

***Bridging Cross-Cultural Competence in International Business Education:  
The Case of the "Global Village Leadership and Business program"***

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**Abstract**

Higher education is becoming globalized and internationalized with the number of international students, studying at institutions outside of their home country. A major challenge of both International Business/Management and Education is the complexity of cultural diversity. Potential benefits, as well as, criticalities emerge when people are engaged in differentiated global contexts with regards to age, background, experiences, race, nationality, social status, and cultural aspects. Furthermore, individuals are increasingly investing in international intensive programs at different ages.

Education continues to be a pathway to workforce success and advancement in a globally competitive environment. Specifically, business educators have advocated that in order to build future leader's intercultural capability, it is vital to provide them with cross-cultural experiences that enhance the learning of every individual within a diverse community. Therefore, developing cross-cultural competency requires a strategic approach to change behavior that focuses on the knowledge, skills and attitude. This approach has been successfully adapted by the *Global Village for Future Leaders of Business and Industry*® program. To examine the effectiveness of this program a survey was disseminated to over 1500 alumni who graduated in the years 1997 through 2012. Slightly more than 33% of those who received the survey responded. The study concluded that International-Business/Management program leaders must be strategically proactive in developing the capacity to consider diversity as a value, and not as a barrier; create or improve a positive attitude towards change; evolve transnational spaces and management practices; and increase competitiveness and welfare.

**Keywords:** cross-cultural competence, multiculturalism, leadership, education, global village

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## **Introduction**

Higher education is becoming globalized and internationalized with the number of international students, studying at institutions outside of their home country. A major challenge of both International Business/Management and Education is the complexity of cultural diversity. Potential benefits, as well as, criticalities emerge when people are engaged in differentiated global contexts with regards to age, background, experiences, race, nationality, social status, and cultural aspects. Furthermore, individuals are increasingly investing in international intensive programs at different ages.

Education continues to be a pathway to workforce success and advancement in a globally competitive environment. Specifically, business educators have advocated that in order to build future leader's intercultural capability, it is vital to provide them with cross-cultural experiences that enhance the learning of every individual within a diverse community. This approach has been adapted by the Global Village for Future Leaders of Business and Industry®, an applied leadership, management, and cross-cultural training program. It is designed for experienced young professionals and advanced students who share the dream of building a leadership career in business and industry, and who want to form an active and lasting global network.

Through program courses, topic-specific panels, networking sessions, company visits, consulting projects and cultural experiences, Global Village interns learn new tools and gain insightful perspectives that are essential to becoming successful leaders. During the intensive five-week program, interns find themselves amongst a diverse group of over 100 individuals, coming from more than 50 countries, representing a myriad of cultures, speaking a multitude of languages, and offering unique insights based upon their own background, education and experience (Iacocca Institute, 2015, p. 2).

The Global Village is truly unique. This program is designed to be practical and action-oriented. It requires no academic prerequisites and delivers no traditional grades. Participants attend "learning experiences," not "classes" and "discussions," not "lectures." They are encouraged to supply their own goals and objectives and work with program staff to map a customized and experience-based action plan (Iacocca Institute, 2015, p. 2).

In addition, the program provides an experience that is unique to each participant. Participants develop a set of goals and work with their personal guide to choose the curricular elements that will help them advance in their work, career and life. With so many opportunities, participants quickly learn the value of time management and decision making skills. More importantly, they improve their leadership skills, learn how to conduct international business, and improve teamwork skills.

## **Review of Literature**

In today's highly competitive business environment, students need to be well equipped with all necessary knowledge, skills, and abilities upon graduation in order to survive in the regional and global market. Educational leaders and professionals continue to emphasize on the need to align the education curriculum and pedagogy with the needs of regional economics. They believe higher education needs to have the capacity and flexibility to adjust systems, meet the challenges of the rapidly emerging knowledge-based global economy, and respond faster to changing needs. Therefore, higher education has big responsibility and pressure to cope with advancing technology, transforming economy, changing demography, and more importantly dealing with the informational revolution. It is required to develop highly educated workforce and citizens who can contribute and participate in their country's economic development.

