

# Global Partnership in the Higher Education

Xinxing Wu

Post graduate of doctoral program of Fujian Normal  
University  
Assistant to President of Fuzhou University of International  
Studies and Trade  
Fujian, P. R. China

Yuanling Chen

Department of Asia-Pacific Industrial and Business  
Management  
National University of Kaohsiung  
Kaohsiung, Taiwan

**Abstract**—For higher education institutions (HEIs) to gain global recognitions, possible approaches for HEIs to achieve success and sustainability are global partnerships and strategic alliances. In this study, we aim to verify the determinants of HEIs strategic alliance within a dynamic business context. In line with social network theory, we focus on the significance of individuals' social networks as a major key factor in social aspect. In addition, we have also identified three intermediate factors which links networking to alliance survival, performance, and partnership evolution. Further, we combine all key factors of strategic alliance formations, mechanisms, and dynamics with propositions. The exploratory examination of HEI's globalization with distinct processes addresses a contemporary trend. We hope to enrich the *strategic* alliance dynamics of HEIs not only in Taiwan, but for other countries as well.

**Keywords**—*globalization; partnership; higher education industry*

## I. INTRODUCTION

Taiwan's higher education system has been experiencing decentralization and marketization (Chang, Wu, Ching, Tang, & Xiao, 2011; Mok, 2000) due to a gradual decrease in numbers of students registered and the pressure to compete internationally. Together with rising concerns from the Ten Key Service Industries Action Plan, Taiwan's higher education export is one of major aspects that have been selected among the ten targeted service industries earmarked for special promotion by the Executive Yuan. Nevertheless, due to limited new resources, higher education in Taiwan has to meet the challenge of reconfiguring strategic thinking in an increasingly knowledge-based economy. Higher education in Taiwan has to be one part of a global academic community; as a result, some higher education institutions (HEIs) are turning to international partnership strategies such as strategic alliances. Through global partnerships and international strategic alliances, the development of Taiwan's HEIs is able to acquire, share, or exchange of the resources and information as well as to ensure the deliveries of values and services (Leidtka, 1996).

Indeed, every partnership and strategic alliance is a repetitive sequence of stages (Jiang, Li, & Gao, 2008) of formations, processes, and consequences in which we advocate cultures, trust, and organizational learning of the HEIs as well as the legal, economic, social aspects must be

aligned. Thus, we would like to propose a multilevel framework which aims to support HEIs in strategic alliance dynamics, from managing the context, mechanisms to building alliance performance in line with individual, firm, and industry levels. We also intend to demonstrate that proactively managing good global partnerships and international strategic alliance dynamics among HEIs can make a more powerful and efficient mode of competing in the global academic community. Such a multilevel dynamic model should offer a clearly specified conceptual framework that describes which context strategic alliances are laid, where the formations of strategic alliances come from, how strategic alliances are processed, and what consequences of strategic alliance are.

Therefore, this study seeks to explore the strategic alliances process of HEIs. Taking all this into account, we present the research question: How do social dimensions with a service firm's capabilities, resources impact alliance performance? From the formations, through mechanism, and to the consequences? This study aims to advance our understanding on the strategic alliances process of HEIs which offers several benefits to both researchers and practitioners as well as to contribute in enriching the practices of strategic alliances for HEIs as well as in shedding new light on the partnerships and strategic alliances in HEIs.

## II. GLOBALIZATION OF TAIWAN'S HIGHER EDUCATION

Firstly, we would like to give a brief development and current situation of higher education in Taiwan. Compared to most western educational systems, Taiwan's higher education system is relatively centralized and controlled by the Ministry of Education (MOE) with many rules and regulations posed to HEIs. The establishment and development of HEIs are highly regulated by the Law of University issued and governed by MOE. Within the last two decades, the MOE has been aggressively promoting education reform in response to the market demand of globalization as well as the accelerated competition among universities around the world (Chang, et al., 2011; Lo & Weng, 2005; Lu, 2004; MOE, 2006).

Currently, common strategies, such as allying international sister educational institutions, forming academic activities like international research teams, hosting international academic conferences, and making flexible

degree programs available (Chang, Wu, Ching, & Tang, 2009), are quite prevalent in Taiwan's HEI. These setups increase international recognitions and visibilities of Taiwan's higher educational institutions, promote reciprocal exchange opportunities, and provide an array of globalization and strategic alliances of educational services.

Based on the statements of Mok and Lee (2000: 362), globalization is "the processes that are not only confined to an ever growing interconnectedness and interdependency among different countries in the economic sphere but also to tighter interactions and interconnections in social, political, and cultural realms." We also interpret the globalization of Taiwan's higher education as a dynamics of the formations, processes, and consequences in which cultures, trust, and organizational learning of the HEIs must be aligned. Inevitably, higher education has to evolve with globalization trend, and respond to a set of social network changes.

