

Breakout 3, Presentation

Changing U.S. Business Needs for International Expertise

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Abstract

This paper presents the results of a survey of over one hundred U.S. corporations and twenty business schools. The goal was to discover whether the needs of businesses are changing as a result of trends in the global business environment. The study finds that (1) international business is expected to grow rapidly over the next decade; (2) the emerging markets of Asia, Latin America, and the former Soviet Union are becoming more important for U.S. companies; (3) small companies and service industry firms increasingly require international expertise; (4) companies see the need for improvements in their level of expertise; and (5) they also seek improvements in university programs. Similar to previous studies, the survey finds that (1) there is only a limited need for U.S. nationals to fill positions in overseas offices; and (2) little value is given to people with language and cross-cultural skills unless they also have business skills, overseas experience, and interpersonal skills. The survey raises questions as to whether universities and Title VI are overemphasizing certain aspects of international education and underemphasizing others.

Introduction

The purpose of this study is to investigate the needs of U.S. firms for international expertise. The global environment has been transformed over the last decade by geopolitical and technological changes. This paper used a survey that intended to examine how these changes have affected the international staffing and educational needs of business and to project future needs.

The paper begins by reviewing major changes in global business and their potential implications for the demand for different international skills. Then the results of a survey of over one hundred businesses and twenty business schools are presented. Finally, the paper looks at the implications of the survey for university programs and for Title VI program priorities.

Trends in Global Business

Global Integration

Economies have become far more integrated during the last decade, and this trend promises to continue. Global competition is pervasive, affecting industries and firms that never before were concerned with international markets or competition. Global and regional trade pacts have linked economies and made it more feasible for companies to approach international business with a set of globally similar products and approaches. At the same time, U.S. style business education has spread around the world, with the result that U.S. companies can hire foreign managers who have the equivalent of U.S. business degrees.

These trends suggest on the one hand a growing need for international expertise as global markets expand. They also suggest the need for

people who can work across borders to transfer best practices among different national affiliates. Multinational teams will become more common, and more people will travel internationally. Many managers must be ready to work internationally. On the other hand, there may be less need for expatriates to be sent abroad on long-term assignments.

Electronic Communications Revolution

Low cost electronic communications by phone, fax, and electronic mail are making global messaging pervasive. In the past, phone and fax costs limited personal communication to important matters. Now more and more people are able to communicate daily about relatively less important issues. And while most international communications used to be by international specialists—managers in the international departments of businesses, for example, today many others are involved.

This trend may accelerate the dominance of English in international business. Certainly a relatively smaller proportion of the U.S. nationals engaged in international business communications will be expected to have foreign language proficiency.

Emerging Markets

The most important international business developments of the last decade are the integration of the formerly socialist economies into the global economy, and the liberalization of trade and investment in the developing world. These

“emerging markets” have augmented the global economic arena, and can be expected to continue to lead growth in international business. Since these countries tend to have business systems and cultures that are relatively unfamiliar to U.S. nationals, the demand for specialized international expertise may be expected to grow. On the other hand, their adoption of more market-oriented policies reduces the “exotic” nature of these economies, suggesting that country-specific expertise may be less necessary for success.

New Global Players

Globalization and the liberalization of trade and investment in emerging markets have drawn more companies and new industries into international business. Many service industries that had been minor participants in global business, especially telecommunications, energy, and other infrastructure industries, are now aggressively expanding. And many more small firms are finding that they are able to participate in the global economy. These trends suggest a growing demand for international expertise, but also that new kinds of international know-how may be needed.

Questions

Based on these perceptions regarding the changing needs for international expertise, a survey was designed to examine the following questions:

The authors wish to thank the CIBERS at the following universities for their cooperation in conducting this survey:

Brigham Young University/University of Utah
Columbia University
Florida International University
Georgia Institute of Technology
Indiana University
Michigan State University
Ohio State University
Purdue University
Rutgers, State University of New Jersey
San Diego State University
Texas A&M University

University of California, Los Angeles
University of Colorado at Denver
University of Connecticut
University of Hawaii at Manoa
University of Illinois at Urbana-Champaign
University of Memphis
University of Michigan
University of Pittsburgh
University of Southern California
University of Texas at Austin

- Is there a growing need for international expertise by U.S. companies?
- What is the nature of international expertise required by U.S. companies?
- What is the relative importance of different types of expertise?
- Are companies able to find the kinds of expertise they need, and how are U.S. universities doing in supplying the needed expertise?

Survey Design and Participants

Survey Administration

The design and administration of the survey was coordinated by the Center for International Business Education and Research (CIBER) at the University of Washington. A total of twenty-one other CIBERs participated in the project. Each participating CIBER administered the survey questionnaire to businesses in its region and to faculty and staff at its university.

A total of 129 business questionnaires were completed. Of these, 109 were completed by managers responsible for some aspect of the international business for the companies. In many cases, the questionnaire was completed by

the head of international sales or business. Another 20 questionnaires were completed by a member of the company's human resources department. It is important to note that in this paper only the responses of the international business managers are reported. It was found that many questionnaires from the human resource managers were incomplete, perhaps reflecting their relative unfamiliarity with the company's international business. This may be an important finding in itself, exhibiting some disconnection between international operations and hiring needs.

A total of 46 business school questionnaires were completed, 31 of which were from faculty, and 15 from career services professionals. We had intended to compare the career services responses with their corporate human resource counterparts. However, because we could not use the responses from the human resource professionals, the responses from business school career officials were inapplicable. Thus, only the business school faculty responses are reported in this paper.

