An analysis of EHEA Business School approaches to the development, configuration and management of international academic alliances

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Abstract

The purpose of this study is to investigate the motivations for international academic alliance development, the configuration of alliance networks and their sustained management in Business Schools within the European Higher Education Area (EHEA). A purposive sample of Higher Education Institutions (HEIs) engaged with international alliance activities was selected from seven Business Schools within the target markets of France, Germany and Scotland. In order to investigate issues inherent within international alliance development this sample provided access to academic and administrative elites competent to discuss their alliance portfolios, from a strategic perspective, through semi-structured interview conducted in their home institutions. A key feature of the research was that, in the interest of minimising the potential for superficial or pre-conceived conclusions to be drawn, interviews with participants from two respondent institutions were positioned outside the researcher's direct 'preferred partner' network. This insider-outsider perspective reduced potential bias through over-familiarity with solely networked institutional respondents when analysing the development, configuration and management of international academic alliances and alliance portfolios (APs).

The study identifies three key findings on the basis of the analysis of institutional alliance activity. Firstly, that HEIs, operating within an appropriate regulatory environment can utilise both exploitation and exploration alliance strategies simultaneously to extend their resource base. The two strategies can be mutually reinforcing, and are not contradictory in tertiary education. Secondly, the analysis indicates that the extent to which resource extension may be achieved is reflected in the alliance strategy employed as HEIs internationalise. The movement from exploitation to exploration alliance strategy signifies a fundamental change in strategic intent and direction of the Business School, so new internationalisation strategy definitions are proposed for tertiary education. Thirdly, alliance management capability has the potential to develop, within complex partnership scenarios, as an institutional core competence, providing the potential for sustainable competitive advantage. On the basis of this analysis tools are developed which can assist in the strategic decision-making process for further evolution of alliance networks within institutional internationalisation strategies. The resultant application of these strategic tools allows for Business Schools to determine the characteristics of appropriate alliance partners to fill the gaps identified within their alliance network or portfolio.

Acknowledgements

Chapter 1: Introduction

1.1 Chapter overview

The purpose of this research is to investigate and analyse the motivations for international academic alliance development, the configuration of alliance networks and/or portfolios and their sustained management within Business Schools in the European Higher Education Area (EHEA). In order to introduce the research this chapter will, initially, establish the purpose of the study, followed by its rationale in the context of EHEA Business Schools. Next, the aims and objectives are detailed, followed by the specific research themes and questions which are generated from the context and the extant theory base. The study is then located from both a contextual and conceptual perspective with consideration of the ethical perspectives involved in the research. Finally, the structure of the thesis is detailed by individual chapter.

1.2 Purpose of the study

The environments within which EHEA Business Schools, and their wider institutions, operate have undergone seminal change since the inception of the Bologna Declaration in 1999. There are two key issues driving the individual Higher Education Institution (HEI) to engage with alliance building. Firstly, in the 21st century global business environment the student, regardless of nationality or academic discipline, is driven to supplement a transcript of high academic achievement with documentary evidence of other attributes gained within their programme of study in order to increase their attractiveness to future employers (Altbach and Knight, 2007). These attributes may include international knowledge, attitudes and experiences which provide them with the skills to understand others' cultural perspectives and operate with an outlook based on cross-cultural diversity (Deardorff, Pysarchik, and Zee-Sun, 2009). HEIs are responding to this stimulus for international activity through the development, growth and configuration of alliances and alliance portfolios (APs) to meet the demand for enhanced attributes which is being led by both students and employers (Altbach and Knight, 2007).

Secondly, there is an increasing massification and marketisation of HE which increases rivalry in particular markets, and segments, meaning that those institutions which

internationalise to increase income streams across national and/or regional borders do so in highly competitive areas (de Wit, 2009; Mitchell and Nielsen, 2012). To attempt to counter this 'cut-throat' rivalry, a collaborative approach is employed, and it is used in competitive areas to enter new markets and to take advantage of localised market knowledge (Altbach and Knight, 2007).

Strategic theory suggests that collaborative strategies, irrespective of their stimulus, do not stand outwith the more expansive institutional/organisational strategy. A strategic fit is required which aligns the formation, implementation and management of alliances with broader institutional policy initiatives (Wassmer, 2010). This 'fit' may also be expressed as an institutional requirement to align its strategic intent with the resource committed to, or dependent on, any individual alliance, or a balanced resource base sought across the network or portfolio. HEIs, in common with other organisations, require a strategic approach to their alliance development, or they run the risk of simply accruing an amorphous mass of partners and relationships which do not serve a strategic purpose (Wassmer, 2010). These issues lead to the need for research into the alliance strategies pursued by EHEA Business Schools relating to their motivation for international academic alliance development and formation, their growth and configuration, and sustained and sustainable management by the focal institutions.

1.3   Rationale for the study

The rationale for the study lies in its relevance to all EHEA Business Schools which are following, or intend to follow, an alliance strategy or to build a network of collaborative alliances to extend their institutional resource base. An alliance strategy, within a broader over-arching corporate strategy, provides the potential for an organisation to manage risk and uncertainty within its competitive environment. This is achieved through gaining access to valuable partner resources which can overcome potential internal resource constraints, e.g. physical resource, or providing legitimacy in new markets. International academic alliance strategies can pursue multiple simultaneous alliances that can gain access to a range of valuable resources dependent on the desired outcomes (Gulati, 2007; Hoffmann, 2007; Lavie, 2006; Wassmer, 2010). There are, for instance, specific programmes such as Erasmus + which are focused on student experience, and mobility to enhance graduate attributes and which are bound by

external contracts whose outcome, in resource terms, may be simply defined as 'destination alliances'. There are other alliances which extend further in terms of resource (for example, financial *and* reputational) such as trans-national education (TNE) and/or branch campuses which are focused on income generation.

Irrespective of the foundation stimulus, it is a basic necessity to identify the strategic intent of the institution before building, or enhancing a network. An EHEA Business School may be sourcing alliance partners to improve their students' experience, and in response to industry demands for graduates with enhanced international attributes. This alliance sourcing can be facilitated through administrative networks like Erasmus + (which greatly boosts European universities' internationalism), and other bodies such as the European Association for International Education (EAIE). There is an important caveat, that simply building a critical mass, or desired number or volume of alliance partners is ineffective unless the collaborations align with institutional strategy. Alliance building is effective only in adding value through cost benefit analysis of the resource commitment to the relationship, versus those resources realised from it (Wassmer, 2010).

Where institutions are engaged in alternative international activity such as TNE, delivering programmes and courses across borders, branch campuses, franchise activity and/or expanding e-learning provision, alliance networks are also important (Mitchell and Nielsen, 2012). These alliances allow for the focal institution to utilise partner resources to provide indigenous market expertise, political, social, economic and cultural localised knowledge to facilitate localised adaptation (Altbach and Knight, 2007). The caveat still exists that alliance building is to be aligned with strategic intent, and institutional control is maintained over resources devoted to an alliance, or the institutional strategy and intended increased income streams can be compromised through strategic drift (Wassmer, 2010).

The findings from the research are applicable to wider EHEA Business Schools (and potentially other HEIs) because its analysis of motivation, configuration and management of international academic alliances is based within select European markets. The primary themes used in the research allow for the potential transferability of findings to other Business Schools, operating in similar macro-environmental

regulatory constraints. These themes also reflect the organisational process for the 'alliance lifecycle' irrespective of academic discipline.

The study follows the organisational process through motivation, configuration of alliances/APs to their sustained management. In the context of international academic alliances, these terms are defined as:

- Motivation: why HEIs enter into international strategic academic alliances, and the institutions with whom they chose to partner within their national macro-environmental and regulatory contexts.

- Configuration: the content of the international strategic alliance network, and its institutional arrangement – or, the 'size and shape' of the portfolio from i.e. the geographic, operational or strategic perspectives of the network.

- Management: the process, procedures and people involved in learning how to manage and sustain international academic alliances, and the potential development of alliance management capability within national contexts.

Motivation is examined through an analysis of how Business Schools develop their alliance activities in response to both external drivers and internal visions and strategies (Lowensberg, 2010; Nielsen and Gudergan, 2012). The configuration of alliance networks and/or portfolios within Business Schools is evaluated through particular examination of the exploitation/exploration alliance strategies. An exploitation strategy is based upon relatively short-term partnerships with fairly certain outcomes, while an exploration strategy follows longer-term collaborations with less certain outcomes (Lavie, 2006; 2007). These strategies can be seen, in polarisation, as two ends of a continuum. The Erasmus + programme can exemplify exploitation alliances within international academic partnership networks. Here partners, through use of externally bound contracts, with little resource commitment, provide destinations for mobile students allowing enhanced graduate attributes within a suitably aligned academic institution for seamless progression through a home programme of study. These contracts are administratively managed, and can be implemented and terminated with

relative ease. At the other end of the continuum, TNE partners (or, indeed branch campuses etc.) involve senior management of the institution in financial negotiation, academic leads in curriculum alignment (and its sustainable management) and broad operational integration. These alliances are long-term in commitment, and their termination could have considerable financial and reputational implications for both HEIs in host and home markets. Then, alliance management or capability, and its functions, are analysed in relation to the strategy employed by the HEIs (Sluyts, *et al.,* 2011). On the basis of this analysis, recommendations are made which, when applied, provide Business Schools (and potentially, other HEIs) with strategic decision-making tools which can facilitate the alignment of international alliance activity with institutional strategy.

1.4 Aim and objectives

In recognition of the over-arching purpose of the study, and its significance to EHEA Business Schools, the aim of this research is to conduct:

A critical evaluation of EHEA Business School approaches to the development, configuration and management of international academic alliances in response to differing regulatory contexts.

To achieve the aim of the study, the following objectives are identified:

1. Examine the current trends and issues in Business School international alliance formation within the regulatory environments of France, Germany and Scotland (UK).

2. Review and evaluate extant literature in the area of international strategic alliances and alliance portfolios from an extended Resource Based View (RBV).

3. Analyse the perspectives of EHEA Business School practitioners in formulating, implementing and managing international academic alliances within particular regulatory contexts.

4. Develop recommendations to EHEA institutions on the transferability of strategic decision-making tools to facilitate the development, configuration and management of international academic alliances.

1.5 Research themes and questions

Research themes are utilised within the study in order to achieve the objectives, above, for two primary reasons. Firstly, the organisational process of alliance/AP development is traced in a more holistic way through thematic research with research questions specified under the overarching themes. The research themes constitute different stages within, as above, the institutional 'alliance lifecycle' and these stages are readily identified by the respondents. Secondly, the holistic themes are not restrictive, and do not constrain the participants in their responses, providing more scope for any emergent issues to develop. The themes trace the organisational, or managerial, process of motivation for alliance formation, followed by configuration within a (growing) network structure, then sustained management within the perceived lifecycle. In tracing this process both academic and administrative perspectives are captured in a holistic manner.

The themes are developed from both the context (Chapter 2) which provide the regulatory and contemporary background for the study, and the review of extant literature (Chapter 3). The conceptual theories and frameworks on inter-organisational relationships, the motivation for alliance formation and configuration, and their sustained management with particular regard to exploitation and exploration alliances in national context serve to develop the following overarching research themes, with associated research questions, and specific topics for investigation:

- **Motivation:** What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?

  What is the significance of the number, range and scope of the alliances with which the institution engages? What is the institutional motivation for the formation and implementation of alliances in relation to competitive and strategic drivers? What activities are covered by network alliance activities? Do linkages exist between exploitation and exploration alliance strategies and collaborative activities?

- **Growth**: How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?

  Is growth strategic or opportunistic? What is the significance of the number, spread and intensity of relationships? What is the relationship between exploitation and exploration alliance strategies and strategic growth in partnerships?

- **Management:** What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy?

  How do HEIs develop an alliance management capability? How is redundancy managed within existing networks of alliances? Who is strategically responsible for alliance network balance and structure? Is there a linkage between exploitation and exploration alliance strategies and alliance management capability?

These themes, questions and topics trace the operational and managerial process in alliance development, implementation and management with mapping conducted from the broad initial themes to the interview questions and are presented in Appendix A.

1.6 Locating the study

The study is based within EHEA Business Schools within the target markets of France, Germany and Scotland (UK) utilising a purposive sample of academic and administrative elites. These elites are competent to discuss the strategic and policy decisions which are taken within HEIs in developing and managing alliances and networks. Fourteen interviews were conducted across seven Business Schools, with respondents on their own campuses – informed consent was sought before interview with each participant guaranteed personal and professional confidentiality, and the freedom to withdraw at any time in the 'approach' (Appendix B). Approval was sought from, and granted by (28/2/13), the Ethics Integrity Committee of The Business School.

This study is conducted within the researcher's pre-existing network of EHEA Business Schools where there are long-standing, and operationally complex relationships which have been established over a number of years. This is seen as an area for potential bias within the study, therefore two of the participant institutions were selected from the 'extended network' whereby the relationships are not so deep, personal and operationally intimate. This introduces an insider-outsider perspective where any pre-conceived assumptions, based on intimate operational knowledge of institutions' systems and processes, are challenged rather than simply confirmed (Hellawell, 2006).

From a conceptual perspective, the thematic research is conducted utilising, as the main prism for investigation, the extension of the resource base of the HEI through the exploitation and exploration strategies as contended by Lavie, (2006); Nielsen and Gudergan, (2012); Yamakawa, Yang and Lin, (2010). Motivation, configuration and management of alliances are examined through the prism of whether alliances may be short or long-term in nature, with certain or uncertain outcomes attached, and the extent to which resource is committed to, or dependent on the partnership. This is illustrated in Table 1.1, below where exploitation and exploration alliances are represented as a 'vertical' theme, while motivation, configuration and management are represented as 'horizontal' themes.
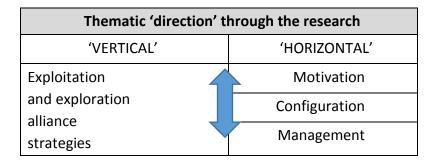
Table 1.1: Direction of key themes within the research

Thematic 'direction' through the research	
'VERTICAL'	'HORIZONTAL'
Exploitation and exploration alliance strategies	Motivation
	Configuration
	Management

The characteristics of the exploitation and exploration alliances are then used in formation of both the conceptual perspectives in the conclusions, and the decision-making tools which form the basis of the recommendations. The application of exploitation and exploration strategies to alliance activity within the sphere of tertiary education has allowed the development of the emergent theme of the more precise definition of internationalisation strategies within HEIs.

1.7 Thesis structure

The chapters of the thesis are structured as follows:

Chapter 2: Context. A broad overview of the macro-environmental contexts within which the EHEA Business Schools operate is provided initially, including a historic account of the Bologna Declaration and its evolution to EHEA and towards Europe 2020. This is followed by an outline of the structure of HE provision within the target markets of France, Germany, and Scotland (UK) with a brief description of their national/regional funding and governance policies. The key global trends impacting on select European HEIs are presented next with their attendant challenges and how institutions within individual markets are responding through competitive and collaborative measures.

Chapter 3: Literature Review. An evaluation of the extant theory base on strategic alliances. The chapter initially defines inter-organisational relationships, then moves to examine the motivation for, and management of alliances/APs. The alliance management capability is reviewed next with the conceptual base extended to examination of organisational internationalisation strategies. The exploitation vs exploration strategic model is seen as a theme which is inter-woven throughout the review. The chapter concludes with a review of the research themes, questions and topics which are developed from this evaluation.

Chapter 4: Methodology. This chapter provides an outline of the methodology and methods utilised within the study. An epistemological presentation of critical realism is followed by an axiological statement of the research values employed. The research strategy is then discussed from a conceptual perspective, with organisation based research, borrowing from case research, outlined as the data collection method, with a table presenting the institutional and individual participants. Included within the research design there is an outline of the thematic analysis employed. This is followed by consideration of the ethical aspects and approval of the research.

Chapter 5: Findings and analysis. The findings and analysis are presented from a thematic perspective. The analysis is structured by the key themes of:

1. The motivation for the range of alliances, and the scope of their activities within EHEA Business Schools.

2. How international academic alliances, and networks or portfolios, are grown.

3. The development of an alliance management capability.

The analysis utilises the prism of the exploitation and exploration alliance strategies which allows for the emergence of the requirement for a more precise definition of 'internationalisation strategies' within HEIs.

Chapter 6: Conclusions and recommendations. This chapter, initially, presents evidence of how the original research objectives are achieved in the study. Next, the research questions are provided with significant findings from the analysis which have generated the discussions which lead to contributions to knowledge and practice. The three contributions to knowledge are then presented with alignment to further study and/or contribution to practice. The recommendations to EHEA Business Schools, in the form of strategic decision-making tools developed from the analysis, are provided next, with their potential transferability to other Faculties or HEIs. Finally, considerations for future research are presented with reflections on this research study.

Chapter 2: Context

2.1 Introduction

This chapter provides a broad overview of the relevant macro and micro environments within which the study is located. Initially a brief history is presented of the EHEA with its development from the Bologna Declaration to the current vision towards 2020 and beyond. Global macro-environmental trends such as increased rates of participation and internationalisation, with national mobility trends, and the resultant policy changes which impact on European HE are examined next. Next, the structure of HE in the targeted countries within the study (France, Germany and Scotland (UK)) is identified with particular focus on both publicly funded and private, independent Business Schools. This is followed by a description of national funding and governance policies.

The broad context is then refined to determine the key institutional challenges emanating from the impacts of the trends and policy changes, with the HEIs' competitive and collaborative responses identified. Finally, conclusions are drawn which identify key macro-environmental issues that are impacting on tertiary education within EHEA.

2.2 EHEA: from Bologna to Vienna and forward to 2020

This section sets out the broad background to the formulation of the EHEA and provides prospective context for the new initiatives introduced which will drive European HE to 2020, and beyond.

The Bologna Declaration in 1999 launched the Bologna Process whose primary initiative, through a series of voluntary, co-operative reforms was the establishment of the European Higher Education Area by 2010. In tandem, the Lisbon Strategy, launched in 2000, supported, and was supported by the Bologna Declaration, in its aim to develop Europe into a competitive, dynamic, knowledge-based economy and society. The central aims of the Bologna Process, with 29 initial signatory countries, included agreements to work to strengthen the attractiveness and competitiveness of European HE. Further aims included, to encourage and increase student mobility and employability through systems and processes founded on undergraduate and postgraduate studies with

transparent and transferable frameworks and programmes. Quality assurance has also been fundamental to the reforms introduced from the start of the process to facilitate mobility between EHEA institutions with transparent credit accumulation and transfer mechanisms (EHEA, 2012; EUA, 2010; EUA, 2010a; UK HE IU, 2014). In the decade to 2010 the signatories to the Bologna Process who shared a commitment to the EHEA grew to 47 countries. All of these countries undertook to implement: lifelong learning policies; an easily readable three cycle degree system within a qualification framework based on learning outcomes; increased participation in mobility programmes; and, the promotion of a more holistic dimension in European [tertiary] education (EHEA, 2012; EUA, 2010; EUA, 2010a; UK HE IU, 2014).

In 2010 the mutually supporting Bologna Process and Lisbon Strategy were updated and upgraded. The Bologna Process evolved into the EHEA with its launch formally announced at the Vienna/Budapest convention. Although Vienna/Budapest was essentially celebratory in nature it reinforced the commitment from Leuven/Louvain in 2009 to focus attention within EHEA on the evolving primary initiatives of: lifelong learning and widening access to tertiary education; employability; data collection and analysis; increased participation in mobility programmes; and, international openness and transparency (EHEA, 2012; UK HE IU, 2014). The Lisbon Strategy continues to support the aims of the EHEA in its evolution to the Europe 2020 Strategy as its current overarching policy. It acts to develop the EU economy and society through smart, sustainable and inclusive growth. In particular, Europe 2020 links with EHEA and European HEIs through targeting that 75% of the population aged 20-64 will be employed, with at least 40% of the 30-34 year old population having completed tertiary (or equivalent) education, and 3% of the EU's GDP being invested in research (UK HE IU, 2014a).

As an extension of both the EHEA and Europe 2020 initiatives, a new agenda for the modernisation of Europe's HE system was published. It states the potential of EHEA institutions is underexploited, and aims to increase HE contribution to both the economy and wider society. This is to be achieved through HE being located at the centre of innovation and employability, increasing participation in mobility and improved links with industry. The EU modernisation agenda also demands that there is

appropriate funding of the HE system which will lead to an increase in participant student numbers and stronger teamwork between HEIs and business to foster relevant developments in tertiary education curricula (DAAD, 2014).

This broad contextual presentation suggests that the development of the EHEA, with supporting policy initiatives, act as key drivers for co-operation, collaboration and network building, in, and amongst, European HEIs. These initiatives will, further, act to increase the potential for enhanced research collaboration, wider engagement in mobility and a growth in student numbers as the initiatives develop to 2020, and in response to key drivers from the macro-environment.

2.3 Macro-environmental trends

The impact of a more globalised perspective on tertiary education is now analysed. This details growth in mobility amongst students, the effects of demographic trends and the increased competitive pressures brought by new entrants to the sector and the prevalence of courses taught and assessed entirely in English.

OECD, Education at a Glance (2012) contends that for the previous decade HEIs had been assailed by a wide range of complex pressures from the macro-environment. The principal driver for change, throughout that decade, being the importance of the globalised, knowledge-led economy. This leads to an ethos where HEIs must be at the heart of the local regional and national competitiveness agenda, working continuously to educate and develop new graduates, reskill (with an attendant upgrading of skills within) the existing workforce and also to drive both research and innovation in line with governmental policy. This set of pressures and drivers for change is combined with the ever prevalent trend for increased globalisation where functional, operational and strategic international integration increases in pace through technological innovation. There is, also, the potential for increased uptake of mobility opportunities to enhance graduate attractiveness to future employers acting as a driver for the individual student and the institution (OECD, 2012).

To reinforce the OECD findings (2012), UNESCO (2015) reports that in 2013 over 4.1 million students in tertiary education globally were enrolled abroad representing 1.8%

of all tertiary enrolments or 2 in 100 students globally, a rise from 2 million in 2000. This surge in internationally mobile students reflects the broader trend for global growth in HE, where enrolment increased by 78% between 2000 and 2010. This particularly impacts on the study countries, as detailed in Table 2.1 below, in their relative attractiveness to the mobile (exchange) students, with all of the study countries recognised as 'most popular' destinations (the UK is listed because Scotland is not disaggregated in the dataset).

Table 2.1: Destination countries for internationally mobile students

Top Destination Countries	
USA	19%
UK	10%
Australia	6%
France	6%
Germany	5%

Source: UNESCO (2015)

This apparent attractiveness to the internationally mobile student should be seen in light of the forecast change in demographics in Scotland, and the wider EU, in the 'generation' period from 2006-2027 where a significant decrease in the domestic HE age population is anticipated as shown in Table 2.2, below (ONS and GAD, 2007).

Table 2.2: National demographic trends

Demographic change 2006-27, 18-20 year old population		
UK +0.3%	Scotland -11%	EU -14%

Source: ONS and Government Actuary's Department (GAD), 2007

This change in the demographic will, ONS predicts, filter through to Scottish universities with the Scottish undergraduate population (which is core business and currently government funded) falling by 7.9%, and the postgraduate population, which generates non-exchequer income, reducing by 1.5% as demonstrated in Table 2.3.

Table 2.3: Scottish HEI enrolments

Changes in enrolments in Scottish HEIs 2006-2027			
	UG	PG	Total
2005/6	174,300	46,100	220,400
2026/7	160,500	45,400	205,900
%Change	-7.9%	-1.5%	-6.6%

Source: ONS and Government Actuary's Department (GAD), 2007

It is important to note that it is not only a reduction in the pool of potential students which drives change in the national markets. In both France and Germany the prevalence of programmes taught entirely in English continues apace. In June 2013 there were 494 taught Master's programmes available in English across French HE institutions, with 733 available across Germany (THE, 2013). Institutional initiatives in teaching business and management courses in the *lingua franca* of business will continue. This is reinforced by the specific examples of: the coalition government encouraging students to study and work in Germany (Mechan-Scmidt, 2014); and President Hollande planning to increase the number of Indian students in France by 50% in 5 years (Duttagupta, 2013), so global competitiveness for the mobile student, again, grows strategically at governmental level.

It is not only the demographic changes, and intra-EU competition and competitiveness which will impact upon publicly funded institutions, there is also the threat from new entrants to the HE sector. This is already prevalent in France and Germany with private, independent institutions achieving legitimacy in the market, as is demonstrated by their rapid growth and broad portfolio of validated programmes. Throughout the UK, BPP, as part of Apollo Global, became in 2007 the first private firm to be awarded degree awarding powers, and in 2008 Universities UK proffered a warning to HEIs of the threat from for-profit organisations (Shepherd, 2008). In July 2012 further warnings were being issued with regard to for-profit HEIs in the UK with the Universities Minister being accused of indecent haste by academics in approving the number of programmes available within private colleges (Richardson, 2012). The once protected HE sector, an ancient monopoly, is under threat from Apollo, Kaplan, and others. Well capitalised new

entrants are increasingly intensifying competition in the deregulated markets, offering 'value-for money' truncated programmes, utilising calendar, not academic years (Hoare, 2012) so adding an additional competitive element, timescale.

Global competitiveness is seen to be driven by the needs of the mobile students who have coherent, transparent information freely available, with little or no switching costs between institutions teaching programmes in English. Further, a diminishing demographic and well capitalised, 'business savvy' new entrants to the (recently) deregulated sector will further increase competitive pressures as they achieve increased acceptance and legitimacy.

2.4 The size and shape of the French, German and Scottish HE systems

This section will provide a broad background on the target countries within EHEA, followed by specific detail regarding the 'size and shape' of their HE systems. Fundamental to Bologna and EHEA is a system founded on two sequential cycles for undergraduate (Bachelor) and postgraduate (Master's) degree programmes with first cycle lasting a minimum of three years, and requiring a minimum of 180 ECTS. The Master's degree typically carries 90-120 ECTS, with a minimum of 60 credits at the level of the second cycle (UK HE IU, 2014b). The Bachelor degree, awarded at a minimum of 180 ECTS, continues to be recognised as a standalone qualification. The third cycle, doctoral studies, requires a minimum of three years of study and is not usually credit rated, nor is it necessarily sequential. The 'standard' structure for the EHEA three cycles is shown in Table 2.4, below.

Table 2.4: EHEA degree structure

'Standard' degree structure in EHEA	
3rd Cycle	Doctoral Degree: minimum 3 years
2nd Cycle	Master's Degree: 120 ECTS, 2 year duration
1st Cycle	Bachelor degree: 180 ECTS, minimum 3 years

Adapted from: Qrossroads (2014)

In 2013 the EU28 had approximately 4,000 institutions with 19,623,300 students enrolled. Table 2.5 shows the relative strength of the countries' HE systems within the study, with France, Germany and the UK reporting more than 2 million students each – the figures for Germany exclude doctoral enrolments. Across the EU28 34% of students were enrolled on programmes focusing on social sciences, business or law.

Table 2.5: HEI enrolments by country

Country	Total HE enrolments	Percentage of EU28
France	2,338,100	11.9%
Germany	2,780,000	14.1%
UK (of which Scotland)	2,385,000 (282,000)	12.1%(1.4%)

Adapted from: Eurostat (2013) and, Scottish Government (2013)

The HE sectors being explored within the study adhere to the Bologna framework, with some regional/national differences within the standard framework, facilitating the development of alliances/APs due to increased structural similarity and transparency. The critical mass of student enrolments within the target countries suggests that alliances will be required for instance to provide mobility opportunities in 1st and 2nd cycles. Where there are regional/national variations to the standard EHEA structures, these are set out within the country specific detail below.

2.4.1 Size and shape of the French HE system

The French HE environment is now presented, initially detailing the broad sector, then defining the particular niche within the sector being investigated in the study, and the factors impacting on the sector structure.

France currently has 83 publicly funded universities, offering degrees across a wide range of disciplines, which have a non-competitive entry system (except certain programmes such as medicine and law). All students successfully completing their Baccalaureate may exercise their universal right to state university education. The universities form the foundation for academic and industrial research within the country, but the French system is not confined to the public universities. The HE sector also contains a variety of private institutions which offer a range of curricula with a

commensurate range of fees. Public university fees are set nationally at €183 for Bachelor level study and €254 for Master's level study per annum, while within private institutions, for example, an École Supérieure de Commerce (ESC) or an École Supérieure de Gestion (ESG), fees can range from €3,000 to €10,000 per annum (Campus France, 2014; Ferlier, 2013). In line with the German system, it is the traditional, publicly funded universities which can offer all three cycles of Bologna compliant education, while ESC, ESG and similar institutions are restricted to conferring awards at Bachelor and Master's level. The recent trend has been to consolidate universities into research clusters, with the result that there is a rationalisation, generally geographic, whereby mergers have taken, and are taking, place. This is exemplified by the administratively unitary body of the University of Strasbourg which consolidated the three previous independent entities. This move is designed to provide the merged institutions with greater global exposure and reach, and to achieve critical mass to attract increased research funding (Campus France, 2014; Beretz, 2009).

It is the 230 Business Schools which are the focus of this study and there are two basic forms; those run by Chambers of Commerce and Industry (CCI) and private, independent institutions, although both are regulated by the Conférence des Grandes Ecoles (CGE). ESC and ESG programmes are confined to either solely first cycle awards (*licence*), or may allow progress onto second cycle awards such as the MBA, or specialised Master's programme (*mastère spécialisé*) in e.g. Finance or Logistics, dependent on the institution's national accreditation status. These institutions offer applied business and management courses with a strong reliance on compulsory internship and mobility periods within the programme (Campus France, 2014a). This focus on compulsory mobility increases the need for an extended resource base of destinations, available through appropriate partners. Entry to both private, independent and CCI programmes are based on competitive written exams and applications are welcomed from international students, although in contrast to the UK, there is no premium fee applied to non-indigenous (or otherwise eligible) students. CCI institutions are, similar to the publicly funded universities, subject to cost-saving pressures to consolidate, e.g. france Business School (fBS) which merged disparate campuses (Amiens, Brest, Clermont, Orléans, Poitiers, Tours and Vannes) under an unitary administrative body, albeit without the same geographic logic. The merging of these CCI institutions in order to

reduce costs has since been reversed, with, for instance, the newly branded Brest Business School returning to a unitary identity. At the same time, in order to meet excess demand for places within business/management programmes which is not met by these CCI institutions, private schools such as IDRAC continue to grow their networks across France.

The French comparator institutions for the study are both private and public Business Schools with a strong focus on mobility and internships. This focus demands an extended network of partners for potential mobility destinations, which drives the necessity for continued alliance/AP development and its sustained management. Consolidation and/or rationalisation within the sector will not detract from the need for alliance partners, but potentially may impact on the configuration of APs within the new institutional administrative structures within publicly funded institutions.

2.4.2 Size and shape of the German HE system

In Germany there is a similar tiered system to that of France, with 387 HEIs of which 110 are the traditional universities with the provision to offer awards at all three Bologna cycles. Again, in common with the French system, the 'traditional' universities offer a wide range of diverse academic disciplines with a strong base in research. HEIs are either state institutions, or are recognised and regulated by the state through HE legislation. The focus within the thesis is on Universities of Applied Sciences (UAS), or Fachhochschulen, whose principle is to provide a 'local' and practical tertiary education with strong links to industry – to enhance the local, regional and national economies through developing graduates with sector applied attributes (Guardian, 2012; HRK, 2014). As with the ESC/ESG Business Schools in France, the applied, practical basis of UAS studies has a strong focus on integrated internships in industry (both domestic and international) and compulsory periods of mobility to study and/or engage with industry (HRK, 2014). This focus on mobility in German institutions drives a similar need for an extended partner base for student destinations.

The federal state system in Germany places responsibility for HE in the legislature of the individual state. This responsibility includes the funding and administration of all public HEIs, regardless of stature and degree awarding status. The result of federal legislation

allows for a different structure to first cycle degree awards with either 180 or 210 ECTS for first cycle award. There is consistency across all states where 300 ECTS are required to achieve a Master's award. In 2005 state institutions were empowered to charge tuition fees to students from 2006/7 onwards, with certain conditions placed on expenditure. This was not universally adopted, with only seven of the federal states introducing tuition fees, and these have all now been phased out, although substantial fee income remains unspent through, amongst other reasons, regional regulation and a very highly democratic supervisory structure (Heubner, 2013). Private institutions, with UAS status, are now becoming increasingly prevalent across Germany to fulfil demand for both full and part-time HE provision, with suppliers such as FOM and ISM building national networks, although fees average approximately €10,000 per annum for a Bachelor programme (Heubner, 2013; HRK, 2014; HRK 2014a).

To support the state UAS with their integration of internship and mobility periods within degree programmes the DAAD (Deutscher Akadamischer Austauschdienst, German Academic Exchange Service) acts nationally to achieve a goal which aspires to the target of 50% of German first cycle graduates having gained substantial study and/or work experiences abroad (DAAD, 2013). The drive to internship and mobility for students becomes not only an institutional initiative, but a strategic priority driven at federal and national levels – with financial support available through DAAD for both outgoing mobility and incoming international students (DAAD, 2013). This initiative is being extended to postgraduate degrees as attributes required from Master's awards from student and industry include international experience and cross-cultural diversity.

The German system, in certain disciplines, is starting to move away from the standard model of 1st and 2nd cycle 'cumulative totals' with states allowing a 210 ECTS Bachelor award. The Master's degree will remain Bologna compliant with 300 ECTS required for the award. This additional time at Bachelor level has the potential to drive all HEIs to enter into further alliances as undergraduate and/or institutional demand for mobility is increased, particularly with promotional, financial and strategic support from DAAD. The pressures for increased study destinations with appropriate partners may further increase as institutions increase the attractiveness of their postgraduate offering.

2.4.3 Size and shape of the Scottish HE system

The Scottish system is now described, outlining its relative size within the UK and, importantly, its diverse funding model to the rest of the UK (RUK) and the other comparator countries within the study. The Scottish model is fundamentally different to the RUK as successive Scottish governments have driven policy goals to widen access to HE.

There are 124 UK HEIs listed on the Complete University Guide website (CUG, 2014), with 14 Scottish institutions, consisting of traditional universities and 'moderns'. To ensure equivalence in comparison and analysis with French and German HEIs, it is the Scottish Moderns which form the focal national strategic group: Abertay; Edinburgh Napier University; Glasgow Caledonian University; Queen Margaret University; Robert Gordon University and University of West Scotland. All universities within the strategic group are empowered by the Privy Council to confer awards at Bachelor, Master's and Doctoral levels. These Scottish Moderns share similar characteristics which include broad geographic proximity, established as post-92 universities, and operating under a partially deregulated public funding regime. These characteristics are reinforced by having a common history and background in providing education attuned to the needs of the professions and service and manufacturing industries (King, 2008). This, again, reflects the profile of the French and German Business Schools within the study, as does the increasing institutional priority within Scottish Moderns to increase the uptake of mobility opportunities amongst undergraduate students.

