U.S. University Partnerships with Big Emerging Markets: Creating Student Opportunities and Future Global Business Managers in the Era of Globalization

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ABSTRACT

This paper overviews a partnership between Virginia Commonwealth University (Richmond, Virginia, USA) and Christ University (Bangalore, India) that has been developed to more fully integrate students from developed markets (U.S.) and big emerging markets (BEMs - India) such that life-long connections, friendships, learning and career opportunities are created while studying together. The authors highlight the importance of this kind of undertaking, particularly in the era of globalization 2.0, while also focusing on the key ingredients for success of such partnerships from the student’s perspective, including that of securing meaningful “leadership in business” education.

More specifically, this paper - 1) overviews the historical realities of an underdeveloped markets’ (i.e., India – which is now considered to be a Big Emerging Market - BEM) education systems, while initially impressive, now languishes from achieving equality with developed markets (i.e., the U.S.), 2) highlights key ingredients for the change in these historical realities, namely the story of globalizations, the “super-story” of our time 3) illuminates key educational (content) and infrastructure (partnership) requirements for higher education student development in today’s modern world, 4) reviews a current successful program developed by Virginia Commonwealth University’s School of Business (located in the Richmond, Virginia U.S.A.) and Christ University’s School of Management (located in Bangalore, India), and 5) offers concluding remarks focusing on the value of such partnerships in today’s globally competitive marketplace (building overseas alumni – tell the story of “it is not about countries...but about organizations...”).

INTRODUCTION

The historical realities of an underdeveloped markets’ environment of education – the Case of India

A brief overview of the historical educational realities in India will illuminate, in general, where education in BEMs has come from and what it has to overcome. It also will demonstrate the opportunities that now exist for higher education BEMs students that study in partnership programs such as that represented by Virginia Commonwealth University (U.S.) and Christ University (India).

The private education market in India is estimated to be worth $40 billion now and is expected to grow to $50 billion by the end of 2015 (Sheikh, 2010). Fifty-five percent of India’s middle class families save for the education of their children. India’s higher education system, with more than 13 million students, is the world's third largest, however it currently only educates around 12 per cent of the school age group, well under China's 27 per cent (Altbach, 2010). Also, according to industry estimates, only a
quarter of all graduates from Indian schools are employable and about 80% of job seekers in employment exchange lack significant professional skills (Magtech Management Institute, 2010). In short, India is suffering from a massive shortage of skilled manpower that cannot be alleviated by Indian university alone any time soon.

The history of education in India can be traced as far back as the 3rd Century BC. Even before letters were developed and writing was formulated, education was imparted from one generation to another orally. Scholars and religious leaders used temples or their own abodes as the schools for imparting education. This method of education was called the Gurukul system, and involved young men staying with their Guru (teacher) during their adolescent period and learning the skills required to prosper in life. Later with the spread of Buddhism in the continent, world famous educational institutions like Nalanda and Takshashila were established taking the education imparting process to a new level. Nalanda has been called “one of the first great universities of recorded history” and was one of the world’s first residential universities. Till its downfall in the 12th century, international scholars from the surrounding countries were educated there and at its peak time the university had over 10,000 students and 2000 teachers (World Bank, 2010).

By the 10th century India had a sophisticated system of mathematics and science and impressive arrays of inventions and discoveries. The invention of zero, algebraic abbreviations, decimal numbers, differential equation, Pythagorean Theorem were just few of the contributions that India made to the world of education during this period. In the 11th century Muslim leaders (invaders) created the elementary and secondary school system, which eventually lead to the advent of universities in many Indian cities. Later, with the British invasion and colonization, the English language became a part of the Indian higher education curriculum and since then education in the country has progressed steadily forward albeit unevenly. With this “westernization” of the education system, India has steadily opened the doors to a broader sect of students from across the world (World Bank, 2010). However, a number of significant challenges exist, including:

- Access to Primary Education: While India understands that primary education is critical for its growth and development, making such education available to the masses has been an ongoing challenge. According to the 2010 census, only 59.4% of rural India is literate in comparison to the 80.3% in urban India. (World Bank, 2010). The challenge is not just educating the masses but also providing quality education to them as the typical rural area is plagued by unqualified teachers, high student-teacher ratios, inadequate teaching facilities, poor infrastructure and downright poverty.

