

# Changing the Face of International Business Education: The X-Culture Project

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**STUDYING INTERNATIONAL BUSINESS** in a classroom is a bit like learning how to swim on a grass field. Even if the instructor provides detailed explanations and uses technologically advanced media, the students will not fully grasp the concept of swimming until they actually jump into the water. Educators recognize that practical experience is needed to master any business subject and, with varying degrees of success, have incorporated a variety of experiential exercises in their business courses. Writing business plans, developing job descriptions and marketing strategies, analyzing business data, designing and tracking performance of investment portfolios, and other activities have helped enhance learning (e.g., Cheney, 2001; Paul & Mukhopadhyay, 2005).

It is more challenging to develop practical assignments for international business courses. The key challenge in international business is collaboration across distances – geographic, cultural, and institutional – which is not easy to model in the classroom. Even if international students comprise a substantial portion of the class, they tend to be acculturated to some degree, speak the local language, and be familiar with the local culture. This removes many of the real-life challenges of cross-border collaboration. Returning to our original analogy, relying on international students in cross-cultural education is akin to learning how to swim in a bathtub, not in a swimming pool.

Modeling a realistic global environment requires a degree of cultural and, most importantly, geographic separation of the project participants. Given the prohibitive cost of experiential learning options involving travel, web-based collaboration looms as the only option for educators seeking to provide a global experience for their students.

Until recently, most schools could not provide the administrative resources and collaboration tools for international interaction experiences. Fortunately, recent developments in communication and virtual collaboration technologies have made it possible, albeit still not easy, to incorporate international collaboration exercises into international business courses – and research into the effectiveness of web-based international collaboration experiences is very encouraging (Alon, 2003; Alon & Cannon, 2000; Clark & Gibb, 2006).

A number of simulations, games, and collaborative projects have been developed to enhance learning in international business. Table 1 provides a comparative analysis of some of the initiatives in this area. This paper provides an overview of the latest addition to the family of experiential learning activities: the X-Culture project.

## The X-Culture Project

The X-Culture project is one of the first attempts to enhance learning in international business courses by giving business students an opportunity to experience the challenges and learn best practices of international collaboration by working with their international counterparts. The main idea behind the X-Culture project is simple: students enrolled in international business courses at universities around the world work together in global virtual teams on a project for about two months. While the participants are students, the international collaboration challenges they encounter are similar to those experienced by

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employees of multinational companies, and so facilitate the acquisition of cross-cultural management skills that, as noted by Mintzberg and Gosling (2002), can best be built through experience and experiential exercises.

Communication and coordination among the X-Culture participants is conducted using free online collaboration tools, such as email, Skype, Google+, Facebook, Dropbox, and Doodle – the same ones commonly used by employees of multinational companies. Participation in the project is free, and other requirements are that the project is a good match for the course, the students have access to the Internet, and the instructor is willing to invest the extra time and effort required by a project of this scale. English is the working language, and a basic ability to communicate in English is required. To ensure everyone is sufficiently prepared, students and instructors complete an online training module and take a readiness test before they start working on the project.

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The X-Culture project was launched in 2010 and has been repeated every semester since then. To recruit participants, the project coordinator sends calls for participants via the Academy of International Business and the International Management Division of the Academy of Management mailing lists several months prior to the start of a new season. This recruitment method has proved very effective, generating dozens of responses from around the world. As Academy of International Business and Academy of Management membership is limited in some countries, additional recruitment of participants is conducted through local academic communities and personal connections in under-represented regions.

To date, over 4,000 students have participated in the X-Culture project. About 450 students from seven countries participated in the first season of X-Culture. The project has grown since then, reaching over 1,650 students from 47 universities at 32 countries on six continents in the first session of 2012. About 30 percent of participants are in MBA and other Master's programs, while the rest are undergraduates, mostly in their third or fourth year.

## The Task

Students are randomly assigned to global virtual teams of about seven, typically with each team member being from a different country. The teams develop a business plan for “the next big idea” for a multinational company of the team's choice. The team reports must provide recommendations and a rationale for the location of the business, target mar-

ket and market entry mode, staffing policies, financing options, product/service marketing, and other strategic decisions.

