

## **The Role of the University System in a Global Economy:**

**A Survey for ICAPP: The Intellectual Capital Partnership Program**

**1997-1998**

**THE ROLE OF THE UNIVERSITY SYSTEM IN A GLOBAL ECONOMY:  
A Survey for the Board of Regents of  
The University System of Georgia**

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**THE ROLE OF THE UNIVERSITY SYSTEM IN A GLOBAL ECONOMY:  
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The University System of Georgia**

**Executive Summary**

In May 1997, the Chancellor of the University System of Georgia commissioned a survey of Georgia's international business leaders to assess the international business climate of Georgia and the current and future role of the University System in supporting international business in Georgia. In June 1997, a written survey was sent to a group of Georgia businesses. The key findings of this survey are as follows.

- ◆ Survey respondents are currently conducting business in all major regions of the world. The most cited regions are Canada, Mexico, Western Europe and Asia. Exporting, importing and multinational partnerships are the most common business experiences. There have been significant transfers of operations into or out of the state during the past five years.
- ◆ Georgia is well regarded as a location in which to conduct international business. Nearly half of all businesses assess Georgia as preferred to other states in which they could conduct business.
- ◆ While there is support for the University System fostering linkages between foreign business leaders and Georgia businesses, only a minority of businesses currently regard the University System as a resource for developing these linkages.
- ◆ Many of Georgia's international business leaders place importance on their employees being proficient in a foreign language. Spanish is the language of greatest use to businesses. There is also significant interest in the Japanese, French, German and Chinese languages. There is moderate support for the University System providing a foreign language translation service.
- ◆ There is considerable support for non-traditional outlets of the University System's instructional capacity. Many businesses report having to use institutions outside USG to meet their continuing education needs. Businesses are interested in "outsourcing" their educational programs to University System institutions. There is support for offering these outsourced programs at both company and USG facilities.
- ◆ There is strong support for instructional programs on computer technology, international marketing and business practices of international companies. Programs that consider cultural issues in international business and programs on international accounting or finance topics receive less support.

**THE ROLE OF THE UNIVERSITY SYSTEM IN A GLOBAL ECONOMY:  
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*“The University System of Georgia will be characterized by . . . active partnerships with business and industry, cultural and social organizations, and government in order to analyze, project, and respond to changing state and regional needs, to support Georgia’s economic and cultural development and to insure that its graduates are prepared for the future.”*

--Access to Academic Excellence for the New Millennium, Board of Regents University System of Georgia Vision Statement, October 1994.

**Background**

At its November 1995 meeting, the Board of Regents of the University System of Georgia (USG) approved the report of a team of Mission Review consultants, which included a recommendation that the University System undertake a comprehensive assessment of human resource and employment needs for Georgia. The results of this assessment would form the basis for making decisions to approve new programs at University System institutions.

The Board of Regents’ Office of Development and Economic Services launched the development of new partnerships with Georgia business and industry that same month with a working breakfast of Georgia CEOs, college and university presidents, the Regents, and the Chancellor, hosted by Governor and Mrs. Zell Miller. These leaders assessed the strengths and weaknesses of the University System, and identified initiatives to address the needs of individual businesses and the economic development of the state. Similar sessions are being held in specific regions across the state.

In order to annually track perceptions and progress of the USG, the Office of Development and Economic Services retained the Econometric Center at Kennesaw State University and the Ramsey Chair of Private Enterprise at Georgia State University to perform surveys of Georgia business leaders on the quality of public higher education in Georgia, and the importance of the University System to the economic development of the state. Business leaders from the Georgia Chamber of Commerce, Georgia Industry Association, Community Bankers Association, and the Georgia Economic Developers Association were surveyed early the following year, with study results presented to the Board of Regents in November, 1996. In 1997, a similar survey of Georgia’s human resource executives was conducted. Results of this survey were distributed in a written report in October, 1997.

The results of the surveys provide benchmarks of how business executives and human resource professionals perceive Georgia’s business climate and its University System. The same surveys will be repeated in alternate years to measure the effectiveness of the University System in preparing students for success beyond graduation, and serving as a key partner in Georgia’s economic development.

The Office of Development and Economic Services has also retained the Econometric Center and the Ramsey Chair to conduct a survey of Georgia’s international business leaders. This survey focuses on the role of the USG in making Georgia businesses more globally competitive. The results of these surveys will be used to assess how effectively the University System serves Georgia companies doing business internationally, and to learn from those companies what USG can do to help them in the future. This survey will be repeated in odd years to measure USG progress in meeting the international business needs of Georgia companies.

### **Overview of Methodology**

For the current study, the survey instrument was developed with input from the leadership of the Office of the Chancellor and several USG faculty. During the second week of June 1997, 995 questionnaires were mailed to a list of current and prospective international businesses provided by the Georgia Department of Industry, Trade and Tourism. A letter of support from Chancellor Stephen R. Portch was sent to survey recipients prior to distribution of the survey. A total of 124 completed surveys were returned. This represents a response rate of 14%, after adjusting for undeliverable questionnaires.

Ninety-six percent of the completed surveys were from goods-producing businesses, that is, firms who engage in manufacturing, construction, mining or agriculture. By comparison, goods-producing industries comprise approximately 23% of statewide employment. In particular, manufacturing businesses comprised over 90% of respondents.

Survey respondents represent 54 of Georgia's 159 counties. Nineteen percent of respondents report their business offices to be urban while 34% considered them to be rural. Approximately half of respondents report to have over 400 full-time employees.

### **The Composition of International Business in Georgia**

**Finding:** *Survey respondents are currently conducting business in all major regions of the world. The most cited regions are Canada, Mexico, Western Europe and Asia. Exporting, importing and multinational partnerships are the most common business experiences. There have been significant transfers of operation into or out of the state during the past five years.*

- ◆ Canada (81%), Mexico (77%), Western Europe (72%) and Asia (68%) are the most popular regions in which to conduct international business (see question 2).
- ◆ Asia (56%), Eastern Europe (56%), and South America (56%) are the regions in which respondents would most like to conduct international business in the future (see question 3).
- ◆ Most businesses act as exporters (92%), importers (33%) or participate in multinational partnerships (34%). Less than 10% are active in franchising and licensing (see question 4).
- ◆ Over 20% of respondents report having transferred some of their Georgia operations to a foreign country during the past five years (see question 41). During that same period, 10% transferred foreign operations into Georgia (see question 43).
- ◆ Over 52% of businesses currently have an international quality program such as ISO9000 (see question 11).

### **Georgia as a Location in Which to Conduct International Business**

**Finding:** *Georgia is well regarded as a location in which to conduct international business. Nearly half of all businesses prefer Georgia to other states in which they could conduct business.*

- ◆ Over 44% of respondents rate Georgia as an “excellent” or “very good” location to conduct international business (see question 5). Less than 7% describe Georgia as a “fair” or “poor” location.
- ◆ Over 41% of respondents report that Georgia is “much better” or “somewhat better” than other states in which they could conduct international business (see question 6). Less than 6% assess Georgia as “somewhat worse” than other states.

