

An Overview of the International Business Environment

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Abstract

This paper provides an overview of the international business community. There is a brief timeline explaining global competency, along with measuring strategies that lend a baseline needed to order individuals by global competency levels. The Global Perspectives Inventory (GPI) is detailed in great length. Necessity for business leaders' high global competency identified.

Keywords: international business, global perspectives inventory (GPI), and global competency

Introduction

Establishing public norms, and finding evidence-based solutions to a range of social, economic, and environmental challenges, has become an international mission (Organization for Economic Cooperation and Development [OECD], 2019). From improving economic performance and creating jobs, to fostering strong education and fighting corruption, public policies and global standard setting are of top-priority (OECD, 2019). In response, improving global competency in people has become an important goal for nations (Mikulec, 2019; Rexeisen, Anderson, Lawton, & Hubbard, 2008).

Cross-cultural courses respond well to global mindedness objectives as there are many books, case studies, and learning materials available. Individuals can learn from Trompenaars (1993), Hofstede (1980), House (2004), Dorfman (2004), and Gupta (2004). Leung and Li (2008), Inglehart and Welzel (2005), and Tian (2007) are also commonly discussed in American higher

education lecture halls. There are, however, several drawbacks in relying on values literature and cross-cultural theory to prepare for international assignments. One problem with such learning techniques is the tendency to stereotype in cross-cultural literature, assigning to “nations” cultural profile sets that are rarely applicable to any one individual (Witte, 2010). The concept of “nation” is proving problematic as more people have international experiences and draw their cultural identity from many sources (Hercog & Van de Larr, 2017; Witte, 2010).

Literature Review

Global competency can be defined as the understanding that diversity is important, and that it should be valued and protected (Fezzey, Fujieda, Goerdt, Kahler, & Nikoi, 2017; Mikulec, 2019; Ott & Michailova, 2018). Global competency addresses the activities in a broader sense, and stems from basic knowledge regarding how the world operates (Mikulec, 2019; Ott & Michailova, 2018; Reardon, George, & Enigbokan, 2015; Semaan & Yamazaki, 2015; Sharma, 2011). Global Competencies include the skills and knowledge to be aware of the global interconnectedness and societal issues that take place (Green, Byker, & Putman, 2019; Mikulec, 2019; Ott & Michailova, 2018; Reardon et al., 2015; Semaan & Yamazaki, 2015; Sharma, 2011). Studies show that global competency can be achieved in various gradations, depending on ones’ acquired degree of perception, relationship, and self-management (Bird, Mendenhall, Stevens, & Oddou, 2010; Mikulec, 2019; Ott & Michailova, 2018; Reardon et al., 2015).

Identifying the Globally Competent

Past scholars have struggled to determine the best way to measure global competency (Mason & Thier, 2018), although many approaches have been proposed over the years (Rexeisen et al., 2008; Semaan & Yamazaki, 2015). The Cross Cultural Adaptability Inventory was introduced by Kelley and Meyers (1995) and has been used to assess an individual’s effectiveness

in intercultural interaction and communication. In 1998, Corbitt proposed The Global Awareness Profile, which assesses the degree to which a person can recognize and appreciate the size, complexity, and diversity of intercultural experiences and their ability to form an integrated worldview. Then, Hammer, Bennett, and the Intercultural Communication Institute (1998) developed The Intercultural Development Inventory, which measures the respondent's overall maturity of intercultural sensitivity based on an individual's progression through six stages of cultural intelligence.

In 2003, DeDee and Stewart introduced The International Education Survey, which has been used to assess how an international experience impacts personal and intellectual development. Savicki, Downing-Burnette, Heller, Binder, and Suntinger's (2004) Intercultural Adjustment Potential Scale has helped to identify elements of a study abroad experience that contribute to intercultural adjustment. Next, Shealy's (2005) Beliefs, Events, and Values Inventory was introduced, based on level of agreement for statements assessing variations in categories of openness, tendency to stereotype, and receptivity.

The Global Perspectives Inventory (GPI) has demonstrated validity and reliability as an instrument to measure global competency (Li, Olson, & Frieze, 2013). The GPI is comprised of 32 questions, and is uniquely suited for assessment at the undergraduate level (Li et al., 2013). Further, the GPI allows for cross-institutional comparisons of norms based on data from 42,000 students at higher education institutions (Li et al., 2013).

The GPI is comprised of six scales and has established validity measures for the instrument's ability to assess respondents' level of intercultural competency (Braskamp, Braskamp, Merrill, & Engberg, 2012). The six factors in the inventory are knowing, knowledge, identity, affect, social responsibility, and social interactions (Braskamp et al., 2012). The tool

focuses on stages in global competency by using a 5-point Likert scale, and measures each respondent's average level of global competency by testing for cognitive, intrapersonal, and interpersonal capabilities (Braskamp et al., 2012). Each of the three GPI dimensions has two factor scales, one which reflects the theory of cultural development, and the other that reflects the intercultural communication theory (Braskamp et al., 2012).

