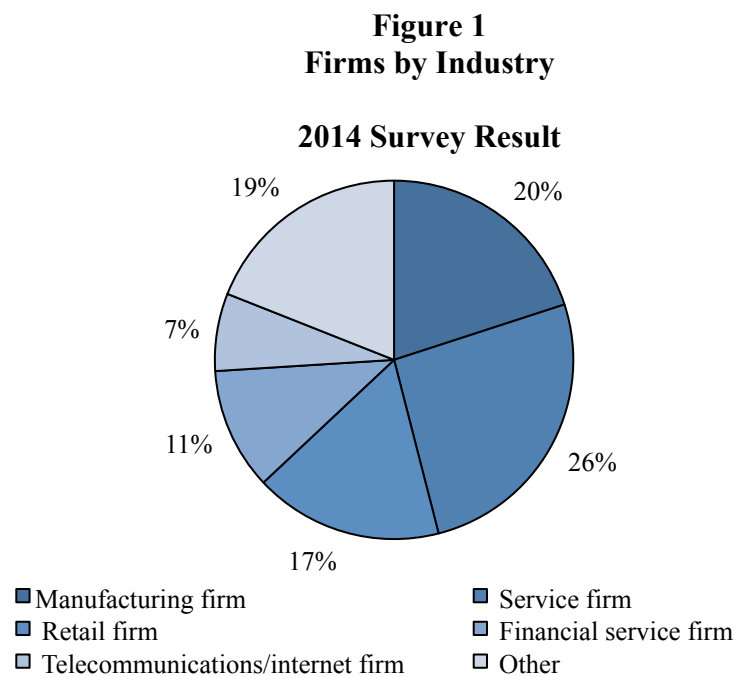
**Table 1 - 2014 Survey Result
Number of Companies**

Industry	Company Size measured as number of employees				
	Less than 500	501 to 5,000	5,001 to 20,000	More than 20,000	Total
Manufacturing Firm	52	80	25	13	170
Service Firm	80	91	26	21	218
Retail Firm	41	49	23	27	140
Financial Service Firm	35	24	11	21	91
Telecommunications and/or Internet Firm	16	27	6	8	57
Other	49	45	34	32	160
Total	273	316	125	122	836

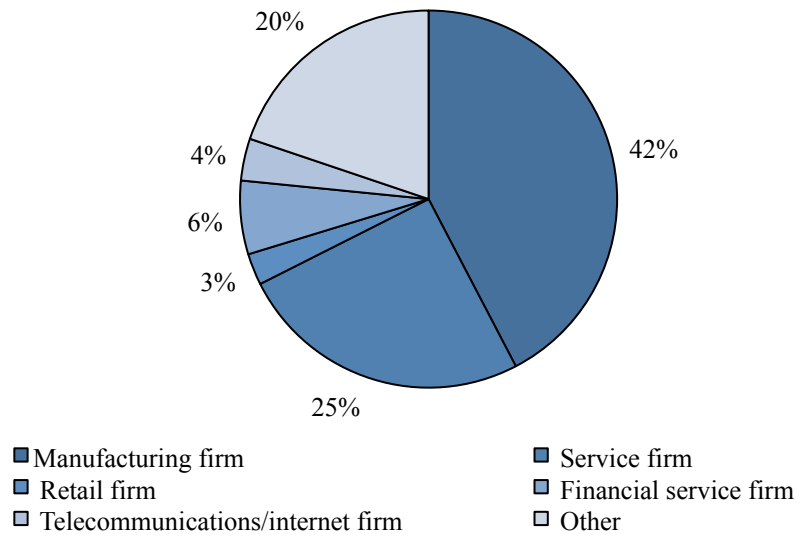
**Table 1 - 2003 Survey Result
Number of Companies**

Industry	Company Size measured as number of employees				
	Less than 500	501 to 5,000	5,001 to 20,000	More than 20,000	Total
Manufacturing Firm	24	14	2	7	47
Service Firm	20	3	2	3	28
Retail Firm	1	2			3
Financial Service Firm	3	1	1	2	7
Telecommunications and/or Internet Firm	3	1	-	-	4
Other	15	4		3	22
Total	66	25	5	15	111

Figure 1 illustrates the industry composition of the sample. For the 2014 sample, 20% of the companies were in the manufacturing sector, 26% were in the service sector, 17% were in retail, 11% were in the financial sector, 7% were in the telecommunications and/or Internet sectors, and 19% were reported to be in other industries than the ones mentioned previously. The lower proportion of firms in manufacturing in 2014 compared to 2003 reflects the shrinkage of this economic sector in the U.S. as well as the larger and more representative sample of U.S. firms in 2014.

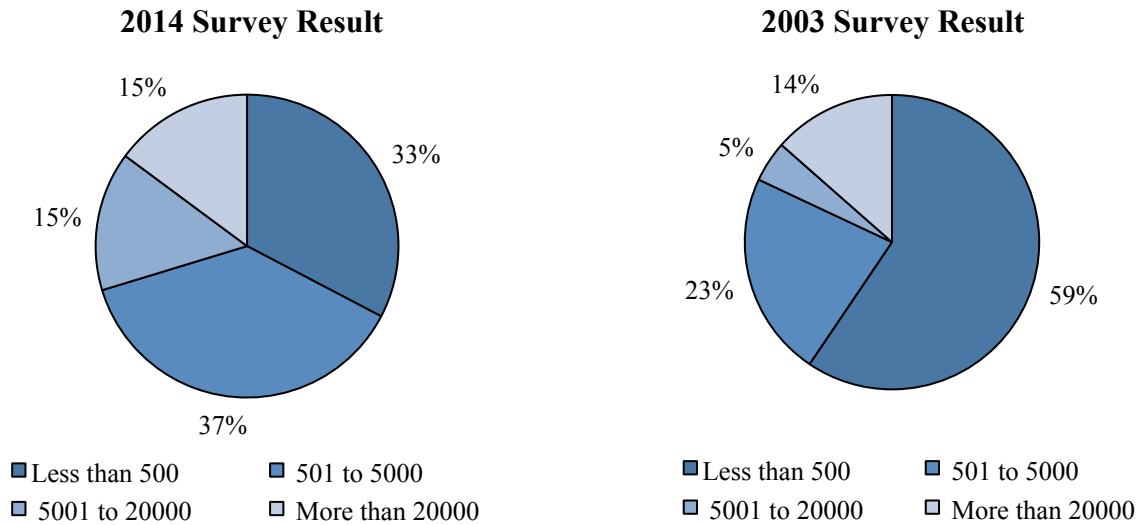


2003 Survey Result



The majority of the firms in both the 2003 and 2014 samples are small and medium sized companies (SMEs) (see Figure 2). In the 2014 sample, 33% had less than 500 employees, 37% had between 501-5,000 employees, 15% had between 5,001 to 20,000 employees and 15% had more than 20,000 employees, reflecting a slightly larger firm size than the 2003 sample but still primarily SMEs.