Furthermore, Lei et al. (2010) have noted that with the rise of international communication and the need for collaborative interaction among professionals across countries has become a new leadership challenge. Current research on collaboration in cross-cultural situations reveals that differences in cultural orientations are no longer easily defined (Avolio, 2007). Understanding and developing international competencies continues to be a challenge in today's global business environment.

Pizam (2014) argues that with the globalized economics business leaders are continuously challenged by cultural issues that may cause misunderstanding and can affect organization's performance and ultimate survival. Therefore, it is critical that all business owners, leaders, and employees possess a trait that is commonly referred as cross-cultural competence in order to compete in today's market and gain competitive advantage. According to Pizam (2014), "Cultural competence enables people to be aware of their own culture, recognize the differences between their own culture and other cultures, understand how people from other cultures think, do business, see others and why they act the way they do" (p. A1).

Culturally competent individuals are able to communicate effectively with people from different cultural backgrounds, build long-term relations with them and modify their own behaviors to better deal with cross-cultural situations. Moreover, cultural competent organizations observe an overall improvement in their performance due to the enhanced responsiveness to the needs of their multicultural customers and employees (Pizam, 2014). Therefore, developing cross-cultural competency requires a strategic approach to change behavior that focuses on the knowledge, skills and attitude.

### ***Developing Cross-cultural Competence (CC)***

As the marketplace continues to become more diverse, characterized by dynamic and intersecting cultural-flows. Individual consumers, and more importantly leaders, must co-evolve with these market changes (Seo & Gao, 2015). Furthermore, many international businesses have failed due to a lack of cross-cultural competence (CC)s. The business literature appears to lack an adequate conceptualization and definition of cross-cultural competence and often focus on the knowledge and awareness of international variability. Many educational programs emphasized cultural awareness to include surface knowledge and lack the critical factor of understanding.

Cultural intelligence is much more than just knowing what a cultural group eats or how they dress, it requires a deeper understand that provides the competency to relate and work effectively across cultures. Pizam (2014) suggest that cross-cultural competence refers to the individual's ability to engage effectively with people from different cultures and backgrounds and understand them.

Classroom discussion about international business is often forgotten as students struggle to bridge theory and real world practice. However, students who participate in programs involving cross-cultural experiences, whether it is attending an international program or interacting with international students, creates an experiential learning that has the potential to last a life time. Research suggests that learning occurs more readily when students are able to experience (i.e., see, smell, taste, hear, feel) stimuli and actively participate in the education process. Experiential learning approaches are related to important educational concepts, such as critical thinking (Paul, 1990), situational instruction (Smith, 1989), and experiential learning (Kolb, 1984).

Hall et al. (2012) argue that intercultural competence development is a process of learning that emphasize teachers' "important role in intervening to facilitate intercultural interaction, and to equip students with conceptual models and frameworks for reflective learning" (p. 13). Student experience is highly dependent on the teacher's cross-cultural competence. Developing cross-cultural competency requires a strategic approach to change behavior that focuses on the knowledge, skills and attitude.

#### ***Knowledge: Multicultural Education***

According to Betancourt (2003) "traditionally, cross-cultural education has focused on a 'multicultural,' or 'categorical,' approach, providing knowledge about the attitudes, values, beliefs, and behaviors of certain cultural groups" (p. 562). This strategy was developed to help teachers respond to the changing demographics of the classroom. It provided students with knowledge about the histories, cultures, and contributions of diverse groups. "Multicultural education incorporates the idea that all students – regardless of their gender; sexual orientation; social class; and ethnic, racial, or cultural characteristics – should have an equal opportunity to learn in school" (Banks & Banks, 1995, p. 3). However, these efforts can lead to stereotyping, and oversimplification of culture. Research has shown that teaching 'cultural knowledge,' can potentially be more detrimental than helpful.

#### ***Skills: Interpersonal Communication***

According to Reilly (as cited in Kinsman, 2008), communication can be the key to great success or the key to failure. However, social hierarchy exists in most cultures, which can create issues in appropriate communication. It is evident that no one can afford to neglect the cultural context of communication and nor the luxury of ignoring cultural differences. Developing cross-cultural communication skills requires knowledge of different styles of communication, assessing decision-making preferences, determining each person's perception of themselves in relation to others. Over the years, cross-cultural communication topics have been incorporated into the business education curriculum. Strategies such as in-class role-playing exercises, interactions with guest speakers from different cultures, foreign films and case study analysis, and cross-cultural work groups (Ozcelik & Paprika, 2010).

