

ATTITUDES OF ALUMNI AND CORPORATIONS TOWARD INTERNATIONAL BUSINESS EDUCATION

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Abstract. As a preliminary step in increasing the international dimensions of the College of Business Administration at the University of Notre Dame, questionnaires were sent out to both alumni and potential employers of business graduates. These surveys were aimed at determining the importance of international business in the college curriculum and determining what aspects of international business education are most important. This paper emphasizes the similarity of responses obtained from these two diverse groups.

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INTRODUCTION

The questionnaire sent to alumni solicited information about their degree—BBA (Bachelor of Business Administration) or MBA—major, year graduated, and current position. The respondent was asked to indicate the extent of his firm's involvement in international operations and the necessity of his having a knowledge of international business. Alumni were asked to rank the importance of five general areas of international business. Finally, respondents were asked to indicate the importance of having a knowledge of each of twenty-six topics in international business. This survey was sent to 1148 alumni of the College of Business Administration, who graduated between 1955 and 1973.

SURVEY DESIGN

A similar questionnaire was sent to personnel directors of 390 firms. This sample included those firms which recruited regularly on campus as well as 195 of the largest firms (in terms of 1975 sales) that had not recruited on campus.

Information solicited from the corporations included the extent of their international operations, type of firm, the likelihood of employees (BBAs and MBAs) being sent abroad, and the likelihood of employees becoming involved in international operations while working on domestic assignments. Employers were asked to rank five general areas of international business. The personnel directors were also asked to assign a degree of importance to each of twenty-six topics in international business.

There was a 62 percent response rate from the alumni; however, only 6 percent of the respondents were MBA graduates. Forty-four percent of the personnel directors responded.

RESULTS

Forty-eight percent of the alumni worked for firms that were either heavily or moderately involved in international operations, whereas 66 percent of the personnel directors reported that their firms were either heavily or moderately involved in foreign operations. Forty-two percent of the alumni felt that a knowledge of international business would aid them in their present jobs. This statistic increased to 59 percent when applied to career paths.

* The author is an Assistant Professor of Finance and Business Economics at the University of Notre Dame. His area of concentration is International Finance and he has served on the International Business Committee of his College for two years. The Survey of Alumni was conducted by the author, while the Survey of Corporations was administered by Professor Animesh Ghoshal of the same Department. Both surveys were funded by the Herrick Foundation. Professor Robert Vecchio assisted with the analysis of the data.

About 29 percent of the responding personnel directors indicated that their employees had a high likelihood of being sent on foreign assignments in their first ten years on the job. Thirty-five percent of the personnel directors thought that their business graduate employees would be involved in international operations during their first ten years on the job. International business training was felt by personnel directors to be more important for MBAs than for BBAs.

When asked to rank the importance of five major areas of international business to one's career, identical rankings were obtained from the alumni, employers with respect to MBA employees, and employers with respect to BBA employees.¹ These areas, in order from most to least important are: international finance, international economics, international accounting, international marketing, and international management.

The results of assigning importance to the twenty-six topics in international business indicate a great similarity of response. Regressions were run using the scores assigned to each topic in order to determine a measure of this similarity. Personnel directors did not discriminate between BBAs and MBAs when they assigned importance to these topics. The regression coefficient obtained by regressing these two groups was .96. When the scores assigned to the topics by the alumni were regressed on the scores assigned to BBA students by the personnel directors, the resulting regression coefficient was .85. Thus, it can be said that both the alumni and the personnel directors felt the same about the twenty-six topics. This finding is not surprising since both groups are reacting to similar corporate environments.

International Tax Consideration was selected as the most important topic by all three groups.^{2,3} One reason for the popularity of this topic is that it is important to all firms that have any dealings with a foreign country. Many of the other topics would only be of importance to firms that have significant international operations.

A knowledge of the foreign exchange market, the international monetary system, accounting problems in foreign operations, and international cash management was also considered to be very important. There was unanimity about the unimportance of such topics as the selection and training of employees for international firms, advertising strategies for international markets, comparative labor-management systems, customs unions and gains from trade. There was some difference of opinion about the importance of two topics: Alumni placed a high degree of importance on a knowledge of exchange controls while the personnel directors did not. However, the alumni did not believe the study of marketing strategies for international markets to be of much value, whereas personnel directors did.

CONCLUSION

Respondents of both surveys indicated similar attitudes about international business education. Not only did they feel that this training was very important but they also agreed as to the importance of various topics in international business. Over a third of business graduates can expect to be involved in international operations in their careers. An even greater number will be working for firms that are involved in international operations.

This study strongly supports the conclusions reached in a study chaired by Lee C. Nehrt on international business education. Nehrt found strong support on the part of college administrators toward increasing the international dimensions of a business education.⁴ The study conducted at Notre Dame has found widespread support for this training from two additional sources: major corporations and alumni. Furthermore, this study has identified specific areas where the international training was most needed.

1. All MBA graduates had a survey course in international business. A few of the BBA graduates had international finance but practically none had any of the other four areas. International accounting, international management and international marketing are recent additions to the college curriculum.
2. Less than one percent of the BBA alumni had this topic in the classroom.
3. The average response from those who identified themselves as accounting majors was 1.76, while that of the nonaccounting majors was 2.06. On this question, one was the entry for most important and four was the response for least important.
4. Lee C. Nehrt was chairman of the Task Force on Business and International Education. This group published their findings in *Business and International Education* released by the American Council on Education.