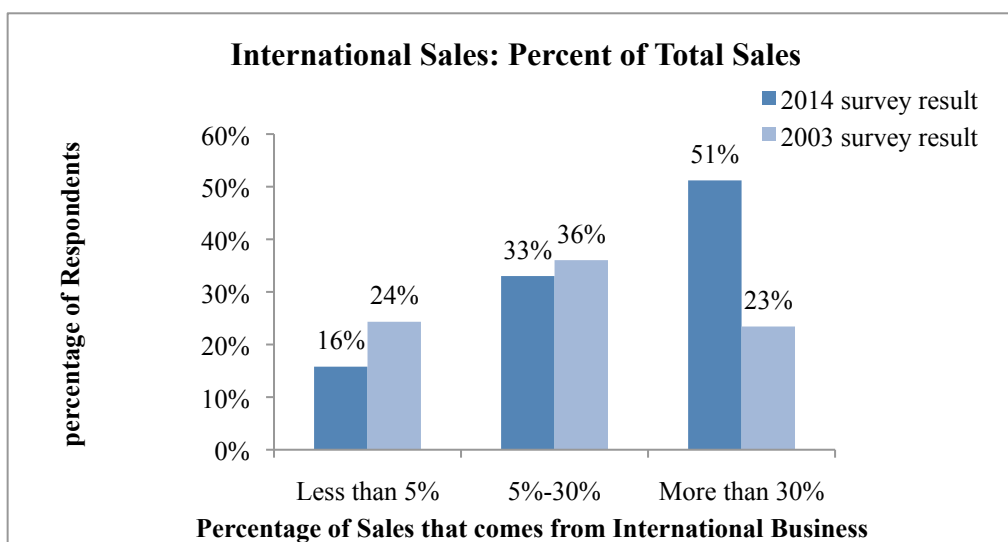
**Figure 2
Firms by Company Size**



With regard to sales, 7% had less than \$3M sales, 17% had between \$3M - \$20M sales, 21% had between \$20M - \$100M sales, 23% had between \$100M - \$500M sales, 15% had between \$500M - \$1B sales, 9% had between \$1B - \$3B sales and 8% had more than \$3B sales.

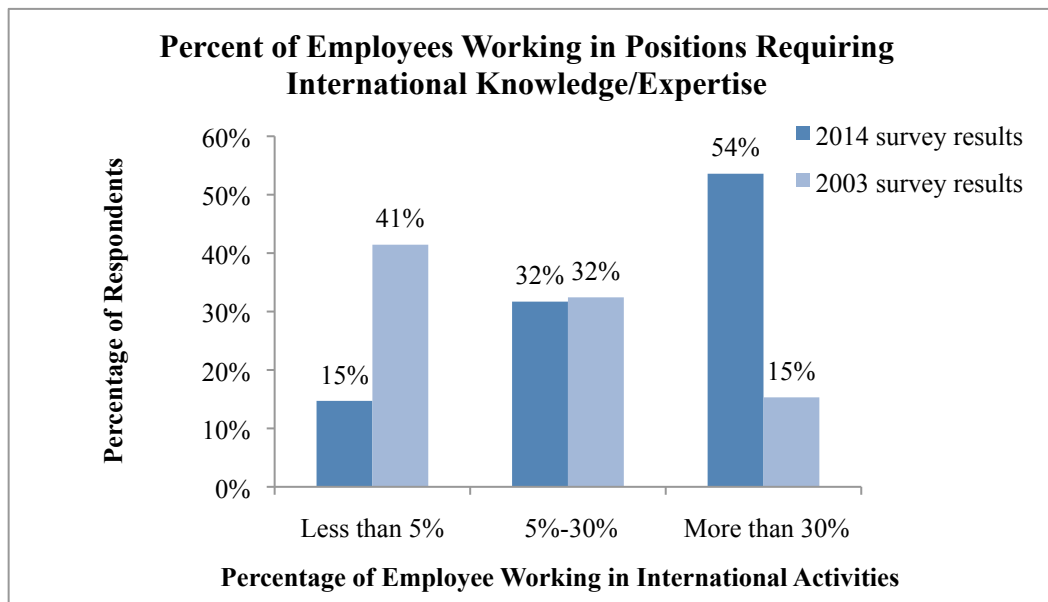
Figure 3 shows international sales as a percentage of total sales. In the 2014 respondents surveyed, international sales represented an average of over 33% of total sales. Sixteen percent of the respondents had less than 5% of their sales coming from international business, thirty-three percent of the companies had between 5% and 30% of their sales coming from overseas, fifty-one percent of the respondents had more than 30% of their sales coming from international sales. The increased proportion of international sales in the 2014 sample compared to 2003 may be due to the slightly larger size of the firms in the more recent sample, and also the increasing globalization of business as evidenced by the results of other industry surveys previously discussed.

Figure 3



An average of 37% 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. Fifteen 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, while fifty-four percent of the companies had more than 30% of their employees working in international activities. Eleven of the companies did not provide this information. Again, the increase in employees in international activities may be due to larger firm size compared to 2003, but also reflects increasing globalization in the U.S. economy.

