

# Global Immersion

**Globalization  
already has pushed  
many business schools  
well beyond their  
national borders.  
Now educators work  
to anticipate where  
global forces will take  
them next.**

**by Tricia Bisoux**

**W**hen business educators think of global hotbeds for management education, Kigali, Rwanda, may not be the first place that comes to mind. But what's happening in Kigali mirrors what's happening in markets the world over, says Robert E. Kennedy, executive director of the University of Michigan's William Davidson Institute (WDI) in Ann Arbor. In the past two years, Kennedy has visited Kigali's School of Finance and Banking (SFB) five times as part of a multiyear, supportive partnership that the WDI has established with the school.

During his visits, Kennedy has seen a school preparing to compete on the world stage. "The School of Finance and Banking is only three years old, but it's already hosting faculty from abroad, moving into executive education, and thinking about international accreditation," says Kennedy. Thirteen years after the 1994 genocide in Rwanda, the now-peaceful country is "really pulling itself up by its bootstraps," Kennedy adds. "We see the potential to build a regionally strong, internationally accredited institution that will be a catalyst for private sector reform in the country and region."

It's that "potential to build"—new global partnerships, curricula, and even campuses—that has become a hallmark of globalization for business schools, in both emerging and established markets. With that potential, however, also comes some uncertainty about the next steps for global business education.

Forward-looking business educators are anticipating significant changes to the ways business schools teach, which will affect everything from study tours to joint programs to ethics education. The following trends, say educators, offer a more complete picture of how business schools will drive—and be driven by—the forces of globalization.

## **"Interconnected" Education**

What do sociology, philosophy, politics, law, medicine, and business have in common? Everything, when studied under the aegis of business. Business schools have long sought to break down disciplinary silos and highlight the interactions between the different areas of business. But globalization has upped the interdisciplinary ante. Communications technology and the Internet are inevitably making the world much smaller, creating a system where different industries, countries, and professions are interconnected and interdependent. To help students better understand these interconnections, business schools are creating joint programs that mesh business with other professional areas.

The TRIUM International Executive MBA program—a collaboration among New York University's Stern School of Business in New York City, HEC School of Management in Paris, and the London School of Economics and Political Science—is designed to acknowledge the geopolitical component that has become a big part of global business, says Erin O'Brien, TRIUM's executive director.

"In TRIUM, you can't separate politics from business. The business climate will change depending on whether senior positions are elected or government-appointed," O'Brien says. As an example, she refers to a corporate governance roundtable that TRIUM recently held, which brought together representatives from governmental bodies in China and Hong Kong. "The politics there were palpable," she says. "The concept



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—Gail Naughton, San Diego State University, College of Business

of transparency is not the same in China as it is in Hong Kong. As the conversation progressed, you could feel the tension growing over these cultural differences.”

Daniel Bradlow, director of international legal studies at American University’s Washington College of Law in Washington, D.C., agrees that multinational transactions increase the complexity of legal, political, and economic issues. Bradlow recently initiated a joint effort between the law school and AU’s Kogod School of Business. The result is a two-year LLM/MBA program designed to produce graduates with specialized skills in law and business, which will begin in the fall.

“There is only so much a law school or business school can teach on its own,” says Bradlow. “If we want skilled international business lawyers, we must give them access to both legal and business training.” He adds that, because law and business students view global problems differently, they’ll be able to engage in richer discussions and devise more nuanced solutions.

As globalization complicates business transactions, business schools will need to offer more programs “at the intersection of disciplines,” says Dick Duran, dean of the Kogod School. “We take a strong business curriculum and add it to a law, foreign language, public affairs, or international service curriculum,” he says. “At American, ‘and’ has become our favorite conjunction.”

