

Internationalizing Business Education

Meeting the Challenge

Edited by S. Tamer Cavusgil

Michigan State University
East Lansing
1993

Copyright © 1993 S. Tamer Cavusgil

All Michigan State University Press books are produced on paper which meets the requirements of American National Standard on Information Sciences—Permanence of paper for printed materials ANSI Z23.48-1984.

Michigan State University Press
East Lansing, Michigan 48823-5202

Printed in the United States of America

01 00 99 98 97 96 95 94 93 1 2 3 4 5 6 7 8 9 10

Library of Congress Cataloging in Publication Data

ISBN 0-87013-332-2

Internationalizing business education : meeting the challenge /
edited by S. Tamer Cavusgil.

p. cm. — (International business series ; #1)

Includes bibliographical references and index.

ISBN 0-87013-332-2

1. Business education—United States—Curricula. 2. International education—United States—Case Studies. 3. Business schools—United States—Case Studies. 4. Business education—International cooperation. I. Cavusgil, S. Tamer II. Series: International business series (East Lansing, Mich.) ; #1.

HF1131.I584 1993

650'.071'073—dc20

93-27983

CIP

Linkages with Overseas Business Schools

ROBERT T. GREEN AND LINDA V. GERBER

INTRODUCTION

The establishment of linkages with overseas academic institutions is widely recognized as a mechanism that U.S. business schools can employ to aid their internationalization efforts. These linkages are types of strategic alliances that business schools can form in order to accomplish multiple objectives associated with internationalization, particularly the provision of overseas teaching opportunities for faculty and study opportunities for students. Business schools will find it difficult to build and staff international subsidiaries of the same size and quality as their U.S. "home offices." Linkages with foreign institutions can provide the synergies and other benefits frequently associated with international joint ventures in business. At the same time, many of the same problems, pitfalls, and cautions pertinent to strategic business alliances are equally relevant to the success of international educational linkages.

With internationalization a critical concern in most colleges of businesses today, many colleges and universities have rushed into establishing linkages with foreign schools. While many of these have proved successful, a far greater number have yielded disappointing results. Many linkages, forged with great expectations, lie dormant, surfacing only when mentioned in speeches by college administrators to document the university's international focus. Further, many of the successful linkages are limited in scope, either with regard to areas of cooperation or geographic emphasis.

The establishment of linkages figures prominently in the internationalization strategy being employed by the Center for International Business Education and Research at the University of Texas

at Austin (UT). The important role played by the formation of these alliances with foreign institutions has led to the development of considerable experience in this realm. The purpose of this chapter is to share this experience by presenting the factors that we have found to be critical in the development of successful linkages. We hope that others can benefit from our experience and perhaps avoid some of the mistakes and problems we have encountered along the way.

CRITICAL FACTORS

The ten "keys to success" presented below are not intended to be comprehensive. Many of the critical factors noted are a result of lessons that have been learned the hard way, and we certainly will commit more mistakes that can be codified at a later date. With the exception of the first three, the "keys" are not presented in any particular order of importance. The first three critical factors are crucial to the internationalization process in general, but the others pertain primarily to the formation of these strategic alliances between business schools.

DEAN'S SUPPORT

If you do not enjoy the strong support of your dean, you probably should not even start the process of linkage development. Support of the dean is one of those factors that is fundamental to all aspects of business school internationalization. The necessity of this support is strongly advocated during the initial development of linkages. Two of the main ways the dean's support will contribute to the formation of linkages are in the areas of mitigating faculty resistance and overcoming administrative hurdles.

There will be members of the faculty who strongly resist the formation of linkages with overseas institutions. These faculty are often respected and well-intentioned individuals who simply do not believe that establishing linkages is in the best interests of the school. Such opposition is frequently the result of the incipient ethnocentrism found in all faculty, with regard to many areas of activity. In the case of linkages with overseas business schools, this ethnocentrism takes the form of believing that, for instance, students cannot receive a better business education than that found in the United States. This belief, in turn, leads to the conclusion that students should therefore not study business abroad.

Strong support from the dean is essential to avoid the obstacles that such an attitude can place in the way of linkage development.