Figure 4



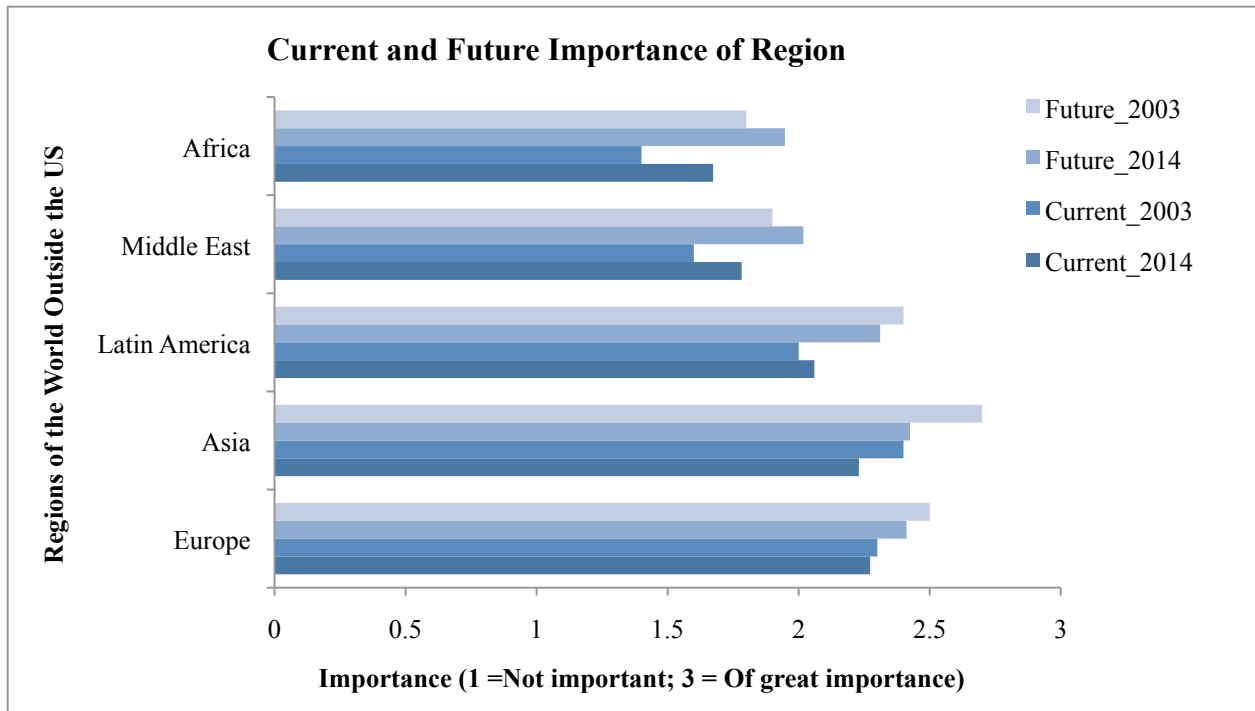
These descriptive statistics suggest a broad range of companies in the sample. The large representation by small to medium sized companies is reflective of the U.S. economic base as a whole, and such firms are increasingly contributing to America's export base. For example, in 1970, 80% of U.S. exports came from less than 1% of firms (primarily large multinationals); by 1990, 50% of U.S. exports were from firms with less than 500 employees. The sample is relevant to the research question because even firms that do not have large international operations have to face the threat of foreign competitors (Reynolds and Rice, 1988), and therefore, their management should still have a perception about the importance of international skills for their employees.

Survey Results

The first portion of the survey addressed the importance of various world regions to the respondents, both now and in the future. This information may be useful in guiding business

students as to which area studies and languages to pursue. Respondents were asked to rate the current and future importance of five different world regions to their companies (see Figure 5). The ranking of current markets in order of importance were Asia, Europe, Latin America, Middle East, and Africa. Companies expect all foreign markets to increase in importance in the future.

Figure 5



Forty-five percent of the companies ranked Asia of great importance to their current international activities, and over 59% rated Asia to be of great importance in the future (Table 2). Europe was the second most important region followed by Latin America. Although the regions of Africa and the Middle East may be critical to the U.S. in terms of national security, their role in international business is currently of somewhat less importance to the managers in our survey. 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 U.S. business in the global market.

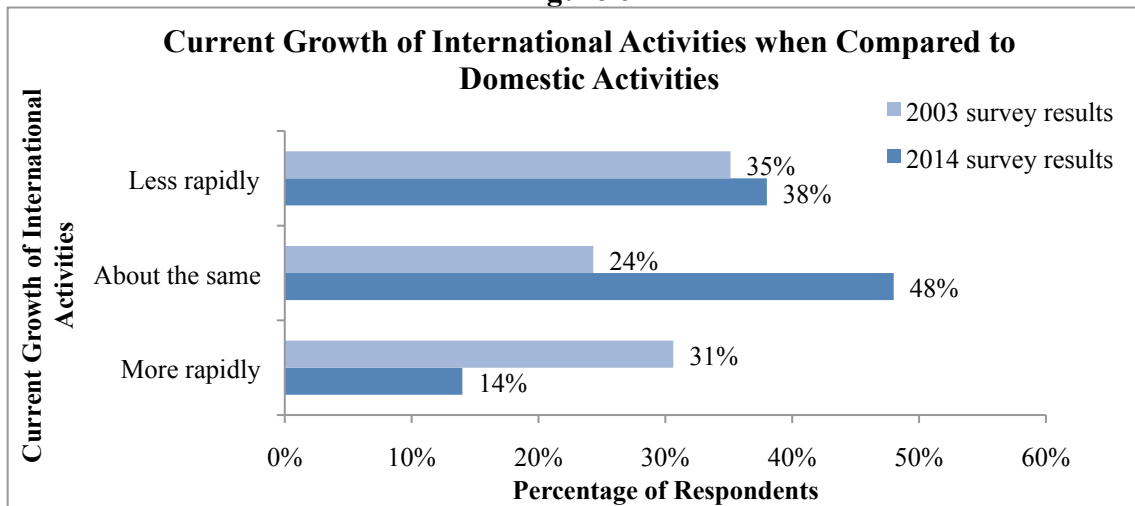
Table 2 - 2014 Survey Result

Importance of World Regions to Respondents' International Activities						
World Region	Importance Now			Importance in the Future		
	None	Some	Great	None	Some	Great
Europe	17%	38%	45%	14%	31%	55%
Asia	22%	34%	45%	16%	25%	59%
Latin America	25%	43%	31%	17%	36%	48%
Middle East	42%	38%	20%	31%	36%	33%
Africa	49%	36%	16%	34%	37%	29%