- Access to Secondary Education: Secondary Education in India is likewise critical to the country’s future as it acts as the bridge between primary and higher education. While there are 88.5 million children in the age group of 14-18 only 31 million of those are attending schools. Another key challenge related to access is that many students study in their native language (16 are officially recognized in India) both in primary education and secondary education. This hinders many from participating in higher education where the medium of teaching is English (Wapedia, 2010).

- Access to Higher Education: With over 300 universities and 15,600 colleges spewing out 2.5 million graduates each year, India trails only the US and recently China in terms of volume (Basu, 2006). Higher Education in India has grown significantly since independence in 1947, and unlike primary and secondary education, private and public institutions of higher education have relatively modern facilities. Likewise, significant “democratization” in the 1960’s facilitated greater accessibility of higher education to the general public. This expansion was however done in phases, with the first phase providing government support to many more citizens to pursue higher education, however during the
second phase (the 1990’s - up to the present time) private-commercial education providers became the dominate players in providing higher education and this has transferred the cost and responsibility of education to parents and children (Agarwal, 2009). Driven by globalization (more details provided below) and the resulting growth prospects for the Indian economy, the demand for higher education is constantly increasing and while the government and the private sector continue to create new strategies for expanding higher education options, the supply is still woefully inadequate and high quality and affordable higher education for the masses remains elusive (Altbach, 2010).

- **Corruption**: Commercialization of India’s higher education has led to another growing problem, namely corruption. It is estimated that Indians spend U.S. $5.6 billion in bribes every year, and the amount spent in education bribes exceeds U.S. $880 million per year (Surapaneni, 2010). Likewise, individuals in positions of authority who are responsible for granting approvals for medical/engineering and business institutions are typically businessmen or politicians who often look at benefiting financially from the admission process. This corruption in turn leads to a cycle of failures in the functioning of the country’s education system, wherein individuals who pay to gain admissions into institutions of higher education resort to unfair and unethical means to recover the money back quickly when given an opportunity (Dr. J. P., 2009). Similarly, another failure that is commonly seen is absenteeism by teachers and professors. A UNICEF (2004) study reveals that absenteeism in India is 25% (second only to Uganda). Absenteeism has becomes a method adopted by teachers to coerce students to enroll in private tutoring. Most Indian institutions of higher education depend on individual teachers assessments and it is an unspoken fact that students who are privately tutored are more likely to get a higher assessment scores from their private tutor.

Other challenges are apparent within the system of higher education in India, including those related to the Caste structure (quotas) and religion (see Surapaneni, 2010). Likewise, it is a fact Indian education, in general, stresses theoretical knowledge and memorization and lack case study methods, team projects, and a focus on boundary spanning and critical thinking to deal with complexity (as in the West, which tends to impart practical – problem solving knowledge among students), all of which leads Indian graduates to be less ready to meaningfully contribute to the workforce without years of training in private companies or other types of organizations (Khemka, 2006, Altbach, 2010, UNICEF 2006). In summary, India needs to improve the quality of education and develop higher standards across all levels of education. While many ideas on how best to deal with these needs exist, one with idea with significant potential is for India to embrace partnerships with premium foreign institutions that can not only change the culture of learning at Indian institutions of higher education but can also offer students contacts with their counterparts around the world that would give them the critical linkages thought to be strongly correlated to success in this era of globalization (Magtech Management Institute 2010, Altbach, 2010).

Today, however almost all of India's universities and more than 25,000 undergraduate colleges are, by international standards, mediocre at best (Census India, 2010).

