

ON EMPLOYMENT AND CURRICULUM OF THE INTERNATIONAL BUSINESS PROGRAM

EMILY SUN*

In terms of employment with an international company and entering into the area of international operations of the employer, a survey based on questionnaires suggests that the international business program is more suitable for graduates than undergraduates and for a combined major than a major.

Ever since its launching in the middle of the 1950s,¹ the international business program has been surrounded by controversies and confusion. Some business schools offer it as a major and others as a combined major. If a major or combined major is offered, some schools offer it at the graduate level and others at the undergraduate level. There is no uniform policy on the program. Furthermore, this program was initiated in response to a rapid expansion of American foreign direct investment and the resulting need for young men and women to fill positions with an international dimension,² yet the job opportunities of the graduates have not been as bright as expected and have become a matter of serious concern to the educators. With the emphasis on the development of local talents and the rise of nationalism in the host countries it is claimed that foreign nationals have an advantage over Americans in seeking employment connected with international business. However, whether foreign nationals have found it easier than Americans to obtain jobs in international business remains to be substantiated.

In an attempt to answer the questions raised above, it was felt that pertinent information might be obtained by finding out, through questionnaires, how the international business (or foreign trade) alumni have fared in their careers and assess the international business program they took. This paper is to report the results of such an exploratory survey of the career pattern of the international business alumni and their reflections on the

*Dr. Sun is an Associate Professor of Economics at Manhattan College, New York City. Her paper on foreign direct investment appeared recently in the *Manhattan College Journal of Business*, Vol. 2, June, 1973.

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international business program. About 18 per cent of the respondents listed difficulty in gaining entry into international business as the disadvantage toward their careers by majoring in international business. Furthermore, from the viewpoint of job opportunity, the results also suggest that the international business program is more suitable for graduate students than undergraduates, for foreign students than Americans, and for a combined major than a major.

Methodology

A questionnaire was prepared in the summer of 1971. It was pre-tested on the international business alumni in two different schools and then further revised. By the end of January 1972, the final edition of the questionnaire was ready for distribution.

Since the lists of international business alumni of different colleges and universities were not accessible to any outsider, copies of the questionnaire were mailed to the deans of business schools or directors of international business programs to be forwarded to their alumni. The names of the schools were taken from *University Education for International Business* compiled by Vern Terpstra.³ The curricula of the 95 schools offering international business courses presented in the Terpstra study were further scrutinized to eliminate those which obviously did not offer a major or combined major in international business or foreign trade. The total number of schools was thus reduced to 57. This plus three schools which did not respond to the Terpstra study but were known to the author to offer international business programs made up a list of 60 schools to be contacted.

The initial mailing brought responses from 21 schools, 13 of which were willing to cooperate, five had no international majors, two had just started their international programs and had practically no alumni, while one did not have the manpower to do the job. By the middle of March, 1972, a total of 64 completed questionnaires were received from alumni of ten different schools. A follow-up letter was sent on March 21, 1972. This time 17 responses were obtained: 12 would cooperate, three did not have this major, one did not have the time to do it while another was doing its own survey and consequently did not wish to participate. A third letter was sent on May 16, 1972. This brought four favorable responses. However, of the total number of 29 schools responding favorably, completed questionnaires were returned from alumni of 19 schools only, in spite of further correspondence with the deans or directors involved.

The schools were asked to take a random sample of their alumni in international business or foreign trade and mail the questionnaires to those selected in the sample. By the end of October 1972, a total of 195 completed questionnaires were received. Out of the 610 copies mailed to the 19

schools actually responding, the response rate was 32 per cent. In view of the tremendous difficulties involved in reaching the right alumni, we feel that the response rate was gratifying.

Profile of Respondents

Of the 195 respondents, ten were still students, four claimed themselves non-majors, and two did not fill out the form properly; altogether, 16 responses were eliminated. The remaining 179 were grouped according to their citizenship at birth and academic achievement in Table 1. The 32 non-citizens at birth came from 21 different countries in Africa, Asia, Europe, North and South America. Thirteen of them became U.S. citizens and one a permanent resident. All U.S. citizens at birth remained citizens at the time of the survey.

