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Author(s): Frank Vonk

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‘INTERNATIONALS’ EMPLOYED IN GERMAN SMES

FRANK VONK

*What is the professional profile of highly educated students from German Business Schools in German Small to Medium-sized Enterprises?
A research into the professional competences of internationals among 45 German SMEs¹*

Introduction

A Chinese colleague of mine said to me the other day: “You’re an old man!” I was really hurt by this remark, because first of all do I not feel old and secondly, there are things that I would definitively not like to hear from a young woman. My colleague on her part probably wondered why my reaction was so reserved; in her view she had just made me a huge compliment. In Chinese tradition, age has a very positive value, while in my European environment it is rather seen as an insult (Seelmann-Holzmann 2004: 7). Research executed among Dutch entrepreneurs in SMEs in five industrial sectors (Braaksma 2005, Vonk 2006), had a sequel in August 2006. In cooperation with the Fachhochschule Gelsenkirchen/Bocholt a similar research was set up on the basis of an equal number of interviews in German *kleinere- und mittelständische Unternehmen* (KMU) in the same five industrial sectors.

The research question for this research was the same as in the Netherlands: ‘*What requirements do SME-entrepreneurs set for business school graduates that need to perform internationally?*’ (Braaksma 2005). The three sub questions are:

- 1 What does a bachelor of commerce need to know or what are his/her skills?
- 2 What has to be taught at Bachelor (or Master) level?
- 3 Which requirements have to be met by future bachelors of commerce?

International practical reality consists of a number of international activities for which a Dutch Business School or German Fachhochschule (FH) student is trained:

- export;
- import;
- outsourcing to international companies;
- international cooperation;
- foreign investments (sales offices, production facilities and joint ventures abroad).

¹ This article is a summary of a more extensive one. The original research report and research data can be obtained from the author, Frank.Vonk@han.nl. HAN University of Applied Sciences, Ruitenberglaan 31, NL-6826 CC Arnhem.

The purpose of the research is to render a description of the competences that entrepreneurs of 45 internationally active German SMEs expect potential employees with a business school certificate to have. Competences in this research are understood to be those competences acquired during their studies, in theory and/or practical training (e.g. work placements or final projects), and mainly drawn on in international activities.

With the results of this research we show the requirements for business school graduates who aspire to a job with an internationally active SME as well as the bottlenecks that currently occur. We hope that business schools in both the Netherlands and Germany will benefit from our findings when drawing up their curricula.

The differences between the two countries, Dutch business studies have a broad practical component (fourty weeks or a quarter of their education consists of a work placement and final project within a company) and their bachelor course takes on average four to 4.5 years to complete, while their German counterparts have relatively few practical components and takes about five years, which will be expressed in the interviewees' answers.

The research was carried out in the following sectors in 2006:

	Number of interviews
Business Services	10
Trade	10
Traditional industry	10
IT	8
High-tech industry	7

Table 1 *Numbers of interviews per sector*

# of permanent employees	Services	Trade	Industry	IT	Hi-Tech
1-5	1	0	0	1	0
6-25	4	5	2	1	1
26-50	4	3	1	2	3
51-100	0	1	2	1	0
>100	1	1	5	3	3

Table 2 *Number of employees per sector*

There is a wide spread of activities and permanent employees per sector, in particular in industrial companies, we see many large companies with more than hundred employees, while most SMEs interviewed have less than fifty employees. Regarding the nature of the

companies within the various sectors, interviews have been conducted in the following subsectors: in **trade** there were wholesalers as well as retailers selling adhesive materials, wood, machines, toothbrushes, yarn and heaters. In **High-Tech** companies, we see the development of a variety of high-grade specialist products: medical products, glass fibre, optical products and tube systems. The **industrial** companies interviewed produce textile, technical equipment, engravings and etchings, paint components, packaging equipment, dyes, bodyworks, steel and wallpaper. **IT-companies** are active in the field of telecommunication, production of software (applications), system management. **Business Services** showed carriers, tax and legal advisors, lawyers, business consultants, a cruise operator, financial advisors and a headhunter.

Internationalization in SMEs

What is internationalization? What are the critical success factors?

Internationalization is difficult to define. Generally, all cross-border activities of companies, organizations or even individuals are considered to be a form of internationalization or international activities (Sullivan 1994). A company or organization's strategic decision often underlies internationalization:

Traditionally, internationalization, e.g. export, was seen as a strategy to increase a company's turnover. Export, the traditional form of internationalization, is still significant. Yet at the same time, the last decennium has shown the development of an increasing number of different forms of internationalization that are essential for the protection and appearance of a company's competitiveness (Beobachtungsnetz 2004/4:7).

Internationalization in SMEs concerns a cross-border activity where various factors that render the internationalization more or less successful play a part. It would be interesting to compare these factors to those considered successful for multinationals. The nature and composition of SMEs prohibits or at the very least hampers such a comparison, e.g. multinationals' financial position and their (international) work force are complicating factors. For this research it is more rewarding to draw up a list of factors that could possibly be called critical success factors in SMEs (Armbrust 2007: 4ff). We are dealing with *schrittweiser Aufbau*, multi-stage phasing, of cross-border activities here.

What then, is the customary way for SMEs to internationalize step by step? Various opinions relating to this subject exist. The Beobachtungsnetz (2004/4:24) describes a four-step *Stufentheorie*:

The dominating model of internationalization is the step theory, according to which internationalization takes place in consecutive steps, starting with low involvement/risk and increasing to higher involvement/risk:

- 1 No regular export activities (possibly sporadic export);
- 2 Export through independent agents;
- 3 Establishment of own sales offices abroad;
- 4 Production facilities abroad.

The principle underlying this model is that a step-by-step strategy minimizes the risks and maturing investments. The companies most often start their export activities in neighbouring countries. Once they have gathered experience from these first export activities, they widen their activities to markets further removed. (Beobachtungsnetz 2003/4: 24).

The lack of motivating and necessary factors that play a part in the companies' (increasing) internationalization is striking. In short, what determines the step from one to two, from two to three etc. as a necessity? The rationale will differ from case to case. Some products will for instance by nature be ripe to cross borders or for global markets, or some production processes may, based on their specialist nature, be more appropriate in certain countries. A geographically small home market may necessitate internationalization and enhance the need to acquire 'international competences' as well as demand them from new employees at an earlier stage.

