

Chapter 12

The Economic Impact of Globalization and Internationalization on Minority Immigrant Graduates

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ABSTRACT

Globalization facilitates organizational expansion overseas and global workforce challenges. The key may be to understand which labor force characteristics increase economic efficiency. In turn, higher education institutions may need to incorporate industry's need for international interaction into strategic visions. Evidence-based research was conducted using Queens College, the City University of New York, as a case study to understand how internationalization of higher education enhanced economic success of minority immigrant graduates in the United States who were employed across industries. Primary sources included a survey of 524 alumni and group discussions with diverse undergraduates. The results discovered that the employment status and wage, of minority immigrant graduates, were positively impacted when they were exposed to globalized curriculums. This indicates that specific pre-labor market attributes increase economic success of this community and produce international scholars who transfer experiences into career skills that positively impact multinational businesses.

One day there will be no borders, no boundaries, no flags and no countries and the only passport will be the heart. ~ musician Carlos Santana

INTRODUCTION

The goal of a multinational business is to employ a well-qualified labor force to satisfy the needs of the company and maximize its profits. Therefore, one of the main tasks of all organizations is to hire

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a global workforce with specific training and experience that increase economic efficiency impact. In turn, higher education institutions may need to incorporate industries' need for international interaction into their institutional strategic visions. This study concentrates on the economic impact of a particular pre-labor market attribute (i.e. international experience) on a particular labor pool (i.e. minority immigrant graduates) using evidence-based research. The goal is to understand how higher education could enhance the economic success of minority immigrant students in the U.S. employed in a globalized business community. By identifying these pre-labor attributes of minority immigrant students, institutions could market their graduates as international scholars that transfer experiences into career skills that positively impact globalization.

According to Scheuerman (2018), globalization often refers to one or more of the following phenomena: the pursuit of classical liberal (or "free market") policies in the world economy ("economic liberalization"), the growing dominance of western (or even American) forms of political, economic, and cultural life ("westernization" or "Americanization"), a global political order built on liberal notions of international law (the "global liberal order"), the proliferation of new information technologies (the "Internet Revolution"), as well as the notion that humanity stands at the threshold of realizing one single unified community in which major sources of social conflict have vanished ("global integration"). However, globalization also delivers challenges to these traditional phenomena. For instance, the world systems theory posits that globalization widens the gap between liberal states and Third World countries and intensifies the social structure of global inequality (Wallerstein, 2004). Since globalization integrates economies and societies as well as maximizes state interests, much research has been conducted on its consequences (Fischer, 2003, Krugman, 2017 and Scheuerman, 2018). William Dudley (2017), President and CEO of the Federal Reserve Bank of New York, remarked at the Bombay Stock Exchange in Mumbai, India, that, "changes in trade can create challenges for industries that become less competitive... The answer to those challenges is not greater protectionism. Instead, we need to provide greater support to displaced workers so they can obtain the skills needed to find new well-paying jobs. We need to do better in preparing workers to deal with the challenges of globalization and technological change." This suggests that when multinational firms train employees with necessary skills or hire well-prepared workers that are culturally fluent in order to mitigate adverse effects of globalization, the economic success of the workforce and the economic efficiency of the firm could both increase. Additionally, as Krugman (2017) implies, in the past, globalization analyses focused on how growth of trade positively affected incomes of broad labor classes but failed to assist the social needs of citizens. Krugman suggests that focus should be placed on workers in particular labor markets to generate better wealth for its citizens. A study conducted by Fisman et al. (2017) claimed that cultural proximity (shared codes, beliefs, ethnicity) between lenders and borrowers increased a firm's credit and default decreased its default rate. By building on this finding, higher education institutions could educate students on the importance of intercultural competence on economic globalization.

As the number of firms conducting business throughout the world rise, the impact of international education on human capital gains importance. Pozo (2014) stated that salient returns of human capital could be obtained, by strengthening college study-abroad programs and international education. For higher education institutions to build on this phenomenon that labor markets reward international education, universities need to understand the effects of internationalization. According to the National Association of Foreign Student Advisers, internationalization is defined as "the conscious effort to integrate and infuse international, intercultural, and global dimensions into the ethos and outcomes of postsecondary education" (Hudzik, 2015: 1). While research has been done to show the positive benefits of internation-

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