The dean's support is equally invaluable in helping to negotiate the bureaucratic maze that frequently hinders the development of linkages. Bureaucratic barriers exist at all universities, but they probably represent a greater obstacle in public and very large institutions. Public institutions are frequently governed at least partly by state agencies that apparently enjoy the promulgation and enforcement of "the rules"; usually there exists a labyrinth of policies and procedures that represents steep hurdles to any type of change. Large institutions tend to have correspondingly large bureaucracies, and these bureaucracies thrive on rules. Still, all universities possess some labyrinth of procedures, regardless of size or source of funding. The establishment of linkages will almost always involve the bending and breaking of institutional rules. Without the strong support of the dean, it becomes virtually impossible to initiate these rulebreaking activities.

While the dean's support is invaluable, a word of caution is in order. Often deans who are supportive of international efforts are unaware of the problems such linkages can present. While it may not be advisable to discourage support with excessive warnings, some education of a dean regarding possible difficulties is advisable. Clearly, probable costs associated with maintaining and establishing linkages should be understood by the dean. It is also critical to develop, with the dean, a blueprint of the priorities and strategy for overseas linkages in order to avoid initial associations that may not be in the longrun interest of the college and to encourage attention to those which are most desirable.

At the University of Texas, there is a high demand for MBA elective courses. Yet, we reserve a few seats in selected elective courses for exchange students who will be studying at our campus. There is the potential for this policy to cause resentment among UT students, faculty, and administrators, on the grounds that "foreign" students are occupying class seats that exempt some of our own students from classes they demand. We took pains to inform the dean that this might be an issue, and made him clearly aware of the fact that an equal number of our own students were studying abroad, thus not using the class seats in UT courses. We have also found it useful to explain to the dean that both faculty and students who travel abroad on exchanges or for research may experience unusual problems and general culture shock that could lead to the dean receiving some surprising, and often alarming, feedback

from the parties involved. In these situations, it is critical to have open communication with the dean in order to provide the information necessary to correctly interpret these messages.

THE CHAMPION

It is not necessary to dwell too long on the necessity of one faculty member to play the role of champion for the establishment of the linkages. This is another general requirement for internationalization that is frequently discussed. There needs to be a faculty member of sufficient stature in the business school who will make the personal commitment to tackle the hurdles and to make the administrative arrangements. In colleges where international business is not central to the mission it, generally speaking would not be desirable for the champion to be an individual associated primarily with international business programs. While as noted, the dean's support is critical, in the long run a foundation of support for linkages and all internationalization activities must be built among the faculty. Support is easier established when the champion is an individual with a broad base of interaction throughout the school or college. It is also desirable for this individual to be a member of the faculty rather than someone who is exclusively an administrator. Administrators are prone to higher mobility than faculty member and, in the early stages, establishing linkages requires a continuity in personal associations and the development of institutional memory. Ideally, this would be a senior-level faculty member from a core area within the business school. The role of champion is certainly a demanding one, but it is frequently a thankless one—one should not expect any additions to pay raises—and those who undertake this role need to have commitment, drive, and a large tolerance for frustration.

THE PLAN

Do not enter into linkages without some sort of general strategy that includes the objectives to be achieved through the formation of linkages. A common mistake is an acceptance of affiliation with the first foreign schools to make an overture. These schools may turn out to have strengths that are unrelated to your objectives. As in any business activity, the best results are achieved when you enter into an activity with a plan that includes the strategic objectives to be accomplished. The existence of a plan also protects you from interested and/or enthusiastic faculty members who will

recommend specific linkages based on their personal interests or associations. In many cases, these affiliations will be of limited value to your college and university, but you do not want to alienate the faculty member from supporting the international program. A well-defined set of objectives will provide the rationale for avoiding undesirable affiliations without severely dampening the enthusiasm of critical internal supporters.

The first three critical factors are common to all aspects of the internationalization effort. The discussion here has been focused on how they apply to the formation of linkages. However, these factors are equally essential to the general achievement of internationalization on the part of a business school. The remaining factors are more specific to the formation of linkages, and they represent both strategic and tactical aspects of the linkage process.

