

Inclusion of Students in Research Activities:

A Development of an Observatory at the International Level

Andres M. Castro

Universidad Piloto de Colombia

Author Note

Andres Mauricio Castro, Dean of International Business, Universidad Piloto de Colombia.

Correspondence concerning this article should be addressed to Andres Mauricio Castro, International Business Program, Universidad Piloto de Colombia, Carrera 9 No 45A-44, Bogotá, Colombia.

Contact: andres-castro2@unipiloto.edu.co

### Abstract

During the last few years, the participation of students in research activities particularly focused on international topics has taken an important role in the education process, especially in programs related to international issues such as international affairs or international business in order to involve them in a more international context. As a result, the Observatory of Foreign Trade Agreements (OFTA) was developed whose purpose is to identify the evolution of national commercial activities from the foreign trade perspective. This takes into account not only the economic sectors but also both full time professors and students conducting research. This has been an ideal tool for developing an interest in the internationalization process for the students. Therefore, this Observatory has focused its attention on the relationship between national and global activities for students from both the perspective of an institution or an economic sector and its impact on the economic development of the country.

*Keywords:* Observatory, Foreign Trade, Internationalization, Curriculum, Consultancy

The Inclusion of Students in the Research Activities Within the Program: Development of an Observatory at the International Level.

Nowadays, it is imperative that business school graduates are prepared for the new world economy which is linked not only by the trade of goods and services but also by Foreign Direct Investment from various actors. Therefore, it is a must that undergraduate students are aware of this environment and how they can be effective and make strategic decisions for different kinds of organizations who want to initiate an internationalization process. The purpose of this paper is to present what we feel should be the foundation of an International Business program and why it should be taught so as to answer questions required not only for Small and Medium Enterprises (SMEs) but also for Multinational Enterprises (MNEs). This is necessary in order to compete in markets abroad.

The development of the Observatory inside the program has increased the participation of students in research activities where they have spent more time working closely with full time professors and the specific research purposes of the program. Most importantly, they gain the understanding of internationalization activities, including some assessment from the Ministry of Commerce, Industry and Tourism from Colombia, as well as the support from this governmental entity to the students who belong to this research group.

### **Literature review**

The internationalization concept is an issue that has generated a lot of controversy among various authors because it is too difficult to establish a specific definition which explains how an institution initiates an internationalization process, diversifies its market in the geographic context, and how they enter into new regions with different environments (Root, 1994; Rialp,

1999). These decisions lead to changes in the strategic planning within every one of its different areas. In fact, for some authors, it is also difficult to predict the changes that are presented in a sector or industry in where it has been decided to initiate internationalization and to be able to summarize this situation in a single concept (Dunning, 1981; Peres, 1998; Franco, 2000). For some authors, internationalization involves the expansion of global markets, institutions and certain norms, a process which progressively reduces the purely domestic aspects of politics everywhere (Solingen, 2001).

According to these concepts, it is crucial to understand the real meaning of international business (IB) from the internationalization perspective in order to understand a program in IB and more specifically, an Observatory whose main objective is to monitor foreign trade activities. As an interdisciplinary, integrative field, IB exchanges knowledge with other academic areas. The inflow of theories, models, constructs, and empirical findings infuses the field's theoretical and methodological base, while outflows represent impacts on other academic areas (Shenkar, Yeheskel, 2009). Shenkar et al. attempts to identify what is the real knowledge necessary for the creation of a field like IB. Using cross reference methods and the main journals related to IB, the Journal of International Business Studies was found to be a net importer, especially concerning strategy. However, according to the results of recent research, the journal has become a net knowledge exporter. IB is a distinct academic specialty whose domain spans comparative and cross-border environments along with institutions and the business behavior of their major players (i.e., firms, individuals, and governments) which are all anchored in a knowledge base that is simultaneously global and country specific (Shenkar, 2004).

With the advent of globalization, the identity of IB has become the subject of heated international debate (Toyne & Nigh, 1997). Its added value has created a contention in the

context of growing encroachment into its traditional territory by functional areas. Therefore, IB is finally an interdisciplinary field and IB should be moved from current multidisciplinary to interdisciplinary research approaches (Sullivan, 1998; Toyne & Nigh, 1998).

According to other perspectives, various authors use a universal perspective which does not differentiate International Business from International Management in the Anglo-American literature as essential. On the other hand, it constrains the consideration of specific national and regional issues, many of which are of vital importance to the development of a critical perspective of IB from Latin America (Forray & Goodnight, 2010). Forray and Goodnight (2010) have also argued since the 1990s that the United States has stated that IB needs a more practical perspective and that this could not be provided by Europeans. In response, European authors replied in the mid-1990s that IB is deductive, analytical and axiomatic, whereas IM is merely practical, empirical and prescriptive (Buckley, 2002).