Furthermore, teams in the home markets are increasingly more of a multicultural composition (the 'melting pot'). In view of increasing cross-border activities, this composition not only shows an external movement, but an internal one as well: a culturally diverse composition of personnel. This worldwide movement of personnel is a sign of internationalization too, one that is generally paid little attention to. The cross-border activities are key in this research.

The need for internationalization

Regarding internationalization of SMEs in Germany it turns out that both the German government and the European Union employ many activities to support innovation within SMEs, and internationalization is considered one of these innovations – although EU-support in itself is not a condition to 'go international'. Scientific competences (more academic competences in the field of basic and applied research), strategic technological developments and the growth of for instance job opportunities are important innovative factors. Within the total European Union SMEs constitute about 99% of all 3.38 million enterprises with a yearly turnover of less than 50 million euro, employing 65 million people (Armbrust 2007: 6). The EU and the government play a stimulating part for the acquisition of capital to realise growth and to promote innovation.

Internationalization of SMEs is the result of the necessity of looking for new markets abroad, but more importantly is the fact that internationalization is a gateway to knowledge, customers and technology elsewhere (Friedman 2005 for some insight as to the role of ‘technologization’ in the worldwide process of internationalization and globalization). On top of that, high production costs, legal restrictions and regulations in the home market, as well as the necessary production capacity, access to capital and manpower (e.g. lower wages and a more favourable tax climate) form reasons to internationalize (Beobachtungsnetz 2003/4: 30). Thus labour costs can in many cases be reduced, even though it is important for the national economy to keep looking for innovation opportunities without all sorts of goods and services seep abroad (Mahone 1995).

Forms of internationalization

When we look at forms of internationalization and foreign activities, the interviewees indicate that these are linked with import and export activities, especially when it concerned industrial and High-Tech companies. Further international contacts are formed by strategic alliances (33 of the 45 companies interviewed), and sales offices abroad (15 of the 45 companies interviewed). Furthermore, there are production facilities abroad and outsourcing, but to a lesser extent (7 and 9 of the 45 companies interviewed respectively). As far as the various forms of internationalization are concerned, the following table shows the subdivisions per sector (these are the foreign activities as specified by the interviewees):

	Industry (10 companies)	High-Tech (7 companies)	IT (8 companies)	Trade (10 companies)	Services (10 companies)	Total (n=45)
Export	9	7	8	10	10	44
Strategic alliances with foreign partners	7	6	7	5	8	33
Import	7	6	4	9	6	32
Sales offices abroad	4	2	3	3	3	15
In consignment	3	2	1	3	1	9
Production facility abroad	2	2	0	2	1	7
Licensee for foreign licensor	0	3	2	1	0	6
Joint venture with foreign partner	0	2	0	2	0	4

Table 3 *Branches and international activities*

As can be concluded from the table above, export is the most important turnover generator – note that company size has not been taken into account: export is an important turnover generator in all cases, but with both larger (100 permanent employees or more)

and smaller companies (fewer than 50 permanent employees) we find strategic alliances and sales offices abroad. Strategic alliances with foreign partners nowadays are an important means to remain competitive in various international markets for practically all companies interviewed. The percentages have not been broken down in terms of turnover, but generally, export covers 30 to 80% of turnover compared to 5 to 20% for import, with a few peaks to certain export and import countries. It is also clear that especially High-Tech and IT-companies work with foreign (software) licenses and produce applications based on these. Outsourcing to companies abroad happens very rarely, particularly by the service sector. Dutch SMEs consider outsourcing an efficient and money-saving measure and is high on their agendas. A possible explanation could be that German companies, more so than their Dutch counterparts, are inclined to control their activities. Quality and reliability – German companies still pride themselves in those traits – are rather controlled than delegated. In this context the widely branched exhibition system is worth mentioning, where many contacts with customers are made and maintained. However, research into the specific reasons for little outsourcing ('in Auftrag geben') would be interesting.

Constraints to internationalization

During the interviews the following factors possibly constraining internationalization of SMEs were mentioned: current laws and regulations, lack of capital and finance problems, insufficient support and advice, cultural and language barriers. When we link these to the current theories on constraints to internationalization, the most important trade barriers are political factors, EU-regulations, national protectionist measures, technical requirements or safety regulations, consumer interests etc. (Beobachtungsnetz 2004/4:42). In many cases however, lack of expert knowledge, including legal expertise and command of languages, as well as social skills are seen as constraints to internationalization.

The international manager in SMEs

Obviously, internationalization is not a matter-of-course, certainly not in education. Many export managers, entrepreneurs and salesmen acquire international experiences that would be more than instructive to future managers and entrepreneurs. Nevertheless we see that these experiences are only used in driblets. By contrast, students highly appreciate anecdotes, trends, tips and images connected to these experiences. In this respect, there is a big part to play by external business stakeholders towards education. Not only towards Dutch higher professional education (specifically the Dutch fulltime internationally oriented courses such as business schools and logistics polytechnics), but most certainly for the German professional business schools (Fachhochschulen).

Internationalization and higher professional education

In the German interviews competence development is also mentioned as an important factor in the growth of a company's human capital. In Europe the following competences that a company will frequently get into touch with in the future are listed:

- Ability to learn (learn how to learn)
- Information processing and management
- Logical and analytical skills
- Decision making skills
- Communication skills and linguistic skills
- Group work, group-based learning and teaching
- Creative thinking and problem solving skills
- Managing people and strategic thinking
- Self-management and self-development
- Flexibility (Beobachtungsnetz 2003/1: 11)

The obvious question would be what can be done within the *company* to develop or acquire the above-mentioned competences. The initial line of approach will be the knowledge component, being less dependant on personal qualities (that are already being addressed during the studies) as well as being easier to measure, i.e. knowledge is open to objectification. Education, however, is its opposite: competences are not being assumed, on the contrary, they are being developed or taught and are thus more subject, i.e. student oriented. A 2001 research among FH-graduates showed that that graduates, i.e. students in the last year of their studies, dispose of various competences at various levels (Schaeper/Briedis 2004:1). The table below shows the percentages:

Methods or strategic competences	± 75%
Wide basic knowledge	62%
Knowledge of electronic data processing (EDP)	55%
Multilateral thinking	52%
Knowledge of scholarly and/or scientific methods	50%
Self-organizing skills	± 50%
Presentation skills	± 50%
Specialized professional competences	40%
Social competences	31%
Command of foreign language	insufficient
Legal and economic knowledge	insufficient
Practical application of scientific data and concepts	insufficient

Table 4 *Acquired competences in higher professional education in Germany*

This table also shows a large proportion of competences that were discussed in the interviews. Especially social competences, i.e. social skills (hardly present according to the table above!), method and strategic competences (widely present), wide basic knowledge (amply present) gained high scores.

