Enhancing Competitive Advantages:

Dutch Higher Education Institutions Strategically Managing Internationalisation

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A thesis submitted for the degree of Doctor of Philosophy

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November, 2011

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Acknowledgements

I am extremely grateful to my supervisors, John Lowe and Jeroen Huisman, whose encouragement, guidance, and immense knowledge from the initial to the final level have enabled me to develop a deeper understanding of the subject. Also, I would like to express my sincere gratitude to my internal supervisor Stefan Peij, for his support, motivation, enthusiasm and extraordinary experience in practical research. I could not have imagined having a better combination of these three supervisors for my Ph.D study. Their stimulating discussion, insightful and constructive comments, and critical questions have helped me to expand my thinking, and to improve my knowledge and capabilities.

Moreover, I would like to express my sincere gratitude to my husband and children, for their patience and understanding during the time of research and writing of this thesis, which have been of great value for me. My parents Qingfu Yan and Yingxian Yan who support me spiritually, thank you for your love and belief in me.

I gratefully acknowledge my colleagues at the IBMS department and the research group of Board and Governance, particularly the involvement of Peter de Koning, who, with his originality, has fostered my intellectual maturity which will be of inestimable benefit to me in the future. Several department and school managers (e.g. Elvire Biegel, Henny Brandwijk, Rob Claassens, Roelof Eleveld) gave me the confidence and support to begin and complete this research. To all my colleagues, I am grateful in every possible way and hope to continue our collaboration in the future.

Finally, I offer my regards and blessings to all of the interviewees and many others who supported me in various ways during the completion of the research project.

The financial support of Inholland University of Applied Sciences and the ‘Plasterk-gelden’ subsidy from the Dutch government is gratefully acknowledged.

Rotterdam, the Netherlands, October 2011

Haijing de Haan
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List of abbreviations

HEI: higher education institution
HEIs: higher education institutions
RU: research university
RUs: research universities
UA: university of applied sciences
UAs: universities of applied sciences
PDI: proportional difference index
RBV: Resource-based View
VRIO: valuable, rare, inimitable, organisation embedded
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Abstract

This thesis identifies and describes some important elements of three significant concepts in the higher education context, namely internationalisation, competitive advantage and strategic management. The main research question focuses on the relationships between these three key concepts. The main theoretical development of these key concepts has occurred in the business sector, and their application in the public education sector has been challenged because of contextual differences between these two sectors. This research evaluates the usefulness and applicability of several business theories in the public higher education sector. Closely related to the three key concepts, three areas of business theory/perspectives are studied: the business perspectives on internationalisation, the Resource-based View of competitive strategy, and scientific and knowledge management approaches.

Face-to-face interviews were conducted with 73 key actors in the field of internationalisation at 16 Dutch higher education institutions (HEIs). The interview data together with documents collected from these selected HEIs are subjected to qualitative and quantitative analysis. The research findings contribute to theoretical development in the field of internationalisation of higher education, because 1) they clarify the key elements of the three significant concepts and quantify the importance of these elements; 2) they conceptualise the notion of ‘competitive advantage’ which has be widely used but not yet defined in the context of public higher education; 3) they identify the relationship between success in internationalisation and the enhancement of institutional competitive advantage, which has previously been uncontested. This research also contributes to the actual implementation of internationalisation since it provides a better understanding of why the currently applied strategic management approaches are or are not working in the selected Dutch HEIs.

The research findings provide strong evidence that intensified internationalisation in itself does not ensure the generation of greater competitive advantage; competition driven internationalisation does not ensure that HEIs’ competitive advantages are sustainable; the application of strategic management does not ensure the full use of HEIs resources. Because of the development of the knowledge economy and the increasing blurring between the private
business and public education sectors, tangible and intangible characteristics, and different management approaches, this research not only challenges, but also proposes alternatives to the currently accepted belief in competition, resource scarcity, and scientific selection principles.
Chapter 1 Introduction to the Thesis

1.1 Introduction

The successful internationalisation of higher education is generally thought to be advantageous to a wide range of stakeholders, and that will result in many benefits. At the individual level, education undertaken from an international perspective can enhance career development opportunities and international competence (UNESCO, 2010). At the institutional level, it can help to build an international profile and reputation, enhance student and staff inter-cultural knowledge development, generate financial income, gain advantages from international strategic alliances, and increase knowledge production (Green, 2003). At the national level, it is believed that instilling the broad ideals, which are inherent within international education, into citizens, will enhance national positions in global, political and economic arenas (Deardorff, 2006). All these factors help to promote the growth of a highly educated workforce, and are a critical element for sustained international competitiveness in the so-called knowledge economy (Kumar and Chadee, 2002; Salmi, 2002). At a global level, increased understanding of the world and between nations may help to resolve global issues such as pollution and terrorism, thereby facilitating world peace (Allen and Ogilvie, 2004). These benefits of internationalisation have been widely recognised by higher education institutions and their nation-states (Delaney, 2006).

In addition, higher education is fast becoming a global business. This trade has largely developed through international student mobility, the import and export of textbooks, international examinations, and offshore campus developments (Naidoo, 2010). Accompanying this growing international education trade and the increasing dominance of the knowledge economy on a global scale, the point of pursuing internationalisation can be even more important. An increasingly market-oriented approach can help HEIs to survive at a time of decreasing state financial support and increasing student enrolment (Kwik, 2001; Jiang, 2008).

Internationalisation in the higher education sector has matured (Sanderson, 2008; Knight, 2011b). HEIs are becoming more strategic in identifying research strengths and niche competencies, reviewing resource allocation, recruiting international scholars, and adapting their curriculum (Hazelkorn, 2009). HEIs now address the advancement of their internationalisation agenda by
embedding it within the institutional strategic development plan (Childress, 2009). Extant research on internationalisation in higher education has also demonstrated its growing importance as a priority issue (Kehm and Teichler, 2007). Another indicator of the advanced stage of internationalisation is the establishment of codes of conduct in higher education exporting countries like the UK, Australia, and many European countries. For example, in 2006 all Dutch public HEIs signed the Code of Conduct that sets out standards for institutions in their dealings with international students. By signing the Code of Conduct, the Dutch HEIs are offering international students a guarantee of the quality of their programmes, and regulated student recruitment, selection and counselling procedures. Finally, a recent development in the field of internationalisation is the intention to build ‘education hubs’ (Knight, 2011a), described in terms of a ‘pheromone’ analogy. This means the efforts of individual countries to increase their attractiveness by promoting themselves as centres of excellence for higher education and research. These countries are trying to build “a critical mass of local and foreign actors—including students, education institutions, companies, knowledge industries, science and technology centres—who, through interaction and in some cases co-location, engage in education, training, knowledge production, and innovation initiatives” (Knight, 2011a, p221). Therefore, from the movement of students and scholars around the world to the movement of programmes and providers across borders, then to the latest development of education hubs, internationalisation has grown from an internally based policy to an externally networked operation, at both institutional and national levels.

1.2 What is the Problem?

According to Knight (2011b) internationalisation is losing its meaning and direction because of misconceptions. Examples are that the number of international students in an HEI is linked with its degree of internationalisation; the number of international faculty, curriculum, research, partnerships a HEI has is believed to increase its reputation; and international marketing campaigns and student recruitment are perceived to be the goal of internationalisation.

Institutions and policy makers have promoted internationalisation based mainly on the conviction of its benefits to future generations in an increasingly internationalised society (Stronkhorst,
The question now is whether these benefits will be achieved given the way in which internationalisation is currently organised in higher education. This question becomes more pertinent with the growing emphasis on the quality of education, mission and identity of HEIs over recent years (Van Damme, 2000; Teichler, 2001; Marginson, 2007b; Knight, 2008). Raising this question does not deny the great achievements many HEIs all over the world have made in their pursuit of internationalisation; rather, it indicates it is time to search for reasons why the promised outcomes have often not been realised or have only met with partial success, and to initiate a discussion of whether that partially realised benefit is essential to sustaining higher education.

There is an imbalance between different rationales for pursuing internationalisation. As the internationalisation of HE is increasingly characterised by the new dimension of commodification and marketisation, an economic rationale for pursuing market share dominates over political, academic or cultural/social rationales (Knight and de Wit, 1999; van der Wende, 2001; Jiang, 2008). HEIs are challenged to find a balance between traditional bureaucratic operation and the new but increasingly dominating market-driven dimension of globalisation (Kim, 2009). The imbalance between the economic rationale and other rationales can provide an explanation for the mixed results of internationalisation, some being desirable, some not (De Wit, 2002). For example, the marketing orientation introduced for attracting international students results on the one hand in growth in student numbers and institutional revenue, an enhanced international outlook created by the international student and staff community, as well as the improvement of the quality of some services. On the other hand, the undesired results have been increasing; for example, the increased enrolment of foreign students causes problems of overloading teaching staff, insufficient supportive facilities and declining quality (Adams, 2007); students perceive education more from a commercial perspective, expecting tangible products, such as a degree and easy entry into the job market in return for the price paid for the education service (Lewis, 1998; Pratt and Poole, 1999-2000), so academic values are losing ground to market forces.