According to Aggarwal, Petrovic, Ryans & Zong (2008), business Academia is organized around tightly defined “silo-like” functional disciplines (e.g., accounting, finance, management, marketing, etc.), reflecting organizational “silos” within the typical business college. This makes it difficult to infuse an IB component into each of these “silos”. For instance, IB is increasingly becoming a separate discipline within the field of business; however, it is located in one of the “traditional” functional areas. In fact, IB has not only become a prominent discipline among academics worldwide, but a recognized area of expertise among executives as well (Xu, Yalcinkaya & Seggie, 2008).

Keeping this fact in mind, it is important to establish that IB education is imperative in the current era, not only because of globalization but also of technological innovation and the continuous growth of the goods and services’ trade. Finally, this is the purpose of a program

focused on internationalization activities of the (firm?). Also, consider that according to the nature of IB as a multidisciplinary field, in the future, it will become imperative for organizations in order to be competitive and sustainable. Including IB will become part of their mission and vision in the midterm. For business schools, the importance of an internationally oriented education system for the future economic health of the country is a must (Beamish & Calof, 1989), IB is truly a global discipline (Chan, Fung & Lai, 2005). Currently, Chan, Fung & Lai (2005) stated that US schools play a significant leadership role among the leading IB programs and determine the importance of the global nature of the IB discipline. According to their research, the results of investigations published in IB journals display multi-functional interests, and thus raise the question of the uniqueness of the discipline.

### **International Business Education in the World and Its Relationship with This Initiative**

At this point, there are some questions that should be answered: what about the curriculum and its research programs? How must it be developed? What issues must be considered to structure it? According to these questions, some answers can be addressed. Vernon (1994) proposes three distinctive areas under the rubric of IB: problems of the enterprises of their trade with foreign countries, managers with international networks and business practices in foreign countries. These three issues should be addressed to develop a program for research in International Business along with an Observatory of Foreign Trade.

In other words, this kind of research program must achieve an understanding of the environment in which a business evolves, and an understanding of the behavior of MNEs in the international context taking advantage of it thanks to the Free Trade Agreements (FTAs).

According to Griffith & White (1998), the methodology to teach not only management but also International Business is very important. They say that educational training must include real world management issues; case studies and simulations; be focused on skills such as leadership, critical thinking and decision-making; and have the ability to tolerate uncertainty and ambiguity in the workplace. In order to become global managers, students must understand different cultural perspectives. Students must be taught to accept different world views and to think in terms of those perspectives. In fact, they argue that International Business programs must be relevant to the operations of business today. On the other hand, for Sammie (2001), IB is one of the key dimensions of the strategic plans in business schools. He also stated that two internationalization schools of thought exist: extension (IB as a field of inquiry that addresses problems associated with the movement of goods and capital across national boundaries as well as the concurrent integration, monitoring and control of business in two or more countries- this is represented through an Observatory in order to monitor this behavior) and interaction (IB as a multilevel, hierarchical system of interactions between two or more socially imbedded business processes and their outcomes).

### **Discussion**

Colombia has not been excluded from this issue related to IB topics. Therefore, a few questions appear in the Colombian context such as: Are the Colombian organizations prepared to confront the challenges that lay ahead of them in this stage of internationalization with a global presence in the country? It is important to clarify that an internationalization process does not only consist of exporting products or services to other countries and at this point it is only a phase. An internationalization process begins with the very same sequence of events as seen in business enterprises which begin with questions such as: Is it prepared to compete? Is it

prepared to confront the challenges of a more globalized world? In a world where alliances are established as an everyday occurrence in order to attack emerging markets through Multinational Enterprises (MNEs), what resistance can be offered? Which is the distinguishing factor between the local companies and one of the large MNEs even if that factor is not known within the local environment? Where was the organizational management, the concern for the market and the customer needs left? It is not clear yet, but action must be taken on this matter to avoid any regrets later on when there is no solution, especially in IB education.

Universidad Piloto de Colombia has become aware of these issues and it was for this reason that in 2008, it established an undergraduate program in International Business. At that time, the Business School of the University had three programs: Business Administration, Economics and Accounting. Today, the school has four undergraduate programs, which include not only these two programs but also a new program focused on Logistics and Production on a postgraduate level. In Colombia, there are more than 120 Business Schools with programs in Business Administration and only 52 of them offer a program in International Business at the undergraduate level, including Universidad Piloto de Colombia.

