

Developing Networking Skills in International Market Selection Projects: An Institutional Theory Approach

Dawn L. Keig and Todd Friends

Whitworth University, USA

Abstract. Networking is becoming increasingly important for success in business and can be even more challenging in global business environments. While networking skills might be emphasized through extracurricular activities, they are rarely taught as specific content in business programs. International business curricula commonly include one or more courses that require students to complete international market selection (IMS) projects, and we suggest that these projects present an ideal context for building and extending student networking skills as they move through the research into selecting target markets. Based on an institutional theoretic lens, this paper examines how both formal and informal networking sources and skills can be emphasized in teaching IMS projects to enhance student outcomes. Using a qualitative research method and case example of the implementation of such an approach we provide practical support for faculty members interested in expanding the long-term value and skill development associated with IMS projects in a way that benefits students preparation for global business.

Keywords: networking skills, institutional theory, formal institutions, informal institutions, international market selection projects.

1. Introduction

It is sometimes observed that “the soft stuff is the hard stuff.” Networking has been identified as one of the most important soft skills for long-term success in business (Porter & Woo 2015). Through effective networking, individuals can increase their social capital by increasing the size, strength, and resources available within formal and informal relationships they have cultivated (de Janasz & Forret 2008). Networks lead to opportunities, access to domain expertise, and identification of innovative concepts (Casciaro, Gino, & Kouchaki 2016).

While the importance of networking has been highlighted in the general business literature, limited research attention is given to specifically *how* to develop students’ networking skills, and much of that research has focused on social media. For example, tools such as LinkedIn have been highlighted as helping to develop a student’s concept of relationship building, collaboration,

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building professional networks and self-branding early in their career development (Cooper & Naatus 2014). And while social media has been recognized as an avenue to increase student engagement and collaboration (Grover & Stewart 2010) and improved academic performance (Kulidtod & Pasagui 2017), effective networking spans far beyond just social media competence. The power of learning to network comes when people share helpful facts, dialogue, knowledge, awareness, purpose and mutual understanding (Caseiro & Coelho 2019).

Networking skills may be even more salient in international business contexts where cross-cultural and institutional differences make developing relationships and doing business more challenging (Kostova 1999, Xu & Shenkar 2002). Unfortunately, beyond reinforcing the importance of study abroad experiences (Akdeniz, Zhang, & Cavusgil 2019, Schworm *et al.* 2017, Wu & Martin 2018), prior research has not offered much specific advice regarding how to develop students' networking skills, knowledge, and confidence in international business coursework.

In this paper we propose a method which can help close this gap via a new approach to a common international business course assignment, the international market selection (IMS) project. IMS projects are employed in a variety of international business, management, and marketing courses to simulate the international management decision-making process of determining which country a firm should expand into once the decision to internationalize has been made (Brouthers & Nakos 2005). These projects typically involve assessment of a variety of potential target markets and identification of a set of recommendations for market entry action. A variety of structured models are often used to support these activities, such as X-Culture, GMMSO, and Global Business Game (Babiska & Witzczak 2016). We suggest these projects provide an ideal opportunity to address the challenge of getting students to incorporate networking within their college coursework (Gerard 2012).

We develop a pedagogical framework for IMS projects anchored on North's institutional theory (1990) which recognizes the importance of both formal and informal institutional elements in our operating environments (Peng, Wang, & Jiang 2008). Formal institutions are clearly codified rules, whereas informal institutions are less tangible, often cultural or generally observed elements of society. Both formal and informal institutions influence our understanding of what constitutes acceptable behavior in a given context (North 1990). Inspired by this institutional perspective, we propose a four-quadrant pedagogical framework which recognizes the relevance of incorporating both formal and informal information sources as well as formal and informal skills in IMS projects.

It has been found that strategic decisions in multinational enterprises often miss or undervalue the *informal* institutional elements, because the intangible nature of informal institutions make them more difficult to identify and/or measure (Keig, Brouthers, & Marshall 2015). We suggest the same may be true

within IMS projects, where faculty may lean more toward emphasizing *formal* elements, focusing on codified, secondary data sources and traditional information retrieval skills and may under-emphasize the *informal* networking skills and sources. Faculty may not feel they have the personal knowledge to mentor students in the informal networking arena, and the topic gets little attention in the pedagogical literature (Porter & Woo 2015). Many professionals are plainly uncomfortable with networking (Casciaro *et al.* 2016).

Our four-quadrant pedagogical framework puts an *equal* emphasis on the utilization and development of both formal and informal elements during the IMS project experience, providing a theoretically-grounded framework that can enable faculty to provide developmental attention to both the formal and informal dimensions, resulting in a richer opportunity for students to experience international networking through education that introduces the value of business relationships in foreign markets (Hohenthal, Johanson, & Johanson 2015).

This paper proceeds as follows: First, we review the literature on networking in general business and international business education. We then introduce institutional theory and formal/informal institutions and our four-quadrant framework that examines formal research sources and information retrieval skills typically used in IMS projects and then expands into the networking potential of informal networking sources and skills. We examine each of the quadrants and discuss specific classroom techniques relevant to each and also provide a case study analysis of the four-quadrant approach in action as well as rubrics for assessing each of the four quadrants. We conclude by summarizing our overall recommendations, and in particular we highlight the contribution of the *informal* networking components as major opportunities of new value for international business educators.

2. Theory and Literature Review

2.1. Networking Skills in Business Education

Prior research has emphasized the importance of networking in general business (Porter & Woo 2015). This includes its relevance to marketing careers (Taylor 2003), entrepreneurship (Do Paço, Ferreira, Raposo, Rodrigues, & Dinis 2015, Sula & Elenurm 2017), effective mentorships (Whiting & de Janasz 2004), and general business success (De Klerk 2010, Friar & Eddleston 2007). Scholars have emphasized the particular role of networking for female business professionals (Chen, Doherty, & Vinnicombe 2012, Tonge 2008). In order to succeed in globalized business, networking is a prerequisite (Casciaro *et al.* 2016).

Additionally, the relevance of networking concepts in an international setting has also been explored. For example, using the lens of absorptive capacity,