Another example is the international partnerships and memberships of international consortia joined by HEIs to ensure their visible presence outside of their regional and national boundaries. Scholars and staff become part of larger knowledge-based networks that include other members
such as business corporations and government agencies, in which they can play a more relevant role. Corporate sponsorships are encouraged to help generate research funding, improve practical utilisation of research findings, and speed up the commercialisation of research results (Jarvis, 2001). However, these market-oriented approaches are transforming public research centres into for-profit knowledge production centres directed by transnational corporate sponsors. When HEIs are increasingly dependent on external creditors, international partners and communities, it becomes more difficult for them to retain their autonomy and independence in deciding research agendas, and curriculum development (Allen and Ogilvie, 2004). Moreover, because of the dominance of the economic rationale, education is gradually becoming a commodity (Lewis, 1998), delivered to ‘customers’ in rationalised and commercially justified ways, with only lip service paid to the learning outcomes or educational objectives for diverse student groups (Schapper and Mayson, 2004). The imbalance problem has not only appeared in the way that HEIs conduct internationalisation activities, but more importantly, it has distorted the essential function of HEIs and the value given to them. The current knowledge economy is characterised by a global market in which there is a demand for highly skilled workers who hold internationally recognised qualifications (McBurnie, 2001). As the exploitation of knowledge has become increasingly crucial in wealth creation both for individuals and nations (Ortiz, 2004), the excellence of HEIs is becoming increasingly judged on how well they can prepare students specifically for the workplace and function adequately in a more international environment. This is different from valuing HEIs in terms such as excellence in research, academic freedom and an intellectually stimulating environment, internal self-governance by academics over key aspects of academic life and adequate facilities and funding, as Altbach (2004) suggests.

Furthermore, the context of globalisation and the knowledge economy presents HEIs with many uncertainties. These come on the one hand from the increasingly turbulent and rapidly changing external environment, and on the other hand they are the result of the ambiguous outcomes of HEIs’ actions in dealing with the pressures and opportunities presented by globalisation (Eckel, 2007). One example is that, internationalisation is often regarded as an innovative response to external marketing opportunities as well as a passive response to the threats of globalisation (Van der Wende, 2007). In the contemporary era of a knowledge economy, the quality of higher education has become an indicator of national competitiveness. One of the ways that HEIs have
chosen to improve their level of quality is to attract talented students and scholars from across the world. While HEIs increasingly assess the value of researchers according to indicators such as publications, citations, degree level, etc., scholars also use their own values to select and negotiate with HEIs (Henkel, 2007). Therefore, there is a new type of movement of academics (especially researchers) across borders at the same time as a new mode of knowledge production and the corporatisation of the university on a global scale (Kim, 2008). By actively joining the fierce competition for the best talents, universities (especially the research universities) and national governments now start to worry how they can retain knowledge workers who are socially mobile at both a national and international level. Also because immigration policies increasingly aim at attracting highly skilled knowledge workers, the new class of professional academics and their transnational mobility, which is to a great extent stimulated by internationalisation, has now shifted out of the hands of HEIs (Kim, 2009). This example shows that the international connections and involvements have enlarged the scale and complicated the content of educational management. This makes it more difficult for managers to gain a clear picture of the situation or problem, to determine the significant elements in the work process, to predict what will work and what will not in their institutional development, and to assess the impact of their management decisions/actions. As Hutzschenreuter and Guenther (2009) noted, expanding organisations are hampered by the uncertainty of handling complexity as there are limits to their resources, capacities, and capabilities.

Therefore, the problem is how a balanced approach internationalisation can be achieved, how to manage the imbalance dilemma and how to maintain control in a changing environment. Is this problem important? Because internationalism remains a central force in higher education (Altbach and Knight, 2007), so the problem of imbalance will remain important. Also, as Van der Wende (2007) notes, without addressing these imbalances, internationalisation is not sustainable.

1.3 Where to Start?

Before exploring the possibility of a re-balancing of internationalisation, it would be advisable to examine the present position thoroughly by looking closely at the official discourses about the
internationalisation of HEIs and the current ‘gaps’ between the official policy for internationalisation, actual institutional practice, and the experience of individuals - both management and academics - in HEIs. As Dewey and Duff (2009, p503) pointed out ‘comprehensive internationalisation requires a delicate balance between centralised and decentralised authority and capacity, as well as individual and institutional spheres of competency and activity’. It would be useful to explore the relationship between internationalisation and the enhancement of competitive advantage, and the interaction between internationalisation and the way it is managed, rather than studying internationalisation in isolation. It would be important to discover both the assumptions and motivations of the daily routine of those involved in internationalisation, and necessary to ask about the essential logic behind the existing assumptions, no matter how self-evident or popular they are. These are important empirical and theoretical questions to be asked and important current narratives to be reviewed before (or while) something better is being proposed (Kim, 2009).

The new patterns of internationalisation have an intensity, diversity and complexity which was not seen before (Beerkens, 2004; Van der Wende, 2007). These patterns can be seen as HEIs’ innovative response to the profound changes in their external environment: notably globalisation and the knowledge economy (Boezerooij et al. 2007). Since globalisation and the fiercely competitive international education market is driven by competition (Arambewela and Hall, 2006), internationalisation is a strategy that HEIs increasingly use to gain competitive advantage in both national and international markets (Chan and Dimmock, 2008). Therefore, the search for the re-balancing of internationalisation needs to be established on this fundamental claim of market competition.

As numerous scholars (e.g. Van Dijk and Meijer, 1997; Ellingboe, 1998; Green, 2003) have indicated, there is a gap between the HEIs’ development of their internationalisation plans and their implementation. Practical cases show that some HEIs have fallen behind their peer institutions that have adopted a similar internationalisation strategy (Childress, 2009). Both Knight (2005) and De Wit (2002) argue that internationalisation needs to go through a strategic process of introducing an international dimension into all aspects of education, which they named ‘integration’. The education literature has been pointing in the direction of adopting strategic
management in dealing with these challenges. The research of institutional strategies of internationalisation has become an increasingly important theme in the research field of internationalisation of higher education (Kehm and Teichler, 2007). In practice there has been a shift from viewing internationalisation as a marginal concern toward making it a central institutional and national issue with strategic importance (Van der Wende, 2002). Although the importance of applying strategic management to internationalisation has been recognised, for example, in 2005 the IAU’s survey advised making strategic management a common concern at institutional level, it is much less clear to what extent conventional management theories and methodologies have been applied to the process of internationalisation (Taylor, 2004). As a result, there is a lack of coordination and integration between academic units and central levels, and across central levels (Middlehurst and Woodfield, 2007), in addition to the difficulties in systematic monitoring and evaluation (Van der Wende, 2007). For these reasons, strategic management is selected as an opening to search for possible solutions to the imbalance problem.

1.4 The Research Questions

Because HEIs have to survive in a far more competitive world than previously, how public HEIs can become more competitive will be the central concern in my study of internationalisation. To create one or more competitive advantage(s) will be considered as the goal of internationalisation and the reason for applying strategic management. This thesis focuses on answering the following main research question:

_How can internationalisation help to enhance competitive advantage through the application of strategic management?_

The three key concepts of internationalisation, competitive advantage and strategic management have been taken from the business world and have become widely used in educational administration, but little attention has been paid to defining them in the context of higher education (Knight, 2003b). Perhaps because we (education administrators and practitioners) have not yet fully understood the origin and evolution of these terms, we have been easily accepting, using and promoting those aspects with which we are familiar. I propose that an effective
approach to this research question demands a clear understanding of how these concepts are perceived by the education sector and how important the elements comprising these concepts are. Such understanding will also be helpful in defining the boundaries of strategic management practices in education in relation to the broad and diverse understanding of strategic management in business. These boundaries need to be taken into consideration when establishing the relationship between the three key concepts in the context of higher education. Therefore, the first step I want to take is to clarify:

Sub-question 1: How are the three key concepts perceived in the higher education sector?

This implies three distinct questions:

1a) How is internationalisation understood?
1b) Which competitive advantages are HEIs seeking?
1c) How is strategic management perceived?