Figure 1. Number of International Business Survey Respondents by State (109)

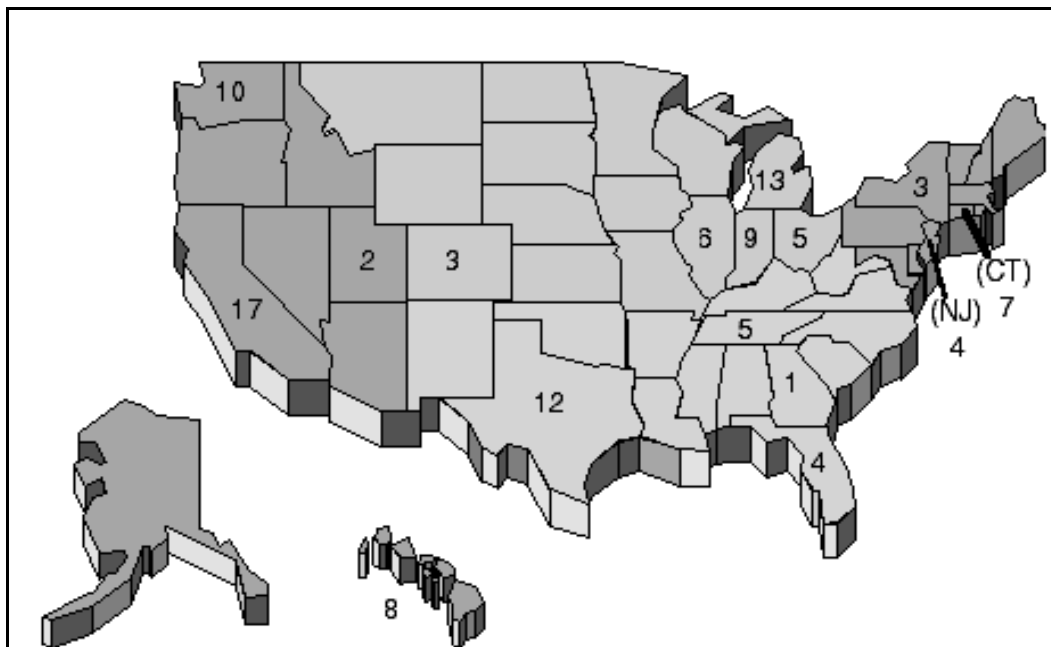


Table 2. Number of International Business Respondents

Company Size	Service Companies	Manufacturing Companies	Total
Small	20	16	36
Medium	15	13	28
Large	21	24	45
Total	56	53	109

Business Respondents

The map in Figure 1 shows the geographic distribution of international business respondents, and Table 1 shows the distribution by company size and industry sector. The intent of the survey was to achieve a balance of responses geographically and by size and sector. The concern was not to achieve a statistically representative sample of all U.S. companies, or even all companies engaged in international business. It seemed important to examine whether there were significant differences among sectors and sizes of firms, and for that purpose a balanced sample was preferred.

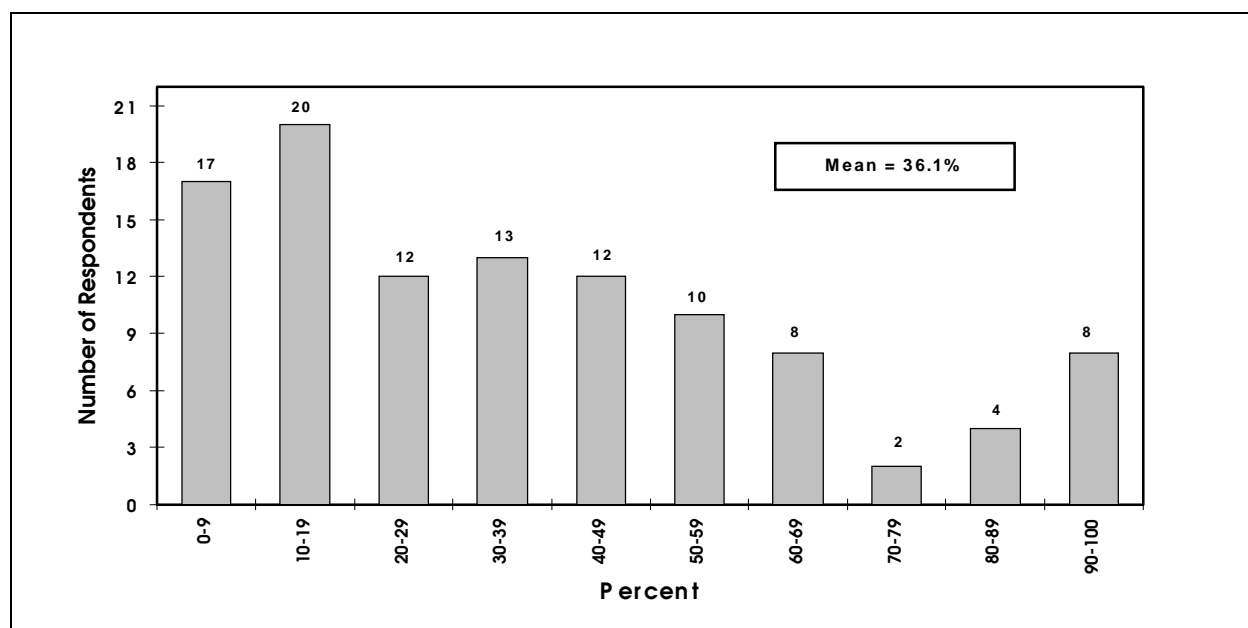
The purpose of the survey was to assess the perceptions of U.S. managers of firms with experience in the international market, rather than to get a representative sample of all U.S. companies. Figure 2 shows that international sales in

the surveyed companies represented an average of over 36 percent of total sales. While there was great variety in the importance of international business, all companies had some international operations, and for many, international sales represented over half their total sales. Table 2 shows that companies of all sizes and in all sectors had a high average level of international sales. The sample of companies included companies that were mainly exporters, as well as companies whose international sales came mostly from overseas plants or offices.

Table 3. International Sales: Percent of Total Sales

Company Size	Service Companies	Manufacturing Companies	Total
Small	52.9	34.1	44.6
Medium	21.9	34.0	28.0
Large	26.8	40.5	34.0
Total	35.3	36.9	36.1

The business respondents had a relatively high level of international experience, as shown in Table 3. The average rating of 2.6 is on a scale in which 3.0 represents extensive international travel, living, or work. On the other hand, the

Figure 2. International Sales: Percent of Total Sales

self-reported foreign language proficiency of the business respondents was not very high, as shown in Table 4. The average rating of 2.0 represents only modest ability in one or more foreign languages.

Table 4. International Experience of Respondents (averages)

Company Size	Service Companies	Manufacturing Companies	Total
Small	2.7	2.7	2.7
Medium	2.2	2.6	2.4
Large	2.7	2.5	2.6
Total	2.5	2.6	2.6

Scale: 1 = none/very little; 2 = some; 3 = extensive.

Table 5. Foreign Language Skills of Respondents (averages)

Company Size	Service Companies	Manufacturing Companies	Total
Small	2.3	1.5	1.9
Medium	1.7	2.1	1.9
Large	1.9	2.6	2.3
Total	2.0	2.1	2.0

Scale: 1 = little or none; 2 = some; 3 = considerable; 4 = great.