TWOWAY BENEFITS

A strong linkage will develop with another school only if the benefits flow in both directions. This statement sounds so obvious that one wonders why it is included. Yet, it is violated so frequently that schools must give overt consideration to the benefits accruing to all partners in the linkage arrangement, before entering into an agreement. For example, the University of Texas had established a relationship with a university in Southeast Asia. The relationship developed chiefly because of a high-level administrator at the Asian university who had once been a member of the faculty at UT. Each year a few of the students from that university would study at UT as part of their graduate work. However, due to the language requirements and the nature of the curriculum at that school, no student from UT had ever studied at the Asian institution. Over time it became impossible to justify support of the exchange without any reciprocal benefits for the University of Texas. The relationship ultimately was terminated, but with great difficulty on both a personal and institutional level.

It is not at all uncommon to affiliate with a school just for the sake of affiliation, only to find that the partner school receives all the tangible benefits, whereas the only benefit your school receives is the somewhat dubious distinction of being affiliated. With the generally high reputation of American business schools, at least to foreign students aiming for greater career marketability, this can be a particular risk for colleges of business. Many foreign schools seek affiliation with U.S. business programs for primarily marketing reasons, with little interest in more substantive alignments. In general

this will not lead to any exchange of benefits, and may in extreme cases lead to an embarrassing situation for the schools involved. Regardless of the objectives of the affiliation, if the benefits are not reciprocal on some level, it is virtually certain that the linkage will not exist in the long run.

An important consideration in the evaluation of benefits to the institutions is to recognize that the benefits need not be the same for both institutions. Linkages may take many forms. These include such commonly employed forms as exchange of faculty and students to participate in standard academic coursework. In addition, schools may pursue linkages to provide opportunities for doctoral and postdoctoral research, internship programs, special courses for students to learn about business activities in specific geographic regions, expansion and enhancement of executive development programs, or even assistance in curriculum development and design. It is not necessary that the activities be the same on both sides of the partnership. The two schools may have different objectives they want to accomplish through the linkage. As long as the partner schools receive benefits that equally contribute to the achievement of each school's objectives, successful collaboration can occur. For instance, the U.S. institution may be seeking overseas teaching opportunities for its faculty, while the foreign institution wishes to provide U.S. business study opportunities for its students. If both institutions value the benefit they are receiving from such an arrangement, the linkage can work. This determination can be made, however, only if you understand the goals and objectives of your prospective partners.

EQUALITY IN RELATIONS

The partner institution must be considered an equal, and not a "country cousin." This is another seemingly obvious rule that is violated repeatedly. Educational systems vary widely across nations. There is a strong tendency in industrialized nations for educators to believe in the sanctity of their own systems. This phenomenon is, once again, reflective of a natural universal inclination toward ethnocentricity. To overcome the tendency, a school seeking linkages must be able to accept the differences between national education systems and be willing to develop a "fit" between their own system and the system of the partner. It is of utmost importance to avoid the tendency to view the partner's system as inferior. In fact, the partner's system is often inferior in some respects and superior in others. A successful linkage will combine the strengths of each partner's system for the benefit of both institutions.

In general, partner schools are not inferior, but rather, they are different. This fact makes it even more important for a school to closely screen prospective partner institutions. The screening should focus primarily on the mission, standards, and resources of the partner institution, rather than on the particular educational idiosyncrasies that characterize the nation in which the institution exists. A rough compatibility in schools' missions, standards, and resources is essential for most successful linkages. Do not be influenced by public relations materials. Any group with some money can put together an impressive brochure. A personal visit is usually required, or at the very least, recommendations should be solicited from third parties who are familiar with both your school and the prospective foreign partner.

It must be noted that sometimes schools will develop linkages with foreign institutions that are definitely inferior in terms of standards and resources. This situation frequently arises when a school from an industrialized nation establishes a linkage with a counterpart in a less developed nation. Even in these cases, however, the partner needs to be considered an equal, if there is a desire to develop a longterm relationship. In most cases, such linkages develop because the LDC institution wishes to upgrade, and the partner institution from the industrialized country derives such benefits as overseas teaching and research opportunities for its faculty. The treatment of the LDC institution as "second class" virtually ensures that once that institution achieves its objective, it will sever the relationship.