In other words, higher professional educational institutes in Germany pay sufficient attention to basic knowledge (basic knowledge and EDP), but they pay insufficient attention to social competences, command of foreign languages, legal and economic knowledge and the practical application of theory.

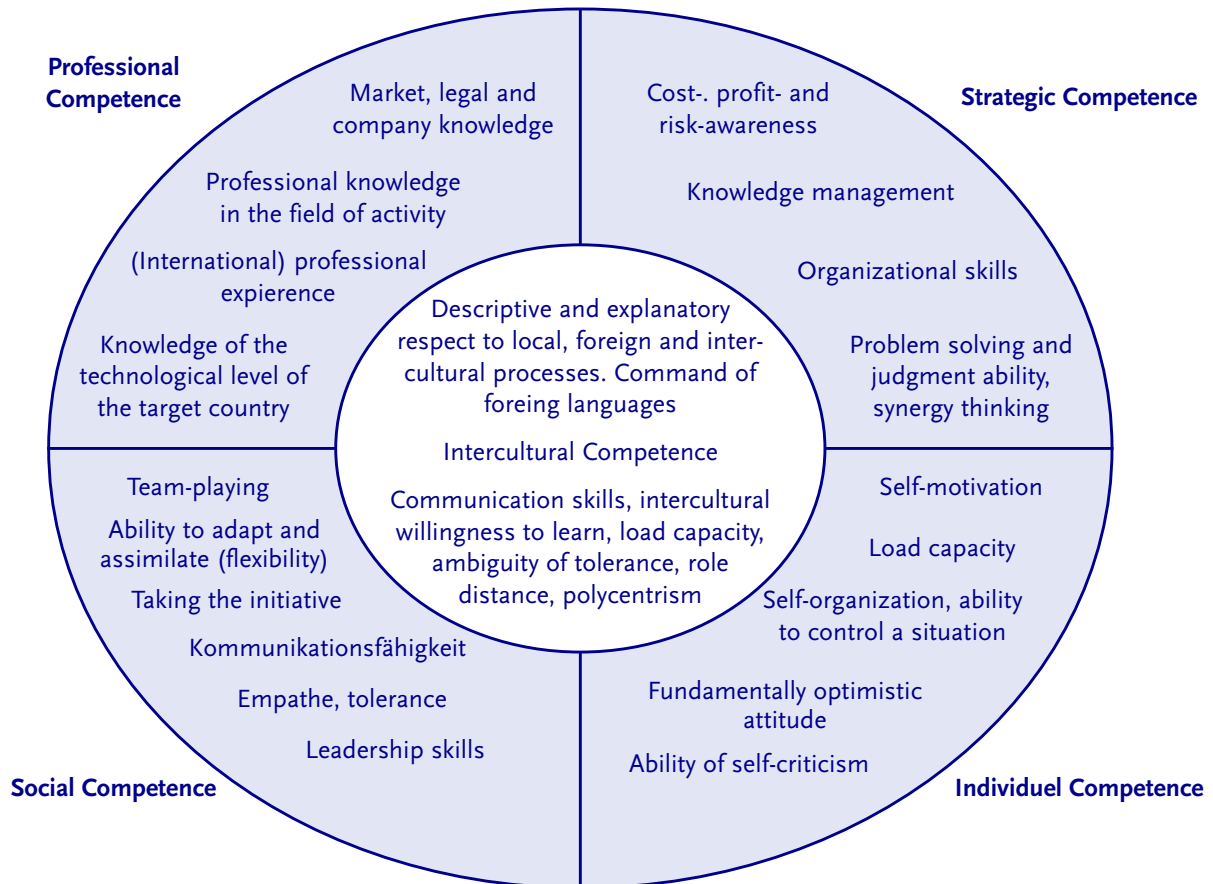


Figure 1 Intercultural management competences, Source: Bolten (2001: 375)

The figure above clearly shows how cultural competences are embedded in a knowledge, skills and professional attitude-matrix. Internationalization demands a large number of qualities of the employee, including intercultural experience and command of foreign languages. International studies as well as studies that train future 'internationals', should do more about this. Companies themselves indicate that investing in these skills take a lot of time and money with the risk of losing qualified personnel to (better paying and better opportunities for development offering) competitors. The intercultural competences, that have been positioned as a spider in the centre of its competence-web by Bolten, are formed by a combination of:

- personal qualities, including load capacity, immunity to stress, independent learning, control of different and varying situations,
- professional or expert knowledge, including international professional experience, specific knowledge in various international contexts,

- social competences, such as working in (intercultural and multicultural) teams, communication skills (including command of languages), empathy and tolerance, and finally
- strategic skills, such as knowledge management, organizational talent, problem solving and synergetic abilities.