By making explicit how these terms are understood in the higher education context, it is possible to clarify whether some assumptions do exist, namely: 1) HEIs aim at building competitive advantage; 2) HEIs do adopt strategic management in implementing internationalisation.

As will be explained later, the research will be carried out in the Dutch higher education system. In order to identify the possible differences between the university of applied sciences (UA) and the research university (RU) sectors, and the implementation gap claimed by the literature, a further analysis along sector and job function dimensions is needed. Therefore, the following questions emerge:

1d) Do the UA and RU sectors perceive the three key terms differently? Do different function groups perceive the three key concepts differently? What are the possible explanations of these differences/similarities?

Based on the understanding of the perceptions about the three key concepts, the relationship between internationalisation and competitive advantage will be studied.
Sub-question 2: How can internationalisation contribute to the enhancement of competitive advantage?

The first step to answer this question is to justify whether the relationships exist between internationalisation and competitive advantage building.

2a) *Is there a relationship between internationalisation and competitive advantage perceived by the Dutch HEIs? If yes, on what basis is this relationship established?*

Once this relationship can be clarified in the context of public higher HEIs, a further operational question will adopt the perspective of the Resource-based View (or RBV). An account of this perspective and the rationale for adopting it will be given in the following chapter, as it is unhelpful to present this further question until the case for RBV has been made. They will therefore appear in the literature review and theoretical framework chapter (see section 2.4).

After the relationship between internationalisation and competitive advantage building is established, the next step is to investigate the function of strategic management in strengthening this relationship.

Sub-question 3: How can strategic management contribute to the strengthening of the relationship between internationalisation and competitive advantage?

The application of strategic management in the public higher education sector has been widely acknowledged. However, it is criticised by some (e.g. Harrison *et al.* 1990; Pollitt and Bouckaert, 2004; Boden *et al.* 2006), and promoted by others (e.g. Bartell, 2003; Yelder and Codling, 2004; Taylor, 2004; Marginson, 2009). Therefore, the research question about the effectiveness of strategic management is approached from two perspectives. First, I intend to present the strategic management practices currently applied at the selected Dutch HEIs, in order to identify which aspects of strategic management have received mostly critics and why (Question 3a). Second, the strategic management practices that are regarded as workable and effective will also be identified (Question 3b). Answers to these two questions will help HEIs to avoid the failure of current
strategic management practices and understand how to apply strategic management in a more effective way.

3a) What are the main approaches of the current strategic management practices? How have the Dutch HEIs experienced these management practices?

3b) What strategic management approaches can be identified as being effective in managing internationalisation and leading to competitive advantage?

1.5 Research Scope

Since government remains the principal financer in most countries, the public sector is therefore the chief provider of higher education overall (Marginson and van der Wende, 2007). This is also true for the Dutch higher education sector. So this research focuses on the public HEIs in the Netherlands.

1.5.1 Dutch Higher Education System

The Netherlands has two main types of higher education institutions: research universities (RUs) and universities of applied sciences (UAs). RUs focus on the independent practice of research-oriented work in an academic or professional setting. UAs offer professional programmes in the applied arts and sciences that prepare students for specific careers. There are 14 RUs and 39 UAs (Nuffic, 2011b). The UA sector enrols almost two-thirds of Dutch higher education students (Nuffic, 2011b). Both sectors make a remarkable contribution to internationalisation developments in the Netherlands, which has been identified as one of the most active countries in this field. With more than 1,500 English taught study programmes, this small country has the highest number of international programmes among European non-English speaking countries. Particularly in some Dutch leading universities, the number of English language programs has exceeded that of programs offered in the Dutch language (De Boer et al. 2010). Dutch language programs are mainly offered at undergraduate level, English-taught programs are provided at graduate level and in particular at master’s degree level.
The RUs and UAs are regarded as ‘equal but different’ (Goedegebuure, 1992; De Boer et al. 2010). They are equal because both subsectors are indisputably part of the Dutch higher education system; they are different because some general features distinguish them from each other. They differ in their origins (Theisens, 2004). The RUs in general have a much longer history (the first Dutch RU was established in 1575), carry out fundamental research, and primarily offering academically-oriented programmes. The UAs were set up much later with a strong regional focus and the intention of offering study programmes with a strong vocational orientation. Therefore, the RUs can be labelled as more research-oriented, while the core business of UAs remains in teaching. They differ in their organisational culture. RUs strive for a greater autonomy, are less open to their external environment, and academics are in a stronger decision making position vis à vis managers (Theisens, 2004). The UA sector does not have a tradition of academic self-governance, and state control of the sector has always been much tighter than for the RU sector (De Boer and Goedegebuure, 2007). Decisions at higher organisational levels in the UA sector are based on managerial principles rather than the collegial authority among research chair holders in the RU sector. They also differ in the degrees that they offer. The UAs have no research-led programmes, they are not eligible to win science council funding, and they are not allowed to grant Ph.D. degrees (De Boer et al. 2010). Only in recent years, have some UAs been granted powers to offer one- or two-year professional masters programmes, but the majority of these courses are not financed by government funding (De Boer et al. 2010). Until the mid-1970s, what are now universities of applied science were a part of the secondary education system, therefore their entry requirements, the academic level of their education and their status, are lower. One important government-led restructuring in the Dutch higher education system was the merger operation, which fundamentally changed the structure and role of the Dutch UA sector (Goedegebuure, 1992). The operation was started in 1983 with the basic objective of enlarging scale, reallocating disciplines, upgrading the UAs’ managerial skills and educational quality, strengthening their relationships with the RU sector (Teichler, 1988). Between the mid-1980s and 1999 the number of UAs was reduced from almost 350 to 58 (Harman and Harman, 2008).
The overlapping areas between these two sectors are gradually growing in some aspects. For example, research elements have been increasingly added to the UA sector and a stress on applicability of research results is required of the RUs. In recent years, cross-sector alliances between RUs and UAs in the same cities are also clear indications of strategic positioning changes. These are indications that over time the binary divide is becoming increasingly blurred (Huisman and Kaiser, 2001); but the binary system has remained relatively stable. The national ministry does not have strong preferences for reducing the gap between ‘higher professional’ and ‘academic’ education, because the distinction is perceived as an important form of differentiation that matches the prior education of students as well as labour market needs (Lepori and Kyvik, 2010). Because of the general focus on equality of state regulation, the variety in the education and research quality among institutions in the same sector is relatively small. League tables of universities were an (almost) unknown phenomenon in the Netherlands until recently (De Boer et al. 2007). In order to gain a comprehensive understanding about how internationalisation is conducted in the Dutch higher education sectors, this research needs to take the traditional features and recent developments into consideration while comparing the commonalities and differences between the UA and RU sector.

1.5.2. The Dutch Context of Internationalisation

As elsewhere, the Dutch higher education system has been subject to numerous reforms, many with the aim of reducing costs, to gain efficiency or to enhance quality, to become more performance-driven, to adopt methods from the private sector, to strengthen institutional independence and managerial technologies (De Boer et al. 2007; Leisyte et al. 2008). The Dutch government has made clear its intention to continue developing the contractual relationships between state and public HEIs, so that they can operate as real corporations in an increasingly globalised and competitive environment (MOCW, 2005). In terms of internationalisation, the most important, and relative recent change made to the Dutch higher education system can be seen as the transformation to a BaMa (bachelor - master) structure that took place in 2002-2003. In the light of the Bologna process, traditional degree programmes of RUs in the Netherlands have been transformed into 3 year bachelors programmes and 1 or 2 year masters programmes. This change involved a limited degree of change in the UAs because they previously offered 4-
year programmes which led to bachelor degrees, but it has had a far greater impact on the Dutch research universities (De Boer et al. 2010). The complete university degree system and programmes which traditionally led to a Master equivalent doctorandus degree in 4 years, needed to be entirely revised (Lub et al. 2003).

The Dutch government organisation with responsibility for international higher education issues is Nuffic (in English, the Netherlands Organisation for International Cooperation in Higher Education). Since its formation in 1952, Nuffic’s duties and mission have remained essentially the same, that is to support Dutch education institutions and government authorities in international cooperation (Nuffic, 2010). Their activities have a historical root in being actively involved with capacity building in developing countries. The motto of Nuffic is “Linking Knowledge Worldwide” which means bringing people together through sharing knowledge (Nuffic, 2012). Over the last decade, the main changes that have taken place with respect to Nuffic’s core functions are an increased emphasis on knowledge economy building and the international marketing of Dutch higher education, according to the policy paper Kennis: geven en nemen (‘Knowledge: to give and to take’) (MOCW, 1999). Although Dutch HEIs promote themselves individually, the general idea is that national-level promotion should precede and complement their own activities. For example, The Dutch government has identified priority target countries for international student recruitment, in which Nuffic-NESOs (in English: Netherlands Education Support Offices) have been established with the aims of promoting Dutch higher education, “study in Holland” and Dutch-foreign institutional cooperation in these target countries.