Growth of International Business

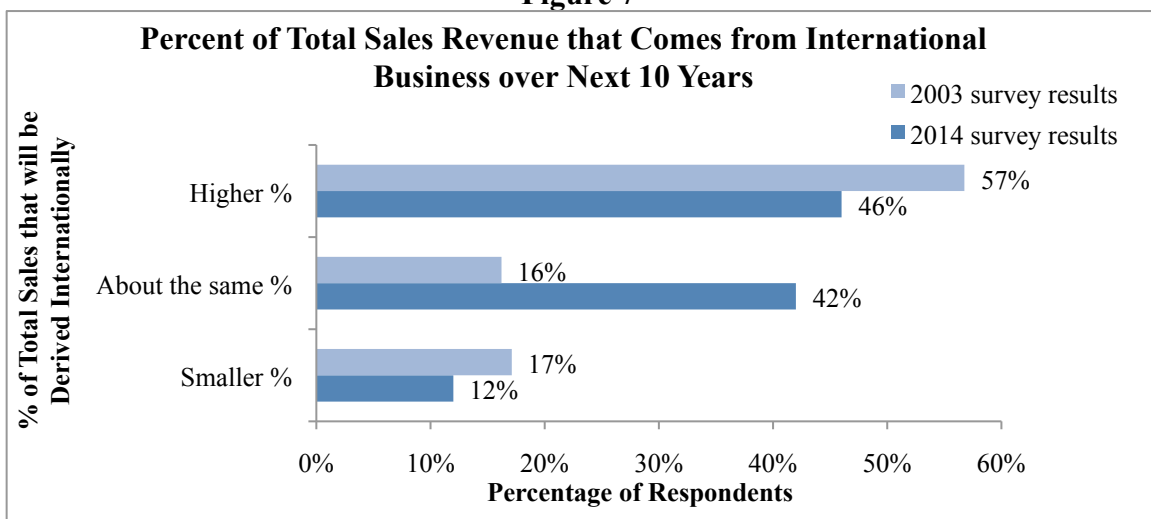
In 2014, 48% of the respondents expected their international activities to grow at about the same rate as their domestic activities. Almost 14% of the companies view their international activities are growing more rapidly than domestic activities, while less than 38% view their international activities as growing less rapidly than their domestic activities (Figure 6). This contrasts with the 2003 results, and may reflect the recent slowdown of the European economy in particular.

Figure 6



None the less, almost half (over 46%) of companies reported that in the next 10 years the proportion of their total revenue that comes from international business will be higher, and another 42% believe the proportion will be the same. Only 12% expect the proportion of revenue from international business to decline (Figure 7). This suggests that, overall, the global market will become increasingly important in the future and that such growth represents tremendous opportunities for U.S. companies. It can be inferred from these results that the demand for business graduates with international skills and knowledge will likewise increase.

Figure 7



Past performance experience

Thirty-nine percent of the companies believe they have failed to fully exploit international business opportunities in the past five years due to lack of internationally competent personnel (Figure 8). Insufficient international competence affected firms in different ways (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 U.S. 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
2014 Survey Result **2003 Survey Result**

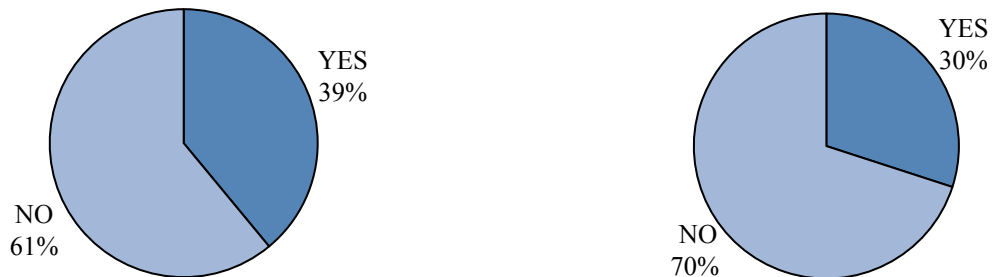


Table 3
How did the Insufficient International Competence Affect the Firm?

Ways in which Insufficient International Competence affected firms	Percentage of Respondents (2014 Survey)	Percentage of Respondents (2003 Survey)
Missed marketing/ business opportunities	28%	21%
Failed to recognize important shifts in host country policies toward foreign owned corporations	18%	4%
Suffered from a bias toward a U.S. point of view	19%	15%
Failed to anticipate the needs of international customers	22%	13%
Not fully capitalized on expertise available or tech advances occurring abroad	13%	11%

Threat of Terrorism and Federal Security Measures

Forty percent of the managers say that the threat of terrorism has caused their firm to reconsider the international awareness and competence among staff throughout their firm in the U.S. as well as abroad (Figures 9 and 10). In addition, 37% of the managers indicate that homeland security measures affect their business. These statistics clearly show that security is an increasingly important concern for businesses.

Figure 9
Have You Reconsidered the Importance of International Awareness and Competence among Staff and Line due to Terrorism?