The current Scottish National Party (SNP) government has given relative priority to HE in Scotland (in comparison with RUK), with the severe cuts experienced in 2010/11 being reversed from 2011/12 onwards, but the potential for enforced consolidation in the sector still exists (ONS, 2012). There were modest funding increases for 2013-15, however, these do come with a requirement for commitments from HEIs to Further Education Colleges and other stakeholders. These commitments are manifest in the form of, for instance, specific Outcome Agreements requiring growth in targets for articulating students from Colleges to increase widening access participation in HE. This governmental priority for undergraduate education in Scotland has brought about a dual system whereby the Student Awards Agency for Scotland (SAAS) will fund students'

tuition fees (£1,820) if certain eligibility criteria are met: for instance being a Scottish or non-RUK EU resident. If students are classified as RUK residents they will be liable for variable fees up to £9,000, while overseas students (outside EU) attract a further premium with fees at around £11,000 in Business Schools. RUK and overseas student numbers are not subject to the same restrictions as Scottish/EU students who are funded by the Scottish Funding Council (SFC). Tuition for RUK undergraduate students remains free at the point of study, with the fees paid through SAAS and the Student Loan Company as a loan, repayable on achieving a stipulated income post-graduation (CUG, 2014; SAAS, 2014). There are consistent fees for students studying throughout first and second cycles in French and German institutions, the Scottish system allows for free undergraduate study (subject to certain set criteria). The fees incurred for postgraduate study in Scotland are the financial responsibility of the individual student with fees in the approximate range of £5,000 to £10,000 with premiums attached to 'specialist' programmes such as the MBA.

Scottish Moderns are seen to share similar characteristics to those institutions in comparator countries, so are seen as attractive destinations with, for instance, English as the language of instruction. The Scottish dual tiered fee system has implications for alliance building. EU partners may be sought in order to increase the destinations on offer to students, but not for direct recruitment of students as these numbers are capped. However, overseas alliances are actively sought as they attract students who bring unrestricted non-exchequer income.

2.5   EHEA funding and governance

This section describes how funding and governance are now used in tandem, across the comparator countries. Funding and governance are now instruments for more than solely the financing of individual institutions, and the incentives, or pressures, operated by central or regional government are also outlined.

Funding and financing of HEIs has evolved to be more than merely a mechanism or vehicle to allocate financial resources to individual institutions or students from central or regional government. It is now one of the primary governance instruments which regulators can use to set goals and targets through determination of the routes,

disciplines and programmes which will be sustainable in HEIs. The government can stream the number of students admitted onto specific programmes (or into specific subject areas) from particular demographic categories, for instance through Outcome Agreement initiatives in Scotland whereby a destination for a College leaver is ensured within universities' 'top-up' programmes. Funding may also be used to ensure relative efficiency achieved against benchmark comparators, or provide incentives for increased and enhanced research (Jongbloed, 2010). For both governments and university administrators, the extent of regulation at its highest point includes the power to confer awards. Regulation then impacts directly upon the extent of the student population which will be funded, and the individual institution's autonomy to not only charge tuition fees but also its degree of freedom to engage in alternate non-exchequer income generating activities. Funding/financing and governance are inextricably linked, but funding and autonomy are not uniform across the subject countries with institutional autonomy impacted upon by differing national or regional legislative bodies (Jongbloed, 2010).

The countries within the study fall into two diverse categories when funding is considered as an income source. In France and Germany, for public institutions tuition fees account for less than 5% of income, whereas in Scotland tuition accounts for more than 10% of (Scottish Modern) universities' average income. It is important to note that as Scottish Moderns' income is of greater relative importance, variations in income can impact significantly on the financial stability of the universities. Therefore, alternative, non-exchequer revenue streams become of increasing importance to Scottish HEIs, such as research contracts, service and teaching provision (for instance, TNE), specialist industrial institutes, and European funding (Estermann, Pruvot, and Claeys-Kulik, 2013). This relative importance of TNE, causally, drives the institutional desire for alliances with overseas delivery partners.

Public funding across Europe comes in a number of different means, or with diverse labels. In the subject countries the standard method of resource allocation from the 'centre' to individual universities is through block grants. These grants are determined through negotiation, a funding formula, or on an historical basis (or a combination thereof). The defined 'centre' is important because in Scotland and France it is national,

but it has a federal basis in Germany. There is, pan-EHEA, a considerable move towards competitive funding (for instance, for research allocation) with central policy priorities being integrated within negotiations and/or funding algorithms. This is exemplified by the mergers in France and the Outcome Agreements and Regional Coherence initiatives in Scotland (both designed around efficiency and economies of scale), and the internationalisation drive and Excellence Initiative (founded on enhancing both the student experience and institutional reputation) in German HEIs (Estermann, Pruvot, and Claeys-Kulik, 2013; Mechan-Schmidt, 2014; Sursock and Smidt, 2010).

National and regional authorities, as the primary financier for public universities, retain responsibility to ensure through the funding models the HE systems remain sustainable to perpetuate economic growth. In line with conforming to central initiatives, HEIs themselves have a responsibility to diversify their activities to attract non-exchequer income to supplement their principal income. An important caveat here is contended by Estermann, Pruvot, and Claeys-Kulik (2013), that where authorities aim to optimise efficiency gains, sustainability can only be achieved when HEIs are empowered to act strategically through institutional autonomy and flexibility in organisational structure, not through increased rigidity in governance mechanisms.

Further, whilst it may appear that private, independent HEIs are not as strictly constrained as publicly funded universities, their parameters are still set through similar regulatory mechanisms. These mechanisms aim to ensure quality assurance in curricula delivered and awards conferred. The private institution is here shown to be regulated by both the market mechanism which dictates their financial, and existential, sustainability, and mechanisms which require equivalence in academic standards and quality.

The funding and governance initiatives currently in place are driving HEIs to consolidate, rationalise or more closely integrate with new or existing academic or industrial partners. Governance of HEIs through QA requirements, financial allocation, and increased standardisation has the potential to drive HEIs to review alliance networks to ensure consistent quality in partners. Consistency in alliance partners, across, again, equivalent academic standards and frameworks drives both private and publicly funded HEIs within EHEA.

2.6 Key policy changes in European HE

This section briefly presents the policy changes which are having the most impact domestically and 'internally' to the institutions. These include the implication for the institution on its perceived autonomy, changes in quality assurance and the impact on research policies.

The 'Trends' questionnaire in Sursock and Smith (2010) identified the most important policy reforms which have been implemented in the study countries alongside the introduction of the Bologna Process, and subsequently Europe 2020 strategy. French and German institutions identified changes in autonomy, Quality Assurance (QA), and research policies as having the most impact domestically. The changes in autonomy can be seen as direct results of the restructuring of the HE landscape, as detailed by Estermann, Pruvot, and Claeys-Kulik (2013). For instance, universities are entering into (voluntary or mandatory) mergers and are absorbing (or being absorbed by) other HEIs, with public funding being used to ensure adoption of initiatives based on excellence. The 'Excellence Initiative' in Germany and 'Investment for the Future' in France have implications on restructuring and Research Policies by rewarding not only institutions, but also research clusters, and driving collaboration (Estermann, Pruvot, and Claeys-Kulik, 2013). As an example, the French PRES (pole de recherché et d'enseignement supérieur) is a governmental scheme which rewards enhanced critical mass of research locally or regionally through collaboration between co-operating HEIs and /or other research institutions (Sursock and Smidt, 2010), and so drives network building.

Transformation in QA systems and processes are cited by all three countries as major policy changes. Reflecting this requirement, within more closely aligned HE systems, there is a greater need for apparent equivalence and transparency across national boundaries. Further, there has been a significant emergence of a greater number of cross-border accreditation agencies which are more frequently adopted by Business Schools to increase legitimacy in national, regional and global markets (OECD, 2009; Sursock and Smidt, 2010; UNESCO, 2015). Scottish HEIs identified both QA implementations alongside amendments to funding regimes as the most elemental amendments to policy, with the deregulation of the wider UK system radically changing access to HE for RUK students, as above.

2.7 Global/regional competition and collaboration

The following section analyses the effects that the proliferating number of ranking schemes within the HE sector has on institutional competitiveness because rankings are seen as the proxy for institutional excellence (Coelen, 2009). This includes the 'value' of the ranking schemes to potential applicants/students and the ways that institutions can use rankings to increase their attractiveness through collaboration, rather than just competition.

Globalisation of HE has increased the extent of competitive rivalry within the sector in both national and regional markets, with, as above, a range of Business Schools across the EHEA delivering Master's (and, increasingly, Bachelor) programmes solely in English. The evidence of this increased competition can also be seen in the burgeoning number of ranking schemes whereby full and clear information on HEIs is available to all applicants (domestic or overseas) in terms of league table rankings. Published metrics include breadth of subjects covered, staffing and resource ratios, intra and extra-curricular opportunities, etc. – and, this trend for increased transparency will continue (Coelen, 2009, OECD, 2009; Sursock and Smidt, 2010; UNESCO 2015). Rankings have become a proxy for the determination of the overall, or subject specific, quality of an individual institution for both domestic and international applicants (Coelen, 2009). As such, moves are continuously made to upgrade and enhance the published metrics. Coelen (2009) continues that attracting mobile students and the development of international inter-institutional relationships are both directly influenced by, and directly influence, the standing of Universities in ranking schemes. So a further imperative for the building of selective alliance portfolios exists in promoting institutional attractiveness, and improving key ranking metrics in response to information assuming ever greater clarity, and importance. Competition is also leading to a greater number of partnerships and co-operations within the sector to increase institutional attractiveness, critical mass in research and to enrich the educational offering by enhancing the student experience through greater international reach (Sursock and Smidt, 2010; UNESCO, 2015).

One potential response is to build a wider network of alliance partners to increase attractiveness to the individual domestic or international applicant (Nielsen and

Gudergan, 2012). This can be achieved through, for example, promoting a wider range of potential partner destinations for exchange or internship opportunities, as an integrated component of a degree programme. Applicants might also be attracted by increased legitimacy through partners having strong national/international reputations in particular subject areas (Altbach and Knight, 2007) or accreditation to particular prestigious bodies such as European Foundation for Management Development (EFMD), etc. These factors make alliance network selection vital as internationalisation is no longer judged by *quantity* of partners and collaborative agreements, but by their *quality* and strategic importance (Sursock and Smidt, 2010). Table 2.6, below, presents the need for co-operative partnerships in study destinations to service the numbers of mobile, exchange students crossing national boundaries (again, the number is provided for the UK as the data are not disaggregated).

Table 2.6: Mobile students by country of origin/study destination

Country of Origin	Study Destination		
	France	Germany	UK
France	-	5,682	11,228
Germany	6,615	-	13,846
UK	2,110	1,499	-

Adapted from: UNESCO (2015)

The direct comparison of HEIs in globally published, and often respected, league tables is ensuring that perceived transparency, again, increases competitive rivalry. This transparency drives one apparently contradictory response, i.e. to develop greater co-operation and collaboration with potential competitors. This is done to advance institutional attractiveness in the marketplace through improving the quality of partners (as opposed to the previous response of merely growing the quantity of partners) to foster greater institutional legitimacy, so attracting the mobile student.

2.8 Conclusion

The key contextual findings include, that since its inception the EHEA, as a development of the Bologna Process, has included initiatives to promote employability, access to mobility and international openness and transparency (EHEA, 2012; UK HE IU, 2014). As a result of these initiatives, the EHEA has, also, impacted on the size and shape of signatory countries' HE systems, although, further drivers for change have come from national regulatory bodies. These drivers have been in significant areas such as funding and governance, where (continued) consolidation and deregulation of the sector is widely occurring. These changes are happening in tandem with global trends, such as increased demand for business and management programmes delivered in English provided by publicly funded and private, independent institutions. All of these new entrant institutions are required to observe enhanced, consistent QA guidelines, while competing for position within globally available ranking tables. Paradoxically, heightened competition is not generating more and more independence from institutions; it is driving increased co-operation and collaboration between and amongst HEIs.

The identification of these key factors within global, regional and/or national regulatory and competitive environments acts to determine key drivers which motivate HEIs to develop, formulate and implement international academic alliances. However, the analysis of the 'size and shape' of the target markets, alongside related regulatory factors, determines that the national macro-environment provides diverse parameters within which the individual HEIs may develop alliance activity to extend their institutional resource base.

Chapter 3: Literature Review

3.1 Introduction

This chapter reviews the extant literature to provide the theoretical context for the analysis of the motivations for international academic alliance development, the configuration of alliance networks and their sustained management in EHEA Business Schools. Firstly the range of organisational interrelationships is presented which concludes with a working definition of strategic alliances for this study. Next, motivations for the formation of collaborative partnerships are reviewed, linking directly with the examination of the literature on the management of strategic alliances. The review then introduces the alliance portfolio and provides a working definition for the thesis. Then the section focuses on identifying the key characteristics of the alliance portfolio (network), its emergence, its growth, configuration and management which develops causal linkages between the portfolio and business strategy. Next, the review examines what constitutes organisational alliance capability and how it is developed, and then focuses on the particular area of strategic alliances and HE internationalisation strategies. To conclude, the over-arching research themes of motivation, growth and management are synthesized with the specific questions developed throughout the review. These themes and questions form the foundation for the interview questions and provide the framework for the subsequent iterative analysis.

The literature presents a very broad base of industry and sector contexts in the area of alliance/AP motivation, configuration and management, as argued by Li *et al.* (2012) in their study into knowledge sharing in China-UK HE alliances. This thesis extends the research further into the HE sector, building on previous studies, such as the following which are located in diverse areas. Schilke and Goerzen (2010) conducted their study into R&D alliances within the chemical, machinery and motor vehicle industries where the collaborations were designed to modify the existing resource base. Lavie and Miller (2008) investigated the internationalisation aspect of building alliances/APs within US based software firms across an eleven year period. Dittrich, Duysters and de Man (2007) conducted their research in the context of alliance networks using IBM as the unit of study, again focusing on service industries and relationships with exploitation and

exploration alliance strategies. Other previous studies have also been located in the sphere of academic alliances with industry or the public sector, such as Shaffer's and Haskins's (2012) research into organisational co-operation with local universities, and Stefanovic's (2008) work providing an example of an alliance between Toronto University and the City's administration. This literature review will initially focus, predominantly, on the extant studies in the corporate arena (for instance, the manufacturing and service sectors), as these provide the greatest breadth and depth of research. It will conclude with evaluation of the specific sphere of academic alliance literature.

3.2 Concepts of inter-organisational relationships
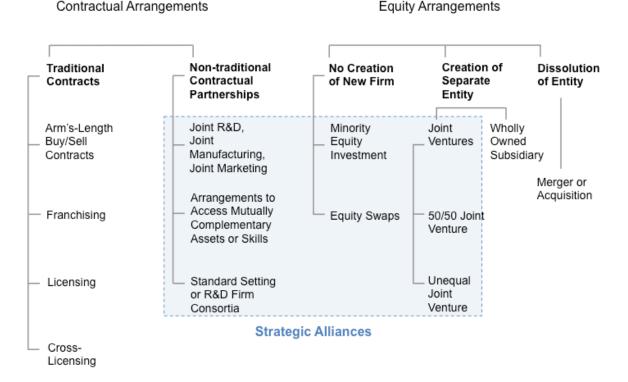
The broad context for the discussion on alliances (and, by extension, alliance portfolios or networks) is presented through various views on what alliances are, and where they can be viewed within the broader framework of all inter-organisational relationships. Having situated alliances within this broad framework, this section then concludes with a practical definition for alliances. This definition is subsequently used throughout the research, and as the foundation for the discussion regarding alliance portfolios.

In order to explore the motivations for the formation of strategic alliances across any sector, including their benefits, limitations, and management, it is first necessary to look at conceptualisations of alliances and inter-organisational formations (Todeva and Knoke, 2005). Various metaphors have been used to describe alliance relations, with Omae (1989) describing a collaboration as an entente similar to that of a marriage with the commensurate sharing of resources and control. This metaphor was then taken a stage further with an alliance being described by Lorange, Roos and Simcic-Bronn (1997) as a parental relationship where the organisations, with pre-determined intent and purpose, give birth to an idea, a concept or an organisation. These metaphors are useful in providing the perspective of a strategic alliance potentially being a long-term relationship, although short-term operations are included below in the form of buy/sell contractual relations, and exist in HE within the category of international academic alliances based on student destinations and mobility or transactional, agent-based recruitment. Within the long-term relationships, a strong degree of commitment is required lest the marriage or offspring should cease to exist, unless it is appropriately

nurtured and managed (Lowensberg, 2010), as can be seen in the HE context with branch campuses, TNE and franchised delivery of programmes.

Moss Kanter (1994), in describing collaborative relationships further develops the theme using the example of a continuum with weak and distant as one polarisation, and strong and close as the other extreme. She argues that any individual alliance's placement towards one or other end of the continuum will be based on the extent to which the relationship strategically impacts on both of the partners involved. Yet, this conceptualisation, while illustrative and visible from the polarities in Figure 3.1 (below), is still insufficient to present the full range of potential alliances, and their context within the broader scope of all inter-organisational relationships. Figure 3.1 presents the full range of contractual and equity relationships available to organisations. It also specifically highlights the strategic alliances examined within this chapter, with the research focusing on alliances based on the contractual arrangements stream.

Figure 3.1: Inter-organisational relationships and types of strategic alliances

Source: Based on Yoshino and Rangan, (1995)

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The literature suggests that the range of alliance formations extends from market relations in the form of simple buy/sell contracts to the unitary firm which is formed through merger or acquisition. Separating these polarities is an array of 'hybrid' inter-organisational relations, with strategic alliances being a particular, discrete sub-section (Kale and Singh, 2009; Todeva and Knoke, 2005; Williamson, 1975). In continuing to determine a practical definition of a strategic alliance for this research, it must be capable of being applied across this specific hierarchical range of classifications. This flexibility can be found where Vadarajan and Cunningham (1995) define alliances as:

The pooling of specific resources and skills by the co-operating organisations in order to achieve the common goals, as well as goals specific to the individual partners (p. 282).

This definition is not overly restrictive, yet very practical. It appropriately describes alliances as being based on strategic intent and that neither resource dependency nor governance structures are rigidly fixed to one of the polarities of free market transactions, or total internalisation in the form of the unitary firm (Vaidya, 2011). This flexible definition is illustrated from two polarised perspectives of international academic alliances, as outlined in Chapter 2. Firstly, the 'pooling of specific resources' is seen from the viewpoint of building a greater mass of simple destination alliances whereby institutions operate reciprocal exchanges to enhance their graduates' attributes for increased employability. These alliances, which are relatively short-term in nature with little strategic commitment can, potentially, grow to include joint research and the provision of double/dual awards from the institutions. This extension of one HEIs institutional resource pool to utilise that of a partner achieves both common and individual goals – i.e. broader choice of appropriate student mobility destinations, and the potential to increase research output. Secondly, institutions may extend their resource base with partners in new markets to exchange resources and capabilities, and to grow their revenue streams through non-exchequer revenue – again achieving individual and joint objectives.

3.3 Motivations for alliance formation

This section lays out the internal and external factors seen as the basic rationale for all alliance formation, including: seeking new product and/or geographic markets; sourcing new, rare resources and capabilities and achieving greater legitimacy in the sector and/or industry. These factors are developed into the initial theoretical classifications of motivations for alliance formation. These are then evaluated and this is followed by a brief illustration of how exploitation and exploration strategies may be used as the rationale for the formation and implementation of alliances and APs. There then follows a review of Barringer and Harrison's (2000) model of six theoretical paradigms which develop the discussion from purely a motivation for alliance formation to relationship management, post implementation. Finally, a synopsis of the section develops the first research theme, with attendant research questions.

3.3.1 Initial theoretical classifications of alliance formation

Strategic alliances continue to be formed across all sectors because any organisation may seek to develop sustainable competitive advantage within dynamic global marketplaces. Pett and Dibrell (2001) suggest that a range, in both scale and scope, of international alliances serve as a strategic response to the twin external drivers of globalisation: increased governmental intervention; and, new entrants to a wider range of industries and sectors. As an extension to these twin drivers, when sourcing new partners, Vaidya (2011) building on previous studies, argues that organisations attempt to: solve internal issues (i.e. resource, capability or knowledge gaps); to optimise economic gain (for instance, maximising scale economies); and, to strategically position themselves against competitive, political and legislative forces. Previous studies suggest that resolution of perceived internal weaknesses may be achieved by obtaining through partnership or collaboration, new (potentially tacit) knowledge and the co-development of new (potentially rare or unique) resources and capabilities (Hwang and Park, 2007; Poulymenakou and Prasopoulou, 2004; Todeva and Knoke, 2005).

These generic strategic statements alone do not provide sufficient detail to analyse the organisational motivations for alliance formation, and their subsequent management.

In conceptual papers on strategic alliances both Todeva and Knoke (2005) and Vaidya (2011) seek to develop the theme by suggesting a range of motivations based on firm specific characteristics and responses to multiple external and/or competitive forces. These diverse motivations demonstrate that alliances, and their scale and scope, are formed across sectors not only for financial control but also to introduce greater operational flexibility and further realisation of market potential in either product or geographic terms. Eisenhardt and Schoonhoven (1996) in their study based on strategic and social impacts of alliances in entrepreneurial firms, argue that this flexibility may be achieved through embedding new skills, knowledge and technologies, as well as gaining familiarity with new markets, sharing investment risk and providing increased organisational legitimacy. Building on this previous work, these diverse and more operationally precise motivational factors are now presented as theoretically based themes for continuing to analyse both the motivation and management of alliances and their portfolios or networks.

Vaidya (2011), building on the work by Kogut (1988), sorts these corporate motives into three theoretical classifications, Transaction Costs, Organisation Theory and Competitive Positioning in Table 3.1, below. These conceptual prisms allow the motives to be viewed from the perspectives of simple economic transactions to a standpoint based more on corporate strategy.

Table 3.1 Initial theoretical classifications for alliance formation

Transaction Costs	Organisational Theory	Competitive Positioning
A rational attempt to minimise transaction costs based on economic efficiency (Williamson, 1975)	Redressing imbalances in the resources needed by the organisation, and the reduction of risk (Vadarajan and Cunningham, 1995)	Positioning the firm against the macro-environmental forces generating strategic uncertainty (Porter, 1985)

The fundamental weakness of the use of these theoretical prisms to view alliance formation is that, without appropriate caveats, they may be used as the solitary explanation for embarking on all forms of inter-firm relationships. These classifications should not be considered in isolation or mutually exclusively, but as complementary and mutually reinforcing. They are put forward as additional motivational classifications in the diverse areas of strategy and organisational learning in examining alliance formation

(Nielsen and Gudergan, 2012). Further, if the prisms are used in tandem, or serial, they are seen in a purely linear dimension, so are of very limited use as an applied model for formulating and implementing alliances because relationship management is not purely linear.

3.3.2 Exploitation and exploration strategies and the Resource Based View

In recognition that previous work can be too simplistic in categorising complex organisational motivations for alliance formation, exploitation and exploration alliance strategies are now examined. As a direct extension to Vaidya's (2011) work exploitation/exploration strategies are shown to represent two potentially contradictory reasons for scale and scope of alliance development and formation. Raisch and Birkinshaw (2008) and Nielsen and Gudergan (2012) argue that these potential contradictions require different strategies to be formulated and implemented by an organisation in response to different antecedents, and that they each have diverse performance and management consequences. Nielsen and Gudergan (2012), in their work across 120 international strategic alliances in diverse manufacturing and service areas, further suggest that exploitation alliances can be seen as based on efficiency. Exploitation alliances are attempts to increase productivity through standardisation, cost reduction, scale and scope economies and improving existing resources, capabilities, skills and technologies. They can also be viewed as having the potential to be relatively risk averse, and short-term in nature, and as such can be characterised in International alliances as being bound by external contract, operational rather than strategic, administratively managed and with little restriction in their implementation and termination. Thus, exploitation alliances within international academic networks might be within Erasmus +, or alternative external exchange programmes. Conversely, exploration alliances focus on development of new opportunities for increased revenue streams through innovation, creativity, new competences and increased absorptive capacity and resource sharing. They will, also, include greater (for instance, financial) risk and be designed for the longer term. Exploration alliances may be characterised within international academic networks as being much more strategic in nature, impacting on HEIs' finances and reputation in both home and host markets, being bound by dyadic contract, and with senior management input. They are, generally, negotiated

as long-term in nature with exit strategies being organisationally and administratively complex. Exploration alliances are characterised by TNE strategies in partnership with host country HEIs, or through franchises or branch campuses. Nielsen and Gudergan (2012) argue that, in the corporate sector, an organisation's key challenge is to engage in sufficient exploitation alliances at the same time as to develop new exploration alliances to sustain competitiveness. This 'ambidexterity argument', they contend, is dismissed because each requires different antecedents, structures, processes and management and organisational cultures, and even where both are necessary, they remain incompatible. The two, potentially contradictory, strategies are introduced here to serve as the rationale for extension of the existing organisational, or institutional resource base.

Resource Based View (or Resource Dependency) theory suggests that alliances are entered into because they are strategically critical instruments to engage with valuable resources and capabilities from partners. These resources and capabilities are needed because gaps are identified within the focal institution – in international academic alliances these might consist of mobility destinations, research partners, double award potentials or the need for additional non-exchequer income. By extension, the simultaneous access to a wide range of diverse valuable resources and capabilities within networks can be an effective way of further enhancing the resource stock within the focal institution (Ahuja, 2000; Hoffmann, 2007; Lavie, 2006; Wassmer, 2010). However, institutions will only enter into alliance activity, or engage with an alliance strategy if there is an appropriate pay-off structure, particularly if the institution is in a strategically vulnerable position. So, RBV contends that self-interest in co-operation becomes a strategic imperative (Eisenhardt and Schoonhoven, 1996), and the focal HEI must not commit more resource to an alliance or partnership than it will gain in return. Alliances can provide both material resource extension – finance and/or skills-base – and intangible – reputation/legitimacy – the resource base extension of the institution can be seen to be relevant to both exploitation and exploration alliances and the attendant resources required (Eisenhardt and Schoonhoven, 1996; Grant, 2015; Hoffman, 2007; Wassmer, 2010).

RBV assumes organisations, and HEIs, to be bundles of resources and capabilities, and engaging with an alliance network provides the facility to extend the resource base. These resource bundles, it is argued, can be seen as strengths, advantages and assets for the focal institution, and tangible and intangible. However, this view can also be reflected in the lens of what gaps are also identified. So, RBV is extended to alliances with the rationale that resources provide both the need and the opportunities for alliance formation. Alliances are formulated and implemented when institutions are in vulnerable strategic positions for which they need additional resources which partners can provide to compete effectively – at either simple or complex, or operational or strategic levels (Grant, 2015; Hoffmann, 2007; Wassmer, 2010).

These concepts, fundamental to the research study, continue to be considered in greater depth as the strategies are further developed through alliance development configuration and management.

3.3.3 Motivations for alliance formation – theoretical foundations

Initially, the Barringer and Harrison (2000) model is examined with, next, a critique of each of the conceptual motivations for engaging in corporate alliances. As this model is argued by Barringer and Harrison (2000) to be relevant to both alliance motivation and its subsequent management, it will then be assessed against its applicability to both processes.

In recognition of the incompatibility of the broad ranging motives above for explanation of 'any and all' corporate motivation for alliance formation, there is a requirement for more, and more precise, theoretical classification of alliance motivations. This is reinforced by the diverse strategic, structural, cultural and operational responses these motivations demand. In their review of literature based on organisational relations, Barringer and Harrison (2000) provide another, more detailed, conceptual model of the theoretical foundations of organisational relationships, presented in Figure 3.2 below. This continuum has economic and behavioural motivations as the extremes, or polarised, rationales. These paradigms serve to extend and reinforce the classifications offered by Vaidya (2011), above, acting as factors for both initial motivation for single/multiple alliance formation and sustainable management.

Figure 3.2: Theoretical paradigms of inter-organisational relationships

Transaction Cost Economics	Resource Dependence	Strategic Choice	Stakeholder Theory	Organisational Learning	Institutional Theory
Economic ←————————————————————————→ **Behavioural**					

Source: Barringer and Harrison (2000)

Barringer and Harrison (2000) further argue that a blend of paradigms rather than isolated, discrete examples should be used to understand alliance motivation recognising that in a complex macro-environment it is unlikely that there will be one, discrete organisational rationale. For instance, strategic choice may be a corporate rationale to extend the resource base of the organisation, with efficiencies linked with exploitation alliances and/or further strategic development being linked with exploration alliances. Because these paradigms act as the conceptual base for the further discussion on alliance motivation and management, a brief critique of each is offered below.

At the economic end of the continuum lies **Transaction Cost Economics** (TCE) based on the arguments initially suggested by Williamson (1975). TCE is, historically, the theoretical foundation for alliance formation. It is based on organisational internalisation and driving efficiencies through continuous cost-saving integrated into systems and processes, such as international articulation agreements or transactional recruitment from partners or agents within the sphere of international academic alliances. This paradigm is criticised by, for instance Eisenhardt and Schoonhoven (1996), for being too one-dimensional, particularly within a complex, global macro-environment. It ignores the social resource opportunities often generated from senior management networks, and strategic resource needs which may generate the potential for organisational inter-relations. TCE can be seen to be severely constrained by its focus on the transaction, and particularly the cost of the transaction, rather than considering strategic and social factors. These factors, Eisenhardt and Schoonhoven (1996) argue, which are extraneous to TCE include, internal organisational characteristics such as leadership, strategy and structure and, the theoretical logic of resource needs and strategic opportunity. This argument reinforces Barringer and Harrison's (2000) appeal not to use the paradigms in isolation.

Next in the linear model is **Resource Dependence** which contends that the more control, and indeed power, an organisation can exert over the resources and capabilities it requires, the less vulnerable it is to macro-environmental and competitive forces. By extension, organisations possessing resources which are valuable, rare, inimitable and non-substitutable will achieve sustainable competitive advantage in line with Barney's (1991) findings. However, in their empirical paper based on both social and strategic impacts of alliance formation, Eisenhardt and Schoonhoven (1996) highlight the most basic irony in forming alliances: you need a *critical mass* of resources to attain more resources. So, resource dependency is itself, internally, resource dependent because you must have sufficient resource base to be attractive to a potential partner. Hwang and Park (2007) continue that a firm's external relationship building capacity is dependent on its own internal resource base and, importantly, its absorptive capacity. Any resource extension beyond the existing base, particularly in current dynamic global higher education macro-environments, requires a strategic choice, or initiative, driven by senior management, whether this is 'simply' to extend existing Erasmus + arrangements into double awards, or to move towards operational and strategic integration of activities such as developing TNE programmes or branch campuses. Further, in extending resource base it is imperative that any development strategically aligns through developing complementary exploitation and/or exploration alliances.

Positioned in the middle of the Economic to Behavioural continuum is **Strategic Choice** where a fundamental difference is highlighted between strategic and operational corporate perspectives. Todeva and Knoke (2005) suggest that operational decisions are bounded by transaction cost calculations, but strategic (alliance) choices will be formulated and implemented on the perceived benefit from future (joint) activities such as access to an extended base of resources and capabilities. Alliances born of a strategic intent will, it is argued by Eisenhardt and Schoonhoven (1996) , provide resources enabling sharing of cost and/or risk; increase firm legitimacy; differentiate the organisation from competitors in new or crowded markets; improve market power; and/or legitimate a new market. So, as Todeva and Knoke (2005) argue, the motivation to form an alliance is not solely based on past economic rationality, but by its strategic intentions and the desired future state, or vision of the organisation. This introduces a temporal element to Barringer and Harrison's (2000) paradigm. While strategic choice

can be justifiably placed in the centre of the continuum as it lies in both camps, economic and behavioural, it can also be seen as the over-arching 'reason' or rationale for selecting from the continuum. Alliance building is the strategic choice of the organisation's senior management with behavioural and economic benefits (and challenges) as potential outcomes where exploitation and/or exploration alliances are formulated and implemented. Here, strategic choice is viewed from the perspective outlined above – the extent to which a decision is 'strategic' is context dependent, and strategic choice, or intent, can range from a double degree decision to new market entry.

Within the **Stakeholder Theory**, moving towards the behavioural end of the continuum, the firm is said to exist as an integral part of a network of stakeholders with varying degrees of both independence and interdependence. Persson, Lundberg and Andresen (2011) argue that there is a recognition amongst stakeholders of mutually advantageous collaborative opportunities which can lead to the reduction in impact of environmental and competitive pressures. Stakeholder theory is seen to be of limited value as a motive here because it acts as an antecedent to indicate synergies, rather than focusing on types of alliance to be formed. Its use is restricted to creating alliance objectives, not motivating towards alliance formation and implementation (Lowensberg, 2010). For instance, the theory provides a rationale for partnering or collaborating with operationally aligned institutions at a 'similar level', but not recognising that 'level', or those institutions with appropriate academic and reputational credentials with whom any individual HEI should engage in alliances and can be seen, as with TCE, as potentially more operational than strategic in outlook.

The next paradigm, **Organisational Learning**, may occur when a firm has the ability to acquire and embed, new information, knowledge, skills and technologies which may serve to improve its sustained competitive advantage within the sector. This ability can be achieved through having or creating greater available resource within its absorptive capacity. Learning theory suggests that partnerships and alliances can serve as the conduit for this transfer of knowledge. This intended knowledge transfer is most attractive. However, significant, and potentially irreversible, dangers exist in acquiring routine knowledge and skills, yet delivering valuable proprietary knowledge to partners.

In HE alliance this is best exemplified by considering that an institution engaged in TNE alliances may expose its academic programmes and offerings to 'reverse engineering' from unscrupulous partners, and receive only limited knowledge on cultural market entry practices in return. This would mean potential loss of competitive advantage (and possible reputational damage) in markets where legitimacy is being sought. Success in achieving organisational learning objectives through an alliance is dependent on investment in absorptive capacity (HR, financial and social capital, and organisational structures) to ensure the intended conduit allows for effective and organisationally constructive information and knowledge flows. Barringer and Harrison (2000) themselves warn that incompatible organisational structures, processes and cultures can nullify the potential for advantageous organisational learning. This caution is reinforced by Lowensberg (2010) and Todeva and Knoke (2005) arguing that this potential disadvantage is not explicit in the theory, and a caveat is required for organisations adopting this paradigm.