Dutch government policy in relation to internationalisation in general has as its main concern the improvement of the quality of Dutch higher education and research institutes and the international competences of the Dutch workforce for Dutch multinational firms abroad as well as foreign enterprises in the Netherlands (MOCW, 2009). For example, the Internationalisation Monitor, which is published annually by the National Bureau of Statistics, has as its central themes the significant economic consequences of internationalisation and the effects of globalisation on employment (Statistics Netherlands, 2011). The Internationalisation Monitor of
Dutch Education, which is published annually by Nuffic, focuses mainly on life-long learning and student/programme mobility (Nuffic, 2011a).

Between 2006 and 2010, the percentage of foreign students in the RU sector increased from 7% to 10%, and in the UA sector from 6% to 6.5%. The number of Dutch students taking a complete degree programme abroad increased slowly between 2003 and 2007 (the latest year for which data are available) from ca. 13,000 to ca. 16,000. Much larger numbers of Dutch students do, however, take at least part of their courses abroad: in the UA sector the proportion of such students has remained at about 20% for many years, whereas in the RU sector there has been a steady decline from 36% to 27% between 2003 and 2009. The most important and the largest exchange programme in the Dutch HE sector is the Erasmus Programme. Among the foreign students coming through the Erasmus Programme to the Netherlands, the largest sourcing country is Spain, followed by France and Germany. The most favoured destinations for Dutch students participating in Erasmus are Spain, the UK and Sweden. German students form by far the largest foreign student group in the Netherlands; the largest group of non-EU students is Chinese. Of the 34,000 foreign students studying at Dutch universities in 2010, 24,000 were German and this figure is increasing by about 14% annually (the above statistics were all drawn from Nuffic, 2011a). The most recent figure for the number of Chinese students is approximately 7000 for 2009, with the number of new enrolments increasing by approximately 30% annually (Nuffic, 2009). Approximately 77% of all international students in the Netherlands are enrolled at bachelor’s level, and only 22% at master’s level (Nuffic, 2011c). In recent years, the Dutch government has encouraged the development of internationally oriented master’s programmes, graduate schools, and “centres of excellence” at Dutch HEIs as instruments to recruit high-quality international students and to keep Dutch HEIs internationally competitive.

Dutch higher education institutions may charge full-cost tuition fees to non-EU students ranging from approximately € 5,200 to € 9,600 for bachelor’s programmes and from € 10,000 to € 20,000 for master’s programmes. Although not all institutions follow this guideline for all of their programmes, the Dutch fees are on average higher than they are in most other European countries, with the exception of the UK (Becker and Kolster, 2012). Increases in tuition fees for non-EU students have gradually taken place since 2007. These have arisen from the decision that
the Dutch government made to cease government funding for this group of international students, forcing Dutch HEIs to charge fees on a cost-recovery basis. However, the increase in tuition fees has not led to a decrease in the number of international students coming to the Netherlands. The number of incoming international students from 2007 onwards has retained a steady annual growth rate of approximately 0.4% (UAs and RUs together) (Nuffic, 2011a).

Although HEIs’ behaviour (including their internationalisation strategies) are mostly guided by national regulatory and funding frameworks (Luijten-Lub et al. 2005), contextual factors such as the Dutch governmental policy towards internationalisation and globalisation will not be given much attention in this research. The reason is that they are common to every Dutch public HEI, and therefore are not variables for different HEIs when studying institutional competitive advantage enhancement (rather than national competitive advantage). However, since the Dutch government is encouraging higher education institutions to develop distinct educational “profiles”, focusing on specific fields of teaching, research, and regional/international collaboration (Becker and Kolster, 2012), so different HEIs may have different focuses in their internationalisation policies and strategies in order to create their own distinctive profiles. These differences will inevitably figure in discussions throughout the thesis.

1.6 Research Objectives

The purposes of this research are:
- to identify and describe some important elements of three significant container concepts in the Dutch higher education context, namely internationalisation, competitive advantage and strategic management;
- to explain the contribution of internationalisation and the implementation of strategic management to the building of competitive advantages;
- to evaluate the usefulness and applicability of theories developed by the business sector for managing internationalisation strategically in the higher education sector;
- to suggest possible strategic management models and methods for public HEIs to implement internationalisation effectively.
1.7 Contributions to the Research Field

This research will contribute to the research field by generating new knowledge using new approaches.

- **New Knowledge**

Internationalisation has become one of the key themes of the well-established international journals of higher education since about the mid-1990s (Teichler, 2005). In general, internationalisation research has always had a clear link to actual policy developments and discourse; research mostly targets policy making and to a lesser extent targets creating new knowledge (Kehm and Teichler, 2007). The requirement to operate more in accordance with market developments, and be more professional (Goedegebuure, 1992; Pausits and Pellert, 2009), means that HEIs respond most readily to the forces of globalisation and marketisation by relying on modes of economic rationality from the business sector, such as centralised strategic planning and economies of scale to maintain competitive advantage (Pratt and Poole, 1999-2000; Welch, 2002). As a result, the relatively low level of theoretical development is a weakness in the field, for it limits the potential for generalisation and the formation of a core body of knowledge (Huisman, 2007). This research is expected to capture the pluralistic character of the three key concepts. In addition, this research may identify new variations in the application of business theories, or outcomes other than those the existing business theories predict, or new models that have been put into practice by the education sector but not yet established by business theory. I am aware of the essential differences between the public education sector and the business sector; for example: for-profit versus non-profit, responsibility towards shareholder or stakeholder, decision making based on public/social value or market forces. But because all organisations have goals, whether explicit or implicit (Scott, 1987), all organisations need to survive and prosper (Jenster 1987; Johnson and Scholes, 2002), and all organisations enhance their chances of survival by achieving a better ‘fit’ with their environment (Drazin and van de Ven, 1985; Bryson et al. 2007), education and business theories can have many logical components in common.
Second, this research will carry out an analysis of the Dutch HE system in respect of its approach to internationalisation. A composite picture will be obtained by studying samples of institutions and personnel within those institutions, paying attention to institutional distinctions in terms of RUs and UAs and personnel distinctions in terms of job function. Different HEIs are viewed as components of the whole picture, rather than distinctive cases, but comparisons between the two institutional types and the different job functions will be both an important analytical approach and anticipated outcome. This approach has rarely been done in the research field of internationalisation, as such comparative analyses form the minority of studies available (Kehm and Teichler, 2007). The fervour to internationalise has focused more on developments in quantity and less on evaluation of quality; this ultimately circumscribes the advancement of internationalisation and fails to maximise educational outcomes (Van Damme, 2001). Apart from a number of evaluation studies of mobility programmes and their impacts, the literature is relatively sparse on studying strategic management issues (Huisman, 2007). This research may contribute to filling these gaps of theoretical development.

Third, this research can provide a valuable picture of internationalisation in a country which does not enjoy the advantage of having the global lingua franca as its first language and cannot set out all its programmes in the market as international programmes. The Netherlands is an English-for-teaching-language country; its national language is Dutch. Traditionally the majority of study programmes at the public HEIs were taught in Dutch. Setting up an English version of their established programmes or developing a new programme in English requires extra investment in staff and curriculum development. Because of the language issue, non-English language countries like the Netherlands need to identify or create different sources of value in order to compete with English language countries in the global education market.

Finally, the findings of this research will also add value to the general discussion about the changes and sustainability of public higher education. There are some essential leading assumptions in this discussion at the moment, such as the competition driven trend which claims that obtaining knowledge and skills has become the central doctrine for gaining a competitive advantage in the international market, and correspondingly to educate competitive ‘knowledge workers’ is seen as a key enterprise of the HEIs in the twenty-first century (Jiang, 2006).
However, in continental Europe, it is widely perceived that cooperation is the inherent model of internationalisation, associated with academic exchange, joint efforts for quality and degree harmonisation, cultural notions of mutuality and intercultural learning (Van der Wende, 2007). Another example of underlying assumptions is the increasing application of strategic planning models of internationalisation. In general, the benefit of internationalisation and internationality of a HEI are measured quantitatively to serve accountability requirements. However, the key intangible human performance factors of students, faculty members, and the academic community which bring significant benefits of internationalisation, are not identified (Knight, 2011b). By the end of this research, I hope to challenge some of these essential assumptions, through questions such as; where will competition, the intensified internationalisation, and the increasing emphasis on strategic management eventually bring the public HEIs to and what costs will accompany the benefits of being competitive, international and strategic?

