

THE NEW IMPERATIVE: THE M.B.A. AND FOREIGN LANGUAGES

A Case Study of the Joseph H. Lauder Institute for Management and International Studies

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AMERICAN business executives engaged in international trade will, by the year 2000, want increasingly to meet face-to-face with their counterparts in other countries and to be able to speak their language and address their political and social concerns with sensitivity.¹ In recent years, there has been a significant increase in international trade by American companies and in the need to develop foreign markets. Economic interdependence is likely to remain an essential characteristic of future business life. Since 1960, the total value of United States foreign trade has grown from less than 10% to over 25% of our GNP. About 40% of American farmland produces crops for export, and about 33% of corporate profits are generated by international activities. Perhaps most telling of all, American commercial banks have \$130 billion in loans outstanding to developing countries and the Communist bloc, with 1,500 banks throughout the country involved in lending to Latin America alone (American Council on Education 6). This last statistic alone suggests the large number of bank officers, for example, who are engaged in international banking. The knowledge of other countries and cultures that these officers have must affect their capacity to make intelligent decisions.

Dennis P. Lockhart, vice president and area manager, Citicorp, Inc., wrote recently:

As a business culture, we are not sophisticated internationally. . . . we need to become more attuned to the psychology of international sales. . . . since language is the primary carrier of culture, proficiency in a buyer's language achieves the double objective of a medium of communication and medium of insights into cultural attributes which affect the sales situation. Respect for culture is a powerful selling tool. There is no stronger means to convey respect for culture than language proficiency.

Our capacity to do business well, at home and abroad, depends on our educating an increasingly large number of students who can engage in international discourse in more than one language.

These concerns have been aired in government circles. In January 1984, the secretary of education received a report prepared by the National Advisory Board on International Education Programs encouraging the development of a national language policy. Entitled *Critical Needs in International Education: Recommendations*

tions for Action, the report takes particular cognizance of the needs of the business community:

Because of our lack of competence in foreign languages American business stands to lose markets to foreign competition, and as other countries challenge, and in some cases, overtake our lead in high technology, our scientists, engineers, and technicians are hampered in their access to foreign research and data. Federal government agencies need, but do not insist on, functional competency in foreign languages for political assessment, negotiation, agricultural development, technical assistance projects and defense. In this context, it is shocking to know that competence in a foreign language is no longer required on the Foreign Service Examination.

(U.S. Department of Education 5)

As a world power, the security and prosperity of the United States depend on a complex network of relations with the rest of the world . . . precisely because we are a world power, we have responsibilities and obligations. We also have an economy fundamentally tied to world trade. We are a pluralistic society conducting business in an interdependent world. . . . (4)

Management education in American business schools has not traditionally insisted that graduates develop extensive knowledge of foreign cultures and languages. Many programs have lacked substantial international content in disciplinary courses. The Joseph H. Lauder Institute of Management and International Studies has been established to redress some of the shortcomings in current management education and above all to respond to the needs of business executives in the world's increasingly interdependent economy. The institute aims to develop corporate leaders who are sensitive to cultural differences and capable of operating comfortably and effectively in foreign environments. In announcing the establishment of the institute, the cofounder, Leonard

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Lauder, alluded to his father's concern over the disadvantage of American business executives abroad and noted:

Domestically, one out of every six industrial jobs and one out of every four agricultural jobs depend on international trade. As the world becomes in this way more interdependent, the proportion of Americans whose livelihood depends directly on foreign markets increases. The need to master foreign languages is a direct result of such economic interdependence. So, too, is the need to understand other economic infrastructures and other modes of conducting business.

The fact is, we simply cannot afford insularity. In an increasingly pluralistic world, with the United States no longer the dominant center of scientific and technological progress, it becomes a matter of urgency that we set ourselves the serious task of understanding life in different cultural contexts. We must start now to produce a new kind of executive, one who can respond vigorously and creatively to the new international economic realities. The men and women we need to lead American industry and enterprise in the 21st-century must be educated to be true citizens of the world. They must understand, not only foreign corporations and business practices, but the society out of which these emerge. (Univ. of Pennsylvania [2])

The Lauder Institute is developing two degree programs, M.B.A./M.A. and Ph.D., and a number of non-degree programs including executive education programs and undergraduate colloquia, an international research program, and a country data program. Within its curriculum the insights of literature, the acquisition of a foreign language, the appreciation of diverse cultures, and various aspects of the arts generally, will hold an important place. The institute will be able to support its comprehensive academic program by drawing on both the Wharton School and the School of Arts and Sciences at the University of Pennsylvania. For the M.B.A. component of this dual degree course, Wharton's programs in management education provide training in quantitative, analytical, conceptual, and methodological skills. The arts and sciences departments at the university furnish the ingredients of the M.A. component, including foreign languages, literature, economics, cultural anthropology and other social science courses, communications, and public speaking. Students in the M.B.A./M.A. program will also use state-of-the-art computer and telecommunications systems in both their business and foreign language courses.

