

GLOBALIZATION OF MANAGEMENT EDUCATION

CHANGING INTERNATIONAL
STRUCTURES, ADAPTIVE STRATEGIES,
AND THE IMPACT ON INSTITUTIONS

REPORT OF THE AACSB INTERNATIONAL
GLOBALIZATION OF MANAGEMENT EDUCATION TASK FORCE

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**Report of the AACSB International
Globalization of Management
Education Task Force**

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Contents

Foreword	xi
1. Introduction	1
1.1. Importance and Urgency of the Subject	3
1.2. What is “Globalization”? What Does It Mean to Be “Global”?	7
1.3. Globalization of Business and Business Schools	9
1.4. Overview of the Chapters and a Summary of Some Key Findings	21
2. The Global Nature of Management Education	31
2.1. Early Phase Globalization: The Global Emergence and Diffusion of Management Education Models and Practices	32
2.2. Management Education Today: Characterizing the Global Nature of Students	37
2.3. Management Education Today: Characterizing the Global Nature of Providers	51
2.4. What Today’s Landscape Means for Globalization of Management Education	77
3. The Fault Lines of Management Education Globalization	79
3.1. The Promise of Globalization	79
3.2. The Fault Lines of Globalization	82
3.3. Implications	102
4. Responses to Forces of Change: A Focus on Curricular Content	105
4.1. The Curricular Imperative	106
4.2. Barriers to Globalizing Curricula	111
4.3. Globalizing Curricular Content	115
4.4. Structuring Global Content: Insertion, Infusion, and Interlock	125
4.5. Structuring Global Experiences: Immersion and Interlock	139
4.6. Assessment of Learning Outcomes	150
4.7. Summary	155

x Contents

5. Responses to Forces of Change: A Focus on Structures and Processes	157
5.1. Augmenting Capabilities through Strategic Partnerships	158
5.2. Collaborative Degree Program Models	170
5.3. Establishing a Presence Abroad	175
5.4. Faculty Strategies	180
5.5. Pulling It All Together/Building a Strategy	193
6. Summary and Implications	201
6.1. Globalization of Management Education: Benefits to Global Society	202
6.2. Performance	205
6.3. Challenges to the Globalization of Management Education	211
6.4. Implications for Management Educators	216
6.5. Role of Industry-Wide Initiatives	223
6.6. Our Appeal to Governments and Policy Makers	230
6.7. Recommendations for Additional Research	231
6.8. Concluding Remarks	233
Appendix: Case Studies of Business School Globalization Strategies	235
China Europe International Business School	236
Duke University, The Fuqua School of Business	245
ESSEC Business School Paris-Singapore	256
Fundação Getulio Vargas-São Paulo, Escola de Administração de Empresas de São Paulo (FGV-EAESP)	266
Hong Kong University of Science and Technology (HKUST), School of Business and Management	275
Stanford University, Graduate School of Business	283
The University of Chicago, Booth School of Business	292
University of Minnesota, Carlson School of Management	299
University of South Carolina, Moore School of Business	308
Bibliography of Works Cited	319
AACSB International Board of Directors	337
AACSB International Committee on Issues in Management Education	338
About AACSB International	339
About Emerald Group Publishing	341

Chapter 4

Responses to Forces of Change: A Focus on Curricular Content

Pankaj Ghemawat

This chapter focuses on the content of what business schools teach their students about globalization. Content might seem to be *the* obvious response to the question of how business schools should deal with globalization: in an academic context, there is a natural attraction to the idea that if we want students to learn about something, we should teach or discuss it in the classroom. This is the reason Gordon and Howell, in their influential 1959 study of business education, devoted more than 40 percent of their report to detailed treatment of curricular issues, or more than one-half if one includes a prefatory chapter that conflates business schools' educational programs with their curricula. But in the context of globalization, curricular content has failed to command much attention—a state of affairs that cannot be allowed to continue. Or so this chapter argues.

This report, which is written for a diverse set of business schools, could not possibly prescribe exactly what should be taught and how that should be accomplished in each setting. The approaches that schools take to globalize their curricula will vary substantially across schools and also within schools across educational levels (undergraduate, master's, executive master's, doctoral) and programs.

Yet, the Task Force does aim to stress several points that all schools should take into consideration.

First, curricular efforts should be the primary area of emphasis for business schools that seek to globalize. If business schools are serious about ensuring that their graduates have the global awareness and competencies to succeed in a global business environment, the necessary place for each school to start is by paying attention to the curriculum. Other strategies that are discussed in Chapter 5 may supplement, and in fact may provide avenues for, curriculum development, but they are not, by themselves, sufficient for developing the global competencies so critical to management education today.

Second, successful globalization of students' learning experiences requires a comprehensive approach that involves attention to *both* individual courses

and the overall program design. The global nature of today's business environment demands that international content be consciously included within the core curriculum of all business programs—and that it not be solely an optional elective or supplemental course, or a component of only those programs with a specifically “global” focus. The business environment further demands that such content be aligned with program objectives and learning goals in a way that truly complements the array of knowledge and skills that are imparted through the program.

In this chapter, we focus on the incorporation of global perspectives within the core curriculum as well as supplemental training and experiential learning. We draw upon existing research, a new survey of academic thought leaders, and several examples that involve the case-study schools (see Appendix) as well as other business schools in order to inform the discussion. In doing so, we aim to spark reflection and dialogue among faculty members, program directors, and business school administrators regarding the approaches most appropriate for various programs given their size, objectives, student profile, delivery format, resources, and other characteristics.

4.1. The Curricular Imperative

In their 1988 survey of the state of management education, Porter and McKibbin note that, with regard to globalization of management, “a beginning has been made, but much more remains to be done.”¹ They conjectured that part of the lack of drive toward globalization in business schools might have stemmed from the fact that corporate America was not pressuring business schools to teach international business. At the same time, they felt that this was an area where business schools could have, and should have, led the business community.

Since then, significant progress has been made by many business schools. Indeed, individual schools and faculty members around the world have championed innovative curricular globalization initiatives at the course and program levels over the past several decades. In the U.S., the Centers for International Business Education and Research (CIBERs) hosted at more than 30 business schools have provided leadership in curriculum development, faculty training, and outreach to the business community and to other schools. Numerous models for globalizing business curricula have been proposed by scholars, and various versions of those models have been

¹Porter, Lyman W., Lawrence E. McKibbin, and the American Assembly of Collegiate Schools of Business, *Management Education and Development: Drift or Thrust into the 21st Century?* McGraw-Hill Book Company, New York, 1988.

adopted and implemented by schools around the world; these are discussed in more depth in [Section 4.3](#).

Schools' self-reports also seem to provide evidence of a fair amount of curricular changes that relate to globalization. Thus, the 2009 Curricular Innovation Study by the MBA Roundtable found that 69 percent of the 232 respondent programs reported that they had made a significant revision to their MBA curriculum within the previous four years. And 47 percent of all programs reported that they had provided more emphasis on global perspectives, which came in just behind that hardy perennial of leadership development offerings (49 percent).²

For AACSB-accredited business schools, attention to globalization of curricula aligns with new expectations within the AACSB accreditation standards. In 2009, the AACSB International Accreditation Quality Committee, which was charged with recommending changes in accreditation standards, provided additional guidelines for schools seeking to document their satisfaction of the AACSB accreditation standard concerning management of curricula. The new guidance stated that schools were expected to "show how the curriculum across the dimensions outlined in the standard demonstrates a global perspective."³ The Accreditation Council (comprised of all schools that held AACSB accreditation) also voted that year to include "dynamics of the global economy" among the general knowledge and skill areas that were expected to be covered in an undergraduate business program, and to require that master's-level students have the capacity to understand management issues from a global perspective (or, in the case of specialized master's degree students, to understand the specified discipline from a global perspective). Each of these revisions reflected a broad acknowledgement by the members of the Accreditation Council that students should be able to apply their business knowledge and skills in a global context.

Yet more than 20 years after Porter and McKibbin's observation, the Task Force's perspective today is that business schools around the world still strive to figure out how to add appropriate globalization-related content to their curricula, with no clear agreement on how to proceed.⁴ Often such

²MBA Roundtable, *Insights into Curricular Innovation*, electronic document, http://mbaroundtable.org/members_events.html, accessed March 17, 2010.

³AACSB International, *Eligibility Procedures and Accreditation Standards for Business Accreditation*, revised January 31, 2010, p. 71.

⁴For example, in their book *Rethinking the MBA*, Datar, Garvin, and Cullen note a great deal of heterogeneity in the strategies employed to globalize the MBA programs at the business schools they studied. The same is true of the schools that serve as the focus of the case studies in this report (see Appendix) and of many others reviewed during the course of researching this topic.

efforts have been fragmented or at best ad hoc. In other cases, schools have incorporated a substantial level of global content into their programs, but with insufficient attention to ensuring that the *right* content is incorporated rather than what happens to be most readily accessible. They also may overestimate how global their curricula are because of a tendency to conflate locality with topicality.

Furthermore, this Task Force believes that today's environment presents an imperative for business schools to improve. Even those schools that are currently leading the way still have numerous opportunities to make globalization of their curricula *more deliberate, less fragmented, and better aligned* with the intended student population and program objectives. For all schools, improvements in curriculum globalization need to be material and meaningful. Relabeling a course, e.g. renaming a "strategic management" course as one on "global strategic management," without many other changes hardly rises to this level. When globalization-related material is included at the end of the course, it is more likely to be compressed or cut if "core" material takes longer to cover than anticipated, and it might raise questions for students about the topic's perceived importance. And while elective courses can be valuable supplements, they also may present the problem of a "globalization ghetto": anecdotal evidence exists that international students are more likely than domestic students to enroll in courses with an explicitly international or global focus.

The imperative for more focused globalization of business schools' core curricula comes from many sources within the business community that business schools are positioned to serve, and is driven most strongly by the need to produce graduates with the knowledge and skills necessary for conducting business in a global environment. Datar, Garvin, and Cullen cite "a global perspective"⁵ as first among a list of unmet needs that were identified through interviews with employers and business school deans. The interviewees in their study noted that meeting the need would require more than just providing students with "abstract, theoretical knowledge about the world's many different economic and political systems." Instead, they argued that students need to be able to have an operational understanding of different contexts that would enable effective decision-making and action.

Some of the unmet needs appear to be related to simple updating of curricular content to address evolutions in business practice that relate to globalization. For example, a recent survey by the American Accounting Association and KPMG, LLP, of 535 undergraduate accounting professors at

⁵Datar, Srikant M., David A. Garvin, and Patrick G. Cullen, *Rethinking the MBA: Business Education at a Crossroads*, Harvard Business School Press, Cambridge, MA, 2010.

U.S. schools found that 62 percent indicated that they had not taken any significant steps to integrate International Financial Reporting Standards (IFRS) into the undergraduate accounting curriculum. The gap is even larger when one considers that only 22 percent of professors reported that they could incorporate global financial reporting standards into the 2008-09 coursework in any meaningful way. And where business schools fall short, business is stepping in to fill the gap: the Big Four accounting firms all have launched IFRS curricular initiatives in recent years, and Pricewaterhouse Coopers has even gone so far as to specify IFRS-awareness levels for new recruits.⁶

This level of specificity from the business community about needed skills is rare; in most cases, business schools are tasked with assessing more general evidence of the business world's needs and interpreting the implications for their educational programs. For example, as noted in Chapter 2, many companies admit that they do not fully exploit their international business opportunities, and they cite that a key reason is insufficient personnel with international skills. The outcomes range from missed opportunities to failures in anticipating customer needs or in recognizing the distinctive policies that apply to foreign-owned corporations. The challenge for business schools is that to bridge the "knowing-doing gap" often means that they must address needs that, like the "global perspective" identified above, tend to be abstract and void of concrete, actionable dimensions for response. We explore some suggestions for how schools might respond later in this chapter.

In addition to relevant knowledge and skills, a second dimension of this curricular imperative concerns students' attitudes and values—or the cultivation of a "global mindset." As was argued in Chapter 3, globalization offers numerous benefits for the world at large, but can meet with antagonistic responses at a local level. Surveys⁷ suggest that, while the opinions of individuals within business schools and leaders within the business community tend to converge around support for globalization, the general

⁶Jones, Christopher G., Rishma Vedd, and Sung Wook Yoon, "Employer Expectations of Accounting Undergraduates' Entry-Level Knowledge and Skills in Global Financial Reporting," *Journal of Business Education*, Vol. 2, No. 8 (2009), pp. 85–102.

⁷This statement is based on Ghemawat's surveys of groups of deans, business executives, and business students as to whether the effects of globalization have been basically good, bad, or mixed. Less than 1 percent of each of the three groups characterized globalization as basically bad or mixed. Business undergraduate and graduate students tend to feel a bit less gung-ho about globalization than business school deans, but they remain significantly more so than the general population (overwhelming majorities of students end up believing that globalization is basically good). Other student surveys have reported similar findings. See, for example, Peng, Mike W., and Hyung-Deok Shin, "How Do Future Business Leaders View Globalization?," *Thunderbird International Business Review*, Vol. 50, No. 3 (May/June 2008), pp. 175–82.

population tends to be significantly more skeptical about globalization. Such skepticism has clearly swelled in recent years as economic downturns and high unemployment have fanned the flames of protectionism.