Bolten’s German competence system as blueprint for competence requirements in professional practice

German professional literature (e.g. Bolten 2001 and Erpenbeck et al. 2001, 2003) distinguishes the following competence areas in which the international is active and for which he needs to be sufficiently prepared during his studies. First of all it makes sense to define the usual descriptions of the competence areas used:

Methodenkompetenz (Mek)

Method or strategic competences	<p><i>The following aspects are therefore included: Analytical and decision making skills, the ability to acquire experience and efficiently store experience independently, presentation skills, organizational skills, presentation techniques, entrepreneurial thinking, holistic thinking and the ability to transfer knowledge to practice. The last competence is mentioned most often.</i></p> <p>Analytical skills and power of discernment Ability to learn independently Organizational skills</p>
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Sozialkompetenz (Sok)

Social competences	<p><i>This includes: To work in a team, contact with customers, empathy, leadership competences, communication skills, i.e. command of foreign languages as well as mother tongue and intercultural skills and ethics.</i></p> <p>Teampayer Empathy Leadership skills</p>
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Selbstkompetenz (SeK)

Individual competences	<p><i>This includes: Motivation, critical self-awareness, self-reflection, immunity to stress, creativity, all soft skills related to flexibility, mobility, responsibility and loyalty. Finally the self-study competence that is extremely important to maintain international contacts.</i></p> <p>Motivation skills Critical skills Immunity to stress</p>
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Fachkompetenz (FaK)

Professional competences	<p><i>We include: Technical and (business) economic knowledge, expert knowledge in various fields (barring languages), such as market knowledge and marketing, legal knowledge, national as well as international (treaties, customs, import and export regulations, etc.), computer skills and practical experience in these fields, especially abroad.</i></p> <p>Technical and/or business-specific professional knowledge Market, legal and company knowledge</p>
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Interkulturelle Kompetenz (IkK)

Intercultural competences	<p><i>Nevertheless, IkK will be included as a separate analytical category, since it is indeed cultural knowledge and knowledge of country and people that entrepreneurs and owner-directors associate with internationalization</i></p> <p>Foreign / practical experience Knowledge of other countries and cultures Polycentrism</p>
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Sprachkompetenz (SpK)

Command of languages	<p><i>Command of foreign languages is stated in many advertisements as an important condition to develop international activities within and outside the company. East European languages, Chinese, Russian, and English of course, are important languages. The interviewees endorse their increasing importance.</i></p> <p>Communication (foreign languages) Knowledge of foreign languages (according to European references)</p>
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Table 5 Overview of the six competence areas used, Source: Armbrust (2007: 16-24, 32ff)

The question at hand is whether an international's education should cover all these competence areas, in other words whether the student can expect from his studies to enter the professional world as an 'experienced professional'. This is the field of tension between what education at a FH or an institute for professional education can offer on the one hand and the competences that can be acquired elsewhere.

Export. Choosing markets abroad

Western Europe is still Germany's principal trading partner, followed by Asia, North-America, Russia, Eastern Europe and finally African and Latin-American countries.

Research in Germany into export activities shows the following countries as the major growth markets: Eastern Europe (mentioned by 15 companies), Asia or the Far East (mentioned by 13 companies), followed by Western Europe (9 companies) – e.g. the Netherlands and France are important trade partners for Germany – , North-America (3 companies), Russia (3 companies) and the Middle East, Africa and South-America. It would be interesting to break this down per sector (industry, High-Tech, IT, trade or service) and find the causes for certain tendencies towards internationalization.

Examples of internationalization (from the interviews conducted)

- 1 *High-Tech company*: Company C for instance (for reasons of anonymity the companies in these examples are denoted by a letter), a High-Tech company from Gelsenkirchen (40 employees), has 30 to 40% of its turnover from export to countries such as North-Africa, Switzerland, Austria and South-Africa. Furthermore, there is a strategic alliance with Novell in North-America. Report has it that there is a growth market, and together with Novell more than 40 countries will be reached. It is also feasible that an interesting take-over bid will be made, but at the same time extreme growth and high profitability cannot be ruled out. Strategically this involves a systematic and structured market approach, using the system of ‘customer following’: in a sense the customers act as growth multipliers. This way of growing is fairly aggressive and requires continuous feedback of new customer data and growth potential. This strategy is the result of company C’s finance structure, i.e. through venture capital and its high risk profile but at the same time it generates high profits. International contacts are made through an active approach of various markets simultaneously and for distribution purposes, company C has a department for the German market and one for other markets. Dependent on customer growth these departments will be extended or disposed of. The organization knows a divisional structure, which is remarkable for a company of this size as a similar structure is more often used by multinationals, ministries or large organizations and hardly ever by smaller companies. Perhaps it is due to management’s strategic decisions and the tasks being performed by primarily natural scientists, mathematicians and computer scientists. The departments work independently and with their own budgets and are headed by a deputy manager who, as representative of the board, can operate independently. High-Tech companies’ necessity to internationalize is the result of, on the one hand venture capital financing, and on the other hand the subsequent impulse for growth. While software and other computer related products have no ‘national’ boundaries. C’s divisional structure will, in case of failing profitability, lead to disposing of or shutting down divisions.
- 2 *Industrial company*: G, a larger industrial company and producer and supplier of packaging machines for food and pharmaceutical industry, employing 120 people and with a turnover of 50% in export (worldwide, mainly in Europe and Asia). The company uses freelancers who are very familiar with the various markets and work on the basis

of personal contacts. Exhibitions and customers are visited on the spot for instances. G's organizational structure is fairly flat, employees work in German as well as other markets, and distribution is not structurally divided according to language areas. This means that there is a need for 'generalists' rather than specialists – whether that means that you know a lot of few things, is not clear. The procedures used within the company reflect that. In the competences required and the personal qualities too reflect the organizational structure: personalities are needed, people with manners and human relations skills, adept at negotiations, responsible, fluency, good command of English, etc. For purposes of comparison: with company C the important skills mentioned were: expert knowledge and commercial skills, command of German and English, good fit with the company and innovative and creative thinking and acting.

- 3 *Service*: A headhunter from Frankfurt/M, A, employs an aggressive strategy of expansion. Various sales offices abroad have been opened and there are more to follow worldwide (including Milan, Moscow and Hong Kong) in the next few years. Customers start their own office somewhere in the world and hire the services of a headhunting agency, to which A responds immediately. A follows in the wake of the economic expansion of others. Their information does not come from extensive market research – it is not about a product that needs to be put on the market – but rather from data on financial markets. The company does not have specialists for special geographical areas or special branches, but customers are paired with employees who counsel them from beginning to end. Thus project management, the ability to supervise a project from start to finish, is often mentioned as the most important skill, as well as business sense. Here too, foreign experience plays a major part in the hiring policy. Furthermore, soft skills or managerial skills, communication and social skills as well as certain personal qualities such as flexibility and the willingness to continuously learn evidently play a part. Eight out of A's 27 employees have a university degree, in humanities, business economics and math, 6 employees have an FH-degree (four economic and administrative schools and two with a degree in banking). A background in economics or arithmetic can be seen with many companies, but in this case employees with a different background such as languages have turned out to be suitable employees. This is due to the fact that in most cases personality is the deciding factor when considering suitability.

