

Professional Training and Research: The University of Southern California as a Case Study of Internationalization

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Abstract

This paper begins by describing the international training needs of American managers in a marketplace in which American exports have more than doubled in the past ten years. Then, as a case study, it describes the University of Southern California's strategies and actions to internationalize its teaching and research programs. In 1978, USC's business school established its International Business Education and Research (IBEAR) program to internationalize its teaching and research activities in ways that promoted experiential and cross-cultural teaching, research, and outreach activities that focused on Asian and Latin American business environments. The creation of USC's Center for International Business Education and Research (CIBEAR) in 1990 and the adoption by the university of a new strategic plan that focused on Asia and Latin America in 1994 created a stimulus for a number of USC's other professional schools to experiment with some of the teaching and research models developed in the business school. Title VI funds, in combination with substantial commitments of USC funds and senior leadership, appear to be producing the types of functionally competent and internationally oriented employees whom firms are seeking.

Introduction

All of us know that we are living in a global economy that is rapidly becoming more integrated. More than a decade ago the report of the President's Commission on Industrial Competitiveness (1985) clearly explained the challenges and opportunities presented to America by this readily foreseeable process of international integration. In fact, the title of the commission's 1985 report was *Global Competition: The New Reality* and it identified America's central challenge to be the maintenance of a high standard of living in an increasingly competitive world.

The commission began its work by very carefully defining competitiveness as follows:

Competitiveness is the degree to which a nation can, under free and fair market conditions, pro-

duce goods and services that meet the test of international markets while simultaneously maintaining or expanding the real incomes of its citizens. (President's Commission on Industrial Competitiveness 1985, 6)

Has America met this definition of competitiveness over the past dozen years? Yes, indeed! America's merchandise exports have expanded from about \$250 billion in 1985 to over \$600 billion in 1996 (surpassing Japan's and Germany's 1996 export levels of about \$400 and \$500 billion, respectively). And, America's real income has expanded by 2 to 2.5 percent annually.

America's export boom can be explained by four trends:

- Increased price competitiveness of goods made in America, due to a depreciated dollar

and improved productivity, which combined to cause a dramatic decline in unit labor costs. (The OECD-calculated index dropped from 160 in 1985 to 92 in 1996; whereas Japan's and Germany's unit labor cost indices increased from 88 to 125 and 84 to 118, respectively, from 1985 to 1996 [OECD 1996, p. A-46]).

- Increased quality competitiveness of goods made in America, due to increased management emphasis on quality and customer service.
- Increased "openness" of international markets.
- Increased commitments being made to international business opportunities by American firms.

American firms will continue to expand their exports because the four trends listed above will continue to be favorable to export expansion. However, these exports could be expanded faster and firms could obtain greater profits on each transaction if they were better informed about the intricacies and institutional differences of international markets.

The commission's report identified the development of human resources—along with technology and capital—as one of the key factors for increasing America's competitiveness in world markets, and it recognized that "the basic concepts of management are changing, and business schools must reflect the increasing internationalization of our markets." I mention this "ancient" 1985 report to illustrate the point that it is certainly not a new idea that global competition is increasing and that business schools and other professional schools need to modify their curricula in order to prepare their students and alumni for the realities of the new international marketplace.

This paper briefly introduces the relationship between corporate demands for internationally oriented employees and responses from professional schools and universities. It also describes, as a case study, the University of Southern California's strategy and actions to accelerate the internationalization of its teaching and research programs, which are deliberately being focused on Asia and Latin America. The paper concludes with a description of how Title VI–Fulbright/Hays programs have been vital contributors to the substantial internationalization of teaching

and research that has been occurring at the University of Southern California.

Relevance of Innovative International Training for Professional Schools

America's exports of goods and services come from every sector of the economy: agriculture, architecture, education, engineering services, entertainment, medical services, and tourism, as well as from manufacturing firms of all varieties. Yet, very few of America's business leaders, managers, or sales personnel have invested in effective area studies training or in "mind-shaping" international experiences.

Thus, very few of America's business people are highly effective cross-cultural communicators, cross-cultural negotiators, or cross-cultural managers. In other words, not many American managers could be characterized as "international man" or as "international woman," i.e., persons who are comfortable thinking and acting in business environments that are defined by multiple currencies, multiple cultures, multiple customs, and multiple culinary "delights."

As mentioned above, even though there has been a tremendous expansion of American exports since 1985, corporate leaders are increasingly aware that they could expand more and be more profitable in their international activities if more members of their teams were cross-culturally competent, as well as functionally competent.

Nevertheless, in three studies of corporate beliefs about the educational requirements imposed on them by globalization—done by Selwyn Enzer (1994), by the College Placement Council/Rand Corporation (1994), and by Richard Moxon et al. (1997)—corporate managers reported that they did not believe that university language and area studies programs produce the functionally competent, cross-culturally capable managers that they need in order to thrive in an increasingly integrated global marketplace.