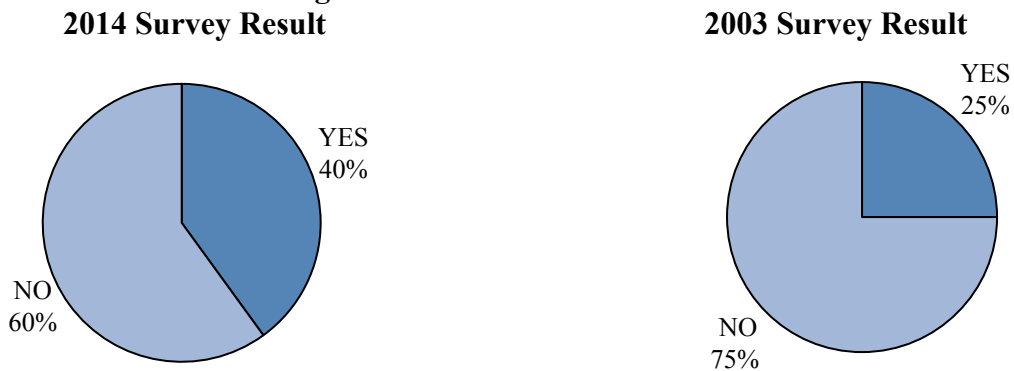
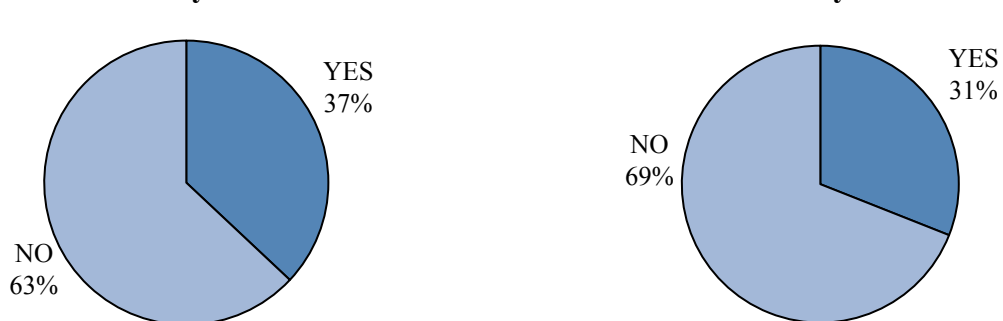


Figure 10
Do Homeland Security Measures Affect Your Business?



Current Staffing of International Positions

About 39% of the managers indicated that they handle international operations from the U.S. rather than establishing offices abroad. This is consistent with the fact that the respondents are from SMEs. About 58% of the managers indicated that they staff the international operations management positions in their U.S. offices with mostly or exclusively U.S. nationals, while only 2% of the managers surveyed have a mix of foreign nationals and U.S. staff in their management positions in the U.S. (Table 4).

Table 4 - 2014 Survey Result
Currently Staff Management Positions in International Business Operations

Staffing practice used	In U.S. Offices	In Foreign Offices
We have no foreign offices; international operations are handled from the U.S.	39%	30%
Almost exclusively with U.S. nationals	39%	15%
Mostly with U.S. Nationals, but with some foreign nationals	19%	22%
With a mix of U.S. and foreign nationals	2%	18%
Mostly with foreign nationals, but with some U.S. nationals	1%	11%
Almost exclusively with foreign nationals	0	4%

With respect to their foreign offices, it is clear that our respondent U.S. managers rely mainly on U.S. nationals to handle international operations, indicating the need for international knowledge and skills in the U.S. workforce (Figure 11). In general, there is a tendency for U.S. companies to not send U.S. expatriates to foreign operations and instead minimally use foreign nationals in U.S. management positions overseas. The increasing efficiency of electronic communications, email and video conferencing may also mitigate the need to assign U.S. personnel to permanent positions abroad. However, increased communication between U.S.

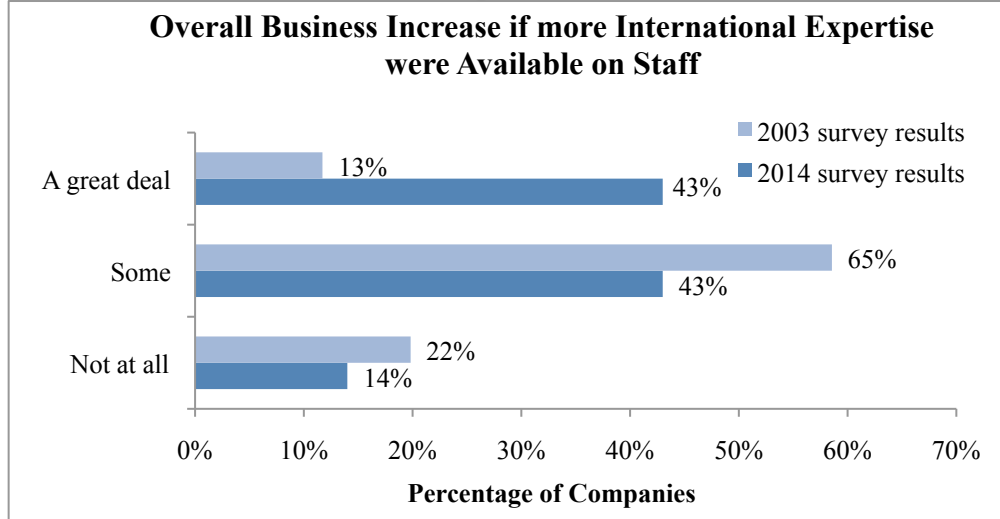
personnel with customers and partners abroad indicate a need for good cross-cultural communication as well as foreign language skills.

Figure 11
2014 Survey Result



Forty-three percent of the managers believe their overall business would increase a great deal if more international expertise was available among their staff, a significant increase from the 2003 survey. Another 43% indicate business would increase somewhat (Figure 12). This has obvious implications on how these organizations evaluate the impact of international expertise on their companies' success. It also supports the need for more internationally competent business graduates.

Figure 12



Importance of International Expertise for Professional Staff and Line Management

Another aspect of the study focused on the perceptions of companies regarding the specific areas of international expertise required from two different employment categories -- 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).

In general, the companies surveyed stated that their professional staff management should have more international skills and knowledge than line management employees (Figure 13 and Table 5). Of the seven international skills and knowledge categories that were shown to the respondents, appreciation for cross-cultural differences was considered the most important skill for both professional staff and line management. This was closely followed by understanding country legal/government requirements, and an understanding of local markets and business practices. Over 50% of respondents noted that understanding global interconnectedness and country socio-economic knowledge was of great importance. Foreign language skills and international work experience have become increasingly important, compared to the 2003 results.

