

## **Incorporating Global Competency in Marketing Classes: An Experiential Approach**

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*Marketers face new challenges in expanding sales with corresponding changes and competition worldwide. Many marketing classes cover international marketing. Experiential learning, such as study abroad, plays a major role in developing global competencies in. This paper highlights a study abroad experience that injects global competencies in marketing students.*

### **INTRODUCTION**

As traditional markets become saturated, marketers are challenged to identify and develop new markets and segments worldwide. Much of the competition for new markets is international and global. Increasingly, marketers are forced by circumstances to interact and partner with people from different cultures and therefore different beliefs and expectations that differ from what marketers were used to in the past. It is the responsibility of marketing educators to provide the tools for the preparation of students to succeed in this changed environment. Such tools include experiential learning in marketing classes.

International business deals are often huge. For example in the very recent past, Boeing, the US aerospace giant, lost a huge sales deal for 180 passenger jets from Indigo, an Indian airline, to Airbus, the European airline consortium. Did culture and expectations or changing market conditions determine the outcome of this deal? A deal this big that runs into billions of US dollars can make a significant difference in the economy of a country and its employment situation. Such international deals are just too big to let go. It is quite possible that better understanding of the business culture, better networks with opinion leaders and decision makers in target markets, and better understanding of their needs would result in more successful marketing efforts and their impact on the business success of the organization.

Corporate ownership and governance, even in United States, is rapidly evolving into a union of diverse culturally influenced business and marketing philosophies and expectations. Many major mergers and acquisitions between international corporate giants from culturally dissimilar countries such as that of Acer a Taiwanese company and Gateway an American Company (PC World, 2007) and Tata Motors of India buying the English brands Jaguar and Land Rover from Ford Motor company of the US (New York Times, 2008) have taken place in the past five years and many more are underway. Larsen and Toubro Limited, India's largest engineering and construction company has entered into a Joint Venture with the US based Gulf Interstate Engineering Corporation. Gulf Engineering already has sound operations in Mexico, South America, Russia and the Middle East (Times of India, 2007). Very recently, Chinese organizations have made acquisitions in United States and others are being actively invited to invest by many US states.

A look at these giant business moves taking place all over the globe throws light on the fact that trade liberalizations are creating a lot of new opportunities in many new lands. As a result competition is also increasing rapidly. Businesses are seeking job candidates with adequate international knowledge and experience in order to succeed in the global village. Such knowledge can be significantly acquired and increased through direct exposure to, communications with, and other forms of direct interaction with individuals from other cultures and countries, especially the ones that are most promising at this time or in the very near future for business development.

USA is no longer people's only favorite place to set up businesses or seek jobs although recent polls have once again ranked it the number one destination for foreign investments. At the same time, several third world countries such as India and China are becoming more and more attractive to investors, businessmen and job seekers alike, due their cost effectiveness. The 2008 release of the Forbes' World's Billionaires had four Indians make it to the top ten and a Mexican tycoon Carlos Slim at the third position. Others in the top-ten list are from Sweden, Germany and Russia (Times of India, 2008). Another report that year indicated that about 63 percent of the companies globally were targeting Vietnam to capture the low labor costs benefit (Times of India, 2008). In such a scenario where the global economies are opening up and making every effort to reap benefits by collaborating with other countries, it is very crucial for students to acquire global competencies in order to compete in the world beyond US. However, most marketing classes offered today can only provide book knowledge with very little real understanding of the true situation and environment of the global nature of marketing.

This paper will provide an insight into how global competencies can be introduced into marketing classes by way of an experientially enriching study abroad program. The program provides both cultural and business immersion opportunity for participants and is especially valuable to marketing students and practitioners. They gain first-hand knowledge of business customs, expectations, requirements, networks, and opportunities from the program in a very time-efficient and effective manner.

## **THE CHALLENGE**

Students usually lack real world experiences. Since globalization has become an existing phenomenon, organizations have realized that the foundation of competitive success is the existence of globally competitive executives. Therefore organizations need to find suitable candidates with the appropriate set of competencies to perform effectively in this environment (Wu and Lee, 2007). Working with international corporations or multinational companies and working in an international environment among a diverse workforce may be some of the major challenges that the American students are vulnerable to due to globalization.