TABLE 1
Respondents by Academic Achievement and
Citizenship at Birth

<u>Academic Achievement</u>	<u>Citizens at Birth</u>		<u>Non-Citizens at Birth</u>		<u>Total</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
Bachelor's degree	16	11	3	9	19	11
Second bachelor's degree or certificate*	59	40	3	9	62	35
Master's degree	61	41	24	75	85	47
Doctor's degree	4	3	2	7	6	3
Advanced degree in other fields**	7	5	0	0	7	4
Total	147	100	32	100	179	100

*A recognized baccalaureate degree is a prerequisite.

**One M.B.A. in management, one M.B.A. in business administration, two M.B.A.s in economics, one M.A. in education and two J.D.s.

Without any doubt, international business is basically a major for men. There were only five women respondents, one of whom was a non-citizen at birth.

The age distribution of the respondents is given in Table 2. The mean age, ungrouped data, for citizens at birth was 34.2 while that for non-citizens at birth was younger, at 29.9.

TABLE 2

Respondents by Age and Citizenship at Birth

<u>Age</u>	<u>Citizens at Birth</u>		<u>Non-Citizens at Birth</u>		<u>Total</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
20-29	53	36	18	56	71	40
30-39	54	37	11	35	65	36
40-49	34	23	3	9	37	21
50-59	6	4	0	0	6	3
Total	147	100	32	100	179	100

Table 3 presents the year in which the highest academic achievement was obtained. One hundred and three (70%) of the citizens at birth and 29 (91%) of the non-citizens at birth received their highest degree or certificate since 1960. Only five (3%) of the citizens at birth and none of the non-citizens at birth in the sample received their highest education before 1950.

TABLE 3
Respondents by Year of Highest Academic Achievement and
Citizenship at Birth

Year	Citizens at Birth		Non-Citizens at Birth		Total	
	No.	%	No.	%	No.	%
70-72	50	34	22	69	72	40
65-69	35	24	6	19	41	23
60-64	18	12	1	3	19	11
55-59	22	15	0	0	22	12
50-54	10	7	1	3	11	6
45-49	5	3	0	0	5	3
N.A.	7	5	2	6	9	5
Total	147	100	32	100	179	100

Career Pattern

Questions were raised on the employer's principal activity, position level and location of the respondents. Among the 179 alumni, it was found that four were drafted,⁴ while three had no jobs at the time of the survey.⁵ These seven were eliminated at this stage in order to present a picture of those who held jobs. In addition, the seven respondents who received advanced degrees in other fields after getting their bachelor's degree in international business or foreign trade showed interest in careers other than international business. They were also excluded.

Table 4 gives the principal activity of the employer. Eleven of the 165 respondents worked for governments, two for international organizations and seven went into education. Among the remaining 145 respondents employed by private business, manufacturing and mining surpassed all other areas as the principal activity of the employer. It was followed by banking, insurance and real estate; wholesale and retail trade; transportation, communication and public utilities; services; construction; and agriculture in descending order.

TABLE 4
Principal Activity of the Employer

Activity	Citizens at Birth		Non-Citizens at Birth		Total	
	No.	%	No.	%	No.	%
Agriculture	0	0	1	3	1	1
Banking, Insurance & Real Estate	30	22	5	17	35	21
Construction	4	3	0	0	4	2
Government	8	6	3	10	11	7
Manufacturing & Mining	63	47	10	33	73	44
Services	8	6	1	3	9	6
Transportation, Communication & Public Utilities	8	6	2	7	10	6
Wholesale & Retail Trade	8	6	5	17	13	8
Other	6*	4	3**	10	9	6
Total	135	100	30	100	165	100

*Includes international organization 1 and education 5.

**Includes international organization 1 and education 2.

The position levels of the respondents are given in Table 5. The respondents were asked if they considered themselves upper, middle or lower management, if applicable. A quarter of the respondents found it difficult to classify their positions in this manner. Nevertheless, greater percentages of citizens at birth classified themselves in middle and upper management positions than non-citizens at birth. This seems to reflect their age differences and years in which the degrees were received rather than any possible prejudices. The non-citizens at birth were the younger of the two groups.