### III. DEVELOPMENT OF RESEARCH FRAMEWORK AND PROPOSITIONS

In higher education industry, added value is created through the creation, accumulation, and exploitation of knowledge with intensified investments in human capital and professional skills. However, due to some distinctive service features, higher education industry would face some social aspects of services when allying its operations globally. Substantive cooperation has to be established. Therefore, Taiwan's HEI has to redirect toward a more market-oriented world trend by analyzing the efficiency of having embark global partnership and strategic alliance with social forces in order to be recognized within an ever changing environment.

#### A. Social Aspect

Institutional theory stresses social norms for firms. Without bureaucratic control systems, norms can motivate individual efforts and regulate behaviors (Selznick, 1957). Besides the legal aspect, it is also a detrimental for HEIs to acquire 'social networking' in host countries (Cui & Jiang, 2010) in order to legitimize normality as well as to counter foreignness. To understand networks in inter-HEIs, it is critical to identify the presence of relationship quality between people (indirect relationships), and actual connectedness and affiliation between people (direct relationships) (Yang, Ho, & Chang, 2012).

Granovetter (1973) explained that network ties govern a long lasting reciprocal relationship on the degree of 'embeddedness or connectedness' (Gnyawali & Madhavan, 2001; Yang et al., 2012). Though network ties can be expressed in terms of either strong ties or weak ties (Yang et al., 2012), managing a network differently can result from lodging in strong or weak ties. In context of HEIs globalization, strong ties may form binding relationships, close and stable networks, which offer social cohesion with greater value found. However, weak ties may connect different HEIs within particular HEIs (Sequeira & Rasheed, 2006) in spite of meager interactions and low quality relationships (Granovetter, 1973). Therefore, both strong and weak ties weave together and build up a dense network (Granovetter, 1973).

Possibly, weak ties can bring in new assets or resources (Wu & Choi, 2004) which HEIs most likely employ their development. If linking appropriately, weak ties are more likely to speed up growth, look up opportunities, wind up markets, and pile up wealth (Peng & Zhou, 2005; Yang et al., 2012). Nevertheless both strong and weak ties can be a highly beneficial resource (Yang et al., 2012) when HEIs are ready to ally. Strong ties bring in closeness and binding of allied relationships which are embedded and manifested in social capital. In higher education industry, social capital can be established with strong ties, frequent exchange in continuous and reciprocal interactions (Hutchings & Weir, 2006; Michailova & Worm, 2003; Yang et al., 2012), with allied partners. Hence, for higher education industry, we premise:

*Proposition 1:* Acquiring a high degree of connectedness will motivate HEIs to develop the partnerships and strategic alliances with local HEIs.

#### B. Social Prescriptions: Formations, Mechanisms, and Consequences

How do HEIs' alliance partners overcome fundamental differences in values, structure, and mission to co-create the commitment and capacity to learn in order to execute alliances effectively? In an effort to partially address this gap, we look at the direct effect of connectedness and intermediating effects of trust, cultural proximity, and organizational learning in the dynamics of HEI global partnership and international strategic alliances. Altogether, we have identified social aspect of alliance creation in three stages: formation, mechanism, and consequence.

#### C. Connectedness as the Formation

According to Hitt, Bierman, Uhlenbruck, and Shimizu (2006), a social dimension refers to "the joint benefits embedded in a relationship between two or more parties that is highly important to those parties (Dyer & Singh, 1998)". Knowledge sharing and mutual understanding of allied partners will lead to reciprocal exchanges, and affective commitments, and friendly associations, and all these factors are the social dimensions (Granovetter, 2005; Hitt et al., 2006; Zucker & Darby, 2005). Drawing upon a network perspective, alliances are formed to link, facilitate and improve the value of network relationships (Chen, 2003). Since foreign market expansion is a risky investment, the pursuit of strategic alliances strengthens a mutual devotion to partnerships which guide allied partners in committing that the relationships are worth preserving, sustaining, or nourishing. The more positive values allied partners put into these relationships, the more they will commit to them (Chen, 2003).

#### D. Cultural Proximity as the Mechanism

Cultural proximity allows the parties to have common expectations and customs (Liu, Feils, & Scholnick, 2011) in helping create a deeper sense of understanding. Therefore, cultural proximity provides new opportunities which enable HEIs to stabilize various resource exchanges, accomplish foreign business operations, gain more local market recognitions, and attain faster market access (Xia, 2011).