It is particularly useful to take a broad view of the benefits of linkages of this sort. When partner institutions are judged based on limited, overt, and often ethnocentric criteria related to educational quality, the tendency to treat the partner as inferior is more likely. It is important for all parties within the institution to consider a wider range of advantages including the implicit benefits from contact with foreign environments, particularly those most different from one's own, in order to maintain interaction based on the premise of equality.

CREATIVITY

The establishment of successful linkages requires creative approaches that address the differences between institutions. The need for large doses of creativity arises out of many of the factors mentioned above, especially the existence of rules that inhibit your ability to collaborate, and the different structures of national education systems. The creative circumvention of the rules requires the

complete knowledge and support of your dean, and at least the knowledge and acquiescence of higher administration officials. If either of these ingredients is missing, then you jeopardize the future of the linkage established. If they are present, then you are in a position to exercise your creative abilities—you can operate openly, and you are in a position to obtain feedback with regard to whether your creative solutions are breaking or bending the “wrong” rules.

For example, the University of Texas has established a joint-degree program with the Koblenz School of Corporate Management in Germany. Students who participate in this program must be admitted to both institutions. However, due to the differences in educational systems between the United States and Germany, at the time they apply to UT, the students from Koblenz have not completed university work that the UT admissions offices considers to be the equivalent of a U.S. undergraduate degree. This, of course, would exempt them from admission to UT’s MBA program. To deal with this situation, the UT admissions office has agreed to conditionally admit the German students but stipulate that they may not receive their MBA until they have completed their work at Koblenz and earned their Koblenz graduate degree.

The differences in educational systems will sometimes impose apparently insurmountable barriers to the establishment of linkages. One common problem is the difference in academic years between U.S. and foreign institutions. Others include the differences in instructional and evaluation approaches and curriculum philosophies. Another significant problem when faculty exchanges are desired, is the disproportionate salaries between U.S. faculty and those abroad, particularly those in less developed countries.

If a linkage is desired, however, ways can usually be found to overcome these barriers. For example, we encountered a school with an academic calendar totally incompatible with that of Texas, making a onesemester exchange of MBA students a problematic endeavor. However, class attendance at the overseas school is more flexible than at Texas—students take comprehensive examinations at a time of their choice. The situation permits their students to study for a semester at Texas, but what about the Texas students? We decided that the overseas school would arrange for a summer internship, combined with an independent study supervised by professors from the partner institution. This solution—while less than optimal for both sides—nonetheless permitted the establishment of an exchange. The exchange has been enthusiastically

received by students at both schools, and it appears to be encouraging the establishment of additional forms of cooperation between our schools.

Other universities with experience in dealing with these barriers have developed a range of creative solutions. Several universities, both in the United States and abroad, have begun to offer short-term courses and programs designed primarily for international exchange. Shorter programs allow both faculty and students participating in exchanges to coordinate disparate scheduling problems between universities' normal academic cycles. Coordinating executive development programs to coincide with faculty exchanges have helped bridge the gap in salary rates between universities. Various private and governmental grants are also available to deal with this problem.

INSTITUTIONS, NOT INDIVIDUALS

Linkages should be established between institutions, and not between individuals. Too often, linkages between schools rest upon personal relations between faculty members at the two schools. If a linkage is to have a chance of becoming a longterm relationship, it must rise above the personal level. Individuals come and go, but universities are more permanent. The method employed by the business school to establish linkages must be such that it will transcend personal relations between individuals.

For example, a U.S. state college had enjoyed a long association with a Caribbean university, which was based solely on a close friendship between the deans of the two college's business schools. The dean at the U.S. school personally had handled all of the exchanges and interactions between the institutions. When this dean was replaced, the new administration had no personal stake in continuing the relationship and no formal institutional ties had been established to allow the partnership to survive the dean's departure. The linkage was promptly severed.