Corporate hiring behavior appears to be consistent with these beliefs. Area studies and language graduates are not usually recruited by businesses. Firms typically hire functionally competent people from the professional schools and then hope that these employees will pick up

cross-cultural capabilities, if needed, while on-the-job. If America wants its firms to recruit entry level managers who possess “international” skills, then academia and business need to work together to create innovative programs for professional school students. Given the typical absence of area specialists within the professional schools—where most firms do their recruiting—there is a need for cooperation between professional school faculty and area specialists, who typically reside in colleges of Letters, Arts, and Sciences. Government financial support can be an important stimulus and long-term contributor to this much needed, but difficult process of cross-campus cooperation.

Case Study: The University of Southern California’s Leaders and Strategic Plan

In June 1994, USC adopted a strategic plan that includes, as one of its four primary initiatives, the increased internationalization of its teaching and research programs, with a focus on the Pacific Rim and Latin America. The deans of all of USC’s schools are being actively encouraged to increase the learning opportunities for their students and faculty about Asia and Latin America. Each school is responsible for designing, financing, and implementing their own activities, without undue meddling from USC’s administration.

However, USC’s administration does provide important encouragement and guidance, as well as some funds for the internationalization initiative.

First, USC’s president, Steven Sample, takes an active leadership role. The president has taken annual university promotion trips to Asia since 1993; the president has led the efforts to recruit four prominent Asian business leaders to USC’s Board of Trustees since 1994; the president has led an initiative to begin to establish a network of USC “representative” offices in Asia in 1996; the president led a delegation of USC Trustees on a fact-finding trip to Tokyo, Jakarta, and Hong Kong in April 1997; the president worked with the chief executive officers of UCLA, Caltech, and Berkeley to convene an exploratory meeting in June 1997 of their counterparts from a small set of premier universities that are located around the Pacific Rim. The

twenty university leaders who participated established the Association of Pacific Rim Universities (APRU), modeled on the highly successful Association of American Universities (AAU), which provides a unique forum for the chief executive officers of America’s 62 premier universities. And, importantly, the president continuously communicates the strategic significance of USC’s Asia/Latin America internationalization initiative to USC’s deans and faculty.

Second, USC’s provost, Lloyd Armstrong, who is the principal developer of USC’s strategic plan, reminds the deans that he is very interested in the progress of each of their school’s internationalization efforts. This occurs through performance reviews, budget negotiations, and continuous communication with deans and faculty.

Third, the position of vice provost for international affairs was created and USC’s CIBEAR director, Richard Drobnick, was appointed with the mandate to assist the deans of USC’s twenty professional schools to accelerate the internationalization of their programs.

Fourth, USC reorganized and invigorated its universitywide International Affairs Committee (IAC) to develop and recommend proposals to the provost on how to accelerate USC’s internationalization initiative. Some examples of recent IAC recommendations that are being implemented include:

- To establish a Provost’s Distinguished Visitor Program for Asia or Latin America Experts. The provost allocates about \$50,000 annually to support this program (since 1995).
- To increase the number of USC faculty experts on Asia and Latin America. The provost committed \$1 million to provide 50 percent “bridge funding” to subsidize schools that will recruit senior-level Asia or Latin America experts to their tenured faculty. (Two “hunting licenses” will be granted per year until six experts are recruited; the 50 percent subsidy to a school is good for only three years).
- To establish a Southeast Asian Studies Institute which will support the increased activities of professional schools with Southeast Asia. The provost and the president are working with University Advancement to raise endowment funds for the institute.

The ability of USC's central administration to push the internationalization initiative rests on the international assets that have been developed by faculty from many schools, but it especially rests on the international assets developed in the business school, which are described below.

USC's Marshall School of Business

IBEAR Program

Since 1978, USC's business school has produced an extensive set of international teaching, research, and business outreach activities that have been developed by the school's International Business Education and Research (IBEAR) Program. The IBEAR MBA Program has graduated 650 managers—110 of whom are American citizens. On average, these midcareer managers were 33 years old when they studied at IBEAR and after graduation provided unique research opportunities for USC faculty and students in their sponsoring firms. IBEAR has sponsored numerous research conferences and faculty research projects, six of which have resulted in the publication of books on international business issues. Also, IBEAR has produced between three and six different executive training programs per year on Pacific Rim business issues since 1985. These programs have attracted more than 2,000 American business managers, who each pay \$1,000 to \$1,500 per program.

Over the years, as a result of the relationships that have been nourished with its lecturers and customers, IBEAR has developed active networks of international business experts and practitioners. These networks have become key assets for promoting universitywide efforts to help accelerate the internationalization of USC's other professional schools.

CIBEAR

Since 1990, USC's Center for International Business Education and Research (CIBEAR) has provided vital financial and organizational support for international teaching and research activities of about 75 USC faculty and more than

500 USC students. CIBEAR's funds (federal funds and USC's matching funds) have been utilized to spread the IBEAR Program's activities throughout the business school, to other USC professional schools, and to USC's College of Letters, Arts, and Sciences. CIBEAR provides a "gateway" function, connecting the international business community to academic, business, and government specialists who have Asia and Latin America expertise and connecting USC's professional schools to these same experts.