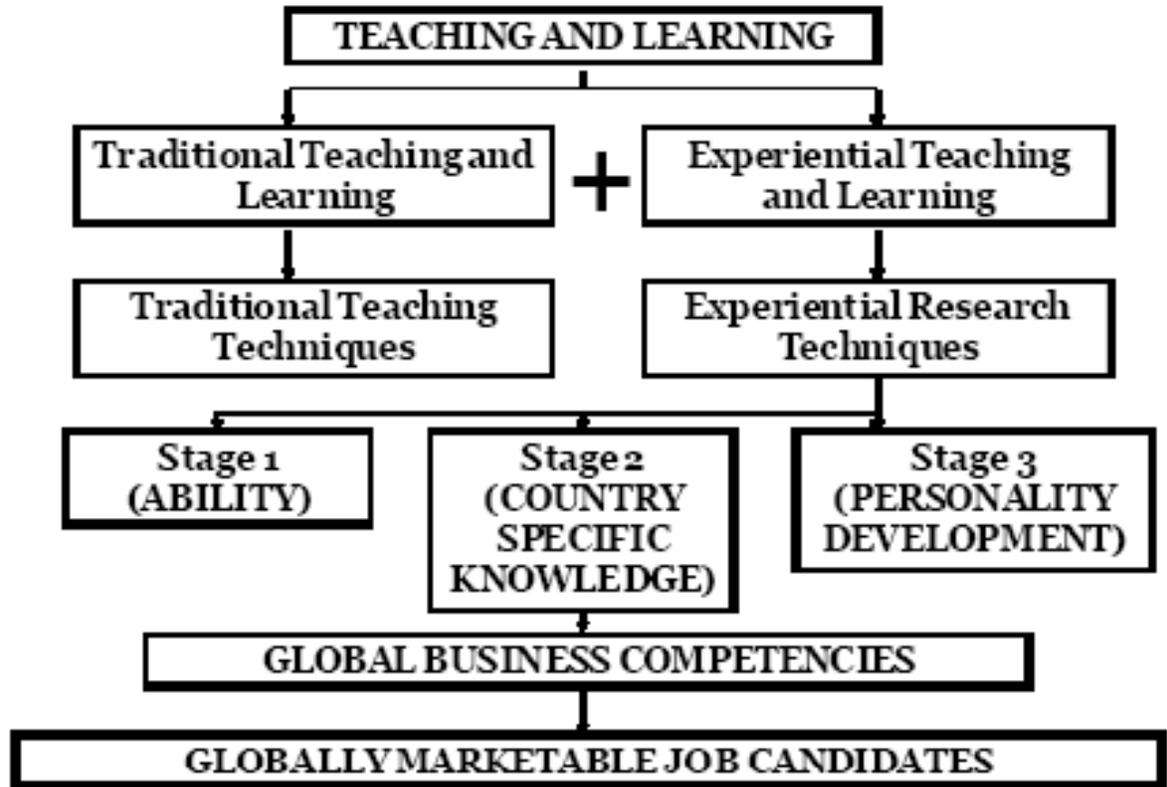
Most American students' knowledge is limited to the national boundaries and they are completely unaware about what is happening in the world outside of US. In order to be competitive with students from all over the world the American students will have to understand that there is a world beyond the US which is progressing rapidly and for them to be able to enter this global market, they will have to gain as much international exposure to gain critical global business competencies as soon as possible. This will enable them to better understand the opportunities and challenges beyond national borders, identify transnational segments, position effectively and communicate successfully. The final result will be additional sales and profits through winning target-focused marketing strategies.

## **GLOBAL BUSINESS COMPETENCIES**

A graphical model has been developed to guide the reader through a conceptual framework to provide an insight into the theoretical context of our endeavor. Offering global business competencies building opportunities to students of marketing is part of the bigger picture of teaching marketing.

**TABLE 1  
THE PLAN**

**GLOBAL COMPETENCIES MASTER TEACHING PLAN**



In order to prepare for acculturation with foreign partners, prospective international managers should have developed a set of traits or competencies. While it is practically impossible for anybody to acquire all the necessary competencies at once, it is still possible or rather sensible to acquire these competencies in stages (Wu, Lee and Tzeng, 2005). Caligiuri and Santo (2001) have presented a list of goals that can be fulfilled in order to achieve these competencies in stages. These goals are categorized into ability, knowledge, and personality development. Ability deals with transactions and leadership. Knowledge deals with business structure, international business issues, and networking. Personality deals with openness, flexibility, and ethnocentrism. Ghose (1997), had provided a list of competencies that further explain each of these stages. Combining the Ghose (1997) list of global competencies and Caligiuri and Santos's (2001) list of goals, a useful guide is developed for better understanding of the global competencies required to develop successful managers.

In a global scenario where businesses are spread in different geographical locations, the customers of the business may be very varied and their needs may be diverse. Therefore it is important to understand the needs, preferences and tastes of different customers in order to serve them right and give them what they need. It is important to keep your ears open to sense any opportunities and threats to the business from competitors.

For a better understanding of competitive opportunities and threats, country specific knowledge, is essential. This includes the cultural, legal, social, and communications aspects of culture among others.

Cultural: It is important to gain knowledge about different cultures because people from culturally dissimilar countries have different needs, tastes and preferences. In order to do business globally it is

important to understand the local culture in which the business is set in order to cater to the needs of the people of that country. It is also important to understand different cultures because often the business strategies and techniques that work in one country may not work in another. Therefore in order to step foot in another country it is important to closely study that country's culture and devise strategies accordingly.

**Legal:** In order to do business globally it is very important to understand that different countries have different laws. Depending on whether the country is a democratic country or a communist country, the laws will differ from country to country. It is important to have very good knowledge of the different laws of the country one may be dealing with.