Clearly, innovative approaches to mitigating the situation noted above for India (and found to be similar in other BEMs) are needed (Wood, Rangan and Gopalakrishna, 2012). Indeed, basis content and structural changes have to come about in order for progress in the educational space to be realized, particularly in the higher education arena. Such s changes have been and continue to be realized with the advent of “globalization.” The “super-story” of our time.
Key ingredients for the change in these historical realities, the story of globalizations, the “super-story” of our time

Globalization remains a two-sided phenomenon, one offering great promise for social and economic development on a grand scale, and the other portending a degradation of human welfare, if not spirit (Wood and Makhani, 2004). The forces behind globalization (democratization of technology, finance and information) “that intensify the interaction and integration among cultural, political, business and intellectual elements,” in our world (Ali 2000, p. 84), continue almost unabated. And the debate goes on, with proponents touting globalization as the triumph of free-market capitalism over closed-market, centrally planned economic systems (communism and to a lesser degree socialism), and the emancipation of the consumer from state controlled economic tyranny (Friedman, 1999). Opponents argue that globalization ultimately leads not only to the destruction of cultural identities but also to the economic, political and social subjugation of underdeveloped nations to more dominate counterparts, particularly the United States (Klein, 2001).

All in all, not much has changed over the last twenty years with respect to the two viewpoints. Two things appears to remain mutually agreed upon and constant with respect to both sides perception of globalization, those being, 1) globalization is not going away (and no other model or theory explaining current human development and related challenges is anywhere close to usurping it), and 2) the foremost key to any individual, country or region benefiting from globalization lies with a solid foundation in education (Freidman, 2005).

When the Berlin Wall fell in 1989 and the Soviet Union came apart in 2001-2002, the old super story of our time – communism versus capitalism was replace by the era of globalization and the barriers and walls that divided our world for 75 years disappeared (Friedman, 2005). As noted earlier, globalization describes a process by which nations, businesses and people are becoming more interconnected (economically, socially and culturally) across the globe (Ali, 2000). With the old barriers removed, the impact of globalization has accelerated with the aid of 1) falling transportation and logistics costs for goods services and people, 2) diminished trade barriers that portend lower tariff and non-tariff impediments to global business, 3) increasing communication abilities enabled by technology that allow ideas and information to disseminate quickly and inexpensively around the world, and 4) an expanding world of investors now able to play in a broader “global” arena in search of promising opportunities (Zacharia 2008, 2011). Globalization means millions, if not billions of formerly “left out” people can now compete in world markets and achieve a better life. To fully understand globalization two things are useful 1) a sense of the world today from a broad-perspective and 2) a sense of the monumental changes happening in the emerging markets of the world.

Consider these realities. The percent of people living on one dollar a day or less has dropped from 40% in 1981 to 18% in 2004 and will be 12% by the end of 2015. China has lifted 400 million out of poverty (and poverty is falling in countries housing 80% of the world population). Over the last two decades, two to three billion people have newly entered the world of business and trade. Goldman Sachs (an investment bank) predicts that by 2040 five emerging-market countries – China, India, Brazil, Russia and Mexico will have a larger economic output than the G-7 countries - the 7 Western nations that now dominate global affairs including the US, Canada, Great Britain, France, Germany, Italy and Japan (Zacharia 2011). In brief, globalization, over the last 25 years, has allowed for the creation of enormous wealth and has given unprecedented opportunities for a better life for billions of people around the world. Globalization has become a “super-story” of our time, and with it has come significant changes in education and opportunities for education, particularly in the Big Emerging Markets (BEMs).
Key educational (content) and infrastructure (partnership) requirements for BEM student development

Given the rise of globalization and the opportunities that it portends, scholars, universities, governmental bodies and others have called for the development of innovative programs particularly partnerships with Western institutions of higher education, and those in BEMs to bring about the promise that wide-spread, meaningful education can help realize. The question becomes - what should innovative education focus upon? And what attributes should such education strive to instill in those being educated specifically for top positions in business around the world? Thus our focus is on those being educated to assume the responsibility of positioning their firm or organization to compete effectively in the global business arena.

In his seminal book – *Winning the Global Game: A Strategy for Linking People and Profits* - Rosensweig (1998) outlines the realities of globalization and presents a cogent picture of where global economic growth will be, and the key ingredients for organizations to embrace in seeking such growth. In short, while the vast majority of current wealth generation occurs in the Northern Hemisphere (e.g., the U.S., Europe, and other “developed” nations), the majority of such in the future will take place in the Southern Hemisphere (Asia, Latin America, the Middle East, Africa – the BEMs). His overriding theme for long-term planners (global business leaders) is to prepare for this reality by looking seriously at expanding their global focus to include both current and future growth areas in their market portfolios.