### **Around-the-World Study Tours**

Many prospective business students, too, are getting the message that exposure to global business experiences will be essential preparation for their careers. The most recent application trends survey conducted by the Graduate Management Admission Council indicates that nearly two-thirds of full-time and part-time MBA programs around the world reported a sharp increase in the number of applications. More schools reported that the number of international applications has increased, indicating that more students are actively seeking global educational experiences outside their home countries.

Not just that, they want global study tours that run longer and offer more comprehensive understanding of global business practices. Traditional two- to six-week visits to international venues have long been a mainstay of global

business education. But those may no longer be enough to give students the global knowledge they’ll need to satisfy employers. Instead, some business schools are establishing extended multidestination study tours designed to give students a larger view of global business.

For instance, the Global MBA, an online program at the Instituto de Empresa Business School in Madrid, Spain, emphasizes diversity, of both its students and its study destinations. The program is offered in either English or Spanish; the English course serves 63 students from 32 countries, while the Spanish course serves 64 students from 14 countries. IE’s Global MBA includes “integration days” in 15 cities around the world. Students travel to these destinations for two days to meet face-to-face, attend seminars about the region, and visit local businesses. “Students have found the integration days to be the strongest point of the program,” says Stephen Adamson, associate director of admissions.

In the fall of 2006, the Thunderbird School of Global Management in Glendale, Arizona, began requiring that students in all its programs complete what it calls the Thunderbird Global Experience. Students can choose among intensive courses and internships held in the U.S., South Africa, Europe, Asia, or Latin America. By graduation, a student may have spent six weeks in Czechoslovakia, six weeks in Mexico, three weeks in the Middle East, and another three weeks in China, says Ángel Cabrera, dean of Thunderbird.

San Diego State University’s College of Business Administration in California also will soon launch its Global Entrepreneurship MBA, which emphasizes long-term study in several global regions. The program, which accepts its first cohort of students this September, will require each participant to spend 12 weeks in each of four different regions: China, India, the Middle East, and the U.S. The program was created through a multilateral partnership that includes SDSU; Indian Institute of Management in Lucknow; University of Hyderabad, India; American University of Beirut in Lebanon; and the United Arab Emirates Higher Colleges of Technology, which has 14 campuses throughout the UAE. SDSU is currently negotiating partnerships with universities in China.

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## Designing the Global Curriculum

Robert E. Kennedy, executive director of the University of Michigan's William Davidson Institute (WDI) in Ann Arbor, has traveled to business schools in all corners of the world. The need for business training in the world's developing markets will only intensify, says Kennedy—as will the opportunities for business schools to broaden their educational reach beyond the borders of their home countries.

As part of WDI's efforts to build and improve business programs in the world's developing markets, Kennedy has gained several insights for business schools with global aspirations:

**1. Establish a global presence.** To build a global brand, business schools must recruit global faculty, offer globally focused programs, create and actively leverage partnerships with schools in other countries, and pay attention to geographically distributed alumni. Such actions are all part and parcel of becoming a business school of the world, as well as of a nation or local community, says Kennedy.

**2. Embrace global issues inside and outside the classroom.** Kennedy argues that too many schools haven't done a good job of integrating global issues into their courses. Using internationally focused business cases in all courses is a way to start, he says. Schools also need to place greater emphasis on experiences outside the classroom, including travel opportunities, international internships, and visits to multinational firms.

**3. Write more global cases.** Globalization is a hot topic at business schools, and the case study method is a tried-and-true educational tool. Given these two realities, it's ironic that case studies focused on businesses in China, Africa, Latin America, and the Middle East are in short supply, says

Kennedy. To address this deficit, for example, WDI recently established a case writing competition focused specifically on emerging markets.

**4. Power up those passports.** Faculty with reputations for global expertise are often rewarded with great student evaluations and high course enrollment. Still, many business faculty aren't getting their passports stamped as often as they should, Kennedy argues. Although WDI has little difficulty finding professors willing to make short visits to schools in developing markets, longer visits are another story. "Quite a few people will go for a few weeks, if you have the right support structures in place. But there aren't many top-quality faculty who will go to a school in an emerging market for a full semester or year," he says.