The **Institutional Theory** paradigm revolves around a form of 'organisational peer pressure' to conform to prevailing rules, fashions and trends within the sector. Failure to conform runs the risk of exposing the organisation to some loss of legitimacy within the industry environment and is seen as linked to the behavioural end of the spectrum. This pressure could also apply to senior managers who feel a desire to imitate successful organisations, and as such can drive alliance formation to be a form of adaptation and survival. Barringer and Harrison (2000) and Lowensberg (2010) both use the scheduled airline industry as an example of a shift from individual organisations operating independently to partnering. In itself the paradigm is insufficient for the formulation and implementation of a strategy, but in combination with one, or more, of the other paradigms it has the potential to drive alliance formation, and can explain HEIs moving into relatively saturated markets such as Singapore.

Barringer and Harrison (2000) reinforce that the motivational paradigms are not to be considered in isolation They should be 'blended' to provide a better understanding of what factors motivate inter-organisational relations, particularly with regard to the illustrations for HEIs as they engage in alliance strategies. Lowensberg (2010) as an important direct and causal extension, suggests that the linear element of the

continuum, while useful in defining conceptual reasons behind motivation, requires an iterative dimension rather than static to explain (and be applied to) the management of single and/or multiple alliances.

3.3.4 Synopsis

The section initially presents a broad range of diverse inter-organisational relationships, and shows where, within these conceptualisations the locus of the alliance study is focused. From this broad base, a working definition of alliances is identified which can be used throughout the research. Following from this definition, motivations for alliance formation are reviewed which provide frameworks based on solely economic through to strategic positioning, with the caveat that these frameworks or paradigms are not considered, or used, in isolation – they are mutually supportive (Barringer and Harrison, 2000; Lowensburg, 2010; Vaidya, 2011). An additional caveat is added, that the paradigms are not to be utilised in a linear process, as collaborative relationship formation, implementation and management will be iterative. To further reinforce organisational motivation for alliance development, the exploitation and exploration strategies, as contended by, for instance, Nielsen and Gudergan (2012) are evaluated. These are determined to be important in not only the development stages of collaboration, but also in the configuration and management stages as their fit with wider organisational strategy is to be considered in alliance development decisions. On the basis of the preceding evaluation, the first research theme of motivation develops the first question, which in turn generates the specific topics for investigation.

Motivation: What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?

- Generated from the arguments of Hwang and Park (2007): What is the significance of the number, range and scope of the alliances with which the institution engages?

- Developed from Barringer's and Harrison's (2000) work on organisational paradigms for inter-organisational relationships: What is the institutional

motivation for the formation and implementation of alliances in relation to competitive and strategic drivers?

- Based on Hwang and Park (2007): What activities are covered by alliance activities?

- Extending Neilsen's and Gudergan's (2012) work: Do linkages exist between exploitation and exploration alliance strategies and collaborative activities within EHEA Business Schools?

3.4   Alliance management

This section traces the development from motivation to management, recognising that a strategic rationale to engage in alliance formation can differ from requirements for its sustainable success. Initially Lowensberg's (2010) model for motivation and management within a temporal frame is reviewed. This is then followed by an exploration of the five stage lifecycle perspective as proposed by Poulymenakou and Prasopoulou (2004) in their research within strategic technology alliances. The focus of the analysis continues by revisiting the exploitation and exploration strategies in relation to alliance management. This theme is developed throughout the discussion on alliance management capability as the characteristics required to manage an individual alliance (co-ordination, communication and bonding) are investigated in the work of Schreiner, Kale and Corsten (2009). The section then concludes with the statement of the research themes of growth and management, with associated questions.
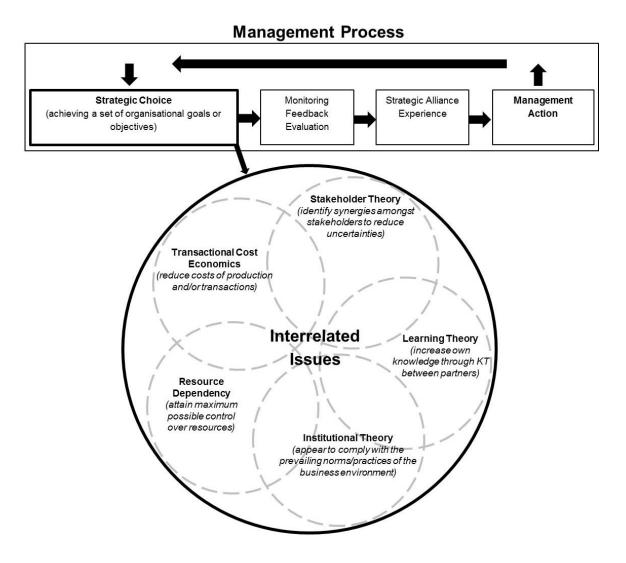
3.4.1 The Lowensberg model

Lowensberg (2010) and Vaidya (2011) both suggest new iterative frameworks for alliance formation and management, moving away from the more limited, strictly linear models contended previously by Osland and Yaprak (1993), Vyas, Shelburn and Rogers (1995) and, Barringer and Harrison (2000). These iterative models are more useful to contemporary application in alliance development, configuration and management within complex international macro-environments. The starting point for these frameworks is the strategic choice, or intent, of the organisation within their management processes. These strategic choices are made by senior management to

achieve the vision, or intended future state of their organisation. So, this strategic choice/intent now becomes the fundamental antecedent for all of the other motivational paradigms and makes the explicit link between long-term strategic decisions and alliance formation logic (Lowensberg, 2010). However, due to the fact that Vaidya (2011) utilises only three motivations for alliance formation, as opposed to the more all-encompassing six paradigms which Lowensberg (2010) uses, focus now concentrates on the Lowensberg model.

Lowensberg (2010), in common with for instance Eisenhardt and Schoonhoven (1996), argues that senior management's attitudes towards strategic alliances and the single financial motivation (TCE) to enter an alliance have altered over time. Motivations to form an alliance are complex and mostly multifaceted and not unique to one stage in the organisational lifecycle, or isolated from external drivers for change, such as globalisation. The new model, shown in Figure 3.3, below, links the motivational paradigms with managerial actions, thus showing their interaction and introduces their complex symbiotic relationship (Das and Kumar, 2007).

Figure 3.3: Relationships between strategic alliances and the management process over time

Source: Lowensberg, 2010

Lowenberg's (2010) iterative management process suggests that it is strategic choice which acts as the organisational precursor used by managers to consider, create and enter into alliances. Strategic choice also serves as the umbrella under which the alternative paradigms emerge and develop. This management process, building on previous studies, is neither static, nor purely linear; it involves the scanning and monitoring of key external drivers for change, internal control mechanisms, and evaluation of current strategies through feedback loops. As it is not static, a temporal element is also apparent, i.e. this is not a snapshot in time, but a longitudinal, iterative model. This management process also acts to reinforce the learning processes within the organisation. The feedback loops and evaluation over an extended period from

current (and, indeed, past) alliance experiences will impact on future strategic decisions in forming inter-organisational relations, and are essential in feeding into managerial learning processes regarding the complex benefits and challenges encountered within collaborative relationships (Eisenhardt and Schoonhoven, 1996; Lowensberg, 2010; Schreiner, Kale and Corsten, 2009; Todeva and Knoke, 2005; Vaidya, 2011).

The other paradigms within the model, leading from the base point of strategic choice, have dotted line interconnecting circles demonstrating that they may, or may not, be relevant to any one particular strategy, or strategic alliance. This move from a linear framework, it is argued, allows for the depiction of the potential (complex) overlaps between/among the paradigms rather than any one being considered in isolation, or given primacy within a hierarchy. Further, the motivational paradigms should be considered within the Lowensberg (2010) model with the same applied charateristics as in the international academic alliance area as within the Barringer and Harrison (2000) evaluation above, Section 3.3.3. The motivational paradigms and alliance management factors can themselves be considered as interconnected. So, motivational factors give rise to managerial concerns, debates and evaluation within an iterative process Lowensberg (2010) argues, rather than any or all motivating factors being viewed as having halted at the implementation stage of development.

Lowensberg (2010) continues to suggest that this model's primary benefit to the manager/practitioner, or academic, lies in increasing the awareness of both the presence of each of the motivational paradigms, and their inter-connectedness over a prolonged period. This awareness potentially drives the manager to obtain information on issues which would otherwise remain undetected or unnoticed because, previously, only the motivational paradigm utilised in initial alliance formation would be considered in managerial decision-making. This process can also, it is suggested, ensure that decisions taken in relation to alliances are based on the most complete organisational, competitive and environmental information available.

3.4.2 The lifecycle perspective

The temporal, lifecycle, framework, as proposed by Poulymenakou and Prasopoulou (2004), offers an inter-organisational lifecycle perspective and builds on the basis that

little research then existed on how inter-organisational relationships are managed (Barringer and Harrison, 2000). Isabella (2002) contends that the model suggests managers need to be aware that the transition from one stage in the organisational growth phase to another is rarely without issues, and this may be exacerbated in collaboration with a new, external, partner. The change in organisational scope caused by engaging in an alliance can create confusion, leading to discord, unless it is appropriately managed. Poulymenakou and Prasopoulou (2004) argue that the successful, sustainable management of an alliance has the potential to cross myriad functions such as partner selection, role structuring and decision making based on governance structures which are required to proceed with the alliance. However, issues do not exist solely when setting-up the relationship. Isabella (2002) continues to argue that, once the deal is done, the work is not over, and that managers striving to establish a collaborative mind-set will be fundamental to sustainability, and so reinforces the development from motivation to management.

To achieve sustained and sustainable relationships Poulymenakou and Prasopoulou (2004) propose an alliance management model which presents sequential stages in management practice on an everyday basis. This highlights that managers in a partnering organisation do not make decisions in a vacuum, there are knock-on effects at every stage of the process for both the focal and partnering organisations.

The framework, which is shown below in Figure 3.4, comprises the following stages: initiation, configuration, implementation, stabilisation and transformation. Poulymenakou and Prasopoulou (2004) suggest that the framework may act as a roadmap which can help to direct managerial decision-making in the complex collaborative environment. Managers will be able to identify their current stage on the lifecycle model and plan subsequent strategic steps in the alliance and plan accordingly for future stages of the lifecycle.
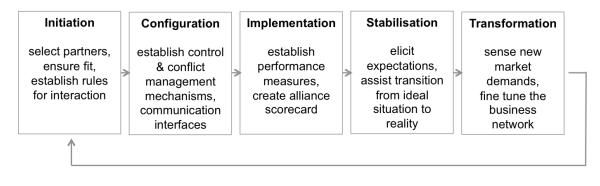
Figure 3.4: Lifecycle framework of strategic alliances

Initiation	Configuration	Implementation	Stabilisation	Transformation
select partners, ensure fit, establish rules for interaction	establish control & conflict management mechanisms, communication interfaces	establish performance measures, create alliance scorecard	elicit expectations, assist transition from ideal situation to reality	sense new market demands, fine tune the business network

Source: Poulymenakou and Prasopoulou, 2004

The alliance management models, as proposed by Lowensberg (2010) and Poulymenakou and Prasopoulou (2004) have advanced the organisational range of alliance management theory, with both suggesting the ability to link alliance decisions with business and corporate strategy. However, there are two important elements which serve to complement both models and deserve recognition. The first is an overt consideration of the organisation's positioning with reference to the exploitation and exploration paradigms as proposed by Yamakawa, Yang and Lin (2010) in their study across five industries over an eight year period. The second is the identification of the characteristics that an organisation aims to develop which will comprise its ability to manage an alliance, the alliance management capability (Schreiner, Kale and Corsten, 2009).

3.4.3 Exploitation and exploration strategies revisited

Previous studies by Lavie, (2006, 2007) and Yamakawa, Yang and Lin (2010) argue that building on the extended Resource Based View (RBV) a firm's resources are not restricted by its internal boundaries. Instead, extended RBV states that the combined resources of alliance partners are included within the focal organisation, as is alignment with their collective external competitive environment(s). Expanding this view, while the formation of an alliance may be a strategic choice made by an organisation, this strategic choice must be founded on both its current needs and intended future state – it is strategic in intent. Extending the RBV argument further, the managerial decision in alliance/partner selection may be based on a need for flexibility or stability, which can manifest itself in sourcing exploitation and exploration alliances. According to the

literature, exploitation alliances, which can be short-term in nature with relatively certain outcomes, will tend to be based on economic efficiency, optimal utilisation of resources, and increasing productivity through improving existing resources, skills, technologies etc. (Hoffmann, 2007; Lavie, 2006; Nielsen and Gudergan, 2012)This is characterised in international academic alliances as, for instance, in Erasmus + partnerships. In contrast, exploration alliances tend to be longer-term in nature and with less certain, 'riskier' outcomes based on revenue streams and focus on innovation, and significant investment in absorptive capacity. These are seen in activities such as TNE alliances or the implementation of franchise agreements in tertiary education (Lavie,2006, 2007; Nielsen and Gudergan, 2012; Yamakawa, Yang and Lin, 2010). A decision informed by one or other of the management models, and the motivational paradigm employed (for instance TCE) is itself based on strategic choice and institutional context. This choice will, in turn, be based on the management's perceived resource need (for example, simple student destinations, or enhanced student numbers involving revenue growth and new market legitimacy) for an alliance which may be relatively certain in the (potentially limited) outcomes it provides, or with more risk/reward associated with its formulation and implementation.

In exploring the growth, configuration and management of alliance configuration, growth and management of resource enhancing collaborations, the key challenge contended by Nielsen and Gudergan (2012) is re-examined. The 'ambidexterity argument', (the ability to sustain both exploitation and exploration strategies simultaneously) they state, is dismissed because each different strategy requires different antecedents, structures, processes and management and organisational cultures. This logic continues that even where both strategies are necessary they remain incompatible and promotes further investigation of the exploitation/exploration theme within the development, growth, configuration and management of alliances in EHEA Business Schools.

3.4.4 Alliance management capability

The investigation of alliance management capability will now present the concepts and frameworks which organisations can utilise to facilitate the successful and sustainable management of collaborative partnerships (Poulymenakou and Prasopoulou, 2004). It is

useful to understand the firm specific characteristics which allow the organisation to manage any individual alliance before it progresses to add additional complexity through management of portfolios or networks. Schreiner, Kale and Corsten (2009) argue that as the alliance moves from its nascent state, its success at the functional or operational level is dependent on actors engaged in its day-to-day management. The particulars of alliance management here assume that its formation stage has been successfully completed, and now continue to concentrate on its implementation. The three main factors within effective alliance management are suggested by Schreiner, Kale and Corsten (2009) as co-ordination, communication and bonding in their large sample of inter-firm relationships between software service providers and three major software vendors. In the organisation context, they are the knowledge and abilities to manage the organisational interconnectedness, to communicate effectively between inter-firm functions, and to generate inter-cultural organisational social bonds. Schreiner, Kale and Corsten (2009) further contend that the development of this competence can increase the potential for greater alliance success.

The selection of an appropriate partner, achieved through implementing strategic intent (with a consistent governance structure where applicable), can provide a strong framework for the successful, and sustainable, formation of an alliance. Complementing these formulation factors with post-formation management skills and competencies can help to minimise the potential tensions which can arise between partnering organisations. The key characteristics of Schreiner, Kale and Corsten's (2009) suggested dimensions, co-ordination, communication and bonding are detailed below, with their principal competencies highlighted.

The first dimension, **co-ordination** requires the skills to identify where agreement needs to be reached about the various functions, and boundaries, for each partner organisation including their diverse roles and responsibilities. The key competence in co-ordination lies in matching the inter-dependencies to achieve the greatest benefit for both of the alliance partners through informal or formalised co-ordination mechanisms. The degree of co-ordination complexity may, by causal extension, alter the complexity of the extent of mutual adaptation required. So, in tackling issues around inter-

organisational co-ordination the primary objective lies in ensuring that the optimal benefit is achieved for both partners.

According to Schreiner, Kale and Corsten, (2009) secondly, but not in terms of hierarchical importance, is **communication**, as it is the most significant element which serves to make an alliance cohesive and coherent. Actors within the organisations require the skills and competencies to successfully impart relevant knowledge and information to the partner in a timely, accurate and complete manner, engendering trust between/amongst partners. When communication is open and honest (and communication channels transparent and flexible) the facility exists for better understanding of the alliance needs and to proactively adapt to these requirements. Further, communication must go beyond the strategic or senior management functions within both organisations. Those involved in operational and administrative functions and decisions must communicate on a regular, transparent and two-way basis to develop sustainable alliance management.

Finally, although again outwith any hierarchy, is **bonding** where it is important to note that personal relationships which go beyond senior management contacts and social status, as previously argued by Eisenhardt and Schoonhoven (1996), have the potential to make alliance formation a possibility. The bonding dimension includes staff at all relevant levels within the alliance developing relationships by consistently providing responses and solutions to the partner's work related needs. This is strongly linked with the need for clear, consistent bilateral communication across multiple organisational levels. This relationship may go on to provide proactive solutions to impending issues, to facilitate adaptation and to persistently engage with the individuals concerned. Increased engagement over time can increase trust, and transparent co-operative behaviour can convey trustworthiness, so perpetuating the relationship (Schreiner, Kale and Corsten, 2009).

It is, Schreiner, Kale and Corsten (2009) suggest, important to see alliance management as more than a strategic response to external drivers for change, or from a solely transactional perspective. Alliance management includes a set of skills, competencies and knowledge which build relationships at the individual and institutional levels, and both the strategic and operational levels. This learning, and development of the alliance

management capability within international academic portfolios can occur through simple operational processes, and socialisation through networks such as Erasmus +. However, this socialised activity may also be an antecedent to greater operational and strategic development and learning in areas such as geographically distinct delivery of programmes and courses as international academic alliance strategies develop. Heimeriks, Klijn, and Reuer, (2009) further argue that contemporary organisations in response to internal aspirations and external drivers are increasingly moving their focus from dyadic alliances to the concurrent management of multiple alliances, or portfolios and networks.

3.4.5 Synopsis

This section has considered the Lowensberg (2010) model with Poulymenakou and Prasopoulou's (2004) five stage lifecycle perspective to extend the theoretical investigation and evaluation from alliance motivation to management. Lowensberg's (2010) model is seen as important as it introduces both an iterative perspective to management, but also considers that all alliance management decisions are based on the organisational precursor of strategic intent. However, Eisenhardt and Schoonhoven's (1996) argument that precursors may have social and/or opportunistic foundations is still relevant. The models introduce the management function, before progressing to the specific of alliance management capability being developed with network growth. The exploitation and exploration paradigms are again integrated as alliance management capability is discussed with its key characteristics of co-ordination, communication and bonding – again aligned with broader strategies.

The section has generated specific topics for investigation through the themes of growth and management. It has, also, generated the question in the area of growth: How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?

Growth
- Founded on the work of Eisenhardt and Schoonhoven (1996): Is growth strategic or opportunistic?

- Developed from Nielsen and Gudergan (2012): What is the relationship between exploitation and exploration alliance strategies and strategic growth in partnerships?

Management

- Building on the work of Schreiner, Kale and Corsten (2009): How do HEIs develop an alliance management capability?

3.5 The alliance portfolio

Using alliance management capability as the foundation, an organisation's transition from engaging with individual alliances to the development of a more complex alliance portfolio is examined. The advanced characteristics and requisite skills, knowledge and competencies of the alliance portfolio are identified, concluding with a practical definition.

Previous studies suggest that in the dynamic global business environment, organisations need a range of competencies to achieve and sustain competitive advantage. Alliances represent a means of achieving or acquiring these competencies as they allow access to new and diverse resources, new product and geographic market entry and can provide new technologies, skills and (potentially, tacit) knowledge. What is now required in an increasingly complex and dynamic environment is for senior managers to shift their focus from the formation and implementation of individual alliances, and their subsequent management. Extant literature also argues that AP management capability involves the development of the organisational skills and competencies for forming, implementing and terminating co-operative relationships at the optimal time to generate the greatest benefit from the entire portfolio (Heimeriks, Klijn and Reuer, 2009; Hoffmann, 2005, 2007; Sluyts, *et al.,* 2011).

The characteristics identified by Wassmer (2010) as fundamental to defining what constitutes an AP are:
- The differing types of inter-organisational relationships which are included,
- Whether the portfolio, and its subsequent management, is situated at the business or corporate level (and, whether in line with strategic intent, whether alliances are formed for exploitation or exploration motivations), and

- Whether past, as well as present, alliance partnerships are included.

Wassmer (2010) goes on to provide a very broad, but practical, AP definition:

…an alliance portfolio consists of the focal organisation's past as well as present strategic alliances, of all types (p. 144).

This definition encapsulates all inter-organisational relationships, regardless of bureaucratic and governance structures, and does not discount previous alliances as the learning from these partnerships cannot now be 'unlearned' (Wassmer, 2010). So, as portfolios become increasingly necessary, Ozcan and Eisenhardt (2009) suggest in their study into entrepreneurial rivals in the wireless gaming industry, that it now becomes more and more important for organisations to build, and further develop, the capability in managing these sets of multiple, diverse alliances. This focus on the importance of the management of APs for their sustainability is reinforced by the study of Lin, Yang and Arya (2009) into alliances in four US industries, computers, steel, pharmaceuticals and natural gas. In the context of international academic alliances, this definition encapsulates all partnerships – strategic does not discount those alliances which are operationally based and administratively managed, for example Erasmus +. There are no exclusions because an alliance is 'not strategic enough' – for instance, learning can be achieved at operational and strategic levels, and for an alliance to be labelled with 'strategic intent' from the focal institution does not require a financial dimension to its formulation and implementation.

3.6 Alliance portfolio emergence

This section outlines how an alliance portfolio or network may develop within an organisation. Initial consideration investigates if portfolio building is simply an additive element due to reaching a critical mass of alliances in operation, or is there strategic intent in network formation, linked to the RBV. Next, the discussion looks to the strategic choices, or motivations, available to the organisation to remedy any resource gaps in response to external drivers for change. The strategic choices explored in detail, with specific reference to the exploitation and exploration strategies and growth, are adapting, shaping and stabilising which serve to generate a research question.

According to previous studies, the rationale for the emergence of specific portfolios of alliances is that it is necessary to go beyond a simple additive or cumulative approach whereby when a critical mass of individual alliances has been reached, a portfolio will emerge or develop. This perspective of portfolio emergence determines that importance lies not in the success or failure of a single alliance, but that the organisation's strategic goals will be reached through optimal utilisation, and performance, of its bundle of alliances. This logic places the structure and strategic orientation of the portfolio at the centre of interest (Hoffmann, 2005, 2007; Lavie, 2007; Wassmer, 2010).

Retaining the focus on the RBV, alliances and inter-organisational relationships are formed to align (or complement and reinforce where resource gaps are identified) the resources and capabilities of an organisation with those of partners, aligned with the focal institution's wider strategy. As suggested by Hoffmann (2005, 2007) the strategic intent is to achieve synergies through incorporating, transferring, or acquiring, these resources in reaction to external forces and drivers, and/or as a response to internal aspirations. Alliances act to form an adaptive response to ensure that the organisation's business or corporate strategy retains a link between its (now extended) resource endowment and the dynamic macro-economic and competitive environment. As such, a strategy for the management of an alliance portfolio does not exist in isolation from broader, rational business strategies (Grant 2015; Hoffmann, 2007).

Hoffmann (2007) continues to suggest that there are three strategies, serving as organisational motivations, which an organisation can adopt to adjust to environmental risk and uncertainty through resource realignment. These strategies are: firstly, reactively adapting to the environment; secondly, actively shaping environmental development in line with organisational strategy; and, thirdly, stabilising the environment to avoid structural and strategic change. Linking to strategic choice, as an extended component of Lowensberg's (2010) model, these strategies are outlined below, and explicit reference is made to their inter-connection with exploitation and exploration alliance strategies.

Hoffmann (2007) argues that a **shaping** strategy can be identified when an organisation attempts to pursue an alliance strategy which is designed to proactively shape the

external, competitive, environment. This is achieved as an integral element of the organisation's business strategy, and the resource base will need to be expanded, broadened or deepened. Here, exploration alliances are formulated and implemented to potentially discover opportunities for long-term increased revenue streams through developing resources and capabilities from long-term investments. The potential for shaping lies in upstream activities, such as in the sphere of tertiary international education, the opening of (franchised) branch campuses, delivering TNE through collaboration with trusted partners, and the recruitment and articulation of students. These activities can then increase strategic flexibility and organisational resource endowment (Hoffmann, 2007; Nielsen and Gudergan, 2012). Hoffmann, in the study into AP development in two Siemens business units, goes on to label shaping alliances as 'core exploration alliances' (2007, p831). This is due to their long-term outlook and the fundamental changes they make to, for instance, the content of 'products' delivered and the structure of their delivery, and can be directly linked to the extension of international He activities through TNE provision of branch campus delivery, as above.

In line with shaping Hoffmann suggests (2007) that an **adapting** strategy aims to modify the dynamic competitive environment, but this time from a reactive, rather than proactive, perspective – a reaction to external drivers for change. The fundamental differences lie in temporal and investment areas: the reactive strategic response attempts to broaden the organisation's resource base without high, irreversible investments with single partners. It is more likely that a range of alliances are used with multiple partners. Hoffman labels adapting alliances as 'probing' or 'platform alliances' as they will, typically be based on several low investment, low commitment, probes into the future (2007, p831). So, an adapting strategy will be aligned with a strategic choice to engage with exploitation alliances – relatively short-term in duration with lower strategic and resource commitment. It is prospective, but does not necessarily possess long time horizons, or high-risk investment. This can be illustrated by an HEI growing its range of Erasmus + partners as a reaction to employer attitudes to cross-cultural diversity. More destinations are needed, with similar characteristics, but this perceived growth is without long-term strategic implications as the external contract allows ease of termination.

Where 'exploitation alliances' (Hoffmann, 2007, p831) are utilised to increase the productivity and efficiency of resources and capabilities acquired through exploration, the organisation has adopted a **stabilising** strategy. Hoffmann (2007), Nielsen and Gudergan, (2012) and Ozcan and Eisenhardt (2009) suggest in their studies that efficiencies are achieved through standardisation and implementing scale and scope economies in order to stabilise the environment and leverage existing skills and knowledge to sustain an existing competitive advantage. This is seen as a short-term reactive strategy which will have very limited time horizons, and will require a review of business and corporate strategic direction in the long term. In the short-term this reactive strategy could be to expand operations within an existing exploration market, rather than looking to new market entry. This might be through expansion and increased recruitment with existing partners, rather than broader based geographic or institutional growth.

Utilising Hoffman's (2007) strategies, the emergence of an alliance portfolio will be founded on strategic choices based on the equilibrium between exploitation and exploration alliances contained within the portfolio or network in response to the need for commensurate resources. The key motivation for the firm will be the achievement of the optimal mix of exploitation and exploration alliances which fit within the broader organisational strategy. The literature suggests that strategic choices will tend to be a function of internal organisational and external environmental characteristics, such as the generic competitive strategy implemented, the age of the firm and current rate of industry growth. The age, or maturity, of the organisation may influence the profile of the portfolio as it emerges or develops. Young entrepreneurial organisations can potentially benefit more from exploitation alliances, while more mature firms may benefit from a portfolio configuration including more exploration portfolios (Eisenhardt and Schoonhoven, 1996; Heimeriks, 2010; Hoffmann, 2005, 2007; Nielsen and Gudergan, 2012; Yamakawa, Yang and Lin, 2010). This section reinforces the question focusing on the development of alliance management capability, and further develops the previous question related to growth.

Growth

- Developed from the previous studies of Nielsen and Gudergan (2012): What is the relationship between exploitation and exploration alliances and strategic growth in partnerships?

3.7 Alliance portfolio configuration

The second aspect of the lifecycle, post emergence, is the configuration of the alliance portfolio. This section will, initially, identify the strategic linkages of the portfolio, whether exploitation or exploration is the strategic driver, and whether a shaping, adapting or stabilising strategy is implemented to complement the overall business/corporate strategy. Next, the specific factors which can align the portfolio configuration to strategy, to ensure coherence and cohesiveness are examined. How do the number, spread, redundancy and intensity of alliances avoid the portfolio or network becoming an amorphous mass of corporate agreements? This section is completed with the introduction of research questions developed within the themes of growth and management.

The configuration of the alliance portfolio, or its content and arrangement, will, typically, be determined by the selected alliance strategy - i.e. the principal strategic direction and scope for all of the alliances in the particular organisation or HEI. Ahuja (2000) contends, in his longitudinal study into alliance networks in the international chemical industry, that the alliance strategy will, in common with the business strategy implemented, define the partnership characteristics by number, spread, redundancy and linkage strength (or intensity). The configuration of the portfolio will, as argued in previous studies, be different whether exploitation or exploration is the key strategic driver of the business, or whatever particular balance or mix is required between exploitation and exploration to contribute to achieving sustainable competitive advantage (Ahuja, 2000; Hoffmann, 2005, 2007; Nielsen and Gudergan, 2012; Wassmer, 2010).

3.7.1 Portfolio characteristics linking to strategy

The business strategy and portfolio configuration, as above, will typically provide the strategic direction for each individual alliance. As an integral element of the partner

selection phase when initiating new alliances, their compatibility to the overall strategy must be ensured (Hoffmann, 2005; Wassmer, 2010). Reuer and Ragozzino (2006) suggest another important caveat about portfolio configuration, with relation to the benefits and costs to be incurred – benefits are directly dependent on configuration. While the optimal, or utopian, outcome from the portfolio will be to achieve maximum benefit at the least cost possible, the practice can be very different. Hoffmann (2005) and Reuer and Ragozzino (2006) argue that what may appear to be coherent and cohesive portfolios of alliances can be little more than random selections of partnerships, sometimes with conflicting demands destroying any potential synergies. The specific characteristics which serve to align the alliance portfolio configuration to the strategy aiming to achieve optimal coherence are now examined in light of this caveat.

Initially, the **number** of alliances within a portfolio is concerned with both the quantity and quality of partners. The actual number of alliances will determine the extended range of resources, competencies and knowledge that an organisation will, potentially, be able to access. This is to assume a direct relationship between the mass of partners and the breadth and quality of resources available to them. Ahuja (2000), Hoffmann (2007) and Wassmer (2010) both argue that alliance portfolios which are strategically configured to be small in respect of number of partners, but have breadth, or are 'high-quality' (for instance HEIs with a strong reputation in their particular field, or geographic market) may be more beneficial and cost-effective than a large portfolio. A larger number of partners within the portfolio which provides similar access, will, necessarily through duplication, contain redundant information, knowledge, skills and resources. Although duplication of certain key characteristics within exploitation alliances in He, such as similar curriculum structures etc., may be seen as beneficial to the focal institution. So, organisations with broadly configured portfolios will, generally, have better access to extended resource and knowledge bases. Further, a broad configuration may also have the potential additional benefit of being more visible in the organisational field for firms seeking alliance opportunities.

The second characteristic linking portfolio configuration to strategy is the **spread**, or dispersion, of the portfolio. Here, spread relates to the strength of the ties that exist

between the focal firm and its various partners from different strategic groups and sectors. It describes the diversity of information, competencies and resources to which the organisation has access through its extended resource base (Koka and Prescott, 2002). Within HEIs' networks the degree to which spread exists in the portfolio is contingent on the range of activities covered by partners. If there are only destination partners within the portfolio, spread will be minimal, but with a range of partners contributing diverse resources and skills to alliances, the degree of spread is increased. The correlation between the strength of ties in alliance portfolios and firm performance is seen to be initially contingent on the density of the ties established. However, it is also linked to the investments made in exploitation and exploration alliances in response to competitive pressures. Organisations which engage with exploitation alliance strategies will often pursue weak ties with many non-familiar partners, thus there is low commitment to the multiple partners. In contrast, strong ties, where there is strong commitment based on a small number of recurrent, long-term and trusting relationships, will typify the exploration strategy when intimate knowledge exchange is critical. The spread of alliance partnerships can, again, be seen to be directly related to the strategic intent, and business strategy, of the organisation (Koka and Prescott, 2002; Wassmer, 2010), and as such the importance of correct alignment is reinforced

Redundancy within alliance portfolios describes two fundamental issues. Firstly, redundancy relates to the contextual overlapping, or duplication, of resources and information available within alliances across the portfolio (Hoffmann, 2007). Secondly, it is the degree to which firms must change the configuration of the portfolio over time (Wassmer, 2010), as the end of the lifecycle for particular alliances is reached. So, if there is low content in the proportion of redundant relationships within the portfolio, the greater the efficiency across the network because the costs of developing and forming alliances are minimised. However, it must be noted that redundant relationships, through the same apparently contradictory duplication, have the advantage of reducing over-reliability on individual partners (Hoffmann, 2007). Regardless of duplication, organisations will, in time, have to change the configuration of the portfolio in response to competitive and macro-environmental pressures such as technological change, market saturation and new product development. This can be done through altering one or more of its configuration parameters, such as the number

of alliances, the tie strength with partners, or the profile of partners (Wassmer, 2010). The logic of redundancy may seem contradictory, or ambiguous, especially in reference to duplication, but the necessity to reconfigure the network will occur in reaction to internal aspirations and strategic drivers, aligned with broader organisational strategies. So, international academic alliance portfolios may, necessarily, hold several 'redundant' destination alliances, but these are seen as appropriate. There will, however, be the requirement over time to *make redundant* some alliance partners irrespective of the alliance strategy employed as they will underperform, or simply be unattractive.

Finally, **intensity** relates to the quality and richness of the information, resources and capabilities that the organisation will have access to through its partnerships, and the trust which develops over time. Strong ties are those which have been maintained and developed over a long period, based on demonstrable commitment which provide close, trusting, collaboration and allow in-depth (and potentially implicit, tacit) knowledge to be transferred (Hoffmann, 2007; Koka and Prescott, 2002). Increased intensity increases interdependencies which in themselves can generate two potentially contrasting outcomes within alliance portfolios, either synergy or conflict. Synergy will occur when alliance partners impact positively on each other, for instance: firms are within the same network; provide access to complementary resources; offer mutual learning opportunities; and, use the network partners to mitigate risk. However, previous studies suggest that conflict will occur if: firms are members of diverse networks; are strong sector/industry rivals; and/or promote competing, emerging technologies (Hoffmann, 2007; Parise and Casher, 2003). Thus, it is seen that intensity and the formation of in-depth relations can have both benefits and significant challenges – the foremost challenge being, the implicit danger of providing partners with the requisite resources and capabilities to become direct rivals and competitors. In investigating international academic alliances it is those which are more 'advanced' which will contain these complex interdependencies, and potential for sharing of (tacit) knowledge through both intimate operational integration and strategic management – thus, intensity will be more prevalent within TNE and branch campus alliances than in destination alliances. Intensity within international academic alliances is seen as a function of complexity.