PRIME Program

CIBEAR has provided important support for the development of the business school's new, ambitious Pacific Rim Education (PRIME) Program, which was launched in September 1996. This program requires all 260 of the regular MBA students to participate in an intensive, four-week-long course on Pacific Rim Business Opportunities, as described by Kumar (1996) and Kumar and El Sawy (1996). This course includes the following unique components:

- Practical research projects on 50 firms that are located throughout the Pacific Rim.
- Five faculty teams comprised of business school professors, professors from international partner universities, and international business practitioners.
- Required ten-day-long research trips to the 50 sponsoring firms, which in 1997 were located in Tokyo, Shanghai, Nanjing, Monterrey, and Tijuana. Each of these trips, which occurred in May 1997, were supervised in the field by USC faculty teams (two to three professors per team).

PRIME is designed to force students, faculty, and international business practitioners into intensive partnerships that will facilitate the development of cross-cultural capabilities among students and faculty, as well as enable students to develop traditional business school functional skills. The students are also encouraged to develop cross-cultural capabilities throughout their two year MBA program by engaging in required intercultural learning exercises among themselves. About 25 percent of the MBA students are from outside of the United States and

are being utilized as cross-cultural trainers for the American students.

USC's Other Professional Schools

USC's eighteen other professional schools, which include architecture, engineering, medicine, urban planning, etc., have always had international components in their programs. Recently, as described above, they have been encouraged to expand their international activities and to focus them more on Asia and Latin America. The IBEAR/CIBEAR/PRIME Program "models" of experiential, cross-cultural teaching and research activities are now being experimented with at a number of USC's professional schools.

For these experiments to be successful, USC needs a substantial inventory of Asia and Latin America experts who are willing and able to assist the professional schools. The country expertise and the network of international contacts of USC's area specialists are vital to helping prepare the professional school faculty, administrators, and students for effectively creating and benefiting from the new international teaching and research activities that they are developing.

Some examples of how CIBEAR has performed the "gateway" function of connecting academic, business, and government Asia and Latin America specialists to USC's professional schools are described briefly below.

School of Architecture

The School of Architecture is planning to develop an upper-division elective on architecture and urban design in Asia that would be taught in Asia by USC faculty for 30 to 40 students per year. CIBEAR provided the dean and the faculty leader with advice, travel support, and professional contacts in Malaysia, Singapore, and Japan in 1996 and 1997 in order to help develop and refine the concept and plan for the course. The school will probably make the decision in 1997 on whether or not to offer the course in 1998.

School of Engineering

The School of Engineering opened its Asia Pacific Institute in 1996 in order to promote technology cooperation between high-technology firms in Los Angeles and counterparts in Asia. The institute is developing management education and research programs that involve faculty, graduate students, and corporate partners, beginning in 1996 with firms and research institutes from Taiwan, Hong Kong, and China. CIBEAR has provided the dean and the institute director with advice and professional contacts since the beginning of the project in 1995.

School of Medicine

The School of Medicine has developed cooperative research and teaching programs with university hospitals and health ministries in Chile (1993), China (1996), and Indonesia (1997) in the areas of emergency medicine, trauma care, HIV detection and care, and hospital management. CIBEAR provided the dean and the faculty leaders with advice and professional contacts for each of these projects.

School of Urban Planning and Development

The School of Urban Planning and Development produced intensive urban planning "laboratory" courses for 15-20 graduate students in Shanghai (1995), Hanoi (1996), and Beijing (1997). CIBEAR provided the dean and the faculty leader with advice and professional contacts for each of these projects.

Importance of Title VI Support to USC's Internationalization

Without long-term Title VI support for USC's national resource centers, USC would not have recruited very many East Asia or Latin America experts. Without these experts, IBEAR would not have been able to create such powerful international learning experiences for business school students and faculty. Without Title VI support for CIBEAR, IBEAR could not have spread its activities throughout the business school and to USC's College of Letters, Arts, and Sciences.

Federal support for USC's CIBEAR since October 1990 has been instrumental in expanding the international teaching, research, and outreach activities of seventy-five USC project leaders, their dozens of colleagues, and their hundreds of students. In turn, their successful projects generated momentum for creating an important, new Pacific Rim initiative in the School of Business Administration (PRIME) and helped stimulate the whole University of Southern California to become more Pacific-Rim focused.

Title VI support for USC's CIBEAR has been about \$300,000 annually, since 1990. USC's business school has "matched" this federal support with more than \$500,000 per year of real resources and, beginning in 1997, it is increasing this annual investment in CIBEAR-supported programs to \$1,600,000. In addition to making substantial financial investments in internationalization, the business school has been able to get many of its top faculty actively involved in developing and leading the school's internationalization initiatives. These business school initiatives and the international initiatives of USC's other professional schools have been actively supported by USC's president, provost, and international affairs committee. In summary, internal leadership and reorganization in combination with external federal support have enabled USC to begin implementing the internationalization initiative of its strategic plan and to make significant progress on expanding the

international learning opportunities for its students, faculty, and alumni.

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