### **The Role of the University System in Developing Global Linkages**

**Finding:** *While there is support for the University System fostering linkages between foreign business leaders and Georgia businesses, only a minority of businesses currently regard the University System as a resource for developing these linkages.*

- ◆ Only 27% of respondents currently regard the USG as a resource for developing linkages between Georgia businesses and foreign business leaders (see question 12). Over half of respondents believe this is a useful role for the USG (see question 13).

### The Importance of Language Skills

**Finding:** *Many of Georgia's international business leaders place importance on their employees being proficient in a foreign language. Spanish is the language of greatest use to businesses. There was also significant interest in the Japanese, French, German and Chinese languages. There is moderate support for the University System providing a foreign language translation service.*

- ◆ Over 56% of businesses regard proficiency in a foreign language as “very important” or “somewhat important” (see question 8). Only 11% consider a foreign language to be “very important.”
- ◆ Spanish (85%) is the most useful foreign language by a significant margin. Japanese (41%), French (39%), German (36%) and Chinese (33%) are also frequently cited (see question 9).
- ◆ Less than 20% of respondents report that their companies currently offer programs which train English-speaking employees in a foreign language (see question 10).
- ◆ Nearly 69% of businesses feel that a foreign language translation service would be a “very useful” or “somewhat useful” service of the USG (see question 32). Willingness to absorb the cost of such a service is only moderate (see question 33).

### International Business as an Instructional Mission

**Finding:** *There is considerable support for non-traditional outlets of the University System's instructional capacity. Many businesses report having to use institutions outside USG to meet their continuing education needs. **Businesses are interested in "outsourcing" their educational programs to University System institutions rather than conducting them internally.** There is support for offering these outsourced programs at both company and USG facilities.*

- ◆ Over 70% of businesses have employees who have attended continuing education or certificate programs through USG (see question 14).
- ◆ Over 62% of businesses have had to utilize institutions outside the USG to meet their continuing education needs (see question 16).
- ◆ Nearly 53% of respondents would prefer to “outsource” their training to USG institutions rather than to conduct it internally (see question 15). There is comparable support for offering the training at the company's facilities (39%) and USG facilities (31%) (see question 17).

**Finding:** *There is strong support for instructional programs on computer technology, international marketing and business practices of international companies. Programs that consider cultural issues in international business and programs on international accounting or finance topics receive less support.*

- ◆ Among a list of suggested topics for continuing education programs, instruction on business practices of international companies (78%) and computer technology and business applications software (70%) are seen as the most useful programs (see questions 18-30).
- ◆ Cultural programs and those on international accounting or finance issues are the least popular topics (see questions 18-30).

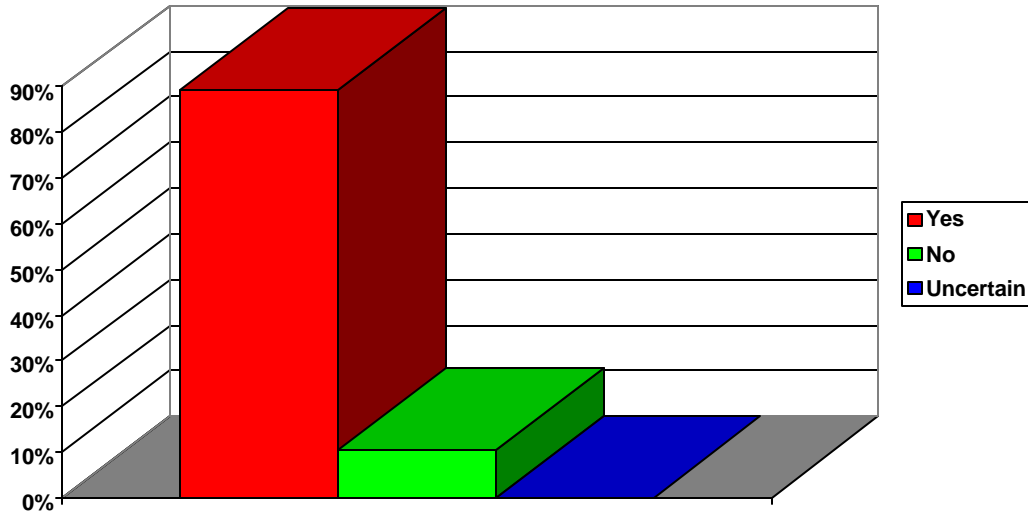
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**Appendix I:**

**Responses to Individual Questions**

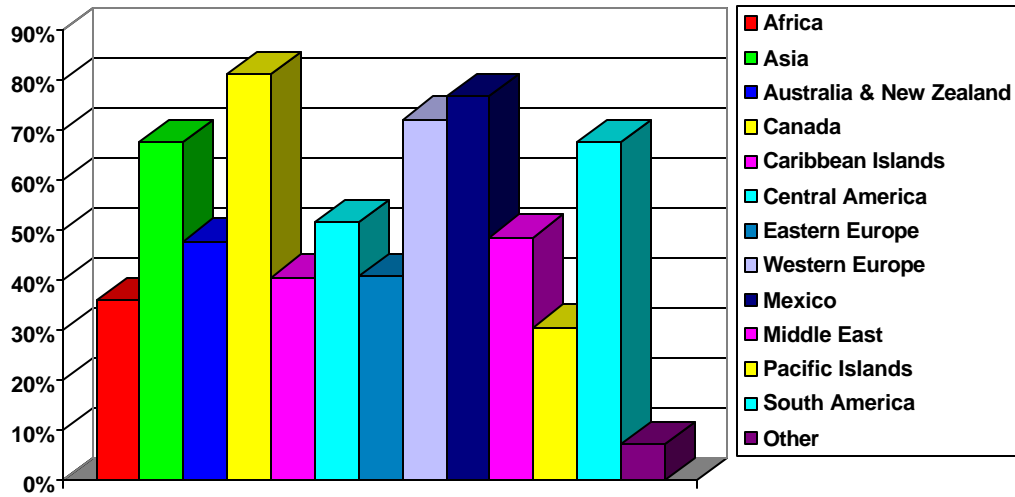


Question 1: Does your company currently conduct business abroad?