With that said, it is important to review why it is important to develop an Observatory in a Business School, particularly in the IB programs in Colombia. First, we have to analyze what the purpose is to study IB and what are the standards at the international level, in order to develop a proper curriculum which aligns with these aspects. Therefore, it is also important to develop an Observatory, whose main objective is business internationalization through the different tools and methodologies presented previously in order to structure a curriculum that not only accomplishes these requirements but also prepares students for the international activities of the firm. Keeping these aspects in mind, an Observatory was developed based on the main



objectives of internationalization theories, the purpose of IB as a discipline and understanding that IB works in conjunction with other academic fields. In fact, a matrix can be developed in order to cross the principal areas which are identified as the most important in the context of IB and the main factors that support international issues which identify the relationship between the competencies and the contents that must be kept in mind in order to develop an IB program (Desai & Pitre, 2009).

Design of the Observatory took not only the professional skills and needs of the professional in the IB field into account, but also the need to solve the main problems of firms that desire to take advantage of the opportunities in the international market thanks to the FTAs. On the other hand, the program was developed according to the requirements for a basic education at the beginning and a complex and compulsory education at the end and related specifically to international business.

### **Methodology for the Observatory**

The objective of the Trade Agreements Observatory since its creation was to complement the research activities of the program with the participation of students in the projects generated by the faculty, and therefore, have a significant impact in the business sector. For that reason, and according to the context of the international business program, the purpose is to identify the impact of the Free Trade Agreements in different economic sectors, as well as to determine the business opportunities that can be generated through these agreements.

The Observatory's program is divided into four stages, namely:

1. Definition of the Observatory
2. Trade agreements focus of study

3. Participation of students within the Observatory

4. Research development

5. Expected results

According to these stages, it was decided to define an initial stage as the construction of the Observatory, identifying the background and the implications of a research program as a mechanism for measuring the behavior of Colombia's trade relations with the rest of the world and particularly in the Free Trade Treaties. That is why the full-time professors of the program developed the research and construction of the observatory from a theoretical context to determine which is the conceptual structure required for the construction of this research program.

Once this reference frame was developed, it was determined that one of the purposes was to link students with real sector activities, so that each trade agreement by region or continent was assigned to full-time professors and from the same conceptual framework. This was necessary to build specific projects by region according to the research purposes. Subsequently, each research project was developed by professors, who proceeded to link students to each project, bearing in mind the fulfilment of the following conditions in order to partake in a project proposed by the professor of the program:

1. The student's academic average

2. Summary of his/her CV

3. Letter of intent for the project in which they want to participate

4. Description of the work proposal with the full-time professor of who they want to work with.

The invitation to participate was open to the students of the International Business program who wished to participate on a voluntary basis within the projects led by the full-time professors, who were in their seventh or eighth semester and who had met the requirements. Current students at this level totaled 56 students of who 16 submitted a project. Students' proposals were then sent to full-time professors. The professor then evaluated each proposal and decided which proposal would be accepted. Of the 16 students' proposals, all were accepted as co-investigators on the project and students were given one year to complete the project.

Each project had on average four students per group, given the methodological approach and the extension for the research. The students in this case participated as co-investigators on the project. Its functions are focused on:

- Collection of information from specialized databases acquired by the University as Wisetrade and Bacex (data bases of foreign trade at the global level and Colombia respectively).
- Field research with binational chambers of commerce, which has an agreement with the University for processes of business practice, which allows for the identification of trade opportunities with countries which are the object of study.
- Visits to commercial offices of Procolombia (export promotion agency of Colombia abroad) where the student can have contact with the director of the Commercial Office as well as entrepreneurs or managers who are involved in these markets in order to complement the research developed in conjunction with the professor.

Students are working on the project in the first stage with the collection of information and statistics and will pass on to field activities. The project in this field seeks to develop intercultural skills, decision-making and analysis of data, aspects which are fundamental in the profile within a program of International Business. Therefore, and given precisely the nature of an undergraduate program like this, they are also key aspects in the process of vocational training and what is expected in the occupational profile of the program.

In addition, the International Business program has as its objective the consolidation of a research hotbed, to strengthen the processes of formative research within the curriculum, and to translate them into professionals who are able to carry out research in their professional field. Currently, the research hotbed comprises a total of 12 students of the program in different semesters who see in this program an opportunity to complete their studies, because these projects aim to have the student meet their grade requirement early and does not end with the completion of the project.

The main objective was to involve students in the real sector through consulting activities in order to internationalize the activities of the firms located in Bogota with the full professors that belong to the program. Most of the students who participated in this project were categorized by the university as young researchers on four levels, Junior I, Junior II, Senior I and Senior II. Every activity which was developed by the student according to the project objectives would potentially qualify them to be promoted to the next level of young researcher. Therefore, most of the students participated in governmental programs as researchers according to the recommendations given by the research department. In addition, students prepared written presentations and various research activities hosted by other Universities in Colombia, whose audience mainly consisted of students who were participating in University projects.