The configuration of the alliance portfolio may be both fluid and dynamic, and may require alteration and adaptation over time. This evolution may involve the formation of new alliances, and/or the termination of others in response to both the internal aspirations and the dynamic competitive environment to achieve/sustain competitive advantage (Wassmer, 2010). However, this adaptation does not take place in an organisational vacuum. There will be explicit linkages between portfolio configuration, alliance strategy and business strategy to ensure the portfolio remains coherent and not, as previously noted, a random collection of disjointed partnerships, or where collaborative partners are (inadvertently) promoted to a position of being direct competitors.

3.7.2 Synopsis

This section has examined the configuration of APs with particular focus on the linkages between the exploitation and exploration activity content and arrangement of the alliances within the portfolio. To achieve maximum benefit from the alliances/APs, there are 4 specific characteristics of the portfolio which align the configuration to the specific strategy: number, spread, redundancy and intensity: and, it is through the continuous upgrading of the portfolio – with commensurate re-alignment – which can avoid the portfolio deteriorating into an anomalous bundle of fragmented collaborations. The section develops topics for investigation within the themes of growth and management.

Growth

- Based on the previous study from Hoffmann (2007): What is the significance of the number, spread and intensity of relationships?

Management

- Extending Hoffmann's (2007) work: How is redundancy managed within existing networks of alliances?

3.8 Alliance portfolio management

This section examines the concept of alliance portfolio management, or alliance capability. Initially, the four types of alliance management mechanisms are outlined and detailed. Next, the organisational characteristics which are seen as the foundation to

create and sustain the capability are presented and evaluated: alliance experience; the alliance manager; input from senior (strategic) management; and, a supportive organisational culture.

3.8.1 Alliance capability

Sluyts, *et al.* (2011) argue that alliance capability is, within a firm's business strategy, the specific set of skills, knowledge and competencies required to optimally manage the entire portfolio in which the organisation is engaged. Alliance capability is treated synonymously in the literature with alliance management capability and alliance portfolio capability/management. Specifically, the capability, irrespective of its 'label', describes the abilities to:

- Identify appropriate partners

- Initiate the alliance for mutual advantage

- Choose a suitable governance structure

- Manage and maintain the alliances and relationships in an on-going basis

- Restructure the profile or configuration of the portfolio (Sluyts, *et al.,* 2011).

These characteristics apply directly to the study of international academic alliances, and their networks. Identification of appropriate partners can be seen, at one end of the continuum to be HEIs in attractive destinations with a similar curriculum, and at the other end where the partners are reputationally enhancing providing income streams and legitimacy in new markets. Partnerships for mutual advantage can also be seen from the twin perspectives: reciprocal student flows allow for on-campus internationalism as well as mobility destinations; and, strategic agreements where financial benefit is exacerbated with reputational enhancement. A suitable governance structure may be dictated by external contractual parameters in simple destination agreements, but may require strategic negotiation from senior management in complex exploration alliances – with enhanced learning and alliance management capability development. The management and maintenance of the relationships includes a socialising aspect appropriate to both perspectives of academic networks, as is the learnt ability to configure, and where necessary, reconfigure the size and shape of the portfolio. The

broad 'corporate' characteristics drawn from Sluyts, *et al.*'s 2011 findings transfer to academic alliances, with experience and knowledge gained from past and present alliances informing the capability.

Previous studies, recognising the ability for the creation and integration of accumulated knowledge in (dyadic and/or network) alliance management, argue that organisations can develop an alliance capability so enabling them to manage all of their alliances more successfully. Central to this concept is the premise that the capability is founded on internal learning and alliance experience. This experience is then integrated as a process to achieve and sustain competitive advantages based on an evolving network of partnerships.

It is naïve to consider that an alliance capability can be created, or will evolve, through merely initiating, formulating and maintaining a greater and greater number of alliances. Sluyts, *et al.* (2011) argue that there must be, through co-ordinated, strategic processes, explicit efforts to leverage all previous alliance experience and learning and ensure that the knowledge and skills accrued are systematically transferred and shared. So, the literature suggests that faced with a need to systematise these processes into an alliance capability and to ensure knowledge sharing, many organisations choose to introduce formal mechanisms. These mechanisms are classified as: functional and staffing roles; tool based solutions; training solutions and management processes; and, third party, external solutions (Heimeriks, Klijn and Reuer, 2009; Rocha-Goncalves and Goncalves, 2011; Wassmer, 2010). Indicative descriptions for these solutions are given in Table 3.2, below.

Table 3.2: Four types of alliance management mechanisms

'Solution' category	Description
1. Functional and staffing roles	Individuals, units or functions which are specifically concerned with the management and co-ordination of alliances within the organisation, for instance an Alliance Manager/Director
2. Tools	Organisational processes and instruments (for instance web-based) which provide guidance and instruction on partnership management issues throughout an alliance life-cycle – including formation, codified best practice and termination
3. Training solutions and management practices	Specific programmes which enable and enhance understanding of alliance issues for those directly involved in alliance management for instance inter-cultural diversity training
4. Third party, external solutions	Outside experts who provide specific, content based input, for instance on conflict mediation, legal issues etc.

Source: Heimeriks, Klijn and Reuer, 2009; and Rocha-Goncalves and Goncalves, 2011; and, Wassmer 2010

Simply labelling these mechanisms as 'solutions' to the development of an alliance capability should not allow the perception that the presence of the mechanisms alone can be a proxy for organisational or institutional alliance capability. The capacity to manage an organisation's discrete bundle of alliances is company specific, containing idiosyncrasies based on the unique accumulation of, and interaction with, other (potentially unique) resources and capabilities. Therefore, to determine how alliance capability can be developed (to become valuable, rare, inimitable and non-substitutable (Barney, 1991) it is necessary to explore other firm specific characteristics which facilitate its creation and maintenance. These characteristics, Sluyts, *et al*. (2011) argue in their study into R&D alliances across chemicals, machinery and motor vehicle industries, will include past alliance experience and the role of the alliance manager, the support of senior management and a supportive organisational culture.

- Alliance experience: from a learning and/or knowledge-sharing perspective the portfolio can be seen as an antecedent for alliance capability as it is both a repository of experience and a vehicle for learning. However, this accumulated

learning must be effectively used for the organisation to benefit (Wassmer, 2010). Sluyts, *et al.* (2011) argue in their empirical paper that organisations with higher levels of previous alliance experience have evolved more elaborate and explicit management mechanisms. These mechanisms involve better codification, articulation, knowledge-sharing and management processes to advance the alliance capability. The utilisation of these alliance learning and management mechanisms can foster conscious learning and may encourage lessons from previous alliance experiences (importantly, both positive and negative) to be captured and shared. Sluyts, *et al.* (2011) in their findings suggest that the most important element of knowledge-sharing regarding alliance experience comes from employees spending time together to engender mutual learning. They continue that it is more important to utilise the functional and staffing roles through specialised network development of 'tool based solutions' than to indulge in expensive training sessions and workshops. The gathering of good/best practice in a manual, or through rotation of tasks and roles proves more constructive than formal presentations of findings. Thus, the formal mechanisms are useful in acting as a repository for alliance experience and information, but knowledge sharing still requires an informal, personal element, and a supportive organisational culture (Sluts, *et al.,* 2011; Wassmer 2010).

- The role of the alliance manager: Rocha-Goncalves and Goncalves (2011) in their research into the Portuguese pharmaceutical industry, provide a definition of alliance capability as a process which co-ordinates resources and routines in order to build a coherent portfolio of alliances. These resources and routines have a particular focus on both the anticipation of emergent problems, and the investigation into potential opportunities and the allocation of resources to exploit synergy within the existing configuration. Again, these tasks cannot be conducted by the mechanisms alone, and a critical element of the alliance management process, throughout its life stages, is the role of the Alliance Manager. The manager is pivotal in identifying the diverse benefits and challenges within existing and future alliance configurations, regardless of institutional 'label' (Sluyts, *et al.,* 2011). This dedicated function can improve alliance capability in the following ways:

o   A separate function demonstrates organisational commitment to partners. It creates legitimacy both internally and externally as visibility for the function is evident, as is commitment to the 'alliance process'.

o   The manager can sponsor projects (for instance particular aspects of current alliance formations or investigations into previous positive and negative experiences) and ensure sufficient, appropriate resources are allocated.

o   The dedicated function, close to the tasks, roles and responsibilities, can more easily collect and collate experiences from across a variety of functions directly and indirectly included in collaborative partnerships. These experiences are then shared across units with the manager as the key, overseeing facilitator.

o   The role, or department, can initiate the building of the infrastructure to ensure that the appropriate alliance management mechanisms are established to provide sharing of best practice etc.

- Senior management support: Eisenhardt and Schoonhoven (1996) contend that senior management teams that are large, with strong networks of contacts and are experienced in previous alliances can impact upon the rate of alliance formation. The management teams will have the requisite resources (time, skills, networks, and commitment) to form alliances at higher rates. This argument is advanced as senior management drive the strategic direction, and development of resources and capabilities. Sluyts, *et al.* (2011) find that the involvement by senior management in alliance formation and management will facilitate the development of alliance learning mechanisms, which in turn will advance the evolution of alliance capability. If senior management explicitly signal their involvement in the strategic direction and scope of the organisation (for instance alliance capability building) more resources are allocated to the process, and more elaborate capability transfer mechanisms are initiated, and so the process becomes sustainable.

- Cultural variables: the impact of organisational culture can be seen through the quality and diversity of information which people prefer to share, and the way that the shared information is then processed. By extension, culture impacts on

the ease or difficulty with which knowledge is transferred both within organisations and across inter-firm boundaries in partnering scenarios. The 'learning orientation' can be seen as the set of organisational values which influences the way that individuals within the organisation interpret, evaluate and use information. So, according to Farrell, Oczkowski and Kharabsheh (2011) in their study into Malaysian services and manufacturing alliances, if learning is integrated within the corporate culture, the organisation can attain greater benefit in alliance capability through higher levels of learning success. The emphasis on learning orientation is further complemented by Sluyts, *et al.* (2011) contending that an open culture towards alliances and alliance partners improves the effect of learning between both individuals and organisations. The open culture will facilitate the development of the external orientation, innovation, knowledge-sharing and creativity that drive the emergence and evolution of a learning system which can lead to alliance capability.

Through the specific investment in learning mechanisms and the alliance function an organisation can develop an alliance capability which will facilitate the effective decision-making and management processes of the firm. It is vital that the organisation does not become overly reliant upon introducing solely the mechanisms, but looks to broader internal characteristics to fully develop and implement the capability (Rocha-Goncalves and Goncalves, 2011; Sluyts, *et al.*, 2011). Wassmer further contends that, as an extension to RBV, an alliance management capability engaged with multiple alliance may have a 'superadditive' impact – through the 'superadditive dependencies', i.e. those skills in managing dependencies and resources accrues *across* alliances, and additional resource, or capability is acquired. The alliance management capability whereby managing he portfolio creates more organisational, or institutional value than simply adding all of the accrued 'values' from individual alliances (Wassmer, 2010).

3.8.2 Synopsis

This section has examined the management of APs and the specific organisational development of the alliance portfolio capability. Whilst the accumulated knowledge of alliance management is central to building AP capability, a simple additive approach to building the capability is insufficient. Mechanisms are identified which will, potentially,

augment alliance experience in developing alliance capability such as a dedicated Alliance Manager, or similar dedicated functions. This function cannot exist in isolation and must be supported by senior management within an organisational culture which promotes sharing information and knowledge collaboratively. The potential evolution of the alliance capability and dedicated support functions and processes generate the following question within the theme of management: What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy? This question, in turn develops the following topics from the literature:

Management

- Generated from the work of Sluyts, *et al.* (2011): Who is strategically responsible for the alliance network balance and structure?

- Extending the previous study of Nielsen and Gudergan (2012): Is there a linkage between exploitation and exploration alliance strategies and alliance management capability?

3.9 HE alliances, internationalisation strategies

This section presents two key areas: alliance development within the specific context of international HE; and, the twin drivers of internationalisation and globalisation, with attendant generic strategic responses. The first section identifies institutional rationales for implementing international alliances, and notes that there has been a lack of research in the area. The second part looks at the global context of HE international alliance formation and presents the twin drivers of internationalisation and globalisation. Allied to these drivers are the international and transnational strategic responses an organisation can apply in response to these characteristics of globalisation.

3.9.1 Strategic alliances within international Higher Education

Chan (2004) suggests a rationale for alliances in HE because inter-university alliances within HE may improve (institutions' as well as) society's needs by addressing intellectual, economic, social, political and cultural matters and thus face global challenges. Gray (1996) further states that organisational cultures within the education

sector are rather individually oriented and culturally specific, particularly with regard to their decision-making processes, which challenges the desire to engage with strategic academic alliances. There is therefore an apparent contradiction, however, academic alliances have been studied inadequately and according to Martin and Samels (2002) and Whealler Johnston and Noftsinger (2004) the respective literature is rather speculative. But, academic alliances have been collaborating for a long time and are increasing (Martin and Samels, 2002). Motives are, for example, coordinated curricula, cross-enrolments for students (Eckel and Hartley, 2008), implementation of educational reforms and especially improvements in student learning and creating new and enhanced learning experiences (Altbach, 2004). Previous studies (Ayoubi and Al-Habaibeh, 2006; Chan, 2004) argue that, above all, universities form alliances in order to be able to compete in a market that is dominated by globalisation, internationalisation, massification and marketisation of education. To gain market share and visibility, especially 'newer' universities and Business Schools need to cooperate with each other, as their reputation, standing and resource base have yet to be fully developed.

Through alliances HEIs are able to meet pressing needs (for instance budget constraints, claims of academic success, pressures from demographics), to offer innovative academic programmes and may take advantage of emerging opportunities, while investing fewer resources (Whealler Johnston and Noftsinger, 2004). Likewise, HE institutions are 'market-oriented', as their existence depends upon the needs and demands of students, their parents, employers and wider stakeholders (for instance funders, politicians, government, and society itself). Good relationships, external relations and effective marketing are all significant impacting factors in academic alliance formation and implementation.

However, HEIs may be wary to cooperate with other institutions, if these are not considered 'equally' with regard to academic quality and reputational standing (Whealler Johnston and Noftsinger, 2004). In order to upgrade their own (international) reputation, institutions develop cooperation with prestigious universities. For example, Sciences Po in France established joint degrees with for instance the London School of Economics and Political Science (LSE) and highly considered American universities. Thus,

the institution also aims at attracting the 'best and brightest' students (THE, 2013). Parise and Casher (2003) suggest that certain portfolio members may play a unique role, as they attract and connect the focal university to 'new' institutions beyond their existing network, and can perpetuate added reputational value by attracting more high-profile partners.

In relation to international corporate relationships/collaborations, Eckel and Hartley (2008) contend, based on their study about curricular joint ventures, that building a shared identity is more important than identifying alliance objectives and procedures. Finding an academic alliance partner with whom the initiator is familiar enhances common objectives and a shared identity. Besides, the authors posit a major difference between the corporate and the academic sector. Colleges and universities have little organisational slack to unilaterally innovate, thus they form alliances and invest financial resources with institutions they trust in alliance operations rather than in establishing shared aims and objectives with new alliance partners (Eckel and Hartley, 2008). As marketisation and massification of HE progress further in response to globalisation, it is unlikely that a shared identity is now more important than identifying and achieving alliance aims and objectives – they are likely to be of equal standing strategically.

The configuration of a small portfolio which comprises few partner organisations 'high in quality' and of strategic importance may be more valuable and cost-effective than a larger portfolio (Sursock and Smidt, 2010; Wassmer, 2010). APs of 'high-quality' and with a high breadth (degree of direct ties) in the context of HE alliances consist of cooperation with high-end business schools and universities with a strong reputation, favourable contacts and excellent ranking, and as such bring perceived advantage to the focal institution, if these are the sole alliance objectives. If alliance objectives are broader and founded on diverse rationale, or strategic intent, it is likely that a more evolutionary path is traced through exploitation alliances to exploration.

Hoffmann (2007) and Wassmer (2010) argue that a higher visibility within the (academic) organisational field, especially when it comes to the creation of further alliances, is a benefit of being engaged in a larger portfolio. A larger portfolio may embody a few direct ties and a vast network of indirect ties. This offers the opportunity to take advantage of size, while keeping costs lower than an engagement with a large

number of direct ties (Ahuja, 2000), and supposes a different organisational or institutional strategy based on weak ties with homogenous institutions.

However, Beerkens and Dewende (2007) suggest in their study on academic consortia, that several similarities exist in alliance behaviour with the corporate sector. Initially, they suggest that a consortium has to be founded on resource complementarity on a strategic level, echoing RBV. This complementarity is insufficient, they contend, for a successful alliance, and it must be supported by specific alliance management mechanisms. This finding supports previous corporate studies where specific roles and processes are required to support alliance, partnership and relationship management. Consortia are also reliant on finding a close institutional fit to provide optimal potential for alliance success, particularly as complexity increases from both internal and external environments capability (Rocha-Goncalves and Goncalves, 2011; Sluyts, *et al.*, 2011).

3.9.2 Internationalisation strategies

Mitchell and Nielsen (2012) suggest that alliance formation within academia, as in any other sector, does not take place within a vacuum. It occurs within the context of internationalisation strategies being conducted with the forces or drivers of globalisation impacting on HEIs. Internationalisation, they contend, is something that HEIs do in response to globalisation, and these themes have gained increasing importance as they impact on institutional behaviour (Enders, 2004). Knight (1999) states that institutional internationalisation itself is a proactive response to these external drivers, and so, causally, becomes a driver of globalisation. Yet, Enders (2004) continues that the more these terms, internationalisation and globalisation are used, the more mingled, confused and fuzzy they become. Mitchell and Nielsen (2012) give the warning that HEIs, in common with all institutions with global reach, ignore both concepts at their peril because the core concept of globalisation has become a key driver in institutional development and its attendant management strategies.

Globalisation can also be seen, from a social interaction perspective, as the process of developing social integration and increased connectivity amongst geographically dispersed people. According to Levin (2001), Marginson (2007) and Mitchell and Nielsen (2012), this creates interdependence across key developmental factors, such as;

economic, social, cultural, political, environmental, technological and academic, again driving institutional strategies and initiatives. This interdependence and related interactivity generates the network society. Mitchell and Nielsen (2012), building on the work of Beerkens (2003), continue that the globalisation concept can be extended to all forms of social institutions, particularly HEIs. They continue that as a result of globalisation factors HEIs are achieving greater legitimacy, and political and social support in new and existing markets from the adoption of globally accepted organisational and operational systems and processes such as alliance development.

As internationalisation as a concept becomes increasingly more complex it is useful to look to the definition, initially provided by Knight (1999), and extended by Mitchell and Nielsen (2012). They contend that HEIs internationalise their activities when they reconfigure their operations to: attract internationally mobile students; deliver programmes across national borders, focus on advantageous educational niche markets; and/or to restructure their work and remuneration systems to recruit the 'best' employees. This reconfiguration occurs as a response to key drivers for globalisation, and so perpetuates them.

To continue to extend this contention, institutions which are engaging with globalisation and the network society are increasingly developing a consumerist perspective towards HE. This perspective is transforming education into a product or commodity which can be traded within an open market (Altbach, 2004). HE as a tradable commodity is dependent on the ease with which it can be developed, managed and then distributed across borders and cultures to the end users in a transparent, accessible format regardless of geographic location (Mitchell and Nielsen, 2012). The facility with which an institution is able to conquer these dependencies will require a different set of competencies than those required to simply attract and recruit academically excellent mobile staff and students.

The extent to which a tradable commodity or product will be transparent, accessible and user-friendly across borders and cultures will depend on the strategy and approaches used by the HEIs to functionally integrate their geographically dispersed activities (Dicken, 2015; Hill, 2014). The adoption of an international or global strategy, in for instance FMCG sectors, defines the scope of cross-border activity with which the HEIs

engage. Hill (2014), suggests that the strategy adopted by an organisation might be defined by their decisions related to, for instance: is there global investment, or simple reciprocal contractual relations, are products adapted for local markets, or merely standardised, and to what extent are collaborative technologies and networks utilised. A generic international strategy, as above for an organisation in the FMCG sector, uses a strong home country base for their operations. They will export their products with a minimum of customisation and with the strategic and operational decisions being made from the home country headquarters.

In contrast, a generic global strategy as it evolves and develops to become a transnational, or globally integrated, strategy will have different characteristics. This transnational strategy (globally integrated), first propounded by Bartlett and Ghoshal (1989), allows for organisations to respond within the global marketplace to pressures and drivers for both cost reduction and local responsiveness. The global organisation, implementing a globally integrated strategy, must attempt to realise all of the scale and scope economies and experience effects of their cross border operations. Simultaneously they should also be transferring core competencies within their networked activities, and adapting to the demand being made for local responsiveness (Hill, 2014). This transference of core competencies is not one-way traffic from home to host. Skill and knowledge transfer, both explicit and tacit, will increasingly be two-way traffic between alliance partners. This allows for a focus on leveraging competencies from collaborative operations (Hill, 2014), and organisational learning will, potentially, become mutually beneficial.

This section has presented the contention that the concepts of globalisation and internationalisation are (mis)applied in the context of HE, but the more they are used, the greater the potential for 'fuzziness' in precise meaning. The word 'internationalisation' is used to describe any academic institution's strategic initiative to conduct any/all operations beyond its domestic national borders. The section continues to examine the terms conceptually used to, more precisely, describe and define by scale and scope of activity within the corporate (but not academic) sector. This constitutes a gap in knowledge, HEI internationalisation strategies should be described and defined by the scale and scope of their activities.

3.10 Research themes and questions

Review of the extant literature finds that motivations for the formation and management of individual alliances within dyadic relationships have received much attention, with new models for the development of an individual alliance management capability continuing to be proposed. However, there is a need for further research into why and how alliances are developed, configured and managed within the context of international HE. On the basis of the preceding evaluation the following research questions, under the over-arching themes of motivation, growth and management are proposed. The themes act to both synthesize the questions which may be generated within disparate sections of the chapter, and to give institutional context to the process of alliance development and management, as demonstrated in Table 3.3 below.

The table traces the thematic pathway from the over-riding aim of the research to the key authors. The pathway is refined from aim, to the broad themes used in conceptual and organisational contexts to provide a framework for the alliance process. Next, the research questions, by theme, have been developed, which then generate the specific topics for investigation. Causal linkages can be traced through the evolution of the questions in both Table 3.3 and also Appendix A, where the research aim is traced, through theme, question and topic to the specific interview questions.

Table 3.3: Thematic linkages to topics for investigation and key authors

Aim	Theme	Question	Topic for investigation	Key Authors
A critical evaluation EHEA Business School approaches to the development, configuration and management of international academic alliances in response to differing regulatory contexts.	Motivation	What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?	What is the significance of the number, range and scope of the alliances with which the institution engages?	Hwang and Park, 2007
			What is the institutional motivation for the formation and implementation of alliances in relation to competitive and strategic drivers?	Barringer and Harrison, 2000
			What activities are covered by network alliance activities?	Hwang and Park, 2007
			Do linkages exist between exploitation and exploration alliance strategies and collaborative activities in EHEA Business Schools?	Neilsen and Gudergan, 2012
	Configuration	How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?	Is growth strategic or opportunistic?	Eisenhardt and Schoonhoven, 1996
			What is the significance of the number, spread and intensity of relationships?	Hoffmann, 2007
			What is the relationship between exploitation and exploration alliance strategies and strategic growth in partnerships?	Hoffmann, 2007
	Management	What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy?	How do HEIs develop an alliance management capability?	Schreiner, Kale and Corsten, 2009
			How is redundancy managed within existing networks of alliances?	Hoffmann, 2007
			Who is strategically responsible for alliance network balance and structure?	Sluyts *et al.*, 2011
			Is there a linkage between exploitation and exploration alliance strategies and alliance management capability?	Neilsen and Gudergan, 2012

Chapter 4: Methodology

4.1 Introduction

This chapter provides an outline of the research methodology and methods employed in analysing the motivation for international academic alliance development, the growth and configuration of alliance networks and their sustained management within EHEA Business Schools. Firstly, the epistemological and axiological perspectives on which the research is founded are provided. Next, the research strategy is presented from a conceptual perspective and its relevance to the specific enquiry discussed with the central issue of the viability of adopting organisation based research, borrowing extensively from case study research. This is followed by presentation of the research design, starting with the pilot study and its impact on the main study. A rationale for the purposive sample and the 'insider outsider' perspective adopted is then provided. The primary data collection method utilised in the study (semi-structured, elite interviews with informed consent), the post interview evaluation and the trustworthiness of the data are then discussed. An explanation is given next detailing the thematic data analysis process. The ethical issues are then considered, with particular regard to strategic and policy issues, anonymity and commercial confidentiality. Finally, limitations of the study are presented.

4.2 Research philosophy

A critical realist epistemology is employed as the author deems it most apposite for analysing research into alliance/AP development within EHEA Business Schools. This is supported by Stiles (2003) who contends that it is a critical realist epistemology that will present the most appropriate basis from which to develop a specific method of enquiry in strategic alliance research, thus a brief synopsis of the approach is presented next. Critical realism is a philosophy of social science that shares with positivism the belief that there is a reality, both natural and social, which is independent of human consciousness (Fleetwood, 2005; Morton, 2006). As an extension of this belief, reality is stratified into three discrete domains (Mutch, 2010). Leca and Neccache (2006) further contend that the domain of the empirical encompasses experienced events; the domain of actual includes events, whether observed or not, and the domain of real consists of

the structures and powers that generate events. From this stratification it is possible to overcome the paradox of institutionally embedded agency through conducting organisational studies which separate agency, structure and culture (Leca and Neccache, 2006) allowing each aspect of the organisation to be explored discretely. To keep these categories apart is necessary if usable outcomes are to be achieved (Wikgren, 2005), and the potential for emancipation from a previously dominant organisational or institutional group is to be realised (Dobson, 2001). Finally critical realism not only aims to understand, but also explain the social world (Grix, 2004), although accepts that explanations may be temporal.

This leads to critical realism being based on the existence of real social structures and systems that can operate independent of our conception of them. These structures and systems condition, but do not determine, agent activity yet they remain dependent upon the agent activity to constrain or enable their continued activities (Wikgren, 2005; Mutch, 2010). This implies that reality is stratified: events can be seen, but social mechanisms are not (easily) observable. Here critical realism accepts that the social world is socially constructed and context dependent. Individuals must contend with the societal structures into which they are born, but they have the capacity to act on and influence their worlds (Ayers, 2011). Critical realism is not content to study only what can be empirically experienced, but aims to identify and explain the underlying structures and mechanisms which have causal powers to produce effects (Wikgren, 2005, and Stiles, 2003).

The empirical and actual domains of reality are regarded as surface phenomena and the realm of the naïve realist. Critical realism goes beyond this, requiring that any explanation involves penetrating beneath the surface of reality to access the domain of the "real". It is the real which is the domain of structures, mechanisms and their liabilities and causal powers to generate events. Actors have no direct access to the domain of the real, and it must be inferred through observation of its effects, as causal powers can exist independently of empirical results. The real is more than mere surface manifestations of the world, although material properties remain an important part of the analysis (Ayers, 2011, Leca and Neccache, 2006, Morton, 2006, Mutch, 2010; Wikgren, 2005). Applying this stratification to the alliances/APs developed in EHEA

Business Schools allows the, albeit simplified, identification of governmental intervention and regulation in higher education policy as empirical, the institutional responses as actual and the socialised and cultural formation and implementation of alliances and networks as real.

The critical realist epistemology, therefore, provides the most appropriate basis to develop a specific method of investigation in alliance research. However, the choice of an appropriate research design and the generation of research themes and questions also involves introducing an axiological perspective (Hiles, 2008). Axiology is the study of one's values which directly impact on how research is conducted and what is valued in a particular study (Hogue, 2011). Axiological ethics focus not only on what should be done, and how it is done, but on what is 'worth' doing, and what should be avoided (Hiles, 2008). An epistemic choice adopting qualitative instead of quantitative methods in the generation of knowledge within this study becomes relevant of itself. It indicates that rich personal interaction across a spectrum of institutional elites is more valued than, for instance, gathering a large data set through survey (Hiles, 2008). This rich data gathered from institutional elites is able to inform decision makers in other EHEA institutions when presenting recommendations. Thus, from an axiological view, this research aims to have a direct effect on the managerial practices in developing international academic alliances and is conducted from a managerialist perspective. The research aims to investigate and analyse the development, configuration and management of alliances/APs, as opposed to measuring the relative survival/success/failure of alliances, or their performance against an indicative return on investment. This is illustrated in Table 4.1, below, which introduces the evolving 'research chain'.

Table 4.1: The evolving research chain

Philosophy	Axiology
Critical Realism	Managerialist, investigative/analytic

The research chain will be extended to introduce an illustration of the development of the coherent methodology and methods utilised in the research.

4.3   Research strategy

Critical realism is particularly apposite to this form of investigative alliance research as it is relatively tolerant with respect to different research strategies (Easton, 2010). The choice of strategy is fundamentally dependent on the nature of the object of study, and what the researcher wants to learn about it. Bryman and Bell, (2011) distinguish between quantitative and qualitative data collection and analysis techniques in research. Quantitative research emphasises collecting and analysing numerical data and testing theory. Qualitative research, instead, emphasises language, rather than numerical data and the intended outcome is to transfer findings to equivalent EHEA Business Schools rather than generalise across the whole population of EHEA HEIs (Yin, 2013). In this, with the collaborative interrelationships between institutions and their development, configuration and management being studied, a quantitative research strategy is inconsistent with the aim of the research. Thus, organisation based research, borrowing from the case study approach, founded on a thorough literature review and rigorous research questions across multi-site organisations, was applied in this study (Lee, Collier, and Cullen, 2007).

Organisation based research, using individual Business Schools as the unit of study, focuses on targeting individual agents competent to discuss strategic and policy issues. The research is conducted *in situ* using semi-structured interviews and qualitative analysis, asking 'what drives change and potential collaboration?' from a managerialist perspective.

Critical realism is applicable to the explanation, understanding, planning and implementation of change in EHEA Business Schools within the research cycle – data gathering, data analysis, interpretation, and evaluation (Easton, 2010). As a consequence, the data collected will, where possible, evidence the impact of alliance formation processes within participant organisations from within and outwith the researcher's direct network in line with the researcher's axiological ethics. Easton (2010) continues that a critical realist approach to research is particularly suitable in investigating causal relationships within, or across, (HE) institutions and their networks. Accordingly, its suitability for alliance and AP research is reinforced.

Organisation based research, borrowing extensively from case study research, is identified as the most apposite research strategy as it can provide rich description and to provide a contribution to theory and practice (Eisenhartdt, 1989; Ravenswood, 2011), see Table 4.2, below. The study aims to provide explanation (and understanding, so as to extend to good practice) of the presumed real, causal links in a contemporary Business School scenario which are too complex for quantitative methods alone (Yin, 2009).

Table 4.2: The evolving research chain

Philosophy	Axiology	Strategy
Critical Realism	Managerialist, investigative/analytic	Qualitative, organisation based research

Here, the research chain is extended using the 'label' organisation based research as an adaptation of case research. Organisation based research remains consistent with the critical realist epistemology as it aims to establish causal linkages in alliance/AP development, configuration and management.

4.4 Research design

Initially, the pilot study is reviewed and the subsequent lessons learned are presented. The research design is then detailed, including the rationale for the use of a purposive sample in the data collection and the introduction of the insider-outsider perspective. The section progresses to present the analysis stage, trustworthiness of the data, the transferability of the findings and the ethical issues considered. Finally, the limitations of the research are considered.

4.4.1 Pilot study

The pilot study was conducted within a Scottish modern university, in one week in April 2013. The target institution has three discrete campuses geographically separated by Faculty, with central services dispersed across the three sites. The Business School is geographically separated from International Development, a university central service. The institution has approximately 18,500 students enrolled on its undergraduate, postgraduate and doctoral programmes, with 8,000 in its Business School. Of this total

student body, across the university, 46% are international (EU and overseas) students from 115 countries. There are also approximately 5,000 students enrolled on overseas delivered programmes. The institution has the most EU (not including UK) students from all Scottish modern universities, with approximately 2,800 EU students enrolled in 2013/14.

Access to the participants was relatively simple due to the relationships with key staff involved in internationalisation already existing within the home institution. The only significant issue encountered was free diary space, but this was overcome with a long period of notice provided. Initially, approaches were made to staff to seek approval, with informed consent, for the interviews to take place within a one week period in April 2013 – specifically, an 'elite' interview with the Dean, and Assistant Dean (International) of The Business School, and the Director of International Development in university central services.

The pilot study tested the application of the conceptual themes of the research questions to the interview questions – which generated both a thematic and dynamic dimension (Kvale and Brinkmann, 2009). The questions were, on supervisory advice and guidance, simplified to allow for a more 'easy' understanding of the issues being explored. This redrafting established causal flow rather than strict adherence to the 'order' of the research questions and allowed for the processes of alliance formation and implementation to be followed. This ensured ease of accessibility to the themes by the respondents, and allowed for greater thematic and dynamic flow to the interview (Kvale and Brinkmann, 2009; Saunders, Lewis and Thornhill, 2007). The dynamic dimension was clearly demonstrated within interview, with the conversation broadening out and respondents answering in an open manner and providing illustrative applications of institutional alliances and existing and/or emerging portfolios. Responses were found to be appropriate for iterative comparison and contrast with theory base in the subsequent pilot analysis. The semi-structured interview provided rich data from participants competent to discuss alliance and AP motivations, development, configuration and management. On completion of the pilot study there were no major amendments made to the research or interview questions other than introducing more transparency to the prompts used by the researcher.

The findings of the pilot study were presented to the WBM Conference in Lyon, April 2014. The primary learning point reinforced here focused on vocabulary and clarity in questioning, which supported the previous move away from too conceptual a business vocabulary being employed. The word "alliance" in an Anglo-Saxon HE scenario (particularly within Business School contexts) is broad ranging and implies institutional co-operation across a wide range of activities from Erasmus + mobility exchanges to research collaboration and beyond. In alternative EHEA cultures, and from different academic disciplines, the meaning may be much more particular or simply ambiguous and require distinct definition as alliance could suggest equity sharing, or legalised contractual relations. Therefore, a shared or common definition was agreed prior to the professional conversation.