The task was originally designed to match the content of a typical international business course, and the structure of the team reports closely follows that of a typical international business textbook. However, while the team reports must address a set of very specific questions, the wide range of issues covered in the business proposals allows instructors teaching international marketing, cross-cultural management, cross-cultural communication, and general business disciplines to participate in the X-Culture project.

## The Challenges

Although international collaboration exercises have the potential to enhance international business curriculum and improve learning, they pose a number of challenges. While feedback from the X-Culture participants has been overwhelmingly positive, challenges are an inherent part of large-scale international collaboration projects. Students, and even instructors, often report being lost, frustrated, and even angry about the difficulties of communicating and coordinating, and finding a common ground with their teammates. Most challenges arise from cultural, language, time zone, and work style differences among the team members, and the limited media richness of online communication tools available to participants.

## Schedule Differences

A major challenge is rooted in differing academic calendars across countries, as well as differing structures of the academic year. Ideally, the students would interact for an entire semester, but the differences in academic schedules across the participating universities make this impossible. Depending on the list of participants in a given semester, the active collaboration window normally lasts from seven to nine weeks.

A lesson learned is that the project start and end dates must be identical in all countries, even if it means a shorter collaboration window. Even slight inconsistencies in deadlines lead to conflicts. The problems caused by varying schedules outweigh the benefits of the extra time available for team members to complete the project. As a result, for some schools the project starts several weeks into the semester and lasts until the semester ends, while for others, the project may start early in the semester and be completed several weeks before the semester ends.

To compensate for differences in project start and end dates, instructors where the project starts later into the semester emphasize the pre-project preparation phase, while instructors where the project ends early focus more on post-project presentations and analysis. Fur-

thermore, to accommodate academic calendar inconsistencies in different regions, starting from early 2012 the X-Culture project is split into “early” and “late” tracks. Although this increases the need for administrative resources, it permits better alignment of the project across different academic schedules and therefore allows for participation of universities from countries where the respective term starts unusually early or late.

### **Student Performance Evaluation**

Ideally, all students participating in X-Culture experience should be evaluated based on the same criteria. However, differences in instructors’ teaching styles and school policies leave no choice but to give individual instructors some flexibility with respect to student evaluation. As a result, the weight of the X-Culture project in the total course grade and the relative weight of the different project components in the project grade may vary for different members of a team. Minor differences appear to go largely unnoticed, but larger differences in student evaluation approaches lead to asymmetries in student motivation and commitment, which may increase team conflicts.

Typically, the X-Culture project accounts for 20 to 30 percent of the course grade. Although designed to be primarily an exercise in cross-cultural collaboration rather than a test, rich data are available regarding student performance, including results of the pre-project training test, ability of the students and teams to meet deadlines, multi-dimensional evaluations of team reports, and intermediary and post-project peer evaluations. Additionally, all team reports are checked for plagiarism and the “similarity” statistics are added to the report quality records.

Furthermore, crowdsourcing (i.e., mass-scale collaboration by seeking input from the crowd to complete a task) has been successfully utilized in the X-Culture project, particularly when evaluating team reports. Additionally, all students participating in the project are asked to rate a random sample of 50 business ideas presented by other teams. Although only about 35 percent of the students volunteer, this process resulted in over 50 independent ratings of each business idea. The ability of students to accurately assess novelty and economic feasibility of a business proposal may be limited, but the variety of backgrounds and experiences and the sheer number of the raters provides a valuable additional measure of the business idea and a good estimate of the consumer response.

### **Enrollment and Participation Challenges**

With almost 2,000 students participating in the X-Culture project every given semester, it is inevitable that some students will drop the course, enroll late, or not invest any significant effort into the project. Unfortunately, the problem of absenteeism in the team-based environment is greatly exacerbated as a “missing” student may spoil the experience for the entire team. The problem is not unique to international collabora-

tion exercises and certainly also appears in traditional course projects. This is more challenging in a multi-country context because resolving problems of absenteeism takes significantly longer given multiple degrees of separation between students and instructors in different countries and the communication delays caused by time zone differences. Our experience shows that a screening based on the results of the pre-project training test significantly reduces absenteeism. Also, it helps to make the team sizes larger so that a loss of one or even two students leaves the teams large and diverse enough to complete the project.

