

BASIC SKILLS AND GLOBAL COMPETENCIES FOR BUSINESS MAJOR GRADUATES



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Abstract

A task of achieving academic success by business students becomes of paramount importance in our times, as globalization puts high pressures on our national priorities in education and workforce training. The projected shortage of skilled workers for the global economy elevates concerns about our economic growth and competitiveness in the world. This article is built upon research (Weisblat, 2010) that had achieved two objectives. First, through the reviewed literature, basic skills and global competencies required from business major graduates in the global economy were identified. Second, perspectives of college educators and business leaders on the required skills and competencies were captured. The researchers compared these perspectives in order to answer the question of whether business schools are successful in producing “knowledge workers” (Drucker, 1996) for the global economy. This purpose was achieved by utilizing a grounded theory outlined by Charmaz (2006).

Such comparison of educators’ and business leaders’ views shed light on the issues of effectiveness of business education and employers’ satisfaction with the business graduates’ academic preparation. The study revealed significant differences in educators’ and employers’ understanding of what skills make business graduates competitive in the 21st century, and what skills, accordingly, should educators teach. Implications for practice were recognized, based on the findings of this study, including the need for extensive collaboration and greater input from business leaders into the design of curriculum that fits the rapidly evolving global economy.

Introduction

Is the world economic future at risk, as some authors predict? Given the rapidly changing demographics of advanced countries, the shrinking economies, and the projected shortage of educated workers, a concern about our economic well-being is not dramatic rhetoric (Canning, 2007; Edward, 2009; Hayward, 2004; Leitch, 2006). Educational researchers, policy makers, and practitioners concur with the business leaders that advanced skills of “knowledge workers” (Drucker, 1996) are key factors in the future economic success. Employers expect colleges to supply their firms with skillfully trained workers who can successfully compete in the global market place. Important questions for educators and policy makers to answer are: How do we know which skills are important, and how well are we preparing students to attain those skills?

Statement of the Problem

As we entered the new Millennium, dramatic changes occurred in the national and world economy. Consequently, the workplace today is quite different from what it used to be a mere decade ago. According to the U.S. Bureau of Labor Statistics, by 2018, there could be twenty million more jobs that require a postsecondary education than there will be workers who have it (DOL, 2009). The new jobs in the 21st century will require advanced competencies, as global economy requires world class skills (Carnevale, 1991; Carnevale & Desrochers, 2003; Drucker, 1994; Leitch, 2006; Levin, 2000). In light of changing economic circumstances, the problem is to determine what constitutes those world-class skills.

Purpose of the Study and Research Questions

The researchers of this study sought to identify a set of skills required from workers in the 21st century, based on the reviewed literature. The literature search centered on perspectives on necessary skills that educators (who equip students with the necessary skills) and business leaders (who ultimately employ college graduates) have. The intention was to create a comprehensive list of skills and competencies that business students must possess.

Two broad research questions guided this study:

1. What are the basic skills and global competencies required of college graduates with a business major in the global economy?
2. Does the reviewed literature capture any differences in views on the required skills between educators and business leaders?

Significance of the Study for Improvement of Business Curriculum

No other study had previously attempted to answer these questions concurrently. No other studies looked simultaneously at these groups of skills – basic skills and global competencies, although both sets of skill seem to be important in the highly competitive marketplace. More importantly, no studies pursued a comparison of educators’ and business leaders’ views on those skills. This is in spite of the fact that both educators and

business leaders are the major stakeholders who have a great influence on workforce development.

This research advocates, first and foremost, that a larger share of the workforce must acquire skills and knowledge through higher education. Secondly, this study points to a bigger role that all postsecondary institutions must play in order to produce well-educated workers. In addition, the significance of this study is in offering practical recommendations for improvement of business curriculum in postsecondary institutions.

Methodology

Databases Used for Literature Search

Several local, state, and national databases have been searched, such as: ERIC (Educational Resources Information Center), ProQuest Research Library; PsycARTICLES, PsycBOOKS and PsycINFO (the American Psychological Association databases), The Circuit (San Diego Library Consortium), Academic Search Premier (SDSU), and WilsonWeb (Educational full-text articles search). For most searches, the time frame was limited to the ten-year period from 2000 to 2010, in order to review the publications containing the most current trends in the subject matter. A few noteworthy writings were published prior to the year 2000, which allowed the researcher to follow a progression of ideas and policies on different aspects of skills development.

Selection Criteria

Two decisive parameters for selecting the databases mentioned above guided the researcher. First was the task of identification the basic skills and global competencies distinctive for diverse student population in colleges in general, and for business major graduates in particular. Second was the credibility of sources accumulated by the selected databases.