4.4.2 The sample

The researcher has an extensive network of connections in both public and privately funded EHEA Business Schools (particularly in Germany and France), providing access to strategy and policy makers. The interviewees from these HEIs included senior academics with titles such as Deans/Directors of International Relations/Operations, and senior administrators such as Heads of International Office. These participants are competent to discuss why alliances and APs were/are developed from both an academic and administrative perspective, and how they are configured and managed within their institutions, as illustrated in Table 4.3 below. The sample is based on institutional eligibility criteria such as broad equivalence within national markets to 'Scottish Moderns' (for instance, ESC and ESG in France and Fachhochschulen in Germany) who have adopted a strategic initiative to internationalise, for instance, using mobility as a key facet of employability. This equivalence allows for transferability of findings.

Table 4.3: Participating Higher Education Institutions and individuals

Institution	Setting	Bologna cycles delivered	Description	Participants	Code
École Supérieure de Commerce, CCI, Founded 1962, re-established as unitary body 2015 (A)	Directorate office	1,2	The School is a member of the Conference des Grandes Ecoles (CGE), a French body grouping together the leading graduate schools. It is a member of the European Foundation for Management Development (EFMD) and AACSB. The School works in close partnership with local and national firms. It has 600 students of whom 20% are foreign	Senior Academic	A1
Scottish Modern University, established 1964, "post '92 Modern" (B)	Faculty, Central Service offices	1,2,3	The Business School, is one of three geographically separated Faculties The institution has approximately 17,000 students enrolled on its undergraduate, postgraduate and doctoral programmes, with 7,400 in The Business School. The institution has the most EU (not including UK) students from all Scottish modern universities, with approximately 2,800 EU students in 2011/12.	2 x Senior Academics; Senior Administrator, Central Services	B1, B2, B3
University of Applied Sciences, established 1971 (C)	Faculty, International Office	1,2	17,800 students with approximately 500 professors, 750 lecturers and 660 staff. 14 departments in the areas of technology, economy, social studies and design provide teaching in over 70 study courses. A multifaceted approach: all bachelors' programmes include a 20-week work placement in industry and a final dissertation.	Senior Academic; Senior Administrator	C1, C2
University of Applied Sciences, established 1971 (D)	Academic office, International office	1,2	Approximately 11,300 students, 220 professors, 300 contract lecturers, and 340 assistants. It is specialized in certain topical areas (e.g. technology, engineering, business, design). It ranks first amongst the Universities of Applied Sciences in Germany in the fields of Electrical and Mechanical engineering. Ten Faculties offer 48 Bachelor's, 22 Master's and three cooperative degree programmes. In 2011 the external and research funding added up to 12,2 million Euro.	Senior Academic; Senior Administrator, Specialist Administrator	D1, D2, D3

École de Management, member of "Conférence des Grandes Écoles" (CGE), established 1987, University formed 1875 (E)	Boardroom	1,2	One of only 37 business schools who are members of the prestigious "Conférence des Grandes Écoles" (CGE), also able to add the ministry's quality label "grade de Master" to the degrees they award. The school places great importance on the acquisition of relevant professional experience throughout the curriculum and students benefit from 14 months of internships during their studies, thanks to the strong business links that it has developed across a wide range of industries	Senior Academic; Academic Mobility Co-Ordinator	E1, E2
State-recognised, non-profit private multi-site University of Applied Sciences (F)	Directorate office	1,2	EFMD accredited institution offering practice-relevant degree programs that prepare 2,500 students across 5 campuses to work in international business enterprises. All degree programmes are distinguished by their internationality and practicality. Projects in industry are as much a regular part of university life as integrated semesters of study abroad and international modules at one of over 170 partner universities.	Senior Academic	F1
University of Applied Sciences, established in 1832 as a craft school (G)	Faculty office	1,2	Approximately 100 professors teach around 2500 students, supported by over 170 assistant teachers. In addition to specialist knowledge, training also includes soft skills, for instance the capacity for teamwork, interdisciplinary cooperation and foreign languages are important elements of business programmes. Practical hands-on projects working together with companies and/or a period spent studying abroad at one of 75 partner universities all over the world are an integral part of the study courses.	Senior Academic, Senior Administrator	G1, G2

This purposive sample, described as a selection of participating units from within the segment of the targeted population which provide the most data or information on the characteristic, or category of interest (Guarte and Barrios, 2006; Gioia, D., *et al.*, 2010), is used in the main study, as in the pilot study.

A possible limitation to the study exists if all of the participant institutions are exclusively within the researcher's direct network of 'preferred partners'. These partners are those with whom there is strong institutional and, indeed, personal familiarity, founded over a number of years through, for instance, negotiation of articulation agreements and/or mobility contracts. The researcher identified that this familiarity, potentially, provided an inherent danger of providing solely an 'insider' perspective of alliance/AP development, configuration and management and a conflict with the axiological ethics. The researcher has intimate knowledge of the organisations and their systems, and processes (and, often, stakeholders) which are being investigated and analysed (Hellawell, 2006; Corbin Dwyer and Buckle, 2009). The danger of such *a priori* familiarity with the institutions is that this could have led to superficial analysis and findings based on pre-existing assumptions, or an investigation designed to confirm, rather than challenge, preconceptions. After discussion with the supervisory team, integrated within the sample are equivalent Business Schools (again, ESC, ESG and Fachhochschulen) from the researcher's *extended* network. This allowed for access to institutions external to the direct network of working relationships, hence introducing an 'insider-outsider' perspective (Hellawell, 2006, Gioia, *et al.*, 2010). Through the researcher not possessing the same *a priori* knowledge and familiarity with the organisations, systems and processes as with the preferred partners, the 'outsider' element was introduced. This allowed the researcher to more easily observe, challenge and critically analyse events and phenomena which the 'insider' may, potentially, take for granted (Hellawell, 2006). In Table 4.3 institutions A and G are 'outsiders', those falling outside the researcher's direct, intimate, network.

Regardless of whether the researcher has an insider perspective, and so shares roles, characteristics and experiences with the participants, or is an outsider to the common perception, culture and processes of the community being studied, a 'pure' neutrality is impossible to achieve (Corbin Dwyer and Buckle, 2009). The optimal objectivity in

research comes from a greater or lesser awareness of the intrinsic biases with which the individual study is approached (Rose, 1985). Table 4.4, below, shows where the evolving research chain not only includes the sample, but an addition to the research axiology through integration of the insider-outsider perspective. The move away from only preferred partners to the introduction of Business Schools from the broader network is recognition of this potential limitation, and serves to provide a more balanced approach to the study.

Table 4.4: The evolving research chain

Philosophy	Axiology	Strategy	Sample
Critical Realism	Managerialist, investigative/analytic insider-outsider perspective	Qualitative, multi-site organisation based research	Purposive

The introduction of the purposive sample is consistent with both the axiology, and axiological ethics, of the research and the researcher. In review of the purposive sample, the researcher identified potential bias with the use of solely a 'closed' network of preferred partners. To reduce this potential for bias the insider/outsider perspective was introduced.

4.4.3 Data collection

The primary data collection method is semi-structured, elite interviews with academics and administrative staff working directly in the area of alliance/AP, development, configuration and management. There were 14 participants involved in interviews, sourced from seven institutions with broadly equivalent national profiles. The roles of the participants were, typically, Heads of International Relations (Academic), or Heads of International Office (Administrative), although precise job titles varied in line with institutional vocabulary. These roles are identified within Table 4.3 as simply, for instance, Senior Academic or Senior Administrator in order to increase respondent anonymity.

Initially, approaches were made to staff within the researcher's network to seek approval, with informed consent (see Appendix B), for the interviews to take place during institutional visits made by the researcher during academic session 2013/14. This

approach was then extended to integrate institutions with which the researcher did not possess the same *a priori* familiarity with regard to staff and process.

All interviews were conducted in English, with every participant fluent using English as their working language throughout their own partnership networks. One hour was scheduled for each interview which took place in the participants' own offices or conference rooms which were booked to avoid interruption. The 'question and answer' session was anticipated to last for approximately 45 minutes allowing 15 minutes for clarification as required – in practice interviews lasted between 35 and 65 minutes. Interview questions had been previously reviewed by the researcher's supervisory team and were tested in the pilot study. The interview questions were made available to all participants in advance; however, one participant declined the offer of viewing these before the pre-arranged meeting.

It was recognised in the planning stage that there was the potential for power asymmetry between interviewer and interviewee with the researcher assuming an 'expert' role (Kvale and Brinkmann, 2009). This asymmetry was, as above, alleviated by holding the conversations within the participants' offices (or similar private room as available within the institution) and, as above, forewarning them of topics to be discussed. The participants are specialists within the field, or hold a leadership role within the institutional community, and all are familiar, and comfortable, with expressing their opinion on the strategies they employ in developing and configuring alliances (Kvale and Brinkmann, 2009). This diminished the risk of potential asymmetries, as did the pre-existing institutional and personal relationship. There was the potential for the reversal of the 'expert' power asymmetry, i.e. that the participants were, perhaps, senior to the interviewer, but there was no indication of this impacting on the interview process.

The interviews were semi-structured with open questions which allowed the participants to answer from their own individual (both professional and personal) perspectives, rather than from strictly ordered, set questions (Appendix C). The questions were supplemented with a series of probes to avoid tangential responses. Prompts and probes to the questions were used and/or unused as required by/from participant responses. Many of the prompts were unused as the interviewees were

relaxed in their familiar environment and spoke very freely in the style of, as below, a professional conversation. Participants were encouraged to provide illustrative examples of alliance development/formation/management which they found relevant, particularly where statements or examples provided rich description to the answer. This is in line with Kvale and Brinkmann, (2009), who contend that knowledge is generated through participant interaction through professional conversations.

The interviews were recorded electronically with interview notes supplementing the recording. Notice was given at the start of the interview that notes would be made throughout the interview, and that the transcripts of the recordings would subsequently be available to the respondents. This allowed the opportunity to correct factual errors, or request that confidential material be removed from the record. On conclusion of the researcher's questioning, respondents were asked if they wished to add anything, however, each declined stating that, from their perspective, all areas had been appropriately covered. While there were no follow-up questions from the interviews, the potential for further contact was mooted. All participants agreed a subsequent approach could be made if greater clarity was required in the case of, for instance, ambiguity or lack of coherence in the recorded responses. Any further contact could be made through phone, email or Skype contact at the convenience of the participant.

Post interview, as soon as was practically possible, the reflective diary was completed with a brief description of the setting and other salient observations. A template was drafted, and signed off by the supervisory team, for the immediate post-interview commentary (see Appendix D) which assisted with the reflection in the research diary. Notes were made on the interview itself: how it was conducted, the researcher's feelings regarding the conduct and flow throughout the process, what the dominant themes were, if they were as expected and any major diversions from the intended themes etc. (Nadin and Cassell, 2006).

Table 4.5: The evolving research chain

Philosophy	Axiology	Strategy	Sample	Data Collection
Critical Realism	Managerialist, investigative/analytic, insider-outsider perspective	Qualitative, multi-site organisation based research	Purposive	Semi-structured interviews, *in situ*

Table 4.5, above, introduces the interview as an extension of the purposive sample, demonstrating consistency with the axiological perspective of rich data being gathered from elites competent to discuss alliance and AP strategy and policy. This illustrates the use of interviews as a coherent development of the underlying methodology and methods employed.

4.4.4 Data management

In line with assurances given in written approaches to targeted participants with regard to anonymity and institutional/commercial confidentiality, interviews were stored securely and were only used for academic purposes. This assurance will remain consistent with data being used only for academic purposes on completion of this research project. The interviews were transcribed with a key which linked the participants' identities with a unique code number.

4.5 Data analysis

The initial stage in the analysis process was the transcription of the oral recordings. These recordings were transcribed verbatim and retained the pauses and often frequent repetitions – which allowed for links to be made with the researcher's interview notes. The initial checks of the transcriptions for accuracy provided the opportunity for corrections to be made when the interviews were still easily and clearly recollected. It is essential to note that transcription is not a simple clerical or administrative task, but is an interpretative process and this is how it was treated: as an exercise in initial familiarisation with the data (Kvale and Brinkmann, 2009).

Coupled with the individual respondent analysis was the search for patterns which were consistent, or contradictory, across the comparator respondents, in line with the themes developed from the research themes and questions (Eisenhardt, 1989), as indicated in Table 4.6, below.

Table 4.6 Indicative categorisation of themes

Themes developed from context and the literature review	Indicative evidence from interviews
Motivation	Increase number of attractive destinations for mobile students. Develop increased faculty research linkages/projects. Increase revenue streams to Faculty and institution. Develop alliance activity through partnerships. Exploitation/exploration rationales.
Growth	Strategic development of alliance network, combined with opportunism. Linkages between institutional strategy and alliance strategies – in terms of resource extension and business strategy. Exploitation and exploration strategies. Number, spread, intensity.
Management	Responsibility for balance within/across networks. The process for managing redundancy in alliances/APs. The impact of dedicated systems, processes and functions in alliance management.

The analytic process was conducted thematically, working systematically (in reverse) from the interview questions to the research questions and themes, as illustrated in Appendix A. Initially a coloured highlighter pen for each individual theme was used, to highlight text, with subsequent pairing across respondents. Any unexpected themes were identified and included within the analysis. The emergent themes will include, for instance, the extent to which there were diverse responses provided by institutions which are engaged with overseas programme delivery as well as student mobility. Although particular elements of this process could have been facilitated by specialist software (for instance, Nvivo), the researcher's preference was to use highlighter pens. In recognition that there were relatively few interviews, repeated reading and 'manual analysis' achieved optimal familiarisation with the material to aid the analysis. This is seen as an additional benefit to the manual process, rather than adopting software. Continued reading also had the effect of building greater confidence in the credibility of the findings and any emerging inter-relationships (Eisenhardt, 1989), instead of having responses which did not conform to the literature as mere institutional irregularities. The data was analysed and revisited until saturation was reached – i.e. repeated responses across respondents (Easton, 2010) were identified, and emergent themes became evident. This saturation led to retroduction, the identification of the generative

mechanisms which will explain how the events being investigated have occurred (or will occur), continuously asking the question 'why?'. While alliance research may be conducted from an inductive or deductive perspective, this approach has moved from the deductive (providing links with previous research and literature), to the retroductive in the analytic stage, where the saturation point was reached, as in Table 4.7 below (Easton, 2010).

The rationale behind the individual then cross-respondent analysis was to ensure that the investigation and analysis achieves depth of understanding, rather than being disproportionately influenced by initial responses, or those from the institutional elites. The differing perspectives acted as diverse prisms through which responses were analysed with triangulation achieved through using more than one data source, i.e. the multi-site approach across selected EHEA countries.

Table 4.7: The evolving research chain

Philosophy	Axiology	Strategy	Sample	Data Collection	Data Analysis
Critical Realism	Managerialist, investigative/analytic, insider-outsider perspective	Qualitative, multi-site organisation based research	Purposive	Semi-structured interviews, *in situ*	Thematic, leading to retroductive

Consistency in the research chain is apparent as the themes developed from research questions allow an iterative, deductive, analytic process between findings and theory base presented in the Literature Review. Again borrowing from case studies, this analysis of the organisation based research now compares and contrasts findings from the particular to theoretical propositions, and not to populations (Flyvbjerg, 2006; Yin, 2013).

4.6 Trustworthiness and transferability

The debate continues as to how appropriate it is to use the terms reliability, validity and generalisability to ensure the quality of data, the chosen research design and accuracy of research findings within qualitative study (Saunders, Lewis and Thornhill, 2012). Lincoln and Guba, (1985) suggest that the alternative term of trustworthiness is used in the evaluation of data in, for instance, organisation based research, and transferability is used in place of generalisability. The concepts of trustworthiness, through the characteristics of credibility, dependability, conformability and transferability are now applied to this study.

Credibility, corresponding to internal validity, in this thesis pertains to the extent to which the research findings directly relate to the statements and intended meaning of the participants – their 'truth'. This equates to the minimisation of internal bias through reduction in double hermeneutic interpretations (Easton, 2010), i.e. that the researcher does not depart from the intended meaning of the participant. For instance, in this research all participants were given a preview of the interview questions with a précis of the intended aim and outcomes of the research. A common understanding of 'alliance' was pre-determined before the start of each professional conversation. This provided a common base point for the discussion of alliances/APs regarding definitions etc., and minimisation of conceptual ambiguity within the professional conversations. Electronic recording and verbatim transcription of the interviews allowed for a precise record to be retained, checked by participants and analysed consistently. This, again, aimed to reduce any departure from participants' intended meaning making in the process, the 'common truth' is established.

Linking to reliability, dependability relates to the consistency of the results of the research study and the degree to which the study can be replicated (Bryman and Bell, 2011; Saunders, Lewis and Thornhill, 2012), potentially allowing for a comparative, temporal, study (Cohen and Crabtree, 2006). To maximise the degree of dependability, and replicability of the study, this chapter fully, and transparently, presents the underlying research philosophy and strategy along with the design formulated and implemented in the study.

The degree of conformability, equating to objectivity in quantitative research, refers to the degree of neutrality in the research, whereby researcher bias, motivation or interest is minimised (Cohen and Crabtree, 2006). In discussion of the axiological ethics employed and the purposive sample (4.4.2, above), the introduction of the insider-outsider perspective is designed to optimise researcher neutrality through involvement of participants exterior to direct network institutions.

In line with Easton (2010), it is contended that qualitative research, founded on a critical realist philosophy, does not generate universal laws of prediction, there is no immutable, generalisable truth (Cohen and Crabtree, 2006). Transferability of this research topic is maximised through, for instance the theory base utilised and the national context. The extant theory which is discussed and evaluated in the Literature Review could be tested within another industrial or sectoral context with minimal adaptation of the research themes and questions. Through the use of selected EHEA countries which are strongly active in mobility and partnership engagement, along with extensive national context setting, the study can be transferred to other EHEA countries and/or Bologna compliant institutions.

4.7 Ethical considerations

In complying with all University ethical practices, application was made to the Faculty Research Integrity Committee (approved 28/2/13) to conduct this study as a University representative. Key to this application was the sourcing of informed consent with the option to withdraw from the study at any point, and the particular issue of personal anonymity and commercial confidentiality as strategic decisions and initiatives were being investigated (Appendix B). The initial approach included the title and brief details of the study being conducted, with the interview questions offered to the participants prior to the interview taking place (reinforcing informed consent) and the intended storage and use of the data. In addition to compliance with University ethical codes, this chapter has presented the processes utilised to minimise the impact of any power asymmetries and potential for introduction of researcher bias.

4.8 Reflections

This is a qualitative, investigative study using non-probability sampling and thematic analysis. The potential exists to employ a much wider sample in quantitative research to determine, for instance, the number of (un)successful alliances within a portfolio, and reasons for success/failure. However, such a quantitative study would still require a qualitative study such as this to determine the characteristics of success/failure to be surveyed. The potential still exists for a wider study to be conducted to introduce alternative contextual perspectives from Business Schools in a broader range of EHEA countries. The study could also be expanded, and/or adapted, to include other Faculties within HEIs, or the institutional perspective itself. This broadened sample would provide the potential for generalisability of the findings to an institutional level, as opposed to the transferability to equivalent Business Schools from the current sample.

The key strengths of the research centre on the purposive sample, with excellent access being afforded to the researcher through the pre-existing network established over a number of years working in the area. This network provides access to senior academics and administrators, so providing a balanced perspective from within the studied HEIs. A further key strength, as above, relates directly to a previously identified and defined weakness, the insider perspective and the introduction of 'outsider' institutions to minimise potential bias from the researcher being 'too familiar' with individual and institutional participants. The research also introduces the alliance/AP subject within the highly contemporary issue around internationalisation and globalisation in HE. This introduction informs the debate further about the specific institutional agenda being followed under the 'internationalisation' label with new definitions proposed under the pre-existing internationalisation 'umbrella'. Both the strengths and limitations act to guide potential future research.

Chapter 5: Findings and Analysis

5.1 Introduction

This chapter presents and analyses the findings from the interviews conducted with senior members of academic and administrative staff within participating EHEA Business Schools. It is structured into three sections reflecting the themes generated from context and literature review, which cover the following areas: the motivations for the range of alliance which institutions develop and the scope of their activities; how alliances are grown and configured within the context of internationalisation; alliance and alliance portfolio management, including the utilisation of dedicated functions, systems and processes.

The first section introduces the theme of motivation and provides analysis of the number and scope of the alliances with which EHEA Business Schools have engaged. This includes the motivations for implementation and formation of alliances, and the range and scope of the activities covered by these inter-institutional relationships. The second section details an analysis of how growth in alliance networks is achieved, whether through strategic or opportunistic processes, and the number, spread, and intensity of the alliance partnerships. The third section develops the theme of management and co-ordination of alliances. It discusses if alliances are simple – dyadic and local – or complex with local, remote and centralised input; how management (and a potential core competence) develops as alliance capability evolves; and how redundancy is dealt with in networks and portfolios. Throughout the 'horizontal' analysis of the three themes of motivation, configuration and management, the themes of exploitation and exploration strategies are considered 'vertically', as it is integrated within each area, as presented in Table 5.1 below.
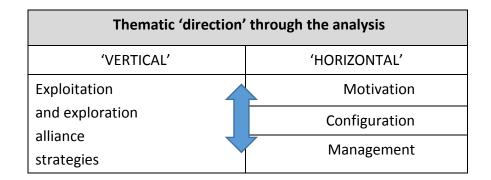
Table 5.1: Direction of key themes within the analysis

Thematic 'direction' through the analysis	
'VERTICAL'	'HORIZONTAL'
Exploitation and exploration alliance strategies	Motivation
	Configuration
	Management

The related concepts of exploitation and exploration alliance strategies and their inter-relationship with how an institution engages with an international or globally integrated internationalisation strategy are also developed throughout the analysis. The presentation of the themes of motivation, growth and management of alliances and networks develops the discussion on whether international or globally integrated strategies are adopted based on the scale and scope of cross border alliance activities.

5.2 Motivations for the development of alliances

This section provides the analysis of the institutional rationales and motivations for implementing and formulating international academic strategic alliances. The section will, initially, identify the number, range and scope of the alliances with which the EHEA Business Schools have engaged. Next, the motivation for the formation and implementation of alliances is examined, with discussion around comparisons between and amongst the national/regional markets being investigated. Thirdly, the diverse activities which are covered by the alliances are presented with the factors classified as focused either on institutional enhancement or revenue generation. Finally, the key implications of the findings for EHEA Business Schools are detailed.

The two recurring themes of exploitation and exploration strategies and international versus globally integrated strategies are discussed throughout the sections. These concepts are seen to be instrumental in analysing how institutions determine the configuration and development of their alliance networks and/or portfolios in alignment with their broader strategy and policy initiatives.

5.2.1 Number, range and scope of alliances

This section discusses data on the number of alliances engaged in by EHEA Business Schools, the extent to which they are active or inactive, the degree of complexity within the relationship, and the linkages with exploitation and exploration strategies. The section concludes with a brief synopsis outlining the significance on the discussion of the number, range and scope of institutional alliances.

The findings show that the number of alliances entered into by the participant institutions varies greatly, as does the number of active and inactive alliances, and their scope in relation to the strategic and operational configuration of partnerships. In response to the number of institutional alliances the responses ranged from participants C1 and C2 stating that there were approximately 50 active alliances in the Business School (although, across the whole University of Applied Sciences there are around 200 active agreements). This figure of 50 is mirrored by institutions D and E – with a strong emphasis on *active* alliances/agreements. There was broad respondent agreement that around 40-70 active alliances is typical and accurate, with the exceptions of F, having approximately 170 partnerships for their entire network of Business Schools and B, having in excess of 200 collaborations. The range and scope of the 200 alliances formulated and implemented by institution B are further analysed below as it emerges as an exception to the more general trend in participant respondents.

The number in itself proves to be relatively meaningless in the developing conversations, with consideration of the extent to which the co-operation is active or inactive as well as simple or complex. For instance, where it is stated that institution D has around 50 active alliances, D3 continues that she holds approximately 160 signed agreements because a previous senior academic:

> *…wanted to work with anybody and everybody…there was nothing strategic in mind… [and] they are not all now active co-operations.*

Indeed, virtually all institutions echo this statement, and have what D1 described as:

> *…written agreements with universities, or other institutions of Higher Education abroad that only exist on paper.*

The issue of redundancy, while raised here as a straightforward count of 'live agreements' is considered in greater depth below (Section 5.4.2) under the management of active and inactive alliances within an existing portfolio with the commensurate analysis of resource allocation and commitment.

All respondents continued to differentiate between the simple and/or complex aspect of the inter-institutional relationships. This simplicity/complexity links to the exploitation/exploration strategies (short-term in nature with immediate and fairly certain benefits vs long-term timescale with far greater risk and uncertainty), and the differing 'paradigms for inter-organisational relationships'. This linkage is in line with the findings of Barringer and Harrison (2000), and Nielsen and Gudergan (2012). The simple vs complex nature of the alliance is presented by A1 talking of:

> *…strategic or premium international alliances [being] those that include the following four activities, student exchange, faculty exchange, joint research activities and double degrees at undergraduate and graduate level.*

Those alliances comprising only some elements of the activities listed are regarded by A1 as less complex, or simple. C2 continues that there is often a transition from the simple to complex as the institution develops partners from simple Erasmus + contractual agreements to more complex exchanges including, for instance, double degree provision:

> *We always start with Erasmus [+] partnerships just to get to know each other and then to start thinking of what we can do further on, like double degrees or teaching and research projects.*

In addition to developing from simple to more complex alliances, respondents stated that the intended alliance partners must have a similar profile, and there are certain strategic groups within which they must develop and formulate relationships. C2 echoed the majority of respondents by stating:

> *…most of our partners are from the EU that are based on Erasmus [+] partnerships with similar institutions…as Oxford and Cambridge, they don't accept us!*

D2 reaffirms this point about institutional fit and legitimacy – i.e. where Business Schools from 'old' universities do not, generally, make alliances with those from Universities of Applied Sciences:

We also have to say that we have universities that are on our level, not the top…we look at institutions that fit to our level somehow.

These statements support Barringer and Harrison (2000), Eisenhardt and Schoonhoven (1996), Lowensberg (2010) and Vaidya (2011) all of who contend that an institution seeks to develop and implement alliances to extend its own internal resource base. Ayoubi and Al-Habaibeh (2006) and Beerkens and Dewende (2007) expand and reinforce this perspective, stating that the institution must have a basic, critical mass of resources to attract complementary, equivalent universities and Business Schools. Equivalence, as argued by Beerkens and Dewende (2007) is an essential aspect of alliance formation because reputation, academic standing and related resource base are not as advanced as they are in more 'established', or more prestigious, institutions who will not partner with them, i.e. those operating outwith their specific strategic group, echoing the statements of D2.

The significant aspects of the section are that, there is little importance in the number of alliances with which HEIs will engage, it is the number which are active, and that they are partnerships with appropriate institutions which have the potential to be sustainable for the focal Business School. The number alone does not reflect the alliances which are actively supporting the institution's strategy, and does not support the extent to which alliance formation allows the individual Business School to extend its resource base in the areas of, for instance, student and/or staff mobility destinations. Further, this resource base extension is not possible without a pre-existing institutional fit in both resource and academic standing. This suggests that there is a more fundamental underlying rationale to the development of alliances and their number and/or volume. The evidence here indicates that this rationale is directly linked to the strategic initiatives adopted by HEIs as they increase their international alliance network and their internal resource base.

5.2.2 Motivations for alliance formation and implementation

This section details diverse operational and strategic motivations for alliance formation and implementation, and the inter-relationship with the individual market's regulatory and legislative macro-environment. Firstly, institutional rationales for alliance formation are presented and analysed, from simple Erasmus + contracts through to income or revenue stream generation. Next, an analysis of the impact of national regulatory context on the rationale for alliance formation is presented, with the implications for EHEA Business Schools detailed.

Initially, all of the respondents – with the exception of institution B – define student destinations, mobility and opportunities as their primary motivations for alliance formulation and implementation. This is a rationale based on resource dependence and extending available institutional resources, as contended by Vaidya (2011). This is demonstrated by D3, in talking of the desire to provide choice within their student destination portfolio, who states:

> *The first criteria is the student demand…the student is first…always the student.*

This is reinforced and extended by F1, adding institutional context by stating that there are mandatory mobility periods within study courses, so the institution aims to provide academically appropriate, and also attractive student destinations, saying:

> *[Institution F] offers compulsory study abroad semesters to all full-time undergraduate and graduate students…so, it is clearly a strategic decision to pursue a substantial number of alliances…with well reputed and well managed partner institutions to ensure substantial [student exchange] destinations to enhance their international profile.*

All of the French and German institutions continue to found their responses on the student while broadening and expanding their rationale. E1 demonstrates an aspiration for more strategic, rather than solely operational and contractual exchange opportunities which will include:

…comprehensive internationalisation, rather than just the simple exchange of students.

This more comprehensive internationalisation, and potentially developing from an international to a globally integrated strategy, is further elaborated by C1 who states that the objective for the faculty is to:

…establish a network of 'trusted' partnerships to generate the best integrated learning experience for students and faculty members, market differentiation, reputation…and, optimal resource leverage.

This is echoed by respondents from D, E and G who reflect what A1 states that their rationale for alliance formation has progressed from purely a destination focus to:

…gain international visibility and attractiveness and enhance [the institution's] credibility worldwide.

Market differentiation and enhancement of reputation, visibility and credibility are focused on by respondents from all institutions, including B, as strong motivators for alliance formation. Although there is a noticeable imbalance between strategic and operational participants' responses, in favour of strategists making linkages to reputation. This reputational aspect of the institutional profile introduces the element of competition. G1 states that alliances are formed:

…to build an international/global network for increase of reputation…and from a competitive point of view to compete with [name supplied, geographically and strategically close UAS with stronger national ranking and profile], and their broad range of international offerings.

The fact that competition and reputation are additional strong motivators within national or regional strategic groups endorses the findings of Barringer and Harrison (2000), Lowensberg (2010) and Vadarajan and Cunningham (1995) with an institutional desire to utilise an enhanced reputation to attract the most highly qualified and motivated applicants to enrol at their university. This attractiveness to applicants, both undergraduate and postgraduate, is based on an institution's national reputation within international networks and rankings. This directly relates to the work of Coelen (2009),

OECD (2009) and Sursock and Smidt (2010) who argue that rankings in league tables act as a proxy for subject specific or overall academic quality, hence the national standing of alliance partners becomes strategic in terms of the focal HEI's reputation.

The diverse rationales for alliance formation are yet further extended by E1 who alongside student mobility, institutional reputation and competitive pressures, introduces the financial aspect of HE. It is important to note, as outlined in the national *Size and Shape* sections in Chapter 2, there exist different regulatory regimes which restrict or encourage the scope of revenue generating activities from HE institutions, and their scale (Estermann, Pruvot, and Claeys-Kulik, 2013, and Jongbloed, 2010). E1, from the perspective of the partially deregulated French private HE sector, states:

> *I'm a strong believer of [sic] alliances…bringing in any other sort of resources that are necessary to develop and sustain an organisation. So it can be reputational, it can be, in our sense financial, it can be financial, increasing the finances [sic], it can be human…another perspective on teaching…it can be organisational, especially for quality and organisational resource, such as going for EPAS and AACSB accreditation that will help us organise our resources better, and that leads to future sustainability.*

The motivation for alliance formation is augmented by financial security through increased (non-exchequer) revenue streams and sustainability within a national, regulatory context (Jongbloed, 2010). E1 continues to clarify that there is a spectrum consisting of six motives founded on expanding the resource base of the Business School, rather than simply monetary, these are:

> *…financial, human, reputational, organisational, technical…and physical.*

These resources broadly reflect Barringer and Harrison (2000), and, Lowensberg (2010) and their paradigms for motivations for alliance formation and implementation in the manner that they include both economic and behavioural characteristics. The spectrum includes tangible aspects such as finance, but also takes note of reputational factors such as those which can be impacted upon by alliance development and formulation.

In contrast to the continental EU institutions, responses from all participants within institution B placed far greater emphasis on the revenue generation aspects of alliance

formulation, implementation and development. B1, a senior academic within the Business School states that:

> *70% of our work, our international work, is done through alliances rather than direct recruitment of students…alliances focus mainly around teaching and programmes rather than around research…let's be straightforward, the main motivation is financial…the biggest motivation [for alliance formation] in most Business Schools in the UK is economic.*

B2 here defines a significant difference between EU respondents and UK. There are considerable overlaps in the range of factors for which HEIs will engage in alliance activity. However, the suggestion here is that the primary motivation for most UK institutions is the development of revenue streams in response to macro-environmental factors. The primacy of the financial aspect for implementing alliances is reinforced by B2 stating that:

> *…the internationalisation agenda is driven from a revenue perspective to a reputational perspective…a continuum.*

B2 then reiterates that alliance formation decisions are "primarily financial". The national macro-environment impacts on the individual institution in the UK, and its attitude towards the range and scope of the alliances it strives to develop. This advances the findings that in deregulated markets there is increased importance attached to external funding (Estermann, Pruvot, and Claeys-Kulik, 2013), whereby in the UK financial aspects in alliance building now have primacy.

There is, now, a pattern evolving where the national or regional regulatory and/or legislative environments impact on the diverse motivations for alliance formation. There are two extremes developing, as shown in the exemplar quotes below, where the progression is presented from the German public institution (heavily regulated) through the French private institution (partially deregulated private sector) to the Scottish/UK institution (*laissez-faire* macro-environment). These diverse rationales, within their own regulatory contexts, are defined by resource dependence, as described by C1 below. They are then further extended as the rationales are broadened in line with institutional

aspiration and strategic intent. The reasons for alliance implementation can be to develop:

…partnerships to generate the best integrated learning experience for students and faculty members.

Which then progresses (as E1) to an aspiration to increase the institution's academic reputation and profile:

…to gain international visibility and attractiveness and enhance [the institution's] credibility worldwide,

and, to the other extreme of revenue generation (as B1):

…let's be straightforward, the main motivation is financial.

On surface inspection, the plotting of institutional motivation along a continuum could be simply achieved by country/market or, even more simply, by continental EU vs UK standpoint, in line with regulatory or legislative context. However, institutional (or national/regional) positioning must also incorporate the diverse exploitation and/or exploration activities (Nielsen and Gudergan, 2012) involved in their respective alliances/APs, and strategies employed.