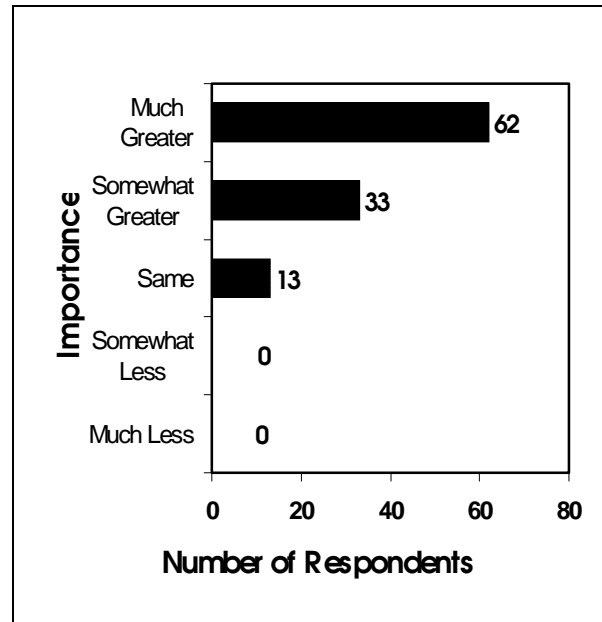
Survey Results

What did the business respondents say about their future needs for international expertise? The survey asked them about the overall expected growth of international sales and staffing, about the relative importance of different regions and countries, about the relative value of different kinds of expertise in their international operations, and about the need for improvement of international expertise in their companies.

Growth of International Business

The majority of companies reported that international business is expected to grow strongly over the next decade and to assume a much greater importance within their firms. Figure 3 shows the breakdown of responses. Recognizing that these companies are already relatively international, this result indicates that international sales may represent well over

Figure 3. Future Importance of International Business



half of total sales for many more survey companies in the future. This has obvious implications for the need for international expertise.

The expected international sales growth is reflected in the future managerial staffing needs of the survey companies. As shown in Tables 5 and 6, companies expect an increase in the number of managers in foreign offices and in the domestic side of their international business. The expected increases do not differ greatly among firms of different sizes or business sectors.

Table 6. Expected Change in Number of Managers Abroad (averages)

Company Size	Service Companies	Manufacturing Companies	Total
Small	7.1	6.9	7.0
Medium	6.8	7.2	7.0
Large	7.7	7.4	7.5
Total	7.2	7.2	7.2

Scale: 1 = great decrease; 3 = some decrease; 5 = no change; 7 = some increase; 9 = great increase.

Table 7. Expected Change in Number of Domestic Managers in International Business (averages)

Company Size	Service Companies	Manufacturing Companies	Total
Small	6.7	6.7	6.7
Medium	7.0	6.0	6.5
Large	6.8	6.3	6.5
Total	6.8	6.3	6.6

Scale: 1 = great decrease; 3 = some decrease; 5 = no change; 7 = some increase; 9 = great increase.

Growth of Emerging Markets

Companies were asked about the current importance and projected importance of different world regions to their business. The results are shown in Figure 4. As expected, the most important current markets are those of Western Europe, Japan, and North America (Mexico and Canada). Companies expect all markets to increase in importance over the next decade, but some much more than others. The greatest increases are expected for the emerging markets of East and Central Europe, the Former Soviet

Union, China, India, East and Southeast Asia, Brazil, and the rest of South America. All areas except Africa are expected to reach a level of “some importance” over the next decade. This indicates that international business managers are taking the emerging market phenomenon seriously and see great potential in these countries.

Staffing of International Positions

How will U.S. companies staff their overseas and U.S. offices? To what extent will companies rely on foreign nationals versus U.S. nationals to manage their international business? Figure 5 confirms the often reported trend towards “localization” of the key management positions in foreign offices. But the survey also reveals that most companies will continue to send some U.S. expatriates to foreign offices and that some firms will rely mostly on U.S. expatriates for key positions.

Most firms expect to rely on U.S. nationals for the staffing of most domestic positions in international business, but they also expect a

