

The Case for a Study Abroad Program in Higher Education Business Schools

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ABSTRACT

The U.S. accounts for just over 4.5% of the world's population. Businesses are expanding to capture market share. Businesses are looking to colleges to prepare students for international business. Study abroad programs are becoming an important part of business majors in higher education in the United States. The impact the internet and technology has had on global commerce makes it very likely that international business will continue to grow. Students studying abroad will have greater insight to cultural and business practices that will enhance their career skills. A study abroad program is becoming an increasingly important part of an international business education. Considering the impact a study abroad program can have on a business school, it is recommended that they establish a study abroad program and follow key suggestions to ensure success.

INTRODUCTION

There are over 7 billion people in the world. There are just over 300 million in the United States, making the U.S. only 4.5% of the world's population. Today's businesses go across borders for market share, for customers, and for employees. College graduates are now competing for jobs on a worldwide stage. Business activities are more globally connected than ever before. International experience can be a deciding factor in hiring in many companies. Job applicants that want to set themselves apart with international experiences would benefit from study abroad programs, particularly from business schools.

While reviewing university mission statements, one will frequently come across phrases such as "preparing students", "creating knowledge", "transmitting advanced knowledge", and "preparing students for global engagement". Whether a university sees itself as disseminating knowledge, serving as a central point of learning, or being a part of the betterment of society, students almost always enroll at a university to prepare for a career. Considering technology and communication as it is now, and where it can be expected to advance, it is evident that this generation will have more international contact in their career than any generation before. Understanding this makes it clear why most American schools include specific references to global objectives in their mission statement. Business schools today can implement a study abroad program that will align with the mission of the university while effectively preparing a student for a career in business. Study abroad programs provide a valuable experience to someone entering the workforce and an effective way to begin a link to the other 96% of the world's population.

While the initial perception may be that a study abroad program would have positive results on students, schools, and in the job search process, there are facets of study abroad

programs that should be assessed and defined in the formation stages. This paper looks at the aspects that would help in forming an effective program at a small to mid-size regional school and reports on the evidence that a study abroad program enhances the career prospects of graduates competing worldwide.

EMPLOYER'S PERCEPTION

As technology and innovation take down international barriers to business, competition for jobs becomes a worldwide stage. Companies hire with an international business mindset today. A study abroad program on a resume' can be an advantage for the job-seeker. In the past decade, U.S. student participation in study abroad programs has seen a 150% increase (Goel, et al., 2010). The increase in participation increases as the benefits become clearer to students. How prepared would a student be today if they didn't understand business and culture in other countries? Businesses today expect students to get international business exposure while in college.

In our research, we found that students, and universities, must view the hiring process and study abroad programs through the employer's eyes to get the best end result. Employers place high value on studying abroad. Hiring managers have a positive view of studying abroad, and feel that it enhances valuable qualities and skills. We also found that over 15% of non-senior managers had studied abroad. Those managers have a mindset that is very positive toward studying abroad, a "halo effect", of valuing "folks like me" (Trooboff, et al., 2008). As studying abroad grows in popularity, there is a great chance that the percentage of non-senior managers that have studied abroad will increase.

The Institute of International Education (IIE) conducted a survey of CEO's regarding the value of international education to U.S. business and industry leaders. They found that 60% of the respondents reported that their organizations reward recruits who have study abroad experience. 66% of the respondents reported that international programs such as study abroad were taken into consideration during the hiring process and 71% consider the international exposure when determining a new recruit's assignment. When determining a starting salary, 31% of the respondent's organizations considered the study abroad experience as a factor. In summary, the findings in this study show a high value in an international education (IIE, 2009).

There are numerous studies that tell us the benefits of studying abroad. Areas such as intercultural sensitivity, cultural awareness, personal development and 'world-mindedness' have been shown as areas of impact in studying abroad (Gullekson, et al., 2011). Gullekson's group conducted a study for a short-term business study abroad program, putting together consulting groups made up of U.S. students abroad, teaming with business students from host countries. Together, these teams consulted with a firm, much like international businesses do today. Compared with a control group which took the class at their home university, the study abroad group showed great positive changes in international communication apprehension, increased international awareness, and reduced ethnocentrism (Gullekson, et al., 2011).

STUDENT'S PERCEPTION

Perception is often a key in seeing value. A study by Toncar, Reid, and Anderson (2005) found business students have slightly different perceptions of study abroad than non-business majors. This should be kept in mind as a university promotes a study abroad program. Business

students had stronger feelings that studying abroad would enhance their job prospect. They view working overseas as more attractive and more effective than taking classes. In a possible reflection of the opportunity cost, a business major is more insistent than non-business majors on receiving course credit for a summer study abroad program. They also are concerned with any delay a study abroad program may have on graduation. If the program can be done and credit hours earned as if it were a class, a business major would see a great value in it. (Gesinski, et al., 2010).

