

## INTERNATIONALIZATION OF MARKETING EDUCATION: THE BUSINESS PERSPECTIVE

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### ABSTRACT

This study attempted to find out the opinions of U.S. businesses involved in international sales about appropriateness and quality of the education offered by business schools in the area of international marketing and business. The results show that these businesses are fairly satisfied with the general education, but rather dissatisfied with international education.

### INTRODUCTION

The persistent foreign trade deficit and problems with American competitiveness in general, have given a sense of urgency to the internationalization of marketing and business curriculum. This has also been the latest line of reasoning followed by the AACSB. There seems to be little agreement on how to implement the internationalization in practice, beyond the general agreement that it is necessary.

There are several alternative ways for carrying out the implementation: a basic international course required of all students, or an international component in all or most courses, or a combination of these.

Another dimension of the internationalization issue is the structure and nature of the specialized international marketing or international business program, that we need to provide those students who plan a career in international sales or business. How should the program be built: an option or major added to general marketing and business studies; a certificate program; or a separate specialized degree concentrating on international studies?

Other pertinent questions include: at what level should the international specialization begin, B.A., M.B.A. or both? And finally what should such program consist of? Naturally, specific answers to these questions depend largely on the needs and resources of each institution.

The present study attempts to shed some light on the question of how the corporations involved in international sales view the international education currently offered by U.S. business schools, what are their needs in this respect, and what is their opinion on the ideal international marketing and business education.

### METHODOLOGY

#### Research Objectives

The overall purpose of this study was, as indicated above, to find out how businesses involved in international sales rate the appropriateness and quality of international marketing and business education offered by U.S. business schools, and what are their actual needs in this respect. More specifically, the study attempted to answer the following questions:

1. How do the international marketing and business professionals rate the general level of business school education offered to future management and marketing personnel. What is the role and responsibility of the U.S. business schools in terms of helping to improve U.S. international competitiveness.
2. How do the international marketing and business professionals rate the skills and knowledge of recent graduates in specific subject areas.
3. How should an ideal program for a career in international sales be structured.
4. What is the relative importance of different skills and subject areas for a prospective employee in international sales. More specifically, what is the importance of foreign languages, and which languages are the most useful for a career in international sales.
5. How can the variance in the responses and opinions be explained by the background characteristics of the respondents and their firms.

#### Research Design

Due to the basic exploratory and mostly descriptive nature of the main research questions, a simple straightforward survey was chosen as the most economical and expedient approach. In late Spring 1988, a questionnaire was mailed to 314 businesses that represented the entire membership of the Export Managers' Association of California (EMAC).

A total of 80 complete questionnaires were returned, which yields a final response rate of 25.5%. This can be considered a fair result in spite of a fairly lengthy questionnaire used in a mail survey. The representativeness of the sample is analysed below.

The self-administered questionnaire consisted of partly factual background information and partly attitudinal questions. In the attitudinal part both four- and five-point Likert-type scales and rankings were utilized.

## RESULTS

### The Respondents and the Businesses

As a result of the sampling base used, the respondents represented mostly businesses engaged in exporting and international business from the State of California. Only a few companies were located in the adjacent states, i.e. Arizona and Oregon. In the following, a brief summarized profile of the respondents and their businesses will be presented.

The respondents were generally fairly highly placed and tended to fall into the older age categories: 35% were the owner and/or president of the company, and the largest single age category was '55 and over' (27.1%). These facts were also reflected by the income level: 40.4% reported an income of \$75K or higher. The respondents tended to be also fairly well educated as 48.3% had a B.A. and 30.0% had an M.A. level degree. In addition, about two thirds had received education or training in exports or international marketing.

In terms of years of experience in international sales or operations, the respondents were quite evenly distributed: only two categories were slightly larger than others: those with an experience of 3 to 10 years and those with an experience of over 30 years.

The industry and product line categories of the businesses included in the sample were distributed as follows: services (28.6%), conglomerates/multiproduct businesses (24.7%), high technology (20.8%), industrial (15.6%) and consumer goods (10.4%). This distribution represents California exports quite faithfully as evidenced by the recent studies by the California State World Trade Commission (CSWTC 1987 and 1988).

Contrary to what could have been expected, only 14.3% of the businesses were export intermediaries (mainly EMCs). In terms of size as measured by the total number of employees, the businesses ranged from 1 to 70'000 employees. However, small businesses were more numerous: about one third had less than 10 employees, and 12% had more than 1000 employees.

In terms of total annual sales, the single largest category was that of \$2 to \$10 million. Almost one fifth had sales of \$100 million or more. The businesses were not limited to exporters as 38% had also foreign subsidiaries. A total of 55.9% had hired new employees for international sales or operations within the past 3 months, and 31.3% planned to hire within the next 3 months.

### Opinion on the General Level of Education

The largest proportion (42.1%) of the respondents were noncommittal ('hard to say'), whereas 32.9% rated it as 'good'. Only 15.8% rated it as 'poor'. Very few rated it as either 'very good' or 'very poor'. Consequently, the overall opinion can be summarized as 'moderately good.'