Evaluation

It is difficult to properly divide competences, knowledge, skills, and professional attitude on the basis of imprecise meaning of terms and expressions. However, on the basis of the results of the interviews, a number of constants can be determined, both concerning the current requirements for employees and for higher professional education and future employees in SMEs.

By way of conclusion of this evaluation and description of the shortcomings of FH-graduates I will try to summarize and break down in percentages the competence areas as defined by Bolten (2001) and used in this research as well the three questions mentioned above.

An evaluation of the interviews

When we assume the said competence areas, a division of the three questions per sector is possible. The following matrix expresses the data in absolute numbers, broken down per question according to the five sectors interviewed.

		Mek	SoK	SeK	FaK	IkK	SpK	Total
Industry	Question 1	7	9	14	14	8	10	62
	Question 2	9	10	12	13	8	6	58
	Question 3	4	3	9	7	8	3	34
High-Tech	Question 1	4	11	9	11	4	7	46
	Question 2	7	10	10	5	7	5	44
	Question 3	6	5	6	9	7	2	35
IT	Question 1	5	5	5	13	7	7	42
	Question 2	12	4	8	11	4	6	45
	Question 3	6	4	3	9	10	5	37
Trade	Question 1	4	9	11	10	10	9	53
	Question 2	14	10	17	5	12	4	62
	Question 3	7	3	6	7	9	6	38
Service	Question 1	8	4	11	10	9	10	52
	Question 2	13	1	11	7	9	6	47
	Question 3	14	2	5	11	12	5	49
Total		120	90	137	142	124	91	704

Table 6 *Competences by sector*

When we look at the matrix above we can conclude that there are different priorities within the various branches, which, however, does not become clear from working out the interviews. A first glance at the matrix (see the totals in the bottom row) makes clear that especially the professional competence, the body of knowledge (*Fachkompetenz*) with a relatively high score of 142 (= 20.2%) takes an important place with the interviewees regarding their expectations of FH-graduates as well as FH-education.

All in all, we see a varying picture with different centres of gravity for every sector. It is striking that personal qualities (*Selbstkompetenz*) score points with trading companies and in the service industry, as to be expected considering the fact that personality is essential in maintaining external contacts.

With the service industry the *Methodenkompetenz* scores for questions 2 and 3 catch the eye, both concerning education and the long-term requirements. On the other hand, for question 1, *Selbstkompetenz*, *Fachkompetenz* and *Sprachkompetenz* score points.

Competence in education and practice

Many of the competences and characteristics mentioned before are specifically linked to the companies for which they are valid according to the interviewees. Frequently stated matters such as command of languages at a certain, internationally approved, higher level appear with all companies. It is remarkable that the level varies considerably per sector. Legal service companies demand fluent use of a foreign language, whereas for industrial companies, IT or High-Tech companies a lower communication level. In 43 of the 45 interviews conducted command of foreign languages does appear as an essential element in an international's proper functioning and as an important task for educational institutes. Interestingly enough, there are no pointers as to feasibility in a four-year bachelor education in the Netherlands or a five-year one in Germany. It would be obvious to link this to the practical clusters in the curriculum (work placement and final in-company assignments; which incidentally are less strongly represented in the curricula in Germany than in the Dutch ones), which should by and large be filled with experiences abroad (apart from work placement and final assignments, one or two semesters studying abroad could be considered). Unfortunately, only a small percentage of Dutch students have work placements abroad; the figures for German students are unknown. As far as social competences are concerned, it is notable that IT and High-Tech companies mentioned these relatively just as often as trading, industrial and service companies, while one would expect expert knowledge to be considered more important in IT and High-Tech. Interestingly, the concept *Sozialkompetenz* is frequently mentioned in the High-Tech sector, both as an entry requirement and as requirement for the educational institutes; it seems that this has to do with the assumption that this aspect could do with a lot more attention in technical education anyway, even if less importance will be attached to it in the future. Technical qualifications as such do not suffice and more attention should be paid to social and personal competences.

Technique and soft skills

The difference is also remarkable in personal qualities and/or soft skills. These too are not as common in especially IT but appear more often in High-Tech companies (in particular as entry requirement). Interculturally, knowledge of other countries and cultures receive

lower score in IT and High-Tech companies. On the other hand we can see higher scores for expert knowledge in trade, IT and industry, while IT obviously presumes knowledge of software, computers, etc. In this respect it is noteworthy that knowledge of PCs and software receives higher scores in industrial companies, presumably because IT and High-Tech companies assume that these subjects are being taught anyway and that the employee to be appointed has sufficient knowledge.

Services and competences

As far as education's role in the acquisition of competences is concerned, we see that with logistic service companies, expert knowledge, especially in logistics, score points. Languages and intercultural competences and sensibility score points across the board. Social competences are explicitly mentioned here and there by High-Tech and industrial companies. The important task of teaching how to implement theory in practice lies with education. The same goes for especially IT, trade and service. Communication skills as such are in turn required by the High-Tech sector. Apparently, education scores badly in this matter, although it is conceivable that the 'type of student' that applies for a position within this sector arguably has received a technical education where there is little training in communication competences. This would be the general view of the technically educated.

Remarks concerning shortcomings in education

Regarding education the general response is that it is lacking integration concerning expert knowledge. There are no suggestions as to how things can be improved, although it is obvious that a practical interpretation is being referred to, where various competences are appealed to simultaneously and are acquired or improved.

Communication skills

The communication skills of FH-students are often commented on. Matters such as presentations (both internal and external), handling customers etc. are seen as important and many an interviewee is critical: know what a customer wants, how to put yourself in the customer's shoes is an important skill. Small talk, sales talks, written correspondence etc are also part of the list. Most often the command of two foreign languages 'with a certain amount of confidence' is presumed. This involves many simulations or role plays during classes and in particular a focus on the results of these simulations or role plays.