Figure 4. Current and Future Importance of Selected Countries and Regions

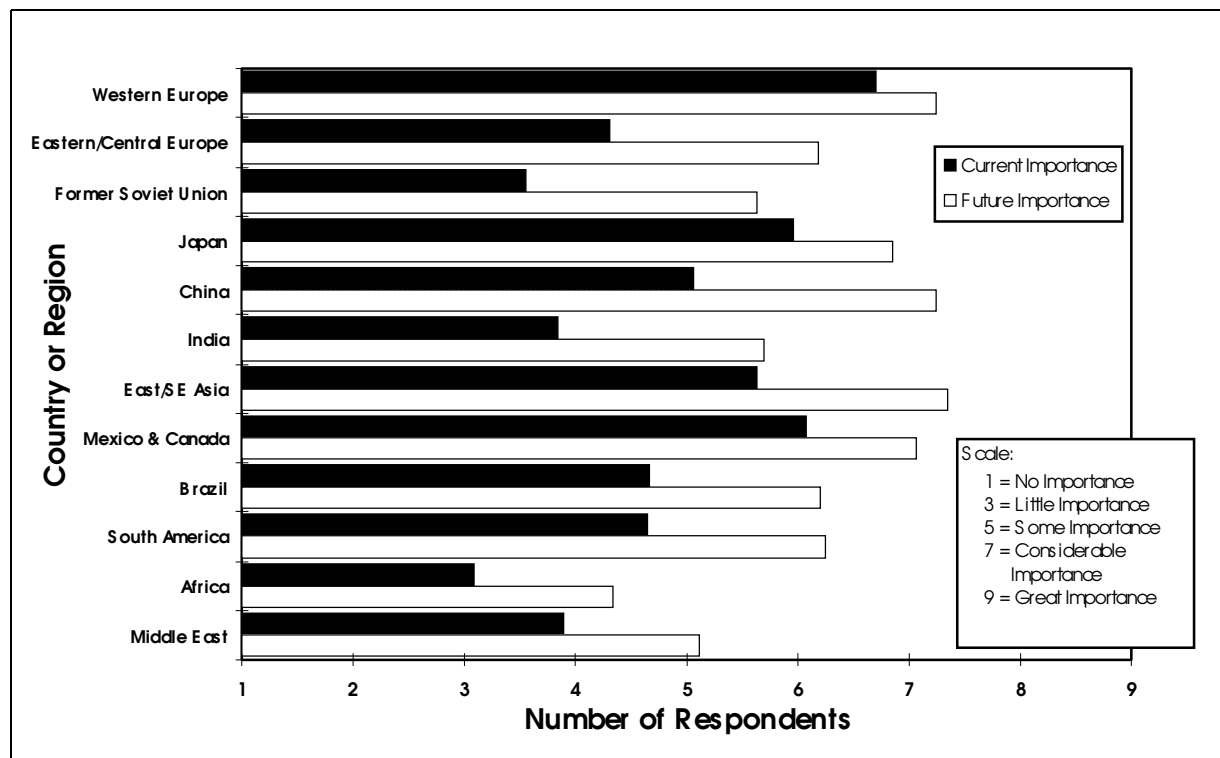


Figure 5. Future Staffing of Key Management Positions in Foreign Offices

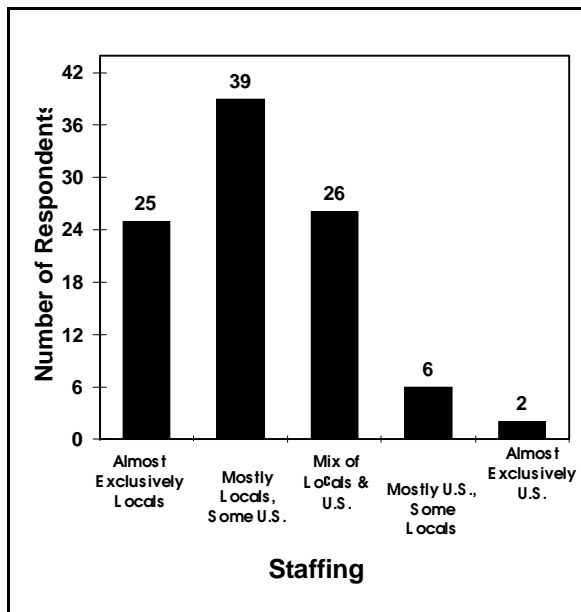
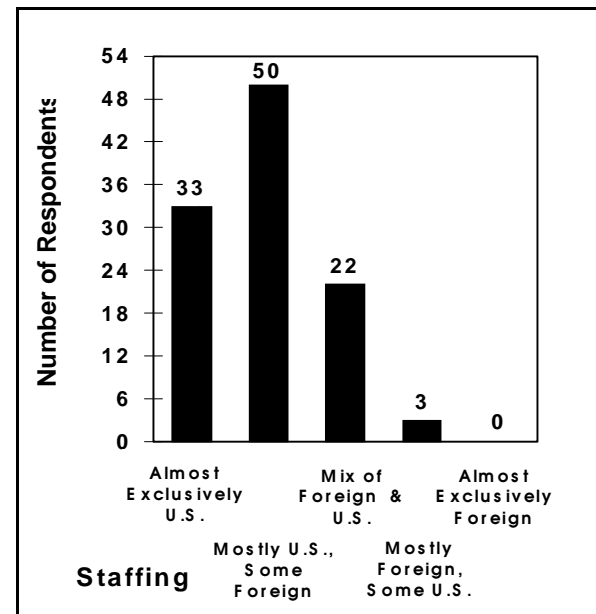


Figure 6. Future Staffing of Domestic Positions in International Business



considerable mixing of foreign nationals. The multicultural home office is becoming a reality for many companies, as shown in Figure 6.

Importance of International Expertise

The heart of the survey focused on the perceptions of international business managers regarding what kinds of expertise are needed in the management of international operations. For this part of the survey, the perceptions of international business faculty are also reported for comparison. The results are reported in Figures 7 and 8, which focus first on the managers in overseas offices and then on managers in the domestic side of international operations. In both graphs, the first five items along the left side represent “international” skills, while the last three represent “general” skills which are not specifically international.

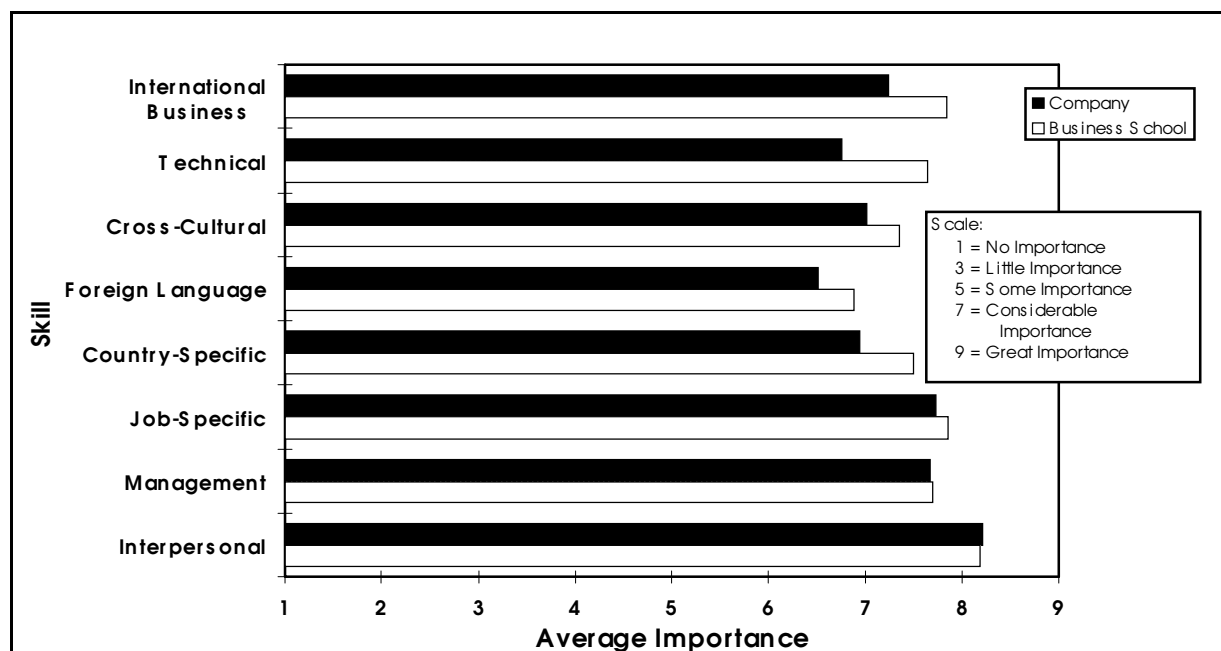
Looking first at Figure 7, there is general agreement between managers and faculty about the relative importance of different skills for managers in overseas offices. The faculty rate the “international” skills slightly higher in importance, which is understandable since the

respondents are teaching international courses. The second observation is that the “general” skills—job-specific, general management, and interpersonal—are rated higher than “international” skills. But all skills are seen as important; all are ranked well above “some importance.” Foreign language proficiency received the lowest average rating, but it was still seen as between “some” and “considerable” importance.