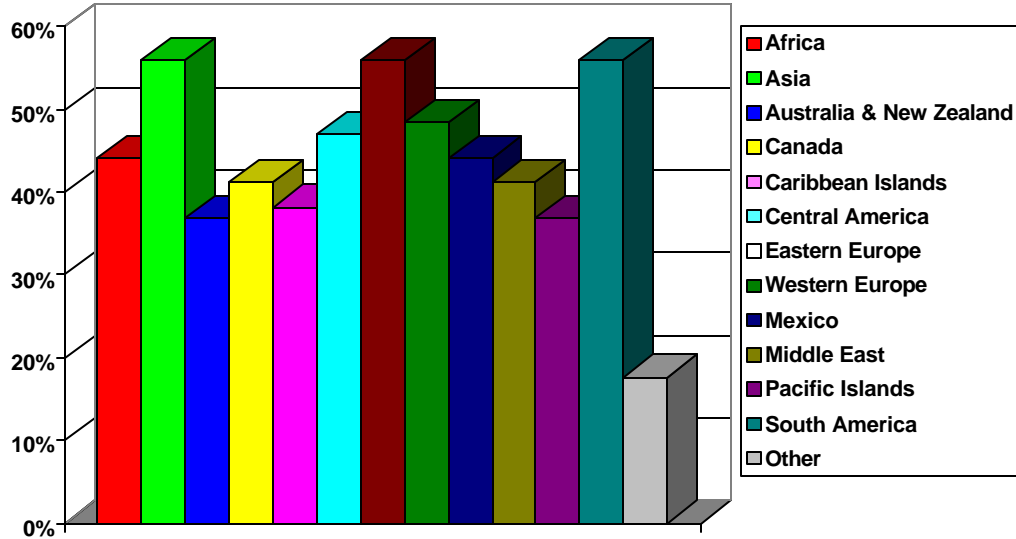
	Total
Yes	89.4%
No	10.6%
Uncertain	0.0%

Question 2: In which of the following regions or countries are you **currently conducting business**? (you may choose more than one)



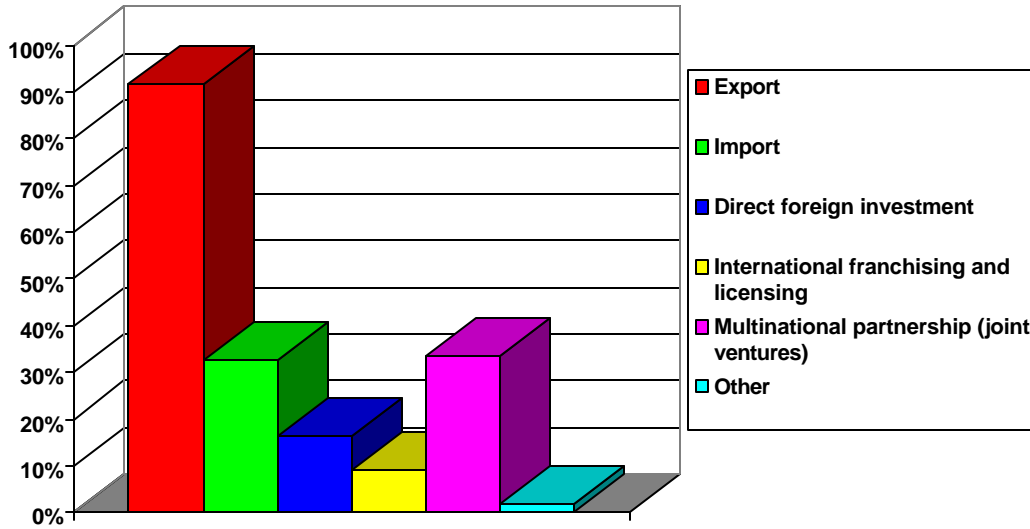
	Total
Africa	36.0%
Asia	67.6%
Australia & NZ	47.7%
Canada	81.1%
Caribbean Islands	40.5%
Central America	51.4%
Eastern Europe	40.9%
Western Europe	72.1%
Mexico	76.6%
Middle East	48.6%
Pacific Islands	30.6%
South America	67.6%
Other	7.2%

Question 3: In which of the following regions or countries would you like to **conduct business in the future?** (you may choose more than one)



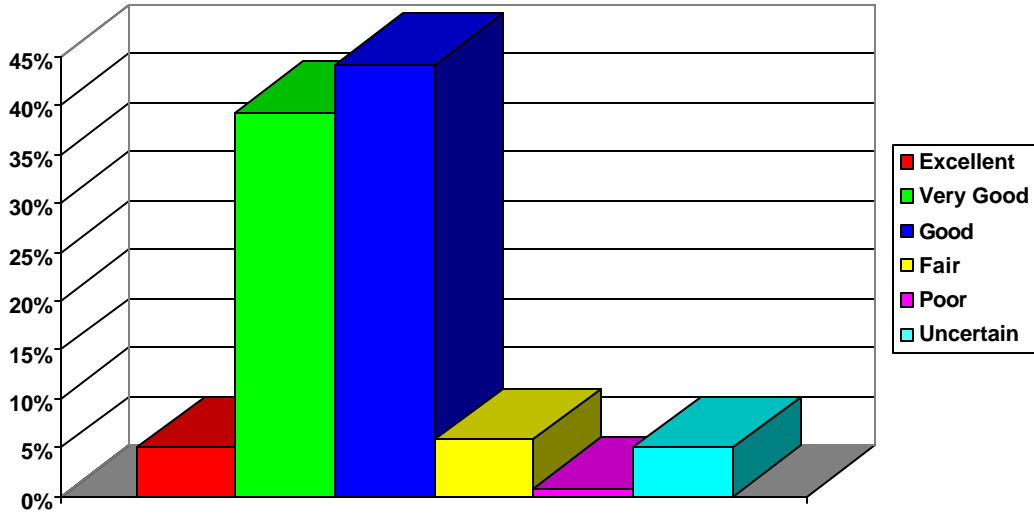
	Total
Africa	44.1%
Asia	55.9%
Australia & NZ	36.8%
Canada	41.2%
Caribbean Islands	38.2%
Central America	47.1%
Eastern Europe	55.9%
Western Europe	48.5%
Mexico	44.1%
Middle East	41.2%
Pacific Islands	36.8%
South America	55.9%
Other	17.6%

Question 4: Which of the following describes your international business experience or interest? (you may choose more than one)