Most important, the institute's twenty-four-month M.B.A./M.A. program will use the traditional summer breaks to send students to other countries. During the first summer, students will concentrate on refining language skills and developing an awareness of the cultural and historical aspects of a country; during the second summer, the institute will place students in corporate internships abroad to provide practical field-work experience in indigenous employment.

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Students can specialize in one of four geographical areas: Western Europe, Latin America, East Asia, or (for foreign students) the United States and Canada. To be accepted into the program, students must demonstrate an oral proficiency of 2 on the Foreign Service Institute scale in a second language, choosing one of the seven foreign languages of the institute. Initially the institute will offer French and German (for Western Europe area study), Spanish and Portuguese (for Latin America), Japanese and Chinese (for East Asia), and English (for the United States and Canada).

All seven sections of the Lauder Institute foreign language and culture program have two common goals:

1. to increase students' proficiency from the intermediate to the advanced levels that will permit professional and social use of the second language;
2. to broaden students' knowledge of some of the cultures where the language is spoken. Courses will focus on selected topics related to contemporary society, its institutions and values, and some significant literary and historical texts.

While each of the language sections will select its own methods to meet these goals, all students will be tested for language proficiency and for knowledge of the specific culture studied as well as general global affairs, before and after the first summer. M.B.A./M.A. students must also pass a final examination in language proficiency and cultural awareness before graduation.

From time to time, special lecturers will speak on topics related to language and culture and international business. Students will also receive short articles on these topics for small group discussion.

Lauder students will develop advanced skills in second languages as well as learn to see the world from different vantage points. Besides studying and working abroad during both summers, they will make a short investigative trip to a foreign country to complete a research project for a multinational corporation during their final semester.

Ongoing language study will be part of each semester's academic work. Each section has designed a language-enhancement course series. These courses, two hours a week each semester, will offer students opportunities to use a second language in various situations including, for instance, interviews, press conferences, and business negotiations. Students will be expected to keep abreast of current events in the countries they are studying. Those who wish to maintain proficiency in more than one language may enroll in additional enhancement courses. The institute will arrange to meet the special language needs of students who wish to develop third or fourth languages.

Perhaps the most refreshing and significant aspect of the program is that students will be encouraged to expand their knowledge of the literature, history, and so-

cial mores of the countries where their second language is spoken. Testing students both before and after their participation in the program will help faculty redesign the curriculum and continually assess how well the program is meeting its objectives.

The full range of language-related experiences will not only make students better equipped to function intelligently in the languages and cultures they have mastered but will make them faster learners of additional languages and cultures as required by the demands of their professional lives.

Each year's class of fifty students (half from the United States and half from other countries) will have an opportunity to benefit from the institute's close ties to the international business community. Contacts with the institute's board of governors and through the corporate associates program will broaden students' understanding of the demands of international business. A range of extracurricular activities will bring guest speakers to campus as members of the Society of Senior Fellows of the Institute. Fellows will be drawn from the business world, as well as from fields such as politics, government, and diplomacy, and will share their expertise with students. In addition, the institute will offer opportunities to attend cultural events focused on the various regions of the world.

The need for comprehensively trained business leaders is likely to persist into the twenty-first century. Several members of the institute's board of governors have stressed the importance of internationalizing management education in the global economy of the future. Jacques G. Maisonrouge, senior vice-president of IBM Corporation, chairman of the board of IBM World Trade Corporation, and member of the governing board for the Joseph H. Lauder Institute, recently remarked:

There is a growing need for international managers, that is, good managers of national companies who are also mobile, adaptable, and at ease in cultures other than their own. Such people should have one or two foreign languages and understand the sociopolitical environment in which they work and a world view that inhibits the growth of chauvinistic prejudices. (Univ. of Pennsylvania [15])

Reginald H. Jones, chairman emeritus of General Electric Company and chairman of the Board of Governors of the Joseph H. Lauder Institute of Management and International Studies stated:

At a time when technology, information, trade and people themselves move with unprecedented speed, we can prosper—and survive—only if businessmen combine their managerial skills with a thoroughly grounded knowledge of other countries, their histories, languages, economies, their policies and practices.

(Univ. of Pennsylvania [13])

Jean F. Caste, directeur général of Nestlé and a Lauder

Institute board member, commented:

In international business, establishing and sharing goals means reaching common grounds from very different starting points. Behavior, work methods, motivations, cannot be imposed upon people from utterly diverse backgrounds. Management effectiveness—and personal reward—require an understanding of each other's culture and language.