The respondents were also asked about the role and responsibility of the business schools for helping to improve U.S. international competitiveness. In general, the business representatives blamed the worsening competitiveness on U.S. export industry itself, as the highest share of respondents ranked the following two causes as the most important: poor strategic planning (e.g. too much emphasis on short-term profits) and poor marketing practices.

The respondents were also willing to put some of the blame of the business schools, as over half (51.9%) of them agreed with the statement: "One of the root causes of the U.S. foreign trade deficit is the failure of the business schools to educate future marketers and managers with adequate international skills."

The respondents' opinions on the most important remedies for the competitiveness problem were consistent with these opinions. The most important measure turned out to be: "U.S. export industries should improve their performance and planning," with 70.5% of the respondents rating it as 'very important.' The business schools were next, as 36.4% of the respondents rated as 'very important', that "U.S. business schools and educational system in general should provide better education and training for future managers and personnel."

### Opinion on the Skills and Knowledge of Recent Business School Graduates

The general opinions and attitudes described above give a good background for analysing the opinions of the respondents on the skills and knowledge of recent business school graduates in nine different general and international subject areas. The respondents were asked to use a five-

A clear general pattern emerges: all the general and basic skill and knowledge areas were rated as fairly good, whereas knowledge and skills in international areas were rated as quite low. The basic skills in mathematics and English/writing and the general knowledge of marketing were all rated equally good: between 55 and 56 per cent rated them as 'good' or 'very good.' General knowledge of management and salesmanship came next with slightly lower ratings. The ratings are summarized in Table 1.

TABLE 1  
KNOWLEDGE AND SKILLS OF RECENT BUSINESS SCHOOL GRADUATES - SUMMARY OF THE RATINGS BY RESPONDENTS

	Share (%) of those rating item as 'very good' or 'good'
1. Basic skills in mathematics	56.1%
2. General knowledge of marketing	55.6%
3. Basic English/writing skills	55.0%
4. General knowledge of management	47.2%
5. Salesmanship (selling skills)	30.5%
6. International marketing knowledge	28.8%
7. Knowledge of foreign countries and cultures	16.4%
8. Knowledge of export procedures and documentation	15.3%
9. Foreign language skills	13.7%

Negative ratings, 'poor' or 'very poor', were consequently more common for the four international areas: 50.7% for international marketing, 63.0% for knowledge of foreign countries and cultures, 65.7% for foreign language skills, and 69.4% for knowledge of export procedures and documentation.

#### Opinion on the Ideal Program for a Career in International Sales

In the next part of the survey, the international business representatives were asked to express their opinions on the ideal preparation for a career in international sales with regards to the structure and contents of the program. First, the respondents were asked to rank four different program alternatives:

1. A program that concentrates on basic marketing and other business subjects with a limited general exposure to international marketing ('limited exposure' program).
2. A program that devotes equal time to general marketing and business subjects and international marketing ('equal time' program).
3. A program that combines a general foundation of general marketing and business subjects with a strong emphasis on the international subjects ('strong emphasis' program).
4. A program that provides a comprehensive specialization in international marketing and international business ('comprehensive specialization' program).

The so-called 'strong emphasis' program emerged as the clear favorite with 44.9% of the respondents giving it as their first choice. Perhaps somewhat surprisingly, they did not prefer the program of complete international specialization, which was chosen as the first choice by 39.7%. The 'equal time' program was a distant third, as only 14.1% of the respondents chose it as their most favored program. Finally, the so-called 'limited exposure' program was favored by very few (3.8%).

#### Opinion on the Importance of Various Skill and Knowledge Areas for a Career in International Sales

The business representatives were asked to rate the importance of five skill and knowledge areas directly related to international sales and business; these areas were: foreign languages, understanding foreign cultures, international finances, international transportation, and export procedures and documentation.

A clear pattern emerged: 'understanding foreign cultures' was rated overwhelmingly as the most important skill and knowledge area for prospective employees. A total of 94.8% of the respondents rated it as 'important' or 'very important', in fact, the share of those who rated it as 'very important' was as high as 72.7%.

The next three areas: export procedures and documentation, foreign languages, and international finances were rated as practically equal in importance. The summary of these ratings is presented in Table 2.

TABLE 2  
THE IMPORTANCE OF VARIOUS SKILL AND KNOWLEDGE AREAS FOR AN IDEAL PREPARATION FOR A CAREER IN INTERNATIONAL SALES - SUMMARY OF RATINGS

	Share (%) of those rating item as 'very important' or 'important':
1. Understanding foreign cultures	94.8%
2. Foreign languages	85.1%
3. Export procedures and documentation	83.4%
4. International finances	82.7%
5. International transportation	69.4%

In the case of foreign languages and export procedures and documentation, the number of those who were either 'not sure' or assigned them 'no importance' was negligible (between 1% and 4.1%). Those who assigned these two areas only 'little importance' accounted for about 10%.