Figure 8 shows many of the same conclusions for the domestic side of international operations. Again, the faculty and managers are in agreement and the “general” skills are rated as most important. Foreign language and country-specific skills are rated as less important for international managers in the U.S. offices, but both are still seen as having at least “some” importance.

There was broad agreement in the perceived importance of different types of expertise among managers in companies of different sizes and in different sectors. For this reason these results are not reported in detail in this paper. One exception was the perceived importance of foreign language in the domestic positions in international business, as shown in Table 7. Small

Figure 7. Importance of Skills for U.S. Managers Abroad



companies rate foreign language proficiency as more important. This is understandable given that such managers tend to be in direct contact with foreign customers and distributors, whereas in large companies the domestic managers often interact with a company-owned sales office abroad with English speaking managers.

Table 8. Importance of Foreign Language Skills for Domestic Positions in International Business

Company Size	Service Companies	Manufacturing Companies	Total
Small	5.5	5.7	5.6
Medium	5.3	5.5	5.4
Large	5.1	4.5	4.8
Total	5.3	5.1	5.2

Scale: 1 = none; 3 = little; 5 = some; 7 = considerable; 9 = great.

Needed Improvements in Business and University Programs

The survey revealed few dramatic results regarding the needed improvement in the international expertise of companies and the interna-

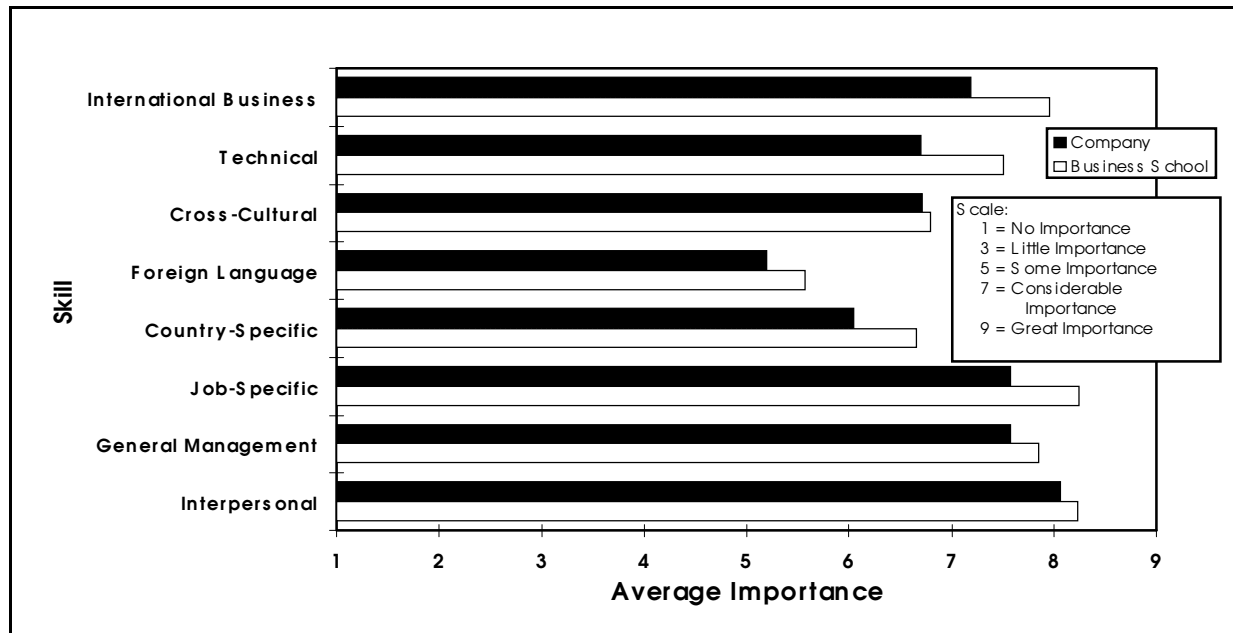
tional programs of universities. Figure 9 shows that business managers see the need for "some improvement" in international expertise across the board, with no distinct pattern of where the weaknesses are greatest. The faculty are somewhat more critical, seeing greater need for improvements in U.S. companies.

Similarly, as shown in Figure 10, business managers report "some difficulty" in finding U.S. nationals with various kinds of international expertise, with no clear pattern of where the weaknesses are most salient. Finally, Figure 11 shows that both managers and faculty agree that "some improvement" is needed in university programs, with the faculty again slightly more critical.

Other Comments from Business Respondents

The survey asked business respondents for open-ended comments on the topics included in the survey. While the number of such comments was limited, three types of comments were most common, and add to the analysis reported in the tables above:

Figure 8. Importance of Skills for Domestic Positions in International Business



- **Real international business experience is most valuable.** Businesses express some skepticism about the value of coursework without first hand overseas experience. They see foreign study and internships as some of the most valuable ways that universities can help students acquire international expertise.
- **More graduates need to be globally aware.** Managers often said that all graduates and employees need a global mindset, and that they found that U.S. graduates tended to be less globally minded than foreign nationals. One manager expressed this as “local nationals will run our overseas offices, but everyone at home needs global sensitivity.”
- **Student projects with companies are valuable.** Managers report good experiences in working with U.S. business students on projects related to international business. These projects often involve student groups working with small companies to research foreign markets. Managers seem to value this form of university-business interaction.