Almost 50% of the managers indicate that foreign language skills are of great importance to them for both line management and professional staff management, compared to only about 20% in 2003. Another 40% consider foreign language skills to be somewhat important, indicating that in 2014, less than 20% of managers believe foreign language skills are of no importance. International experience has also become more important with over 40% of managers indicating it is of great importance and another 40% indicating it is of some importance. Firms increasingly need their management personnel to understand the global economic climate in which the firm operates, and have the communication skills, language and experience to be effective in international business.

Table 5 - 2014 Survey Result
Importance of International Expertise for Professional Staff and Line Management

International Knowledge and Skills	Importance for Professional Staff			Importance for Line Management		
	None	Some	Great	None	Some	Great
Understanding of global economic interconnectedness	11%	36%	53%	12%	39%	50%
Country socio-economic/political/cultural knowledge	9%	39%	52%	11%	39%	50%
Appreciation for cross cultural difference	5%	34%	60%	8%	35%	58%
Understanding of local markets/business practices	8%	33%	58%	10%	35%	55%
Understanding of country legal/government requirements	11%	30%	59%	11%	34%	55%
International work experience	18%	43%	40%	19%	38%	43%
Foreign language skills	9%	41%	49%	11%	40%	50%

Table 5 - 2003 Survey Result

Importance of International Expertise for Professional Staff and Line Management

International Knowledge and Skills	Importance for Professional Staff			Importance for Line Management		
	None	Some	Great	None	Some	Great
Understanding of global economic interconnectedness	9%	36%	56%	22%	43%	34%
Country socio-economic/political/cultural knowledge	13%	52%	36%	22%	50%	28%
Appreciation for cross cultural difference	7%	35%	58%	16%	38%	46%
Understanding of local markets/business practices	9%	42%	49%	21%	42%	37%
Understanding of country legal/government requirements	-	-	-	-	-	-
International work experience	25%	52%	24%	36%	38%	25%
Foreign language skills	27%	55%	18%	32%	47%	21%

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

Managers were asked at what organization level international knowledge and/or language skills become important factors, specifically at the management versus entry level. Seventy-five percent of the companies indicated that a global perspective was important for professional staff at both the management and entry level (Figure 14). 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 51% and 67% of the firms indicating that these were important skills at the entry level. As professional staff move into management, they need to increase their international work experience and their country or regional knowledge, as 57% to 66% of the firms believe these skills are important for professional staff management versus

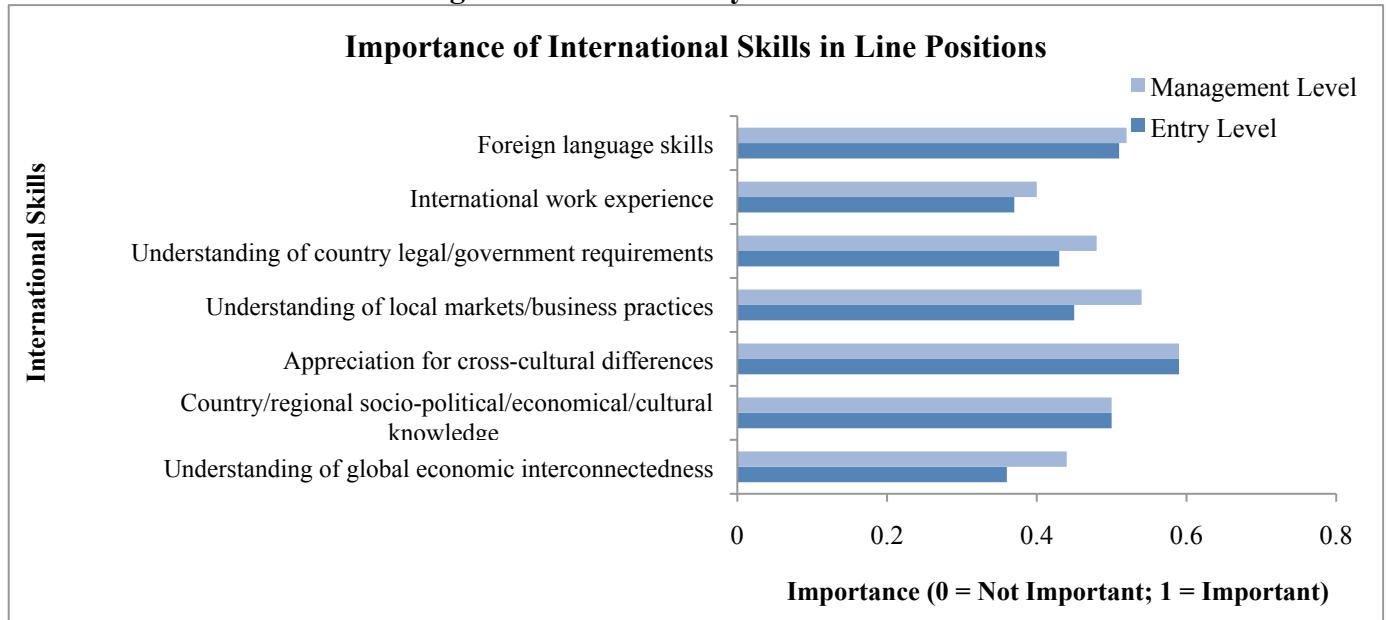
only 50% to 60% for entry level staff positions. This makes sense when one considers the increasingly broad range and impact of decisions required as managers progress in their careers.

Figure 14 - 2014 Survey Result



In general, line personnel require somewhat less international knowledge than professional staff at all levels (Figure 15). With respect to line positions at the management level, foreign language skills, appreciation for cross-cultural differences, and country or regional knowledge 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.

Figure 15 - 2014 Survey Result



The requirement for international skills in professional staff positions is somewhat higher than in line management positions. International skills at the entry level have slightly less relevance than at management levels (Figures 14 and 15). These findings have significant implications for U.S. business schools and indicate that undergraduate as well as 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 international knowledge could even be an advantage in securing their first job, and it will most likely become increasingly important as they advance in their career path.

Over 25% of the firms indicated that it is currently difficult to find U.S. nationals with the international knowledge, expertise and language skills needed. Almost 85% of the firms will place a greater emphasis on international competence among management and employees over the next ten years (Figure 16 and 17). This is consistent with the proportion of firms that expect

their percentage of international sales to increase. These results clearly indicate that there will be a greater demand for employees with international business skills in the U.S. over the next decade.