Business school deans and faculty need to ask themselves whether they are adequately equipping their students to preserve the power of their convictions—let alone proselytize for further opening up—in a world that generally is much more hostile to globalization, particularly in developed economies. To avoid spending time in the curriculum on anti-globalization ideas that most business school professors believe are nonsense frees up time for other, more “constructive” pursuits, but it also leaves business school graduates ill-equipped for real-world interactions that they are likely to encounter. This, too, is a globalization-related curricular gap, albeit one of a more specific kind than the sort discussed previously. This gap further reinforces the broader sense that the curriculum deserves urgent attention.

4.1.1. The Social Multiplier Effect of Curricular Change

Several important points are worth noting that reinforce the need for globalization of the curriculum to be a greater priority. First, for schools with relatively limited resources, the curriculum may be even more critical to the achievement of the globalization-related objectives they set for themselves since they may be unable to employ other levers relied on by schools with more resources. Course syllabi, pedagogical tools, textbooks, and other curricular aids can more easily be shared and replicated—in full or in part, and in original or modified form—than strategies for branch campuses, collaborative cross-border partnerships, international student recruitment, etc. As long as such resources are carefully selected for their relevance to learning goals and the student population, an expansion in the volume and breadth of available course materials can have an impact that is much more far-reaching than in the classroom or school in which they were initially developed.

The same point applies *a fortiori* to business schools (and education) in emerging countries, which already represent 64 percent of today’s universe of business schools and which are likely to account for most if not all of the growth in demand over the next several decades. Cross-border program delivery, branch campuses, and franchise programs can go a long way toward helping to build management education capacity in underserved regions of the world. However, we are concerned that content adaptations are insufficient and not specifically relevant to their student populations and business communities. For example, one study of the success of an “exported” U.S. curriculum to Chinese students, through a joint-degree program staffed in both locations by faculty members from the U.S. partner school, has shown that the Chinese students tended to be less satisfied than

their U.S. student counterparts, and they tended to perceive program emphases differently.⁸

Finally, we come back to the earlier point that business schools tend to be much more pro-globalization than society at large. To equip students to operate in such a world requires getting them to think through and ideally be able to be persuasive about the costs and benefits of globalization.⁹ Schools that dedicate explicit attention to this goal in the curriculum ultimately will help their students to be knowledgeable advocates within their companies and within other networks—of friends, family, and community members—where they will have influence.

Taken together, these three points suggest that developing and deploying better globalization-related content would, in addition to benefiting the schools that play a leading role in such development, have a large social multiplier. In other words, curricular tools developed for one school or program also are likely to be useful in another. Furthermore, the impact of curricular initiatives is likely to extend beyond the students in the classroom through their interactions with the surrounding community.

4.2. Barriers to Globalizing Curricula

If globalization of the curricula is so important, why have curricular changes been slow to achieve a meaningful level? The most obvious set of explanations focus on *motivational and structural barriers* that create *action disconnects*, that is, they prevent what needs to be done from getting done. But we also should look at *cognitive barriers* that create *knowledge disconnects*, or a failure to translate what we already know about globalization into actionable curricular specifications. In addition to being discernible in the present context, cognitive barriers can be addressed without the sort of political rebalancing that dealing with motivational and structural barriers often requires; moreover, addressing cognitive barriers can help break down other barriers to change as well.

4.2.1. Motivational Barriers

In regard to the motivations among business school leadership, based on various surveys of deans, schools' websites, etc., the lack of interest in

⁸Van Auken, Stuart, Ludmilla G. Wells, and Daniel Borgia, "A Comparison of Western Business Instruction in China With U.S. Instruction: A Case Study of Perceived Program Emphases and Satisfaction Levels," *Journal of Teaching in International Business*, Vol. 20, No. 3 (2009), pp. 208–29.

⁹For a comprehensive discussion, see Ghemawat, Pankaj, *World 3.0: Global Prosperity and How to Achieve It*, Harvard Business School Press, Cambridge, MA, 2011.

globalization among business school deans discerned by Porter and McKibbin in 1988 seems no longer to be a fair characterization more than 20 years later. The emphasis on globalization does in fact seem significant. And while motivations for globalization include corporate pressures and signaling considerations, most deans *would* seem favorably disposed, *a priori*, to proposals to enrich the globalization-related content of curricula.

Motivational problems seem more plausible in regard to (some) faculty and the way that they are organized. Thus, the deans of at least some well-regarded schools acknowledge that their globalization efforts to date often have worked better for students than for faculty—typically in the sense that the efforts seem not to have passed the cost-benefit tests of personal involvement on the part of enough of their faculty.¹⁰ Since faculty must develop and deliver educational content, this situation does not bode well for the globalization of content.

What might account for indifference, if not resistance, among faculty in this regard? The lack of drive, in part, may reflect research preferences: faculty members typically prefer to teach what they research, rather than the other way around, and there are some structural impediments to getting more of them to internationalize their research. One such hindrance—the tendency of most researchers to, other things being equal, look for insights that are universal rather than clearly local or national—is particularly pertinent, given the recommendation (developed later in this chapter) that additional globalization-related content in the curriculum focus on the differences between countries. A further related concern is whether anything distinctively stimulating or new exists about the international dimension—this will be discussed further in [Section 4.3](#). And finally, faculty values such as status and collegiality may be obstacles, particularly to the physical expansion of schools' footprints, which raises issues around the dilution of status as a result of the implied expansion of faculty size and the creation of a split faculty, not to mention the wear-and-tear implied by the likelihood of increased travel.

4.2.2. Structural Barriers

Such motivational problems at the individual level are compounded by the way business schools are organized. Thus, according to a survey reported on by Kwok and Arpan,¹¹ only 6 percent of the business schools that responded had international business (IB) departments: “IB specialists were

¹⁰One example is provided by remarks by Ted Snyder in the course of his keynote address at the 2009 AACSB Deans' Conference in San Francisco on February 5, 2009.

¹¹Kwok, Chuck C.Y., and Jeffrey S. Arpan, “Internationalizing the Business School: A Global Survey in 2000,” *Journal of International Business Studies*, Vol. 33, No. 3 (2002), p. 572.

mostly located in functional fields with no international title (54 percent) and in functional fields with the title of IB specialist (33 percent).” As John Daniels once observed, “In retrospect, it seems inevitable that once IB was in a functional department, it would be viewed as a branch or subset of that function rather than as a separate discipline.”¹² And of course, it is at the inter-departmental level that zero-sum competition for class sessions, particularly in the first-year core (which is often critical to departmental status), comes to the fore.

In addition to the impact of these relatively recent changes—apparently, a wave of dissolution of IB departments occurred in the 1990s—the longer-run conditioning effect of business schools’ heritage also factors in. Business schools, particularly in the U.S., were late to look across national borders: more than 100 years after the first collegiate school of business was founded in the United States (Wharton, in 1881), Porter and McKibbin could still conclude that little interest or enthusiasm for globalization efforts existed among business school deans.¹³ The routines that such institutions have developed over the decades are significant obstacles to change; so, probably, is hubris. Particularly in the U.S., there is (or was) a sense of being at the cutting edge of management and management education that reinforces a domestic focus: as the former dean of a top U.S. school put it, “Why does the world come to our door? Part of the answer lies in the fact that ... since this school’s founding, the American economy has been a remarkable engine of growth.”¹⁴

Motivational and structural barriers to the globalization of business curricula and, more generally, management education, clearly require attention. The next chapter discusses some mechanisms for dealing with them. But such barriers do not seem—on the basis of evidence already cited, plus considerations discussed next—to be a complete explanation for the lack of progress observed. Cognitive barriers seem to be significant impediments as well.

4.2.3. Cognitive Barriers

Cognitive barriers relate to knowledge disconnects rather than action disconnects, or what might be called a knowledge gap—a gap in plugging

¹²Daniels, John D., “Specialization to infusion: IB studies in the 1990s,” in Alan M. Rugman (ed.), *Leadership in international business education and research*, Elsevier Ltd, Oxford, 2003.

¹³Porter, Lyman W., Lawrence E. McKibbin, and the American Assembly of Collegiate Schools of Business, *Management Education and Development: Drift or Thrust into the 21st Century?* McGraw-Hill Book Company, New York, 1988.

¹⁴Khanna, Tarun, Rakesh Khurana, and David Lane, “The Globalization of HBS,” HBS Case 9-703-432, p. 13.

existing knowledge about globalization into actionable specifications of what to teach students—rather than the more familiar knowing-doing gap. Two related knowledge disconnects must be considered: business schools may not fully register the extent of international differences, and, even if they do, they may have trouble devising adequately creative responses to deal with them.

Evidence of business sector biases toward overestimating various measures of cross-border integration, such as international flows of information, people, capital, and products as fractions of the (international plus intra-national) total, is readily available.¹⁵ Surveys of MBA students have shown that they too seem prone to overestimate levels of cross-border integration and to agree with strategic propositions that make sense only in a (close to) borderless world. Even business school administrators seem to easily adopt this bias. As the dean of a well-regarded (European) business school described, his institution is focused on “[t]raining the next generation of transcultural leaders who can step off a plane straight into effective management anywhere in the world.” This objective is probably, according to various scholars of cross-cultural management, unrealistic no matter how clever the means deployed to achieve it are.

Under-adaptation to international differences is most obviously a problem for schools that have expanded their scope internationally—most frequently through diversity or partnerships—but also for schools that have stayed at home, given the general increases in most measures of the globalization of markets and firms in recent decades. Under-adaptation also applies—at the level of ideas rather than instructional materials—to numerous schools that recognize and try to react to differences but have responded like one senior strategy professor who had recently become involved in his school’s programs in emerging markets: “Here are the ideas what we want to teach; now let us find local cases, examples and accents.”

Perhaps more interestingly, there are schools that run campuses in more than one country or have developed a global technology platform—that is, they are highly globalized in structural terms—that nevertheless standardize their curricula across delivery locations. This strategy of “universalization,” which focuses attention on phenomena that are invariant across space, makes sense in inverse proportion to one’s assessed significance of cross-country differences. Such an approach is usually accomplished by propagating curricula that are developed domestically across national borders rather than on the basis of a thorough redesign rooted in the

¹⁵See, for instance, Ghemawat, Pankaj, *Redefining Global Strategy: Crossing Borders in a World Where Differences Still Matter*, Harvard Business School Press, Cambridge, MA, 2007; and Ghemawat, Pankaj, “The globalization of business education: through the lens of semiglobalization,” *Journal of Management Development*, Vol. 27, No. 4 (2008), pp. 391–414.

identification of globally invariant common factors—with the implicit rationalization that, if international differences are small, these two approaches should converge on the same outcomes. But if differences are large, this is a recipe for stretching domestic content past its point of applicability, hence, under-adaptation.

Such under-adaptation likely has some motivational and structural roots of the sort that have already been discussed. But there seems to be a cognitive component as well, in the sense of a failure of imagination constraining action—a failure made more plausible by the novelty of the globalization challenge for long-established business schools, poor priming on international differences, the possibility that schools may have been pushed to globalize by employers or pulled into it by the allure of large student pools without being prepared and so are still operating in catch-up mode, and the observed divergence in (and dissatisfaction with) how top schools' curricula handle globalization. Such cognitive barriers should be dealt with differently than motivational and structural barriers by articulating a specific vision of what might be done. If the vision is persuasive, it can help with motivational/structural barriers as well.

This last point is worth emphasizing because many business-school professors who do not work on globalization-related issues profess willingness to make room for them in the curriculum as long as they are convinced of the existence of some distinctive content around such issues. This requirement is not unreasonable: without such distinctiveness, wasteful duplication of efforts would occur. This chapter goes on to discuss *what* globalization-related content will help meet this requirement and *how* it might be introduced into the curriculum.

4.3. Globalizing Curricular Content

Questions within business schools about the level of international content to include in a given degree program and how to include it are hardly new.¹⁶ We see through the emergence of the world's early business schools that

¹⁶This chapter focuses primarily on curricula for undergraduate and master's level programs. Doctoral programs are very different from other kinds of educational programs in terms of their relationship to research and to faculty development and so would require a separate, very different treatment, stretching the scope of this chapter to a breaking point if included. Discussions on how, if at all, to globalize research and knowledge development are available elsewhere, and, in any case, the research agenda is typically driven by the "invisible colleges" of top researchers in specific disciplines or functional areas in ways that a report such as this one probably has little hope of influencing. For some insights into what the Task Force believes doctoral education might include, consider the discussion in Chapter 5 regarding faculty resources.

Table 4.1: Suggested Approaches to Teaching Global Perspectives.