A recurring question in many interviews is whether the FH is indeed the place to teach soft skills, including a wide variety of individual skills, in particular. Practical reality is often the test of their presence. This also means that soft skills can often be acquired in practice, should the not be present with FH-graduates.

Internationally, but nationally as well, speech varies enormously: not every customer, every supplier, nor every buyer speaks Hochdeutsch or Queen's English. The same goes

for other languages. The question is whether you can prepare students for this. It is interesting to study which strategies can be used to deal with these situations. Here too, practice, experiences abroad, seems to be the best teacher. Practical clusters with international companies will supply the necessary experiences. A combination of a command of languages and a (long) stay abroad often go hand in hand with the statements, which seems logical from the point of view of somebody with practical experience.

English

In IT English is a necessary means of communication, other than that there are no specific demands as to the students' command of languages. Regarding languages, apart from listening skills an active command of probably company-specific jargon that is used in emails and fax messages is required. Basic grammar and vocabulary seem inevitable. The jargon itself can best be learned within the company.

Fluent English is a presumed skill by many companies. Experience shows however that due to a lacking professional attitude, the command of English is insufficient (school English versus professional English).

Transfer of knowledge to practice

Transferring theoretical knowledge to practice remains difficult according to SME-managers. Students themselves should really have the skills to implement theory in practice, but those skills have often not been taught. Here lies another important task for higher professional education.

Intercultural sensitivity

Another recurring theme is the difficulty of teaching intercultural sensitivity, experience and knowledge at FH. A lot is learned 'on the spot' (by means of APL), and practical experience should therefore constitute a large part of professional education.

Motivation of the international

Another important aspect is the 'motivation' that FH instil into students. What does motivation comprise? Higher professional education will have to put considerable effort into exploring the professional field in order to be able to provide the students with the ability to with the self-confidence to enter into future professional roles (e.g. through professional advisory committees and teacher training). Within the scope of school career counselling as well of education by projects, the Netherlands currently put in efforts regarding careers guidance, where many students actively canvass practical assignments. For international contacts and based on the apparent lack of fluency in the relevant foreign language, many companies employ the services of interpreter/ translators. This involves legal documents or treatises in particular, the complexity of which does not allow for mistakes.

SME and multinationals

Students are often not prepared for working with SMEs: FH and universities often teach ‘global company thinking’, which is of little use in SMEs. It is advisable, in conjunction with SMEs, to determine a more precise set-up of the FH-curricula, thus making sure education and practice are better attuned.

9-to-5 mentality

Lacking is commitment, e.g. no 9-to-5 mentality, and practical experience. This is only mentioned once, whereas the interviewees in the Dutch research often criticize the lacking 9-to-5 mentality. In our research this mentality was listed under personal qualities (*Selbstkompetenz*), but it was only mentioned that one time during an interview with a trading company. Disappointing experiences with company loyalty may have been at the basis of this complaint.

The three questions compared

In the table below the scores from earlier tables are broken down to the different competences. The decision to class the said aspects with one competence or the other is determined by Armbrust’s description (2007: 25). The various answers have been classed with the most obvious overall competence, which results in the following figures and percentages:

	Question 1 <i>What do FH-graduates need to know and be able to do when they want to start Working in SMEs?</i>	Question 2 <i>What does the curriculum of higher professional education need to contain?</i>	Question 3 <i>What is required of the future FH-graduate?</i>	Total
Methodenkompetenz	28	55	37	120
Sozialkompetenz	38	35	17 (!)	90
Selbstkompetenz	50	58	29	137
Fachkompetenz	58	41	43	142
Interkulturelle Kompetenz	38	40	46	124
Sprachkompetenz	43	27	21	91

Table 7 Summary table of competences and questions

The figures in the table above have been calculated according to a classification of all skills, competences and knowledge areas mentioned in one of the six competence areas. Current employees particularly know and have the *Sozialkompetenzen*, even though it is rated as relatively less important for education (especially in view of the future!). The interviewees attach more value to the *Methodenkompetenz* where the ability to learn, presentation skills and ability to implement theory to practice influence the relatively high score. *Selbstkompetenz* is a relatively stable factor and remains important under all circumstances; although it is striking that in the future it is not the personal qualities, but the *Fachkompetenzen*, the body of knowledge and the *interkulturelle Kompetenz* that will be the deciding factors. The professional educational institutes (the Dutch ones too) that teach internationals for positions with SMEs will be able to focus on these when structuring their curricula. It is notable that *Fachkompetenz* scores relatively low for the future. Compared to the matrix on page 58 and the table from Schaeper/Briedis' research on page 18, *Selbstkompetenz* forms an important competence for the international, both in everyday practice and on the basis of what is being taught during his studies. The *Methodenkompetenz* scores points for education too, although for question 3 the emphasis is rather on *Fachkompetenz* and especially the often-mentioned *interkulturelle Kompetenz*. Thus, compared to the table from Schaeper/Briedel's (2004) research (cf. page XX), education should ideally put less emphasis on *Methodenkompetenz* and *Selbstkompetenz*, and again focus on the body of knowledge (*Fachwissen, Fachkenntnisse*), (40-50% of the graduates has this expert knowledge; 62% has a broad basic knowledge, but this seems to be too little for the future), as well as on the *Sozialkompetenz* (present in only 31% of the FH-graduates according to the Schaeper/Briedis research). Simply distressing is the fact that a command of foreign languages scores points as a prerequisite in all researches, but that less than 31% of the graduates are sufficiently competent.

Conclusions

The previous contains a fair amount of conclusions drawn from the interview data already. In short the following matters are striking:

- 1 Education must be better geared towards what professional practice requires from future internationals. This involves expert knowledge too. Expert knowledge remains a prerequisite; without it, SMEs have little to offer the future international (many of the 45 interviewees answers boil down to this). With respect to content, professional education, especially where it concerns internationalization, will have to better tune into those aspects that will result from applied research in the business world (e.g. access to international markets, possible and successful forms of cooperation, forms of international cooperation and company strategies concerning internationalization, advice prac-

tice concerning internationalization or the necessity for survival for local companies in a global context).