Data Collection and Theoretical Foundation

During data collection, special attention was paid to the rigorousness of methods and richness of data that would reveal the stakeholders' "views, feelings, intentions, and actions", as Charmaz (2006) advised (p. 14). Analytic techniques used in this study, application of initial codes, sorting and interpretation of the data, then recoding it again, checking the data for consistency, finalizing the themes, and identifying the appropriate skills and competencies for each theme category were modeled after the concepts presented by Charmaz (2006) in her grounded theory.

Landmark Studies

A glaring problem identified in the reviewed literature was the shortage of educated talent in the United States of America. Some experts cautioned that this critical skills gap threatened this country's competitiveness in the world (Friedman, 2007; Lingenfelter, 2007; Marshal & Tucker, 1999; Wagner, 2006). Yet, the literature indicates that Americans are not fully committed to preparing a new generation of "knowledge workers" (Drucker, 1996) with highly specialized expertise for the fast-growing industries (Hunter, 2004;

Wagner, 2006). It appears that a similar problem persisted in the United Kingdom, Canada, Australia, and other member countries of the Organization for Economic Cooperation and Development (Devroye & Freeman, 2001).

A question arises as to whether there is a match between what the global economy needs and what our colleges actually provide. What exactly comprises the skills, knowledge and competencies necessary to become a successful worker in the global economy? Are there differences in perception of skills between educators and business leaders who are the potential employers of college graduates? These were the primary questions of this investigation. Drawing upon the insights of both educators and business leaders documented in the literature, the authors found the answers to research questions for this study.

Skills and Competencies for the Global Economy

Basic Skills

Literature on the subject of basic skills contained a recurring idea about the hyper-competitive job market of the future that will require basic skills in reading, writing and mathematics to take on a new meaning. This idea first became evident after the Secretary's Commission on Achieving Necessary Skills (SCANS) had examined the workforce demands in the early 1990s and produced a report that identified skills and competencies required for those entering employment. The SCANS report (1991) acknowledged the need for workers who can “read well enough to understand and interpret the manuals... and write well enough to prepare correspondence, explain, illustrate, and convince” (p. ix). More to that, the report explained how the future jobs will increasingly depend on people who can make decisions and suggest new course of action.

In answering the question “What business wants from higher education?”, Oblinger and Verville (1998) referred to Drucker's (1994) notion about knowledge becoming the primary source of comparative economic advantage in the world economy (p. v). A decade later, the Conference Board's (2006) survey showed that employers still expected their new hires to possess basic skills in English writing, reading, and mathematics. To this list, employers also added science, economics, geography and foreign languages (The Conference Board, 2006).

The *Future Workforce* Report (2000) issued by the Manpower Corporation carried the employers' expectations one step further. Their findings indicated that there were no futures for routine or unskilled labor. Today's economy requires specialization, expert skills and complex communications abilities (Levy & Murnane, 2005). It was estimated that 80% of jobs in the United States by the year 2020 will be cerebral and only 20% manual, which is the exact opposite of the ration in 1920, as Oblinger and Verville (1998) observed.

A consensus was found in both historic and recent literature that more jobs will require skills that call for mastery of basic skills. However, in addition to the orthodox 3R-basic skills [reading, 'riting and 'rithmetic], a profile of “knowledge workers” (Drucker, 1976) in the global economy will include analytical skills, creativity, innovation, strong competences in technology, sensitivity to the issues of multiculturalism, and ability to

collaborate with the global business partners (Marshal & Tucker, 1993; NCEE, 2007; Wagner, 2006), to show proficiency in computers, and adept to complex service sector (Levy & Murnane, 2005).

Interestingly, some critical points of contention about relative importance of basic and “applied” skills were noted in the literature. Florez (2006), for example, maintained that “applied skills” surpassed the basic skills in importance. Others considered global competencies to be the “new basic skills” (Tagg, 2003).

Global Skills and Competencies

Current literature on basic skills and global competencies was rife with reports of eroding student achievement and declarations of imminent crisis in skills development for the 21st century (Gándara, Orfield & Horn, 2006; NGA, 2007; Tagg, 2003; Wagner, 2006). Yet, there is little research that clearly identifies these skills and competencies. Furthermore, there is no agreed upon definition among the researchers and practitioners about what it means to be globally competent or what particular skills should colleges teach their students in order to prepare them for the global workforce.