Source ¹⁷	Summary
Pyramid Model— Toyne (1992)	Levels: global awareness, understanding, competency
Gregersen, Morrison, and Black (1998)	Categories: inquisitiveness, personal character, duality, savvy
A Field Guide to Inter-nationalizing Business Education— Scherer et al. (2000) *	Categories: international business skills, fluency in a second modern language, understanding of another culture
Edwards et al. (2003) *	Levels: international awareness, international competence, international expertise
Thunderbird Global Mindset [®] Inventory— Javidan (2010)	Categories: intellectual capital, psychological capital, social capital
Datar, Garvin, and Cullen (2010)	Categories: knowing, doing, being

*Undergraduate focus.

international trade (and specifically the need for related knowledge and skills) was a driver for the development of many early business programs. Today, the effects of globalization are even more pervasive, strengthening the imperative for *all* business schools to identify effective means of preparing students for the business environment in which they will play a role.

Many attempts have been made to answer the question about what should be taught in business schools with regard to globalization. A few of the more prominent proposals are summarized in [Table 4.1](#).

Each of these summaries suggests a multidimensional approach to teaching global perspectives, though the actual dimensions presented differ

¹⁷[Toyne, Brian](#), “Internationalizing Business Education,” *Business and Economics Review*, Jan.-Mar. (1992) pp. 23–27; [Gregersen, H.B., A.J. Morrison, and J.S. Black](#), *Global Explorers: The Next Generation of Leaders*, Routledge, New York, 1999; [Scherer, R., S. Beaton, M. Ainina, and J. Meyer \(eds.\)](#), *A Field Guide to Internationalizing Business Education: Changing Perspectives and Growing Opportunities*, Center for International Business Education and Research, Austin, TX, 2000; [Edwards, R., G. Crosling, S. Petrovic-Lazarovic, and P. O’Neill](#), “Internationalisation of Business Education: Meaning and implementation,” *Higher Education Research and Development*, Vol. 22, No. 2 (2003), pp. 183-92; [Javidan, M.](#), “Global Mindset: Why is it important for Global Leaders?” 2010, electronic document, <http://www.tobiascenter.iu.edu/conferences/documents/GlobalMindset-presentation3609.ppt>, accessed on June 6, 2010; [Datar, Srikant M., David A. Garvin, and Patrick G. Cullen](#), *Rethinking the MBA: Business Education at a Crossroads*, Harvard Business School Press, Cambridge, MA, 2010.

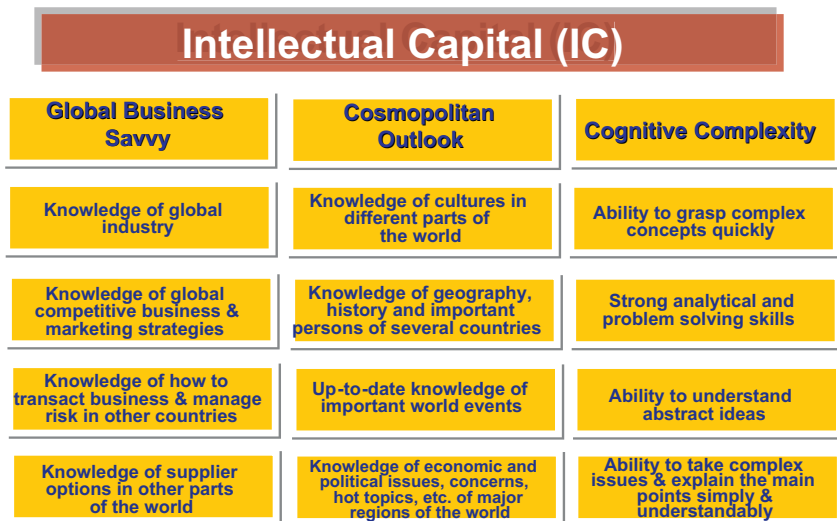


Figure 4.1: Intellectual Capital in the Thunderbird Global Mindset[®] Inventory.

Source: Javidan (2010).

and in some cases might be better referred to as levels. More important, perhaps, is that the summaries also suggest—and more detailed readings of the original source materials confirm—that specificity about what to teach in the classroom about globalization tends to be in short supply.

The one apparent exception to the rule is Thunderbird’s impressively detailed Global Mindset[®] Inventory, which highlights intellectual capital as one of its three key categories (the other two are psychological capital and social capital) and unbundles it into three components—global business savvy, cosmopolitan outlook, and cognitive complexity—and into 12 subcomponents (see Figure 4.1). This approach appears to lack specificity in another sense, however: the subcomponents listed under global business savvy and cosmopolitan outlook, in particular, basically add up to general knowledge about the world at large. Given the lively debate about whether people can develop, for example, usefully detailed knowledge of cultures in different parts of the world¹⁸—just one of the 12 subcomponents—the presumption of seeking mastery of *all* 12 subcomponents is of little help in developing curricular priorities.

¹⁸See, for example, Earley and Mosakowski’s skepticism about the strategy—or actually, brute force approach—of simply learning enough details about the cultures of enough places: Earley, P.C., and E. Mosakowski, “Cultural intelligence,” *Harvard Business Review*, Oct. (2004), pp. 139–46.

Similarly, the general approach of each of the models mentioned above presents limitations when actually determining how to incorporate the various components (however named or defined) into an existing curriculum. While useful as overarching objectives across an educational program, these models provide little guidance as to how the components might be relevant to courses or course sections that are devoted to particular functional areas, or to how faculty with expertise in various functional areas might be well-positioned to contribute. This lack of implementation specificity contributes to one of the biggest obstacles in implementing a strategy to globalize curricula: the belief by individual faculty members that “some other course” is the best home for these concepts.

In an effort to further the understanding of what business schools should teach their students to prepare them for a globalizing business world, the Task Force collaborated with Pankaj Ghemawat and Bernard Yeung to survey academic thought leaders about the globalization-related content that schools *should* put into their educational programs. In order to encourage more specificity, participants were asked to respond in the context of MBA programs, but we believe that many of the findings can, with some adaptation, also be applied to undergraduate education and other types of master’s level education.

Survey participants were individuals who represented a cross-section of business fields and who might be considered thought leaders in their respective fields of focus. Though some variation existed in the number of respondents from different fields, each field generally yielded individually respectable levels of respondents. Furthermore, while geographic representation was skewed slightly toward the U.S., significant representation was obtained from participants in Europe and Asia/Oceania as well. In any case, sample selection was driven by the desire to come up with a distinguished roster rather than to meet preset geographic or field quotas.

With regard to curricular content, survey participants were asked the following question: “What international elements of [your field] do you believe are important for functional/general managers with expertise in the international dimension of business to master? (The expectation is that graduates’ knowledge in the areas you identify should exceed simple awareness and be sufficient to support application of the concepts in a global context.)”¹⁹ Each participant’s question was tailored to his/her

¹⁹Actually, two variants of this question were asked in hopes of flushing out differences in recommendations for MBAs with and without specialization in a given field. The results from this exercise were not particularly conclusive, although in several instances respondents seemed to suggest that the depth of understanding of a particular topic might differ optimally between the two types of programs.

primary field of expertise (e.g., accounting, finance, etc.). In an open-ended format, most participants identified multiple topics in their responses to each question. These topics were separated so that, for analytical purposes, each topic within a given response appeared as a unique response (i.e., the result was a one-to-many relationship between the participant and the topics deemed relevant for each question.)

An analysis of identified topics revealed the presence of numerous similar themes across responses and fields. Specifically, many of the responses referred to various dimensions and effects of cross-country differences that figure distinctively in the international context. Six categories of environmental/contextual differences emerged naturally from the data, relating to many of the individual topics that were cited: cultural, legal/regulatory, political, economic, financial, and a miscellaneous “other” category.²⁰ This, in turn, led to the creation of a matrix that arrayed these six categories of cross-country environmental differences against ten business fields. For each field or row, topics that correspond to each environmental/contextual category or column (if any) were inserted into the relevant matrix cell as a summary of the managerial (education) implications of the broad aspects of a country’s context (e.g. its political environment) across the various fields.²¹ The results from this process are summarized in [Table 4.2](#) below.

Undoubtedly, if various faculty groups were to engage in an exercise in which they sought to fill in cells on a blank version of [Table 4.2](#), the contents of the resulting matrix from each group would differ to some degree. Further, the contents likely would be broadened, particularly in fields such as economics and operations for which there were fewer respondents to our survey. As is mentioned in the footnote to the table, the cell contents reflect responses to an open-ended survey question, and are not necessarily exhaustive. Blank cells should not be interpreted to indicate the absence of any relevant content, nor should the list in any given cell be considered indicative of *the* set or the *full* set of relevant content.

Yet, several cross-cutting insights do emerge from the matrix. The first is the breadth and the depth of the sense that an understanding of cultural, legal/regulatory, political, economic, etc. differences across countries and their implications should be a key component—perhaps the central one—of what we teach our students about globalization. In addition, if one combines Human Resources and Organizational Behavior, each of the fields

²⁰An AACSB staff member based the grouping decisions on the utilization of similar terms and on her knowledge of the topics identified.

²¹Of course, presentation in terms of differences does run the risk of underemphasizing the extent to which the respondents had firms’ responses to such differences in mind as well as the differences themselves.

Table 4.2: Relevance of Country-Specific Environmental Conditions to Understanding/Applying Various Business Disciplines in a Global Context^{*}.

	Cultural Environment	Legal/Regulatory Environment	Political Environment
Accounting		<ul style="list-style-type: none"> ▪ National tax systems 	
Economics	<ul style="list-style-type: none"> ▪ Cultural and ideological conditions 	<ul style="list-style-type: none"> ▪ Impact of laws and policies on trade; ▪ Strategies by firms to “get around trade hindrances” 	<ul style="list-style-type: none"> ▪ Effects on trade, business systems
Finance		<ul style="list-style-type: none"> ▪ National tax systems (influence on subsidiary capital structure, dividend policies) 	<ul style="list-style-type: none"> ▪ Political risk management (as related to international investments)
Information Systems	<ul style="list-style-type: none"> ▪ Influence on management of information resources 	<ul style="list-style-type: none"> ▪ Influence on management of information resources ▪ Influence on availability of suppliers ▪ Regulations on open-source systems 	<ul style="list-style-type: none"> ▪ Influence on management of information resources
Marketing	<ul style="list-style-type: none"> ▪ Impact on: <ul style="list-style-type: none"> – Customer demand, preference, and behavior (including B2B and B2C) – Marketing strategy; – Reporting norms (metric variance across countries on international surveys) 	<ul style="list-style-type: none"> ▪ Impact on customer demand and preference) ▪ Reporting norms (e.g. on surveys, data collection) ▪ Impact on export marketing, gray/parallel marketing 	<ul style="list-style-type: none"> ▪ Impact on marketing function

Management	<ul style="list-style-type: none"> ■ Influence on management strategy ■ Influence on human resources ■ Gender division of labor 	<ul style="list-style-type: none"> ■ Governance of business activity 	<ul style="list-style-type: none"> ■ Political system
Management–Human Resources	<ul style="list-style-type: none"> ■ Influence on: <ul style="list-style-type: none"> – Work values – Motivation – Performance management – Compensation – Perceptions of equity – Succession planning – Management development 	<ul style="list-style-type: none"> ■ Employment regulations: Who can be employed and how ■ Motivation ■ Performance management ■ Compensation ■ Existence of labor management policies, unions 	
Management–Organizational Behavior	<ul style="list-style-type: none"> ■ Influence on: <ul style="list-style-type: none"> – Interactions (communication, negotiation) – Values, assumptions, perceptions – Leadership styles – Existence & acceptance of corruption 		
Management–Strategy	<ul style="list-style-type: none"> ■ Implications for human behavior; management, HR; strategy and competitive advantage 	<ul style="list-style-type: none"> ■ Implications for managing human capital 	<ul style="list-style-type: none"> ■ Implications for human behavior ■ Government-business relationships

(Continued)

Table 4.2: (Continued)

	Economic Environment	Financial Environment	Other Environment
Accounting		<ul style="list-style-type: none"> ■ Financial reporting standards & expectations ■ Approaches to evaluating financial performance ■ Currency valuation 	
Economics	<ul style="list-style-type: none"> ■ Economic conditions ■ Trade regimes 		
Finance		<ul style="list-style-type: none"> ■ Financial markets ■ Currency valuation ■ Interest rates ■ Foreign exchange risk 	
Information Systems	<ul style="list-style-type: none"> ■ Influence on management of information resources 		<ul style="list-style-type: none"> ■ Electronic markets
Marketing	<ul style="list-style-type: none"> ■ Impact on: <ul style="list-style-type: none"> – Marketing management decisions – Execution of marketing strategy – Customer demand & preference 		<ul style="list-style-type: none"> ■ Technological environment (effect on customer demand & preference)

Management	<ul style="list-style-type: none"> ■ Economic conditions 	<ul style="list-style-type: none"> ■ Foreign exchange rates 	<ul style="list-style-type: none"> ■ Impact of national business structure/systems on MNC strategy
Management– Human Resources	<ul style="list-style-type: none"> ■ Impact of economic development level on degree to which foreign HRM practices are welcome, appropriate or understood 		
Management–Organizational Behavior			
Management–Strategy	<ul style="list-style-type: none"> ■ Business/Economic context (planned vs. free market, socialist vs. capitalist) ■ Implications for human behavior ■ Implications for strategy and competitive advantage 	<ul style="list-style-type: none"> ■ Currency valuation 	<ul style="list-style-type: none"> ■ Role of government (including business ownership, relationships to business) ■ Structure of business environment, including public markets ■ Role of location-specific resources ■ Implications for strategy and competitive advantageImpact of national business structure/systems on MNC strategy

*The table reflects a categorization of responses to an open-ended survey question, and is not intended to be prescriptive or exhaustive. Blank cells should not be interpreted to indicate the absence of any relevant content, nor should the list in any given cell be considered indicative of *the* set or the *full* set of relevant content. Operations was also included as a surveyed discipline but is excluded from the table because of a low response rate.

surfaced more than one contextual dimension in a way that spans the differences emphasized, often to the exclusion of all else, by culturalists (cultural differences), institutionalists (legal/regulatory and political differences), economists (economic and financial differences), and others (e.g., geographers and geographic differences). This basic six-fold classification of differences, or some schema like it, therefore seems to be potentially of cross-functional use (compared, for example, to a one-to-one mapping between types of cross-country differences and different subject fields).