Global Competency in Business

International business experience and qualifications are an important mechanism used to develop personal capital (Hercog & Van de Larr, 2017; Mikulec, 2019; Ott & Michailova, 2018; Reardon et al., 2015; Trower & Lehmann, 2017). Workers who have higher levels of cultural intelligence have shown higher success rates in multinational organizations (Mikulec, 2019; Mortensen & Neeley, 2012; Ott & Michailova, 2018; Reardon et al., 2015). Although first-hand contact with business associates has the potential to be both positive and negative, it is conceived as a means of improving relations (Mortensen & Neeley, 2012).

Reflected knowledge of international business experiences provide multinational focal actors with information, not merely about distant counterparts, but also about the ways those counterparts perceive focal actors (Mortensen & Neeley, 2012; Ott & Michailova, 2018). When people have such insights, they are likely to adjust their behaviors in ways that cultivate interpersonal trust and improved global collaboration (Hercog & Van de Larr, 2017; Mortensen & Neeley, 2012; Ott & Michailova, 2018). In contrast, when experiences are the result of emergency visits only, negative effects on closeness might or might not affect cross-cultural relationships (Mortensen & Neeley, 2012).

When a consensus on how a problem has to be solved in business, and the best way to solve it is impossible to establish (because the analytical basis for defining problems, objectives, and

priorities differs significantly), recognizing methodological divisiveness moves dialogue from an inefficient cultural confrontation to a skilled negotiation focused on outcomes (Mikulec, 2019; Reardon et al., 2015; Witte, 2010). Abroad learning exposes people to cultural differences firsthand, forcing individuals to leave familiar and comfortable circumstances (Mikulec, 2019; Reardon et al., 2015; Witte, 2010). Possible learning outcomes include enhanced linguistic skills, diminished ethnocentrism, and an increase in cross-cultural sensitivity (Mikulec, 2019; Reardon et al., 2015; Witte, 2010). Although there are constraints to abroad opportunities conditioned by visa, language requirements, costs, and access, abroad business exposure has proven to foster self-development, empathy, and greater global awareness (Mikulec, 2019; Reardon et al., 2015; Witte, 2010). In addition, an increase in global competency has shown to increase one's desire to actively take part in legislation to achieve social justice for all the world's people (Mason & Thier, 2018; Reardon et al., 2015; Sharma, 2011).

International Business Mentorship

Studies report peoples' awareness in the politicized way in which the United States (US) has shaped its citizens' perceptions of certain people, entities, and countries (France & Rogers, 2012). Individuals see how US media and government have influenced the way Americans think about foreign policy, historical events, and international affairs (France & Rogers, 2012). Research may lead to alternative teaching and learning techniques for highlighting awareness and global events, such as the use of international business mentors and transformational triggers (Michael, Gerard, & Christopher, 2012; Mikulec, 2019), in better achieving desired outcomes.

Increased integration of global training has been called on to prepare professionals with intercultural competence in order to properly assess the world (Mikulec, 2019; Reardon et al., 2015; Sharma, 2011). Many organizations, especially in the medical field, provide

accommodations for employees who want to gain valuable work experience abroad (Mikulec, 2019; Reardon et al., 2015). Provisions often include continued employment, or reemployment on the respective person's return (Mikulec, 2019; Reardon et al., 2015). Reported benefits from international opportunities include: (a) improved self-confidence and adaptability, (b) awareness of global concerns, (c) increased knowledge and skills for managing less common pit-falls, (d) better utilization of resources in resource-deprived settings, (e) greater compassion toward and willingness to work among disadvantaged populations, (f) competencies around taking initiative, (g) leadership, (h) dealing with human resource constraints, (i) maturation, (j) well-roundedness, (k) ability to manage doubt and uncertainty, (l) becoming comfortable with working autonomously and independently, (m) making better decisions, (n) notion to think of the bigger picture, (o) better allocation of scarce resources, (p) more sensible with requests and with rationing, (q) nurtured problem solving, (r) negotiation, (s) conflict resolution and diplomacy skills, (t) improved verbal and nonverbal communication skills, and (u) increased cultural sensitivity and awareness (Mikulec, 2019; Reardon et al., 2015).

Conclusion

Decision-makers in business organizations respond to fluid situations and changing dynamics daily (Parker, Ellis, & Rogers, 2017). Therefore, an executive's ability to properly inspire and direct organizational members, leaders, and staff, will determine how well the company will deal with changes in the internal and external business environment (Hercog & Van de Larr, 2017). To manage change effectively and efficiently, leaders should deliberate frequently with team members to maintain a central goal amongst changes to processes, functions, competencies, and strategies in deciding the effects that they have on their environments (Parker et al., 2017). The necessary cognitive, interpersonal, and intrapersonal meta-competencies are positively related

with high levels of global competency. The Association of American Colleges and Universities (2019), the Association of Public and Land-Grant Universities (2019), the American Council on Education (2019), the American Institute for Foreign Study (2019), and the federal government all agree that there is a national need to create a more globally informed citizenry (Twombly, Salisbury, Tumanut, & Klute, 2012).

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