There is broad consistency as to motivation and rationale, alongside a fundamental difference which is characterised by national/regional market and regulatory regime. It is the development of this difference in motivation which is most significant within this section, as the reason for extending the resource base changes from an operational desire for more student destinations and opportunities, and an enhanced student experience, to a strategic imperative for revenue generation. This change directly reflects the development from exploitation alliances, short-term and based on relative certainty, to exploration alliances where there is greater risk and uncertainty, confirming and extending the work of Lavie (2006, 2007), Nielsen and Gudergan (2012) and Yamakawa, Yang and Lin (2010).

The fundamental difference in rationale for alliance formation amongst the respondent institutions suggests that as the institutions advance from simple contractual to more complex alliances, and from student destinations to revenue generation, a different

internationalisation strategy is being adopted. As the institutional strategy develops from a focus on home country mobility operations to global income generation, it is proposed that a more precise labelling of theoretical frameworks will more closely define and describe alliance activities. The 'umbrella' internationalisation definition currently utilised by HEIs and Business Schools, as contended by, for instance, Mitchell and Nielsen (2012), is too restrictive in terms of differentiated HEI activity and scope. Activities in international alliances develop from the simple international strategy whereby there is direct control over mobility and, potentially, research activities 'to and from' the home institution to a more globally integrated strategy where the aim is revenue generation across national borders.

5.2.3 Activities covered by network alliances

The various activities which are covered by the Business Schools' alliances are now detailed and analysed. The investigation into the development of wider, operationally diverse, activities entered into allows for the development of alliance characteristics defined as either institutionally enhancing, or revenue generating factors. These factors are presented in a grid developed to plot their key strategic activities. This further advances the discussion of international and globally integrated strategies pursued by HEIs within their national regulatory and legislative contexts.

The activities covered are founded, by the majority of respondents (with the continued exception of institution B), on the Erasmus + programme for inter-institutional student and staff exchange with participating countries across Europe and Eurasia. There are other exchange initiatives with which the institutions engage, for instance International Student Exchange Programmes (ISEP) and inter-institutional 'free-mover' agreements, although Erasmus + provides the widest selection of destinations for students, and also provides attractive financial benefits. This is endorsed by E2 who states:

> *As the Director for an exchange programme for Erasmus [+] students and for free mover students that want to come and study at [institution E]…for one or two semesters…we need to create these partnerships to permit our French students to, to go abroad…but, we also want to get as many students here. It's a very enriching experience for our French students and also hopefully for*

the students on the IBP [International Business Programme]…we have over 35 nationalities…they're all learning about international business and developing their knowledge and intercultural skills as well as meeting people from around the world.

E2 here expands on internal, institutional internationalisation. The international experience derived from *incoming* students is valued by institutions for bringing intercultural experience, social perspectives and cultural diversity to business education. The institutional benefits and advantages derived from internationalisation are not solely to be found in the individual student who engages with and experiences outward mobility/exchange programmes, but also by 'domestic' cohorts through the integration of incoming international students. The importance of exchange activity, incoming and outgoing, is reinforced by D2:

We have about 20 preferred partners where we have double degree co-operations with…those are the partners where we can send our students and they get the double degree, and they send students to [city named] and our students benefit.

D2 continues that the exchange programmes benefit the institution and the students by bringing visiting lecturers and faculty who give:

An extra benefit to students when they have some kind of international lecturers and we should definitely expand that a bit.

The range of activities continues to expand whereby F1 provides a list of the activities involved across their 170 alliances:

Student exchanges, study abroad, joint research, summer schools, undergraduate and graduate double degree programmes…as part of the strategic international profile of [institution F].

Participant E1 expands the alliance remit by introducing the financial aspect of resource dependence, thus there is a development demonstrated from both simple to more complex activities, and also within an institutional strategic initiative:

It's very difficult for us to get more students because we haven't got the room. So, we've started increasing our franchise alliances in Morocco and Greece where we're training students in Morocco and Greece [sic], and it's not putting a strain on our physical resources in France.

There is a financial aspect here with franchised, satellite, programmes being delivered in host countries, but this is done as much to ease the pressures on physical resources in France as it is to generate revenue. It is important to note here that, as seen in Chapter 2, there is no additional financial benefit to the institution, other than scale, as no premium is applied to fee income from non-indigenous students within the French system.

The financial aspect is magnified when investigating the alliance activities of institution B, with participant B2 outlining the five primary reasons the institution would enter a partnership:

…international alliances around TNE, articulations, executive development opportunities, research and consultancy work, and student recruitment.

All of these are primarily based on revenue generation. B2 continues to talk of alliances with agents, and latterly 'super-agents' for recruitment of international students who are not subject to quota allocations from SFC (SAAS, 2014), so providing unrestricted income to the institution. The key driver for revenue/income is, yet again, reinforced by B3 saying that the central service's activities include:

…direct recruitment of international students into the university, but also partnerships for recruitment purposes. Development and alumni alliances would include donors internationally…market driven activity whether they be existing markets and trying to grow them, or the exploration, exploration [sic] of new markets.

The identification of Business Schools' alliance and AP activities has developed the institutional enhancement factors and revenue generation factors as outlined in Table 5.2 below. In referring to exploitation and exploration activities, a simple differentiator here would be that institutional enhancement factors are those which provide for the exploitation of existing certainties, while revenue generation factors involve the

exploration of new possibilities, as propounded by Nielsen and Gudergan (2012). While all alliance activity includes aspects of gaining familiarity with new markets, sharing investment and financial risk and providing increased institutional legitimacy, the move from exploitation to exploration activity heightens these risk factors, confirming the works of Eisenhardt and Schoonhoven (1996), Hwang and Park (2007), Pett and Dibrell (2001), and Todeva and Knoke, 2005).

Table 5.2: Primary alliance activities

Primary Alliance Motivations and Activities	
Institutional enhancement factors	**Revenue generation factors**
Student exchange/mobility	Student recruitment and articulation
Faculty exchange/learning	Transnational education
Joint research	Franchised programmes
Double degree opportunities	Executive development
	Consultancy work/applied research
	Agent and 'super-agent' partnerships
	Brand development
National/international reputational enhancement	

Consequently, these diverse activities/factors are now presented as a table of institutional enhancement (exploitation) and revenue generation (exploration) factors. From the responses of Institutions E (French, private with limited deregulation) and B (Scottish, *laissez-faire*) it is evident that exploitation and exploration alliances are employed simultaneously. This extends the work of Nielsen and Gudergan (2012) where they argue that these are separate, and often contradictory, strategies which are incompatible in their study into 120 organisations in the corporate sector. This is borne out by previous studies referring to 'exploitation versus exploration' alliances (Lavie, 2006; Nielsen and Gudergan, 2011; Yamakawa, Yang and Lin, 2010). So, the key finding from the analysis of alliance activity is that the exploitation and exploration strategies are complementary within the academic sector, with revenue generation activities building on institutionally enhancing factors. This finding is also linked to the RBV where resources are assumed to be 'bundles' within organisations (and, by extension HEIs). These bundles can be seen as strengths or weaknesses, assets or liabilities and the

identification of these characteristics allows the individual HEI to source the complementary resources in engaging with exploitation and/or exploration strategies. The complementarity argument relating to exploitation and exploration alliances within a supporting national macro-environment is here reinforced by RBV where the resources for either/both strategies are not mutually exclusive alliances (Eisenhardt and Schoonhoven, 1996; Grant, 2015; Hoffmann, 2007; Lavie, 2006; Nielsen and Gudergan, 2011)

These factors from Table 5.2 can be further categorised in line with the twin drivers of institutional internationalisation and globalisation impacts (Eckel and Hartley, 2008; Mitchell and Nielsen 2012) where the concepts of globalisation, internationalisation, massification and marketisation of education are all considered. Identification of these factors and their respective categorisation, suggests a strategic development in activities which may be recognised in conceptual frameworks as progressing from an international to a globally integrated strategy. The revenue generation activities suggest a degree of complexity in operations which would potentially benefit from an institutional strategy which aims for the functional integration of the geographically dispersed activities.

Institutional enhancement may be attributed to motivations based on an international strategy. These aspects and motivations are oriented towards the development of the institution through, for example, a wider selection, and higher academic reputation, of student destinations, improvements in ranking tables, enhanced graduate employability statistics and an advanced research profile. However, in accordance with the macro-environment in which they operate, there is no external driver for financial, marketised activity to generate income. There is, instead, an external driver and internal aspiration to strengthen the international academic image of the Business School and/or University which supports the works of Coelen (2009), and Sursock and Smidt (2010) and extends their work into the area of alliance formation.

In contrast to the factors attributed to an international strategy, those aspects based on the concept of the globalisation of (tertiary) education are founded on revenue generation within a national regulatory environment that allows for this marketisation, and the adoption of a globally integrated strategy. These globalisation factors are

neither distinct from, nor exclusive to, those of an international strategy, they are, indeed, complementary – for instance, B1 states that:

> *In becoming a global Business School one of the things I am committed to is internationalising the Business School in every sense, in terms of curriculum, in terms of staff, in terms of student experience and the more alliances we have, the more opportunities there are for that.*

Further developing the theme of complementarity and the manner in which international activity increases brand exposure, B1 continues that:

> *Trans-national education, that's partly about the brand, so it isn't just about finance, it's partly about saying we are playing in a global environment and we want to be a global player.*

An international and/or global reputation for academic excellence is strived for by all participant institutions. The relative use of alliances for either institutional enhancement and/or revenue generation can be seen in Figure 5.1, below.
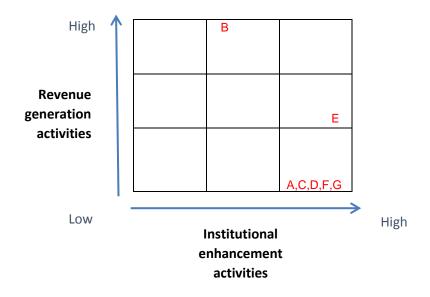
Figure 5.1: The institutional enhancement/resource generation grid

Figure 5.1 demonstrates the cluster effect of the institutions from the perspective of their national regulatory macro-environmental influences. Institution B is an outlier amongst the respondents as it operates within a *laissez-faire* regulatory context focus on revenue generation, allowing it relative freedom financially. The remaining HEIs have as a priority student enhancement activities, with E engaging in some, limited, revenue

generating activities due to its national regulatory context which allows for franchise activity within its limited deregulation.

Globally integrated strategic characteristics build on the basic internationalisation factors – again, they are neither discrete nor mutually exclusive. The income generation aspect of a globally integrated strategy gives the perception of having achieved institutional primacy regarding strategic initiatives within institutions in revenue generating markets. Further, while these diverse factors can be mutually enhancing there remains the complementarity which can exist through engaging with international partners through B2 stating that:

> *…in international alliances…some might be more financially driven, some of them might…be reputation because they've [sic] got the opportunity to work with well-established universities…to become a market leader amongst our competitive group.*

It is apparent that an institution needs the critical mass of resources, including alliances, partnerships and external relationships gained through internationalisation activities before advancing to revenue generating activity and embracing educational globalisation, and a globally integrated strategy. This extends the work of Eisenhardt and Schoonhoven (1996) and contends that required resources can only be attracted by HEIs with a pre-existing critical mass of attractive resources, thus, further advancing academic reputation as a critical resource within the global marketplace. However, this move from international to globally integrated strategic initiatives can only be achieved within a deregulated environment, which allows for, or indeed drives, the marketisation and massification of tertiary education.

The most significant finding within this section is that the previous work of Nielsen and Gudergan (2012), where they argue that exploitation and exploration alliance strategies are contradictory and incompatible, is contradicted for the academic sector. The alliances strategies are seen to be mutually supportive whereby institutionally enhancing activities can complement revenue generating activities. The extent to which the national sector is deregulated will impact upon the degree to which any individual Business School has the potential to develop from engaging with short-term, relatively

certain exploitation alliances to more risk orientated exploration relationships. However, the strategies are not seen as antithetical within the development of international academic alliances.

This finding also serves as an extension to the discussion relating to internationalisation specific to the HE context (Ayoubi and Al-Habaibeh, 2006, Beerkens and Dewende, 2007, Eckel and Hartley 2008; Mitchell and Nielsen 2012). Global factors build on international factors, but are operationally and strategically more complex. The global factors impact on both resource commitment and dependence alongside strategic intent and require the institution's management to functionally integrate geographically dispersed operational activities through strategic management. This functional integration suggests that as more complex alliance and internationalisation strategies are being formulated and implemented, there may be benefit in identifying these strategies more precisely in theoretical frameworks.

5.2.4 Synopsis

There are three significant discussions presented within this section in terms of the motivation for the number of alliances entered into and the collaborative activities of the partners. The over-arching finding relates to the linkage from the activities covered by exploitation and exploration alliances to the institutional strategy adopted, and how this may be categorised in academic internationalisation theory within specific regulatory contexts.

The first section highlights that there is little importance or relevance to be applied to the simple number of international alliances with which an institution has engaged. It is the number of active alliances which is important. These will have a strategic fit between focal and partner institution, so allowing for the extension of the Business School's resource base, whether in terms of, for instance, student destinations or revenue generation.

The motivations for alliance formation introduce the discussion around the concepts of exploitation and exploration alliances, and the characterisation of simple versus complex strategies adopted by HEIs. This second finding relates to the fact that motivations derived from a simple strategy may be based around student destinations

and mobility, while a rationale for alliance formation founded on more complex strategies can be based on revenue generation. This introduces the strategic aspect of strategic home country centralisation against a development in alliance rationale to global revenue generation strategies.

The discussion within the third section centres on the finding that activities covered by the alliances indicate that the initiatives developed by HEIs for alliance formation are contingent on the institutional strategy within a national/regional regulatory context, as defined in Chapter 2. The national context will determine the extent to which Business Schools can engage with exploitation or exploration activities. The key finding from this section is that exploitation activities are identified as institutionally enhancing, with exploration activities categorised as revenue generating. This extends the work of Nielsen and Gudergan (2012) where they contend that exploitation and exploration strategies are contradictory and incompatible. From this analysis, within appropriate regulatory structures, exploitation is seen as reinforcing (and a potential antecedent to) exploration alliance strategies within the academic sector.

The linkage is also indicated whereby exploitation activities within alliances suggest an international strategy being followed, and exploration activities suggest a globally integrated strategy. This finding extends the work of Mitchell and Nielsen (2012), where internationalisation is used as an umbrella term for cross-border academic strategies, and it is contended, on the basis of this analysis, that academic alliance activity can be categorised within more precisely defined international and globally integrated strategies as institutional activities develop. A globally integrated strategy will develop from an international strategy, but only within a regulatory framework which supports, or drives, this evolutionary strategic progression.

5.3 Growing alliances

This section presents and analyses findings relating to how institutions have grown the volume, breadth and scope of the alliances within their network, either through opportunistic and/or strategic initiatives. This theme is then causally extended into an investigation and discussion of the characteristics of number, spread and intensity within the various collaborations. The discussion on intensity is further extended to

include the characteristics of bonding and trust in alliance formation and development. The section concludes with the presentation of the institutional implications of growth within the portfolio or network and how this growth can be linked to the more precise categorisation of internationalisation strategies within EHEA Business Schools.

5.3.1 Growth: strategic and/or opportunistic

This section looks to investigate how the current number of alliances has been developed – through an organic, incremental but unstructured process, or through alignment with institutional strategic initiatives, and any impact of personalised or socialised contacts. This discussion is supplemented by both: the integration of the exploitation and exploration alliance strategies with their relation to institutional strategy; and, how different national contexts impact on international and globally integrated strategies.

Respondents were in broad agreement that the initial development of alliances was opportunistic, and incremental, with A1, for instance, stating that network growth occurred:

> *…mainly one at a time, sometimes on the occasion of meetings during such conferences as NAFSA, EAIE or APAIE where one can meet many colleagues from the four corners of the earth over a very short period of time.*

While it may be argued that the decision to attend the conferences or events is strategic through dedicated institutional resource commitment, the response indicates that this was a speculative exercise to determine if the institution is attractive to prospective partners. D2 continues the opportunistic aspect to alliance formulation, and extends this opportunism to outside intervention, saying that:

> *..sometimes we get requests from our national agency, the DAAD, that this university is looking for partners in those fields, then we would answer, apart from that we're getting others through the network or through partners of the network…but, so far we don't really have a strategy. That's still how we're planning because we need more partners.*

This use of personal contacts and the extension of existing networks confirms Eisenhardt and Schoonhoven (1996), stating that the socialised aspect of alliance building through personalised contact is vitally important, and can be equally important to the 'how' as well as the 'why' alliance formulation occurs.

These responses are further extended by C1 who brings an institutional development and learning aspect to alliance growth:

> *Initially, 2004-06, a more opportunistic and learning approach was followed, after that a strategic approach…to set up a large enough number of network partners for launching a double degree programme at Bachelor and Master's level.*

So, the initial institutional approach was opportunistic, echoing C1's statement that they looked where there was white space on the map, and then, based on a critical mass of suitable partners having been established, the strategic approach evolved. There was institutional intent to utilise the existing set of partners (low in strategic intent and resource commitment, such as Erasmus +) to formulate stronger binding alliances (higher in strategic intent and resource commitment AND dependence) to provide a broader range of student opportunities. This incremental approach, of building on the lowest commitment in terms of strategy and resource is echoed by F1 responding that:

> *…the alliances were grown step by step on the basis of our internationalisation strategy.*

There is a clear plan to internationalise, but incrementally. These responses all indicate a strong opportunistic method of alliance development, building a high volume of partners, confirming Nielsen and Gudergan's (2012) and Yamakawa, Yang and Lin's (2010) exploitation paradigm. Partners can be short-term in nature with immediate and fairly certain benefits being available to the institution, which can in turn move, or evolve, into an exploration strategy. The link to the exploitation/exploration alliance strategies here echoes a strong international strategy being followed by the institutions.

The move from exploitation to exploration is presented through E1 who, citing time in post as a senior academic with a (now dedicated) role as the Director of International Relations, is currently following a "strategy of opportunity". This strategy of opportunity

looks to increase the strategic commitment (and commensurate resource commitment/dependence) to pre-existing alliances through:

…tapping into the alliances that are present [which] would seem a far more efficient way rather than going out to look for new potential alliances at the moment.

This investigation of existing alliances allows for E1, and the institution, to review what exists and where growth may be required for sustainability:

…to develop the sort of strategic alliance to bring in the sort of resource [needed] in order to develop and sustain. It could be on the plain of which region in the world do we need to attack? Which activity do we need to look at? Research, do we need to look at? Student exchanges, do we need to look at? Do we need to look at our staff and faculty exchanges as well?

This strategic intent to pursue international activities and initiatives is augmented by E's institutional commitment through high-level policy decision, whereby senior management commitment is demonstrated:

What we have decided at the management level is that any [financial] resource brought in, for the time being, for the next 3 years, by any international activity, it would not go outside…to another entity or that was not [sic] financing an international activity. Now, that could be research, but it would have to be research on an international basis.

The development from opportunism to strategy, and exploitation to exploration within institution E's activities reflects previously noted national characteristics in alliance formulation. The German institutions are seen to be following a 'pure' international strategy which, mainly, aims to increase the number of student destinations and potentially progress to develop student opportunities in respect of double awards. Institution A, the publicly funded French institution, also develops its alliance network primarily to provide student destinations and enhance the international student experience. However, as a contrast, E, the private French institution takes advantage of the limited deregulation within its particular niche within the sector. Institution E is looking to expand on its institutional strategic aspirations as it moves towards a more

globally integrated strategy – international activity which generates revenue streams through increased overseas activity. E1 also reinforces the argument developed within the analysis that exploitation and exploration strategies can be mutually reinforcing in the appropriate regulatory (and competitive) environment, extending the work of Nielsen and Gudergan (2012). This finding is seen to be appropriate in the development and growth of alliances and networks.

As a direct extension of institution E's alliance development activities, is the investigation of institution B's growth strategy. This highlights, from a UK HEI perspective, the progression from an international to a globally integrated strategy through the range of its revenue generation activity, and its commensurate scale and scope.

Participants from institution B focus on two key elements of alliance development and growth. Firstly, the primacy of revenue generation through collaborative relationships, and also the socialised aspect of their positions within networks, which again confirms Eisenhardt and Schoonhoven (1996). All respondents considered that there is a strategic decision required to enter new markets, but that opportunism is also a key contributory factor, frequently driven through and by existing social networks. B1 states that:

> *When I first came through the door I sort of looked at the portfolio we had and thought, do you know we're in real trouble if they ever change the regulations in Hong Kong or if something happens because you, you know, just looking at the world, lots of things can change. So you could get a situation where the HK government says 'right, no more foreign providers, we've got a perfectly good system ourselves, the rules have changed', and we're dead. I mean, we're dead as a Business School because we rely so heavily on that income because the funding band from [central government] is very low…so, in the very first strategic plan we did, I said the first thing we needed was to diversify geographically.*

B1 continues to discuss a range of Far Eastern markets, including Singapore, Malaysia and Vietnam. In these markets there was the potential to deliver TNE and build agent

networks for student recruitment, to which there was access through a pre-existing social network. B1 continues, as an example, that:

When I was looking to set up in Singapore, I went to [name provided] for advice about the Singapore market, who was reputable, about who wasn't, because I trusted him to give me impartial advice, which he did, so the first partnerships we got, I ran [institutional names provided] past him. He gave me a very candid view which has proved to be right, and then he'd moved to [name provided] and he was keen to work with me. So, the reason we got them as a partner, undoubtedly in business [subject area], was because of the connection with me.

B1's response here clearly identifies a reliance on a social network which allows a formalised strategic initiative to be operationalised through pre-existing personal contacts, with an opportunistic element integrated. Once institution B had a presence within the Singaporean market a further opportunistic move could be made to the institution's strategic, and financial, benefit to move with the 'network individual'.

The need for a strategic response to the institutional imperative for revenue generating activities is reinforced by B2, again relating to Far Eastern markets:

Now the big worry is that if you've got all your eggs in one basket and the basket breaks then we're stuck, so over the last 6 years we've taken a strategic decision that we need to widen out the countries in which we're looking at delivering programmes. So, that was why we decided to go to Singapore. We realised that Singapore was a mature market, but in terms of having [the] ability to pay for TNE they're second to Hong Kong.

In reinforcing any new initiative, such as market entry and ensuring strategic sustainability, B2 continues that:

Strategically what we do is we ensure that anytime we are visiting any of the countries that we set up a visit at least once a year with any of our strategic partners. We go over what's been happening in the last year, any issues, any problems, we look at any opportunities...we also discuss the fees, any

potential increases in the fees…we [B1 and B2] have a meeting with the top
people just to keep in touch.

Supporting the response of B1, B2 extends the social and network aspects of their strategic alliances through continued contact with institutional senior management to ensure sustained revenue streams, and opportunities to enhance the existing delivery package.

Respondent B3 from the institution's central service dedicated to developing cross-faculty alliances supports the previous answers, indicating that an opportunistic or strategic response to alliance development is not an either/or decision. Initially B3 states that revenue generation:

…touches on the 3 areas of [the department], recruitment, fundraising and
alumni.

One of their core functions is to be opportunistic in reacting to a potential lead, but working within strategic, and collegiate, boundaries again reinforcing that strategy and opportunism are neither necessarily mutually exclusive, neither contradictory. B3 continues:

We've made commercial connections, recruitment connections, alumni
connections, that in turn lead to commercial opportunities for the faculties
and for the Institutes as well, so we're almost that kind of hub and spoke
around alliances…understanding what the faculties are doing versus what the
centre's doing so that we can both support each other and be a bit more
focused.

The central service, similar to faculty responses, will respond opportunistically to any new contacts, potentially generated through a socialised network, which align with the commercial aspects of the corporate strategy, for instance:

North America is an example because we identified a market there for alumni
and we had some existing partners, and personally I had connections there.

Here B3 neatly encapsulates the alliance forming ethos of the 'alliance developers and initiators' in utilising existing (and, indeed, extended) social networks to generate potential revenue stream, or commercial, activities.

The significant issues within this section focus on the development from relatively simple international strategies which relate to, as Table 5.2 above, institutional enhancement factors to more complex globally integrated strategies and revenue generation. It is acceptable within a portfolio to continue to develop multiple homogenous alliances if external drivers and strategic fit demand this and it supports the institutional strategy. Developing alliances from institutional enhancing factors to revenue generation is context dependent. This development is directly linked with the causal progression from exploitation to exploration strategies in alliance activity, contradicting the work of Nielsen and Gudergan (2012) where the allied strategies are seen as incompatible. Further, the significance of personal contacts and social networks amongst key strategic decision makers in the alliance formation process is important, as contended by Eisenhardt and Schoonhoven (1996), as past and present personal relationships are essential in the formulation and development of new institutional relationships. The use of socialised networks is seen as important in making the progression from institutionally enhancing to revenue generating activities and linkage to international and globally integrated strategies, and this analysis is seen to extend the Eisenhardt and Schoonhoven (1996) argument to international academic alliance development and growth. Further, this application acts to develop the work of Mitchell and Nielsen (2012) where 'internationalisation' is seen as inadequate in accurately defining cross-border academic alliance activity where there are simple and complex characteristics relating to international and globally integrated strategies.

5.3.2 Number, spread and intensity of relationships

This section analyses how institutions have grown and developed their networks through the concepts of the number, spread and intensity of their alliances. Initially, the number of alliances is considered through the specific lenses of both quality and quantity; next spread is examined, i.e. the strength of ties, and diversity of information and competences available to the respective partners; then, intensity is evaluated,

extending the concept of resource sharing to the development of trust within alliance relationships.

Initially the implication of the number of institutional alliances entered into will be discussed. In this case 'number' relates to both the quantity and quality of the partners configured within the network, and their potential benefits (and/or challenges) to the focal institutions which are developing partnerships. A large number of alliances should deliver an extended resource base to the institution. However, Wassmer (2010) contends that a large number of partners with similar characteristics will mean that there is considerable duplication within the network – leading to redundancy. Within this analysis, this contention should be investigated by the 'classification' of the institution with respect to their international or globally integrated strategies. In the case of the German and French public institutions where there is a strong regulatory dimension which does not allow for revenue generation, there is a rationale for a wide range of similar partners.

The institutions are operating a system with multiple reciprocal exchange partners, and by broadening the base of networked institutions they are increasing the range and volume of destinations for student mobility. This, firstly, serves to enhance the individual student experience, adding to student graduate attributes and employability. It also allows the potential to develop their offerings to students by allowing the institution to offer double awards at Bachelor and Master's level, which can increase their national institutional reputation in ranking tables etc. For institutions which are bound by regulation and following a 'pure' international strategy, their actions are not necessarily contradictory to Wassmer (2010) on the basis of this analysis, because high numbers of homogenous institutions within a network or portfolio are, and will remain, fit for purpose.

Ahuja (2000) and Hoffmann (2007) extend Wassmer's (2010) findings, stating that a broad configuration of alliances not only provides for an extended resource base, but can provide more visibility in the organisational field for an HEI, leading to reputational enhancement. In the case of the German and public French institutions, a critical mass of similar partners aligns with their present institutional growth objectives, and a similar growth strategy can be continued. The French private institution (E) is looking, within its

portfolio, to have a broader configuration of partners with regard to the resources, skills and knowledge they can utilise through collaboration. Institution E still requires a large set of partners with low strategic intent and resource commitment through which it can offer student destinations for mobility and exchange. However, this is extended to a broader and deeper degree of strategic intent and resource commitment to develop further, for example, its franchise operations for both revenue generation and greater visibility in the marketplace. This broader configuration with a more specifically selected sub-set of alliance partners for the franchised operations more closely supports the work of Ahuja (2000), Beerkens and Dewende (2007), Hoffmann (2007) and Wassmer (2010). In the more complex, and commercially sensitive, franchise operations there will be less duplication, and there will be more closely aligned strategic alliance partners who provide greater visibility in the area of franchise operations to potential future partners as they pursue a more hybrid international strategy combined with globally integrated strategic characteristics. This suggests that a 'hybrid' growth strategy will be followed incorporating exploitation with exploration alliance strategies, supporting the argument from this analysis that exploitation and exploration can be mutually reinforcing, not contradictory, extending Nielsen and Gudergan (2012).

A higher number of simple 'destination alliances' will still be sought, but with particular focus applied to the strategic fit for those partners with whom there will be a high degree of strategic intent and resource commitment as they may develop in future to generate revenue. Institution B, reflecting the UK HEI's relative freedom in generating income pursues a very strong globally integrated strategy. It has a broad range of partners which cover both institutional enhancement and revenue generation activities – see Table 5.2, above. The relative priority in their growth strategy is to avoid over-exposure within specific, historically highly successful, geographic markets where the development must include broad configuration of high-quality alliance partners with coherence in structural and strategic fit. Alliances with high-quality institutions will aim to enhance institution B's reputation in the new markets, with this heightened profile potentially perpetuating growth within the alliance portfolio, and further increasing revenue streams. While it is likely that B will expand its simple 'destination alliances' in order to enhance student experiences with an attendant duplication of characteristics, the focus will remain on ensuring a broad configuration of partners is grown within and

across revenue generating geographic markets. This confirms the findings of Ahuja (2000), Beerkens and Dewende (2007), Hoffmann (2007) and Wassmer (2010) as the growth and development is continued within the high strategic intent, high resource commitment category of their alliance portfolio.

Aligned to the number of alliances entered into, the range or portfolio of alliances should be investigated by 'spread'. Spread relates to the strength of the ties which have been developed between the initiating institution and its partners from diverse strategic groups and sectors, and the diverse nature of the information, competences and resources to which the focal organisation has access (Koka and Prescott, 2002). The tie-strength between the institutions also directly relates to the extent to which the institutions are following an exploitation or exploration strategy as contended by Lavie (2006, 2007), Nielsen and Gudergan (2012) and Yamakawa, Yang and Lin (2010).

The German and public French institutions utilise an exploitation strategy whereby the majority of their alliances are relatively short-term in nature with immediate and fairly certain benefits with respect to offering a broad choice of mobility destinations and enhancing their students' experience. The nature of these relationships, bound by external contract and charter such as Erasmus +, provides little scope for the exchange of competences and resources. Spread is, therefore, low, as similar institutional characteristics and a limited scope for operations were often the initiating factors in alliance formation and implementation. As institutions such as C further embed their alliances and move from simple exchange to double award relationships there is the potential for some garnering of competences from partners, but this is minimal. In directly aligning the 'pure' international strategy with the exploitation strategy, spread is low, and this will be perpetuated if the current growth strategy is sustained.

Institution E (French, privately funded) is further advanced between the polarities of exploitation and exploration, where the 'destination alliances', short-term in nature with immediate and fairly certain benefits, are combined in partnership operations with exploration alliances which are longer-term timescale with far greater risk and uncertainty. So, while there is limited scope for competence sharing at the exploitation level, there is considerably more scope in the more complex relationships. The spread within the franchise operations allows access to the international partners' information,

competences and resources. This serves to directly complement the additional institutional credibility and reputational benefits from the number of alliances within the portfolio, reinforcing Koka and Prescott's (2002) findings. More scope and sectoral diversity within the portfolio, alongside a range of complex activities, will provide for potential institutional learning, where appropriate absorptive capacity is available.

The globally integrated strategy followed by Institution B is strongly reliant on a wide scope of exploration partners with high strategic intent and resource commitment. This scope across strategic groups and geographic sectors provides B with the optimal opportunity to benefit from the spread within its portfolio. The institution can benefit from, for instance: market and competitive information; in-country resource for academic and commercial activities; and cross-cultural competences as a direct extension of its globally integrated strategy and committed relationships with exploration partners. Confirming Koka and Prescott (2002) and Wassmer (2010), the spread of the alliance partnerships formed is directly related to strategic intent, the business strategy and the international vs globally integrated strategy of the institution and allows optimal potential to enhance the extended institutional resource base.

Directly linked with the spread of alliances partners is the degree of intensity within individual alliances in the network or portfolio. Intensity, like spread, can relate to the quality and richness of the information and resources available to the focal institution through its partnerships. However, intensity extends information and resource access into the extent to which trust has developed over time, and how trust has allowed for in-depth (implicit, tacit) knowledge to be transferred in the extended collaborative relationships (Koka and Prescott, 2002; and, Hoffmann, 2007). This implicit, tacit knowledge now becomes, potentially, the most valuable non-tangible resource available to the focal institution.

When looking at quality and richness of information for those institutions for whom the majority of alliances are low in both strategic intent and resource commitment, based on contractual relation there is little potential for 'rich' (for instance, complex and/or tacit) information transfer. There is an opportunity for transfer of complementary information around partners in networks, allowing for an extended base of similar partners who may provide an enhanced pool of 'destination alliances', reinforcing the

findings of Hoffmann (2007) and, Parise and Casher (2003). As an example, participant D2 reaffirms that the network (including external national agencies) may provide opportunities to extend contractual alliances for student exchange. This network complementarity is, again, extended by respondents C1 and C2 who look to expand from externally regulated (Erasmus + etc.) arrangements to deeper double award opportunities, based on an emergent trust through the previous contractual relationship. In line with the contentions of Hoffman (2007) and, Koka and Prescott (2003) trust emerges as a pre-requisite for Institution C to broaden and deepen its range of activities for enhancing the student experience, and employability attributes. This increase in co-operative activity over a sustained period will, as Schreiner, Kale and Corsten (2009) and Eisenhardt and Schoonhoven (1996) postulate, deepen the bonds, or personal relationships which exist *beyond* solely senior management. This bond becomes self-perpetuating with an increased range of activities over time increasing trust, offering further potential for enhanced opportunities in future. While Schreiner, Kale and Corsten (2009) define bonding within their management competences, it cannot, here, be divorced from trust.

Institution B best exemplifies these related aspects of bonding and trust. Participant B1 states, using one specific example of an alliance which became active for the institution as a consequence of B1's arrival:

> *I do think that mention of partnerships is really important and often understated. You know, people seem to think that you sign a contract and that's it, it's going to work…when I left my previous Business School there were other people who were closely involved in it [alliance with Moscow based Business School], but the choice was made for me [to continue with the alliance] because we had a close, you know, we had a bonded trust there that I think is really important.*

B1 does add an important caveat with regard to the sustainability of this, or any other, relationship:

> *My experience is that sometimes…you've got to be careful that it doesn't become too person dependent. My only criticism of the relationship with*

Moscow is I think it depends a lot on me...there are other people like [name supplied] who are very closely involved, that I think is really, really important.