**Social:** It is a known phenomenon that businesses and societies co-exist. They have symbiotic relationship. Therefore it is necessary to fulfill the social responsibilities that a business has towards the society.

**Communication:** Good communication is the most essential part of any business. No business can exist without communication. It is important to be able to market one's products and services in the right way at the right time. It is important to be able to understand the needs of the consumers or the end-users. Communication is the link that brings the business and its customers together in the market place.

## **ACQUIRING GLOBAL BUSINESS COMPETENCIES**

The two most important sources of acquiring the earlier mentioned global business competencies are:

- In-school teaching and learning; and,
- Out-of-school teaching and learning.

In-school teaching and learning techniques include class-room discussions, quizzes, debates, case studies, group projects, class-room presentations, field trips, guest speaker, etc. Such techniques may help in developing the students' communication skills, confidence and knowledge.

However, when these class-room activities are coupled with out-of-school learning experiences, it helps the students gauge the extent of practical applicability of theoretical knowledge gained in class besides helping the students measure the acceptability of their ideas in the real world. Some such out-of-school learning experiences involve academic internship, paid internship, undergraduate and graduate research, business seminars, workshops, study abroad, etc. These out-of-school learning activities help a student simulate the challenges they may be faced with when they step in the real world. One of these out-of-school learning experiences, study abroad, is discussed further.

## **STUDY ABROAD**

Experiential research techniques that are more common include surveys, interviews, net searches and projective methods. Meaningful immersion through study abroad as an experiential research technique is relatively newer and hence a greater focus is being placed on this technique in this paper.

Discipline focused study abroad programs, especially, provide the sustainable competitive advantages (Vance, 2005) of firsthand insider knowledge and invaluable observations of backstage culture. In addition they provide direct networking with essential contacts for current and future business endeavors. However, for these programs to be meaningful, we need to be aware that the basic types and stages of experiential learning are addressed by the variety of activities inbuilt into such study abroad programs.

Many leading universities have recently incorporated such meaningful immersion study abroad into their business curriculum and other schools are incorporating them in order to make their graduates competitive (Backman, 2007). In January 2008, NAFSA reported that Study Abroad Programs are critical to leading, collaborating, and competing "effectively in the global arena." (NAFSA, 2008)

## **SPECIFIC BENEFITS OF THE STUDY ABROAD PROGRAM TO STUDENTS**

The advantages of study abroad can be categorized into two sets of competencies. The first set is cultural competency and the other set is business competency. Koernig (2007) emphasized that in order to make a study abroad program effective, focus has to be placed on, "... balancing academic content with cultural activities, selecting types of learning activities, and facilitating a student exchange with a local university." The two categories addressed are highlighted below.

- a. Cultural Competency
  - Understanding the role of culture and its impact on business processes.
- b. Business Competency
  - Real time learning from highly successful and influential business leaders of global trade across different industries like IT, Hospitality, Emerging Technologies, Manufacturing and Service Industries.
  - Provides real time exposure to the challenges and opportunities of transnational businesses.
  - Observing and studying major global and local businesses in operation.
  - Establishing personal contacts in the corporate world.

A sample meaningful study abroad program is presented for the benefit of those desirous of starting one or improving an existing program.

## **A SAMPLE STUDY ABROAD PROGRAM**

### **The India Study Program**

Participants are accompanied by a faculty member on a visit to Chennai and surrounding cities in Southern India. Chennai is a booming center for international business. The focus of the immersion experience is business studies. The tour lasts two weeks and the group visits South Indian cities in order to get insights into business in both large and small cities. The group visits large and small businesses, multinational and businesses, gets into conference with high level executives and administrators from private industry and government. The group also gets guided tours of factories, hospitals, educational institutions, and cultural sites by renowned experts and attends exclusive seminars at these locations. Focus is on both cultural competency and business competency.

## **OVERALL DEBRIEFING**

No program or tool is useful for replication unless it is assessed. Debriefing provides the opportunity to assess the study abroad program. Sims (2002) had emphasized the crucial contribution of debriefing to experiential learning. Participants were debriefed using journalizing, discussions, clarifications, reflections, and analysis. Assessment during debriefing showed almost a 19% increase in students' self-evaluation between pre and post program.

## **CONCLUSION**

Globalization is here and a fact of business. However, the supply of globally competent personnel is in critical short supply. Business schools have to take the responsibility for supplying organizations with globally competent graduates. There are many understandable challenges though, such as the availability of resources, the lack of faculty preparation to lead these efforts, and the superficiality of knowledge of some existing leaders (Koernig, 2007). In addition, many existing so-called study abroad trips are essentially, "Margarita Trips," which are programs that are vacations with little or no contribution to cultural and business competencies. It is therefore necessary that US students in marketing are taught business competencies in order to compete and collaborate with global competitors and build strategic networks and alliances. To be of benefit to aspiring competitors in the arena of global business, serious

attention should be focused on meaningful study abroad programs in addition to traditional experiential research techniques to address both cultural and business competencies in the marketing program in universities and colleges.

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