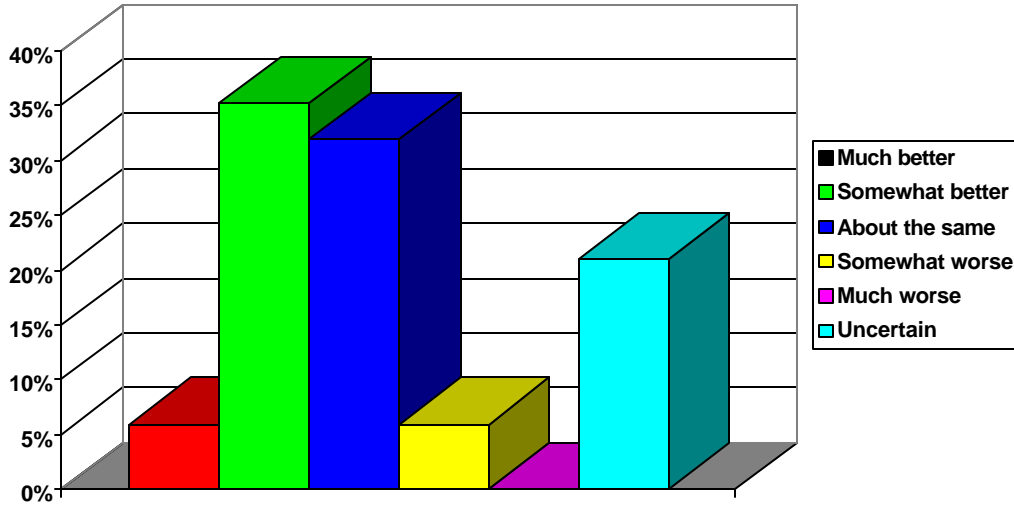
Export	<b>91.8%</b>
Import	<b>32.7%</b>
Direct foreign investment	<b>16.4%</b>
International franchising and licensing	<b>9.1%</b>
Multinational partnership	<b>33.6%</b>
Other	<b>1.8%</b>

Question 5: Overall, how would you rate Georgia as a location for conducting international business?



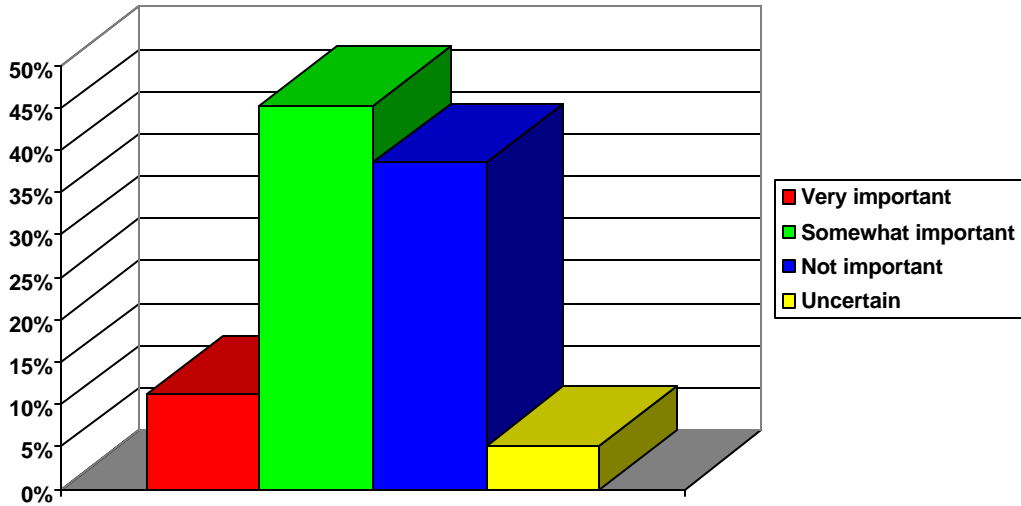
	<b>Total</b>
Excellent	<b>5.0%</b>
Very Good	<b>39.2%</b>
Good	<b>44.2%</b>
Fair	<b>5.8%</b>
Poor	<b>0.8%</b>
Uncertain	<b>5.0%</b>

Question 6: Compared with other states in which you could conduct business, is Georgia a better or worse location for conducting international business?



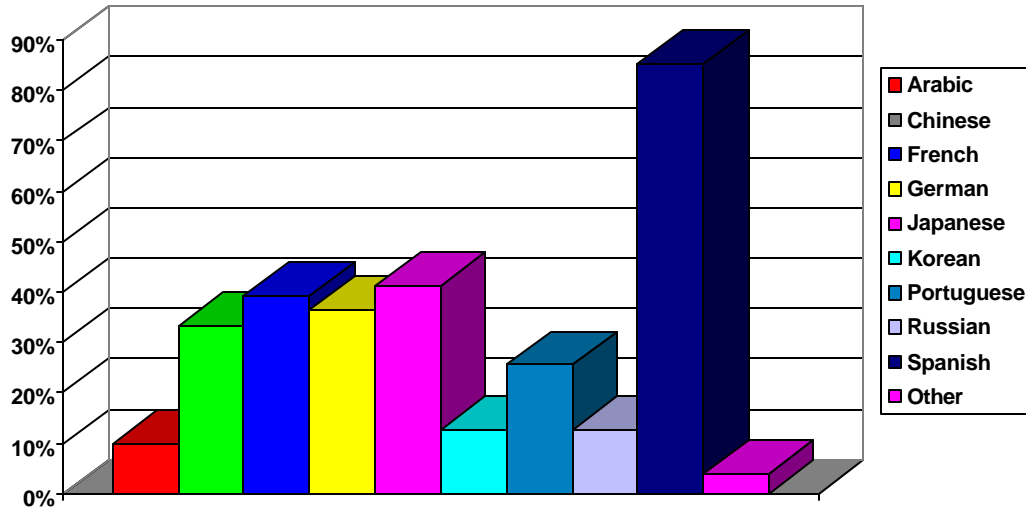
	Total
Much better	5.9%
Somewhat better	35.3%
About the same	31.9%
Somewhat worse	5.9%
Much worse	0.0%
Uncertain	21.0%

Question 8: How important is it that your employees are proficient in a foreign language?



	<b>Total</b>
Very important	<b>11.1%</b>
Somewhat important	<b>45.3%</b>
Not important	<b>38.5%</b>
Uncertain	<b>5.1%</b>

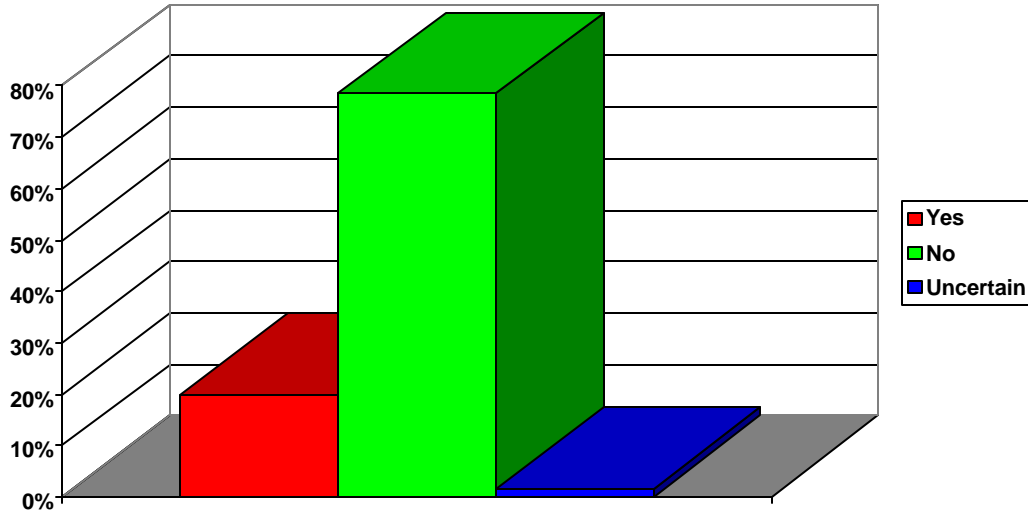
Question 9: Which of the following languages are useful for your business?  
 (you may choose more than one)