Figure 16
Is it Difficult to Find U.S. National with International Knowledge, Expertise, and/or Language Skills?

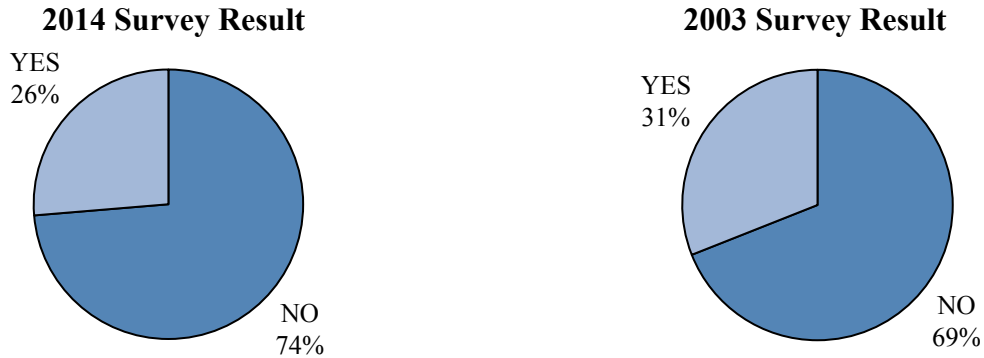
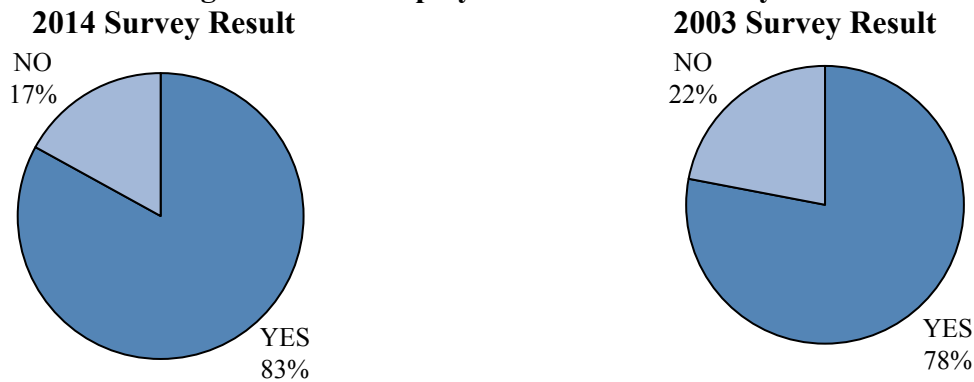


Figure 17
Will Your Company Place a greater Emphasis on International Competence among Management and Employees over the next ten years?



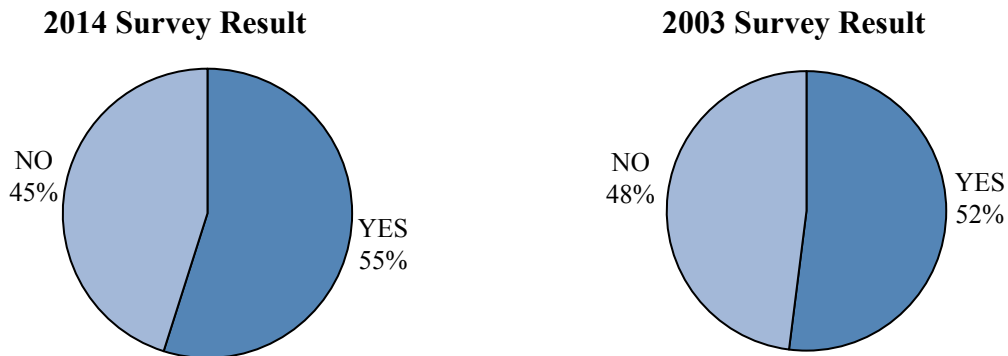
Training Program Involvement

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. In

response to the question: “Has your firm engaged in programs designed to promote international competence in your employees?” 55% of firms replied in the affirmative (Figure 18).

Figure 18

Has your Firm Engaged in Programs Designed to Improve International Competence?



In general, of those who have engaged in programs to improve international competence, most have in-house training programs. The second most frequently used training providers were consulting firms, followed by universities and finally non-profit/government providers. To provide foreign language training, companies rely, in rank order, on universities, consulting firms, and in-house training. Non-profit/government providers were not often used to provide foreign language training. Universities and in-house program are most used to provide pre-departure training for expatriates. In-house programs, with consulting firms and universities, provide most of international cross-cultural seminars (Table 6).

Table 6 - 2014 Survey Result
Percentage of Firms Providing International Training programs and Source

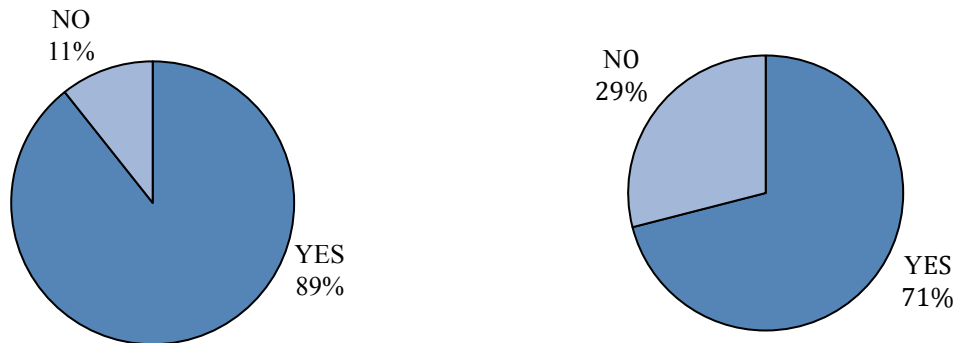
Training Focus	Type of Provider			
	In-house program	University	Consulting firm	Non-profit /Govt.
International cross-cultural seminars	63%	23%	31%	10%
Pre-departure training for expatriates	37%	36%	29%	10%
Foreign language training	33%	44%	39%	11%
Regional or global updates	43%	30%	34%	18%
Multi-cultural staff management	47%	24%	37%	10%
Cross-national functional teams	45%	27%	34%	13%

Table 6 - 2003 Survey Result
Percentage of Firms Providing International Training programs and Source

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

Over 89% 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 (Figure 19).