Rosensweig, like others (Friedman 1999, 2005), also notes that serious “preparation” for “playing” successfully in the globalized business environment implies having the necessary human intellectual capital in place in one’s organization (and one’s society). If organizations and societies are to not only survive but truly prosper in the 21st century, then they must invest in programs that create the traits and characteristics that competitive global managers and executives must possess. The need for skilled individuals who can capitalize on the developing global opportunities, while avoiding the pitfalls and hazards inherent in today’s volatile world has never been more apparent.

The central question thus becomes – what are the key capabilities and attributes that organizations must consider in applicants when they want to promote or hire individuals in today’s interconnected economies? What should the 21st century global business executive look like? While Rosensweig articulated 12 needed competencies of a global manager which ran the gamut from possessing multicultural skills, to personal traits of strong integrity, elevated moral character, solid ethical values, considerable flexibility and energy, advanced communication skills and command of information systems and several languages, others cast this issue in broader terms.

Andrews and Tyson (2004), surveyed over 100 executives in more than 20 countries in order to identify the knowledge, skills an attributes that rising business leaders need to possess in order to succeed in the 21st century, and those that should be featured in executive education programs. The findings of their study pinpointed the need for “more thoughtful, more aware, more sensitive, more flexible, more adaptive managers, capable of being molded and developed into global executives,” (p. 2). To get to this point, executive education had to be first and foremost, global in outlook. Second, it had to go beyond the traditional passive transfer of theoretical knowledge to the application of practical knowledge. It had to be more action oriented. And third, it had to be more multidisciplinary and integrated in terms of content.

The key tests, resulting from Andrews and Tyson’s study, to whether executive education was successful was the degree to which specific knowledge, skills and attributes were present in an educated manager. Knowledge, the foundation of global business capabilities, was defined as the base information need by managers in the areas strategy, economics, decision sciences, accounting, marketing, finance and
management. Advanced knowledge was defined as the integration of these areas such that holistic insight is gained (i.e., where the whole is greater than the sum of the parts). For example, a knowledgeable global executive, when asked – What does it take to build a global brand? – would be able to draw from the multitude of disciplines in which he or she had been exposed, and then integrate those disciplines and approach the issue from a broader, deeper and more impactful perspective.

Skills, or practical abilities, were defined as “learning acquired through the repeated application of knowledge” (p. 5). Skills are applied management and include decision making, project management, teambuilding, performance management, talent assessment, and cultural sensitivity. Needed skills are global and complex and require professional rather than ad hoc training. According to Andrews and Tyson, a “skilled” global manager, when charged with building a multi-cultural, world-wide marketing team, would display an array of practical abilities leading to a seamless blend of motivated, connected and loyal colleagues.

To Andrews and Tyson (2004), global managerial attributes are more akin to Rosensweig’s 12 competencies, as they represent individual qualities or characteristics and behaviors necessary for leadership. While these can be discussed and examined in an executive education venue, they typically are acquired at a later stage of an executive’s career. They include self-confidence, curiosity, intuition, judgment, a passion for excellence and integrity or the “ability to remain true to clearly expressed values,” (p. 6). Again for example, a well-developed global manager, when confronted with the meaning and significance of integrity across multiple cultures, would be able to call upon his or her developed attributes and realize that integrity is not culturally specific, but rather can be globally defined, and must be consistently reinforced in any enterprise be it global or local.

In sum, business education must be global, it must move beyond traditional, functional silos and be integrated and interdisciplinary, and it must be action oriented. At this stage, the issue becomes – what type of program(s) might meet these requirements? And more specifically, what type of program(s) might be particularly suited for the environment of BEMs such as India? To address these issues, we turn next to a dual degree program developed as a response to global business needs by Virginia Commonwealth University’s School of Business in conjunction with Christ University in Bangalore, India, namely – an MBA/Master of Science (MS) in Business with emphases in Global Marketing Management and Finance.

A current program developed by Virginia Commonwealth University’s School of Business (located in the Richmond, Virginia U.S.A.) and Christ University’s School of Management (located in Bangalore, India)

In January of 2010, Virginia Commonwealth University – School of Business, (VCU - Richmond, Virginia) and Christ University – School of Management (CU - Bangalore, India) signed a Memorandum of Understanding (MOU) articulating their partnership and specific educational program that would offer Indian graduate students the opportunity to pursue an Master of Business Administration (MBA) degree from CU and a Master of Science in Business (MS) degree from VCU.