The recommendation of focusing on cultural, legal, political, and other differences between countries is narrower than the general knowledge required for intellectual mastery according to the inventory in Figure 4.1. This concept also permits a different approach to learning: instead of simply stressing recognition of differences from one country to the next, it calls attention to metrics—admittedly incomplete as well as overlapping—of *distance* or *degrees of difference* along various dimensions that can be used as a meta-cognitive frame for organizing observations about individual countries. In other words, the idea presented by this matrix is not to learn about the specific differences between particular countries; its intention instead is to develop a way of thinking about differences that can be applied to any pair (or group) of countries.

Second, an approach that focuses on differences between countries *can* fit with the traditional functional approach to courses currently utilized by many business schools. While some schools experiment with curricular models that blend two or more functional areas within the same course, many still isolate the various functions (e.g., marketing, management, finance, etc.) in separate courses and develop majors or concentrations that also fall along functional lines. The identification of function-specific dimensions of differences suggests that this approach can work with either model.

Third, the matrix also draws attention to the cross-disciplinary nature of several of the topics that were identified. Nearly all of the nine disciplinary rows, for example, incorporate some aspect of broad business topics such as financial management (currency, pricing, tax), personal interactions (collaboration, negotiation, motivation), and sourcing (financial capital, human capital, supply chain) in a global environment. This reinforces both the need for concepts to be integrated across courses, and the possibilities for a course that creates a foundation for connecting the concepts across disciplines.

Finally, though responses in the matrix came in reply to a question about general MBA program content, many respondents suggested that graduates of MBA programs with an emphasis in a particular discipline should have a greater level of competency along the dimensions that were identified than graduates of a program without such a disciplinary emphasis. Similar

principles would also allow for the matrix to be applied at the undergraduate and specialized master's degree levels.

The models presented by Toyne and by Edwards et al., each of which focuses on different *levels* of outcomes, may provide some guidance in this regard. Certainly, even among programs of the same level and type, adaptations should be made for the relevant student population (e.g., mid-career executives versus recent undergraduates) and available majors or areas of emphasis (whether disciplinary or focused on a particular country/region). As stressed earlier, the point is to use a focus on cross-country differences as a framework for designing a curriculum that aligns with the specific program's objectives. At the master's level, for example, for a given functional area, one might expect the greatest levels of related knowledge and skills among students of specialized master's programs in that field, followed by graduates of an MBA program with an emphasis in that field, followed by graduates of general MBA programs.

4.4. Structuring Global Content: Insertion, Infusion, and Interlock

The previous section addresses the question of "what" global content a business curriculum should include and suggests that cross-country differences and their business implications should be highlighted in the core of business degree programs. This section addresses the question of "how" the material should be included by focusing on approaches to incorporating international content into curriculum design. A historical perspective provides an opportunity to introduce two broad and, in a sense, polar design approaches: *insertion* of a stand-alone global course (e.g. a general/survey course, a specialized functional course, or an internationally-oriented non-business course such as world politics or comparative economic systems) and *infusion* of global content into functional courses or other existing business courses to the point of pervasiveness. Consideration of their pros and cons suggests a third model, *interlock*, in which a required course or module provides a cross-functional platform for discussing globalization and business that the functional courses then explicitly build on to at least some extent.

Drawing upon examples from several schools, we then offer a number of other recommendations in order to facilitate the implementation of this curricular design. Given the previously mentioned divergence in how business schools globalize, looking across them does not necessarily serve to identify a set of best practices; instead, the idea is to look within this small group of schools to identify what the late C.K. Prahalad used to refer to as "next practices" that schools might consider in moving forward.

4.4.1. *A Historical Perspective*

One of the first known initiatives to globalize business school curricula was Raymond Vernon's influential experiment several decades ago at the Harvard Business School. According to Vernon,

[w]hen the School decided in the early 1960s to adopt a formal structure based on functional areas, international business was designated one such area. I could teach what I liked; but at the same time I could exert little or no influence over the content of other courses at the School. ... When in the late 1960s, the Dean of the Business School proposed to me the abolition of the international business area, it seemed to me a reasonable and logical step. Thenceforth, according to the proposed plan, the various functional areas would internationalize their respective curricula. And to ensure that the shift occurred, the handful of faculty members associated with the international business area would be distributed strategically among the various functional areas. With hindsight, it seems evident to me that the shift came too early.²²

Vernon's recollections span the two polar approaches that business schools have employed in their attempts to globalize their curricula: *insertion* of a stand-alone globalization-related course into the curriculum and *infusion* of global content into functional courses or other existing business courses to the point of pervasiveness. They also highlight the potential problems with both approaches: insertion is a recipe for isolation and infusion can potentially result in invisibility.

These problems have been independently discovered and rediscovered by many schools. Thus, in 1999, the Stanford Graduate School of Business first decided to insert a required course on global management in the first year of its MBA program, as a follow-on to its required strategy course. Over the next few years, issues with overlapping content and student acceptance led to the decision to infuse the content of the global management course into the strategy course, which was lengthened as a result. But problems with staffing this new format led to scaling back the course, and much of the international content was eliminated. Several years later, in 2006, an overhaul of the MBA program curriculum brought international content

²²Vernon, R., "Contributing to an international business curriculum," *Journal of International Business Studies*, Vol. 25, No. 2 (1994), pp. 215–28.

back to a prominent role with the inclusion of a course titled The Global Context of Management as a required first-quarter course—and one of only a few required courses in a highly customizable program.

More broadly, fluctuations appear to occur in the general popularity of these two polar approaches. The 1990s, in particular, saw an emphasis on infusion that was not unrelated to the wave of dissolution of International Business departments during that decade. In recent years, there seems to have been a revival of interest in insertion. The question that this historical perspective poses for the present is: why should we expect insertion to work any better this time around, as opposed to being just the latest in a series of oscillations between extremes?

4.4.2. The Interlock Model: Insertion Plus Infusion

The limitations of both insertion and infusion as models for curricular globalization suggest a third model, *interlock*, in which a globalization course provides a cross-functional platform for talking about the phenomenon that is used, to at least some degree, by the functional courses (see Figure 4.2). Note that insertion and infusion can be seen as degenerate versions of interlock: insertion involves zero interlock between the globalization course and functional courses, and infusion can be thought of as involving such a high degree of interlock that no room is left for a distinct focus on globalization: it is supposedly everywhere in the curriculum. Given the problems with the two endpoints of this continuum that were highlighted by Vernon, it seems reasonable to look for an interior solution.

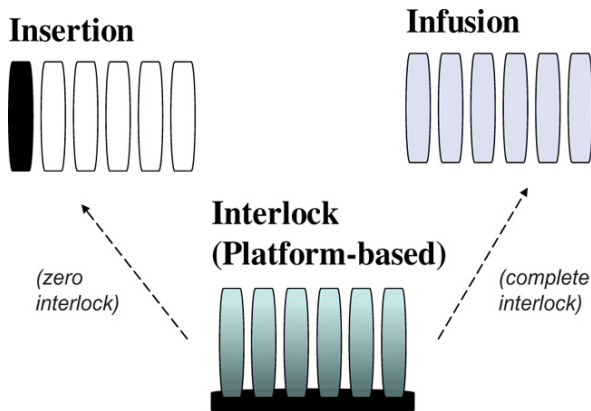


Figure 4.2: Models of Curricular Globalization.

Having said that, the thesis behind the interlock model is not that it is necessary to find a middle-of-the-road solution; rather, it suggests that both insertion of a required course on globalization and infusion of globalization-related content into other required courses are necessary to break down barriers to the globalization of curricular content that have historically proven paralyzing.

A recent MBA program revision at IESE Business School demonstrates how an interlock model might be used to incorporate the content areas that are discussed in the previous sections. The new model envisages two components that are related to globalization. The first, insertion of a platform course relatively early in the MBA program, is intended to provide visibility and focus for globalization-related issues and to serve as a feeder for globalization in other courses.²³ This Globalization of Business Enterprise (GLOBE) course centers on a module that focuses on exploring cross-country differences systematically as well as discussing levels of cross-border integration and the costs and benefits of globalization from a social perspective. The second component involves infusion in the form of a requirement that follow-on functional courses have a 10 to 20 percent cross-border component that focuses on covering at least some of the topics listed in the relevant row of [Table 4.2](#)—and monitoring to prevent this infusion from becoming invisible over time.²⁴ This approach accepts the fact that schools and curricula generally are partitioned by function; rather than requiring them to reorganize, this approach can be used to connect globalization-related content directly to core functional courses—or to other ways of structuring the rest of the curriculum.

Some limited coordination between the GLOBE course and the functional courses *was* achieved in the pilot offering of GLOBE in the 2010 winter term: the results of a cultural intelligence questionnaire administered earlier by colleagues in organizational behavior were reused, and GLOBE was explicitly leveraged to add more of an international perspective to the required course on strategy that is offered slightly later in the year. But the teaching experience and follow-up with students did

²³While interlock could, in principle, be achieved at the end through a capstone course rather than toward the beginning, through a cornerstone course, Ghemawat's experience—admittedly, back in the 1990s—running the integrative exercise that was then the capstone to the first year of the MBA program at HBS suggests that the really powerful role for that slot, given the predominantly functional organization of most MBA programs, is one of cross-functional rather than cross-border integration.

²⁴At Stanford, the follow-up course that is emphasized is a Global Experience requirement that, as its name suggests, involves travel; specific attention to interlocks with other courses does not seem to be given. The Wharton design is still being developed.

suggest that achieving more interlock with functional courses is the single most important determinant of the long-term success or failure of an initiative that aims, ultimately, to broaden and deepen the discussion of globalization-related issues throughout the curriculum. As a result, the plans for the medium term concentrate on moving further to implement the second component of the interlock design: ensuring that globalization-related content is infused into functional courses as well.

An example of the multidimensional interlock approach at the undergraduate level is seen at the University of South Carolina, Moore School of Business. All International Business majors are expected to complete a “Globalization and Business” course that focuses on “the business opportunities and threats for individuals, companies, and countries created by the growth of globalization, and how companies must operate in diverse foreign environments and engage in specialized transactions.”²⁵ The course is divided into major-specific sections in order to allow customization toward the students’ chosen areas of focus. Students then complete additional functional courses that focus on the international components of a specific managerial function, such as finance or marketing, thematic courses that take a multidisciplinary perspective on an international business issue (such as foreign market entry), and a regionally focused course.

All undergraduate business students (including those who are not International Business majors) at the Moore School of Business are required to extend their exposure to international topics and perspectives by completing at least nine credit-hours of courses, of their choosing, with an international orientation. At least one course toward this requirement must be offered by the Moore School of Business, but the students may otherwise complete courses that are offered by other colleges and departments at the university, thereby simultaneously fulfilling general education requirements. Furthermore, faculty members who teach various functional courses within the business school (e.g., finance, marketing, etc.) are expected to infuse their courses with international content so that students graduate with an understanding of the international dimension of that functional field.

4.4.3. Implementation Recommendations

A review of these and several other similar recent initiatives (see **Box 4A**) suggests a few basic themes that administrators who are interested in

²⁵University of South Carolina, Darla Moore School of Business, International Business Courses web page, 2010, electronic document, <http://mooreschool.sc.edu/facultyandresearch/departments/internationalbusiness/internationalbusinesscourses.aspx>, accessed January 3, 2011.

Box 4A. Comparisons of Globalization-Related Required MBA Courses at Three Schools

The table below compares key features of recent efforts, still unfolding, to add globalization-related content to the required MBA program curriculum at Stanford Graduate School of Business, IESE Business School, and the Wharton School. The Stanford and, particularly, IESE courses are broadly consistent with the interlock approach recommended in this section; the Wharton course is planned, for now, as a compressed insertion initiative. All three courses are broadly consistent with the recommendations from this section, and they offer some insight into the design and implementation choices that likely will arise.