Among the citizens at birth, 44 (33%) lived abroad and 91 (67%) resided in the United States. The corresponding figures for non-citizens at birth were 11 (37%) and 19 (63%) respectively. The 44 American expatriates were scattered in 27 countries on five continents. For the citizens at birth, a foreign residence meant a foreign assignment; for non-citizens at birth, a foreign residence often meant residing in the country of birth. Of the 11 non-citizens at birth who lived outside the United States, eight returned to their respective countries of birth with only three engaged in foreign assignments.

TABLE 5
Present Position of the Respondents

Position	Citizens at Birth		Non-Citizens at Birth		Total	
	No.	%	No.	%	No.	%
Lower Management	17	13	7	23	24	14
Middle Management	52	39	10	33	62	38
Upper Management	33	24	5	17	38	23
N.A.	33	24	8	27	41	25
Total	135	100	30	100	165	100

Ease of Entry into International Business

Questions were constructed to determine whether the mature individuals found it any easier than persons fresh out of college in seeking employment related to international business and whether the non-citizens at birth found it any easier than citizens at birth in doing so. Among the six

recipients of the doctor's degree five went into teaching. The doctorates are excluded in this portion of the study.

Among the citizens at birth, three sub-groups will be compared with one another. They are the holders of a bachelor's degree, a second bachelor's degree and a master's degree respectively. The bachelor's degree holders were the youngest while the holders of a second bachelor's degree were the oldest in the three sub-groups.⁶ Between the citizens and non-citizens at birth, the two sub-groups of master's degree holders will be compared.⁷ The numbers of bachelor's degree holders and second bachelor's degree holders of the non-citizens at birth were too small to make any comparison meaningful.

To determine ease of entry into international business, three calculations were made. They are: (1) per cent of employers, present and past, with international operations, (2) per cent of present employers with international operations, and (3) per cent of respondents with international responsibilities.

(1) The number of employers the respondents had had since receiving their highest degree in international business or foreign trade divided into the number of those employers with international operations gives the per cent of employers, present and past, with international operations. The values are, among the citizens at birth, 65% (15/23) for persons with a bachelor's degree, 95% (104/109) for persons with a second bachelor's degree or certificate, and 79% (60/76) for persons with a master's degree. For the non-citizens at birth holding a master's degree, the value is 85% (22/26).

(2) The percentages of present employers with international operations (total number of present employers divided into the number of those employers with international operations) are 73% (11/15) for the bachelor's degree holders, 91% (57/59) for the second bachelor's degree holders, and 82% (47/57) for the master's degree holders among the citizens at birth. The value is 91% (26/22) for non-citizens at birth with a master's degree. All the values obtained for this calculation are greater than the corresponding ones for the previous calculation, an indication that the respondents changed employers partly to seek jobs related to international business.

(3) Among those working for employers engaged in international business the respondent's responsibilities might not be related to the international operations of the employer. The percentages of respondents with international responsibilities (number of respondents with international responsibilities divided by total number of respondents) are 27% (4/15) for recipients of a bachelor's degree, 93% (55/59) for recipients of a second bachelor's degree, and 56% (32/57) for recipients of a master's degree among the citizens at birth. For non-citizens at birth with a master's degree the value is 64% (14/22).

On the basis of the above calculations, the non-citizens at birth did seem

to have some advantage over the citizens at birth in gaining entry into the international business scene. The non-citizens at birth holding a master's degree scored consistently higher than the citizens at birth with the same education.

On the other hand, among the three sub-groups of citizens at birth the holders of a bachelor's degree did the poorest in all three measures. This seems to lend support to the argument that international business is a major for mature individuals.

Curriculum Feedback

Whether international business is offered as a major or combined major, the required core courses encompassing the areas of business study are quite alike among schools of business. In order to determine whether the international business curriculum met the professional needs of the alumni, the respondents were asked to rate the degree of benefit they derived from different areas of business study, to state the advantages and/or disadvantages they experienced in their careers by having an international business major or combined major, and to make suggestions as to how the international business curriculum could be improved.