Not all business faculty need to travel, but every business school needs a few "road warriors who can bridge the gap between theory and practice," Kennedy says. "Many faculty have published articles with 'international' in the abstract, but not nearly enough spend time abroad. More faculty need to get off campus, get on a plane, and experience business in foreign markets."

**5. Emphasize faculty development.** Business schools must make the investment—in terms of money, time, and faculty—to address global issues in a comprehensive way, Kennedy argues. Doing so takes more than "simply hiring faculty with international passports," he says. "International research is tough and expensive. To stay ahead, schools have to make these investments and create internal organizational incentives that reward this type of work."

months to become immersed in a geographical location and appreciate how the culture, politics, and history of a region affect business there," says Gail Naughton, dean of SDSU's College of Business. Those conversations inspired the 12-week duration of students' visits in each country.

The Omnium Global Executive MBA also sends its students to multiple destinations. Students in the program attend four three-week residencies in South America, China, Europe, and North America, respectively. In addition to the program's two founding schools, the University of St. Gallen in Switzerland and the University of Toronto's Rotman School of Management in Canada, OMNIUM has several partner schools, including Business School São Paulo in Brazil; Torcuato Di Tella University in Buenos Aires, Argentina; Fudan University in Shanghai, China; and the City University of Hong Kong.

In their three-week residencies, students see regional economies, in both established and emerging markets, through the eyes of local citizens and business owners, says Wolfgang Jenewein, the director of EMBA studies at the

University of St. Gallen. The goal is to give them a larger perspective than a single-destination study tour can provide. "The challenge is to cover the whole world," he says.

### A Push for Multilingualism

For efficiency's sake, the world has chosen English as the standard language of business. While that fact is in no danger of changing, businesses that hire employees who understand a country's native tongue may have a competitive global advantage.

A recent study, commissioned by the European Commission and conducted by the U.K. National Centre for Languages, indicated 11 percent of the 2,000 companies surveyed reported losing a contract because of language barriers. These companies estimated their average loss of revenue over three years at £325,000. Not surprisingly, 73 percent of the companies surveyed now actively recruit employees with language skills. Many companies anticipated an increase in their need for employees fluent in German, French, and Spanish. They also reported an increasing need for employees

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who could speak languages such as Mandarin, Arabic, and Russian.

In response to this call, some business schools have begun to add language study to their curricula. Moreover, schools like Thunderbird have now made language study mandatory.

"Our students must learn a second language, if they don't already speak a second language. Some learn a third or fourth language," says Cabrera of Thunderbird. He adds that, like any communication skill, foreign language proficiency is becoming an increasingly "soft skill" that can put business students ahead in the global business game.

### **An Ethical Worldview**

Teaching ethics is difficult enough in a closed business system; in the global context, ethical complexities multiply. Business schools are now faced with the challenge of providing students a sense of direction through incredibly complex global ethical dilemmas. Different countries have different boundaries, and students will need to know the ethical score in a culture before they can work there effectively.

As an example, Thunderbird's Cabrera points to the use of child labor in some regions. In Western countries, child labor is not just wrong—it's illegal. But a Western company may find that it wants to operate in a country where the use of child labor is commonplace. Business leaders, Cabrera argues, must be as creative in coping with such practices as they would be in managing their strategy or supply chain.

"When people deal with ethical issues on an international scale, they often fall back on the idea of 'cultural relativism.' That is, they say, 'Well, things are different in this country. We can't impose our own values,'" Cabrera says. "But we can take that to the extreme. Is it right to use child labor or take bribes or engage in corruption, just because it's permitted in that part of the world? The idea of cultural relativism can be extremely harmful."

