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A WELL-ROUNDED EDUCATION FOR GLOBAL WORLD

Abstract: Globalization is causing business leaders to call for new competencies. Global leaders need to understand the factors that shape international interactions in their businesses and explore the cross-country differences and their effects. These new realities demonstrate that workers seeking careers in entrepreneurship will all require global knowledge and skills. The authors present theoretical studies and research, also analyzing the needs of intercultural competence. The results of studies show that intercultural competence cannot be acquired in a short space of time. It is a lifelong process which needs to be addressed explicitly in learning and teaching in university. The goal of intercultural education should be to help students become globally literate. It is indeed in today's large emerging markets that the war for talent, has become most acute.

Keywords: globalization, intercultural skills, education, students.

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Introduction

Globalization of markets and production has produced many opportunities and new threats for businesses hitherto accustomed to dominating

their domestic markets. Globalization refers to a fundamental shift in world economy in which nations are moving toward an interdependent global economic system (Hill, 2009). Globalization has resulted in markets in which previously historically separate markets have become one huge global marketplace as a result of reductions in trade barriers and advances in information and transportation technologies. As a result, small firms can now participate in international trade right from inception. Another facet of globalization is globalization of production. Companies can locate production facilities in countries where labor and other production inputs are cheaper. One of the strongest evidences of globalization is the interdependency of global economies. With the ongoing globalisation of the world's marketplace, there has been a shift from supplying overseas markets from a domestic base to establishing subsidiaries in numerous countries, acquiring or merging with foreign firms, or establishing international joint ventures (House et al., 2001). Globalization is an on going process around the world, integrating nations, economies, and cultures etc. Europe that is marching from single cultures to a multicultural society needs a strong intercultural education. There is need that people and firms understand the necessity of a diverse culture in a global world, since the diverse culture is not a ban but a boon for the society, economy and politics. The interest of policy makers is to establish the ways to increase entrepreneurial activity in the society and maximise wealth creation through supporting those who contribute significantly to national economy. Empirical evidence suggests that ventures with an international scope of operations perform better than those that concentrate on serving domestic markets only (Austrade, 2002). Further, the ventures that internationalise early, appear to have high growth aspirations and are likely to exhibit overall faster growth (Autio et al., 2000). Therefore, it merits encouraging those entrepreneurs who seize cross-border opportunities. One of the ways for the entrepreneurship education and training to facilitate international entrepreneurship is through teaching international opportunity identification.

Intercultural Competence Important for Entrepreneurs

Globalization can be defined as a set of economic, social, technological, political and cultural structures and processes arising from the changing character of the production, consumption and trade of goods and assets that comprise the base of the international political economy. (UNESCO, 2001). With the rise of globalization, so rises the need for leaders and staff with global perspective and intercultural competence to meet these growing challenges and opportunities. The research involved with entrepreneurial competencies (Mitchelmore, Towley, 2010; Ungeret al., 2011) ignores competencies that relate to intercultural abilities. While there are studies that study the effects of national culture on entrepreneur-

rial abilities (Stephan, Uhlaner, 2010), these studies do not explore intercultural competencies. Finally, there are studies investigating the intercultural competence of those in business (Moran et al., 2009). Entrepreneurs are individuals who identify market needs and launch firms to meet those needs. Unlike salaried employees, entrepreneurs assume ownership risks. Business and entrepreneurship skills and experience affect the propensity of individuals to become entrepreneurs and the likelihood of their success. Entrepreneurial competence is defined as the set of knowledge, skills and abilities that enable an entrepreneur to successfully perform the job role (Baum et al., 2001). It is a dynamic phenomenon and consists of inputs (antecedents), process (behaviours) and outcomes (performing task to the accepted standard) (Man et al., 2002). Skills and experience have a positive effect on entrepreneurship because they provide the basis for a company's dynamic capabilities, the ability to learn and adapt to changing circumstances (Teece et al., 1997). Intercultural competence is understood as “the ability to communicate effectively in cross-cultural situations and to relate appropriately in a variety of cultural contexts” (Bennett, Bennett, 2004). Intercultural competence is the body of knowledge and skills to successfully interact with people from other ethnic, religious, cultural, national, and geographic groups. When someone has a high degree of intercultural competence, they are able to have successful interactions with people from different groups. Leaders and staff must be curious about other cultures, sensitive to cultural differences, and also willing to modify their behavior as a sign of respect for other cultures (Hammer et al., 2003). National culture, defined here as the collective programming of the mind (Hofstede, 1991), is deemed to be one of the significant contextual variables in understanding international entrepreneurial activity (Stewart et al., 2003). The literature provides evidence in relation to the impact of national cultural values on the characteristics and the behaviour of individual entrepreneurs (Stewart et al., 2003; Steensma et al., 2000). The presence of globalization forces people to see and embrace an increase of both similarities and differences in dry intercultural interactions. Javidan (2008) argues that those working cross-culturally in a global environment have two major responsibilities. First, these individuals need to understand their own cultural lens. Second, and based upon the first, if individuals want to influence cross-culturally, they need to understand the other's cultural lens. Bhawuk and Brislin (1992) argue that, to be effective in another culture, people must be interested in other cultures, be sensitive enough to notice cultural differences, and then also be willing to modify their behavior as an indication of respect for the people of other cultures. Such skills are not always intuitive for leaders (also staff) engaged in globally oriented work.