While cost can be an issue with studying abroad, perceived value could outweigh the costs. Students understand, particularly if it is marketed in the right way, that a study abroad program can assist them in finding a job. The perceived value has nothing to do with the actual cost of the program, but how much it could be worth to the student when all factors are considered. Students in one study estimated the worth of a short-term study abroad trip at \$840-\$1,150 above the cost of the program before the program started. After it was completed, students estimated the worth of the study abroad trip at \$1,340-\$1,540 above the cost of the program. This study found that students find more value in the program above the cost of the program (Loh, Steagall, Gallo, and Michelman, 2011).

STUDY ABROAD STRUCTURE AND CONTENT

There are some things we measure in volume or quantity. Others are measured in dollars and cents. Still others are measured by a score based on a scale. Education, and more specifically, study abroad, is often measured in the impact on student's lives. Research shows that study abroad students display many positive changes such as growth intellectually, global-mindedness, and personal growth. There is also a higher curiosity level in academic matters when the student returns. Respondents to this study reported being more open to new ideas and large gains in independent decision-making. There were correlations connecting higher independence to higher global-mindedness to higher academic focusing (Hadis, 2005).

Studying abroad can have an impact on career goals. Study abroad programs increase the interest in students who participate in working for a company with an international focus. Students who have studied abroad are more open to international assignments in their career. As companies remove barriers and move to compete internationally, demand for employees with cross-culture exposure grows. Employers will seek this type of recruit for international assignments (Orahood, et al., 2008). Students studying abroad reported life-changing experiences, opening themselves up to different cultures and gaining comfort in working internationally.

An empirical study revealed several things relating to student willingness that would be helpful to developing study abroad program. There was statistical evidence that supports a short-term (less than one semester) program over a long-term (one semester or longer) program. Historically, females have been more willing to study abroad in short-term programs than males. Students from urban environments were more willing to study abroad than students from rural environments. A school with a majority of students from rural areas should set their goals with that in mind. A peer institution in or near an urban environment would not be a good comparison. American students are more willing to study abroad where English is spoken, and in urban settings abroad rather than rural settings. Cities in Europe where English is spoken would be choices that would appeal to the greatest number of students (Hackney, et al., 2012).

Willingness to study abroad is more complex than just setting up the right criteria in a program. Personal situations are a factor and can be complicated. Students with previous international travel are more willing to study abroad. Commitments at home, personal and professional can be an influence that would keep a student from studying abroad. The higher the perceived benefit of studying abroad, the more willing students are to study abroad (Hackney, et al., 2012).

Another key to an effective study abroad program is content and structure. Both in-class lectures and extracurricular activities such as company visits and tours can be effective in study abroad programs. Students with a higher level of learning goal orientation found company visits to be more effective than in-class lectures, while students acquiring new skills and mastering new situations found in-class lectures more effective (Moghaddam, et al., 2009). An effective program would combine lectures with extracurricular activities to appeal to a broad range of students.

While we found that a short-term study abroad program is more popular for many reasons including cost and scheduling, one criticism of a short-term structure is that a student does not get fully exposed to the culture of the country they visit. We found short-term study abroad programs that ranged from three weeks up to one semester. One study suggests that a short-term program could lead to a future long-term program (Hackney, et al., 2012).

While some universities offer traditional short-term and long-term programs, others are creative in their study abroad design. Centre College in Danville, KY has a three week term in January, before the winter semester starts, called CentreTerm. Professors teach only one class, while every student takes only one class. This is a popular term for the study abroad program, as the college encourages the program for CentreTerm. Now more than 85% of Centre's graduates experience studying abroad during college. Centre finds that students are drawn to the school because of their focus on studying abroad, which positively impacts enrollment (Campbell, 2008).

FINANCIAL AID AND COSTING OF STUDY ABROAD

Costs of studying abroad can be a major obstacle for students. Most universities offer scholarships to reduce the financial burden on the student while encouraging participation in study abroad programs. We found that most universities work study abroad financial aid out of the university financial aid office. Students are encouraged to work with a financial aid counselor in the fall so that funds from student loans and Pell Grants would be available for a study abroad trip. In addition, many regional universities offer special scholarships specifically for studying abroad.