	<b>Total</b>
Arabic	<b>9.8%</b>
Chinese	<b>33.3%</b>
French	<b>39.2%</b>
German	<b>36.3%</b>
Japanese	<b>41.2%</b>
Korean	<b>12.7%</b>
Portuguese	<b>25.5%</b>
Russian	<b>12.7%</b>
Spanish	<b>85.3%</b>
Other	<b>4.0%</b>

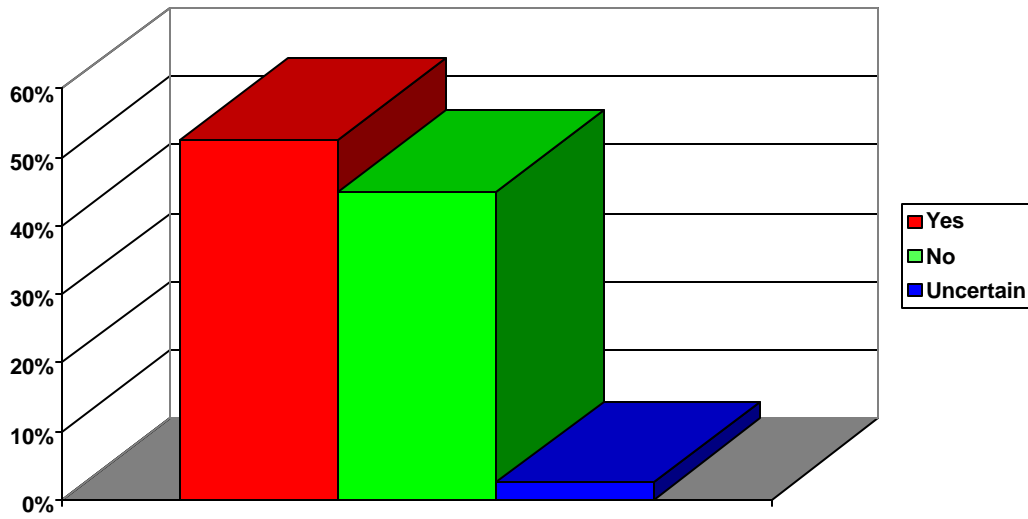


Question 10: Does your company currently offer programs which train your English-speaking employees in a foreign language?



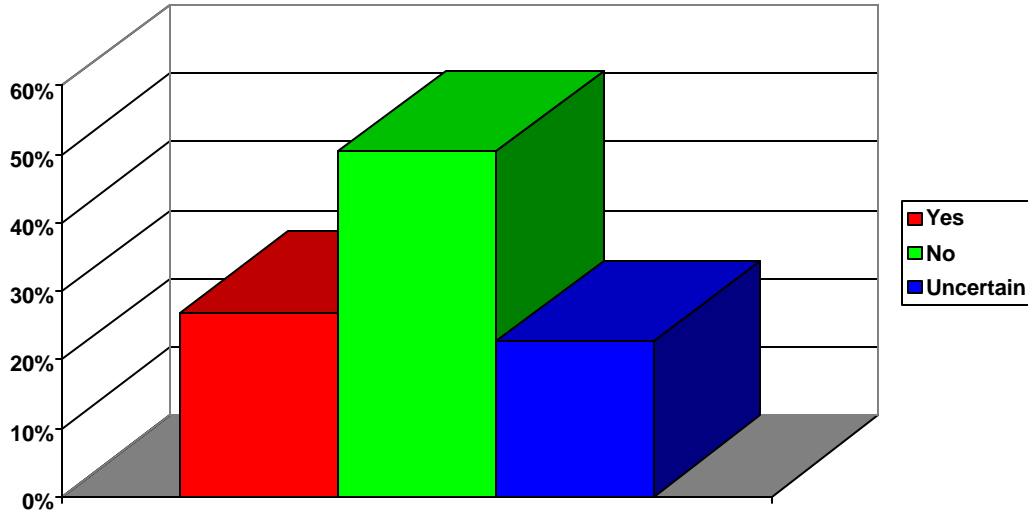
	Total
Yes	19.8%
No	78.5%
Uncertain	1.7%

Question 11: Does your company currently have an international quality program, such as ISO9000?



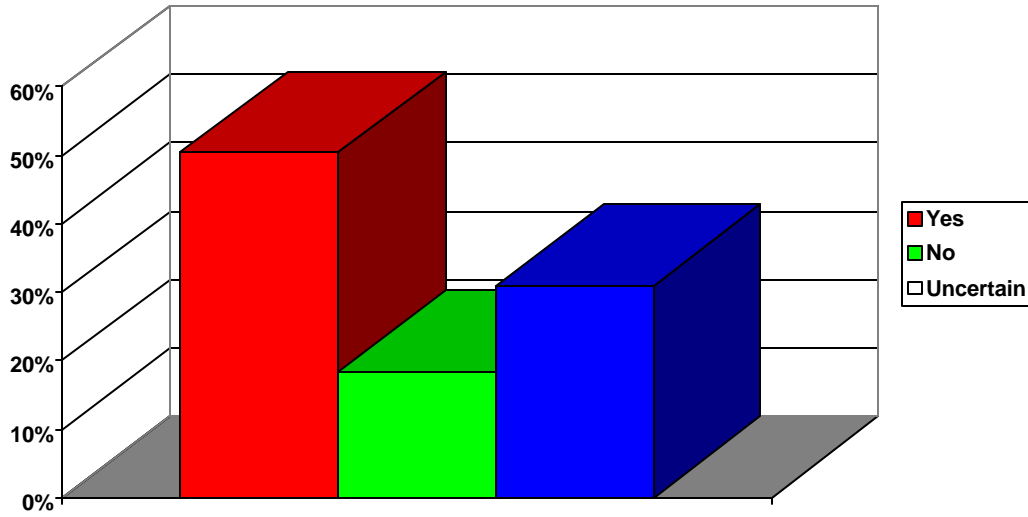
	<b>Total</b>
Yes	<b>52.5%</b>
No	<b>45.0%</b>
Uncertain	<b>2.5%</b>

Question 12: Do you regard the University System of Georgia as a resource for developing linkages between Georgia businesses and business leaders in other countries?