International transportation received clearly lower ratings, however, even in this case more than two thirds (69.4%) rated it as either 'very important' or 'important', as can be seen in Table 2. This time, among this group those who rated it as 'important' were in the majority (50.7%). On the other hand, 22.7% of the respondents rated it as having only 'little importance.'

It is interesting to compare the previously presented ratings of the skill levels of recent business school graduates to these ratings of the relative importance. The comparisons are presented in Table 3.

TABLE 3  
COMPARING KNOWLEDGE AND SKILLS OF RECENT BUSINESS SCHOOL GRADUATES IN VARIOUS AREAS TO THE PERCEIVED IMPORTANCE OF THE AREAS - SUMMARY RATINGS

	Skill level <sup>1</sup>	Importance <sup>2</sup>
1. Understanding foreign cultures	16.4%	94.8%
2. Foreign languages	13.7%	85.1%
3. Export procedures and documents	15.3%	83.4%

1. Percentage of those who rated the skills and knowledge in the area as 'good' or 'very good'
2. Percentage of those who rated the importance of the area as 'important' or 'very important'

As was seen in Table 1, the skills in these three areas were rated as the poorest among the nine areas. Interestingly, the same three skill and knowledge areas were also rated as the most important for a career in international sales. This discrepancy in the two sets of figures, conveys a strong message to the business schools.

The respondents do not blame the neglect of these areas on the schools alone, but seem to be aware of the fact that the schools tend to anticipate the needs and desires of the businesses they serve. When asked if they agreed or disagreed with the statement "Until recently U.S. companies have not valued and encouraged enough international specialization in their hiring practices," an overwhelming majority (84.6%) agreed.

### The Importance of Foreign Language Skills

As was indicated above, foreign languages were rated as an important skill, and yet the skill level of recent business school graduates was rated as 'poor' or 'very poor' by 65.7% of the respondents. Therefore, it is useful to look into this area in greater detail: the business representatives were also asked to list the three most important foreign languages in the order of importance.

Only five languages were listed consistently enough to indicate any real importance; these were, in the order of importance: Spanish, French, Japanese, German, and Chinese. The remaining less important languages included Arabic, Italian, Korean, Portuguese, and Russian. Even English was included by some respondents with the note, that English skills come first as long as they still leave a lot to be desired.

When we consider how many times each language was mentioned in any of the three positions, the following order of preference/importance emerges: (The total number of times each language was listed is indicated in the brackets.)

1. Spanish (44)
2. French (43)
3. Japanese (39)
4. German (28)
5. Chinese (28)

As can be seen from the list, the 'traditional' foreign languages, Spanish and French, are clearly still considered as most important. However, Japanese comes already close in the third place.

### Explaining the Differences in Opinions by Background Characteristics

An attempt was made to explain the variance in the opinions by differences in the background characteristics of both respondents and the businesses they represented. The responses were cross-tabulated with the background factors, the statistical significance of the association was tested using the chi-squared test.

Quite surprisingly, very few of these background characteristics seem to be statistically related to the opinions. The few instances where a statistically significant relationship was found, will be introduced below. This general outcome cannot be due to lack of variation among the respondents and their businesses. Either the background factors were not chosen correctly, or the variation in the opinions was not strong enough to be significant.

In several instances the latter explanation would indeed seem to be the most likely: often a remarkably consistent and cohesive picture emerges. The only background characteristic of the respondent that had any statistically significant effect on the opinion was whether or not the respondent had received formal training or education in exporting or international marketing. This factor influenced the opinion on the following issues: rating of the foreign language skills of recent business school graduates,

rating of the knowledge of foreign countries and cultures of the recent business school graduates, and the ranking of the third program alternative (the so-called 'strong emphasis' program).

The only only business characteristic that had any statistically significant effect on the opinions expressed by their representatives, was the dollar amount of total annual export sales. This factor influenced the way the respondent rated the importance of understanding foreign cultures. However, the results were somewhat inconclusive as the effect was not the same across the size categories.

The clearest conclusion that can be drawn from this crosstabulation is the fact that the largest exporters (with sales over \$10 million) clearly consider understanding of foreign cultures very important (with 90.9% of them rating it 'very important'). Other size categories still considered the area important, but not with such unanimity. In fact the smallest exporters (export sales of less than \$1 million) were least emphatic: 44.4% of them gave the area a rating 'very important.'

### CONCLUSIONS

The business representatives included in the study gave a fairly unanimous and quite consistent opinion on the level of business education for a career in international sales and on their needs in this respect. In fact the view was consistent enough that very little of the variation could be explained by the ten general background factors included as explanatory variables.

In general the respondents were rather critical of the present state of affairs, but at the same time they seem to assign equal responsibility for it to the export industry itself as well as to the business schools. In brief, the main message seems to be that in spite of the fairly good general level of business school education, the international skills are not sufficient. It is very important to remedy the situation also from the long-term perspective of U.S. international competitiveness.

### REFERENCES

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