At the University of North Alabama, students can apply for scholarship support for studying abroad. The university limits the award to \$800 per student in order to stretch the funds to support a larger number of students. The University of Texas-Commerce and the University of Southern Mississippi offer \$1000 scholarship for students accepted in their study abroad program. At Troy University, we found no information on their website of study abroad scholarships specifically for Troy students, but the university links to several federal funding options for studying abroad. One of the links is to the Benjamin A Gilman International Scholarship Program, sponsored by the Bureau of Educational and Cultural Affairs of the U.S. Department of State, and is only available to Federal Pell Grant recipients. The maximum award

for this scholarship is \$5000 while the average award is \$4000. Other outside sources of funding include the Boren Awards and the Freeman-Asia Scholarship.

Some universities have come up with more creative ways to help students in study abroad programs. Kansas State found that 2% of their students studied abroad, compared to a 5% national average. In order to increase the number of their students studying abroad, Kansas State took \$55,000 from tuition increases and designated those dollars for student scholarships in study abroad programs. The scholarships are awarded in \$1000 increments (Toncar, et al., 2005). Valdosta State University has a “Blazers Abroad Stipend” available for students studying abroad. Although it was created by the university’s English Language Institute, it is available for students in all majors. The stipends range from \$500-\$2000, but have some pre-study and post-study requirements. Before the study abroad program, a student must offer at least 20 hours of assistance to the English Language Institute. After the study, the student must offer 30 hours of assistance in promoting study abroad at Valdosta State University. If a student fails to perform the requirements, repayment of the stipend is arranged and a hold is placed on their account (VSU, 2013). Like the Blazers Abroad Stipend, Georgia Southern University has a “Eagles Abroad Stipend”, which is usually \$500 (GSU, 2013).

There are several universities that have a partial payback policy for study abroad scholarships and stipends. This policy is used to encourage students to apply themselves to the study abroad program, and not to go just for “consumption” purposes. While most students value the learning experience of study abroad, some students may go just to travel and enjoy a trip abroad. It is reported that some students participate in study abroad program to facilitate permanent immigration. One must realize that a study abroad program may truly be an enjoyable experience; it should be an academic experience first (Heitmann, 2008).. Universities want the student to complete the program satisfactorily and display a degree of post-study acumen of the class or program they studied. Murray State University, University of South Florida, and the University of Texas – San Antonio are a few of universities that were identified to have used this method. Payback policies can range from full payback to differing levels of partial payback, depending on the student failing to reach a targeted performance level (Donald, et al., 2009). Universities can adjust the payback policy according to their desires.

The study we cited shows that the payback policy can serve the university and the student in several ways. The policy prevents wasteful spending without getting results for the university, by requiring repayment for lack of performance. It will eliminate students just wanting to travel to a place they might not otherwise go. The payback policy is found to be a better pre-program indicator than GPA. “Better” students, those prepared to travel and study, are more likely to choose to study abroad under this policy (Donald, et al., 2009).

PARTICIPATION AND MISCONCEPTIONS IN STUDY ABROAD

In preparing a study abroad program, it would be most effective to understand which students would be the best candidates and what the program characteristics would appeal to the greatest number of students. Studies show it is common for a large percentage of students to state their desire to study abroad, with only a small percentage to follow through. An institution that sees a high desire from students to study abroad, yet experiences a low participation rate, may feel a bit disappointed or confused (Cardon, 2011).

Predicting participation in a study abroad program can be difficult. There are many personal and situational elements that factor in to participation decisions. To get the most

participation from students, an institution would address developing programs that would develop various student groups. A program can appeal to a larger group of students if the program is set in a dissimilar culture than that of the student's home country. This is similar to international travel for tourism, which the study used as a template for categorizing students (Cardon, 2011). With this larger group of students, a certain amount of structure and pre-planning should be done, but time for spontaneity during the trip is also important. Understanding these types of preferences among students can help study abroad planners to put together programs that would be popular with the greatest number of students.

While studying abroad has gained popularity in the U.S., there remain barriers that continue to prevent students from participating. One study listed constraints that are still issues, including "stringent curricula, financial constraints, a lack of faculty preparation, and a failure to address the needs of nontraditional students" (Lane, 2003). Another study cites a lack of leadership in the area of study abroad programs on the part of senior campus officials, a lack of incentives designed to encourage faculty participation, rigid curricula, and a lack of preparation for students both pre-study and post-study (Bollag, 2003).

Some of the barriers can be corrected with better communication. Likewise, there are some misconceptions that can be solved with better communication. Misconceptions, never addressed, become barriers. Some misconceptions identified by students in one study included they thought there was no study abroad program available to them, they believed there was a foreign language requirement, they thought study abroad programs were only available to other majors, and they assumed that credit hours for the class wouldn't apply to their degree (Toncar, et al., 2005).