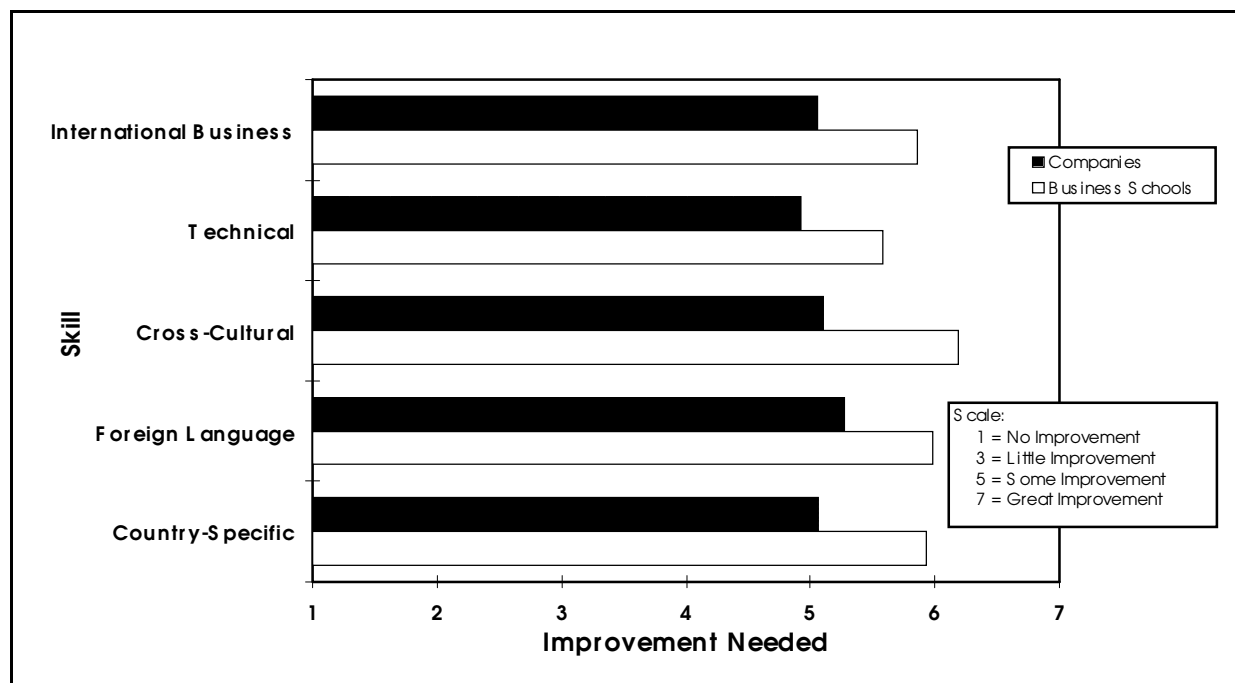
Conclusions and Implications

Survey Conclusions

Summarizing the findings reported above, the most important conclusions of this survey are:

- International business is expected to increase in importance, and with it the need for managerial staff with international expertise.
- The emerging markets of Asia, Latin America, Eastern Europe, and the Former Soviet Union are expected to increase dramatically in importance. This implies the need for greater expertise in these regions, their cultures, and languages.
- Many small companies and companies in the services sector are increasingly active in international markets and require international expertise.
- Companies need more managers with global awareness and cultural sensitivity, even if they will not be sent abroad.
- There is limited demand or perceived value for U.S. nationals with language and country-specific expertise unless these are com-

Figure 9. Improvement Needed in Companies' International Expertise



bined with job-specific, management, and interpersonal skills.

Comparison to Previous Surveys

This survey is the latest of several studies in recent years that have looked at the global education needs of U.S. business. While each study has had a slightly different focus, the conclusions of the study presented here are similar to those of previous studies.

Kobrin (1984) surveyed international managers of large U.S. firms to find out what kind of international expertise was perceived as important to success in international business. As in our survey, he found that managers valued many kinds of expertise, but that people skills were most important. Country knowledge was rated relatively low in importance, but general adaptability and sensitivity to national differences was seen as important. However, managers felt that this general international adaptability was based more on personality than on education. International expertise was perceived as useless without being combined with other management expertise. Like our survey, Kobrin found that foreign language proficiency was seen as an important plus, but not the key success determi-

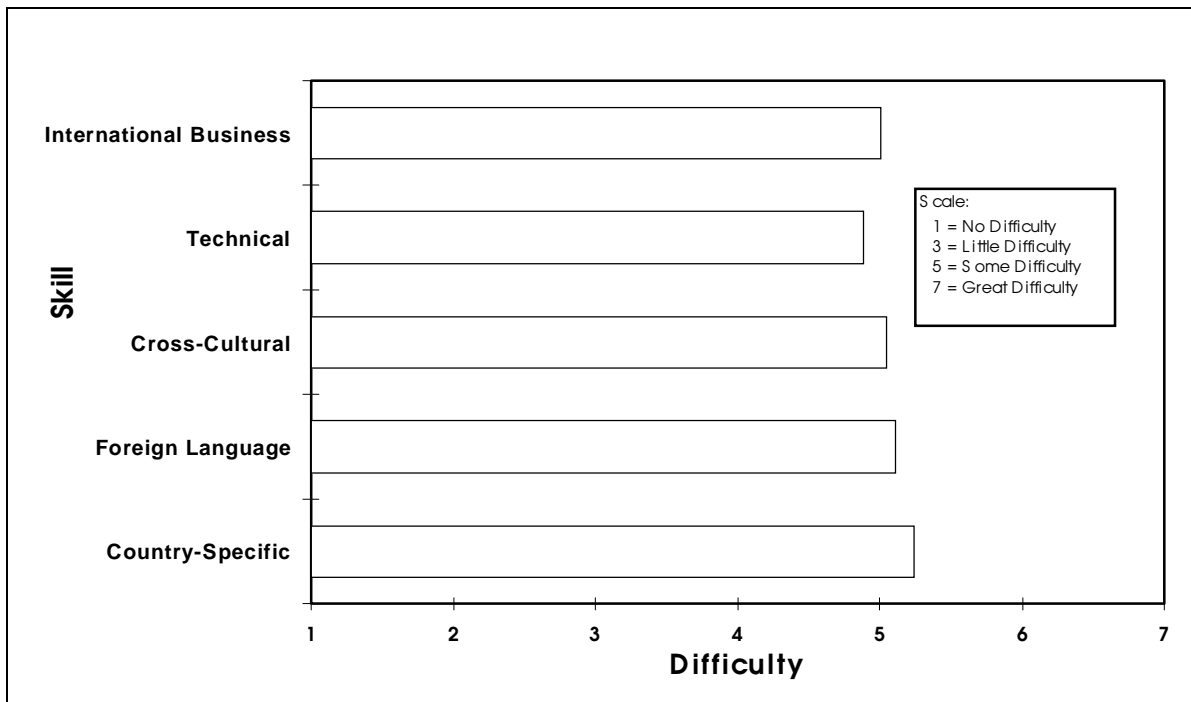
nant.¹

Bikson and Law (1994) looked at a small sample of large multinational companies, mostly U.S. based, to analyze the factors contributing to high work performance in a globally oriented firm. Like our study and Kobrin's, they found that the general skills—cognitive and social—as well as personal traits, were rated as most important. Cross-cultural experience and language received the lowest ratings. Cross-cultural competence was seen as important, but colleges could best contribute to this by providing overseas experiences. Interestingly, companies reported that careers were seen as “potentially international.” In other words, many of the people being hired out of college would end up working internationally, but it was difficult to predict who they would be when first hired.

