Higher education for capacity development or revenue maximisation? Lessons from transnational higher education programs at two Indonesian universities

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HE has been changing rapidly due to globalisation that has increased the interconnectedness between nations and people throughout the world (Mok, 2012). As HE has manifested into different forms and governed by competing rationales in recent years, this paper focuses on transnational HE, which is an example of the interconnectedness of universities beyond the national borders.

Indonesia is also influenced by the above changes. It took part in free-trade agreements that include HE as a sector to be liberated and accessed by international providers (Nizam, 2006). Indonesian universities found themselves bracing for the global competition for students and simultaneously having to improve their quality in order to survive amidst the growing competition. This competition gave birth to joint transnational HE programs with overseas partners among many Indonesian universities (Macaranas, 2010).

Transnational programs' rationales

Transnational programs allow students to commence their studies at an Indonesian university, then continue and complete at an overseas university. Despite numerous transnational programs in Indonesia, research in knowledge transfer (KT) through these programs is limited. The literature indicates two main rationales for establishing transnational programs: capacity development (CD) and revenue maximisation (Vincent-Lancrin, 2007; Tadjudin, 2009).

Joint transnational programs are advocated as ideal means to develop Indonesian universities' capacities through KT from their developed-country partners (Vincent-Lancrin, 2007). By partnering, Indonesian universities can acquire knowledge about curriculum, management, and academic standards from their overseas partners to improve their quality (Huang, 2007).

Transnational programs also generate revenue as students pay higher fees than those in regular programs (Welch, 2011). The revenue maximisation rationale may dominate universities at the expense of quality (Dunworth, 2008). In turn, transnational programs are criticised as mere profit-making endeavour (Tadjudin, 2009).

This study investigates (1) rationales for opening transnational programs; (2) how Indonesian universities implemented the rationales; and (3) the resulting KT.

Data collection and analysis

Two Indonesian universities, identified only as Western University (WU) and Eastern University (EU), participated in this study. Ten university officers from each university who were involved in transnational programs were interviewed in 2011.

Thirteen out of the 20 participants were interviewed in Indonesian and the data were translated into English by a certified translator and then back-translated into Indonesian by another translator

(Liamputtong, 2010). The first author compared the results and found 94,67% similarity. The data were coded using NVivo 9 and salient themes were identified (Braun & Clarke, 2006).

Findings

Three main common rationales were identified in WU and EU. CD rationale was dominant in both universities. EU was interested in benchmarking its regular program curriculum with the partner university through mapping each other's curriculum during the negotiation to establish their joint Computer Science program. WU wanted academic and managerial CD.

Revenue maximisation rationale was not made explicit and prioritised similarly by both universities. Although WU emphasised CD, it acknowledged the importance of revenue for supporting transnational programs. The initiative to establish the programs was to recruit students who would otherwise directly study overseas. The Asian Financial Crisis in late 1990s created hardship for many such students. By studying for few years in home country, the cost for the overseas degrees was much less. In contrast, EU officers frequently stated that revenue was not prominent: "...this is not a project for financial benefits (Deputy Dean, translated)."

Another important rationale was improving the university's international profile (IP). EU saw the recognition that its curriculum was comparable with its overseas partner's as a means to gain IP and attract more high quality students. WU emphasised acquiring international accreditation, such as AACSB and ABET. By partnering with internationally-accredited universities, WU wanted to learn how to obtain international accreditation to improve its international ranking, attract international students, and open overseas branch campuses, thus strengthening its IP.

WU and EU translated the rationales into different actions. Regarding CD, EU studied the partners' curricula and subsequently used the knowledge to revise the curriculum of the regular Computer Science program. Besides mapping its curricula against the partners', WU partnered with a British university to establish a new Fashion Studies program. This was achieved by adapting the curriculum and putting quality assurance mechanisms from the partner. There were also opportunities for staff exchange between the partners.

Given revenue rationale was less prominent in EU, there was limited effort to market the transnational programs, resulting in small student number. EU's marketing campaign was centralised with less priority on transnational programs. The Computer Science transnational program at EU enrolled less than 10 students and it had to be cross-subsidised. Presumably, EU was not fully aware of the complex process and financial requirement of CD through transnational programs.

In contrast, WU had a dedicated marketing division promoting transnational programs. Its marketing campaigns allowed prospective students to directly meet its transnational partners' representatives to judge if they are receiving "value for money". WU's transnational programs were profitable, with 1,400 students overall. Given the large student number and joint activities, the administrative staff had more contact with their counterparts overseas. An Australian partner invited WU administrative officers to visit and study its international office operations.

To improve its IP, in selecting a new partner, WU took into account the partner's international accreditation. The purpose was to learn how to obtain the accreditation: "...we also need mentoring from them, their experience during the process of obtaining the accreditation (WU International

Coordinator, translated).” Such idea seemed foreign to EU, in which IP improvement was more confined to curriculum benchmarking.

In consequence of the aforementioned rationales and activities, KT that eventuated at WU was more extensive than that at EU. To develop capacity and increase revenue, WU acquired knowledge regarding academic and administrative matters. Focussing on CD and overlooking revenue, EU could not fully exploit KT potentials in the partnerships and acquired knowledge about a single aspect, namely curriculum.

Conclusion

Based on this study, prioritising CD rationale only did not translate into greater KT for one of the Indonesian universities. In this competitive global era, balancing revenue maximisation with CD and IP improvement is important to facilitate more extensive KT in transnational programs.

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