Participating students would study for the first year of this program at CU and the second year (2 semesters) at VCU. Upon completion of the program, participating students would receive a Master of Business Administration (MBA) degree from CU and a Master of Science (MS) in Business degree from VCU (with a concentration in either Global Marketing Management or Finance). The programs’ value proposition includes -

- Dual Degree Opportunity; MBA from CU and MS from VCU - SOB
- Cross Cultural Exposure – India and the U.S.
Two Semester Educational Experience at VCU Campus, Richmond, Virginia (U.S.)
Opportunity to Experience World Class Education, Technology and Infrastructure at VCU
Opportunity to Experience an Internship with a U.S. Organization (if all requirements are met).

The maximum number of CU students to be allowed in the program was set at 80 to 100 (40 – 50 in each MS Degree Option at VCU). Over the last five years of the programs existence, an average of 50 to 60 students have participated in each class. Participating students accepted into CU-MBA program average about 600 per year. The typical entering class comes from a pool of applicants of approximately 12,000 individuals. As is apparent, the demand for the CU – MBA degree is significant (this is not uncommon in BEMs such as India). Those accepted into the CU- MBA program possess an undergraduate college degree, and once accepted, they were allowed apply for the VCU-CU MS Dual Degree program. Those who do apply (approximately 200 of the 600 accepted into the MBA program) are then put through a rigorous review process by CU and VCU admissions teams. Again, on average, 50 to 60 students are accepted each year into the VCU- CU – MBA/MS Dual Degree program (again, admitted students, upon arriving at VCU, have all completed one year of graduate coursework at CU, which are accepted as fulfillment of the VCU business foundation coursework requirements for the VCU-MS Degree).

A key ingredient to the successful implementation of this partnership and program was an Entrepreneurial Program Tuition Agreement (EPT) signed by the president of VCU and the dean of the VCU School of Business. The EPT specifies two critical dimensions necessary for the long-term viability of the program, including – 1) initially allowing a cohort group of CU (Indian) graduate students accepted into the CU-VCU MBA/MS program to pay a different (lower) tuition rate than that required of other “out-of-state” students (this rate is gradually increased as the program matures), and 2) allowing the VCU School of Business to retain the majority of the VCU tuition revenue received from incoming students from CU. These two EPT dimensions have allowed the VCU School of Business to offer a unique value proposition to Indian graduate students and to ensure its source of funding.

This program started in June of 2010 with the enrollment of 60 Indian students. To-date, it has graduated five cohort groups of Indian students that during their study at VCU were fully integrated into VCU classes with VCU students. CU students have been rigorously trained in the qualities key to global management success as articulated above. This has led to their being prepared for business internships and ultimately careers in the marketplace of world business.

CONCLUSION

This paper has focused on the realities of globalization and its potential to bring about quality education to those of our world that in the past were left out. Wealth creation, stemming from the forces of globalization has enhanced the potential for millions on the planet to access and receive a quality education. Historical realities also play a part in today’s educational realities as many BEMs, for a variety of reasons, do not have (at this time) the educational programs (content) or infrastructure (partnerships) needed to bring meaningful, quality education (particularly at the higher education level) to many of their citizens who would benefit most. Partnerships between BEM institutions and those from the developed world offers opportunities for both to do good (educate the next generation of global business leaders) and do well (generate new sources of revenue to sustain such partnerships and programs). An example of the on-going success was presented featuring Virginia Commonwealth University and Christ University.
In concluding, it is most appropriate to say that the global commercial, wealth-creating “game” is not solely about countries competing against one another (it is not about China versus the U.S., or India versus Europe or Europe versus all the others), it is about great organizations that connect the “best and brightest” around the world in global value chains that are capable of producing the highest quality products and services. These are the organizations that succeed, and this is the way wealth is created. To do this takes many ingredients, but perhaps the most important is highly educated and highly talented individuals. And global educational partnerships, that connect developed and developing nation and individuals of our world, lie at the heart of success and progress that the 21 century can witness.

REFERENCES


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