According to the requirements established by the project for research purposes, a research seminar was developed in order to prepare not only professors but also students to the use of the information. Besides, a joint project between firms from specific sectors and the University was made, taking advantage of the databases that the University has. Consequently, a study of the sector was developed in order to identify the opportunities and threats that represent the Free Trade Agreements to not only the sector but also the firms.

### **Conclusions**

The Observatory program assumes the interdisciplinary nature of the field, the investigation of the globalization phenomena and the meaning of the administrative function as the main elements of the program. The program adopted the criteria set out in the pedagogical model of the Institutional Educational Project referred to as: "Colombia as a horizon, an active education and creative, an academic structure directed toward the conceptualization, research analysis, problem solving and a clear project toward internationalization of SMEs and MNEs taking advantage of the opportunities in the international markets".

The Observatory program at Universidad Piloto de Colombia began in 2016 and was based on understanding international business inside the FTAs which were signed by Colombia. It also includes activities of foreign business, interaction of business with the international environment, and comparative studies of business as an organizational form in different countries. Therefore, it could view International Business through this Observatory as a distinctive field, with its own ontology and intellectual roots. That is why this integrative and interdisciplinary aspect became a key function of the field of international business, as evidenced by its performance cycle.

It is very important to define a pathway for organizing a program which prepares students as professionals in the international business field capable of internationalizing a firm's activities by taking advantage of the FTAs signed by Colombia. In addition, it is valuable to find these kinds of programs which have included students either at the postgraduate or at the undergraduate level, from different disciplines.

### References

Aggarwal, R.; Petrovic, V.; Ryans, J. K.; & Zong, S. (2008). Outstanding international business research: Nature of the best international business dissertations. *Multinational Business Review* 16 (1), 1-19.

Beamish, P. & Calof, J. (1989). International Business Education: A Corporate View. *Journal of International Business Studies*, Vol. 20 (3). 553-564.

Buckley, P. (2002). Is the international business research agenda running out of steam? *Journal of International Business Studies*, 33 (2). 365-373.

Chan, K; Fung, H. & Lai, P. (2005). Membership of editorial boards and rankings of schools with international business orientation. *Journal of International Business Studies*. 36. 452-469.

Dunning, J.H. (Spring - Summer, 1981). Toward an eclectic theory of international production: some empirical tests. *Journal of International Business Studies*. 11 (1). 9-30.

Franco Vasco, A. (2000). *Las empresas multinacionales latinoamericanas: El caso de la inversión colombiana directa en Ecuador, México, Perú y Venezuela*. Bogotá, Editorial CESA.

Forray, J. & Goodnight, J. (2010). Think global, act local: a methodology for investigating international business curriculum priorities using stakeholder feedback. *Organization Management Journal*. 7 (1). 56-64.

Griffith, D. & White, D. (1998). International perspective: Graduate international business education in the United States: Comparison and Suggestions. *Journal of Education for Business*; Nov/Dec. 74 (2). 103-115.

Peres, W. (1998). *Grandes empresas y grupos industriales latinoamericanos*. México, Editorial Siglo XXI – CEPAL.

Rialp, A. (1999). Los Enfoques Micro-organizativos de la Internacionalización de la Empresa: Una Revisión y Síntesis de la Literatura, *Información Comercial Española (ICE)*, Octubre 1999, 781. 117–128.

Root, F.R. (1994). *Entry strategies for international markets*. New York, Lexington Books.

Sammie, S. (2001). In search of an optimal infrastructure for international business education and research. *Thunderbird International Business Review*, Sep/Oct. 43 (5). 705-711.

Shenkar, O. (2004). One more time: international business in a global economy, *Journal of International Business Studies*, 35 (2). 161-171.

Shenkar, O. & Yehekel, O. (2009). Knowledge flows in international business: a JIBS citation analysis. *Euromed Journal of Business*. 4 (2). 111-126.

Solingen, E. (2001). Mapping internationalization: Domestic and regional impacts. *International Studies Quarterly*. 45 (4). 517 – 555.

Sullivan, D. (1998). Cognitive tendencies in international business research: implications of a narrow vision. *Journal of International Business Studies*, 29 (4).837-862.

Toyne, B. & Nigh, D. (1997). Foundations of an emerging paradigm, in Toyne, B. and Nigh, D. Editors, *International Business: An Emerging Vision 1997*, Columbia, SC. University of South Carolina Press.



Toyne, B. & Nigh, D. (1998). A more expansive view of international business, *Journal of International Business Studies*, 29 (4). 863-875.

Vernon, R. (1994). Contributing to an international business curriculum: An approach from the flank. *Journal of International Business Studies*; Second Quarter. 25 (2). 215-227.

Xu, S.; Yalcinkaya, G.; & Seggie, S. (2008). Prolifing authors and institutions in leading international business journals. *Asia Pacific Journal Management*. 25. 189-207.