Although, these methods have been in improving the cross-cultural communication, they have mostly focused on expanding students' knowledge about other cultures. However, more attention must be given to developing their attitudinal views of culture and developing emotional intelligence with cross-cultural interactions.

### ***Attitude: Emotional Intelligence***

Emotional intelligences (EI) facilitate the understanding of cross-cultural leadership and attitudinal views of diversity. Daniel Goleman, the principal contributor to the field of emotional intelligence indicated that leaders with a high EI level are crucial to today's global environment (Goleman, 1998). Bar-On refers to the emotional intelligence as to the concern of understanding oneself and others, adapting to and coping with immediate surroundings to achieve success when dealing with environmental requirements (Bar-On, 1997). Emotional intelligence has been associated with global leadership success (Alon and Higgins, 2005) and development of a global mindset (Lovvorn and Chen, 2011). Successful programs have focused on attitudinal perceptions and expressions that "regulate emotions, in not only oneself, but also others" (Crowne, 2013, p. 7).

### **Statement of the Problem**

Lévy-Leboyer (2004) argues that "cultural differences lead to misunderstanding and misunderstanding leads to conflict, low morale, and lack of productivity in work settings. Understanding the variety of cultures is, therefore, a priority in today's global economy" (p. 792). Leaders who are successful in their own culture might be failures in another culture because they are unable to adapt to new cultural settings. How do you become culturally agile? How do they understand other people's behavior, respect foreign values and customs, and acquire the capacity to behave in an acceptable way in unfamiliar settings? Higher education is responding to these questions.

The Global Village offers many opportunities to develop cross-cultural competence. Students live, work and learn together in a microcosm of the world during a five-week program. Sharing, celebrating, and experiencing the value of international diversity facilitate the internationalization of student's experiences. Social interaction across cultural barriers is encouraged throughout the program. This paper examines the effectiveness of the Global Village for Future Leaders of Business and Industry®, as an applied leadership, management, and cross-cultural training program.

### **Methodology**

To examine the effectiveness of the Global Village program a survey was disseminated to over 1500 alumni who graduated in the years 1997 through 2012. Slightly more than 33% of those who received the survey responded to the survey. Survey respondents represented 83 countries and 84% came from outside of North America. Participants in the survey ranged in age from 18 to 58. Eighty-eight percent of the respondents were over the age of 21, with the largest cluster of respondents (67%) being between the ages of 21-26. Survey respondents were equally balanced between genders.

In addition, individual interviews were conducted off-campus. The interview protocol was semi-structured, to allow the study participants to speak freely and confidentially about their United States graduate school experiences.

### Findings of the Study

The results of the study indicated that 99% of the respondents to the survey declared that “The Global Village for Future Leaders of Business and Industry® “played a significant role in their lives” (see Figure 1). One of the participant stated, “The Global Village enabled me to transform my view of the business world and find my place in it.” More than half of the participants stated that after completing the five-week course, their English has improved.

