



Emerging Global Marketplace

A Challenge to Management Education

The Impact of Globalization on Management Education

The emerging global marketplace represents one of the most powerful challenges to the American educational system in years, affecting not only management education but our entire educational system. I will address this challenge from two perspectives: First is curricular – what is the optimal program of study for the manager competing in the global marketplace? How should management education deal with global, international, and – most critically – institutional areas? Second is structural – in what educational system sectors should these subjects be addressed, and how should they relate to each other? I will principally address graduate and post-graduate management education, specifically the MBA and non-degree, post-graduate programs.

The curricular issues are straightforward. If the global business environment is defined by its structural, technological and institutional properties, then these must be key characteristics of the management curriculum. Our business students must be well-schooled in fields such as technology management, organizational design, communications and information systems. Quality management and Benchmarking methodologies are critical because they are how firms achieve global competitiveness. Does this mean that these areas are more privileged than other business disciplines such as finance, marketing, or accounting? Quite the contrary. The objective is to order the management curriculum differently by moving away from the functionally organized and somewhat fragmented curriculum model to a more integrated model, consistent with the complex architecture of the globally competitive firm.

Integrated Curriculums Produce the Strong Managers

But how should management education address the challenge of operating in specific areas around the world? Anyone who has done business outside the home environment knows the challenges, costs and opportunities presented by local cultural, historical and political differences. I believe the ability to deal

effectively with cultures other than one's own is one of the most important qualifications for management; yet in spite of its enormous importance, the cultural, political, and historical fields do not belong in management education.

Business schools around the U.S. are scurrying to establish alliances overseas, to build into their programs foreign residencies, exchange opportunities and cultural studies to sensitize students to doing business outside one's borders. If the objective is to expose students to alternative business systems, I applaud them enthusiastically. But if it is cultural diversity training, my response is "too little, too late." Such training – as crucial as it

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may be – is not appropriate to graduate management education. To undertake it at the management level is to engage in remedial education under the least advantageous circumstances.

Management education in foreign cultures is best achieved as an integrated curriculum incorporating a variety of disciplines. Students should study languages, history, anthropology, political science, geography, the arts, and much more. The best place to receive this liberal education is in the secondary and undergraduate curriculum. Any professional in any field is well-advised to have these foundation disciplines in place. If they are to be studied properly, they cannot be sandwiched into the already-crowded MBA curriculum.

Business school curriculums need to diversify case and illustrative materials to include models other than those of U.S. corporations. This is a simple step which our business schools should undertake for the sake of realism. Ideally, this diversification of materials would apply to residencies, exchanges and more advanced studies to focus on comparative business systems and institutions instead of focusing on cultural differences.

Institutional Studies: the Nexus of the Global Economy

I have been careful to define the appropriate "cultural" dimension of management education institutionally as education in comparative business systems. This leads me to

the central component of the educational challenge in the global competitive environment – in examining the global and local relationships, governments emerged as the transmission points linking the two levels of business activity. In truth, the government position should include not only national governments, but state and local bodies and a variety of non-governmental and supranational institutions as well, including self-regulatory organizations such as exchanges as well as supranational organizations such as the IMF or NAFTA, and ultimately trade associations, labor organizations and industry groups.

Institutional studies are the linchpin of management education in the global environ-

ment because it is at this level that the link between the global and the local are captured. It is the nexus of the global economy. This idea is not a new one. Economic historians, political economists and management historians have long worked this field to good effect. Douglas North, in *Structure and Change in Economic History* describes the central issue for economic history as

"the institutional structure which underlies and accounts for the performance of an economic system, and explaining changes in that structure." Within this domain, the study of the relationship between business and government is of primary importance. As Porter states in *The Competitive Advantage of Nations*, for government to be effective in support of local industries, there must be close collaboration between them in determining the competitive factor to be created and deployed. Both business and government must be thinking strategically about their interaction and should hold this relationship as a key place in the business strategy curriculum.

The Historical Perspective & a Theoretical Framework

Governments and the global marketplace are dynamic, not static. They evolve, and their study will have lasting value if it incorporates a historical dimension into its teaching. Unfortunately, there is little historical thinking in graduate management education. Yet without a historical perspective on business, the environment of continuous change will be incomprehensible. Managers will have no conceptual basis for

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analyzing and anticipating change and will react without method, managing at best to "guess right" from time to time.

A sound theoretical framework is indispensable to institutional studies. Otherwise, their lessons amount to no more than "war stories." The educational value derived from the study of the nexus of global and local circumstances will be minimal unless the experience can be assessed within a coherent social, political and economic structure. In this regard, management studies should be re-integrated with the broader social science framework.

Most business schools and executives should not have difficulty with my proposals. The real challenge is the institutional change that business schools, corporations, and universities would have to undertake. If we are serious about introducing institutional studies grounded in a sound historical and theoretical framework, then many intra-institutional barriers, sanctified over time by professional specialization and a dose of parochial self-interest, must come down. Organizations without degree-granting programs or accreditation as well as business enterprises and the people in the workplace themselves would also have to participate.

Business schools must give serious thought to their place in the continuum of management education from undergraduate studies through MBA programs and beyond. It is ironic and certainly fitting that as business education is called upon to make a place for historical and institutional studies in its curriculum, it is also well-advised to consider its own institutional evolution. The impact of the global marketplace is profound and pervasive, not least of all where management education is concerned.

Richard Scaldini is President and CEO of The Washington Campus, a not-for-profit organization engaged in management training in Washington, D.C.

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