SURVEY RESULTS

A survey was conducted at a small to mid-size regional university in the southeastern United States. The survey was given to students in business classes that covered international topics. There were 122 respondents to the survey. Of the respondents, 53% were juniors, 40% were seniors, 5% were graduate students, with sophomores at 1%. 59% were male, with the rest being female. Of the respondents, 57% were Caucasian, 29% African American, 7% Hispanic/Latino, 1% American Indian, and 5% Other. 12% identified themselves as international students. 43% had never traveled abroad while 23% had never traveled outside the southeast. 58% indicated they did not have a current passport.

With questions relating to destination, Europe was the most popular destination, and most wanted that destination to be one where English is spoken as a primary or secondary language. Students indicated they would prefer their study abroad experience to occur in cities with historical and cultural significance. Students responded that museums, monuments, and night life would be preferable.

In questions relating to how students felt about a study abroad program, they responded overwhelmingly positive. Respondents felt that a study abroad program should be offered by a strong business college and that a study abroad program is essential for a business student. Many business students feel they need to boost their knowledge of the global business world and understand the part a study abroad program could have in that. Business students also indicated it would be important for them to visit local businesses during the trip. Respondents strongly favored 3-hour course credits for participating in a study abroad program. Students felt that a study abroad program would help them in their job search after graduating.

Concerns from respondents in the survey focused on cost, safety, and work schedule conflicts. While approximately 67% of the respondents expected the price of the study abroad program to be less than \$3,000, 10% of the respondents didn't expect there to be a cost beyond tuition. 78% were not aware that scholarship money and/or financial aid could be applied to study abroad programs.

DISCUSSION

In many ways, we found the responses to this survey correlating with the information we found in current research. English speaking destinations are the most popular with study abroad students, particularly for their first study abroad trip. Study abroad programs are growing in popularity with business students, and the results of the survey confirmed those findings. Students surveyed expect that a study abroad program would help them in a career search, just as our research found. They also see value in a study abroad program in being exposed to new cultures, and learning more about business challenges in other countries.

One of the barriers to studying abroad was also a concern of students responding to the survey. Conflicts with work schedules, and finding a program that would work for nontraditional students remains a challenge. Short term study abroad can be any length of time less than a semester, but is commonly 3-4 weeks. A parent of a young child or someone working full or part-time would find it difficult to be out of the country for an extended amount of time. However, with enough time, a student could plan for these situations.

As survey results echo research findings, we feel that a study abroad program would have a positive impact on a business school and university. In our research, we found that there are a growing number of hiring managers with study abroad experience, who are also predisposed to recruits with study abroad experience. Students feel that a strong business school should have a study abroad program and also feel that a study abroad program will help them in their job search. In starting a study abroad program, it would be wise to start in a way that would appeal to most students, and address barriers and misconceptions early in the process.

RECOMMENDATIONS AND FUTURE STEPS

Starting a study abroad program for a business school is a positive step. In order to make it a positive experience for the school and the student, some steps should happen before implementation. Expectations from the school should be realistic on participation rates, particularly in the first two years. Research shows that high numbers of students are interested in going, with much smaller numbers actually participating. This can be corrected with some of the steps mentioned below.

First, strong communication, through several channels, needs to continuously occur. It is important to share study abroad programs with incoming freshmen. To help with costs and timing, they would need to begin planning for it as early as possible. The financial aid office should be prepared to answer questions about how scholarships and other financial aid can assist in paying for a study abroad program. Research would need to be done to find federal and private funding for study abroad trips. Many are found on the internet very easily.

A short term study would be best in starting a program. As research showed that short term study abroad programs can lead to longer term programs, long term study abroad can be added later.

Our research suggests that a place like London, Berlin, Frankfurt, or Paris could be destinations where you could get high participation in starting a study abroad program. Foreign language can be spoken, but students would prefer that English be understood. Large cities with history and cultural aspects have a high appeal. To maximize the effectiveness of the study abroad program, career services should be available to the students to help translate their experience to a successful resume'. Studies show that a large percentage of students haven't included it on their resume'. It should also be discussed in mock interviews.

The final step would be to conduct an additional survey. Plan a mock study abroad trip. First year students should be included because they would be the students with the most time to prepare to study abroad during college. Include more detailed information on cost and funding on the survey to give the best information available. The results should be a successful study abroad program that brings in new students, grows the image of the school, and better prepares the student for a career. By planning and managing expectations of students on cost, financial aid assistance, desired destinations, cultural growth, global mindedness, and more successful job searches, a university will continue to provide a global impact on education.

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