There is a major caveat that needs to be expressed in conjunction with this critical factor: It is difficult to establish close institutional linkages unless there is a spirit of collegiality and trust between the people at each school who are closely involved in the process. All of the hurdles and differences noted above mean that collaboration will often involve considerable interaction and mutual understanding between the people charged with the establishment of the linkage. If these people do not like each other, or if one of the parties

proves unreliable in important aspects of linkage implementation, then the collaboration is unlikely to succeed. For a while, therefore, the linkage may depend very much on the ability of a couple of individuals on each side to work well together. This fact does not negate the rule of "institutional, not personal" linkages, however. The people involved need to appreciate the fact that their responsibility is to establish an institutional relationship that will endure even if they are not there. In doing this, it is useful for the individuals involved in initially establishing linkages to consider ways in which the activities of the linkage can be institutionalized. Systems must be established to facilitate the exchange. These systems should, as much as possible, be integrated into established programs and systems within each institution, and involve as many noninternational constituencies as possible. The long-run health of the linkage will be jeopardized to the extent that the individuals from either school engage in empire building, whether intentional or otherwise.

As an example, at the University of Texas, study abroad programs for the MBA students, along with other international linkages, were initiated through the International Programs/Center for International Business Education and Research (CIBER) unit within the College of Business. However, as the number of student exchange programs grew, it became clear that they could be best administered through the normal graduate administrative branch, the Graduate Student Services Office. As a result, all existing student exchanges are handled through this office, while the CIBER continues to develop new exchanges and initiate new international programs. Now the student exchange programs are firmly established as a core activity within the college. The international programs unit (CIBER) functions as an incubator for international activities to be fostered until they are sufficiently established to be effectively housed in other operating units of the college. The same approach was used in developing international internship programs which are now administered by the college's Career Services office.

INCREMENTALISM

Linkages between schools should develop on an incremental basis. It is usually a mistake to enter into a comprehensive initial collaborative agreement with school that involves several dimensions of academic collaboration (e.g., student exchanges, faculty exchanges, research agreements, executive programs, joint degree programs, etc.). Such comprehensive initial agreements should be

avoided; since the two institutions do not know each other very well, they don't know whether they are compatible with each other. Too often, schools will enter into such agreements and find out later that they are incompatible. Like Hollywood marriages, the signing of these agreements make wonderful press releases. However, without the appropriate courtship period, such agreements can waste the time and resources of the two schools. In other words, get to know each other slowly.

Texas generally begins a linkage with an agreement to exchange students. Student exchanges are our preferred way to begin collaborative relations with another school for two reasons. First, student exchange represents a lowrisk form of interaction: minimal resources are required, and with a little advance effort, it is almost certain that the students will benefit from the exchange. It is also relatively easy to sever a student exchange agreement if the schools prove to be incompatible. Second, student exchanges are continuous over time, whereas other types of collaboration are likely to be intermittent. If the partner school offers a reasonably good opportunity for overseas study, it will be relatively easy to find students each year who want to participate in the exchange. Thus, the flow will be constant, enabling regular interaction between the schools so that the "getting to know you" process can proceed in a natural, lowrisk manner. If, over time, the two schools wish to expand their relations, they can do so. If not, then at least benefits have been obtained on both sides.

Any general model will have deviations, even within a school. Our own pattern with some partner schools differs from that noted above. Institutional or environmental factors may make it inadvisable to send students in one direction or another. It helps to have a general model to use as a starting point, however. For example, in one of our recent linkages with Thammasat University in Bangkok, the partnership was initiated through an exchange of faculty for the purpose of developing a Bachelor of Business Administration program. However, we plan to incorporate student exchanges in the future. This caveat does not negate the principal of incrementalism, it merely reasserts the need to be creative and flexible in the development of linkages.