School	Stanford	IESE	Wharton
Course	Global Context of Management	Globalization of Business Enterprise (GLOBE)	Wharton Global Summit (Planned)
Focus on Differences/ Distance	Cultural Distance Institutional Distance Technological Distance Market Distance	Cultural Distance Administrative Distance Geographic Distance Economic distance	Institutional Differences
First Offering*	2009–2010	2009–2010	2012–2013
Number of Sessions**	18	12	12
Duration	11 weeks	5 weeks	4 days
Start Time	Beginning of 1st Year	Halfway through 1st Year	Beginning of 2nd Year
% Business Cases	72%	33%	25%
Project Component	Yes	Yes	No
Staffing	Strategy/IB	Strategy/IB	IB
Structural Difference vs. Other Courses	Relatively Low	Relatively Low	Very High

*Stanford’s course on the Global Context of Management was first offered in 2007 under a slightly different model: the first model did not focus on cross-country differences as does the current model; contained a lesser emphasis on the use of business cases; included more economics faculty in the staffing of the program; and had a high degree of structural difference from other courses (with content offered in plenary sessions rather than sections).

**The calculated number of sessions excludes exams.

strengthening a program's international emphasis should consider. Underlying each of these points is the philosophy that an "interlock" strategy essentially calls for a blend of both infusion and insertion approaches in which they deliberately complement one another. In fact, interlock might better be described as less of an approach than an outcome or "state." And insertion is possibly—although not necessarily—an initial step in moving toward interlock.

First, given the intent to interlock, the staffing of an insertion initiative should, at least over time, become more cross-functional. Initially, staffing should be driven by who is able and willing to lead or participate in such an effort. Ideally, however, this would be the first step of a process of informing, interesting, and involving a broader group of faculty than just international business or strategy scholars in a school's globalization efforts, which seems critical to institutionalizing rather than simply instigating such initiatives.

Second, the model must balance the needs to both conform to program structural constraints and not sacrifice necessary intensity or benefits from proper timing. The intensity (e.g., number of sessions per week) must not be so high as to squeeze out time for reflection nor so low as to fail to sustain attention. It must also be able to withstand pressures that will naturally emerge to cede time to other courses; the need to do so is likely inversely proportional to the degree of complementarity between the insertion and infusion approaches.

Start time (beginning, middle, or end of the program) will vary greatly, due in part to superordinate constraints (e.g., Stanford Graduate School of Business has a policy of confining required courses to the first quarter of its MBA program). A slot at the beginning of a program helps set a global (or semi-global) framing but is less geared toward following through on the business implications, as "business basics" have yet to be covered. A slot in the middle of the first year can look backward as well as forward but does imply that discussions in courses offered earlier are uninformed by a global perspective (at least at the time). And a slot after a year of required courses allows one to look across all the functional areas—but *is* subject to questioning about why all the discussions in the required curriculum were allowed to unfold prior to the discussion of a global perspective.

Specific designs for an interlock approach will also vary substantially according to program structural constraints. Undergraduate programs with substantial course requirements outside the discipline (e.g., those with a strong liberal arts focus) may find that opportunities to incorporate additional globalization-related courses are limited, or the programs may need to more rigidly adhere to a traditional calendar schedule. Master's programs may have more flexibility to incorporate more structural differentiation, for example, short-term courses, but they often have binding

time constraints (particularly one-year programs) that may require even tighter engineering. Online programs at any level present their own distinctive challenges and opportunities.

It is also important for course designers to be deliberate when deciding how much structural differentiation from other required courses to allow—especially if a “dominant design” exists. Structural differences from other required courses provide helpful flexibility but do raise the issue of potentially limited student absorption of material structured in unfamiliar ways, for reasons ranging from routinization of learning modes (e.g., difficulties reading and discussing conceptual material in a case-based context) to the difficulty of grading unconventional course structures with mechanisms that are developed for conventional courses.²⁶ Both Stanford and IESE, for example, are shifting from plenary-style sessions for the “insertion” course to a more conventional design with the course offered in smaller sections to enable case discussions. In other words, schools would be advised not to overdo the scale of the change. The structural differentiation of the Wharton summit is likely, however, to continue to be high, at least in the early going.

Third, a shift toward an infusion approach can be accomplished as part of a broader curricular review—or on its own, if the need is clear. And the approach should be expected to evolve over time. First offerings of both the Stanford course and the (planned) Wharton course were parts of broader curricular reviews. The GLOBE course at IESE, in contrast, was started prior to such a review, given the clear sense that globalization would be a major emphasis in the revised program. So insertion of global content into the required curriculum does not necessarily require a full-blown curricular review.

Additionally, the inherent complexities and ambiguity in pursuing a new direction suggest that any plans for insertion of such a course into the required curriculum should be accompanied by plans for iteration. Both the transformation of Stanford’s Global Context of Management course from its debut model in 2007 to its current model and, less dramatically, the changes planned for the second offering of GLOBE at IESE suggest that such evolution will likely be necessary and beneficial. For related reasons, a sequenced introduction of new material is generally preferable to introducing it all at once. Stanford’s Global Context of Management course, while introduced without an official pilot, drew to some extent on earlier work at the school that began in 1999. GLOBE drew on a global strategy elective

²⁶These problems are particularly likely at business schools with a “dominant design” for their required courses.

that was developed over a decade by Ghemawat at Harvard Business School and IESE as well as a pilot four-session seminar for first-year MBA students at IESE in the Spring 2009 term. Wharton plans pilots in existing electives and in the executive MBA before rolling out the Summit to regular MBA students—in what can itself be seen as an insertion effort that, if successful at building awareness, should pave the way for the infusion of more global content into the rest of the curriculum.

Fourth, with regard to content, the real design challenge is to get a handle on cross-country heterogeneity, as recommended in [Section 4.3](#), without proliferating variety to the extent that every country that is considered ends up being treated as *sui generis*. The perspective that underlies the designs elaborated in this section does more than emphasize the differences between countries as important; as noted earlier, it goes “meta” by providing a framework for organizing observations about cross-country differences, in terms of the distance between them. We note the structural similarity in this approach to an approach often used in business (e.g., the automobile industry) to adapt to cross-country heterogeneity: the designing a common *platform* that, relatively easily, can be customized to varied country contexts.

Both Stanford’s Global Context of Management course and the IESE GLOBE course, for example, explore cross-country differences systematically using similar frameworks. The frameworks focus on four related if not parallel types of distance that cover, in a somewhat more aggregated way, the categories of differences that are highlighted by the thought leader survey. The similarity between the two treatments is no accident: Stanford’s current model is, according to its current course head, “obviously inspired” by Ghemawat’s 2001 presentation of the CAGE distance framework—an acronym for cultural, administrative, geographic and economic distances across countries—that is also used, without modification, in the IESE GLOBE course.²⁷ The Wharton Global Summit, based on its preliminary design—it will be offered broadly in 2012–13—is rather different from the other two: it focuses on institutional differences and their implications for economic and financial governance. In addition, a required Foundations of Teamwork and Leadership course, offered at the beginning of the first year of the Wharton MBA program, raises issues related to national cultural differences. The GLOBE course also includes discussion of levels of cross-border integration and the costs and benefits of globalization from a social perspective.

²⁷Ghemawat, Pankaj, “Distance Still Matters: The Hard Reality of Global Expansion,” *Harvard Business Review*, Sept. (2001), pp. 137–47.

Finally, consideration should be given to the ways in which cases, textbooks, and other pedagogical tools are used to align with course and program learning objectives. Business cases, for example, are used in all three of the courses shown in Box 4A, but in different ways. For example, the IESE course concentrates on full-length cases and case discussions: on case days, no additional readings are assigned for class. The Stanford course, on the other hand, supplements traditional case sessions with sessions that feature caselets or videos that are read or viewed in class; such snippets can help introduce issues and illustrate principles for dealing with them but are generally reserved for topics for which a deeper evaluation is less important. Despite the importance of the appropriate selection, adaptation, and use of pedagogical tools to the successful implementation of a curricular globalization initiative, we are concerned that the best intentions for curriculum globalization are often challenged by a lack of appropriate pedagogical tools. In the following sub-section, we offer some observations about the globalization gap in classroom tools/content.

4.4.4. Cases and Other Pedagogical Tools|Content for the Classroom

Case studies, textbooks, and other supplemental materials play a key role in business courses, and should be considered an integral component of a curriculum globalization strategy. If business schools are to enhance their ability to globalize their courses and curricula, a shift in the quantity, type, and focus of pedagogical tools is needed. Overall, there seems to be a need for more truly “international” material—not just cases involving, for example, a U.S. firm in another country setting—and for textbooks that pay particular attention to the international dimensions of the topic of focus. Second, there is a critical need for proportionately more material that focuses on different world contexts and populations, particularly those of emerging markets.

These points will be illustrated by an in-depth examination of the case studies that are taught at business schools. The point is not that instruction about globalization should entirely or even largely be based on the case method, although we point to the value of using *some* cases in this particular context. Rather, we have finer-grained information about case-study usage, so some of what follows can simply be read as a (vivid) illustration of problems that appear to affect other kinds of content for the classroom as well.

In addition to resonating with what seem to be broader (but less well-documented) patterns, a focus in this chapter on cases is important for two other reasons. One set of reasons is related to what are arguably the special attractions of the case method in the context of globalization. Given the challenge of making decisions that cut across multiple, partially integrated markets, discussions of globalization and business are likely to involve a

particular emphasis on the higher-order cognitive/thinking skills in Benjamin Bloom's classic hierarchy of knowledge-comprehension-application-analysis-synthesis-evaluation. These are precisely the areas in which advantage has traditionally been claimed for the case method: thus, according to Wallace P. Donham, the Harvard Business School dean who imported the case method into business from law in the 1920s, "[p]rimarily, it appears to be applicable only where the principal effort is to develop the students' power of analysis and synthesis."²⁸ Second, the case method also helps with reasoning by analogy,²⁹ which could be improved in the context of globalization if the common stereotypes of global monopolists/oligopolists that operate the same way all around the world are any indication. Finally, cases seem to lend themselves, unlike lectures, to an egalitarian, participant-centered mode of learning with cross-cultural appeal. Thus, data on international exchanges suggest that business school students prefer a participative learning culture to a more directive one, even if the latter coincides more closely with the national culture in their country of origin.³⁰ This style of learning can presumably be helpful in dealing with some of the challenges of classroom diversity that are discussed in the next section.

A second, specific reason for focusing on cases relates to the fact that many business schools draw from sets of cases that are developed and disseminated by a small set of schools; thus, biases in the original set likely will be reflected in the sets of cases that are adopted at other schools. The small-numbers aspect of this situation, which is directly tied to the resources that are required for case development and distribution, provides another reason for raising concerns instead of simply relying on decentralized processes ("the marketplace of cases") to attain the best outcomes.

Truly "international" cases and other content. While the need for more truly "international" cases and other content is well-documented, we rely on several partially complete samples to reinforce this point. The first is of a well-regarded, U.S.-based school that actually emphasizes the globalization of its curriculum on its website by asserting that about one-third of the cases developed each year by its faculty are international in scope. Ghemawat analyzed the work of a research assistant who had graduated from that school in 2006 and who had maintained a contemporaneous log of all the

²⁸Donham, W. B., "Business Teaching by the Case System," *American Economic Review*, Vol. 12, No. 1 (1922), pp. 53–65.

²⁹Gavetti, Giovanni, and Jan W. Rivkin, "How Strategists Really Think: Tapping the Power of Analogy," *Harvard Business Review* Vol. 83, Apr. (2005), pp. 54–63.

³⁰See, for instance, Kragh, Simon U., and Sven Bislev, "Political Culture And Business School Teaching," Academy of Management "Best Conference Paper," 2005.

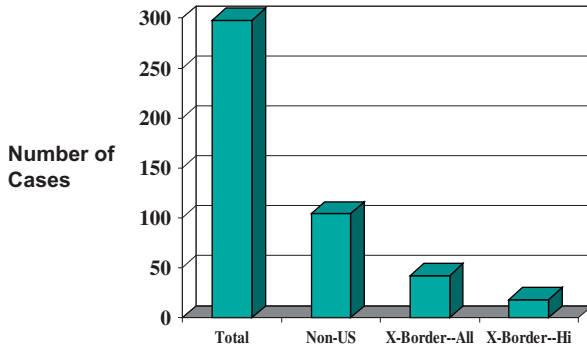


Figure 4.3: First-Year MBA Program of a Top U.S. Business School.

Source: Ghemawat, Pankaj, analysis.

cases he had studied in his first year (2004–05) in that school’s MBA program. The results of a reconstruction of the global content of all the cases in the core first-year curriculum—except the country/macroeconomic cases from the international economy course—appear in Figure 4.3.

In this sample, about 35 percent of the cases did indeed have significant content that was related to activities outside the United States, as the school proudly pointed out. But if cases without cross-border content (in other words, domestic cases set in countries outside of the United States) are excluded, the percentage falls to 15 percent. Even more subjectively, cross-border issues seem to be highly important in only 6 percent of the cases.

