

# The Internationalisation of Higher Education Institutions: a Conceptual Framing Essay

**Scalera Francesco<sup>1\*</sup>**  
*University of Bari (Italy)*

**Benchekroun Bouchra Aiboud<sup>2</sup>**  
*University of Sidi Mohamed Ben Abdelah Féz (Morocco)*

**Slaoui Aya<sup>3</sup>**  
*University of Sidi Mohamed Ben Abdelah Féz (Morocco)*

## Abstract

From the ingrained literature review we conducted, we find three main approaches that describe the firms internationalisation processes.

The first approach is economic, it analyzes the internationalisation of firms in general, the second is stepwise approach, which is adapted to the context of internationalisation of SMEs in particular, and third and the most recent is network approach, it explains the internationalisation process of firms by their development through network.

Although appearing successively, the three approaches do not replace, but approach the process of internationalisation from different angles of analysis (Gankema and al., 2000, Ruzzier and al., 2007).

The importance of transferring the knowledge economy internationally and the positive externalities of higher education on the socio-economic development of nations reinforce the social responsibility of universities, on the one hand, and scientific cooperations on the other hand.

Hence the importance of identifying the modes, strategies and success key factors of any internationalisation process of higher education institutions, particularly.

Through this communication, we will carry out an exploratory study, through the analysis of different approaches to the internationalisation of firms, on the one hand, and the OECD study on the internationalisation of higher education, on the other hand.

Our goal in this paper is to propose a conceptual framing integrating different approaches to internationalisation of firms, through the Knight model of internationalisation of higher education. Thus, our research scheme will be based on the synthetic model of the economic approach (Mucchielli, 1991), the model of early internationalisation (McDougall and Oviatt, 1994, 2000), and internationalisation related to innovation (Bilkey and Tesar, 1977; Cavusgil, 1980), the phased approach (Coviello and McAuley, 1999) and on the co-operations dealt with in the framework of the network approach (Johanson and Vahlne, 1990).

We have mobilized the Mucchielli synthetic model, our beginning points are the competitive advantages that university should have in order to, on the one hand, and in the other hand, the comparative advantages of target countries. The model of early internationalisation leads us to analyse the very definition of the university provided as universal in nature, and strongly related to the concept of universality (Altbach, 1998). The internationalisation model linked to innovation is particularly interesting in the context of our research, since technological and strategic intelligence competencies are key factors for international success.

Finally, we used Knight's model on the internationalisation of higher education, which is the only reference in terms of quality and process of internationalisation of higher education, since it provides strategic orientations, relevant to the particular case of the internationalisation of higher education (Knight, 1999). The latter model can be fed by the network approach, which gives considerable importance to the intra and inter organizational relationships of firms, as the cooperation and internationalisation strategies of hybrid higher education can be very effective for development universities internationally.

**Key words:** Internationalization; Higher Education; Knowledge Economy; Strategic Orientations.

## 1. INTRODUCTION

The transfer of the knowledge economy has become an imperative for international cultural development. Until 1990, scientific research began to raise the positive impacts of tertiary education on the socio-economic development of nations. In terms of productivity of human capital (Wolff and Gittleman, 1993), reduction of

<sup>1\*</sup> Corresponding Author. Aggregate Professor in Business Administration and Accounting - Department of Economics and Finance - University of Bari "Aldo Moro", Italy; Address: P. Amedeo Street 160 - 70122, Bari; mobile:+39 335-7817952.

<sup>2</sup> Professor in Marketing and Strategic Management - Department of Management Sciences University of Sidi Mohamed Ben Abdelah - Féz, Morocco;

<sup>3</sup> PhD - Department of Management Sciences University of Sidi Mohamed Ben Abdelah - Féz, Morocco;

unemployment, development of entrepreneurship, good economic governance, promotion of research and development (World Bank, 2003), and increases in wages and total productivity (Schultz, 2004). Until proving that the rates of return of secondary and tertiary education are higher than those of the primary one (Schultz, 2004).

The World Bank has published several reports on the positive externalities of higher education, particularly in developing countries, in order to focus on ways to accelerate catch-up in sub-Saharan Africa through tertiary education (World Bank, 2008).

The most recent studies on higher education impacts especially in sub-Saharan Africa have demonstrated the public and private benefits of tertiary education in terms of tax revenues, moderate population growth and health, its positive and statistically significant benefits, entrepreneurship, technology improvement and good governance (Bloom, Canning and Chan, 2006).

Our power plant research question articulates on the determinants, strategies and key success factors of the internationalisation of higher education institutions, and we deal with the special case of university cooperation between Morocco and its sub-Saharan partners.