CAFLIS (1989) surveyed 99 U.S. companies, mostly large manufacturers, regarding their need for global competence. Global competence was seen as becoming more important. Like

1. Kobrin found that managers proficient in a foreign language rated language proficiency more highly. In the present survey, however, we found no important difference in the rating of foreign language importance based on the respondent's own proficiency.

Figure 10. Difficulty in Finding U.S. Nationals with International Experience



other studies, general international understanding and cultural skills were seen as more important than foreign language ability. Language and cultural understanding were not seen per se as criteria for promotion.

Caveats on Survey Results

While the findings of this survey agree in most respects with previous studies, it should be noted that all surveys must be interpreted with caution. The results here are reported as averages, but companies do not generally hire average people. For example, the fact that on average foreign language proficiency is not rated as highly as other attributes does not mean that for some positions it is not extremely important, and may be an absolute requirement. And while it is clear that language and other international expertise is not valued highly unless managers also have other functional/technical expertise, these international capabilities can set a person apart from others whose capabilities are similar in other respects.

Implications for Title VI

Keeping in mind the caveats above, the results of this survey raise some issues related to the relative emphasis that university programs and Title VI funding give to creating different types of international expertise. These are posed here as a set of questions.

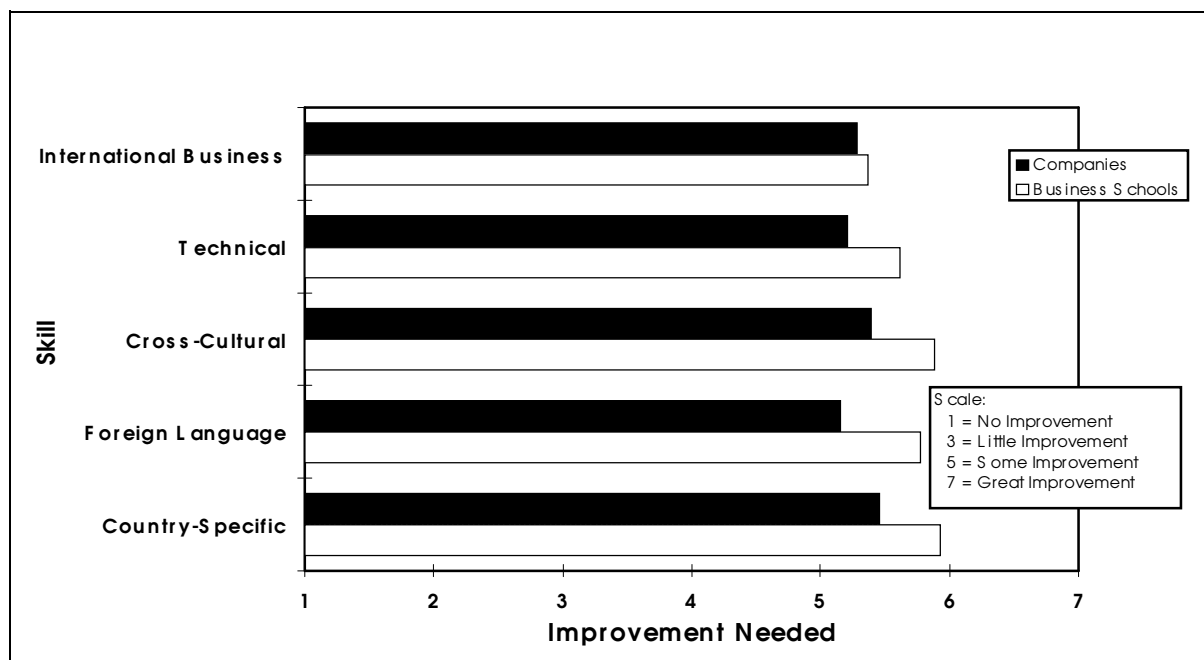
Are we overemphasizing

- the creation of international specialists (e.g., area specialists, international business majors)?
- the needs of large companies?
- the traditional markets of Western Europe, Japan, and North America?
- language training and country-specific knowledge?

Are we underemphasizing

- the creation of basic global understanding and awareness for all students?
- the needs of small companies?

Figure 11. Improvement Needed by U.S. Universities in Providing International Expertise



- the emerging markets of the world, especially Asia, Latin America, Eastern and Central Europe, and the former Soviet Union?
- overseas experience through foreign study programs and internships?
- the linkage of international expertise to professional skills, and vice versa?
- midcareer training for managers who did not realize when they were students that they would be involved in international business?

These questions are worth debating as we adapt our programs to the needs of U.S. business for the global environment of the twenty-first century.

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Companies

The authors wish to acknowledge the following companies who completed surveys for this paper.	
Small Companies (under 500 employees)	
Service	Manufacturing
ALK Associates Altoon & Porter Architects American Collegiate Marketing Architects Hawaii, Ltd. Braxton Associates Cognia International Investment Advisors, Ltd. Desktop Solutions, Inc. ERS International Information Management Consultants, Inc. Intercontinental Asset Management Group, Inc. International Legal Group, P.C. KFC Airport, Inc. Kroll Associates Mechanical Dynamics, Inc. RDA Group of Companies Tele-Communications International, Inc. Transacta Realty, Inc. Walter Group Wide Fountains International Wimberly Allison Tong & Goo	Ansonia Copper & Brass Bauer Howden Bry-Air, Inc. Centigram Cortelco Decatur Electronics, Inc. Dynamo, Ltd. Flame Technologies K&W Products K. Swiss Maxon Corporation McGillis Products Mensor Corporation Shepherd Color Company Thomas L. Green & Co. Varlen Instruments, Inc.