- 2 The implementation skills with respect the theories learned in professional practice deserve a lot more attention that they currently get. We are referring to the Dublin descriptors that has given professional education many a gray hair. How can students prove during their studies that they are fit for a position in the professional world (and how can a teacher judge that)? How can they make the transfer from certain processes in company X to company Y, without the necessary insight and knowledge in the professional practice on the one hand and the assumed or required theoretical knowledge on the other? What complicates this transfer? Perhaps theory and practice are not in line? Perhaps more practical experience should be incorporated into education (e.g. by external experts)?
- 3 In the eyes of entrepreneurs, the role of foreign languages, with English in first place, followed by Eastern European languages (Polish, Russian) and Chinese and Indian, remains very important and is often mentioned in the first instance. What it entails in concrete terms for a foreign language to be mastered at an acceptable level, does not become clear from the interviews. If, however, the higher level is aspired after, a critical examination of FH-graduates' fluency will learn that spontaneous and fluent usage of a language is aiming too high in various situations. Investing in language education at higher professional educational institutes teaching internationals would seem no luxury.
- 4 Knowledge of language, country and culture form an important point of interest for the economic FH according to the interviewees. Command of languages, at least in excellent command of the mother tongue and then two or three other languages gives the employees in SMEs added value. It is difficult to determine the need for knowledge of languages in advance. Among other things, it depends on international developments, the markets that need to be developed, the fluency level, employees' language skills, etc. The acquisition of a second or third language is often a matter for education. It would be wise to look from the point of view of professional practice at what that knowledge of language should consist of: this could range from writing few emails in a foreign language to a full product presentation and answering complicated technical questions. This need should be made more apparent in the professional profiles. I can acquire a language at different levels, but the question is whether there are any programs tailored to these needs, preferably for the various sectors. World trade language English is an advantage in practically all cases, even though the command of basic Russian or Chinese by German internationals is a good option where it concerns service companies or companies with many customer relations in Russia or China respectively. In connection with this it is often stated that a prolonged stay in a certain country is an

advantage, especially when the relevant language has been acquired – without even considering the training costs this saves the company!

- 5 *Integral education.* A more integral approach towards company, product and relevant sector, as well as the connection with the type of people needed form important input for the educational institutes: the various institutes prepare students for a certain professional profile and draw from the integral approach towards price, product, personnel, place, etc. With respect to the four Ps for the international in SMEs, the following could be interesting for education and professional practice:
 - Personality
 - Professionalism
 - Place on the Planet
 - Performance
- 6 Intercultural knowledge or sensitivity is often mentioned as an important condition for a proper functioning in an international business environment. The term comprises matters such as *Landeskunde*, knowledge of country and people, obviously the language spoken elsewhere, the relevant uses or habits, awareness of certain non-verbal and paraverbal aspects, such as gestures or intonation. During a course in cross-cultural management for a group of Germans in Groningen, there turned out to be a lot of professional appreciation for the do's and don'ts, i.e. what is and what is not appropriate behaviour in other countries. The drawback of this approach is that it highlights stereotypical behaviour and expressions, which could well insult the more cosmopolitan Japanese or Chinese, because they may for instance have learned that certain greeting ceremonies or eating habits are different elsewhere and they would like to behave accordingly.
- 7 Commercial skills (*kaufmännische Kompetenzen*) are high on the list of requirements for future employees. From the German interviews especially business economic knowledge and insights and international legal knowledge prove to be well-appreciated.
- 8 Although the ability to implement theory in practice is an important *Methodenkompetenz*, in practice *Sozialkompetenz* and to a lesser extent personal qualities (*Selbstkompetenz*) prove to play an important part. SMEs' increasing focus on internationalization does give companies reason to aim for *Fachkompetenz*, including experience abroad.
- 9 For smaller companies, the jack-of-all-trades, the 'egg laying wool milk sow' (*eierlegende Wollmilchsau*), and perhaps the chameleon too, with his skills and professional attitude remain the specialist's competitor. With smaller companies we see the recurring

use of the term broader general education (*breite generalistische Ausbildung*), while larger SMEs prefer specialization (*Spezialisierung*), e.g. in certain regions of the world on which the economic activities are focussed.

10 Under requirements for future internationals are listed characteristics such as creative, mobile, preparedness to travel, innovative and committed. Moreover it is an advantage if the international to be appointed has experience abroad and/or has done a work placement abroad (Armbrust 2007: 33). An important question in this respect remains where the international should acquire or improve these characteristics, if they have not been developed yet in the international who made the conscious choice for an international career.

Even though the following points do not entirely belong to the subject at hand, they are worth mentioning in the framework of internationalization and education's role therein:

- a In the Netherlands, the British business schools serve as an example. During this research Canadian and American business schools were mentioned. This needs to be put into perspective: the Dutch and German business schools are the result of experiences in education in the respective countries. It may be wise not to blindly copy business school models from elsewhere – just like some universities like to promote themselves as the Dutch Berkeley or Harvard. It is important to put your own strengths to the fore.
- b Within SMEs there is hardly ever any career planning. This should be addressed in the FH / Business school careers guidance.
- c Building and extending international networks was not mentioned often, but is not unimportant in the global economic world. The initial impetus to teach the communicative skills needed to achieve that could already be given during the (international) work placements or assignments – although many interviewees were of the opinion that entering into and maintaining contacts is not important until the FH-graduate is actually employed by a company. Practical business experience is acquired in work placements of shorter or longer duration, practical assignments or the acquisition of practical assignments or during final assignments within companies. As became clear from the interviews, the practical component plays a less important part in German FH than in the Netherlands. The German FH-bachelor course takes 5 years, opposed to 4 years for the Dutch bachelor course. The Dutch business schools require at least 25% in practical assignments (work placement, education by projects, final assignments). In the scope of professional guidance, many guest speakers are invited in the Netherlands to expand on the professional profile. On top of that professional advisory committees play an important part in education's evaluation in term of practical value.

- d Dutch and German students often choose the option of a dual diploma: a course in their own country and two semesters at another institute, often abroad. Not only do students improve their language skills, the different points of view on Fachkompetenz help to achieve the desired broader perspective on working in different cultures.