The aim of this article is to attempt to propose a conceptual model of internationalisation adapted to higher education institutions, which integrates both of different approaches to firms internationalisation and Knight's model of higher education internationalisation, on the one hand, and draw the methodology planned to verify this model in the particular case of cooperation between Morocco and sub-Saharan Africa, on the other hand.

## **2. LITERATURE REVIEW: APPROACHES TO INTERNATIONALISATION OF FIRMS**

From the ingrained literature review we conducted, we find three main approaches that describe the firms internationalisation processes. The first approach is economic, it analyse the internationalisation of firms in general, the second is stepwise approach, wich is adapted to the context of internationalisation of SMEs in particular, and third and the most recent is network approach, it explains the internationalisation process of firms by their development through network. Although appearing successively, the three approaches do not replace, but approach the process of internationalisation from different angles of analysis (Gankema et al., 2000; Ruzzier and al., 2007).

### **2.1. The Economic Approach**

The pioneering work on international business development is economic science, and has focused on global processes of internationalisation of firms in general.

Among the first authors of this approach, Penrose (1959), which stipulated that the indivisibility of productive resources explains their under-exploitation, which encourages companies to internationalise.

Montgomery and Wernerfelt (1991), completed this analysis, noting that the resources are specific to the nature of the activity. Thus, the lack of financial, physical or technological resources, the lack of opportunities and the insufficiency of certain skills can hinder the international activity of SMEs (Madhok, 1997; Ruzzier and al., 2006) identify the three main theoretical contributions of the economic approaches.

#### **2.1.1. The Product Life Cycle Theory**

According to Vernon, companies internationalize when their products reach maturity and their markets are saturated, in order to capture new foreign market shares. Therefore, he highlights four macroeconomic behavior of firms that are: production, consumption, exchange and foreign investment (Vernon, 1966).

#### **2.1.2. The Theory Of Transaction Costs**

The theory of transaction costs considers the internationalization of firms as the result of a choice between internalization and outsourcing of activities.

When the internal transaction costs are lower than the external transaction costs, the firm chooses to internalise its transactions.

This theory is an extension of the theory of internalisation (Williamson, 1975).

According to which companies can develop internationally through vertical integration strategies.(Buckley and Casson, 1993, 1995). Bringing firms to develop internationally through direct investment abroad to the detriment of exporting, when it generates higher transaction costs.

#### **2.1.3. The Eclectic Paradigm (Oli)**

The eclectic paradigm is based on the theory of internalisation. Dunning (1988) distinguishes three types of benefits for explaining internationalisation: the company-specific Ownership Advantage and the accumulation of intangible assets (technological capabilities, experience, etc.); the advantage of localization according to the comparative advantages of host countries, the advantage of internalisation related to the ability of the company to manage and coordinate activities internally, in terms of production costs, transport and distribution. These

advantages give rise to three alternative ways of penetrating foreign markets: First, direct investment in case of the simultaneous existence of the three types of benefits. Secondly, exporting and establishing a proper sales network when the firm has both specific advantage and advantage in internalisation and finally, the sale of license if the firm has only a specific advantage.

#### **2.1.4. The Synthetic Paradigm Of Mucchielli**

The synthetic paradigm of the multinational firm is an extension of the OLI model that synthesizes the firm's internationalization advantages in two main ways: the competitive advantages of the multinational company, and the comparative advantages of its target countries (Mucchielli, 1991). According to Porter (1986), the firm's competitiveness is linked to its production costs and its products. This paradigm includes location advantages in the comparative advantages of countries, considering the comparative advantages of sizes and dynamics of domestic and foreign applications. Thus, the concordance or the discordance of the competitive and comparative advantages determines the strategic orientations of internationalisation of firms, in terms of direct foreign investment, of import, export, or national or foreign production. This approach is criticized for ignoring the role of social relations in international transactions (Gemser and al., 2004; Johanson and Mattson, 1988), the difficulty of analysing the internationalisation of SMEs, and the lack of social relations in transactions (Gemser and al., 2004; Johanson and Mattson 1988).

### **2.2. The Stepwise Approach**

This approach was based on the analysis of SMEs in particular the authors of the stepwise approach consider the internationalisation of firms as a process composed of several consecutive stages, called chains of establishment (Coviello and McAuley, 1999).

#### **2.2.1. The Uppsala Model**

The Uppsala model is based on two main concepts, namely the learning process and the psychological distance (Johanson and Vahlne, 1977).

By analysing internationalisation as a learning process, this model considers the experience acquired in foreign markets progressively as the key to international development (Johanson and Vahlne, 1977).

To the extent that the company improves its decision-making process and international presence, as it evolves in its learning process and incorporates knowledge of its market experience foreigners.

Internationalisation then becomes the result of a series of chronological decisions.