Medium Companies (500–4,999 employees)	
Service	Manufacturing
Access Graphics BHP Hawaii Ducks Unlimited, Inc. Earth Tech Experían Corporation First American National Bank Imperial Bank Latham & Watkins MBI, Inc. Personall Decisions International Spencer Stuart Wang's International, Inc.	Acer Latin America Anchor Industries, Inc. C&M Corp. Caterpillar Large Engine Center Easton, Inc. Holophane Corporation Instrumentation Laboratory Kinetic Concepts, Inc. Maxell Corporation of America Mettler-Toledo, Inc. Robinson Nugent, Inc. Servco Pacific, Inc. Varco Pruden Building Varlen Corp

Large Companies (over 5,000 employees)	
Service	Manufacturing
Airborne Express	3M
Ameritech	Beckman Instruments, Inc.
Andersen Consulting	Boeing Company
Arthur Andersen	Caterpillar
Bank of Hawaii	Cummins Engine Co., Inc.
Carnival Cruise Line	Dana Corp.
Cigna	Dell Computer Corp.
Deloitte & Touche Consulting	Delphi Automotive Systems
Domino's Pizza International, Inc.	Dow Chemical
Eddie Bauer	General Electric Co.
Federal Express	Great Lakes Chemical Corp.
First Chicago NBD	Inland Paperboard and Packaging
Microsoft	Lithonia Lighting
NationsBank	McDonnell Douglas
Novell Inc.	Mettler-Toledo, Inc.
Parsons Infrastructure & Technology Group	PACCAR, Inc.
Price Costco Corp.	Potlatch Corp.
Price Waterhouse	Raytheon Aircraft Company
Seafirst Bank	Schering-Plough Corp.
Steiner Corporation	Sikorsky Aircraft
Towers Perrin	Silicon Graphics
	Thomas & Betts
	Warner-Lambert Company
	Weyerhaeuser
	Whirlpool Corp.

Breakout 3, Rapporteur

The Changing Demand for International Expertise in Business

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The Changing International Business Climate

Rapid and unforeseen changes in the world's political and geographic boundaries have not only created new opportunities, but brought new challenges to American business. The post-cold war era has also brought many new challenges to international educators, who must now strive to link business schools, language, and area study programs with public and private-sector organizations and the business community in a mutually productive relationship to enhance the nation's future economic development.

As foreign policy shifts from a focus on national security and defense issues toward economic strength, trade, and competitiveness, the need for international expertise is also changing. The lines between the U.S. domestic economy and the global economy continue to blur, and the future economic welfare of the United States will depend substantially on increasing international skills in the business community, as well as strengthening the public's understanding about the internationalization of our economy.

Table 1 summarizes some of the changing parameters affecting international business education now and in the decade to come. As previously mentioned, the primary shift is the change in focus from military to economic strength. Unlike the cold war era, conflicts are no longer resolved primarily by superpowers, but often involve the cooperation of many smaller players. Commensurate with this is a movement from a nationalistic/domestic focus toward regionalism and indeed globalization. The emergence of trad-

ing blocs in Europe, North America, and Southeast Asia evidence the evolution of domestic markets into a more regional outlook.

Advances in communications and transportation technology have drawn together the world's markets for goods, services, labor, and capital, creating convergence in financial and business systems which often supersede preexisting country-specific systems. In addition, the previous climate of government controlled communications has given way to more open communications via new technologies such as the Internet, cellular/wireless communications, and satellites. The communicators have also changed, to include a much broader array of people in business, education, and almost all sectors of society.

As a result of this increased availability of international communications, there is a growing need for the average person, and especially the average business school graduate, to possess some level of knowledge about international political, economic, cross-cultural, and business issues. While there remains a need for a number of specialized experts with in-depth knowledge of individual foreign countries and regions, there is an even greater demand for the integration of international knowledge at a more general level for all graduates. Business firms are seeking graduates with a more global outlook since tomorrow's managers must have both the technical skills and cultural sensitivity to function effectively in different sociopolitical environments and with diversity in the workforce. More and more firms view the possession of international expertise as a key factor in coping with the dynamics of the fast-paced world of international business.

Table 2. Changing Parameters Affecting International Business

Cold War Era	Post-Cold War Era
Security/national defense	Global competitiveness
Conflicts resolved by superpowers	Conflicts may involve many smaller players
Domestic focus/nationalism	Regionalism/globalization
Country-specific/unique systems	Convergence in financial and business systems
Government to government communications	Person to person/business to business communication
Controlled communication	Open communication, Internet/phone/satellite/cellular
In-depth knowledge	Variety of levels of knowledge
Division between political and area specialists and business	Integration of political, economic, business, and cross-cultural expertise
Small number of international experts	Large number of personnel with intermediate level knowledge of international business
Manufacturing economies	Service sector growth
Large firms control international business	Growth of small business
Focus on large, familiar trading partners (Europe, Japan)	Focus on emerging markets

Implications for Higher Education

One of the most important implications of the changing business climate on higher education, is the need to provide a variety of international education at various levels, including graduate, undergraduate, and executive education. Businesses want graduates with a global outlook, and especially value candidates who have experienced foreign cultures and situations. And managers will increasingly see education as a continuous, life-long process.

While the level of sophistication of foreign partners, and increased use of English in business may decrease the need for expatriate managers, the increase in international trade and communications will surely result in a much greater proportion of American managers who must be able to effectively deal with foreign customers, suppliers, and joint venture partners. Succeeding in the emerging global economy will require understanding the economic and managerial intricacies of international business, as

well as the political, social, and cultural factors that influence one's business partners.

The Challenge for International Educators

The primary challenge for international educators is to lead rather than to follow industry. In the rapidly changing pace of business, practitioners may not have the luxury to look ten years into the future and think about what type of graduate they will need at that time. This is the domain of educators, and we must take the initiative now to design programs that integrate area studies, economics, and business curricula to better prepare our graduates for the global business climate they will face. We must also strive to cultivate alliances between our universities and foreign institutions, and between academia, industry, and government to bring to bear the international education, training, and research capabilities of universities for the bene-

fit of the private sector. And we must marshal new communications and information technology to exploit and develop more efficient and effective pedagogical methods. Finally, educators must motivate their students toward a career-oriented, long-term focus, and encourage the best and brightest to seek meaningful international experiences which will serve them throughout their lifetimes.

Conclusions

To thrive in the international marketplace, companies must be able to maintain a global perspective while preserving the capacity to respond to local conditions in each of their markets. The challenge for business schools is to provide the educational opportunities to create tomorrow's leaders.