In summary, running a multi-country international collaboration exercise project is a complex task. The instructors and students should expect to invest at least twice as much time in a term project that involves international collaboration as they would on a regular term project. However, the added communication and coordination challenges make international collaboration exercises valuable. The difficulties students experience due to differences in cultures and work styles, geographic dispersion, delayed response, limited richness of online communication channels, as well as asymmetries in skills and motivation are a good preview of the challenges in a real global workplace. International collaboration projects present a unique opportunity to learn, in a low-risk academic environment, how to handle the challenges before facing them in the real workplace.

### **Research**

Although the primary purpose of the X-Culture project is to enhance learning in international business courses, large-scale international collaboration exercises provide an excellent research platform. The data collection efforts (approved by the Institutional Review Board) yield unique longitudinal, multi-source, multi-level data. First, the data are collated using online surveys to assess student readiness following the pre-project training. Second, pre- and post-project surveys are used to collect information about student backgrounds and to measure their attitudes and values, skills, expectations, and prior international experiences. Third, two surveys administered during the project together with post-project peer evaluations help monitor participation rate, workload distribution and other team processes. Fourth, electronic submission and survey records provide information about the ability of the students to meet individual and team deadlines. Fifth, multi-dimensional evaluations of team reports by instructors and student peers provide an additional layer of information about team performance and outcomes. Additionally, instructors are surveyed before and after the project and provide information about their background, expectations, and experiences. Finally, country-level indicators from external data sources are used to operationalize geographic, cultural, economic, and political differences represented in a given team.

The data are uniquely suitable for studying processes and performance in global virtual teams. However, it could also be used to explore a wide range of issues beyond teams and virtual collaboration. Furthermore,

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the task can be easily modified to incorporate additional experiments or surveys without compromising the educational utility of the project. It is important, however, to avoid survey overload of the project participants. Our experience shows that data collection works best when the research questions are directly related to course learning objectives so that the surveys incorporated in the project do not compromise the project design, but provide useful information and further enhance student learning.

## Student Feedback and Learning Outcomes

Preliminary tests have been conducted to evaluate the effects of the X-Culture project on student satisfaction and learning, and the results are very encouraging. Based on the comments in course evaluations and hundreds of emails received at the end of each season, the feedback from students is very positive. Students find the project to be a “great educational experience,” “eye opener,” a “unique opportunity from both academic and personal perspectives” that allowed them to “learn a lot” and “get better prepared for a career in global business.” At the same time, in every season at least a few students feel that participation in the project is excessively demanding and often frustrating. Some students find it unfair that their project grade depends on the performance of team members dispersed around the world who often do not share the same level of motivation and academic readiness. Also, some students voice concerns about communication problems caused by time zone differences, poor English and technical skills of their international teammates, and coordination challenges. However, after completion of the task, most students recognize that overcoming these challenges is what makes the project a valuable experience. Over 90 percent of the students expressed that the X-Culture project was a valuable addition and recommend keeping it as an integral part of the course.

A comparative analysis of student course evaluations shows a strong positive effect of the use of international collaboration projects on student satisfaction and perception of course effectiveness. Several instructors taught multiple sections of the same international business courses but used the X-Culture project only in some of them. A comparison of course evaluations in the treatment (X-Culture) and control (alternative team based project) course sections shows significantly improved course ratings in the treatment group across every single course evaluation dimension, with the greatest differences observed in dimensions that focused on usefulness and practical utility of the course. The effect was consistently observed for undergraduate, MBA, and Executive MBA students, as well as across different countries.

Also, assessment of pre- and post-project cultural intelligence using the scale developed by Ang and colleagues (2007) shows a significant im-

provement, and the effect is consistent across the student’s academic program levels (undergraduate and Master’s) and countries of study. Furthermore, consistent with the inter-group contact hypothesis (Allport, 1954), the data show a drop in the perceptions of inter-cultural differences and prejudices over the course of the project: having worked with foreign students for two months, students see themselves as less different from one another after completing the project than they believed prior to the project start. Interestingly, the drop in perceived differences is observed for both the cultures that represented on the team and for cultures that were not. Therefore, international experience may not only encourage students to view cultures they interacted with as less different from their own but also may help them see more commonalities among people of different cultures in general. It is precisely this type of cultural learning (i.e., the appreciation of cultural differences) which makes X-Culture different from other successful international learning models, such as GEO (Thavikulwat, 2012), the Global Marketing Management System Online (Janavaras, 2012), or the Global Business Game (Wolfe, 2003).

