
THE VALUE OF INTERNATIONAL EDUCATION TO U.S. BUSINESS AND INDUSTRY LEADERS: KEY FINDINGS FROM A SURVEY OF CEOs

AN IIE BRIEFING PAPER
OCTOBER 2009

All students should study outside the United States, in both a developed and developing country, so as to gain the necessary global perspective and mindset essential in today's global business.” – Chairman of a mid-sized company

Institute of International Education (IIE)

An independent nonprofit founded in 1919, IIE is among the world's largest and most experienced international education and training organizations.

Institute of
International Education
809 United Nations Plaza
New York, NY 10017
www.iie.org
policyresearch@iie.org

For press inquiries, contact:
Sharon Witherell, Director
Public Affairs
switherell@iie.org
212-983-5380

Report prepared by:
Robert Gutierrez, Sr. Manager
Rajika Bhandari, Director
Research and Evaluation

Contributors:
Jennifer Auerbach
Erika Satterwhite

I. SUMMARY

Study abroad experience is widely recognized among senior management as having the potential to cultivate valued skills and desirable personal qualities in new recruits. In a recent survey, ninety percent of senior management who reported studying abroad during their own careers also reported a hiring or promotion strategy that actively sought out and rewarded study abroad experience. This suggests that individuals with personal experience studying abroad are more likely to place a higher value on the study abroad experience of a potential employee. However, appreciation of study abroad experience in recruitment is not limited to management with personal study abroad experience: 60 percent of all respondents reported that the hiring and promotion strategy of their companies acknowledge the importance of a study abroad experience.

Many respondents raised a crucial point that the importance of a study abroad experience is not merely the act of studying in a foreign country. Rather, the significance of international education often resides in the opportunity to partake in an intensive language program coupled with the prospect of developing skills that result from complete immersion in a foreign culture. Respondents also provided concrete suggestions for how companies can better recruit students with international experience, including for example, working more closely with study abroad offices to enhance recruitment possibilities, providing corporate-sponsored internships or scholarships, and increasing international opportunities and assignments for new and existing staff.

II. RATIONALE

In an era of economic uncertainty, it is critical for an organization or company to ensure the breadth and flexibility of its workforce talent. An increasingly important factor in developing this kind of talent is recruiting graduates with the appropriate skills and knowledge to function effectively in the global workplace. The Institute of International Education (IIE) and the wide network of colleges and universities it serves believe that many of the skills acquired through a successful study abroad experience—specific cultural knowledge, foreign language acquisition, the ability to communicate effectively in intercultural settings, and adaptability to unfamiliar situations—can be effectively applied to meet the needs of companies and non-governmental organizations. Previous studies have shown that employers place great value on the skills gained through study abroad experience.

In response to the need for more data and information, IIE, with the assistance of the Dilenschneider Group, conducted a snapshot survey of over 200 senior-level U.S. and international business leaders in 2008-09 to gauge their perceptions of international education and the potential skills and experience gained through study abroad. The Dilenschneider Group assisted by sharing its extensive contact list of organizational leadership, although the survey was conducted anonymously. While similar studies have looked at the value placed on international education from the perspective of the Human Resources department in an organization, this survey represents one of the first attempts to specifically target senior-level management, including CEOs, senior directors, presidents, vice-presidents, and chairs of company boards of organizations spanning small businesses to Fortune 500 companies. The key findings from this study are summarized below.

III. KEY FINDINGS

Of the 206 respondents, 60 percent reported that their organization's hiring and promotion strategy pursued and rewarded recruits who have acquired international experience through study abroad. Respondents reported that their companies' HR policies recognized recruits' prior international experience, taking it into consideration during the hiring and promotion process (66 percent); when determining a new recruit's assignment (71 percent); and when determining a starting salary (31 percent).

Considering that only a very small proportion of the current U.S. higher education population studies abroad each year, it is noteworthy that 30 percent of senior leaders surveyed reported studying abroad as part of their own academic career. Ninety percent of these 62 respondents said that their HR/hiring and promotion strategy did, in fact, seek out and reward recruits with international experience gained through study abroad, suggesting that those who have studied abroad during their academic or professional career tend to place a higher value on international education.

Survey respondents were also asked to rate the degree to which they believed international experience gained through study abroad provided certain skills and qualities to prospective employees. Ratings were assessed on a 5-point Likert scale from “strongly disagree” to “strongly agree.” The skills and qualities that were identified included those traditionally considered as potential outcomes of a study abroad experience and which reflect similar skill sets identified in prior studies in the field (see Table 1).

Overall, survey respondents strongly agreed that study abroad first and foremost provides the ability to work in a cross-cultural or globalized work environment, with a top score of 4.57 (see Table 1), closely followed by acquiring knowledge and understanding of international systems, with an average score of 4.45. On the opposite end of the scale, respondents were least likely to agree that a study abroad experience could provide technical knowledge (3.15).