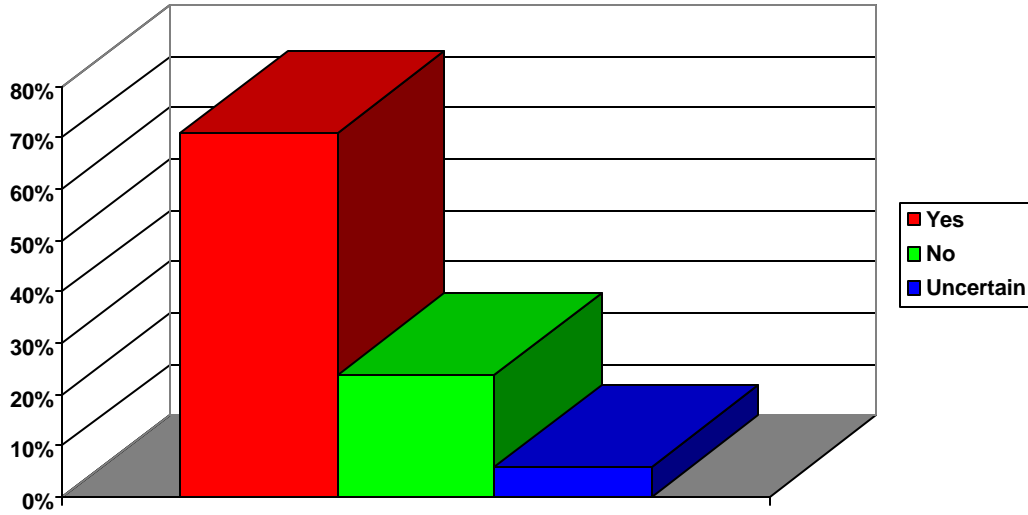
	<b>Total</b>
Yes	<b>26.9%</b>
No	<b>50.4%</b>
Uncertain	<b>22.7%</b>

Question 13: Is assisting Georgia businesses in developing linkages with foreign business leaders a useful role for the University System?



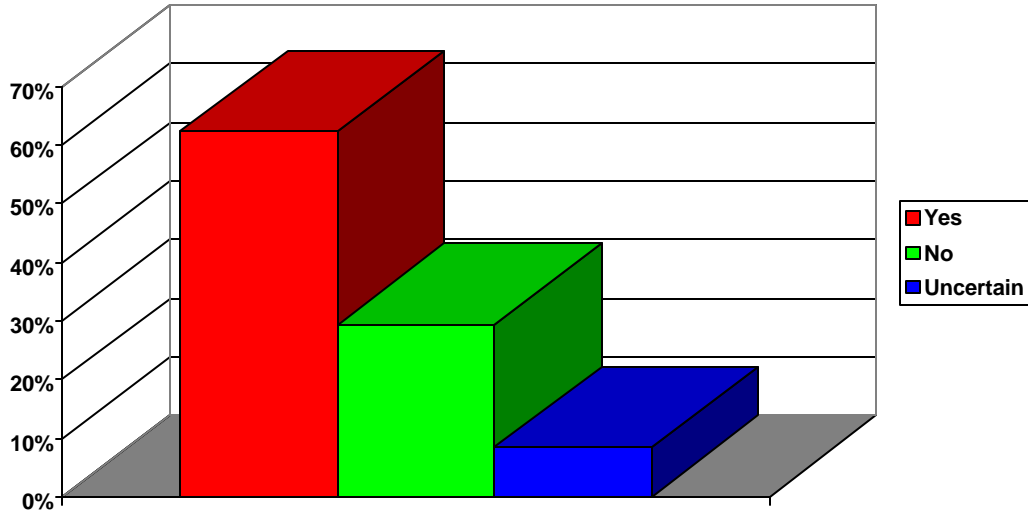
	<b>Total</b>
Yes	<b>50.4%</b>
No	<b>18.5%</b>
Uncertain	<b>31.1%</b>

Question 14: Have you or your employees attended continuing education courses or certificate programs offered by institutions of the University System of Georgia?



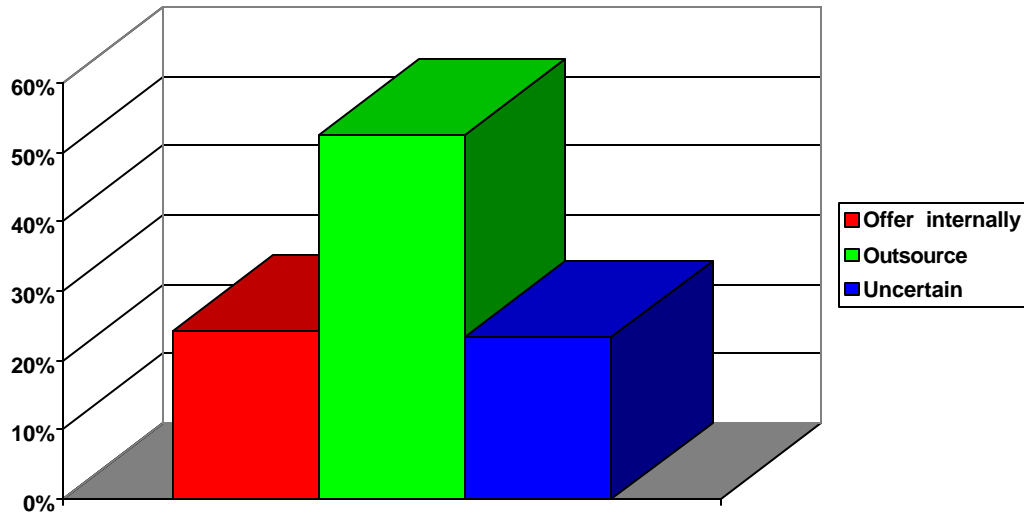
	<b>Total</b>
Yes	<b>70.8%</b>
No	<b>23.8%</b>
Uncertain	<b>5.8%</b>

Question 15: Has your company had to utilize institutions outside the University System of Georgia to meet your continuing education needs?