Realizing the effects of globalization on higher education, scholars were looking for effective solutions in developing “global-ready students” (Savicki, 2008, p. 32), although “global competencies may not be so easily understood or identified” (Bresciani, 2008, p. 906). In attempt to identify the specific knowledge, skills, attitudes, and experiences necessary for “global-ready students”, some authors (Hunter, White & Godbey, 2006) referred to the Swiss Consulting Group. In their Global Competence Report (2002), global competence was defined as “the capacity of an individual or a team to parachute into any country and get the job done while respecting cultural pathways” (p. 4).

As if expanding this definition of global competency that highlights respect for one’s identity, Bresciani (2008) made an important comment about one’s ability “to listen, process, and synthesize another’s varying thoughts, opinions, ideas, beliefs and feelings within the mores of various existing cultures without fear of aggressive or violent reaction” (p. 909). A panel of international scholars who participated in the Delphi study defined global competencies in a similar way: “Having an open mind while actively seeking to understand cultural norms and expectations of others, leveraging this gained knowledge to interact, communicate and work effectively outside one’s environment” (Hunter, White & Godbey, 2006, p. 277).

Educators’ and Business Leaders’ Perspectives on Necessary Skills

Building upon the traditional set of interpersonal skills, team-work and communication skills identified by educational researchers as the necessary traits in the 21st century, American executives from IBM, Oblinger and Verville (1998) provided the following list of attributes, which reflected what employers actually demanded from their workers:

- Intellect, ranging from analysis, critique, and synthesis to problem solving
- Knowledge, both real and potential, ranging from an understanding of the basic principles of a subject or discipline to knowledge of the organization and

commercial awareness – in many organizations knowledge of the subject is less important than the ability to acquire knowledge

- Willingness and ability to learn and continue learning throughout life
- Flexibility and adaptability to respond to change, to anticipate change, and to lead change
- Self-management skills, such as self-discipline, ability to deal with stress, prioritization, planning, and ability to juggle several things at once
- Self-motivation, ranging from being a self-starter to seeing things through to a conclusion, including such characteristics as resilience, tenacity, and determination
- Positive self-image, including self-confidence, self-awareness, self-belief, self-sufficiency, self-direction, and self-promotion (Oblinger & Verville, 1998, p. 74).

Incidentally, in the cited above 134-word passage that describes the ideal attributes of college graduates, the word “self” appeared 11 times (8% of the text content). Clearly, employers rely on educators to prepare the intelligent cadre of workers who are self-sufficient and adaptable to change. It is interesting to note also that business leaders put much higher value on the ability to acquire knowledge than on proficiency in the subject matter.

In response to escalating calls for greater accountability and effectiveness of postsecondary institutions, some studies focused on the problem of collaboration between business sector and educators, as a way to ensure that young people are well prepared to enter the workplace of the 21st century. These writings suggested that direct participation of business leaders in program evaluation may provide colleges with helpful external insights, facilitate further evolution of higher education, meet the needs of key stakeholders, and deliver value that is meaningful to different groups in the community (Alfred, Shults & Seybert, 2007; Roueche & Jones, 2005).

Results for Research Questions

These researchers identified the skills and competencies required of college graduates in the global economy and created a 15-item list of skills. Furthermore, this study highlighted the differences in perception of skills that educators and business leaders had. Answers to the two research questions presented here were rooted in the reviewed literature.

Research Question 1: Identification of Basic Skills and Global Competencies

What are the basic skills and global competencies required of college graduates with a business major in the global economy?

A 15-item list of basic skills and global competencies, including knowledge of technology, was created as a result of the studied literature. The identified 15 skills were clustered into two domains: (1) basic skills; and (2) global skills and competencies:

Basic Skills

1. Spoken English language
2. Writing in English
3. Reading comprehension in English
4. Basic math

Global Skills and Competencies

5. Foreign language(s) proficiency
6. Working with diverse cultures and people
7. Social responsibility
8. Ability to adjust to change
9. Ability to build partnerships
10. Listening
11. Teamwork ability
12. Leadership ability
13. Productive use of resources (time, money, materials, space, and staff)
14. Computer proficiency
15. Information Technology (IT) literacy

This list was inspired by the records of SCANS-skills outlined in the Secretary's Commission on Achieving Necessary Skills (1991) report, basic skills documented in the Center for Student Success (2007) publication, and global competencies acknowledged by American and international scholars in various writings (Bresciani, 2008; Carnavale, 1991; Hunter, 2004; Levy & Murnane, 2005; Oblinger & Verville, 1998; Savicki, 2008).

Research Question 2: Educators' vs. Business Leaders' Views on Skills for the Global Economy

Does the reviewed literature capture any differences in views on the required skills between educators and business leaders?