BE OPPORTUNISTIC

Linkage opportunities with the "right" schools may be available only at one point in time. You need to be vigilant in seeking possibilities for linkage, and prepared to act quickly when they present

themselves. If you do not move very fast, they are likely to disappear. Such immediate action is not necessary in all cases, but it happens frequently enough that those in charge of the establishment of collaboration must keep it in mind. The need to be opportunistic means that, on occasion, you will have to be in a position to commit your school to an agreement on very short notice—and this is where having the support and confidence of the dean is especially important. Without this support, you will not be able to take advantage of some good opportunities when they arise. The need to be opportunistic also underlies the necessity of having a plan for the development of relations with overseas institutions. If you know the types of institutions with which you are seeking collaboration and the objectives your institution wants to accomplish, you are in a better position to move quickly when opportunities present themselves.

At the University of Texas, we generally are very measured in our approach to developing new alliances, taking time to evaluate whether a potential opportunity for linkage is both practical, and consistent with our overall strategic approach to international associations. However, we recently established a new partnership during a one-hour, unscheduled meeting. A year previously, we had determined that it would be desirable to have a partnership with a specific university in a certain Scandinavian country. However, our lack of associations with anyone at that school had precluded the opportunity to establish a relationship. Recently, a high-ranking member of the target university's faculty was visiting an associate in another college at the University of Texas. A quick meeting was arranged, where it was agreed to exchange students during the next year on a trial basis. While seemingly hasty given our normal policy of careful evaluation, the rapid agreement was appropriate because the association had already been determined to be consistent with our strategic plan and we had sufficient prior knowledge of the partner institution.

CENTRALITY WITHIN THE INSTITUTION

The individual(s) and entity involved in linkage formation must occupy a central position within the institution. If the international linkages are formed and implemented by individuals and offices that exist on the periphery of the institution, then these linkages will remain peripheral to the institution's operations. The institution cannot relegate the task of linkage formation to an office that has little respect from those central to the school's mission. In

the case of business schools, those most central to the mission of the institution are the faculty. If the office and those who run it do not have the respect and support of the school's faculty, foreign linkages are likely to play a minor role in the school's future.

The "centrality rule" dictates that faculty be brought into the process throughout its development. Faculty will frequently need to be consulted about the appropriateness of prospective partners. Their feedback needs to be obtained on many issues relating to the linkages, such as the performance of students from linkage schools in their classes. It is especially helpful if faculty can benefit from the linkages, such as having an opportunity to teach overseas. In any event, those involved in linkage formation must be constantly aware of the need to be central to the organization, and that centrality can be obtained only with general faculty support.

FINAL THOUGHTS

The concept of forming linkages assumes a longrange perspective. The aim of such alignments is to develop integrated activities that closely link two institutions over time. While permitting obvious benefits, such linkages are not appropriate to all institutions or in all situations. For smaller colleges and universities, long-term relationships may not be practical. For example, to support continuing faculty exchanges, there must be a sufficiently large number of individuals with interest in exchanges with a specific partner to provide program continuity. It is not at all uncommon for universities to establish a partnership with a foreign institution for faculty exchanges, only to have the venture die of neglect once the available pool of interested faculty is exhausted. Such "economy of scale" problems are not limited to smaller institutions. Even large universities may be able to manage only a limited number of longterm alliances. In such situations, there are alternatives to a longrange relationship.

Schools may intentionally develop collaborative activities of a limited duration or for a specific purpose. Such an explicitly limited relationship is preferable to a neglected longterm linkage in that misunderstandings and ambiguities which could diminish the possibility for future cooperation are avoided. Another alternative is to join consortia. Many universities in different parts of the world have developed such consortia to provide the economies of scale necessary to support international programs. In addition, organizations exist that can serve as middlemen in arranging joint activities

between institutions in different parts of the world. Such programs can be a useful alternative or supplement to long-term linkages.

We hope that the explicit recognition of some of the rules that we have learned in putting together Texas' network of overseas affiliations will be helpful to others who are in the early stages of this process. A last piece of advice is just to note that involvement in this process is going to severely test your tolerance for ambiguity. The nature of this business is such that you will frequently find yourself in situations that are new, working with people you do not know and who represent systems with which you are unfamiliar, and seeking solutions to problems you have so far not encountered. The level of ambiguity inherent in such situations is tremendous. Yet, such is the case in much of international business, and a high tolerance for ambiguity is certainly necessary for success in this realm.