Figure 19
Have these Programs Met your International Business Needs?
2014 Survey Result **2003 Survey Result**

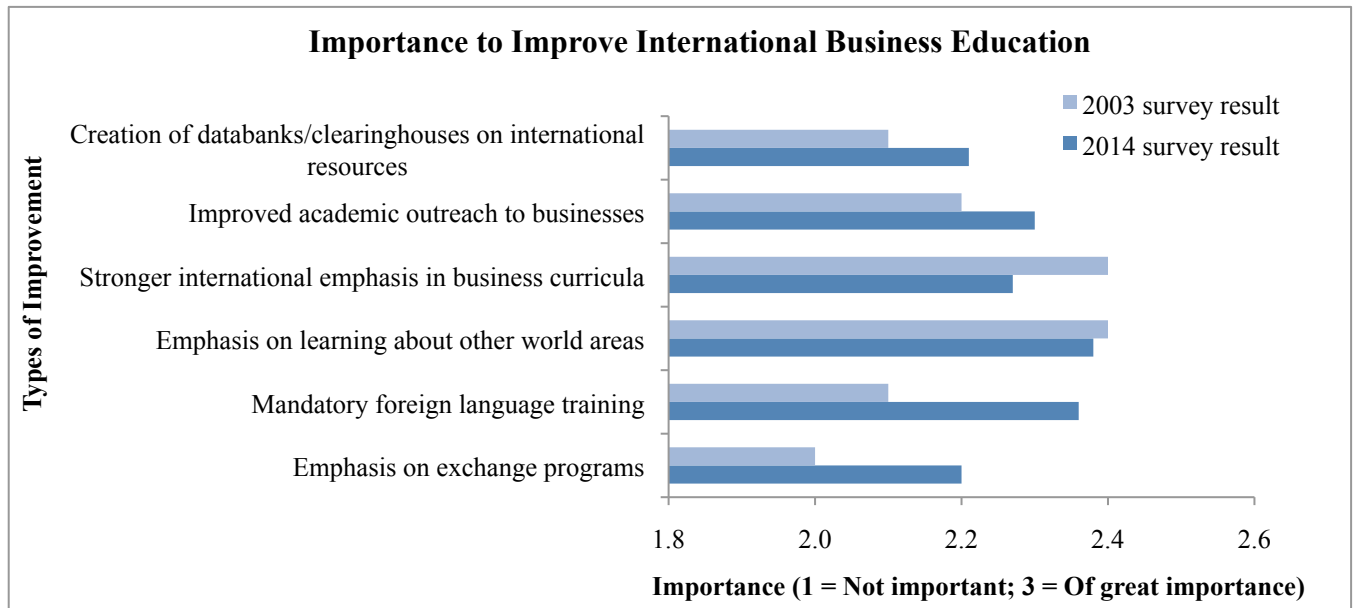


Importance to Improve International Business Education

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. 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.

Figure 20



The data shows that mandatory foreign language training and more emphasis on learning about other world areas/countries are the two most importance areas to improve international business education (Table 7). Almost half of the firms indicated that improving these two areas was of great importance. About 45% of the firms also indicated that it was vital to improve academic outreach to businesses seeking international competence. In general, over 80% of the firms considered all items as having at least “some importance” for improving international business education programs.

Table 7 - 2014 Survey Result
Industry Suggestions for Improving International Business Content in Undergraduate and Graduate Business Programs

Suggested International Education Improvement	Importance of Improvement		
	None	Some	Great
More emphasis on exchange programs	17%	49%	35%
Mandatory foreign language training	14%	39%	48%
More emphasis on learning about other world areas	10%	39%	50%
Stronger international emphasis in business curricula	14%	45%	41%
Improved academic outreach to businesses	14%	42%	44%
Creation of databanks /clearinghouses on international resources	17%	42%	40%

Table 7 - 2003 Survey Result
Industry Suggestions for Improving International Business Content in Undergraduate and Graduate Business Programs

Suggested International Education Improvement	Importance of Improvement		
	None	Some	Great
More emphasis on exchange programs	26%	52%	23%
Mandatory foreign language training	24%	49%	28%
More emphasis on learning about other world areas	13%	37%	51%
Stronger international emphasis in business curricula	15%	31%	54%
Improved academic outreach to businesses	24%	44%	33%
Creation of databanks /clearinghouses on international resources	23%	54%	24%

Conclusions and Implications

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

1. The international business aspect of U.S. companies represents an important part of their entire current business and is expected to increase over the next ten years.

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

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 an understanding of local country legal/government requirements. Management personnel also need an understanding of local markets/ business practices and country socio-economic and political knowledge. U.S. 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 important at both the management level and at the entry level in terms of hiring, reassignment and/or promotion decisions. 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 59% and 69% of the firms indicating that these were important skills at the entry level. At the management level, there is an even greater need for international understanding, and personnel also need to have more market specific knowledge. Therefore, undergraduate, MBA and executive business programs should all have

more focus on understanding the business and marketing issues relating to international business.

6. International work experience and foreign language are increasingly important to business. Over 80% of the managers rated international work experience of importance, with 43% rating it of great importance. Over 80% of the managers also believed foreign language skills are of importance with 50% rating it of great importance. The results show that less than 20% of respondents felt these skills were not at all important, indicating a need for more US business students to study foreign languages and participate in internships and study abroad.

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 may need to include more international content in their executive training and other services available to businesses, and better publicize them, as many businesses do not realize that the universities can be a resource for them in this area.

8. More emphasis on learning about other world areas/countries and foreign language training are the two most important areas in international business education that participating companies believe should be improved. Managers also want improved academic outreach to business.

The results of the study clearly call for a continuing need for international business education in the U.S. Indeed, with the projected growth of international operations, additional international business education programs, including foreign language, 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.

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