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## Plans for the Future

The X-Culture project is a work in progress. Ways to further improve and develop the project are discovered every semester. Notably, many of the suggestions come from the involved students. Our plans for the immediate future include partnerships with multinational companies. Knowing that the business proposals would be reviewed, and possibly implemented, by the multinational companies would likely make the experience more realistic for the students. In return, companies would gain access to valuable ideas of thousands of business students from around the world, gain access to instructors’ knowledge and consulting expertise, and work closer with local colleges and universities. Rigorous monitoring of student performance over the course of the project makes the X-Culture project a perfect job sample or a term-long job interview. We would not be surprised if partner companies were interested in offering internships or permanent jobs to the members of the best student teams.

Although the X-Culture project was designed to enhance learning in international business courses, large-scale multi-country collaboration projects can be successfully used in other business courses and corporate training. International collaboration exercises have been shown to enhance learning in a wide range of disciplines by extending the physical borders of the classroom (Larruson & Alterman, 2009). Wiki-projects,

as they are often called, not only allow for broader sharing of knowledge and drawing on a larger pool of ideas but also increase students' confidence and ability to be more productive in the ever globalizing world (Ertmer et al., 2011). At this time, the X-Culture project is limited to international business education. However, our team has been approached by instructors teaching industrial organizational psychology, entrepreneurship, marketing, human resources/organizational behavior, and even civil engineering courses. As such, we are considering expanding into other, related and un-related disciplines and are also considering expanding the working language options beyond English.

Finally, with respect to research, in the collaborative sprint of the X-Culture project, we are exploring the possibility of making our database available to all researchers interested in collaborating with our team. Crowdsourcing has been remarkably fruitful in fields ranging from news reporting, to geological exploration and mining, to the highly successful Wikipedia project (Tapscott & Williams, 2008). Our hope is that sharing our data will invite a greater variety of ideas, perspectives, and skills and ultimately lead to a wider dispersion of the unique research findings stemming from the X-Culture project.

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**Table 1: Comparison of Experiential Learning Projects and Games Reviewed in AIB Insights**

	GMMSO <sup>1</sup>	GEO <sup>2</sup>	Globalview <sup>3</sup>	Global Business Game <sup>4</sup>	X-Culture
Setting	Individuals or teams of students from the same class	Teams of students from the same class	Teams of students from the same class	Teams of students from the same class	Global virtual teams
Task	Develop a business plan	Online software simulation of global trade between nations via decisions made by students	Online system with specific steps to complete activities related to analyzing a company and creating an international marketing plan	Web-based business simulation where students market and sell their products in a number of countries.	Develop a business plan for a global company
Tools	Specially developed online collaboration platform	Online simulation	Online system	Online simulation	Publically available on-line collaboration tools such as email, Skype, Dropbox, Google Docs, social media
Duration					7-9 weeks
Cost	\$39.95 per student	Free	Variable Price	Variable Price	Free
Advantages	Guided learning in business plan development Easy progress monitoring and mentoring by instructors	Competitive spirit Simulates trading environment	Focus of the project is for a real business and students are judged by real world constraints via feedback from company as well as graded by instructor.	Integrative: it allow students to manage all areas of an international firm.	Interaction with foreign students
Outcomes	Students learn the steps to creating an international marketing plan.	Students learn the supply and demand issues associated with global trade	Students learn how to analyze information and create a marketing plan using internet based data. WebCT is used to allow communication between teams and instructors	Students learn about functions of an international company ,including manufacturing, marketing, logistics and finance.	Improved course ratings Improved cultural intelligence Reduced perception of inter-group differences and prejudice Networking opportunity

For details see: 1 Janavaras (2012); 2 Thavikulwat (2012); 3 Alon and Cannon (2000); 4 Wolfe (2002).

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