- **A New Approach**
Today few people in higher education will disagree that the business and higher education sectors are becoming more alike; probably not from a theoretical perspective but certainly in practice. In the higher education sector, business terms and related management practices have been progressively introduced and adopted. Meanwhile in the business sector, firms have become more aware of the importance of learning, training, knowledge management, cultivating human capital, etc., which are considered as the core functions of the higher education sector. In order to survive and/or prosper as knowledge organisations HEIs in the education sector and firms in the business sector (especially those in the high-tech sector) are becoming more alike when they strive for the same goal of building competitive advantages. This research will assess the validity of the application of internationalisation perspectives, competitive theories and strategic management theories developed by the business sector, in the education sector. The application of business theories to the education sector is not new, but it is new to carefully carry out an investigation into the applicability of business and management theories in the public higher education context.
Chapter 2 Three Key Concepts: Internationalisation, Competitive Advantage, and Strategic Management

This thesis uses three key concepts originating from the business literature, namely internationalisation, strategic management and competitive advantage. In order to analyse what strategically managed internationalisation could mean for the competitive advantage of higher education, it is first and foremost necessary to bring some order to this maze of perspectives and definitions.

2.1 Internationalisation

2.1.1 Definitions of Internationalisation According to the Business and Management Literature

Internationalisation in the business sector concerns any commercial transaction that crosses the borders of two or more nations (Wild et al. 2009). While more than two-thirds of the world’s companies believe their future success depends upon their international operations (Thompson and Martin, 2005), a commonly accepted definition of internationalisation does not exist. In general, the internationalisation of firms has been thought of as (1) a process, (2) a way of thinking, and (3) an end result (Albaum, 2002).

As a process. Johanson and Vahlne (1977) were the first to stress that internationalisation is a gradual and incremental process. During this process, firms gradually increase their commitment to foreign markets, and enter new foreign markets incrementally (Welch and Luostarinen, 1988). The purpose of internationalisation was not solely the selling to a foreign market, rather for multiple reasons: to access tangible resources (e.g. cheaper production materials) or intangible resources (knowledge, technology, information, etc.), re-import to the home country, re-export to other foreign markets, expand to the neighbouring areas of the foreign market, etc. Internationalisation of a firm was accordingly found to be a gradual process of exchanging, acquiring, integrating and internalising the tangible (e.g. labour, raw material) and intangible (e.g. knowledge) resources of foreign markets to give firms extra profits. A firm becomes internationalised by what it does. Internationalisation can therefore be seen developing in stages,
and it includes the deliberate development of planned activities to achieve intended business development outcomes.

As a way of thinking. Joynt and Welch (1985) proposed that, to be successful, the internationalisation process has to be supported by an appropriately international way of thinking. They introduced attitudinal and behavioural themes to internationalisation by stressing the importance of management attitude and actual behaviour in the internationalisation process. As Yanacek (1988) put it, internationalisation may be viewed as a management thinking which allows a firm to integrate organisational strength and international opportunities. This managerial frame emphasises the relationship between the internationalisation activities of firms and why they want to internationalise. The success of internationalisation depends therefore on firms’ managerial skills, rather than the foreign market potentials alone like in the process approach.

As an end result. This type of definition considers internationalisation as an end rather than a means. An internationalised organisation is the result of greater involvement in and commitment to serving markets outside of its home market (Albaum, 2002; Thompson and Martin, 2005). This type of definitions claim that organisations will be transformed to become internationalised as they increasingly conduct business activities beyond their domestic markets. The main difference between the result and the process perspective of defining internationalisation is that the process perspective places more emphasis on the active, planning role of firms, while the result perspective takes the internationalisation more as the outcome of opportunism and critical incidents (Bell et al. 2003).

No matter which perspective is taken, there are two things in common to all definitions. First, internationalisation is driven by competition. Second, these definitions are based on the essential nature of business, that is, to sell goods and services for profit, which keeps firms alive and growing. The internationalisation of business is therefore about staying competitive through maximising the chance of profit making. In essence, the same type of activities as in the domestic market are conducted, the only distinguishing character of internationalisation is the extension to more than one nation (Griffin and Pustay, 2007; Cateora and Graham, 2007). In this sense,
internationalisation is not doing something differently, but doing the same thing (business for making profit) in different places.

2.1.2 Motives for Internationalisation According to the Business and Management Literature

Briefly, there are two opinions in explaining why firms decide to internationalise. One considers internationalisation as a ‘must’; firms have to become involved in internationalisation, because it is the only way to survive competition in the long term (Svetlicic et al. 2007). This opinion stresses the influences of the market, so the decision to internationalise is taken because of saturation or competition in the home market. In order to grow or survive in such a market, businesses have to seek possibilities by looking beyond borders for cheaper costs and additional customers (Fréry, 2006). Therefore, internationalisation is viewed as a necessity for firms rather than an option.

The second opinion views internationalisation as a ‘can’, so firms may pursue this option for purposes of growth, but it is not necessary. Firms may choose to expand to a foreign market because of an unsolicited order, excess production capacity, having a unique product, having a company-specific advantage, an opportunity for profit making in foreign countries, an incentive support provided by governments and international trade organisations or being driven by an ambitious business leader. So the important motives for internationalisation are firms’ own initiatives in searching new opportunities that lead to the increase of profitability as opposed to when they are active in one country only (Williams, 1991, 1992; Hutchinson et al. 2007). In this sense, internationalisation is complementary, and is a firm’s own choice and ability to respond to international opportunities for growth (Hill, 2000).

2.1.3 Definitions of Internationalisation According to the Education Literature

The term ‘internationalisation’ has only appeared in the education literature since the 1990’s. Arum and Van de Water (1992) proposed their definition on internationalisation as ‘the multiple activities, programs and services that fall within international studies, international educational
exchange and technical cooperation’ (p202). In 1994 Knight described internationalisation of higher education as ‘the process of integrating an international and intercultural dimension into the teaching, research and service functions of the institution’ (p7). To view internationalisation as a process at the institutional level can be found in other definitions as well. For example, Ellingboe (1998) referred to internationalisation as ‘the process of integrating an international perspective into a college or university system’ (p199). Almost ten years later Knight updated her definition and extended it to the national/sector/institutional levels as ‘the process of integrating an international, intercultural or global dimension into the purpose, functions or delivery of post-secondary education (Knight, 2003b, p2). Rudzki’s definition (1995) added the dynamic feature of internationalisation and stated a clear purpose for initiating internationalisation by higher education institutions. He described internationalisation as ‘a defining feature of all universities, encompassing organisational change, curriculum innovation, staff development and student mobility, for the purposes of achieving excellence in teaching and research’ (p421). Another perspective in defining this term is given by a Dutch scholar Van der Wende; from the policy making perspective, she suggested that internationalisation is ‘any systematic effort aimed at making higher education responsive to the requirements and challenges related to the globalisation of society, economy and labour markets’ (Van der Wende, 1997, p18). Being responsive also means that HEIs need to change accordingly. Combining the process perspective and change perspective, Söderqvist (2002) defined internationalisation as ‘a change process from a national higher education institution to an international higher education institution leading to the inclusion of an international dimension in all aspects of its holistic management in order to enhance the quality of teaching and learning and to achieve the desired competencies’ (p29). The totality of internationalisation and its impact on the whole higher education system is stressed by Teichler’s (2004) definition: ‘internationalisation can best be defined as the totality of substantial changes in the context and inner life of higher education relative to an increasing frequency of border-crossing activities amidst a persistence of national systems.’ (p22)

By analysing the existing definitions on internationalisation, we can see the following evolutions.

a. There is a shift in the definitions on internationalisation from an activity focused to a strategy focused perspective.
In the early stages, internationalisation was defined in terms of a set of activities focused on a program of student and staff exchange with a short-term orientation. Accompanied by a growth of complexity and scale in international activities, internationalisation started to take on a shape of its own, and became a new functional area which included all internationally related activities. As this functional area becomes more important and grows in size and scope, a systematic coordination is needed. Different suggestions for achieving coordination can be found in the definitions: Ellingboe’s advice was leadership-driven; Van der Wende tended to rely on the national policy guidance and monitoring; Söderqvist suggested a holistic management approach; Teichler proposed the totality view. To introduce strategic management into the internationalisation process is therefore not a surprising development.

b. There is a broadening of definition on internationalisation from individual institutional level to sector/national/regional level.