Of course, this procedure excludes cases that are set outside the U.S. without an explicit cross-border component that nonetheless might provide useful insights into comparative management. However, many of the single-country “international” cases in this school’s case banks seemed context-free in the sense that it did not really matter whether a particular business situation was set in, say, Georgia, the former Soviet Union, or Georgia, the former Confederacy. And in any case, a recent recalculation at the same business school that attempts to fix this omission concludes that only about 10 percent of the cases in the first year of the MBA program have significant globalization-related content. Clearly, locality should not be confused with topicality.

Though the above example highlights the situation at just one school, we believe that many readers of this report will find similar situations in their own business schools.

Another way of deepening insight is to narrow the scope by looking at globalization-related content in a particular area across a broad range of schools as opposed to across a broad range of areas at one or a handful of

schools. In this vein, Ghemawat and Jordan Siegel conducted a 2007 study of curricula in strategy (an area in which globalization has attracted above-average attention).³¹ The researchers compiled a list of faculty members who taught core strategy courses, with a focus on business schools that were ranked in *BusinessWeek's* 2006 Top 30 U.S. full-time MBA programs or included among the top 50 ranked schools in *Financial Times' 2006 Top 100 Global MBA Program Rankings*. They sought core strategy MBA syllabi from 56 schools from this list, leaving aside Harvard Business School, with which both authors were affiliated at the time. They also contacted 21 schools that did not make the above lists but that were still well-recognized, for a total of 77 total contacts. The solicitation yielded 58 core strategy MBA syllabi from 51 business schools for 2007.³² Of these, 43 syllabi came from 38 schools that were ranked in the *BusinessWeek* or *Financial Times* lists and 17 came from outside the U.S. A total of nine of those last 17 came from Europe.

Based on the researchers' analysis, 33 percent of the courses in this sample did not have a single case set outside of the U.S. For the average course, the non-U.S. percentage came to only 34 percent. The most common non-U.S. settings were Europe or Israel, which accounted for 21 percent of the cases. About 7 percent were set in Asia or Australia, and very few cases covered Latin America or Africa. Even in the relatively globalized European subsample, the two regions of North America and Europe/Israel together comprised 85 percent of case settings.³³ Few courses seemed to teach global strategy concepts or tools, and when they did, they tended to focus on market entry issues.³⁴ Discussions of global strategy issues such as locational advantages, scope decisions, adaptation, and arbitrage seemed very rare, as did specification of any particular world-structural/historical view of globalization.

³¹See, for example, Arain, F.M., and S.A.A. Tipu, "Emerging Trends in Management Education in International Business Schools," *Educational Research and Review*, Vol. 2, No. 12 (2007), pp. 325–31. These authors actually only report courses that are offered at two or more of the eight schools in their sample. As a result, the globalization-related share of elective offerings is calculated by dividing the number of globalization-related elective offerings by the total number of offerings of electives courses offered at two or more of the eight schools.

³²Some business schools had more than one approach to teaching core strategy, and hence the unit of analysis is the course and not the school.

³³It is interesting to contrast this focus with projections that these two regions will account for one-quarter to one-third of total global economic growth through 2030.

³⁴In their preliminary analysis of the European subsample, they found that 45 percent of the cases were set in Europe or Israel, 39 percent in the United States, and 2 percent in Asia and Australia, with 6 percent focused on multi-location global firms.

The issue is not reserved for case studies; it is also relevant to other class or group exercises, simulations, textbooks, and other sources of content (including sources of news and analysis on current events) that help create a multidimensional learning experience. As just one additional example, economics textbooks are reported to have gone from a situation in which they had very little globalization-related content to one in which substantial progress has been made at incorporating some such content into how macroeconomics is taught, but much less so in the teaching of microeconomics—apparently because of the extent to which basic notions of static efficiency are complicated by some of the correlates of globalization. This picture is not reassuring from the perspective of business schools, which have a primarily micro- rather than macro- focus.

Pedagogical tools focused on emerging markets. The scarcity of pedagogical tools that focus on business contexts and practices outside of Europe and North America is especially alarming given the rapid growth of management education in many emerging markets. Here, we veer from our discussion of the need for more materials that focus on *foreign* contexts and practices to the need for more *domestically* focused materials. Just as a student in the U.S. would likely be dismayed to find that an entire course or program revolved around Chinese firms, so would students in China be dismayed by courses and programs devoid of such examples.

Sheer numbers help illustrate the need for more materials that focus on emerging markets: China and India, for example, now possess roughly 2,700 institutions between them that award business degrees at the undergraduate level or above—nearly as many as the U.S. and the European Union combined. Even more remarkable is the recent explosion of business programs in these markets: less than 10 percent of the MBA programs in China, for example, are estimated to have been in existence back in 1990. Since then, both China and India have managed to raise the number of such institutions per million inhabitants from about 0.1 to 1. Given the U.S. “density” of more than 5 schools per million inhabitants, and the rapid increases in per capita income forecast for China and India, these decades possibly will see a doubling or tripling of volume of activity in what are already big emerging markets.³⁵

³⁵Preferably the analysis would be conducted in terms of student enrollments rather than the number of business schools, but systematic cross-country data on the former are unavailable.

This explosion of quantity ideally will be accompanied by investments in deepening quality, which is an issue for many nascent schools. And all of this progress will have to be accomplished without too many experienced faculty, who are subject to particularly long development lags and therefore tend to be particularly scarce in such markets. Meeting the globalization-related component of this challenge—which surfaces in all subject areas—is likely to hinge on curricular development for most of these schools to an even greater extent than for schools in developed markets.

Given that this task represents, once again, one of the biggest challenges in the globalization of management education, it probably is not a process that the top international schools should simply observe from the sidelines. Note, however, that the usual “marriage games” that involve establishing links with the best local schools may not suffice. While reasons to form such tie-ups exist, these linkages will not, by themselves, do much to address the broader social challenge of ensuring an adequate quantity and quality of management education. For top schools to really play a leadership role in this regard, newer, broader forms of involvement are required.

4.5. Structuring Global Experiences: Immersion and Interlock

In addition to course content, international student and faculty recruitment, the availability (or requirement) of an “international experience,” and even foreign language training can, given program objectives, provide valuable experiences to supplement and reinforce classroom learning. The categories are not mutually exclusive, and substantial opportunity exists for synergy when two or more are used together or when they are combined with other initiatives that are not mentioned within this chapter. Thus, collaborative partnerships and global footprint strategies, which are discussed in greater detail in Chapter 5, can serve as structural enablers of many of these approaches. Exchange agreements, for example, often target increases in student diversity, and joint- and dual-degree programs include opportunities for travel, language training, and even exposure to course materials and educational methods other than those available at the home institution. The biggest opportunity for synergy, however, is when these mechanisms are aligned with a broader focus on curriculum development, as discussed earlier.

That last point deserves particular emphasis because of the Task Force’s concern that business schools too often pursue these and other

“experiential” activities for reasons such as accessibility or visibility, without considering if and how the activity aligns with the overall curriculum and supports achievement of specified learning objectives. Too often, classroom diversity, treks abroad, special projects, and similar elements are relied upon in lieu of attention to course or program content along the lines discussed in [Section 4.3](#). Furthermore, the survey of academic thought leaders that is discussed earlier in this chapter suggests a perception that business schools may rely excessively on certain types of activities at the expense of others, and that schools may need to think more creatively about the types of initiatives they use.

In the survey of thought leaders, of 13 mechanisms for reinforcing “global” concepts and perspectives within management education, respondents cited national diversity of student body, joint ventures with foreign institutions, treks, and student exchanges (in decreasing order) most frequently as overdone, naming cross-border collaborative projects most frequently as underdone. European respondents seemed particularly jaded in regard to student diversity and excited about cross-border collaborative projects. For activities that were reported as overdone, perhaps the sentiments are reflective of a sense that they simply are used as auxiliary activities rather than as integral components of the overall educational strategy.

In order to think more systematically through the possibilities for enhancing the effectiveness of these mechanisms, it is useful to adopt a unifying frame for what business schools typically try to accomplish when they emphasize recruiting international students, international exchanges, etc. Such tools generally are meant to emphasize personal exposure to and experience of peers from different countries (“diversity”) or different countries themselves (“mobility”), that is, to be largely experiential. How one thinks of the relationship between these tools and the content described in the previous sections depends, then, on how one thinks of the link between academic knowledge and experience. Gordon and Howell saw a clear hierarchy:

Knowledge is the chief product of education, although it can be acquired in other ways also—for example, through reflective observation and experience.³⁶

³⁶Gordon, Robert Aaron, and James Edwin Howell, *Higher Education for Business*, Columbia University Press, New York, 1959, p. 103.

Augier and March provide a more even-handed characterization:

Experiential knowledge and academic knowledge are in many ways better seen as intertwined than as in opposition. Experience is interpreted within frames of reference that reflect academic sensibilities, and the research on which academic knowledge is based is deeply affected by the observations and understandings of experience.³⁷

But note that these differences in perspective revolve around the extent to which content is sufficient—both characterizations imply that it is necessary.

Another way of reaching the same conclusion is by applying the criterion of distinctive competence. A focus on diversity and mobility as key globalization-related value propositions to students would risk turning business schools into a specialized segment of the travel and hospitality industry. Most schools presumably aspire to be more than that.

Experiential initiatives can be usefully arrayed in terms of the degree of immersion, which, from a student perspective—the one adopted in the rest of this section—might be said to range from aspersion or sprinkling (e.g., a trek) to submersion (e.g., attending a full-time MBA program in a foreign location). Similarly, the degree of immersion implied by classroom diversity is a function of levels of exposure to and interaction with individuals from other cultures. The resource-intensity of both types of initiatives appears to vary directly with the degree of immersion. So while one can, in line with Augier and March, think of immersion as the third leg of the interlock model, in addition to insertion and infusion, it is best thought of as a telescoping leg that can and should be adjusted, depending on a school's resources and strategy—unlike the other two legs, which are deemed generally necessary. The caveat is that this third leg may need to be at least of a minimum intensity measure to add value: several types of experiential initiatives seem subject to threshold effects, in the sense that, to be worth pursuing, they must be pursued to more than a token extent. To elaborate on these points, consider several types of initiatives for globalizing students' learning experiences—classroom diversity, international travel, international project work, and language training—one by one.

³⁷Augier, Mie, and James G. March, "The Pursuit of Relevance in Management Education," *California Management Review*, Vol. 49, No. 3 (2007), p. 130.

4.5.1. *Classroom Diversity*

Statistics on the national diversity of students and faculty abound on business school websites, and can be a popular mechanism emphasized by schools that seek to convey an “international” focus. But what, really, is the relationship between classroom diversity and globalization of the learning experience?³⁸

To start with some data, undergraduate education in business is, from the standpoint of student composition, significantly less globalized than graduate education. According to the AACSB membership survey for 2009–10, international students accounted for 5 percent of enrollment in U.S. undergraduate programs in business and 23 percent for programs outside the U.S.³⁹ By contrast, international students are 14 percent of the total MBA program enrollments at U.S. schools that responded to the AACSB’s most recent survey and 29 percent elsewhere.⁴⁰ At the MBA program level, The *Financial Times*’ list of top 100 MBA programs permits extension of this analysis to a somewhat smaller set of top ranked schools. An analysis of U.S. and European business schools, which are the two geographies that dominate the list, shows that the top European schools, with more than 80 percent non-nationals, exhibit much greater student diversity than their U.S. counterparts, with less than 40 percent non-nationals. The analysis further shows that this diversity is positively (but weakly) associated with status or, in other words, that it is negatively associated with numerical rank.⁴¹

Attempts to build and maintain a student body that comprises many nationalities often simply assume that student diversity will lead to greater mutual understanding. In addition, work in cognitive science suggests that cognitive diversity in the form of the different perspectives, frameworks, and

³⁸Though the discussion in this sub-section focuses on classroom diversity, similar principles apply to individuals who are affiliated with international student networks. A growing number of supranational student organizations are being established or have expanded their scope beyond their original borders. These organizations include special interest groups (e.g., Net Impact and SIFE), professional associations (e.g., the Society for Human Resource Management), disciplinary associations (e.g., the Academy of Management), and honor societies (e.g., Beta Gamma Sigma). The Task Force encourages these institutions to also consider ways to leverage the international diversity of their members to enhance the learning opportunities for those involved.

³⁹AACSB International, *Business School Questionnaire*, 2009–10.

⁴⁰Ibid.