Based on the study conducted on Swedish companies, the model describes the internationalisation of firms as a sequential process composed of four stages that are: irregular and opportunistic export, export via an independent agent, the establishment of sales subsidiaries, and production in the foreign country.

The second main contribution of this model is related to psychological distance, which also has a significant impact on the process of internationalisation of firms. In the sense that when the international experience of firms increases, the psychological distance separating them from new foreign territories diminishes. This favors wider development foreign and a more complete exploitation of the opportunities offered by the different countries served.

#### **2.2.2. The Internationalisation Model Linked To Innovation**

The internationalisation model linked to innovation is also based on the concepts of the learning process and psychological distance.

The authors of this model conceive of internationalisation as a process whose stages can be comparable to those of the adoption of new products. (Gankema and al., 2000; Gemser and al., 2004).

Each stage of international development is considered an innovation for the company. Differences persist in the choice of stages, their number and the initiating mechanism of internationalisation (Bilkey and Tesar, 1977; Cavusgil, 1980; Gankema and al., 2000; Gemser and al., 2004; Reid, 1981).

Three stages of internationalisation of firms exist according to the model of innovation related to internationalisation, which are:

- pre-commitment concerning companies established only at the level of their national market, but having already previous experience in exporting, or being strongly interested in exporting to the future;
- the initial phase, in which companies are irregularly involved in exporting while having the potential to expand their foreign operations;
- and the advanced stage when companies regularly export and have considerable foreign experience; while considering other forms of international engagement (Leonidou and Katsikeas, 1996).

#### **2.2.3. The Model Of Early Internationalisation**

This model states that the internationalisation steps listed by the previous models are not necessarily respected. Some companies have been expanding internationally since their creation, others are

internationalising directly through subsidiaries (Etrillard, 2004; Julien and al., 1995; McDougall and Oviatt, 1994, 2000). Others can move faster in their process of internationalisation, for example, from direct export to the creation of subsidiaries (Wolff and Pett, 2000). Then, other companies can stop their internationalisation process before reaching the last stage (Gankema and al., 2000).

Several reasons can explain these modes of international development: notably the reduction of transport costs, the growing importance of information and communication technologies (McDougall and Oviatt, 1994), the international experience of managers (Fisher and Reubert, 1997), the capitalisation on certain skills (McDougall and Oviatt, 2000), the development of intangible resources related to network relations (Etemad, 2005) and the desire to seize opportunities.

Some authors have questioned this approach, stressing its inability to explain certain behaviors of firms internationalisation related to specific factors concerning the company and its environment (Gemser and al., 2004).

Some SME internationalisation behavior remains difficult to explain according to the stepwise approach, hence the emergence of the network approach (Coviello and McAuley 1999; Gemser and al., 2004).

### **2.3. The Network Approach**

This approach emerged from the work of the Uppsala School. Johanson and Vahlne (1990) developed their previous model (1977) taking into consideration the importance of the company's position in its intra and inter-organizational network.

The authors of this approach define internationalisation in terms of connections developed through commercial operations with other countries, via three stages of extension, penetration and integration (Johanson and Mattson, 1988). The extension is the first step in the integration of the network, which involves a new foreign investment for the company.

Penetration is the next step in which the company develops its position within the network and increases its commitment resources. Integration is an advanced step where the company is connected to several national networks in coordination. Johanson and Mattson (1988), for example, see internationalisation as a cumulative process in which relationships are established, developed, and continuously maintained in order to achieve business goals. For these authors, a company can be considered international from the moment the companies in its networks become international.

In their model, progressive learning and knowledge acquisition through interactions within networks are of great importance. Other authors (Assens and Abittan, 2010; Coviello and Munro, 1997; Gemser and al., 2004) also note that internationalisation can emerge from behaviors influenced by a multitude of social relations and network of contacts (Gemser and al., 2004), for example, distinguish between two possible forms of internationalisation: "riding alone" or in cooperation, emphasizing the importance of network in both forms.

This approach has brought new voices to explain the development of firms internationally, especially small businesses with limited financial resources (Aspelund and al., 2007; Rutashoby and Jaensson, 2004).

### **2.4. The Theory of Higher Education Internationalisation of Knight**

This theory has been developed as part of the Organisation of Economic Cooperation and Development's work on the internationalisation of higher education, and is the only reference in terms of quality and process of internationalisation of the higher education field.

According to Knight (1999), the internationalisation of higher education is determined by two main components that are home based internationalisation, through the mobility of students, teachers and academic programs; and internationalisation abroad, through foreign establishment of higher education institutions (Knight, 1999).

This theory is part of a process-based approach to internationalisation. It requires the higher education institution to consider the international dimension in the various stages of its international development. Key actors in any process of internationalisation of higher education are the state, the university and the private sector (Knight, 1999).