TABLE 6

Benefits Derived from Business Subjects

<u>Business Subject</u>	<u>Great or Some Benefit</u>		<u>Little or No Benefit</u>		<u>N.A.</u>	
	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>	<u>No.</u>	<u>%</u>
International Business	148	89.7	16	9.7	1	.6
Finance	147	89.1	7	4.2	11	6.7
Accounting	144	87.3	12	7.3	9	5.4
Management	142	86.0	14	8.5	9	5.5
Economics	139	84.3	21	12.7	5	3.0
Marketing	136	82.4	23	14.0	6	3.6
Business Law	104	63.0	46	27.9	15	9.1
Quantitative Business Analysis	102	61.8	41	24.9	22	13.3

Table 6 lists the benefits received from areas of business study arranged in descending order. No single business subject received a hundred per cent endorsement in terms of benefits received. The highest rating went to the area of international business of which 89.7% of the respondents derived great benefit or some benefit. This was closely followed by finance, accounting, management, economics, and marketing. Business law and quantitative business analysis trailed somewhat behind. The alumni seemed to have more definite opinions about international business than any other subject area. Only one out of the 165 respondents gave no evaluation on international business.

TABLE 7

Advantages to Career

<u>Advantage</u>	<u>%</u>
Broader outlook	34
Preparation for jobs in international business	32
Greater responsibility and challenge	10
Appreciation of people and customs	7
Foreign residence and traveling	4
More rapid advancement	3
Mastery of languages	3
Higher pay	2
Sense of contribution to host country	1
None	4
Total	100

TABLE 8

Disadvantages to Career

<u>Disadvantage</u>	<u>%</u>
Difficulty in gaining entry into international business	18
Loss of touch with home office	4
Family adjustment to foreign assignment	4
Program did not meet my needs	3
None	71
Total	100

Tables 7 and 8 present respectively the advantages and disadvantages the respondents had experienced in their careers by having a major or combined major in international business. The advantage most frequently given was a broader outlook which was followed closely by preparation for jobs in international business. Other advantages in descending order include greater responsibility and challenge, appreciation of people and customs, foreign residence and traveling, more rapid advancement, mastery of languages, higher pay, and sense of contribution to the host country. One respondent said: "My employers (past, present and future) realize that I have made a personal commitment to this field." Another remarked: "I feel that my major has put me ahead of my contemporaries who have no international business training." A third one commented: "It [the major] is the best thing that ever happened to me." Only 4% of the participants found no advantages in their careers by majoring in international business.

Even though 71% of the respondents found no disadvantages in their careers by majoring in international business, the dominant complaint centered around difficulty of gaining entry to a position related to international business. The placement office was not well-informed: "At our university, the placement center did not know of the existence of the international business major." The campus recruiters were not well-informed: "The recruiters and interviewers are unaware of the problems and opportunities within the international operations of the companies." The job market was narrow: "In corporations smaller in overall size, international operations are minor and part-time." Few international companies hire directly for interna-

tional operations: "Most firms require domestic business experience and assignments." Consequently: "having to be transferred or promoted into this end of the operations would detract from the value of the international business degree, I believe." Lack of special knowledge in a functional area was blamed: "Its broadness is an advantage in searching for a better job in the initial interview but a strong disadvantage when competing for a specific job." The rise of nationalism in the host countries was cause for worry: "Would do it once again but because of nationalism would not recommend it to a student." Little attention has been paid to the recipients of the international business degree: "the growing area is the international division in the corporate headquarters. Landing such a position often involves being at the right spot at the right time. Having international business educational credentials would probably be of benefit. But this would not insure one an international business position. By the same token, lack of such credentials most definitely would not preclude one's receiving such a position."

The citizens at birth did not monopolize the complaints. The following came from non-citizens at birth: "Present time executives are not familiar with international business degrees and do not give the degree holder much credit." "Interviewers of companies with international operations would not pay too much attention to me." "I have found that in my case companies care and would only hire me for my engineering bachelor's degree. Little attention has been paid and no important duties have been forthcoming on account of the M.B.A."

As to possible improvements on the international business curriculum, a great many respondents thought that the program fitted their professional needs well. Suggestions varied, depending upon the career experiences of the respondents. More area studies, languages, international finance, international economics, accounting, marketing, sociology and business correspondence were among the recommendations made. Six participants felt that the training was too general and not rigorous enough to justify a separate major. This number included a D.B.A. and a Ph.D. currently teaching international business. Another six individuals even suggested abolition of the major because of lack of job opportunities in the field.