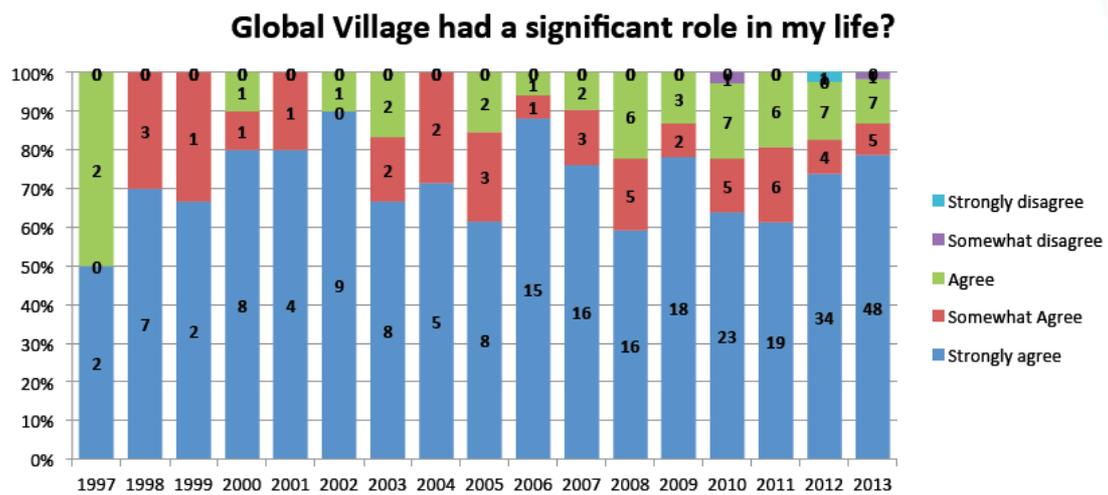


Figure 1. Significant Role in their Life

The annual salaries for Global Village Alumni have increased considerably after participating in the Global Village program; with the most significant increase occurring in the \$100,000 to \$250,000 salary range (see Figure 2 and Figure 3).