## **3. CONCEPTUAL FRAMING**

Through the literature review that we have carried out, our goal in this paper is to propose a conceptual framing integrating different approaches to internationalisation of firms, through the Knight model of internationalisation of higher education.

Our research scheme will be based on the synthetic model of the economic approach, the model of early internationalisation, and the model of internationalisation related to innovation, of stepwise approach, and the network approach, without forgetting the Knight' model of higher education internationalisation.

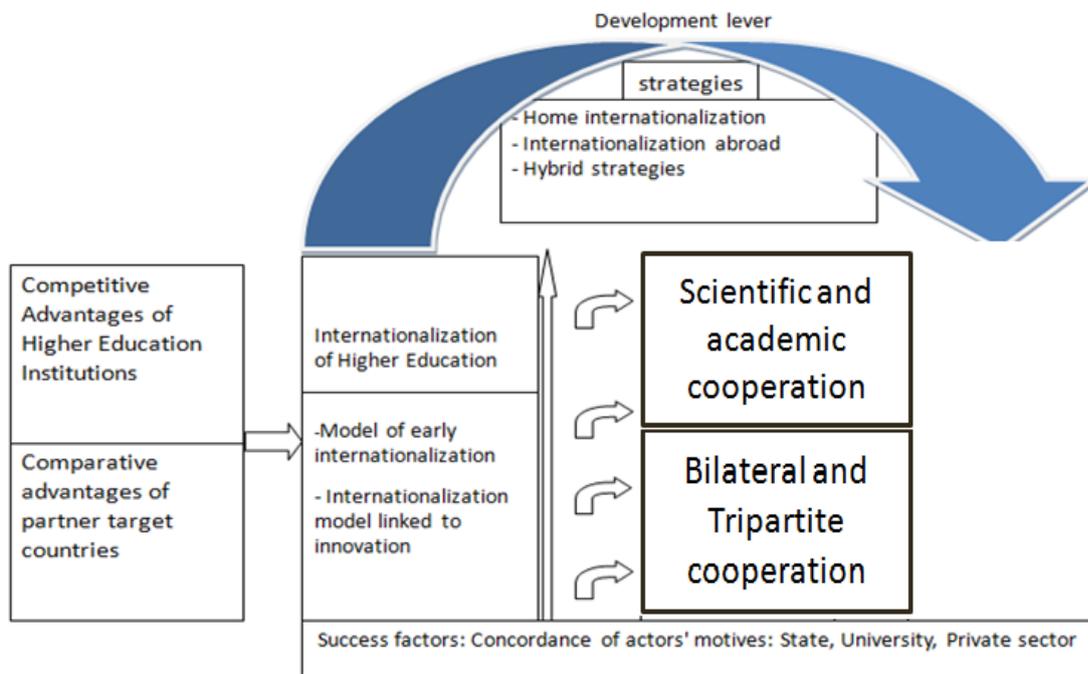
Mobilizing the Mucchielli synthetic model, our beginning points are the competitive advantages that the Moroccan University should have in order to internationalise in sub-Saharan Africa, on the one hand, and in the

other hand, the comparative advantages determining the target sub-Saharan African leaders in the field of internationalization of Moroccan higher education.

The model of early internationalisation leads us to analyse the definition of the university provided as universal in nature, and strongly related to the concept of universality (Altbach, 1998). The internationalisation model linked to innovation is particularly interesting in the context of our research, since technological and strategic intelligence competencies are key factors for international success.

Finally, we used Knight's model on the internationalisation of higher education, which is the only reference in terms of quality and process of internationalisation of higher education, since it provides strategic orientations, relevant to particular case of the internationalisation of higher education.

This model can be fed by the network approach, which gives more importance to the intra and inter organizational relationships of firms, as the cooperation and internationalisation strategies of hybrid higher education can be very effective for development universities internationally. Our search pattern can be as follows:



**Figure 1 - Conceptual Framework for Internationalisation of Higher Education**

Sources: Adapted from internationalisation approaches of firms (Cavusgil, 1980; Mucchielli, 1991; Knight, 1999)

#### 4. CONCLUSION

We can conclude that the internationalisation of firms is a complex process, which has been analysed through three approaches, namely the economic approach, the phased approach and the network approach. Through this communication we have been able to draw up a conceptual framing adapted to the internationalisation of higher education.

While integrating different approaches to internationalisation of firms, including the economic approach through the Mucchielli model of synthetic internationalisation; the stepwise approach via the model of early internationalisation, and that linked to innovation, then the network approach through different forms of cooperation.

Considering Knight's model of higher education internationalisation, through the local and foreign components of internationalisation.

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