The earlier definitions of internationalisation focused on the institutional level. Van der Wende (1997) had studied the missing links between national policies for internationalisation and those for higher education in general and pointed out that an institutional-based definition has limitations. It was claimed that this limitation needed to be overcome by viewing higher education from a broader perspective, to include the regulatory frameworks and policies for internationalisation and to focus on the role of national agencies like ministries in policy making and incentives. By agreeing with Van der Wende’s proposal, Knight’s later definition included all three levels: institutional, sector and national.

c. There is a development from fragmented studies from diversified perspectives to a synthetic view of internationalisation.

The table below is used to illustrate the evolution of the definitions on internationalisation in the education sector. There are more similarities and inter-linkages than conflicts or divergences among the existing definitions. So far, the notions of ‘process’ and ‘integration’ initiated by Knight and the drive of being responsive to the external environment introduced by Van der Wende remain the most important elements of the definitions of internationalisation in the education domain.
Comparing the definitions on internationalisation in the business and education literatures, several things are noticeable. First, the business literature defines internationalisation with a single goal of increasing profitability, which is not a concern in the definitions given by the education researchers. Second, in the education literature national agencies and national policies are given an important position in regulating, coordinating, supporting and stimulating the process of internationalisation (Geiger, 2004; Litjens, 2005; Gribble, 2008). Governmental interference is commonly considered as unfavoured by the principle of self-regulating markets and the free trade across national borders, therefore there is less space given to government in the business definition of internationalisation. As Woolf (2007) noted, any national education system is primarily and properly designed to serve the interests of the home students. In this sense, whatever the benefits are that internationalisation can realise, public education is not neutral as a business operation, it reflects and creates a national ethos. Third, the definitions in the education sector mainly adopt the process approach. Other notions (e.g. being a means, a way of thinking) are acknowledged as well, but the education literature does not view being internationalised as the end result of HEIs. Universities are tied to their history, to their local context, to national policy and to their local communities that provide financial support and the majority of students. Nevertheless, in both the business and education literature internationalisation is recognised as having the power to transform an organisation from a locally oriented to an internationally oriented one.
2.1.4 Motivations of Internationalisation According to the Education Literature

Since internationalisation may primarily be a product of government intervention and policy (Healy, 2008), this is already the very first difference between business firms and HEIs’ motivation for initiating internationalisation.

When getting involved in international education activities, higher education institutions are driven by one or more of four rationales: academic, economic, political and cultural (Knight and de Wit, 1999). The academic rationale is claimed as the oldest rationale, because higher education has always been international in nature since the beginning of its existence. Academics have the tradition of looking beyond their own cultures, searching for knowledge wherever it is available. This has to do with the fact that higher education deals with the storing, developing and transferring of knowledge which is often universal and not systematically bound by physical borders (Teichler, 2004). The economic rationale has been expanding its territory in the public education sector, since importing and exporting of education services has been commonly recognised by the international community as a potentially lucrative trade area (Alderman, 2001; Naidoo, 2006). The political rationale became increasingly present during the process of the development of the nation-state and its colonial expansion (De Wit, 2002). Also, increasingly, the view of international education as a way of peace making has been stressed (Van der Wende, 2007; Pandit, 2009). Cultural issues arise because travelling and communication across national borders bring people and systems from different countries into contact with each other. In recent years, cultural rationale has been much highlighted in relation to the political rationale. It would appear that internationalisation is first and foremost claimed as a useful means to bridge cultural differences, increase understanding between different cultures and build partnerships cross-culturally (De Wit, 2002). Although there is a tendency that the economic rationale is overwhelming other rationales (De Wit, 2002; Van der Wende, 1997, 2001), possibly because of the development of such tendency, the appeal to give equal attention to other rationales has become stronger in recent years (Power, 2000).
Compared with the motivations of firms engaged in internationalisation, it is noticeable that the scholars and observers of higher education management consider internationalisation as a ‘must’ instead of a ‘can’ (Van der Wende, 2001; Friedman, 2005; Adams and Carfagna, 2006; Horn et al. 2007). For example, Rudzki (1995) stated that all universities must be international if they are to claim legitimacy for the knowledge they convey as being truly at the forefront of thinking, since internationalisation has firmly existed in the historical continuum of universities. This statement does not only refer to the older universities which are research based, but the later established universities of applied sciences also adopted the same ‘must’ attitude towards internationalisation. For example, the International Association of Universities (IAU) 2005 survey revealed that higher education institutions and associations from 95 countries considered internationalisation as the priority of their strategic development and is vital for the future development of their institutions.

Finally, the common motivation for both sectors is to deal with market competition. The internationality (the degree of involvement in internationalisation) of an organisation is used as an indicator of competitiveness. A firm’s internationality is for instance indicated by the proportion of its turnover/profit/sales derived from its overseas market (Stopford and Dunning, 1983; Eppink and Van Rhijn, 1988), the percentage of foreign assets as to the total assets (Daniels and Bracker, 1989), and the number of locations of a firm’s assets spread geographically (Stopford and Wells, 1972). Next to the material and capital indicators, the human aspect is also used to assess the degree of internationalisation of firms, for example foreign employees as a percentage of the total employees (Stopford and Wells, 1972), the attitude of (top) managers towards internationalisation (Perlmutter, 1969). The indicators of internationality used by the education sector mirror mainly the quantitative assessment of human aspects. For example, the staff and student mobility indicators are adopted by institutions (Knight, 2001), rankings (Marginson and van der Wende, 2007), and national government (Nuffic, 2009; 2010) to evaluate the progress of internationalisation. Another common indicator used is the number of international programmes (Knight, 2011b). Therefore, to be able to show competitiveness using internationality figures is another important motivation for HEIs to engage in internationalisation (Deem et al. 2008; Marginson, 2006).
2.2 Competitive Advantage

2.2.1 Definitions of Competitive Advantage According to the Business and Management Literature

Competitive advantage is probably the most popular business concept today (Mooney, 2007). As the building block of competitiveness, this concept was first described by Ansoff (1965) as the ‘properties of individual products/markets which will give the firm a strong competitive position’ (p79). Uyterhoeven et al. (1973) referred to competitive advantages as the manner in which a firm applies its skills and resources to gain superior return on investment in a product market. The conceptual difference between competitive advantage and core advantage (Andrews, 1971), distinct advantage (Hitt and Ireland, 1985; Collis and Montgomery, 1995) or comparative advantages (Neil, 1986) is vague. Because this term is used to identify firms’ advantages in dealing with market competition, it can be seen as coordinating and integrating all these different forms of specialised advantages.

The term competitive advantage has gained popularity because of the study of Michael Porter, a management and economics professor at Harvard Business School. The essence of his ‘five forces’ model (Porter, 1980) is that the structure of an industry determines the state of competition within the industry. The five structural forces are direct rivals, the threat of new entrants, the bargaining power of buyers and suppliers and the impact of substitute products or services. They together determine the development of a competitive strategy. He did not define the term competitive advantage, but created a direct link between ‘competitive advantage’ and the concept of ‘value’ by arguing that creating value for buyers is the means to attain competitive advantages:

*Competitive advantage grows fundamentally out of the value a firm is able to create for its buyers that exceeds the firm’s cost of creating it. Value is what buyers are willing to pay for, and superior value stems from offering lower prices than competitors for equivalent benefits or providing unique benefits that more than offset a higher price* (Porter, 1985, p3).
Therefore, a firm has a competitive advantage when it creates more economic value than its rivals, and this competitive advantage in return will enable the firm to earn greater economic value than its competitors. The notion of competitive advantage is made more precise by equating it with added value because the added value ensures the chances of survival (Adner and Zemsky, 2006). The added value comes from a firm’s high performance, therefore the link is created between high performance and competitive advantage (Greve, 2009).

The relationship between internationalisation and competitive advantage has been established in the business sector. Competition is claimed as the main driver of the explosive growth of international business activities. Therefore, the relationship between internationalisation and competitive advantages can be explained based on how firms react to competition arising from participation in international markets. The existing competitive advantage can be used by firms to fuel international expansion. Firms internationalise on the basis of a definable competitive advantage that allows them to secure enough return to cover the additional costs and risks associated with operating abroad (Hsieh et al. 2010). The development of the ‘eclectic paradigm’ (Dunning, 1980) has tied internationalisation even more closely to competitive advantages by using three explanatory factors for the continuing growth of internationalisation in businesses: ownership factors, location factors, and internalisation factors. These factors are specific competitive advantages which firms own, control or search for. Through internationalisation, firms can use or obtain these factors in foreign markets. If they succeed, their domestic competitive advantages will become internationally usable. Their competitive positions will then not only exist in their home market, but in the international market too. Or they may exploit an extra competitive advantage which can only be obtained by operating in foreign markets, such as local market knowledge or foreign technology. Either way, their overall competitiveness will be increased through internationalisation.