⁴¹Ghemawat, Pankaj, “Bridging the Globalization Gap at Top Business Schools: Curricular Challenges and a Response,” Chapter 2.3 in Canals, Jordi (ed.), *The Future of Leadership Development*, Palgrave Macmillan, Houndmills, Basingstoke, Hampshire, UK, 2011.

so on that are likely to be associated with national cultural diversity *can* improve problem solving if people of different backgrounds are able to work together effectively.⁴² However, this last caveat is a nontrivial one, as research on business organizations shows. Consider Williams and O'Reilly's summary of 40 years of research on this topic:

Consistent with social categorization and similarity/attraction theories, the preponderance of empirical evidence suggests that diversity is most likely to impede group functioning. Unless steps are taken to actively counteract these effects, the evidence suggests that, by itself, diversity is more likely to have negative than positive effects on group performance.⁴³

What kinds of steps might be taken to ensure positive rather than negative effects? First, appropriate curricular content is clearly a requisite: there is no point assembling a very global group, in terms of nationalities, and then subjecting them to a curriculum that essentially is entirely domestic in its content. Even if foreign students are encouraged to speak up in such a context, it is hard to imagine that a chain of classroom interventions along the lines of "that's not the way it works in my country" would be as fruitful as curricular content that explicitly addresses cross-country differences.

Second, to the extent that the diverse national backgrounds of students is supposed to complement such a curriculum, it is plausible that a certain minimum representation of foreign students and/or a minimum breadth of representation is necessary—a manifestation of the threshold effects for experiential learning initiatives that were discussed previously. While from the perspective of foreign students who study at a particular school, the immersion experience is intense and extensive compared to some of the other types of initiatives aimed at fostering mobility discussed in the next sub-section, from the perspective of domestic students, the immersion experience from classroom diversity is very limited if only a handful of foreign students are in the classroom.

Third, business schools and their faculty must pay explicit attention to managing diversity so as to exploit its potential while minimizing its pitfalls. A frequent expedient in this regard is deliberate diversification of study groups by nationality, which is certainly helpful. But this kind of "billiard ball" model of nationalities does not, for instance, attend to the possibilities

⁴²Page, Scott E., *The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies*, Princeton University Press, Princeton, NJ, 2008, pp. 131–73.

⁴³Williams, K.Y., and C.A. O'Reilly, "Demography and diversity in organizations: A review of 40 years of research," *Research in Organizational Behavior*, Vol. 20 (1998), pp. 77–140.

unlocked by “biculturals” who have deeply internalized more than one cultural profile⁴⁴—or to other important dimensions of diversity (e.g., gender or socioeconomic status). And then, there is the problem we already know: increasing student diversity—whether through shorter-run exchanges or on a longer-run basis—complicates what goes on in business school classrooms by, among other things, requiring more attention to varying national expectations about class participation, etc.⁴⁵ Seemingly, outcomes could be improved by the inclusion and discussion of some content about these and other international differences, as argued on broader grounds in earlier sections of this chapter.

4.5.2. *International Treks, Field Study, and Study Abroad*

Similar points also apply to student mobility through international treks, field study projects, study abroad, and other mechanisms through which students travel to another country for a portion of their degree program. The actual models that are employed by business schools can be quite varied, from optional to required programs, from short-term treks to long-term residencies, and from course or project-based experiences to consulting or internship-based experiences.

Threshold effects seem particularly salient for trips abroad. Treks with low degrees of immersion likely will do little more than serve as catalysts for later voluntary engagement with another culture or context. Thus, for treks of low immersion intensity, it is particularly important that the experience be a supplement to considerable attention to international content within the curriculum. This can be achieved by preceding and following the trek with course content along the lines described earlier as well as other supplemental activities such as guest lectures, writing assignments, and/or research projects. In this way, the international experience serves to reinforce lessons from other aspects of the degree program, but it is not expected to be the primary vehicle for learning.

Longer-term study abroad experiences are more likely to serve as opportunities for a higher degree of immersion in another culture or context and thus as vehicles for acquiring greater knowledge and/or understanding

⁴⁴Brannen, Mary Yoko, and David C. Thomas, “Bicultural Individuals in Organizations: Implications and Opportunity,” introduction to special issue, *International Journal of Cross-Cultural Management*, Vol. 10, No. 1 (April 2010), pp. 5–16.

⁴⁵Kragh, Simon U., and Sven Bislev, “Business School Teaching and Democratic Culture: An International and Comparative Analysis,” *Research in Comparative International Education*, Vol. 3, No. 2 (2008), pp. 211–21.

of the environment. Gail Naughton, dean of the San Diego State University's College of Business and Administration, notes in a 2007 *BizEd* article that "Global executives have told us that it takes at least three months to become immersed in a geographical location and appreciate how the culture, politics, and history of a region affect business there."⁴⁶ A 2006 survey of students who had participated in the ERASMUS study-abroad program in Europe, which generally involves a semester or year abroad, resulted in the assessment that "[t]he ERASMUS period also shaped the attitudes and values of ERASMUS students substantially, particularly in personal values but also in career aspirations or educational competences, with between 65 percent and 95 percent of students reporting large changes or changes to some extent in their career-related attitudes and aspirations, the broadening of their general education, their personal values and their understanding of people from another cultural or ethnic background."⁴⁷

But length alone is far from the only factor that contributes to a greater degree of immersion. Likely, readers are all too familiar with individuals who travel abroad only to socialize with the same type of people, engage in the same types of entertainment, eat the same food, etc., as they would at home—hardly an immersion within another way of life. Careful thought to the design of the experience (will the students be enrolled in courses with local students, live with a local family or in accommodations typical of a local student, be exposed to local businesses or only multinationals, and be expected to engage in and report on certain cultural activities?) can influence the actual level of immersion experienced during time spent abroad.

The AACSB survey of member schools' collaborative partnerships suggests a high prevalence of student exchange agreements (78.9 percent of all collaborations involved this dimension), which, because of their alignment with academic terms, tend to require at least several months in another location. However, anecdotal evidence gathered through many discussions with business school deans suggests that most student exchange agreements are optional in nature rather than required, and that not all are active in a given year. Furthermore, even when required, students more frequently have the freedom to select from an array of course and location options than follow a predetermined course that is tied very tightly with program objectives. The reasons for this

⁴⁶Bisoux, Tricia, "Global Immersion," *BizEd*, Vol. 6, No.4 (July/August 2007), pp. 46–47.

⁴⁷Otero, Manuel Souto, and Andrew Mc Coshan, 2006 Survey of the Socio-Economic Background of ERASMUS Students, ECOTEC Research and Consulting, Ltd., Birmingham, U.K., August 2006, electronic document, http://ec.europa.eu/education/erasmus/doc922_en.htm, accessed August 31, 2010.

noncompulsory approach are clear: both deeper immersion and stronger connections to the core curriculum require greater investment on the part of the home school in choosing the partner school, working collaboratively with the partner to ensure the opportunity aligns closely with program objectives, and actively monitoring the learning outcomes from the experience.

Furthermore, even longer-term programs of this sort generally do not offer much of a framework, if any, for thinking about the locations that are visited. Nor do they seem to have assimilated modern approaches to building cultural and emotional intelligence, which stress the limits of in-depth learning about one or two “foreign” countries/cultures⁴⁸ and the need to go “meta” instead.⁴⁹ In addition, basic questions exist about whether time spent traveling as opposed to living abroad actually has the stimulative effects that it is supposed to have on anything more fundamental than student ratings.⁵⁰ Either way, some broader content on international differences would once again seem to be useful preparation.

4.5.3. Collaborative Projects and Other Experiences

Not all students are in a position to travel, even for short timeframes, because of work and/or family obligations, or financial constraints. Students who *can* travel often find that their mobility is restricted by time, resources, or program structural constraints—they can only visit a certain number of locations for a certain amount of time. Furthermore, as discussed above, even opportunities for travel may not be accompanied by the depth of immersion that is necessary to actually create a significant learning experience. Projects, particularly those that leverage technology, therefore also frequently play an important role as curricular supplements.

With decreasing costs and enhanced capabilities, some technological applications support virtual cross-border connections between students as a

⁴⁸For example, see Earley, P.C., and E. Mosakowski, “Cultural intelligence,” *Harvard Business Review*, Oct. (2004), pp. 139–46.

⁴⁹See, for instance, Smith, Peter B., Mark F. Peterson, and David C. Thomas, *The Handbook of Cross-Cultural Management Research*, Sage Publications, Inc., Thousand Oaks, California, 2008.

⁵⁰For evidence that creativity is stimulated by living abroad but not by traveling abroad, see Maddux, W.W., and A.D. Galinsky, “Cultural Borders and Mental Barriers: The Relationship between Living Abroad and Creativity,” *Journal of Personality and Social Psychology*, Vol. 96, No. 5 (2009), pp. 1047–61.

component of courses that are taken on their home campus. In addition to learning about working with colleagues of a different culture (i.e., by creating virtual classroom and/or project team diversity as discussed earlier), these collaborative projects also provide students with an opportunity to hone their skills in using technology to communicate virtually across distances and time zones. Students at East Carolina University in the United States, for example, videoconference with counterparts in 17 countries using an Internet connection and an inexpensive and basic, yet functional, camera/software package.⁵¹ Ongoing technological advances are likely to make more high-tech endeavors even more accessible and robust, particularly as enhanced bandwidth brings increased quality of interactions.

Further along the resource intensity scale might be projects that incorporate both a virtual and an on-site component. For example, the Global Business Project, hosted by CIBERs at a consortium of 14 U.S. universities in collaboration with foreign partners, brings together students with prior business experience and foreign language skills to work on virtual teams to address a challenge that is identified by a company in another world region. After eight weeks of virtual collaboration, the students come together in the destination country for two weeks that include a few days of final mentoring at a partner business school and several days of work with the company in-country before presenting their findings.⁵² Similarly, two programs offered by the Stanford Graduate School of Business with partner schools in India (Indian Institute of Management-Bangalore) and China (Tsinghua University, School of Economics and Management) require student teams that consist of two individuals from each school to work collaboratively on a research project prior to completing reciprocal one-week visits.

Other project components might be intended to supplement a curricular focus on cross-country differences, as discussed in Section 4.3. Stanford, for example, makes a Country Navigator tool available to its students and IESE facilitates the GLOBE project and broader application of the course's CAGE distance framework by distributing a detailed cross-country dataset and a CAGE Comparator™ software package built around it that uses industry-level estimates of the effects of distance along cultural, administrative,

⁵¹Fischer, Karin, "East Carolina U. Uses Simple Technology to Link Its Students With Peers Overseas," *The Chronicle of Higher Education*, May 7, 2009, electronic document, <http://chronicle.com/free/v55/i35/35a02302.htm>, accessed May 7, 2009.

⁵²University of North Carolina at Chapel Hill, Kenan-Flagler Business School, Global Business Project Web page, 2010, electronic document, <http://www.kenan-flagler.unc.edu/ki/ciber/GBP/>, accessed December 30, 2010.

geographic, and economic dimensions on trade flows to, among other applications, adjust market size in a foreign country for distance.

Other, less formal means exist by which students may gain experience in and exposure to another country and interact with students from other world regions. MBA case competitions, such as those offered by the Concordia University John Molson School of Business, the University of Southern California Marshall School of Business, National University of Singapore Business School, and IESE, offer opportunities for small teams of students from (often) a select group of invited schools to compete to analyze cases on international firms. Other international competitions have been established around stock trading (e.g., Rotman International Trading Competition at the University of Toronto) and business plan development (e.g., the Hong Kong University of Science and Technology MBA International Business Plan Competition).

As noted by participants in the survey of academic thought leaders, cross-border collaborative projects may yet prove to be the most underutilized mechanism with the greatest potential. Particularly given today's technological advances, the opportunities that are presented by these projects seem relatively unexploited, and they suggest a new area for increased attention and experimentation.

4.5.4. *Language Training*

Before moving on, it is important to touch briefly on the inclusion of foreign language training into business programs. The ability to converse in another language and to understand another culture in the context of its language can contribute substantially to the ability of individuals to engage in smooth cross-border communications and interactions. At the same time, to achieve a level of fluency, or even proficiency, in another language requires many years of study and immersion.

Opinions about the value of foreign language training as a component of business degree programs therefore vary widely. In our survey of thought leaders, 79 percent of respondents indicated that they believed language requirements were ignored or underdone in business/management education (second only to cross-border collaborative projects, at 86 percent). The survey did, however, show some differences by region. None of the European respondents classified language requirements as overdone or exaggerated compared to 8 percent of North American and 9 percent of Asian respondents. Those who felt that current levels of language requirements were "about right" comprised 13 percent of North American respondents and 9 percent of Asian respondents, but a significant 27 percent of European respondents.

Some business schools have embraced foreign language skills as a critical competency for their graduates; these schools tend to be located in countries where English is not the native language. At ESSEC Business School in France/Singapore, for example, MBA students are expected to demonstrate proficiency in three languages, and undergraduate students to demonstrate proficiency in four languages by the time they graduate (of which one may be French). The China Europe International Business School (CEIBS) in Shanghai, China, offers its full-time MBA program in English. Given, however, its focus on providing talent to Chinese firms, the school has begun to emphasize the need for all students (many of whom are not Chinese citizens) to have a basic level of proficiency in Mandarin Chinese upon entry to the program and to provide students with ongoing opportunities to strengthen their language skills while in the program.