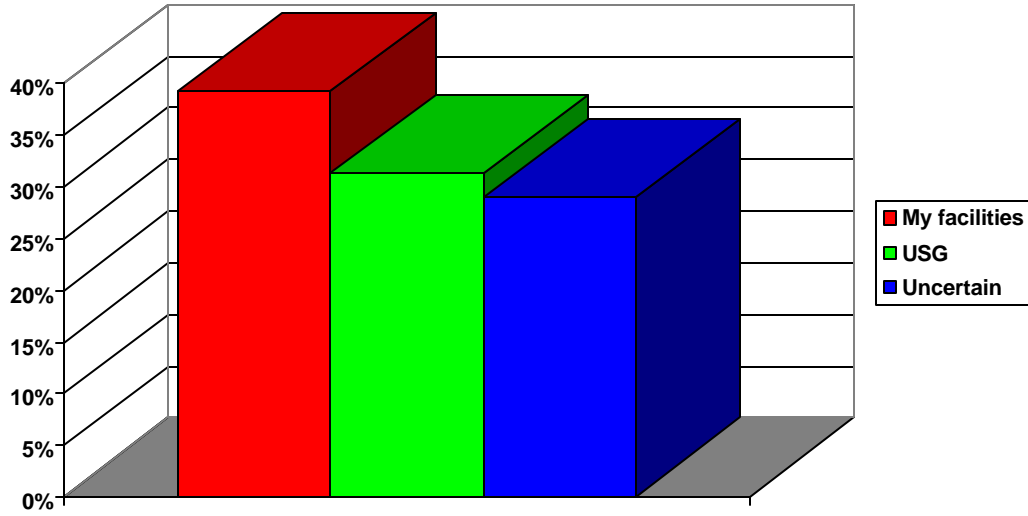
	Total
Yes	62.2%
No	29.4%
Uncertain	8.4%

Question 16: Would you prefer to conduct training internally or to “outsource” it to a college, university or technical institute?



	<b>Total</b>
Offer internally	<b>24.1%</b>
Outsource	<b>52.6%</b>
Uncertain	<b>23.3%</b>

Question 17: If you would outsource the training, would you prefer to have it conducted at your facilities or at a University System institution?

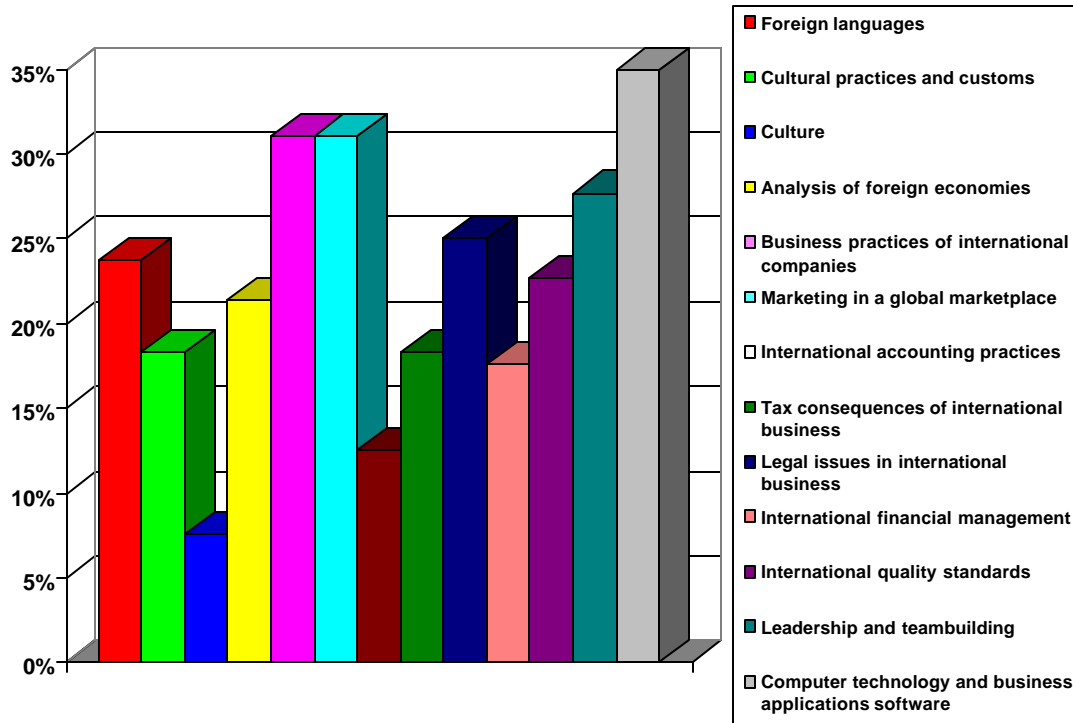


	<b>Total</b>
My facilities	<b>39.2%</b>
University System	<b>31.3%</b>
Uncertain	<b>29.0%</b>



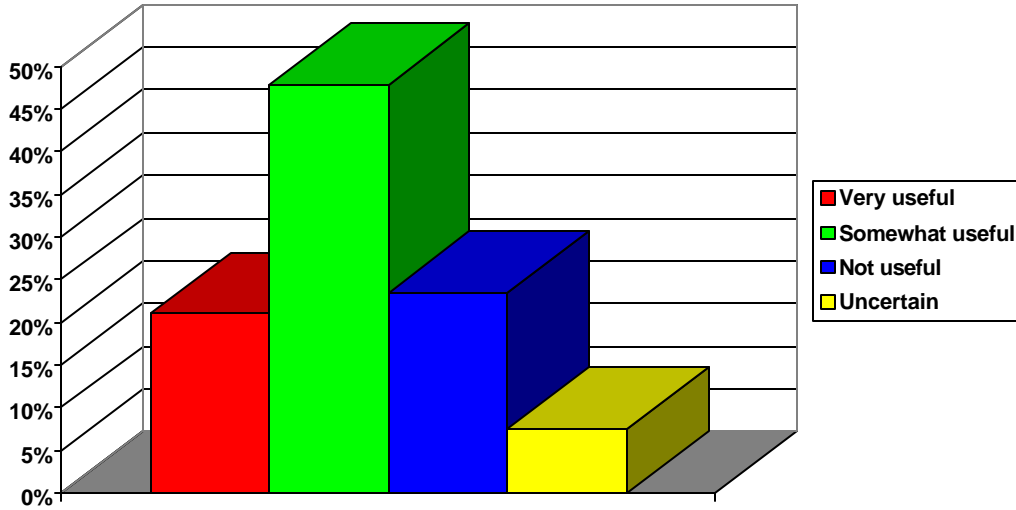
Questions 18-30: Several examples of programs which could be taught by University System of Georgia institutions are listed below. Please assess each program in terms of its usefulness to your company.