Contrary to the business leaders' values, the National Education Goals instituted in 1999 described academic achievement as "challenging subject matter including English, mathematics, science, foreign languages, history, and geography" (The National Education Goals, 1999, p. vi). Thus, a dissonance between business leaders and educators in assessment of knowledge became apparent. In addition, some national studies pointed to the noticeable "misalignment in curricular content and academic standards" (Bragg, 2002, p. 30) and to the gaps in curricular sequencing and outcomes assessment. Other studies criticized business curricular for being "irrelevant and unmotivating to students preparing for careers" (Perin, 2001, p. 303); and thus, questioning the instructional effectiveness in colleges.

Discussion of Key Findings

The key findings of this study encompass the following area: (a) relative importance of basic skills and global competencies; (b) employers' expectations toward necessary knowledge; (c) relevance of business curriculum to economic needs; (d) collaboration of educators and business leaders; (e) quality of teaching of the job-related skills; (f)

employer satisfaction with the college graduates' job performance; and (g) importance of various skills for competitiveness in the global economy.

The primary finding of this study indicates that there is a gap between educators' and employers' perspectives of the skills and competencies that business major graduates need to develop in order to be successful in the global market place. Some publications (for example, the SCANS Report, 1991) inform about consensus among educators, business leaders and policy makers regarding the nature and definition of skills needed in the global economy. Other writings, for example works by Gordon (2006), Carnevale and Desrochers (2003), Oblinger and Verville (1998), do not find harmony between educators and business leaders in understanding of the required skills.

Another key finding of this study points toward little alignment between the undergraduate business curriculum and the actual needs of business and industry. Curriculum does not appear to match the needs of the global economy, in employers' view, which was contrary to educators' perceptions. This finding, again, fails to disprove the fundamental assumption made in literature that educators continue teaching various content areas of business, while industry leaders consider the practical application of knowledge to be the driving force in the 21st century (Kutner, Greenberg, & Baer, 2005).

The third significant finding derived from the reviewed literature upholds the need for the faculty members and student affairs professionals to increase their partnerships with the business world. Institutions of higher education are "forced to think along corporate lines now more than ever" (Gordon, 2006, p. 117). Thus, educators may need to re-evaluate their strategies and attune them to the corporate demands and to the needs of their local industries that provide the jobs for the business major graduates.

The fourth key finding of this study is associated with the lack of communication on two different levels: (a) between external stakeholders (educators and business community); and (b) within the higher education system (for example, among the faculty members, student services professionals, career advisors, and academic administrators). One common conclusion drawn from the reviewed literature is a call for a greater level of collaboration between business educators and business community for the benefit of all stakeholders, and particularly students who bring the skills learned in college to a future workplace.

Conclusions and Recommendations

This research identified the necessary skills and uncovered the gap between the educators' and employers' perceptions of these skills; and, thus, provided answers to the research questions formulated for the study. This research also affirmed the importance of the identified basic skills and global competencies for business graduates entering the job market. Furthermore, this study established that in the global economy, the basic skills of English language speaking, reading, and writing, and basic mathematics alone were not sufficient for student success at work. Global competencies, together with proficiency in computers and information technology, were found to be critical for college graduates' success in the business environment and for their competitiveness in the global market place.

Nevertheless, there is still a gap between the skills and competencies that our colleges teach and the job-related skills that employers need. Literature presented little evidence of alignment between the colleges' business curriculum and the actual needs of business and industry. Various inferences can be drawn from this body of literature. First, educators may not be entirely aware about what it means for their business curriculum to be relevant to the needs of a global economy. Second, business educators may not have enough knowledge about what those global economy needs are. Third, educators seem to have a different understanding of epistemology, the theory of knowledge, than the business leaders have. The future studies may shed light on the reasons why educators are committed to teaching various content areas of business, while business leaders consider the practical application of knowledge to be the driving force in the 21st century. As debates about the influence of business on education continue, a synergy of all stakeholders immune to political pressures may increase the value of business programs and student learning outcomes.

Implications for Practice

Findings of this study highlight the literature assertions that businesses are no longer satisfied with the quality of workers that colleges produce today. The business world is quickly adapting to new challenges posed by transition from manufacturing-based and service-based economies to knowledge-based economies. Colleges may consider getting more involved in developing new, practical business curriculum that can improve their business students' achievement of real success. Students will have better chances for success in the modern business environment if their skills and competencies are aligned with those skills demanded by the fast-paced, forward-thinking, and globally-oriented businesses. While business leaders' commitment to education has been of paramount importance over the years, their ability to forecast which skills will be necessary in the future would help greatly in academic planning. By building reliable alliances with the business sector, welcoming their input in business curriculum and by restructuring their business programs to fit the needs of the increasingly global environment, our colleges may add value to degrees they grant.

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