Intercultural education

Intercultural interaction has increased due to globalization enhancing “the need for intercultural awareness, understanding, and training at all levels of business” (Sorrells, 2013). Cultural differences play a significant role in team building, decision-making, negotiations, marketing, and advertising. Although the particular product and its quality might be enough to gain competitive advantage in the short term, building professionalism and developing international knowledge are of considerably greater importance in the long term. The cultural diversity of different markets should not be perceived as a liability, but without intercultural competence, such a business operation may not end in success. Acquiring skills and lifelong learning within an organization allow to maintain and renew company's competitive advantage. Their intercultural sensitivity might be used as refer to such a skill as intercultural competence, intercultural communicative competence, transcultural communication, cross-cultural adaptation, or intercultural sensitivity. Intercultural sensitivity affects, among other things, dry areas as communication in business, business etiquette, or negotiations and therefore allows entrepreneurs to gain competitive advantage in the international markets.

The need for specialized education - whether formal or informal - focused on developing intercultural competency is vitally needed in this day. Javidan et al. (2006) argue for the priority of understanding global leadership as a critical success factor for large multinational corporations. Arguably, these comments are not just for the large multinational. Even smaller companies and organizations are increasingly touched by the impact of globalization. Business and entrepreneurship skills are essential for the formation, survival and growth of a new business, as well as for the upgrading of existing SMEs. A number of recent studies underline this connection and point out that the capacity to continually learn and acquire knowledge are essential qualities of successful entrepreneurs (Minniti, Byrgave, 2001). Successful entrepreneurs and small business owners/managers can be viewed as “jacks-of-all-trades” since they require a combination of horizontal and vertical skills (Lazear, 2004). Today organizations face a need to equip the majority of their leaders and staff in effective intercultural competence. This can be done by the strengthening of the intercultural education. Education policies can promote the development of business and entrepreneurship and intercultural skills and experience to help potential entrepreneurs overcome common challenges. Policy can support and implement this education in the school systems, vocational and higher education (through guest lectures, or through coaching and mentoring students). Academics have many terms for it: intercultural agility, intercultural communicative competence, global competence, interactional communicative competence, and intercultural aware-

ness. Whatever we call it, experts in international business education worldwide agree: knowing how to operate and communicate within and across cultures is essential to success in the global marketplace.

Some educationalists argue that 21st century education should be more about learning new skills and competences rather than collecting information and remembering facts. Sierens introduce the following definition to equip young people with the cognitive characteristics attitudes and skills they will need in a multicultural, multi national and internationalising world. This set of cognitive characteristics, attitudes and skills can be brought together under the term: intercultural competence.

When teachers ask leaders or participants on European training courses to name all competences that they see as most important for their students to acquire in order to live and thrive in a multicultural society, I normally get more or less the same list of competences, no matter if participants are Icelandic teachers or student teachers or international groups of in-service teachers from all over Europe. The list that they make of important competences looks something like this: communication skills, cooperation skills / team work / being able to work with a diverse group, open mindedness / anti prejudice, be able to see things from different aspects, creative thinking, flexibility, critical thinking / selection of information, language skills, conflict, management, initiative.

Students in universities and technical schools should be encouraged to become intercultural entrepreneurs because of their potential to explore nontraditional business models (Bigg, Shah, 2006).

The educationalists argue that 21st. century education should be more about learning new skills and competences rather than collecting information and remembering facts. One thing is certain. Adaptability to foreign cultural environment depends on (Gudykunst, 1991):

- flexibility, maturity, knowledge of host culture, language skills, nonjudgmental attitude, patience, respect for culture, and appropriate social behavior;
- being able to be mindful, to tolerate ambiguity and to calm ourselves;
- being able to explain and make accurate predictions of strangers' behavior.

Conclusion

Conclusion of this paper supports the view that educational institutions may approach the development of interculturally competent emerging leaders and staff. House (2004) reminds that, ample evidence shows that cultures of the world are getting more and more interconnected and that the business world is becoming increasingly global. With this reality fa-

cing leadership educators, people cannot afford to ignore the need and opportunity before them. In light of this, we can provide some recommendations for leadership educators who care about preparing students to serve in the world during this time of increasing globalization.

First aim for a holistic approach that engages both the cognitive and experiential needs of developing intercultural competence. Experience without insight can be helpful, but it may lead to reactions driven by stereotyping and result in further resistance to intercultural engagement. It is important to remind ourselves that students desire the best a school can offer them as faculty and as educational institutions.

Second. Educational institutions must not exempt themselves from measuring what matters around intercultural competence. Successful businesses do not fail to measure their bottom lines. If the development of interculturally competent global leaders is one of the highest priorities for today's organizations, educational institutions need to identify ways of measuring student learning outcomes around this area.

Third, use of the vocational education and training system requires a different approach from that commonly used for teaching more technical subjects and appropriate policies for changing teaching methodologies, and not just curricula, need to be formulated.

Fourth, policy should aim to increase the number of entrepreneurship courses and participating students, where there is evidence that these courses have been successful. It is also important to ensure that entrepreneurship teaching meets high quality standards and extends across a broad range of subjects to reach a wide range of potential entrepreneurs. Teachers should be trained and supported in using interactive methods that emphasise “learning by doing.” The need for globally minded and interculturally competent leaders and also staff is a reality. A creative human capital is also often perceived as a main source of competitive advantage. The understanding cultural differences is so important for companies competing in the international markets. The modern economy is knowledge-based, hence the increase in importance of the intellectual capital of companies and such a strong focus on employees and their ability to learn and to use the acquired knowledge. Acquiring skills and lifelong learning within an organization allow to maintain and renew company's competitive advantage.

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