Discussion

Although there are business schools offering international business at the undergraduate level, the majority of them offer it at the graduate level. Several business schools dropped the undergraduate major in order to concentrate on their graduate programs. Our investigation is in agreement with the majority approach. The mature individuals with a master's or second bachelor's degree or certificate found it much easier to seek employment with an international company and also to enter into the area of international operations of the employer than college graduates.

Our study also shows that foreign nationals with their language skills and native know-how found it easier than Americans of same education to gain entry into the international business scene.

The survey results appear to lean toward a combined major rather than a major. Former students of business schools tend to rate their own area of specialization much higher than other subject areas in terms of benefits received.⁸ The fact that our respondents attached almost equal importance to non-major subjects of finance, accounting, management, economics, and marketing point to their great reliance on these areas of study to support their learning in international business.

Furthermore, almost one out of every five respondents was concerned about the job market. Even though the top executives of large international companies speak about the great need for young men in management with the global view,⁹ demonstrated competence in domestic assignments comes first in most instances.¹⁰ The major of international business appears to be of secondary importance to the employer.¹¹ Since most students in international business tend to get their first job in a functional area in domestic activity,¹² a combined major would enable the students to get their first job more easily and the knowledge in international business could then help to ease their way toward responsibilities connected with the international operations of the employer.

The complaints about the campus recruiters and placement office show a great need for coordination between schools of business and the international companies on career information and placement. There is a natural tendency for the placement office and campus recruiters to slight the international business majors who get fewer job interviews than the other majors. In many leading universities, a professor of stature in the chemistry department is in charge of helping the graduates to seek employment in the field. Such a practice may be worthwhile to adopt in international business.

FOOTNOTES

¹ Prior to the mid-1950s several schools offered a foreign trade program.

² John Fayerweather, Jean Boddewyn and Holger Engberg, *International Business Education: Curriculum Planning* (New York: Graduate School of Business Administration, New York University, 1966), pp. 1-2. W. George Pinnell, *Education in International Business*, ed. by Stefan H. Robock and Lee C. Nehrt (Bloomington: Graduate School of Business, Indiana University, 1964), v.

³ Vern Terpstra, *University Education for International Business: A Survey of American Business Schools* (Association for Education in International Business, 1969).

⁴ There were three M.B.A.s and one B.B.A. of whom one was a non-citizen at birth.

⁵ All were M.B.A.s including a non-citizen at birth.

⁶ Their mean ages were: 25.1 for recipients of a bachelor's degree, 40.7 for recipients of a second bachelor's degree, and 30.3 for recipients of a master's degree.

⁷ The mean age for non-citizens at birth holding a master's degree was 30.0.

⁸ H.C. Edgeworth, "Curriculum Feedback," *Collegiate News and Views*, XXIV (May, 1971), 13-15.

⁹ Dimitris N. Chorafas, *Developing the International Executive* (New York: American Management Association, 1967), p. 33. Michael G. Duerr and James Greene, *The Problems Facing International Management* (New York: The Conference Board, 1968), pp. 25-27.

¹⁰ Paul Doigan, remarks at "Career Opportunities Roundtable," in *Proceedings of the Fifty-Sixth National Foreign Trade Convention* (New York: National Foreign Trade Council, 1970), p. 203. A. Kapoor and Robert J. McKay, *Managing International Markets: A Survey of Training Practices and Emerging Trends* (Princeton: Darwin Press 1971), p. 9. Robert G. Wertheimer, "Hiring Practices of the Multinational Firms," *Quarterly Journal of AIESEC International*, II (November, 1966), 12-19.

¹¹ Elbert Burr, remarks at "Executive Development Session," in *Proceedings of the Fifty-Sixth National Foreign Trade Convention* (New York: National Foreign Trade Council 1970), p. 108.

¹² Dan T. Smith, "On Integrating International Business into the Curriculum," in *Business Schools and the Challenge of International Business*, ed. by Stephen A. Zenoff (New Orleans: Graduate School of Business Administration, Tulane University, 1968), p. 87.