This caveat reinforces the contentions made by Eisenhardt and Schoonhoven (1996) and Schreiner Cale and Korsten (2009), that bonding requires a move from senior management to staff at all relevant levels within the institution to provide functional, individual and organisational, responses to the partner's operational as well as strategic business requirements.

B2 continues to reinforce the bonding aspect of the nascent alliance relationship. In speaking of factors which characterise a successful alliance, B2 states:

Trust. One that's based on trust, one that's based on mutual respect and one where the objectives are aligned...[name supplied] in Hong Kong, they really got what it was we're about. We've worked hard at developing activities together. They get it. They want the same things out of it as us, and, you know, to begin with we might not have got things right, but they trusted us to put it right, so that was ideal because trust came in an early stage in that relationship.

B2 here supports the findings of Schreiner, Cale and Korsten (2009) that growing and developing alliance relationships is more than a response to external drivers, or merely transactional in scope. The focal and partner organisation have the opportunity to build complementary asset bases and competences.

Examination of intensity, allied with spread, again demonstrates the significance of the correlation between exploitation/exploration alliance strategies and the HEI's alignment to an international or globally integrated strategy. If an institution is focused on 'destination alliances' bound by contract, then intensity, alongside strategic intent and resource commitment, will be low, as aligned with an international strategy. However, as institutions move to a globally integrated strategy then the degree of intensity encompassing, for example, (tacit) knowledge transfer and mutual trust greatly increases, and so increases the potential for sustainable alliances.

The analysis finds that, as previous studies, a high number of homogenous partners can be appropriate without introducing duplication within the network. It also demonstrates that a broad configuration in the range of alliances can be advantageous (Ahuja, 2000; Hoffmann, 2007), as strategies develop from exploitation to exploration, dependent on the strategic intent and resource ambitions and requirements. In recognition that there are no tools for facilitating strategic decision-making through the identification of an HEI's networked alliance characteristics, this analysis recommends that new tools are developed. The decision-making tools recommended are grids mapping strategic intent against resource dependence, and strategic intent against resource commitment. The strategic intent/resource dependence grid will be more operational in application, while the strategic intent/resource commitment grid will be more strategic.

5.3.3 Synopsis

Initially this section emphasises the significance of the number of alliances within an HEI's network or portfolio. The key discussion here indicates that a wide range of homogenous partners is appropriate within the relevant regulatory and strategic context. The next discussion elaborates that regardless of whether or not alliances are developed to align with institutional exploitation and/or exploration motivations, the social networks of senior and operational managers cannot be underestimated, as argued by Eisenhardt and Schoonhoven (1996).

The discussion then focuses on the number, spread and intensity of institutional alliances and the manner in which these factors may impact on the efficiency of the network, and the benefits which the partners are able to achieve. A high number of similar alliances within the network may cause duplication, with the potential for redundancy. However, in following simple exploitation strategies, partnering with a high number of homogenous alliances can be most beneficial, for example providing wide destination choice for students, in line with the findings of Hoffmann (2007). As operations become more complex, in pursuit of exploration alliances within a globally integrated strategy, alliance quality and strategic fit are of primary importance, rather than simply gathering a desired 'critical mass' of homogenous partners. The spread, or tie-strength, between partners reflects the exploitation vs exploration work of Lavie (2006), Nielsen and Gudergan (2012) and Yamakawa, Yang and Lin (2010). The specific

importance of spread and intensity relates to the quality of resources and (potentially tacit) knowledge which an institution can gain through alliance formation. This potential resource transfer is increased with greater intensity in the relationship, and the development of institutional (and personal) trust.

The most significant finding within the section, which confirms the work of Hoffmann (2007) and extends that work into international academic alliances, is that the extent to which the institutional resource base can be extended is reflected by whether exploitation or exploration is a central strategic aim in alliance formation. Multiple, homogenous partners offer limited potential for resource base extension, but complex, in-depth operations with long-term strategic partners allow for the potential transfer of rare resources and tacit knowledge. As the HEI develops from exploitation alliances with low strategic intent and low resource commitment within the collaboration, so the institutional internationalisation strategy develops. It is contended that this strategic development should now be categorised separately within the literature.

Low strategic intent and low resource commitment suggest that an international strategy reflects engaging only with simple institutionally enhancing activities across multiple homogenous alliance partners. Engaging with partners with whom there are complex, in-depth revenue generating activities, demanding a higher degree of strategic intent and greater resource commitment in order to functionally integrate geographically dispersed activities, suggests adoption of a globally integrated strategy, and may be labelled as such. This adoption of strategic categories linked with alliance activities extends the work of Mitchell and Nielsen (2012) where internationalisation is proposed as the strategy adopted as HEIs' activities cross national borders. Further, on the basis of the analysis, new strategic decision-making tools are recommended to map the strategic intent against resource dependence/commitment of the networked alliances to determine where gaps exist, and development and growth is required.

5.4 Managing alliances

This section investigates and analyses the institutional approaches to alliance management in relation to institutional strategic approaches, and the systems, processes and staff involved. The first section analyses whether alliances are managed through dyadic or portfolio process within focal institutions, and if there is a split by, for

instance, geography or function. This includes the potential for developing an alliance management capability within the institution. Next, the concept of redundancy is evaluated within an individual institutional context to determine how HEIs manage inactive, or non-performing alliances, and if these responses differ by the degree of strategic intent and resource committed to the partnership. The section then identifies the dedicated personnel who have overall responsibility for ensuring balance and structure in alliance management. Finally the synopsis reviews the key discussions and issues identified within the section.

5.4.1 Developing alliance capability

As highlighted within the discussion of the areas of growth and development, thematic responses to investigation of the management of alliances are dependent on the scale and scope of the individual Business School's international operations. Within institutions A, F, and G every respondent states that their alliances are all managed on an individual basis with the only differentiation being that research collaborations tend to be handled by academics with specific contacts, while other institutional enhancement factors (see Table 5.1, above) are dealt with by administrators at a local, faculty level. As with strategic growth, where a 'pure' international strategy is followed with a broad range of exploitation alliances the rigour of the contractual frameworks makes management relatively simple, and purely dyadic and local.

However, where some additional complexity to the range of institutional alliances is encountered there is a differing perspective to alliance management, despite these institutions belonging in the same broad strategic group as those above. Institutions C and D, German Universities of Applied Sciences, report both a local and centralised aspect to their partnership management. This is exemplified by respondent D1 stating that:

> *When you look at the division between central partners and, in some respect, local partners in terms of faculty partners, you may have one co-operation agreement but it's, it's [sic] lived almost at different levels…it is extremely uncoordinated.*

D3 reinforces the lack of co-ordination, stating that there can be a significant degree of duplication as centre and faculty can be engaged in similar processes:

In [Institution D] it's very particular because the Department of Business has the most number of double degree agreements and co-operations and for this reason they have their own International Office...but for the incoming students I have a colleague [name supplied] to take care of them, and [name supplied] for the outgoing students, and for Ministry Projects we do the same as [D2's] International Office.

This lack of co-ordination, involving institutional duplication of resources allocated to alliance and partnership activities highlights the requirement to adopt Schreiner, Kale and Corsten's (2009) three dimensions of alliance management, co-ordination, bonding and communication. Co-ordination, or the ability to recognise where agreement needs to be established (internally, as well as externally) between various functions and departments around their different roles, responsibilities and activities is essential. If co-ordination is not an intrinsic part of alliance management then duplication of resources and lack of operational integration will, often, be an unwelcome outcome of alliance management.

Respondents from C echo the complexity caused by scale (rather than scope) of operations. C2 states that alliances are managed by:

The Department of International Affairs, the central department for the whole institution, but also from our side the Department of Business Administration. So we always have to check with the centre...sometimes this works, [in areas] like accommodation because there is a bottleneck in [name supplied] and we cannot get housing, but the centre has contacts. Academic and administration of the agreements are in [name of area supplied, Department of Business Administration], but practicalities are in the centre.

Here C2 demonstrates that co-ordination effectively implemented has considerable synergies for the institution through defined division of management responsibilities, and efficient communication. Schreiner, Kale and Corsten (2009) regard communication as the single most important aspect of alliance management, both internally and

externally. For example, Institution C, with effective communication, avoids co-ordination inefficiencies and is able to communicate coherently with partners regarding the essential student issue of accommodation, and so facilitating exchange transitions. As the scale and scope of alliance activities is increased a greater need for a change in the formalised alliance management occurs. E1, in common with the institutions above, states that research is handled in a more personalised way within the institution:

> …a research alliance would be, would have two people, the Head of Research and the actual faculty who are involved in the research…it would be managed and developed in a different way to the management process.

Therefore, while the research function remains somewhat institutionally divorced from alliance management processes, in institution E, an alliance management capability is emerging:

> They [alliances] are managed within the international service at the moment. We are a department of 10 people and so they are monitored by what they do and where they are, if they are for exchange or for foreign franchise operations, they will be monitored, at the end of every academic year, but the process of evaluation will be starting in June of every year, and there will be certain things we will be looking at, what we've achieved, what haven't we achieved, and what we've achieved which we didn't expect.

E1 is confirming that as increasing complexity develops in the alliance activities, with increasing resource commitment and dependency, the alliance portfolio capability is needed to develop organisational capabilities to form, implement and terminate co-operative relationships to the optimal benefit of the entire portfolio (Beerkens and Dewende, 2007, Heimeriks, Klijn and Reuer, 2009; Hoffmann, 2005; 2007; Sluyts, *et al.,* 2011).

The move from simple to complex, and the integration of strategic management to pursue an alliance strategy which is proactively formulated to attempt to shape the competitive environment is highlighted by Institution B. B1, in discussing the TNE or overseas delivery aspect of their alliance portfolio states that:

The management there is fairly devolved. One of the reasons I wanted the international programmes back in the Business School, because it was in the International College, was I think you're better managing the home programme and the offshore programme in the same place, not necessarily the same people, but where it belongs.

Management of alliances is brought under a 'strategic umbrella' where there is a co-ordinated control exercised over programme delivery. This is echoed in B1's and B2's responses around their scope of alliance activities. In recruitment and articulations there are market expert personnel dedicated to managing the number, spread and intensity of alliances, reporting to Business School management, B1 and B2. In the management of agents, again there are dedicated Business School personnel, reporting to the Faculty Executive.

Management is, as with E above, seen to be separated by geography and/or function. B1 and B2 both talk of a division between strategic and operational management with growth being highlighted as strategic and operational management being devolved, with a strategic overview being taken by senior academics (B1 and B2) within the faculty. The portfolio emerges due to the scale and scope of global activities, with the shaping strategy (Hoffmann, 2007) being implemented to expand, broaden and deepen the Business School's resource base. The shaping strategy includes what Hoffmann (2007) calls 'core exploration strategies' which are long-term in outlook and which make fundamental changes to the resource base of the organisation and increase institutional flexibility. Shaping is, therefore, vital to the wider globally integrated strategy pursued by Institution B. This provides the potential to, for example, move into new geographic and product areas, due to a well-developed alliance management capability, as saturation occurs in existing markets.

The alliance management capability within institutions operating a 'complex portfolio' of partnership activities (for instance, integrating franchise operations with destination alliances (E), or TNE with articulation/recruitment activities and destination alliances (B)) has the potential to be developed into a true core competence, as proposed by Barney (1991). The revenue generating activities in Table 5.1 demonstrate that financial value can be generated alongside reputation enhancing factors, and market legitimacy can be

established through partner association. The capability to manage a whole portfolio, particularly over an extended period, as in the case of Institution B, is rare and such capability cannot be replicated quickly, or simply by buying or acquiring additional resources. Finally, the capability which has, again, been developed over time and is institutionally embedded cannot be substituted by agency or technology. Thus, the development of an alliance management capability which integrates Barney's (1991) VRIN characteristics (valuable, rare, inimitable and non-substitutable) can become a core competence to deliver sustained competitive advantage for the focal institution, and its respective partners.

The most significant finding within this section is that an alliance management capability can evolve into a true VRIN core competence. Alliance management at the exploitation 'stage' can be a simply administrative task if only a number of homogenous relationships, bound by charter, are being managed. As an institution grows and develops its activities from exploitation to exploration and complexity expands and deepens, there is the opportunity for a true core competence to evolve, and provide the institution with a competitive advantage in the global HE environment. This is a key finding to reinforce the move from international to globally enhancing strategy. The development of a core competence, particularly encompassing Barney's (1991) VRIN characteristics is unlikely to be achieved within a 'simple' international strategy where tasks can be administrative, based on contractual obligations. However, as strategic integration of operational activities is required on a global scale a core competence can emerge, and can be a contributory factor to developing a legitimate globally integrated strategy. In line with Beerkens and Dewende (2007), Heimeriks, Klijn and Reuer (2009) and, Sluyts, *et al.* (2011) the development of a core competence in alliance capability will bring benefit across the entire network, and is unlikely to be realised in a simple, contractually bound network.

5.4.2 Redundancy of existing alliances

This section, firstly, defines redundancy through the lens of the alliance literature. Next, the concept of redundancy is examined from the perspective of institutions following either an international or globally integrated strategy.

As an intrinsic part of the management process, or, indeed, capability, redundancy must be considered within the alliance network or portfolio. Within the alliance literature redundancy has two discrete meanings which must be examined. Firstly, redundancy exists where there is a contextual overlap or duplication in resources and/or information or knowledge transfer to the focal institution across the network or portfolio (Hoffmann, 2007). However, where the majority of partnerships are destination alliances which are selected for inclusion within the network due to homogenous characteristics such as potential student destinations, this aspect of redundancy is only briefly investigated here. Duplication is necessary, and the extent to which information and knowledge are transferred among institutions within a low strategic intent/low resource commitment alliance is negligible. However, the second feature of redundancy, which is fundamental across alliance networks or portfolios, is the degree to which institutions must alter or realign the configuration of the portfolio or network over time (Wassmer, 2010).

The quantity of alliances, as presented above, varies greatly across institutions with, for instance, D3 relating that she held approximately 160 partnership agreements. These were, historically, generated by a senior academic who:

> *…wanted to work with anybody and everybody…there was nothing strategic in mind.*

This is reinforced by D1 talking of their network within which there were inactive alliances, described as:

> *Written agreements with universities or other institutions of Higher Education abroad that only exist on paper.*

This is, as above, relatively unimportant to the focal, and partner, institutions as they are redundant in the sense of merely being duplicate destination alliances with minimal administrative resource dedicated to their upkeep and management, and only external contractual obligations involved. This pattern is seen in most German and French public institutions where there is no imperative to alter the configuration of the portfolio as students may elect to utilise the open opportunity to study with the destination partner.

As institutions develop from a purely international strategy, however, there is a requirement for increased monitoring and evaluation of the performance against

intended outcomes of alliances and alliance partners. E1, in discussing franchised alliance management states that:

We'll be looking at what we achieved…and then a decision [will be made] to see how we can modify that sort of idea, if it will continue or not, it will continue because it is the first year. Probably after the first three years we will be evaluating if the alliance will continue or not.

In the case of revenue generation activities E1 is reviewing franchised alliances to determine if they are viable in their current state, if they require alteration, or if they are now redundant. The move, or progression, from international to globally integrated strategies again demonstrates the differing strategic approaches to alliance network or portfolio management.

Respondents B1 and B2 both consider the viability of markets and the need to move into new geographic and 'product' markets in response to regulatory change or market conditions. B1, as above, speaks of the need to diversify geographically from a risk management perspective, but also to withdraw from partners (or markets) where there are business, social or regulatory issues. B1 continues:

We had an arrangement in Malaysia and I knew the Malaysian market, and I did not want them, so I pulled us out of that. I knew Malaysia, knew the system, knew the people…asked some questions, they were all negative answers that I got. I pulled that. The next thing was looking at where we could work. The most obvious targets were India and Singapore.

Hence B1's perspective on redundancy within the institutional portfolio is that an alliance is redundant when it offers no benefit to the focal organisation, and reconfiguration is required, reaffirming Wassmer's 2010 findings, and further reinforcing the globalised aspect of their institutional strategy.

The most significant finding from this section relates to the characteristics of the alliances held within the network or portfolio. If there exists a large number of homogenous exploitation relationships, this is relatively unimportant, regardless of the strategy being followed – international or globally integrated. An 'open' alliance which is low in strategic intent and resource commitment can serve as a student destination

choice without impacting on network efficiency. However, where there are underperforming exploration alliances, with their direct impact on revenue streams, a reconfiguration of the network or portfolio becomes imperative at an early stage. On the basis of the analysis, as argued in relation to the characteristics of number, spread and intensity of alliances (5.3.2 above), new strategic tools are recommended. It is proposed that strategic decision-making tools will facilitate operational and strategic decision-making through mapping alliances within the portfolio by strategic intent against resource dependence/commitment. This will allow identification of unnecessary or inappropriate redundancy in the portfolio and areas where gaps exist in the portfolio in either exploitation or exploration alliances.

5.4.3 Responsibility for network/portfolio balance and structure

This section identifies who has the focal responsibility within the respondent Business Schools for the overall structure and balance within the network, or portfolio, of alliances. In presenting the analysis, the institutional responses are grouped by the extent to which they engage with exploitation or exploration alliances, and their institutional internationalisation strategy.

All institutions identified that there is a strategic management aspect to ensuring that a balanced structure is established and maintained within the network. Further, that alliance management will not be effective if its focus is simply on engaging in a greater and greater volume of active and inactive partnerships. Respondents A1, C1, F1 and G1, for instance, all point to a senior manager, or group convened by a senior manager who will take an overview of the balance of existing alliances and where more partnerships may be required. Institutional vocabulary and structures differ, but the senior manager or groups are labelled as Dean of International Relations, Steering Group, International Strategy Group, but the extent to which development has taken place within institutions for this strategic overview does differ. C2 states that:

We have a so-called Vice-Dean Internationalisation, he's involved in internationalisation because he's one of the initiators of partnerships, and that's why he's chosen among the professors, and the team is working for

him, so that means in discussion and so on we find out where the strategy is going to.

Institution C has an established structure whereby the Business School's Vice-Dean takes responsibility for the strategic internationalisation of the Business School, and this is a process supported by the faculty through his/her election. This allows the Business School relative autonomy in partner selection as the central service is not involved in strategic partner decisions, only operational and logistical matters, so the responsibility for balance and structure is local. Having a well-established strategic overview or perspective (individual or group) is not universal, with moves only being made recently to this aspect of strategic management, as D1 states:

This change has only happened about a year and a bit ago. It used to be very simple, each to their own.

D2 and D3 echo that this change is recent, but is not yet established within the faculty, D3 stating that in relation to an overview of balance and structure to their portfolio:

We don't have it yet. We are working on it because this is the first year, it's very new.

There is, therefore, a realisation that a strategic response to alliance management is institutionally beneficial, and that there is a need for balance within a structured portfolio, but in some institutions it is nascent, and will need to be embedded. Where the institutions follow a strong international strategy, with a concentration of exploitation alliances, this strategic overview can be undertaken from a single department, even across an organisational network of schools. Reinforcing the responses above, F1 as the Head of the International Office at the central office of the group's network stated that:

The Head of the IO [International Office], with advice from the faculties, is responsible for initiating new, and controlling all of the partnerships. The daily management is ensured by the two centrally located IO co-ordinators, but the strategic management of the network and partners is responsibility of Head of IO.

This can, however, be a somewhat simplistic and unsophisticated strategic analysis which is undertaken whereby the senior management, or group, may be using merely geographic criteria for looking at the balance within the alliance network. As institutions develop from international strategies towards globally integrated, and from simple exploitation alliances to exploration alliances, strategic involvement of senior management and committees grows in significance in maintaining a balanced portfolio.

Institution E, moving from an international to a globally integrated strategy with the development of its franchise operations, has a more complex management structure to ensure balance within its portfolio, across a wider range of business functions within the institution. E1 states that in order for a new alliance to be considered – outwith, for instance, Erasmus + bilateral agreements – there is a process whereby:

> *I propose an international [alliance] to the management committee, we're 8 people and have distinctive roles, one is for external communications, admissions, research, finance, international, quality, registry and general administration…so, my role would be to propose internationalisation and the running of alliances. It would then be discussed and validated by the team…which is the highest committee within the School. In my opinion it can only be the management committee [of institution E] making these decisions because these are the people, that's the committee that has the global vision and people from all different services and activities.*

On the basis of E1's response, it is necessary to involve senior, strategic, managers from a wide range of services and functions. This involvement recognises that a reconfiguration or restructuring of the alliance portfolio has the potential for broad ranging organisational implications, including impacts on finance and reputation. Increased complexity, particularly regarding exploration alliances increase the need for senior management commitment to the development and management of alliances.

This requirement is reinforced by institution B adopting a globally integrated strategy which involves complex exploration alliances with multiple partners across national borders. B1 states that as the University expands:

What you need at university level is a sort of empowering policy, document and framework. It sets out the parameters within which you work, because you can't steer it centrally, it's not possible because what's a good partner for the Business School is not a good partner for the other faculties, or vice versa. The university has processes that quality manage them [alliances], quality assure them, look after finances and reputation and approve them in the first place and we must feed in to them, but it needs the formal empowering framework document...however, the responsibility for the Business School's alliances is mine with B2 and the Faculty Exec'.

B2 reinforces the constraint of the administrative centre in dictating the individual balance and structure of the faculty's portfolio. B2 continues that the configuration of the local portfolio is within the remit of B1, B2 and the Business School's senior management team, as long as financial targets are met and reputational factors, amongst others, are not adversely impacted. The nuanced responses, while being in broad agreement, are potentially based on the focus on strategic as opposed to operational contact with the working alliances. B2 continues:

In theory you would think that the [institutional] strategy group should have an overview of the portfolio. I don't believe they do have an overview of the balance, and the balance of the portfolio in the Business School has been driven by us...we've tried to have an overview on what's happening, for example on the agents and recruitment strategy and how we can improve on that. In the Business School, the balance is managed by just myself and B1.

Regardless of the extent to which their institutional networks are being populated by exploitation or exploration alliances, or whether an international or globally integrated strategy is adopted, the balance and structure of an alliance portfolio is a strategic decision within the institution. This finding confirms the work of Beerkens and Dewende (2007), Sluyts *et al.* (2011), and Wassmer (2010) who state that the involvement by senior management in alliance formation and management will facilitate the development of alliance learning mechanisms, which in turn will advance the evolution of alliance capability. An advancement in alliance capability across all areas will, in turn, allow for the optimal balance and structure within the network or portfolio to be

achieved and sustained and will serve to identify alliance capability as a potential core competence in line with Barney's VRIN characteristics.

5.4.4 Synopsis

This section presents the arguments around alliance management capability and its interrelationships with the redundancy of partnerships and sustaining a balanced network or portfolio. Where redundancy, and a consequent reconfiguration of the portfolio is required, the analysis recommends (as in 5.3.2, above) new strategic decision-making tools which identify the strategic intent of the HEI against its resource position. Utilising these strategic intent against resource dependence/commitment grids, the analysis suggests, will allow for identification of inappropriate redundancy (duplication) in the portfolio, alongside gaps for further sustainable development.

Alliance capability is then presented as being essential within networks which are not simply bound by external contractual charter or agreement such as Erasmus + networks. Within these simple networks co-ordination activities can be simply administrative, as argued by Sluyts *et al.* (2011). However, the key issue is presented in analysing networks which are based on both exploitation and exploration alliances and involve the strategic integration of revenue generating, geographically detached operations. To extend the work of Sluyts *et al.* (2011), in these complex operations the potential exists for alliance capability to become a true core competence, and to provide a competitive advantage within an academic marketplace when adopting a globally integrated strategy.

The alliance capability can, potentially, benefit the whole network through monitoring the required outcomes from alliance performance to ensure efficient, effective operations. If performance is not sustained, termination may result. The competence potentially boosts, or at least maintains, network performance. In tandem with this performance monitoring, the balance of the portfolio may need to be monitored to ensure, for instance, the correct balance between institutionally enhancing and revenue generating alliance activities. This management function of ensuring balance can, again extending the previous work of Sluyts *et al.* (2011), contribute to the VRIN characteristics of alliance capability being developed as a core competence within an appropriate institutional strategy (Barney, 1991). This development of alliance capability indicates

that separate international and globally integrated strategies are followed under the currently adopted 'internationalisation umbrella'. Further, as strategic initiatives develop to global integration, organisational core competences may be developed to bring sustainable competitive advantage.

5.5 Conclusion

This section presents the key arguments and evidence from the chapter from the perspective of the themes within the analysis: motivation for growth in alliance network development and the extent of their collaborative activities; the number, spread, intensity and redundancy of alliances within the network; and, developing alliance management capability as a core competence.

There are two key antecedents to the motivation to engage with alliances, or to grow an alliance network. Firstly, the national regulatory context within which a Business School operates acts as a primary constraint for alliance activity as defined and determined within the context in Chapter 2. Secondly, the strategy which defines the desired outcomes to be derived from the co-operation which will extend the resource base of the institution by complementing its existing bundles of resources and capabilities with those identified as strategically valuable in alliances, confirming the previous findings of Hoffmann (2007), Lavie (2006), and Wassmer (2010).

The preceding analysis categorises network alliance activities as either institutional enhancing factors or revenue generating factors, with linkages made with exploitation and exploration alliance strategies. This evidence suggests that engagement with exploitation alliances, which tend to be low in strategic commitment from the focal institution and with fairly certain outcomes, can be extended to adoption of an international strategy comprising solely institutional enhancing activities. While engagement with exploration alliances, which tend to be high in strategic intent and resource commitment in pursuit of revenue generation, and with uncertain outcomes, can be linked to adoption of a globally integrated strategy requiring the deliberate integration of geographically dispersed operational activities. Nielsen and Gudergan (2012), indicate that exploitation and exploration alliance strategies, in the corporate sector, are contradictory and incompatible requiring different antecedents, structures,

cultures and processes. The analysis of this research, however, develops the argument that exploitation and exploration alliance strategies, and their characteristic functions and activities, can be complementary and mutually reinforcing within an appropriate regulatory environment in international academic alliance development, configuration and management.

This analysis identifies the specific national or regional regulatory and legislative environment as defining the extent to which HEIs may engage with exploitation or exploration alliances (or both) as this was the direction of enquiry and analysis from the outset of the study. The analysis suggests as an emergent issue that the particular governance structures of the participating HEIs could also define the data collection and thematic analysis. Thus, the analysis could be conducted by institutional governance characteristics (i.e. the extent to which funding is centrally controlled, and/or funding is through fee income) and structures which could, potentially, generate cross-border findings which may confirm or contrast with these findings which are primarily based on country centric characteristics.

The analysis of the number, spread and intensity of alliances within EHEA Business School networks indicates that a comparable distinction can be drawn between exploitation and exploration alliances with the extended linkage further developed to the institutional internationalisation strategy. Exploitation alliance networks, extended to an international strategy, can benefit from a large number of homogenous partners (for instance, within the Erasmus + programme) to provide 'simple' student mobility destinations, and 'simple' institutional resource base extension. However, as institutions progress to exploration alliances, with greater resource commitment and in-depth operational co-ordination, a globally integrated institutional strategy will require strong strategic fit with a small number of trusted partners. In tandem with there being the facility to engage with a high number of homogenous partners within exploitation alliances, there is not a strong pressure to terminate under-performing relationships. Retaining short-term partners under externally fixed contractual terms has little resource, or strategic, implication. As the institution moves to exploration alliance activities and partners, there is a need for monitoring of outcomes and performance, particularly with regard to revenue streams. If partners with whom there is high

resource commitment are underperforming, a review of activities may be required and termination of the partnership, or reconfiguration of the globally dispersed networked activities, may become a strategic imperative.

The resources and capabilities sought from exploitation and exploration alliances are shown to be simultaneously valuable to the focal institution (or sought by a partner), through increasing institutional attractiveness in the marketplace. This important extension of the alliance strategies into RBV confirms the work of Hoffmann (2007), Lavie (2006), and Wassmer (2010) through identifying resource base extension as both the need and the opportunity for development of international academic alliances.

On the basis of the analysis of the number, spread, intensity and redundancy of alliances within an HEI's portfolio, and extending the previous work of Hoffmann (2007), new strategic decision-making tools are recommended. Where reconfiguration is necessary, the new tools are designed to identify where there is inappropriate duplication, thus redundancy, within the network, and/or where gaps exist which prevent optimal alliance performance. These tools, founded on the analysis, will allow the operational and strategic mapping of the strategic intent of the HEI against the resource dependence/commitment of the individual alliance/AP.

Next, the discussion around alliance management capability is presented, identifying a similar pattern. Exploitation alliances do not demand a strong alliance capability, with administrative functions operating and managing the external contracts. Even as contracts may develop to the adoption of double degree options, this can still be administered and managed entirely by the focal institution within its home base. However, where there is additional complexity added as alliances progress to exploration, and revenue generating, activities there is a need for, as contended by Sluyts *et al.* (2011), dedicated operations, which may be geographically dispersed. To strategically manage these geographically dispersed operations, and retain balance within the entire portfolio, Sluyts *et al.* (2011) state that there is also a need for senior management intervention. This analysis contends that, to extend Sluyts' *et al.* (2011) findings, it is with this senior management intervention, and development of alliance capability through a global network, that a core competence can evolve. Thus, simple operational administration of mobility based activities, bound by external or internal

contract, is indicative of an institution following an international strategy. The advancement from exploitation alliances to the greater complexity found within exploration alliances, and the evolution of a potential core competence in the management of global academic partnerships, suggests the adoption of a globally integrated strategy.

The arguments which are developed in this chapter identify that international academic strategies, based on the development, configuration and management of HE alliances, are too simplistically defined by the term 'internationalisation strategies' as utilised by, for instance, Mitchell and Nielsen (2012). Therefore, in advancing the international strategy definitions suggested by Hill (2014) in his seminal work, it is contended that as a direct extension of the foregoing analysis, an EHEA Business School, bound by legislation and regulation to exploitation alliances and institutionally enhancing activities, may be more precisely labelled as having adopted an international strategy. This strategy is based on home country management of its international alliance activities which might include, for instance, student and staff mobility and joint research. However (again contended as extension of the preceding analysis), an EHEA Business School which operates within a (relatively) *laissez-faire* macro-environment, with far fewer regulatory constraints, may develop from institutionally enhancing activities to revenue generation through international academic alliances, and this may be labelled as a globally integrated strategy. This globally integrated strategy is based on the focal institution directing its networked activities through the strategic integration of its geographically dispersed operations.

Chapter 6: Conclusions and Recommendations

6.1   Introduction

The purpose of this chapter is to present the conclusions and recommendations which arise from the preceding analysis into the motivation, configuration and development of international academic alliances in EHEA Business Schools. Initially the original research objectives are presented and their achievement through the thesis is detailed. Next, the three key discussions which represent the contributions to knowledge are provided, aligned to the key themes of motivation, growth and management of alliances/APs. Next the chapter will present the contribution to practice through the recommendations to EHEA Business Schools in the form of strategic decision-making tools. These tools are an applied extension of the contribution to knowledge. The Strategic Intent/Resource Dependence (SI/RD) Grid is presented first, and then supplemented by the Strategic Intent/Resource Commitment (SI/RC) Grid, with their application to regulatory contexts. Finally, considerations for further research studies are presented, with a reflection on the research study.

EHEA Business Schools in the current competitive environment for both institution and student are increasingly being attracted to increased international alliance activity. Their motivation can be seen, firstly, in that their students, irrespective of programme or level of study, need to supplement a transcript of high academic achievement with documentary evidence of other applied skills and attributes (Altbach and Knight, 2007). The attributes considered most desirable by employers include international knowledge and attitudes, and experiences providing exposure to cross-cultural diversity within the classroom, workplace, or both (Deardorff, Pysarchik, and Zee-Sun, 2009). HEIs are responding to this stimulus for international activity through the development and configuration of alliances/APs to meet the demands led by both students and employers (Altbach and Knight, 2007). Secondly, and with a more commercial leaning to the motivation, there is an increasing massification and marketisation of HE in domestic and international markets. This marketisation increases rivalry in particular markets, and segments, meaning that those HEIs which internationalise to increase income streams across national and/or regional borders do so in highly competitive areas (de Wit, 2009;

Mitchell and Nielsen, 2012). To attempt to counter this 'cut-throat' rivalry, a collaborative approach is employed, and it is used in competitive areas to enter new markets and to take advantage of localised market knowledge.

6.2 Conclusions – research objectives

This section presents the original research objectives, and details how they have been achieved through the thesis. They are set out by subject, initially relating to the background and context for the study; next, the key writers and debates within the theory base; the key arguments developed from the analysis; and, the conclusions drawn with presentation of the contribution to knowledge, and the recommendations to EHEA Business Schools which serve as the contribution to practice.

In order to provide context and background for the research study, the first research objective set out to:

> *Examine the current trends and issues in Business School international alliance formation within the regulatory environments of France, Germany and Scotland (UK).*

The key contextual findings include (Chapter 2) that since its inception the EHEA, as a development of the Bologna Process, has included initiatives to promote employability, access to mobility and international openness and transparency (EHEA, 2012; UK HE IU, 2014). As a result of these initiatives, the EHEA has also impacted on the size and shape of signatory countries' HE systems. This section defined the German market as highly restrictive with, for instance, caps placed on the number of students which public institutions could enrol, and no premium fee for overseas students (HRK, 2014). The French market is shown to be split between a very restricted public HE sector where consolidation and rationalisation is dominant, with no potential to generate non-exchequer tuition fee income, but with a more deregulated private sector (Campus France, 2014). In the Scottish market there are rigorous restrictions placed on the number of Scottish and EU students enrolled at undergraduate level, but unrestricted numbers of overseas students may be enrolled at undergraduate and postgraduate levels, all attracting premium fees (ONS, 2012). The identification of these key contextual factors (Chapter 2) within global, regional and/or national regulatory and

competitive environments acts to identify the key macro-environmental drivers which motivate HEIs to develop, formulate and implement international academic alliances; for instance, centralised rationalisation of the HE sector, student mobility destinations, or non-exchequer revenue generation. A key strength of the contextual findings lies in determining primary parameters for alliance development regulated by individual target market which acted as an antecedent for alliance development in the analysis (Chapter 5) of EHEA Business School alliances.

In order to provide an appropriate and relevant theory base for the research, the second research objective was to:

Review and evaluate extant literature in the area of international strategic alliances and alliance portfolios from an extended resource base view.

The principal authors, and the dominant issues, are arranged by the over-arching themes of motivation, growth and management which generate the research questions and specific topics for investigation.