**Percentage of respondents saying program would be “very useful.”**



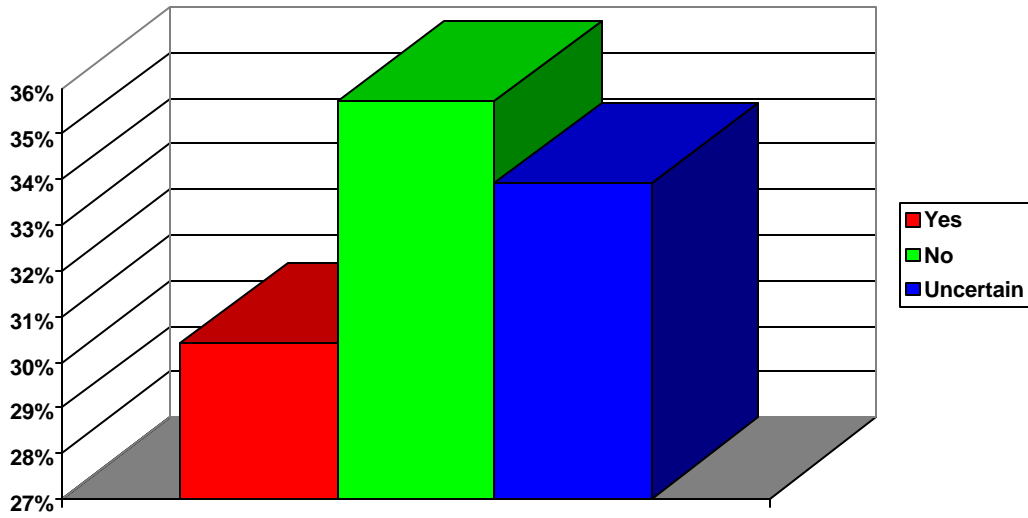
	Very useful	Somewhat useful	Not useful	Uncertain
Foreign languages	23.7%	46.6%	23.7%	5.9%
Cultural practices and customs	18.3%	41.7%	36.7%	3.3%
Culture (history, art, literature, etc.)	7.6%	31.9%	57.1%	3.4%
Analysis of foreign economies	21.4%	46.2%	29.1%	3.4%
Business practices of international companies	31.1%	47.1%	20.2%	1.7%
Marketing your product in a global marketplace	31.1%	32.8%	30.3%	5.9%
International accounting practices	12.5%	44.2%	36.7%	6.7%
Tax consequences of international business	18.3%	46.7%	29.2%	5.8%
Legal issues in international business	25.0%	45.0%	27.5%	2.5%
International financial management	17.6%	45.4%	33.6%	3.4%
International quality standards	22.7%	45.4%	26.9%	5.0%
Leadership and teambuilding	27.7%	37.8%	27.7%	6.7%
Computer tech and business applications software	35.0%	35.0%	23.3%	6.7%

Question 32: If the University System provided a foreign language translation service through which written and oral communications were translated, how useful would that service be?



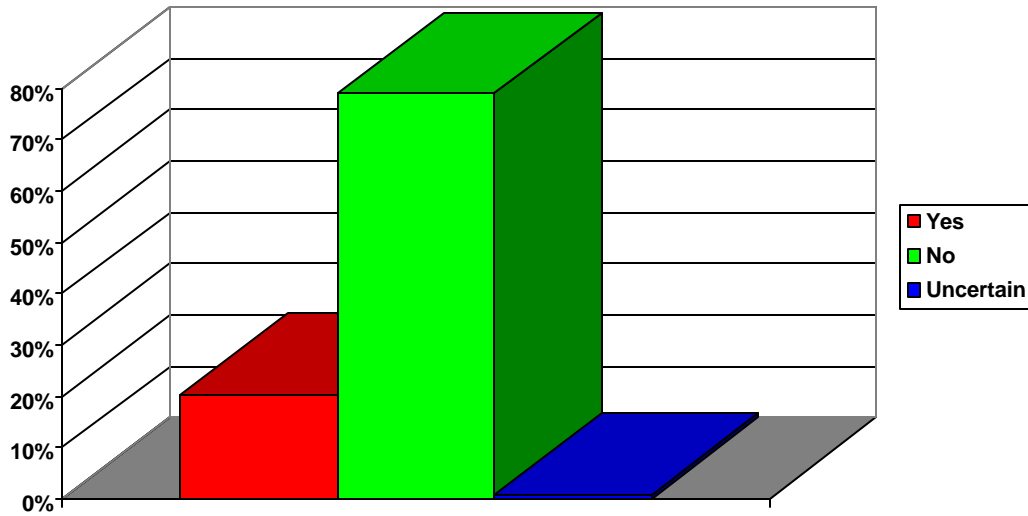
	<b>Total</b>
Very useful	<b>21.0%</b>
Somewhat useful	<b>47.9%</b>
Not useful	<b>23.5%</b>
Uncertain	<b>7.6%</b>

Question 33: Would your company be willing to absorb the cost of a foreign language translation service?



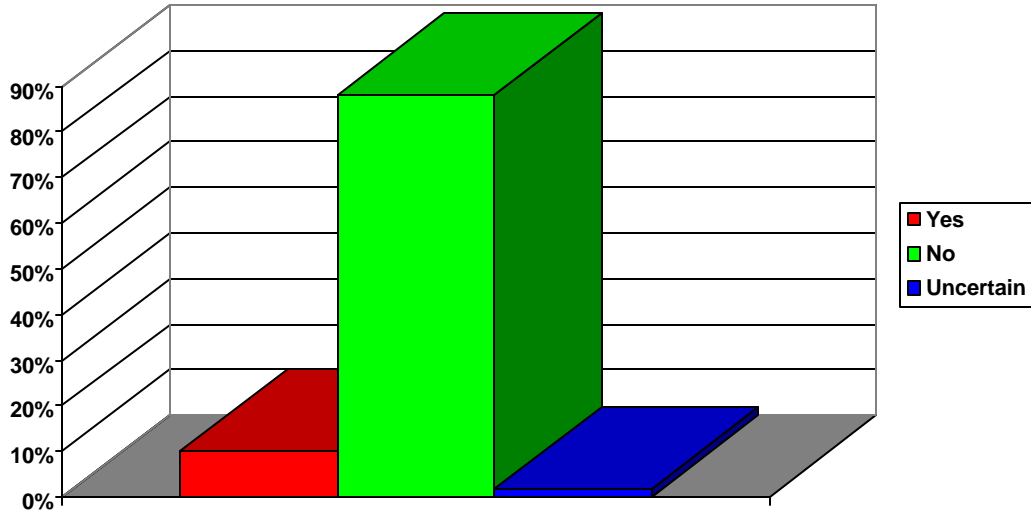
	Total
Yes	30.4%
No	35.7%
Uncertain	33.9%

Question 41: During the past five years, has your firm transferred any of its Georgia operations to a foreign company?



	<b>Total</b>
Yes	<b>20.3%</b>
No	<b>78.9%</b>
Uncertain	<b>0.8%</b>

Question 43: During the past five years, has your firm transferred any of its foreign operations into Georgia?



	Total
Yes	10.1%
No	88.2%
Uncertain	1.7%

## Responses to Demographic Questions

In total, how many people does your company employ?

	Median	Mean	Mode
Full-time employees	400	2875	500
Part-time employees	10	62.1	0

Is your company headquartered in Georgia?

	Total
Yes	58.2%
No	41.8%

Do you consider your business office location to be

	Total
Urban	18.9%
Suburban	46.7%
Rural	34.4%

**BUSINESS CONDITIONS AND HIGHER EDUCATION IN GEORGIA:  
A Survey for the Board of Regents of  
The University System of Georgia**

**Appendix II:**

**Final Questionnaire**