However, the world is beginning to develop a shared sense of fair trade. For example, China, a country often perceived as fertile ground for corruption, is working to eliminate corrupt practices such as bribery and favoritism, says Jianmao Wang of the Chinese European International Business School (CEIBS) in Shanghai. He refers to the

ousting last year of Chen Liangyu, secretary of the Shanghai Municipal Committee of the Communist Party, for his part in a social security fund scandal. That's an event that indicates an ethical shift, says Wang.

Wang sees globalization pushing nations toward universally accepted ethical practices, driven not only by honor but also self-interest. Executives in China are realizing that corrupt business practices ruin their brands and cost them in the long run, says Wang. "In the past, many multinational companies were eager to achieve quick success and quick profits, even if their actions hurt their reputations or brands.

There is a saying in China: 'It does not matter if a cat is black or white. As long as it catches mice, it's a good cat!'" says Wang. "That's not the case anymore. I predict that companies will clean up their business practices and protect their brands. I teach students that the black cat is dead. Only the white cat will survive in China."

Business schools also have an ethical responsibility to respond to global issues and lead by example, says Jorge Talavera, rector of the School of Business at Universidad San Ignacio de Loyola in Lima, Peru, and president of the Latin American Council of Management Schools (CLADEA). "Business schools must discuss issues such as poverty, hunger, injustice, and inequality, not only in Latin America but around the world. We have to call attention to

sustainable development and global warming," says Talavera. "Our institutions have a great responsibility to create conscience about these issues. We have an obligation to search for solutions."

### **Emerging Markets in Transition**

The continuing rise of emerging economies may be one of the most significant forces shaping business—and business education—over the coming years. Just like Kigali's SFB, other business schools in Africa, Latin America, and the Middle East are building strong local and regional reputations.

The transition of these schools from local to global institutions won't happen overnight, but it could happen more quickly than once may have been expected, says Talavera. Technological advances in communication, transportation,



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and data processing—and the reduction in costs for these technologies—have minimized the gap between schools of business in the developed world and those in developing countries. “The process of globalization has had a great impact on the evolution of these schools,” he says.

As emerging markets make the transition from closed, regulated economies to open, liberalized economies, a reliable source of good managers will be critical to their continued growth. For that reason, capacity building for schools in these regions will be paramount. “In certain emerging markets, there’s a real lack of senior leadership,” says O’Brien of TRIUM. “There’s a lot of technical expertise, but few people who have the vision to lead an organization in challenging times in a globalized world.”

The WDI, the World Bank, and other institutions are working with business schools in the developed world to build b-school capacity in countries such as the Ukraine, the Czech Republic, Uzbekistan, Kazakhstan, Algeria, and Rwanda. “Leading global schools want to tap into the exploding demand for global executive education and EMBA programs,” says Kennedy of WDI. “This is sometimes tough work, but I’ve found that there is high interest among a certain segment of accomplished faculty in expanding their roles and giving something back.”

## Teaching More than Business

For business schools, globalization is not just a concept or new world order. It’s an art and a science that’s becoming

increasingly tough to perfect. There’s a fine line between immersing business students in the global context and overwhelming them with it. In the end, Cabrera notes that he defines success by how well students translate what they learn in one region to the business realities of another.

“Our hope is not that our students graduate as experts on every region of the world,” says Cabera. “Our hope is that by sending students to Mexico to learn Spanish, we will help them develop a broader global mindset they can use when they land a job in Taiwan.”

Wang of CEIBS puts it another way. “As business schools, we pay so much attention to increasing graduates’ knowledge and improving their skill sets. But there is something else: wisdom,” he says. “Business schools will have to pay more attention to instilling wisdom.”

Imparting cultural sensitivity, broad global understanding, management skills, *and* the wisdom to know how to implement these tools effectively is no small task for business schools. Business schools will strive to achieve the right balance of foundational content and hands-on, in-country experience. They’ll continue to create comprehensive, immersive curricula that place students directly in the flow of global business.

At the same time, one thing is certain. Schools in all markets will continue to adapt to the next social, political, ethical, and economic transformations that globalization inspires. 