2.2.2 Definitions of Competitive Advantage According to the Education Literature

Higher education institutions have to face competition in respect to obtaining governmental and/or research funds, which implies the possession of specific qualities of teaching and research
in the institution; in attracting students, which implies specific marketing capability in gaining recognition of their quality (Knight, 2004; Marginson, 2007b); and “in building a reputation which depends on a volatile combination of factors involving everything from Nobel prizes to athletics” (Edwards, 2007, p379). Within this context of increasing competition, the term ‘competitive advantage’ has become popularised in the higher education sector, but there is little to be found in the education or public management literature on what the concept of competitive advantage actually means for public institutions. Although many HEIs are expanding their activities in the international market, the consideration of competitors and market share are not generally considered to be of primary concern (Rudzki, 1995). So far the competitive advantage of HEIs is mostly related to terms like ‘excellence’, ‘reputation’, ‘status' (Marginson and Van der Wende, 2007). The popularisation of this concept in the education sector on the one hand might be attributed to the long tradition of scholars interacting with colleagues from other institutions and other countries for the advancement of knowledge. In other words, higher education institutions have always had the ‘gene’ of being competitive in trying to reach high academic standards, to achieve academic excellence, and to obtain international reputation and status. But on the other hand, the recruitment of overseas students does make up a great part of the internationalisation activities at many HEIs and this also implies some new instruments for promoting competitiveness. Within this understanding of the historical root of being competitive and the newly required competitiveness in the student recruitment market, this research will research how competitive advantages are understood.

Internationalisation is understood and labelled as making higher education more responsive to the challenges of global competition. The basic hypothesis of the business literature, that attributes a positive relationship between internationalisation and competitive advantage, is not confirmed in the higher education context (Naidoo, 2010). Therefore, this research aims to discover the perceived relationship between internationalisation and the enhancement of competitive advantage.
2.2.3 Transferring Competitive Advantage from the Business to Public Education Context

According to the business literature, there are two dominant perspectives which purport to explain the building of competitive advantages: the industrial organisation (I/O) theory associated with Porter’s ‘five-forces’ competitive strategy, and the Resource-based View (RBV) (Yu, 2003). The I/O approach explores the source of competitive advantage in the external environment of the firm, examines how the economic power of firms can be used to create a competitive position in a structure composed of a group of firms in an industry (McGee and Thomas, 1986). Although the structure approach acknowledges the firm’s capability of controlling these external forces (Porter, 1980), it searches for a firm’s competitive advantage primarily by proceeding from the external competitive issues such as intensity of competition, industry and product market structure, the bargaining power of buyers and suppliers, the threats from the new entrants and product substitutes (Porter, 1980; Conner, 1991). However, Wernerfelt (1984) argued that managers often did not recognise the significance of a bundle of assets within their organisations, and often only focused on analysing the competition from the product market side rather than the resource side. Since then the emphasis in competitive strategy theories has shifted from the external environment factors in the industry and market to the inwards searching of the resources possessed by a firm - the resource-based view.

2.2.3.1 The RBV

The Resource-based View (RBV) theory is established on the foundation of two assumptions (Barney, 1991). First, firms within an industry may be heterogeneous with respect to the resources they own or control. Firms have a very different collection of resources which can be tangible or intangible. ‘No two companies are alike because no two companies have had the exact same set of experiences, acquired the same assets and skills, or built the same organisational cultures’ (Collis and Montegomery, 1995, p119). Second, many of these heterogeneous resources are not perfectly mobile across firms, and thus heterogeneity can be long-lasting. In the business literature, because competitive advantages are difficult to identify (Ketchen et al. 2007), researchers have sought to empirically link the input - strategic resources
and the output - performance (Ansoff, 1965; Andrews, 1971; Barney and Arikan, 2001). To bring these two ends (input and output) together, Lado et al. (1992) highlighted how the deployment of unique and idiosyncratic resources and capabilities can result in sustained superior performance. They claimed that the relationship between the resources and the performance is influenced by certain characteristics such as their social complexity, the causal ambiguity surrounding how they work, or the unique historical conditions under which they were accumulated. Therefore, competitive advantages are established not necessarily by the individual resources themselves, but by the linkages and fit between them; and these linkages and fits also make it difficult for competitors to obtain the same competitive advantage, or substitute it (Lippman and Rumelt, 1982; Dierickx and Cool, 1989). For this reason, the high performance of organisations depends on the heterogeneity of resources which remains an enduring condition, despite competitors’ efforts to replicate strategic resources (Rumelt, 1991). The heterogeneity of resources can be reflected in various ways. Some organisations possess more strategic resources than others, some organisations exploit more value with the same amount of resources than others, and some organisations are able to maintain the value of their resources for longer periods than others.

The early foundation of the RBV was laid by Penrose (1959) who defined a firm as a collection of productive resources and described how resources together with the deployment opportunities impact on the direction and speed of future growth. According to her, the key determinant of growth is the ability to use the firm’s current resources and take advantage of perceived productive opportunities in a product market. Pfeffer and Salancik (1978) developed the resource dependency theory to urge firms to increase their dependency on the resources which they own or have control of, rather than purely depending on searching for a fit with the market. As a result, when a firm has grown strongly by relying on the development of its own resources, the external environment will become negotiable (Grandori, 1987). Wernerfelt (1984) introduced the concept of ‘resource position barriers’, which suggested that firms can create resource position barriers by developing cost cutting strategies in using critical resources, thereby maintaining their competitive position. As Collis and Montgomery explained, ‘competitive advantage, whatever its source, can ultimately be attributed to the ownership of a valuable resource that enables the company to perform activities better or more cheaply than its competitors’ (1995, p120). So the RBV focuses on superior resources as a source of sustained competitive advantage.
Later developments went deeper to investigate the characteristics of resources that help generate and sustain competitive advantages. Barney (1986, 1991) developed specific criteria for so-called ‘strategic resources’ that allow firms to cultivate strategies that help in generating and sustaining competitive advantages. A strategic resource meets certain criteria—it is valuable in term of reducing costs or increasing value to customers; rare enough that competitors are not able to use the same resource to neutralise the advantage; difficult to imitate and it is non-substitutable. These criteria are named the ‘VRIN’ conditions. Amit and Schoemaker (1993) used the term ‘strategic assets’ to distinguish the strategic value of some resources over others according to their contribution to the enhancement of competitive advantages. However, the value of these strategic resources is not always captured by the owners (Collis and Montgomery, 1995). Some might be captured by other stakeholders such as top managers and employees, some might be generated by one group of stakeholders like managers, but appropriated by another group of people such as the employees (Coff, 1999). So strategic resources can have value in successfully extracting above-average profit when the group of people who can best exploit some (or all) of the economic value are given power to use those strategic resources (Coff, 1999). This means that firms using equally valuable resources may earn very different returns as a function of the degree of support generated within the firm for the use of these resources.

Together with the theoretical development of RBV, the meaning of ‘resources’ has also been expanded. Scholars (Mahoney and Pandain, 1992; Peteraf, 1993, Henderson and Cockburn, 1994) put forward the argument that a firm could be competitive not because it had better resources, but because of the better use of its resources. So the latent value of resources is the key to enhancing competitive advantage, such as core capabilities (Leonard-Barton, 1992), organisational capabilities (Russo and Fouts, 1997), competencies (Reed and DeFillippi, 1990), and transformation-based competencies (Lado et al. 1992). By joining these concepts together Barney (1997) added that resources also need to be organised in an appropriate way to enable an organisation to realise the full potential of its resources. The VRIN conditions were then transformed to VRIO conditions. The ‘O’ condition includes such organisational components as process, structure, control systems, and compensation policies; as well as industry/sector structure, competitor movements (Barney and Mackey, 2005).
In the strength of the RBV lies also its weakness. The work of Miller and Shamsie (1996) and Lawrence (1997) raised the issue that the RBV was only insightful in answering the ‘what’ question about resources, but paid less attention to the when, where and how resources can be used. Priem and Butler (2001a, 2001b) questioned the usefulness of the RBV because it ignored the external factors like market demand, that might affect firm behaviour and internal interactions. Also there is a danger of a tautology if the RBV defines competitive advantage as achieving increased efficiency and effectiveness through the resources that could increase efficiency and effectiveness. These criticism have been recognised by the supporters of the RBV and integrated into the development of ‘Organisational factors’ that covers the variables impacted by both internal and external environment (Barney and Hesterly, 2006).