Still, foreign language requirements seem to be the exception rather than the rule among business programs, particularly those offered in North America. A study by Saiz and Zoido found that, though U.S. college graduates who speak a foreign language earn more than those who do not, the actual earnings gain (controlling for factors such as regional differences, quality of college, major, etc.) was minimal—between 2 and 3 percent depending on the language—and lower than the earnings premium for an extra year of schooling.⁵³

To again reference the threshold effects that are introduced at the beginning of this section, the level of immersion in language training (and often, resources invested) likely is an important factor in its overall value. Thus, in order for foreign language skills to be useful in a business environment, the speaker should be able to engage in deeper levels of communication beyond discussion about the weather and ordering a meal in a restaurant, which are common themes of introductory language courses. To attain the level of fluency required for business negotiations in a foreign language requires a substantial investment on the part of the school—both in the acquisition of additional faculty resources and in the willingness to dedicate time in the program toward this training.

Practically, the condensed timeframe of master's-level programs makes language training at this level difficult. Thus, while INSEAD, for example, considers foreign language ability to be an integral skill of its graduates, the school invests relatively little in actually providing this training as a part of its MBA program. Instead the school requires incoming students to be fluent

⁵³Saiz, Albert, and Elena Zoido, "Listening to What the World Says: Bilingualism and Earnings in the United States," *Review of Economics & Statistics*, Vol. 87, No. 3 (2005), pp. 523–38.

in English, to have a practical knowledge of another language before starting the program, and to work within the program to acquire basic knowledge of a third language before graduating.

Undergraduate programs can be more accommodating of students who wish to double major or minor in another language, and a few business schools have made substantial investments to facilitate stronger connections between business and foreign language study. The University of South Carolina's Moore School of Business, for example, recently instituted a track within the Bachelor of Science in Business Administration degree program called International Business and Chinese Enterprise that emphasizes language training through both classroom learning and immersion. Students in the cohort program take two full years of classes in Mandarin Chinese, including intensive summer programs—the first year at the Moore School and the second at the Chinese University of Hong Kong (CUHK). Before graduating from the program, students will spend a second year at CUHK and participate in an internship in Hong Kong where they will put their language skills to use in a business environment.

As with classroom diversity, trips abroad, cross-border collaborative projects, and other mechanisms for experiential learning, the value of language training as a curriculum supplement depends heavily on its integrality to program objectives. Business schools have a finite set of resources—including financial and human capital—and often a finite amount of time for delivery of the degree program. Thus, the first priority for resource allocation must be an investment in the curricular frameworks that will support appropriate global learning objectives, followed by selection of appropriate mechanisms for reinforcing those objectives and curricular content.

4.6. Assessment of Learning Outcomes

Finally, we come to the closing of the loop. If a business school succeeds at motivating efforts to globalize curricula, identifying or developing new content, and incorporating it into a program's design and delivery model, how does the school know that its significant investment has the intended effect? Checking or assessing the effectiveness of educational interventions is a generic area of weakness for business schools.⁵⁴ But perhaps because of

⁵⁴See, for example, Pfeffer, Jeffrey, and Christina R. Fong, "The end of business schools? Less success than meets the eye," *Academy of Management Learning and Education*, Vol. 1, No. 1 (2002), pp. 78–95.

uncertainty and consequent fuzziness about basic objectives, globalization seems to present particular assessment challenges.

For example, anecdotal and survey data compiled by AACSB assessment seminar facilitators indicate that learning goals related to international competencies are considerably less common than those related to other skills. This deficiency makes analysis of the effectiveness of existing curricular models and approaches particularly difficult. One such facilitator notes that, from her experience, assessment of global perspectives tends “to relate to international trade and to be found in the form of questions on economics exams, with occasional exceptions where the incorporation of global perspectives in strategy development is assessed through a case-study.”⁵⁵

Even the comprehensive Certified MBA assessment schema retreats to a mostly macroeconomic plane in trying to specify what students should have learned by the end of their MBA programs (see [Table 4.3A](#)). If one were to restrict oneself to 10 knowledge-related but broadly managerial questions about globalization out of a total of more than 200—probably a suboptimal percentage—and take seriously the thrust of the arguments in this chapter, one might come up with a 10-point list like the one in [Table 4.3B](#) instead.

Readers can and inevitably will take issues with some of the items included as well as excluded from the list in [Table 4.3B](#). But the broader point is that more clarity is needed about the implications of having a truly globally-educated business student. Even if such clarity did not yield measurable indicators—although, seemingly, some measurement should be possible—it would be helpful in refining what to do with the content-related and experiential components of educational programs.

Furthermore, assessments of knowledge that relate to globalization need to be supplemented with assessments of attitudes and values. Structured, research-based efforts to make such assessments—global mindset is a common rubric and the Thunderbird Global Mindset Inventory introduced in [Section 4.3](#) is a leading example—help in this regard but also arguably are subject to some significant limitations. In addition, the vagueness with which the term “global mindset” is often used also sounds a caution. Thus, when a CEO argues that a global mindset is a high priority, what s/he may be saying is that everybody in the field should take a headquarters-perspective on decisions—from which it is a short step to decree that headquarters should take all decisions and end up with a standardized strategy that is not respectful of national differences. That a systematic managerial bias may exist in this regard is suggested by an exploratory study aimed at

⁵⁵Martell, Kathryn, e-mail correspondence, April 1, 2010.

Table 4.3: Sample Areas of Globalization-Related Knowledge.

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- A. Certified MBA Sample Assessment Questions on Internationalization/Globalization*
- Macroeconomics*
1. Explain how international translation and transaction risk may affect firm balance sheet and income statement.
 2. Justify a decision to hedge international risk.
 3. Explain the various tools for hedging international risk (e.g., currency options, futures, and forward contracts).
 4. Recognize the special risks firms may face in operating in countries that use flexible exchange rates, pegged exchange rates, exchange controls, or currency boards to determine exchange rates.
 5. Evaluate changes in national protectionist policies.
 6. Show the connection between inflation rate and exchange rate.
- Organizational Behavior*
7. Analyze the factors that differentiate national cultures.
- Strategy*
8. Describe forces driving globalization.
 9. Distinguish between multinational, global and transnational strategies.
 10. Describe key organizational challenges in globalization
-

*All relevant questions out of a total of 229 in 10 functional areas.

Source: CertifiedMBA.com, CMBA_Exam_Overview_and_Objectives, 2010, electronic document, http://www.certifiedmba.com/exam/CMBA_Exam_Overview_and_Objectives.pdf, accessed May 19, 2010.

- B. Potential Areas of Required Knowledge**
1. Levels of cross-border integration of markets of different types: products, capital, people, and information (semi-globalization)
 2. Levels of internationalization/globalization of firms (firms as the visible hand of cross-border integration)
 3. Changes in cross-border integration over time (the two waves of globalization, the current crisis in historical perspective)
 4. Drivers of changes in cross-border integration over time (technological changes, particularly in transport and communications, and policy changes)
 5. Net impact of differences of various types on cross-border interactions (estimates from gravity models of the effects of CAGE variables)
 6. Differences in national cultures and implications for business (objective indicators and Hofstede's five—subjective—dimensions of cultural values and implications)

Table 4.3: (Continued)

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7. Differences in business ownership and governance around the world and implications (“varieties of capitalism”)
 8. Distance and other geographic barriers and implications (regionalization—at international and intranational levels)
 9. Economic differences and implications (wages and other factor costs; impact on arbitrage/vertical vs. aggregation/horizontal strategies)
 10. Benefits and costs of increased cross-border integration (in the presence of market failures)
-

**Partial list, to be expanded and also supplemented with a) function-specific knowledge requirements, and b) attitudinal/value assessments.

deriving bases for measuring the globalization of mindset. The researchers themselves had to add dimensions related to national responsiveness because the managers whom they were surveying were apt to overlook these dimensions.⁵⁶

4.6.1. Closing the Loop

The last element of the assessment cycle is the one that seems to draw the most current interest in at least one sense: most schools do not or at least should not need to check how they are performing against their globalization-related objectives to figure out that they need to act differently in this area (although assessment would, as noted previously, help calibrate the problem and identify specific countermeasures). If knowledge of what to do is not the binding constraint, the knowing-doing gap assumes that role.

As noted earlier in this chapter, many schools have, instead of forcing the globalization of curricular content, tended to focus on initiatives—such as classroom diversity, travel, and partnerships—that fall within their comfort zones, or at least do not require radical changes to what they are accustomed to doing. Thus, the emphasis on recruiting students from many different

⁵⁶Murtha, Thomas P., Stefanie Ann Lenway, Richard P. Bagozzi, “Global Mind-sets and Cognitive Shift in a Complex Multinational Corporation,” *Strategic Management Journal*, Vol. 19, No. 2 (1998), pp. 97–114.

countries fits with the traditional business school model of delivering residential programs at one location (while also helping to fill available seats). And partnerships are ways of achieving mobility without committing to physical locations overseas. Given all the motivation and behavioral obstacles to change that are discussed in [Section 4.2](#), a reliance on purely bottom-up processes to eliminate the globalization gap is likely to yield results very slowly, if at all. Business school rankings that assess “globalization” by measuring student and/or faculty diversity, or the number of a school’s partner institutions, reinforce this approach.

The good news is that improvements do seem possible. Business schools’ current positions, not to mention their educational missions, suggest that instead of focusing on such bottom-up processes, they should invest their resources in the development and deployment of better globalization-related content as their distinctive competence in this arena. Thus, Jeffrey Pfeffer and Christina Fong’s otherwise scathing critique of business schools concludes with the following hopeful remarks that characterize the kind of content development and deployment envisioned here:

The rigorous thinking and theoretical grounding that characterizes business school scholars and their research, actually offer an advantage over the casual empiricism and hyping of the latest fad that characterizes much, although not all, of the research that comes out of nonacademic sources. And business school faculty have spent years honing the craft of preparing and delivering educational material in ways that are at once accessible and intellectually sound. There is no reason that, in a world seeking both knowledge and training, business schools can’t succeed in doing both well.”⁵⁷

A final point that must be made about taking action is that this challenge is not just for business schools. The influential Gordon and Howell study of business from more than half a century ago that this chapter cites in its opening actually concludes with five pages on the role of AACSB that includes, among other things, the following observation:

Perhaps most important of all, the Association should become more of an active force for improvement than it now is. Not only should it have minimum standards which all member

⁵⁷Pfeffer, Jeffrey, and Christina R. Fong, “The end of business schools? Less success than meets the eye,” *Academy of Management Learning and Education*, Vol. 1, No. 1 (2002), p. 93.

schools are expected to meet fully but it should engage in an active educational program that has as its purpose stimulating schools to raise the quality of their programs much beyond the minimum levels which all schools are now expected to achieve.⁵⁸

But given the salience of globalization and the problems as well as possibilities that it presents for management education, Gordon and Howell's recommendation would seem to fit this area that they did not foresee.⁵⁹

4.7. Summary

This chapter suggests that to think of more globalized content as just another mechanism for globalizing business schools would be a serious mistake: such content is a strategic factor because it is the critical constraint on business schools' ability to address the gap that has developed between the globalization of their reach and the globalization of their offerings. A survey of academic thought leaders suggests that content that is aimed at bridging this globalization gap should focus on cross-country differences and their business implications. The chapter presents a specific proposal for structuring global content within the curriculum, advocating an interlock approach that uses a course that focuses on globalization as a platform for globalization-related discussions that continue in follow-on functional courses. Mechanisms that reinforce global learning objectives, such as classroom diversity, international experiences, project work, and language training, when carefully selected and deployed, can be valuable supplements to course content. Assessment of learning objectives is an area that is just beginning to attract attention but that is clearly very important.

⁵⁸Gordon and Howell entirely failed to discuss globalization/internationalization: levels of cross-border integration were significantly lower then and the mood pessimistic about whether they would resume the upward sweep of the "long nineteenth century." Gordon, Robert Aaron, and James Edwin Howell, *Higher Education for Business*, Columbia University Press, New York, 1959.

⁵⁹Thus, Polanyi et al. (1957) and Deutsch and Eckstein (1961) emphasized that various measures of globalization had declined significantly since the period before World War I, and they asserted that this trend was unlikely to be reversed any time soon. See Polanyi, Karl, Conrad M. Arensberg, and Harry W. Pearson (eds.), *Trade and Market in the Early Empires; Economies in History and Theory*, Free Press, Glencoe, IL, 1957, and Deutsch, Karl W., and Alexander Eckstein, "National Industrialization and the Declining Share of the International Economic Sector, 1890-1959," *World Politics*, Vol. 13 (1961), pp. 267-99.

That last point is a reminder that many insights into effective curricular strategies and their correlates remain to be developed. The links between the globalization of the curricula on one hand, and faculty development and research on the other have yet to be understood thoroughly. The impact of technological improvements in areas such as telepresence, online educational platforms, and more is likely to be substantial but these mechanisms are still at an early stage of development. Interactions between business schools and members of the profession they serve will, one hopes, continue to increase clarity and specificity about the knowledge and skills required of business graduates in a globalizing world, as well as to enhance business schools' success in achieving those outcomes. More broadly, the study of business organizations suggests that the globalization of business schools is likely to prove to be a sequential process as well.

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