Cultural proximity will help HEIs to obtain legitimacy with lesser discriminative treatment by the host country government (Cui & Jiang, 2010; Meyer, 2001; Meyer, Estrin, Bhaumik, & Peng, 2009; Yiu & Makino, 2002). Cultural proximity not only can reduce conflict and misunderstanding, leading to higher performance (Ren, Gray, & Kim, 2009) and alliance survival. Hence, for higher education industry, we premise:

*Proposition 2:* Cultural proximity will mediate the relationship between networking/connectedness and alliance survival.

E. Trust as the Mechanism

A contract alone is not sufficient to guide partnerships or strategic alliances among parties. Trust goes beyond contracts in a way that it promotes continuity and flexibility if any change and conflict exist (Poppo & Zenger, 2002). In line with a social view of trust (Luo, 2002), trust maintains an allied relationship (Blau, 1964; Cook & Emerson, 1978). In terms of cost-benefit analysis, market vulnerability and operational activities within HEIs can be institutionally undergirded and reduced social trust (Granovetter, 1985; Luo, 2002; Powell, 1990). Moreover, trust transforms cooperative inwards into collaborative outwards within an alliance (Luo, 2002). Therefore, the below proposition suggests:

*Proposition 3:* Trust will mediate the relationship between networking/connectedness and alliance performance.

F. Organizational Learning as the Mechanism

Organizational learning perspectives provide significant insights and the dynamics between allied partners (Luo & Deng, 2009) in terms of cooperation and competition. Several factors contribute to the success of organizational learning among allied partners, including entity characteristics, inter-entity attributes, organizational structure, operational process, nature of knowledge, and alliance characteristics (Shi, Sun, & Prescott, 2012). Alliance in organizational learning can also be viewed in a way of co-evolution. In other words, the organizational learning strategy within an alliance coevolves with managerial attempts to match the alliance with HEIs’ strategic and competitive environment (Koza & Lewin, 1998; Shi et al., 2012). Based on this discussion, we posit:

*Proposition 4:* Organizational learning will mediate the relationship between networking/connectedness and configurations of alliance portfolio.

When a partner makes a commitment to the allied relationships, through culture proximity, mutual trust, organizational learning, partners will reciprocate gradually from the rewards to any investment in the allied relationship (Chen, 2003). Exploiting complementary resources in alliances (cf. Hoang & Rothaermel, 2005; Rothaermel & Deeds, 2006), learning new capabilities (Anand & Khanna, 2000; Dussauge, Garrette, & Mitchell, 2000; Hitt, Ireland, & Lee, 2000), and commitment are based on the mutual trust that underlines the relationship. In higher education context, connecting with stronger partners, tasks can be accomplished more effectively, reputations and legitimacy can be better improved, and social ties can be well leveraged (Parmigiani

& Rivera-Santos, 2011). Gradually, networking performance link will be enhanced through culture proximity, mutual trust, organizational learning.

As we elucidate our mechanisms, a HEI alliance framework also emerged. Not to be surprised, an overall scope of rationale has to be formed that the identification of potential valuable entity resources that cannot be obtained through the market or via merger or acquisition (Das & Teng, 2000). A crucial part of the formation and structural preference stage entails establishing a mechanism that enhances the transfer of resources between the partners. Based on the above discussion, a conceptual framework of international strategic alliance and partnership of higher education industries is presented in “Fig. 1”.

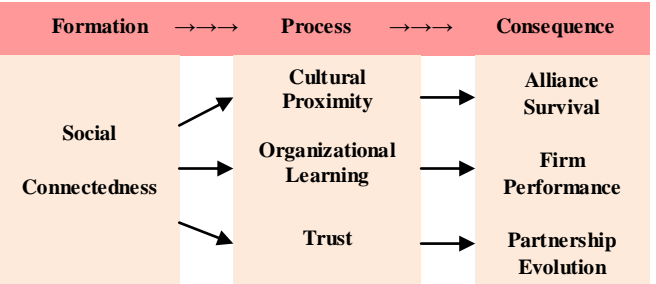


Fig. 1. Alliance Mechanisms and Dynamics for HEI

IV. CONCLUSION

In order to encourage Taiwan’s HEI into globalization, strategic alliance is definitely one of the important strategies for Taiwan’s higher educational institutions to grow and succeed. Through the in-depth qualitative studies, we attempt to come up with some constructive suggestions for government to develop the appropriate policy and incentives to promote Taiwan’s higher education industry to go globally. Additionally, it is hoped that we can provide insights and direction for HEIs to develop their alliance strategy and build the global competitive advantage as well.

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