In considering the first theme of motivation, the initial key areas investigated were the significance of the number of alliances, and their respective activities. These issues are developed from reviewing Hwang and Park (2007), Todeva and Knoke (2005), and Vaidya (2011). The review continued to investigate organisational/institutional rationales for alliance development in order to extend available resources, from a conceptual perspective. This involved evaluating the work of Barringer and Harrison (2000), then moving to the more contemporary Lowensberg model (2010) which is more appropriate to the current corporate and academic competitive environment. The issue of exploitation and exploration alliance strategies, and their linkages with motivation were then examined, developing the differing alliance strategies as a theme integrated throughout the thesis (Nielsen and Gudergan 2012). These debates developed the first research question: What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?

The second theme, growth, first looked at the extent to which growth might be opportunistic or strategic, in line with the work of Eisenhardt and Schoonhoven (1996).

This was followed by the evaluation of the important themes developed by Hoffmann (2005; 2007) and Koka and Presccott (2002) which explored the significance of the number, spread and intensity of dyadic, or networked, relationships. Then, to integrate the 'vertical' themes of exploitation and exploration alliance strategies with growth and configuration, Hoffmann's (2007) work is directly linked with that of Nielsen and Gudergan (2012) and Yamakawa, Yang and Lin (2011). These conceptual discussions generated the second research question: How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?

The area of management was reviewed next. Alliance management capability was examined first, reviewing the work of Schreiner, Kale and Corsten (2009) and Heimeriks, Klijn and Reuer (2009) where they explored how the institutional capability is developed. Then, aligned with the number, spread and intensity of relationships (Hoffmann, 2005; 2007) above, the issue of redundancy was examined, and how it is managed within networks. The debate then considered, as Sluyts *et al.* (2011), the issue of who, within the management process, has strategic responsibility for the maintenance of balance. Finally, incorporating the studies of Nielsen and Gudergan (2012) and Yamakawa, Yang and Lin (2011) with that of Sluyts *et al.* (2011), the linkage was developed between exploitation and exploration strategies and alliance management capability. These debates generated the third research question: What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy?

The third research objective, related to the analysis of the data collected within the research, was to:

> *Analyse the perspectives of EHEA Business School practitioners in formulating, implementing and managing international academic alliances within particular regulatory contexts.*

This objective is achieved through answering the research questions, with reference to the specific topics for investigation, developed from the literature review. The first research question, within the thematic area of motivation, set out to determine:

What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?

The key discussions from the analysis based on the question (Section 5.2.4) are founded on the fact that there is little or no relevance to the simple number of alliances existing on paper. It is the number of active alliances which allow for the expansion or extension of the HEI's resource base which is important. Following from this, and linked with the finding from Chapter 2 that national regulatory environmental constraints are key antecedents to alliance formation, is the discussion on exploitation and exploration strategies. The analysis makes the linkage between 'simple' alliance networks based on institutionally enhancing factors, for instance student destinations within externally dictated contractual parameters, and exploitation alliances. This is extended to 'complex' networks founded on both institutionally enhancing factors and revenue generation, for instance TNE or franchised operations and exploration alliances, as presented in Table 6.1, below.

Table 6.1: Linkage between regulatory environment, alliance activity and alliance strategy

National/sectoral differences tracked to alliance strategy	
Restricted regulatory environment	De-regulated regulatory environment
French public, German	French private, Scottish (UK)
Restricts the scope, but not restricted scale of the activities covered in the alliance network	Allows expansion in both the scale and scope of activities covered in the alliance network
Activities are institutionally enhancing	Activities are both institutionally enhancing and revenue generating
HEIs are bound to engagement solely with an exploitation alliance strategy	HEIs can develop engagement from exploitation to exploration alliance strategies

This finding contradicts those of Nielsen and Gudergan (2012) that exploitation and exploration alliance strategies are incompatible. This analysis contends that HEIs, within the appropriate regulatory environment, will utilise both exploitation and exploration alliances simultaneously to extend their institutional resource base. Further, exploration

alliances can build on exploitation alliance strategies, and within international tertiary education can be mutually reinforcing and are not contradictory. This finding serves as a key contribution to knowledge developed from the analysis.

The second research question was developed from the primary theme of growth, and aligned the issues of growth and configuration with strategic alliance decisions in response to internal and external drivers:

> *How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?*

The major discussion in analysing the responses to this question relates to the number, spread and intensity of relationships within a network or portfolio. A high number of alliances with homogenous partners can be beneficial, if configured within an appropriate strategy (Section 5.3.2). This confirms the findings of Hoffmann (2007) and extends his findings to the field of tertiary education. The discussion continues to examine the linkage between number, spread and intensity of relationships which is aligned with exploitation and exploration strategies.

The major discussion here relates to the extent to which resource extension can be achieved is reflected by whether exploitation or exploration alliance strategies are employed. Multiple, homogenous partnerships cannot provide more than limited resource base extension. Complex, in-depth collaborations offer the potential for transfer of rare resources and capabilities, and tacit knowledge. As the HEI develops, or evolves within an appropriate regulatory context, from exploitation alliances with low strategic intent and low resource commitment, so the institutional internationalisation strategy evolves, or develops, as Table 6.2.

Table 6.2: Linkage between regulatory environment, alliance activity and strategy, and 'internationalisation' strategy

National/sectoral differences tracked to 'internationalisation' strategy	
Restricted regulatory environment	De-regulated regulatory environment
French public, German	French private, Scottish (UK)
Restricts the scope, but not restricted scale of the activities covered in the alliance network	Allows expansion in both the scale and scope of activities covered in the alliance network
Activities are institutionally enhancing	Activities are both institutionally enhancing and revenue generating
HEIs are bound to engagement solely with an exploitation alliance strategy	HEIs can develop engagement from exploitation to exploration alliance strategies
International strategy	Globally integrated strategy

On the basis of the analysis, the argument has developed that internationalisation strategies should now be categorised and defined more precisely. An institutional international strategy is based on home country centralisation of institutionally enhancing activities, with low strategic intent and low resource commitment. A globally integrated strategy relates to the strategic integration of geographically dispersed operations with high strategic intent and resource commitment/dependence. In light of this argument based on institutional strategic intent and resource commitment/dependence, new strategic decision making tools are recommended for EHEA HEIs. The new definitions serve as a contribution to knowledge, and as the basis for the contribution to practice through the newly developed decision tools (6.4).

The third theme, management of alliances and APs, presented arguments around alliance management capability, inter-relationships with redundancy and the sustainability of balance within the network, generating the third research question:

What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy?

Initially the analysis examined the concept of redundancy within networks, extending the previous discussion on number, spread and intensity of relationships. Where there

is a necessity for reconfiguration of the network or portfolio in response to redundancy, the analysis argues, and recommends, that the newly developed strategic decision-making tools be applied to determine the 'future direction' of the alliance strategy and portfolio. In utilising the new tools, alliance management capability is seen as the method for identifying where exploitation and/or exploration alliances are required within the portfolio to achieve sustainable balance. This is a strategic management function, and it is argued that where complex strategies are employed, and exploitation and exploration alliances utilised simultaneously, the alliance management capability can become a core competence of the HEI, extending the work of Sluyts, *et al.* (2011). Alliance management capability has the potential to achieve all of the VRIN characteristics, as contended by Barney (1991) to provide sustainable competitive advantage within an appropriate regulatory context. The successful and sustainable management of the number, spread, intensity and redundancy of APs can be seen as a true VRIN (Barney, 1991) core competence. This serves as a contribution to knowledge, a recommendation for future research and a further basis for the strategic decision-making tools developed as a contribution to practice in Section 6.4, below.

The final research objective, on the basis of the foregoing analyses of the motivation for the development of international strategic alliances and their growth, configuration and management within EHEA Business Schools sets out to:

> *Develop recommendations to EHEA institutions on the transferability of strategic decision-making tools to facilitate the development, configuration and management of international academic alliances.*

As an extension of the contribution to knowledge (detailed in Section 6.3, below) the contribution to practice is presented in the form of newly developed strategic decision-making tools. Section 6.4.1, below, presents and applies the Strategic Intent/Resource Dependence grid which is intended for use by operational staff within HEI international units, etc. This is followed by the Strategic Intent/Resource Commitment Grid (Section 6.4.2) which is intended for senior managers and strategists within EHEA Business Schools.

6.3 Conclusions – contribution to knowledge

There are three principal arguments developed from the analysis which serve as contributions to knowledge, respectively linked to the three key themes of motivation, growth and management. The arguments are presented with their linkages, as appropriate, to further research and/or contribution to practice detailed in Section 6.4, below.

The first argument relates to the finding in Section 5.2.3 that simultaneous employment of exploitation and exploration alliance strategies can be mutually compatible and reinforcing within HEIs as they internationalise within an appropriate regulatory environment. This finding contradicts the work of Nielsen and Gudergan (2012) which states that the two strategies are incompatible, which they support by arguing against the 'ambidexterity argument'. This finding also serves as the base for developing the discussion regarding the definition of new internationalisation strategies within HE, as outlined below. However, the key argument presented as the initial contribution to knowledge is that exploitation and exploration alliance strategies, and their corresponding activities, can be complementary within international tertiary education. This is reinforced by RBV identifying that the resources and capabilities that are sought from exploitation and exploration alliances do not conflict with each other. Extending the previous work of Eisenhardt and Schoonhoven (1996), Hoffmann (2007) and Lavie (2006), the existing resources within the focal institution may provide the opportunity for alliance formation, and the gaps identified in a resource and capability 'audit' may provide the need for alliance development. However, this need and/or opportunity is not mutually exclusive to either exploitation or exploration alliance, or to institutionally enhancing or revenue generating resources and capabilities. These resources are seen as mutually supporting within an appropriate alliance strategy. The 'ambidexterity argument' is seen to be contradicted, again, by RBV and the tangible and intangible resources integral to developing international academic alliances.

The second argument which is generated from the analysis relates to proposing new definitions for internationalisation strategies for HEIs. The work of Mitchell and Nielsen (2012), reaffirming previous studies, uses the 'umbrella' term internationalisation for academic institutions which are conducting operations beyond their domestic borders.

The proposed new definitions, developed in Section 5.3, using the work on exploitation and exploration alliance strategies and their commensurate activities as their foundation, links with the concepts of number, spread, intensity and redundancy within alliance networks, as contended by Hoffmann (2007).

The extent to which the institutional resource base can be extended is impacted upon by the alliance strategy employed, and constrained (as Chapter 2) by the regulatory environment within which the HEI operates. The evolution from an exploitation to exploration alliance strategy involves a move from low to high strategic intent, and low to high resource dependence/commitment, as detailed in Section 5.3.2. However, this move, as above, does not alter the basic premise that extension of the resource base can serve as both the need and opportunity for alliance development, and its subsequent configuration and management. This movement, or evolution, signifies a fundamental change in strategic intent and direction, new internationalisation strategy definitions and descriptions are required for HEIs, to extend the work of previous studies (Section 5.5).

On the basis of the analysis two new internationalisation strategies are proposed as a key contribution to knowledge. An EHEA Business School which is bound by legislation to 'simple' exploitation alliances which involves institutionally enhancing activities, across multiple homogenous partners, is more precisely defined as adopting an international strategy. This strategy is based on centralised, home country, management of its international alliance/AP activity and is will involve low strategic intent and resource dependence/commitment on/to partners. However, an EHEA Business School which operates in a *laissez-faire* regulatory environment may develop from exploitation, and institutionally enhancing activities, to exploration and include revenue generating activities within its AP. This combined strategy will involve high strategic intent and resource dependence/commitment on/to partners. So, this globally integrated strategy involves the focal institution managing its network activities through the strategic integration of its geographically dispersed operations.

The final argument developed from the analysis (section 5.4.1) which serves as a contribution to knowledge concerns institutional alliance management capability, and further extends the new definitions of international strategies. Simple operational

administration and management of institutionally enhancing activities such as staff and student mobility bound by external contract is indicative of an international strategy, as above. However, the evolution (within regulatory parameters) from an exploitation to an exploration alliance strategy involves greater complexity with associated management of the number, spread, intensity and redundancy of alliances built on high strategic commitment. This strategic aspect will also include maintaining and sustaining a balance of exploitation and exploration alliances to ensure the correct 'mix' of institutionally enhancing and revenue generating alliances. So, founded on the analysis, it is argued that in such complex scenarios, alliance management capability can represent a VRIN (Barney, 1991) institutional core competence (section 5.4.1). It is valuable as it generates revenue, and/or enhances the institutional reputation, and so increases market legitimacy. It is rare because the ability has evolved as the portfolio has evolved from exploitation to exploration. It is inimitable because, again through evolution, it has developed over time and is institutionally embedded, so cannot be easily copied. It is non-substitutable in the short to medium-term, because it cannot be replaced by either agency or technology. Management of balance within the portfolio, in operational and/or strategic contexts, may be facilitated by use of decision-making models/tools developed in Section 6.4, below, and as such this contribution to knowledge also serves as a foundation for the contribution to practice.

6.4 Recommendations – contribution to practice

This section presents tools developed on the basis of the analysis from the research which aligns with the final research objective to develop recommendations to EHEA Business Schools. Two new strategic decision-making tools are presented below, in no hierarchical order, with their practical application to country specific contexts. Firstly, the Strategic Intent/Resource Dependence (SI/RD) Grid is demonstrated and applied, then the application of the Strategic Intent/Resource Commitment (SI/RC) Grid is presented. Finally, in synopsis, the significance of the application of the strategic decision-making tools within EHEA Business Schools is provided.

6.4.1 Strategic Intent/Resource Dependence Grid

The Strategic Intent/Resource Dependence grid (SI/RD) is now presented, with explanations of regional/national differences in grid structures which serve as exemplars for the scale and scope of engagement with alliance partners.

There are established conceptual frameworks which exist to facilitate the understanding of the motivation for alliance formation, such as Barringer and Harrison's (2000) continuum of six paradigms which are polarised by economic and behavioural rationales. The theoretical understanding of motivation can benefit from being supplemented by management tools which may be used to identify areas where alliances are required to be developed and implemented to ensure balance within the portfolio. This balance should include the relative extent to which the institution is 'strategically exposed' to its alliances through resource dependence on partners. So, as an extension to the theoretical frameworks of Barringer and Harrison (2000), Lowensberg (2010) and, Vaidya (2011) the Strategic Intent/Resource Dependence (SI/RD) Grid is developed to be used in the applied management of alliances and APs. The SI/RD grid, Figure 6.1 below, allows institutional management to plot the number of active alliances and their reliance on them for resource, and the extent to which this fits their strategic intent to develop and configure their entire portfolio, or extend their internationalisation strategy and activities from international to globally integrated.
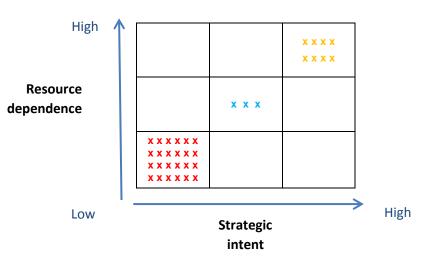
Figure 6.1: The Strategic Intent/Resource Dependence Grid

Business School (or, wider institutional) management and administration is now able to plot and review their individual active/inactive alliances. In populating the grid, the

Business School/University can map the current partnership portfolio to identify which relationships have been developed and configured for exploitation of existing certainties or exploration of new opportunities, in line with the work of Nielsen and Gudergan (2012). A simple, unique code should be applied to each institution, for instance L1, L2, etc. in the bottom left field, C1, C2 etc. in the centre field and H1, H2, etc. in the upper right field. This will aid in comparative analyses over a given time period to track any movement of the partner institutions. This movement can be identified as 'positive or negative' and impact on strategic decisions regarding future resource allocation, and a potential need for reconfiguration of the balance within the portfolio. In the grid the densely populated bottom left field might contain Erasmus + (exchange) partners used solely for student/staff mobility who, with both low strategic intensity and low resource dependence, are relatively disposable. The These exploitation partners can be short-term in nature with immediate and fairly certain benefits being available to the institution. Other co-operative activities within this field might be simple articulation agreements and/or 'transaction recruitment' through agent networks. In contrast, the top right field is sparsely populated where strategic intensity and resource dependence are both high. This field covers exploration activities such as joint research initiatives, and double/joint degrees for institutions following an international strategy, or trans-national education and/or (franchised) branch campuses for those following a globally integrated strategy. These exploration activities are long-term and carry far greater (relative strategic) risk and uncertainty for the collaborating institutions. The unique code will allow for the institution to identify, initially and most basically, if there is balance within the portfolio, or if there are 'passengers' within the portfolio, or areas where development is urgently required. Next, as the grid is applied over time the movement (positive or negative) can be tracked to determine if the vision for partners is being achieved, or if they are for instance, failing to progress from low Strategic Intent to a higher position within the grid. This may demonstrate underperformance by the partner, or underperformance in the alliance, potentially through underinvestment – however, such identification allows for investigation and analysis. Further, the focal institution can now make strategic decisions on the partners where additional investment may be made to move them through the transitional centre field. This investment may be new, or it may be diverted from partners who are moving into the

centre field in a 'negative direction' and where redundancy is indicated. These tracked movements act as indicators of over/under performance and provide the grounds for investigation of the portfolio (and specific alliances) before investment/redundancy decisions are made.

Those HEIs with a strong strategic fit relating to, for instance, curricula and similar international or global ambitions can develop through the grid to the central field, and beyond. It is important to note that at this stage the resource dependence allocated to the co-operation from one partner will be met with a commensurate resource commitment from the other, whether that resource is tangible or intangible, reputational or financial, etc. These resource dependencies and commitments can be tracked over time through application of the unique codes, and their relative positioning during the period of analysis, and so inform investment/redundancy decisions within any field of the grid.

It is important to note that the strategic perspective taken, and the strategic decisions made in applying the grids will be informed by the internationalisation strategy of the institution. So, if the focal HEI identifies itself as following a globally integrated strategy, but has two alliance partners in the top right field of the grid, there is an issue. This problem could be simply that the institution is over reliant on two partners, or that the time dimension has shown previous partners with high Strategic Intent and resource Dependence have 'drifted' into the centre field. Irrespective of the initial 'diagnosis', the reasons for this imbalance within the portfolio, and the grid, require investigation, analysis and potential strategic readjustment. This readjustment may impact on other institutions identified in the centre field, for instance where a 'future star' is identified, investment might be made in that partner. The grid allows for an identification of where resource is being used most appropriately in line with institutional strategy, and where strategic drift may be occurring.

German Business Schools which are bound by their relatively rigid regulatory governance but high engagement with student mobility, will present a SI/RD grid as above with a very highly populated bottom left field, and potentially very few alliances within the 'transitional' centre field and the high resource dependent upper right field. It is important to note that the 'high' resource dependence would be relative to internal

institutional aspirations and external drivers. 'High' in the German case will entail double degrees and formalised joint research rather than financial resource through mutual revenue streams, although still with (highly) trusted partners. This would be consistent with the institution following an international strategy in relation to exploitation alliances and international institutionally enhancing activities within their networks.

Conversely, a UK Business School with less engagement with student mobility and exchange programmes, but with a far stronger reliance on exploration alliances to provide revenue streams through student articulation/recruitment and trans-national education delivery partners and/or branch campuses, will have a very different SI/RD grid profile, as in Figure 6.2, below.
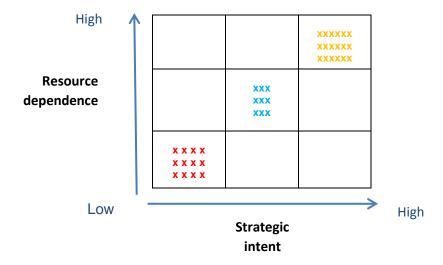
**Figure 6.2: The Strategic Intent/Resource Dependence Grid – UK HEI**
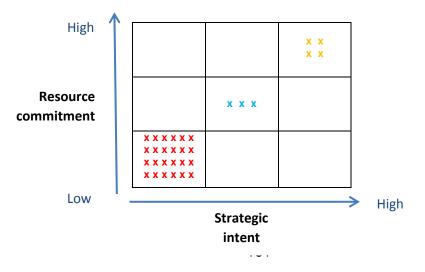
In the template for a UK HEI's SI/RD grid there are fewer alliances in the bottom left field with low levels of strategic intent and resource dependence – such as exchange and Erasmus + partners, as demonstrated within the contextual findings (Chapter 2). However, there are more partners identified in the transitional centre field, with whom there is the potential to develop more revenue streams through articulations, recruitment and trans-national education delivery. The top right field is well populated with partners who are generating revenue, and there is, therefore, a high degree of resource dependence – generally, finance and revenue based. This volume of active alliances and high degree of financial and strategic dependence is compatible with a globally integrated strategy being followed by the UK HEI. It should be noted that as the

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French system allows for some revenue generation, such as delivery of franchised programmes, their grid would be a hybrid of the polarities described from German and UK institutions.

The SI/RD grid is shown to be a facilitating tool to determine where, within an institutional portfolio or network, future alliances are desired to align with an institutional internationalisation strategy – international or globally integrated. The grid, further, allows the configuration of the portfolio to be considered at an early stage in the strategic process, and ensuring that alliances are formed with an intended future vision in mind, rather than merely building a critical mass or non-specific number of alliance partners.

6.4.2 Strategic Intent/Resource Commitment Grid

The Strategic Intent/Resource Commitment grid (SI/RD) is now presented, with explanations of regional/national differences in grid structures which serve as exemplars for the scale and scope of engagement with alliance partners across portfolios and/or networks.

In tandem with the SI/RD grid, allowing for the plotting of resource dependence, the institution can use the Strategic Intent/Resource Commitment (SI/RC) grid, Figure 6.3, below. The SI/RC grid is proposed as a tool to identify the extent to which the institution currently allocates resource to any individual alliance, or the broader portfolio. In turn, it can also be used to determine where resource will need to be allocated to align with the strategic intent of the organisation.

**Figure 6.3: The Strategic Intent/Resource Commitment Grid**
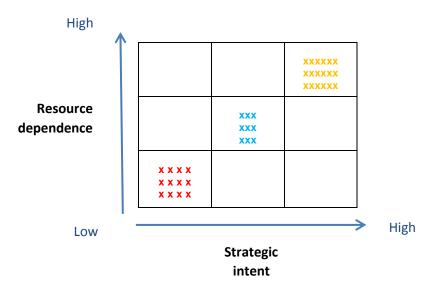
Similar to the SI/RD grid, the SI/RC grid has been developed to map a Business School's current portfolio by, again, plotting on the x axis the degree of strategic intent dedicated to each partnership. As above, the simple Erasmus + (exchange) partnership does not, generally, involve a high degree of strategic intensity, as its bounds are dictated externally and highly standardised. However, the inclusion of joint and/or double degrees involves greater strategic intent through providing awards, and the move to revenue generation requires high strategic intent. Similarly, on the y axis, the amount of resource which the institution devotes to each individual partnership is plotted. Hence 'simple' Erasmus + (exchange) partnerships which are bound by Charter and contract are relatively low in resource commitment. The more complex collaborations which involve joint or double degrees as well as mobility will require more resource commitment in terms of, for example, mapping programme content and outcomes, with the attendant on-going operational administration.

In common with the SI/RD grid, the SI/RC grid can be examined with country specific focus. A Business School within a German University of Applied Sciences would, from respondent evidence within the analysis, plot a grid similar to Figure 6.3, a high volume of collaborations based on student exchange, with low strategic intent and resource commitment. As with the SI/RD grid, the extent to which an institution measures its level of strategic intent and resource commitment will be commensurate with its adoption of an international or globally integrated strategy. Thus, in 6.3, there are relatively few alliances plotted in the top right field as the international strategy of the institution is bounded by regulatory dimensions.

If, however, the SI/RC grid is plotted for a UK HEI within a legislative, and regulatory, *laissez-faire* market the template shows significant changes, as presented in Figure 6.4, below. In common with the SI/RC grids, the French model would be a hybrid of the two polarities in recognition of the hybrid aspect of its regulatory environment for private Business Schools.

Figure 6.4: The Strategic Intent/Resource Commitment Grid – UK HEI

Similar to the SI/RD grid, the more prospective SI/RC grid provides a relatively simple tool to plot both the current state of active alliances within an institution's portfolio and the potential resource commitment required to enhance the portfolio irrespective of whether an international or globally integrated strategy is followed.

6.4.3 Application of the tools

The implication for the individual institution of the development of the SI/RD and SI/RC grids is that the current state of their alliance network can be illustrated by key partner activity, regardless of which internationalisation strategy is adopted. This will allow for identification of areas where the institution is well served by appropriate partners, and where development in the formation of new alliances is required, in line with broader institutional strategy, so acts as a tool to facilitate strategic decision making. Their application may be strategic or operational within the institution. For instance, those within International Offices may be using resource dependence grids to identify areas where new mobility destinations are required, or are unused. Senior managers, or institutional strategists, may be more concerned with the resource which is being committed to TNE alliances, and the revenue generated. There is a need for the grids to be separated to allow for differing managerial applications.

The further significance for EHEA Business Schools in applying the grids developed from the foregoing analysis is that the partnerships populating the polarised fields within both grids are easily identified, and the future potential for development, or progression,

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through the grid can also be recognised with proportionate resource allocation for the now identified, or confirmed, 'rising stars'. These stars are, potentially, those partners helping to answer the questions: *what must we do differently…with whom…and, in which markets?* The move from identifying and plotting SI/RD to SI/RC can be seen as a move from a review of the current state of the range and scope of the institution's alliances/APs to its vision, or desired future state. The tools can, therefore, be used to provide detailed information as a 'snapshot in time', or as a more dynamic, temporal model. For instance, if the HEI determines to review its portfolio on a three year cycle, the initial plotting (by institutional partner) of the grids in year one can be compared and contrasted with the grids from year three. This will allow for identification of which partners have made what progress through the fields, if progress is the aim of the alliance. It can also plot where partner institutions have moved negatively. This dynamic use of the models may be of more use to the strategist utilising the SI/RC grid, where resource commitment with commensurate return is required, but it is applicable to both models.

Additionally, the commensurate commitment through resource allocation allows these tools to facilitate strategic decision-making in developing, configuring and managing alliances and alliance portfolios and/or networks. To be most effective, the tools will be used in tandem with wider findings above, for instance that alliance development is optimised when institutional fit is considered – i.e., as highlighted in the analysis, that partners are sought from equivalent strategic groups, and the macro-environment is consistently monitored and analysed.

6.5 Reflections on the research

The research has benefited from the modular structure of the DBA programme, culminating in the major thesis. The direct research and output required for each module provides the individual with guidance on the specific element being investigated within the module, and generates self-questioning and reflection. To provide examples of the reflexivity within this project the units, and thesis can be used as examples. Initially, a 'self-comfort' with intended research philosophy was challenged as a wider, more in-depth, range of philosophies was explored through pre-reading and direct exposure to practitioners within the module. A fundamental change occurred which

impacted across all areas of the research as more was learnt about the researcher as an individual. The impact of this unit, Current Issues in Business Research, manifested itself in other ways also. The locus of the study was moved from a 'simple', nascent trans-Atlantic alliance to the network within which the researcher is embedded to provide range and scope for the study. The documentation of this journey through the modules and programme, both formal output and informal diary, provides the researcher with a rich library of material for thesis and reflection, so is invaluable to an inexperienced researcher.

On progression to the thesis the fundamental issue faced was, as a result of the change made in locus of study, the level to which being 'within' a network impacted upon the research(er). This instigated discussion with the supervisory team, with the suggestion of investigating the 'insider/outsider' concepts. This was done and allowed the research to be continued with confidence that the investigation and analysis was being conducted to challenge, rather than simply confirm pre-existing assumptions. The 'insider/outsider' issue demonstrates the benefit of the supervision team who made themselves available for in-depth, constructive feedback throughout the process. The team input provides new perspectives, sometimes dispassionate, to allow for progress where barriers are perceived from a new researcher. These perspectives and insights allow a wider view to be taken, and to see considerations for future research.

This thesis indicates five key areas for potential further research. Firstly, there is the opportunity to extend the geographic base of the study, so including a wider network of EHEA countries and institutions. This would provide a broader context for the study, and allow for testing of the characterisation of alliance activities in relation to exploitation and exploration alliances and their subsequent relationship with internationalisation strategies. Secondly, there is the opportunity to engage with similar studies, or for the development of case studies, in different disciplines within EHEA universities and related HEIs to explore the transferability of the findings from this research, and the applicability of the tools developed from analysis. Thirdly, a future study might explore, through broad based quantitative research, the extent to which institutions do engage with alliances, and their activities, again allowing a testing of alliance activity and inter dependencies with exploitation and exploration alliances, and internationalisation

strategies. Finally, in-depth analysis of institutions engaged with exploration alliances and a globally integrated strategy (encompassing the strategic integration of geographically dispersed operations) may determine the benefits/value achieved from alliance management capability being a core competence, and as such deliver sustainable competitive advantage. Lastly, generated from the analysis in Section 5.5, and the findings presented in Tables 6.1 and 6.2 there is the opportunity for future research which alters the context of the analysis. A future study can, potentially, investigate the development, configuration and management of international academic alliances from the perspective of institutional characteristics, rather than simple national context. Thus, investigation and analysis could be conducted based on 'funding and governance' characteristics, so introducing cross-border comparative analysis. Another aspect of this same future research can be extended into the internationalisation strategies being adopted by HEIs by governance or funding structure, as opposed to national regulatory environments, so bringing another theme to the comparative analysis.

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Appendix A: Thematic linkages to interview questions

Aim	Theme	Question	Topic for investigation	Interview Question
A critical evaluation EHEA Business School approaches to the development, configuration and management of international academic alliances in response to differing regulatory contexts.	Motivation	What internal and external factors drive the institutional motivation for alliance development, formation, implementation and growth in EHEA Business Schools?	What is the significance of the number, range and scope of the alliances with which the institution engages?	Please tell me about your range of international alliances.
			What is the institutional motivation for the formation and implementation of alliances in relation to competitive and strategic drivers?	Can you tell me why you pursued these alliances? Probe: competitive and strategic drivers.
			What activities are covered by network alliance activities?	What activities are covered by the various alliances?
			Do linkages exist between exploitation and exploration alliance strategies and collaborative activities in EHEA Business Schools?	Secondary: why...revenue driven, reputation etc.?
	Configuration	How do HEIs configure their alliances/APs to balance their exploitation and/or exploration alliances in response to competitive and environmental pressures and internal aspirations?	Is growth strategic or opportunistic?	You have a number of alliances, can you describe how you grew this number? Probe: opportunistically, one at a time, or through strategic decision? If strategic, why?
			What is the significance of the number, spread and intensity of relationships?	
			What is the relationship between exploitation and exploration alliance strategies and strategic growth in partnerships?	
	Management	What are the characteristics involved in developing an alliance management capability, and what role do dedicated functions play in an evolving alliance strategy?	How do HEIs develop an alliance management capability?	Following on from this, please tell me how they are managed? Probe: individual partnerships or as a portfolio? Function/geography?
			How is redundancy managed within existing networks of alliances?	Please describe the systems and processes in place to maintain, monitor and manage the alliances. Probe: specifically developed?
			Who is strategically responsible for alliance network balance and structure?	Are specific personnel dedicated to the configuration, development and management of alliances?
			Is there a linkage between exploitation and exploration alliance strategies and alliance management capability?	Who is responsible for ensuring a balanced portfolio of alliances?

Appendix B: Letter

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Dear xxx,

DBA Research

Title of Research: To identify best practice in the configuration and development of alliance portfolios in EHEA institutions

Thank you very much for your initial positive response to my request to interview for the pilot study of my DBA research. Please find enclosed a Participant Information sheet providing details of the study which focuses on developing and managing multiple international strategic alliances within Higher Education Institutions.

Enclosed is also a consent form allowing me to proceed with the research, and interview, once it has been completed and signed. I am happy to send a list of interview questions to you prior to the interview, if you wish.

I look forward to seeing you on Thursday.

Yours truly,

Patrick Harte

Senior Lecturer, Strategy
DBA Delegate

Appendix B

Information Sheet for Potential Participants

I would like to invite you to participate in a research study I am undertaking within the Doctor of Business Administration programme at Edinburgh Napier University.

The purpose of the research study is to explore the concepts of the development of international strategic alliance portfolios within Higher Education Institutions and to identify best practice in their management.

You have been invited to participate in the study because you may be able to provide helpful insights from your role as Dean of International Affairs

Please note you may not benefit directly from participation in this research study.

If you agree to participate in the study, you will be asked to take part in a face-to-face interview lasting approximately 1 hour. Interviews will be digitally recorded and data transcribed to hard copy.

Participants will receive a copy of the transcript of their interview and will be able to provide written comments on this. The data will be analysed by the researcher alone. You will receive a summary of the key themes of the research, upon request.

You have the option to decline to take part and are free to withdraw from the study at any stage. If you decide to withdraw you would not have to give any reason. The data will not be published externally; it is to be used in a pilot study for my DBA research. All data collected will be kept in a secure place (stored on an encrypted remote storage device) to which only the nominated researcher has access.

The results may be published in a journal or presented at a conference.

If you would like to contact an independent person, who knows about this project but is not involved in it, you are welcome to contact Professor Anne Munro

If you have read and understood this Information Sheet and you would like to be a participant in the study, please complete the Consent Form overleaf.

Appendix B

Consent Form

To identify best practice in the configuration and development of alliance portfolios in EHEA institutions

I have read and understood the Information Sheet and this Consent Form. I have had an opportunity to ask questions about my participation.

I understand that I am under no obligation to take part in this study.

I understand that I have the right to withdraw from this study at any stage without giving any reason.

I agree to participate in this study.

Name of Participant:

_____

Signature of Participant: _____

Date: _____

Researcher Contact Details

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Appendix C: Interview Questions

"Give me an example..."

1   Please tell me about your range of international alliances.

2   Can you tell me why you pursued these alliances?

    Probe: competitive and strategic drivers.

3   What activities are covered by the various alliances?

    Secondary: why...revenue driven, reputation etc?

4   You have a number of alliances, can you describe how you grew this number?

    Probe: opportunistically, one at a time, or through strategic decision? If strategic, why?

5   Following on from this, please tell me how they are managed.

    Probe: individual partnerships or as a portfolio?

6   Are specific personnel dedicated to the configuration, development and management of alliances?

7   Please describe the systems and processes in place to maintain, monitor and manage the alliances.

    Probe: specifically developed?

8   Who is responsible for ensuring a balanced portfolio of alliances?

What are the characteristics of a successful alliance?

Appendix D: Post-interview appraisal

Effectiveness of questions:

Question	Comments: appropriate/detail/reply/prompts?/follow-up
1	
2	
3	
4	
5	
6	
7	
8	
Char'	

Thematic content

Dynamic of interview

General comments