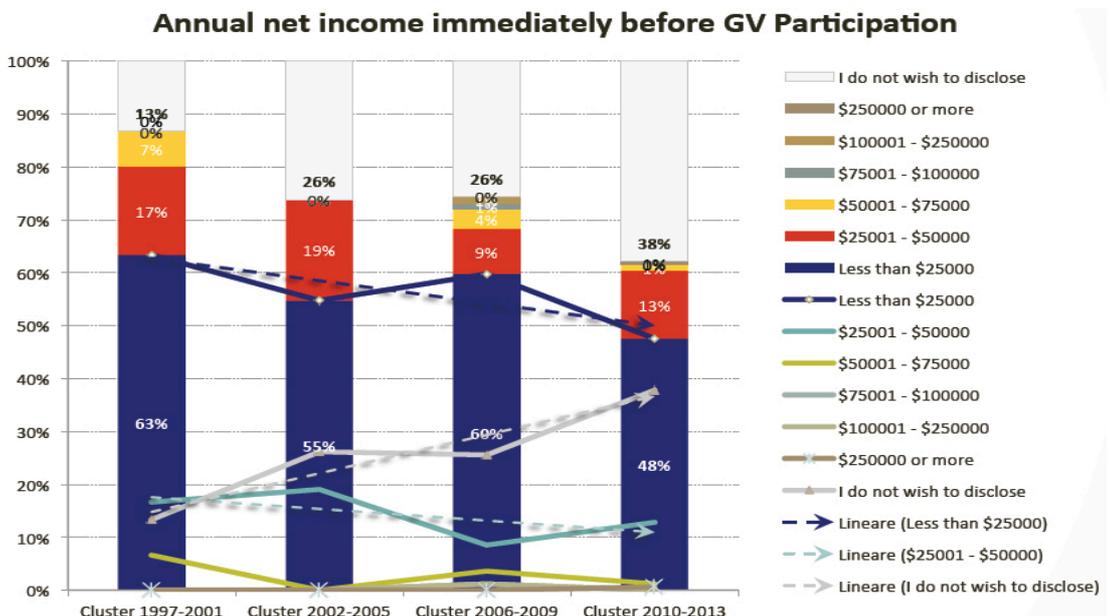


Figure 2. Salary before GV Participation

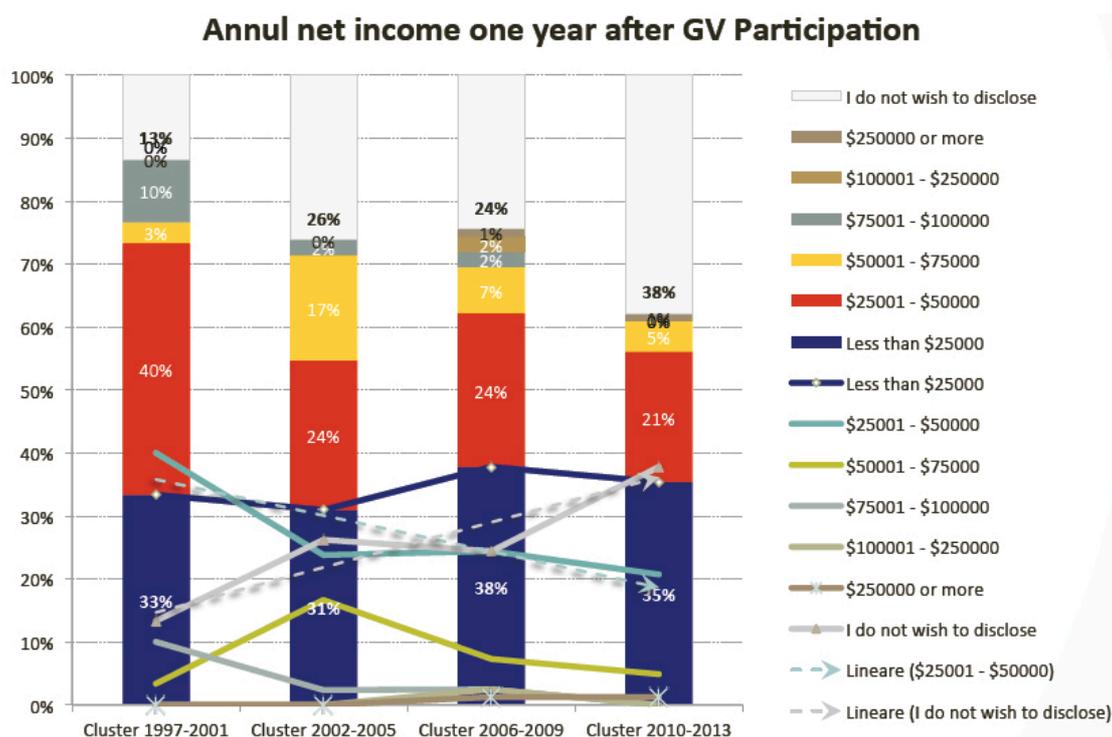


Figure 3. Salary 1 year after GV Participation

Global Village alumni reported the following additional impacts:

- A marked increase in professional responsibility measured by the increase in budgets and employees they managed after their Global Village experience.
- A large number of respondents indicated that, after completing the program, they travelled to more countries than previous years, improved skills in other languages, moved their business focus to other countries, or lived in other countries.
- Fifty-six percent of respondents agree that after the Global Village program, their English language ability improved, with 35% indicating strong improvement in their English language skills.
- After the Global Village program, a greater number of Global Villagers found their career in Corporate Business than in any other field. Also, the number of Villagers that pursued an entrepreneurial career more than doubled after attending the Global Village program. Statistics show 40.6% of the GV alumni report they are currently working in Corporate Business, 8.8% are in Small Business, 9.8% are Self-Employed, 6% are in a Profession (Medical, Law, Accounting, Architecture), 8.8% are in Education, 6.3% work for a Nonprofit/NGO, 4.1% work in a Family Business, 4.4% are in Government and 11% are students.

## **Recommendations for Additional Research**

The process of developing cross-cultural competence, merits additional focus and research. Due the success of the Global Village program, it is recommend to further examine the specific strategies that was used to promote a long-term impact, with additional investigation focusing on the formal, informal and social learning aspects. Furthermore, it would be beneficial to examine each teacher's cross-cultural competency and professional development programs used to prepare instructors. More attention and measurement of cultural leadership skills are needed for both students and faculty. Finally, it may be particularly useful to further study the characteristics of individuals who are effective in culturally diverse environments and identify key levers to change behaviors regarding cultural efficacy.

## **Concluding Remarks**

Every year since 1997, the Global Village program has attracted students from all over the world; this diversity in the classroom could be considered strength, because it leads students to deal with people with different cultures, nationalities, and beliefs. This program creates a positive environment for exploring potential changes. The ability to foster an environment of inclusion for all cultures, races, gender, age, and diverse backgrounds has enabled participants to better understand their differences.

Based on results, the study concluded that International-Business/Management program leaders must be strategically proactive in developing the capacity to:

1. Consider diversity as a value, and not as a barrier.
2. Inspire ideas based on respect and inclusion.
3. Create or improve a positive attitude towards change.
4. Create strong and long lasting ties among people and life-long learning experiences.
5. Evolve transnational spaces and management practices.
6. Increase competitiveness and welfare.

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