(Univ. of Pennsylvania [12])

In the summer of 1984 the Lauder Institute accepted its first class of fifty students. Of those accepted, the majority had a liberal arts educational background with good prior exposure to living and working abroad. Their work in the institute program and afterwards can be expected to bring major changes to management education and to the conduct of international business.

An Overview of the Curriculum of the Lauder Institute M.B.A./M.A. Program

Students will arrive for an eleven-week summer program beginning with a one-week overview of management, international education, and foreign languages in a strategy framework. They will spend three weeks taking intensive courses on comparative systems, political and social institutions, and cultural-anthropological perspectives. They will then embark on an eight-week immersion course in their second language, living in a city in their area of study. Programs in the different countries will be taught or monitored by University of Pennsylvania faculty and will focus on classroom work in addition to interview assignments and short investigations of business problems in the target country. Students will also participate in a wide range of cultural events. They will take a battery of tests before and after the summer program.

The first term will take up micro- and macroeconomics, international management, and organizational behavior. One course unit will focus on the student's target area. Language-enhancement courses linking the business program to the area studies and relevant humanities courses will be a weekly part of each semester's work. During the winter term, students will spend ten days studying how to do business abroad. The spring term will offer course work in corporate finance, statistics, marketing, management, decision sciences, and a second area studies focus. The second summer program will involve a corporate internship abroad. Students will be expected to take one course in a local university abroad.

The second academic year begins with courses in international finance, operations management, analytical techniques for international management, and international human resource management. Students will choose two courses from electives. During the winter term of the second year, students will engage in inter-

national negotiations with specialists from the corporate as well as the academic sectors.

In the spring term, students will take courses in functional area policy, do an advanced study project, and take electives both from the arts and sciences curriculum and from the Wharton curriculum. They will complete their experience by a capstone policy seminar. During the spring break of this year, students will be given overseas assignments focusing on business and society. They will be expected to do research on a specific topic or problem and then go on-site abroad, preparing a policy paper on the issue in question. During the whole two-year period, the continuing language-enhancement program will be supported by a public-speaking and oral and written communication program in English as well as by a computer programming series.

NOTES

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Management, University of Pennsylvania, and Jere R. Behrman, Associate Director of the Lauder Institute and the William P. Kenan, Jr., Professor of Economics, School of Arts and Sciences, in preparing the materials on which this article is based.

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ETS-Pennsylvania State Oral Proficiency Testing Project

The U.S. Department of Education has awarded to Educational Testing Service (ETS) and Pennsylvania State University a three-year grant to conduct oral proficiency testing workshops for postsecondary foreign language teachers in central and western Pennsylvania; central, western, and northern New York; and Michigan, Ohio, West Virginia, Maryland, and the District of Columbia.

The first oral proficiency testing workshop will take place at Pennsylvania State University, University Park, on 7-11 November 1984. Training will be offered in French, German, and Spanish.

For information about the project and application forms, write or call Judith E. Liskin-Gasparro, Educational Testing Service 18-E, Princeton, NJ 08541; tel. 609 734-1487.

1985 ADFL Summer Seminars

Maintaining its long tradition, ADFL will again hold two summer seminars for administrators of departments of languages and literatures in June 1985. Seminar East, sponsored by the Department of Classical and Modern Languages and the College of Arts and Sciences at the University of Louisville, will be held on the university's

campus near the Ohio River, at the crossroads between the Great Lakes states and the South. The seminar will begin on Sunday afternoon, 2 June, and conclude with lunch on Wednesday, 5 June. Host for the seminar is David Hershberg, chairman of the Department of Classical and Modern Languages.

Seminar West, representing ADFL's first venture into the Pacific Northwest, is tentatively scheduled for Wednesday to Saturday, 19-22 June, on the campus of the University of Washington in Seattle, with support from the university's Graduate School and College of Arts and Sciences. Serving as host for the Seminar is Victor E. Hanzeli, chairman of the Department of Romance Languages and Literature.

Information on programs and arrangements for both seminars will be released in the *Bulletin* and in a special brochure mailed to all members next March.

Correction

The article "Building a Stronger Academic House," by Clara Krug and Claire Gaudiani, was submitted to ADFL for publication in the fall of 1983 and published in the March 1984 issue of the *Bulletin* (23-27). In preparing the text for publication, the editors adjusted the tenses of certain verbs, thereby creating some inconsistency with respect to the precise sequence of the activities described in the article. ADFL regrets this error.

For information about the results and ongoing work of the project described in the article, consult Claire Gaudiani, Academic Alliances, CGS, 210 Logan Hall, Univ. of Pennsylvania, Philadelphia 19104.