Differences between the Netherlands and Germany

Introduction

When we compare the results of the analysis in the previous to those of the Dutch research, there are a number of points that clarify similarities as well as differences between the two countries.

Multifunctionality: should the national 'piglet' become an international 'chameleon'? First of all, in view of the entrepreneurship, multifunctionality is important: terms such as general dogsbody, jack-of-all-trades or, in German, an egg-laying *Wollmilchsau* are mentioned. An SME-employee is an all-rounder, speaks his languages, can read and interpret balance sheets and yearly reports, and has a large number of competences making him employable in various places and at various levels. In that respect the Sau (all-rounder-piglet) differs from the suggested image of the Dutch chameleon, which does not assume qualifications externally, but has the innate capability to adapt to a situation and act appropriately.

Specialization

The extent of specialization is another important difference between German and Dutch internationals. The image of a degree of specialization coincides with the contents of the various FH-curricula; indeed, as opposed to the Netherlands, Germany is more production-oriented than service-oriented, which has consequences for the type of competences that are deemed important as well as their development. The Dutchman will sooner ask: 'What can you do with it?' (customer-oriented), while the German will ask: 'What do you mean?' (product-oriented) and will then launch into a profound speculation of the underlying theme. A more extensive research into the differences between Dutch and German FH, which is outside the scope of the research at hand, is in order.

Succession within a company

In Germany the matter of succession is of the utmost importance. Many smaller family businesses do not stay in the hands of the owner-director, which leads to an uncertain future. The offspring or other family members do not succeed him.

In the Netherlands this problem will surface less often, because the matter of succession is often resolved outside the family circle.

Competence dispute

Then the competence dispute: in the Netherlands the aim is to the right man in the right place. This **task**-oriented approach can result in a new employee to be appointed is better or higher qualified than for instance the department manager or owner-director. This approach does not pose any problems in general. In Germany however, the **personal** competence dispute is a factor that could hinder the ‘right man in the right place’-principle. Competition based on level of education (and therefore status) leads to appointments of employees in the wrong positions more often than had been assumed up until now. After all, the owner-director does not tolerate competition. His expertise is beyond questioning.

Knowledge or skill?

The question then is whether the available types of education, the expert knowledge acquired and internalized **competences** during the studies, do lead to the type of employee needed. There is the impression, and rightly so it turns out from the interviews conducted with 45 entrepreneurs and from the colleagues in Bocholt, that Dutch professional education are generally speaking more practice- or profession-oriented (one could say: more pragmatic), while the German Fachhochschulen still focus their attention on knowledge and technical skills (EDP-knowledge, sector-knowledge, knowledge and skills regarding business economics). In that respect the difference between key qualifications (*Schlüsselqualifikationen*), referring to technical and expert knowledge, and the Dutch key competences, which focus on the broader practical skills and practical experience in particular, is striking. In many cases the Dutch student is better employable, because careers guidance, work placements and practical final assignments (often including implementation plans for internal change processes) form a fixture in the Dutch higher professional education curricula. The contacts and relations between FH and the business world, for instance through professional advisory committees, is underdeveloped in Germany. This is the case in particular for SMEs’ involvement in FH-courses.

Outsourcing

One of the striking elements from the research is that German companies outsource less than their Dutch colleagues. A possible explanation is a psychological one: the German entrepreneur prefers to remain in control in order to be able to continue to deliver reliable and qualitative products. The German system of exhibitions and fairs, where entrepreneurs themselves present their own products and have the customers come to them (see further).

Exhibitions as a world market place

Compared to the Netherlands, exhibitions are greatly valued in Germany – in a sense this is linked to the previous point. As long as we do not operate as much externally, we will have to bring in the external world. German exhibitions and fairs are such small-scale world market places, where the home turf is used to display the goods. Recent research of

the IfM in Bonn (April 2007) remarkably shows that many SMEs are relatively reluctant to move: 'moving the business seat is generally speaking no option for SMEs. Small and medium-sized companies rather distinguish themselves through their extreme loyalty to their places of business' (Haunschild et al. 2007: 4).

Strategic thinking and leadership

The importance of strategic (or long-term) thinking is another interesting aspect. What part does this play in their education and how do students come into contact with it: in Germany the emphasis is so much more on the operational side of leadership or management of for instance production, sales or buying, whereas in the Netherlands, more in line with Anglo-Saxon thought about leadership and management, the strategic side (cultural, structural and strategic aspects) predominates. In Haijtema's booklet (2005) with interviews with great thinkers in the area of leadership and management for instance, contains only names and portrayals of Anglo-Saxon (British and American) gurus or, if they originate from other countries, graduates from universities such as Harvard University. The German type of management or leadership, including the different company cultures, may have (but does necessarily have) certain consequences for the internationalization process. Consider the failed merger of BMW and Rover for instance.

The learning organization

In the Netherlands the emphasis is more in the importance of competences acquired earlier or elsewhere, whereas in Germany it is on *lebenslangem Lernen* (perpetual learning). This in fact explains the difference between on the one hand the specifically trained employee who follows various follow-up courses to acquire or catch up the knowledge and skills appropriate for his position and to exercise his duties at an up-to-date level (Germany), and on the other hand the employee who, based on his competences, applies for a position in which he or she can further develop (the Netherlands). In the Netherlands it is more a matter of the individual employee choosing a job and working environment. Employers too can select potential employees on the basis of their competences acquired elsewhere or at an earlier stage; expert knowledge, with the exception of technical professions, is often made subordinate to skills (communicative competences).

The need for internationalization

Finally, there is 'abroad' as a market for German and Dutch companies respectively. Although both economies are active internationally, the need for internationalization is primarily essential for Dutch SMEs. Cross-border competences and all it entails, will sooner be part of the Dutch SME-employee's profile than of the German's. The question is, and this should lead to a profound comparative study between Dutch higher professional educational studies and German *Fachhochschulstudiengänge*, in which specific parts of the curricula in both countries attention is paid to internationalization: language, intercul-

tural knowledge and skills, intercultural awareness and sensitivities, personal qualities or profession-specific matters such as marketing concepts or finance.

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