Table 1: Degree to Which Respondents Agree that Study Abroad Provides Career-Relevant Skills and Qualities.

(Scale: 5=“Strongly Agree;” 3=“Neutral;” and 1=“Strongly Disagree”)

	Comparison of Average Responses by Respondent Type			
Skills Gained Through Study Abroad	All respondents	Those whose HR office does seek and reward study abroad	Those whose HR office does not seek and reward study abroad	Those respondents who have studied abroad
Technical knowledge	3.15	3.25	3.00	3.26
Ability to work in a cross-cultural (globalized) work environment	4.57	4.68	4.41	4.65
Knowledge and understanding of international systems (languages, policies, practices)	4.45	4.55	4.31	4.54
Interpersonal and communication skills	4.06	4.18	3.89	4.17
Hands-on experience in particular field (e.g. internship)	3.53	3.57	3.48	3.54
Qualities Developed/Enhanced				
Initiative and creative thinking	4.07	4.21	3.87	4.25
Adaptability and positive response to change	3.51	3.69	3.23	3.73
Enthusiasm for substance of job	3.95	4.05	3.82	3.03

When disaggregated by type of respondent, the highest positive consensus came from two main groups: respondents who had studied abroad and those whose HR hiring and promotion policies sought out and rewarded recruits with international experience gained through study abroad.

That the majority of average responses fell above 3 or the “neutral” mark may further indicate that international experience gained through study abroad was overall viewed in a positive light even among those who reported it had no immediate or direct impact on the hiring process. Responses were also relatively uniform across different-sized organizations from those employing less than 100 staff to larger organizations with staff up to and exceeding 10,000

employees, suggesting that the size of the organization did not have any impact on how senior management viewed international education or study abroad. In anecdotal open-ended responses, a few senior managers commented that since their organization was not global in scope in its operations or business, they tended not to place as much emphasis on valuing international experience gained through study abroad.

The final section of the survey allowed for respondents to provide any comments or recommendations on how organizations might better attract or utilize students with prior international study experience. While the large majority of comments were favorable toward international experience as a general asset in the workplace, several comments indicated skepticism toward study abroad as the most effective way to gain comprehensive international experience. Reiterating the notion that study abroad is only as valuable as the individual experience and quality of a particular program, one respondent noted that “the study abroad experience must be an intensive and lengthy one to be really useful. A few weeks in the U.K or Australia are nice but not important.” Another respondent who reported having studied abroad, related a concern that despite company encouragement of study abroad as a positive qualification in hiring, perceptions still hold significant weight with study abroad being sometimes viewed as “just an excuse to party.”

What is required then as a response to these perceptions are real strategies for students and institutions to articulate the experience in effective ways that relay career-relevant skills or qualities developed.

Selected Comments from CEOs on the Value of International Experience

“International experience as a student or executive is invaluable today to understand that there are no boundaries in the search for excellence whether in recruiting, sourcing, or outsourcing.” – Chairman of a mid-sized company

“The global community that exists today will only continue to expand in future years. Leaders today and in the future will have to understand multiple languages, cultures, and “the emotions that drive the global forces” to understand business and politics. All people as well as students have to be acutely aware of world events on a daily basis or they will be lost in the world of business.” – President of a large company

IV. RECOMMENDATIONS

Suggestions from survey respondents regarding how companies may better attract students with international experience include:

1. **Working more closely with study abroad offices at universities to enhance recruitment possibilities**, especially by focusing on international learning or global internship opportunities.
2. **Providing corporate-sponsored internships or scholarships** for current students (and potential recruits) who study abroad.
3. **Emphasizing the international travel/business aspect of the company in the recruiting process**. Leaders can also send a signal to current staff by encouraging the

development of specific international exposure/experience programs for their senior future leaders.

4. **Valuing recruits with foreign language skills** and creating opportunities for students to retain and practice these skills while on the job; also providing financial incentives or tuition reimbursement for language training.
5. **Increasing international assignments for new talent**; ensuring that new and current staff have opportunities to further their international experience either through continuing education abroad opportunities or specific assignments when available.

Selected comments from CEOs on Recruiting Students with International Study Experience

“Recruit more actively from universities that require some overseas study as part of the requirements of even a bachelor's degree – and definitely for a post-graduate degree.”

“1) Work with universities to sponsor students who wish to study abroad; 2) Provide scholarships and internships during vacation periods for students who study abroad; 3) Fund research projects which involve universities from different countries.”

“Corporations should have trainings to raise awareness; HR directors should seek out advocacy groups for support; organizations that advocate should create more materials for corporations to use in raising awareness.”

“Do a better job of communicating to schools, parents, and students the value of study abroad in providing some essential groundwork characteristics to succeed in a global world [...] Work with organizations like IIE [...] to get the word out to students with prior international study experience about corporate job possibilities and value they place on international study experience.”

For a free electronic (PDF) version of this report available for download, please visit:

www.iie.org/ResearchEvaluation

or email:

iieresearch@iie.org