2.2.3.2 Competitive Resources

Scholars have historically used ‘resources’ as a general term to refer to any inputs into organisational processes, including any asset to help the organisation achieve its goals (Crook et al. 2008). According to Daft (1983, cited in Barney 1991, p101) “firm resources cover all assets, capabilities, organisational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness”. Firm resources can be categorised in various ways: tangible versus intangible resources, internal versus external resources, hard versus soft resources, existing versus newly developed resources, etc. Three categories of resource were identified by Barney (1991) in developing the RBV: physical resources (Williamson, 1975), human resources (Becker, 1964) and organisational resources (Tomer, 1987).

Physical Resources include physical technology, plant and equipment, geographic location, raw materials, etc. (Barney, 1991). Financial resource is an addition to this category and includes capital, cash, equity, retained earnings, as well as patents, copyrights, trademarks, trade secrets, etc. because of their hard value in accounting terms (Barney, 1997).
Human Resources traditionally include manpower, training, experience, judgment, intelligence, relationships, and insight of individual managers and workers in a firm (Becker, 1964). For a long time management ability to recognise market demand, to combine the firm’s available resources with new resources and to accept the inherent risks were considered as the main reasons for firms’ growth (Penrose, 1959; Peng, 2001). Other studies have found that firms which value their employees as a source of competitive advantage are more likely to attain higher performance (Lee and Miller, 1999; Bae and Lawler, 2000), because these employees facilitate technological innovation, and carry skills and knowledge embedded in the organisation. In the context of knowledge intensive organisations where professional norms and occupational cultures dominate, the expertise of knowledgeable workers has further balanced out the traditional ruling power of managers, at least in the sense of achieving competitive advantage. The international business literature added another subfield, ‘international human resource’ (Peng, 2001), including international experience, international project management skills and international team building.

Organisational Resources include a firm’s formal reporting structure, formal and informal planning, controlling and coordinating systems, as well as informal relationships within a firm and with other firms in its environment (such as partners, suppliers, buyers, creditors), channels of distribution, corporate culture and structure, etc. (Tomer, 1987). Peng and Luo (2000) and Mitchell et al. (2000) argue that the inter- and intra-firm relationships can take the form of social networks and legal contracts which are difficult to replicate, thus giving firms significant advantage. Reputation, brand and innovative capability are important resources which may also contribute positively to the building of competitive advantage (Prahalad and Hamel, 1990). The dynamic capability theory argues that it is not a firm’s resources themselves that are key to competitive advantage, but the organisational capability to reconfigure its operating routines to enable response to changing environments (Teece et al. 1997), to secure competitive advantage (Allee, 2000; Sveiby, 2001). The organisational capability exists in a firm’s skills and collective knowledge (Grant, 1996b), and managerial skills and leadership embedded in its routines, processes and culture (Nelson and Winter, 1982). The concept of competence incorporates the concepts of resources and capability, which stresses the handling of the complex interplay of organisational processes, managerial cognitions and social interactions within and between organisations (Sanchez, 2002). Clearly, organisational resources and capabilities and
competencies are inextricably bound together in the attainment of a competitive advantage (Newbert, 2008). For the sake of simplicity, this research considers ‘capability’ and ‘competence’ as extensions of the original definition of ‘resource’, because their features, as a necessity and strength for organisations to enhance competitive advantage, are the same.

As Conner (1991, p145) puts it: “recognising such levels [of resources] appears especially important in preventing resource-based theory from becoming tautological: at some level, everything in the firm becomes a resource and hence resources lose explanatory power”. In order to use the strength of the RBV to explain the relationship between internationalisation and competitive advantage building, while avoiding its tautological weakness, this research will focus on defining the relationship between resources management and competitive advantage building, rather than clarifying the exact components of each type of resource and making distinction between resources.

2.2.3.3 Applying the RBV in the Public Higher Education Context

There are several reasons why the RBV may be applicable for HEIs when talking about competitive advantage building. First, this RBV provides a basic platform to compare the education and business sector, since HEIs and firms all possess the three resource types, although it is unclear whether the content of these resources is the same. Second, the RBV is claimed to be applicable explicitly for the private sector and implicitly for the public sector (Barney and Arikan, 2001; Powell, 2001; Cool et al. 2002; Rouse and Daellenbach, 2002; Hoopes et al. 2003, Bryson et al. 2007). Third, public HEIs have the characteristic of resource dependency: they are mainly funded by the state government with public money. Given the economic pressure resulting from budget cutting, the efficient and effective use of resources has become a major priority for public HEIs (Mok, 2005; Dollery and Mun, 2006). Particularly in an increasingly global marketplace where the unit of resource per student is being reduced, resources have become increasingly important for HEIs (Jongbloed and Vossensteyn, 2001; Harley, 2002; Taylor, 2002; Mazzarol et al. 2003; Lynch and Baines, 2004). Fourth, the RBV has more affinity than the I/O theory with the public higher education sector. For example: the Porter’s five forces theory focuses on the market competition, but public HEIs in general still have less dependence
on the resources generated from markets. There are less often new entrants and substitutions in this sector. Even though students have been referred to as ‘customers’, the seller-buyer relationship of the marketplace is generally still strongly resisted by this sector.

Indeed, the RBV has been applied by other researchers in the public education context, although in a limited way. In the scarce published work about how to deal with the resource allocation problem, education researchers seem simply to accept the business definition of the term ‘resources’ in the education context (Ringwood et al. 2005). Beerkens (2004) used the same definition of resources as that of Barney (1986) from the business literature. According to him, a higher education institution’s resources include ―all assets, capabilities, organisational process, attributes, information, knowledge etc. controlled by the higher education institution that enable it to implement strategies that improve its efficiency and effectiveness‖ (p65). He has simply replaced ‘firms’ with ‘the higher education institution’ in Barney’s (1991) definition. Bryson et al. (2007) defined resources as any assets that an organisation might draw on to help it achieve its goals or perform well in its critical success factors and suggested that RBV is relevant and potentially useful in the public education sector. Lynch and Baines (2004) concluded that universities did possess resources particularly those such as knowledge, reputation and innovation that could lead to the related competitive advantages. All these researches have suggested that the further exploration of RBV in universities is necessary for identifying more competitive resources than they have yet realised.

2.3 Strategic Management

2.3.1 Definitions of Strategic Management According to the Business Literature

It is commonly believed that the concept of strategy has been borrowed from the military, where it originally meant ‘generalship’ and refers to the successful pursuit of victory in war (Chandler, 1962; Bracker, 1980). The concept of strategy has been imported into the business world by comparing winning a war with winning a competition. Both require resources such as troops and arms used in military action, and similarly counter an enemy’s or competitor’s actual or predicted
moves on the battle field or in the market successfully (Steiner, 1979). The concept of management originated from the Italian maneggiare which referred to the training of horses (Williams, 1983, quoted in Bavington, 2002). It therefore has meanings like controlling, training, directing of a species of a wild nature so it can be tamed for use. In the early 17th century this meaning of management was influenced by the French ménager in the household setting. So once a species or a task or a process has been domesticated, controlled and owned, the caretaking comes into force to prepare for the optimal use (Roach, 2000, quoted in Bavington, 2002). When the effort of controlling and caretaking fail because of uncertainty and complexity in the environment, then the third meaning of management is needed, that is to cope with the people, situation, problem, etc. (Thompson and Trisoglio, 1997, quoted in Bavington, 2002).

There is no central paradigm that can be developed in strategic management (Bowman, 1990). The definition of strategic management depends on the perspective taken. It can be defined from an internal or external perspective, also in terms of business policy or organisational analysis or organisational performance (which is meant for general managers or strategists or consultants or middle managers), or implementation of all of these or none of them (Nag et al. 2007). To bring some order to this ambiguous and multifarious body of perspectives, the following categorisation and conceptualisation of strategic management is used, from the book “Rethinking Strategy” by Volberda and Elfring (2002). This choice is made based partly on the authority of the contributors to the book, who are renowned leaders in their respective fields, partly on its comprehensive inclusion of diverse perspectives, and partly because it presents the original source and evolutionary history of each school of thought on strategic management.

Ansoff (1965) and Andrews (1965) gave strategic management the first independent profile in the management research field. Strategic management was defined as the identification of the purpose of the organisation and the plans and actions to achieve that purpose (Andrews, 1971). Their thoughts laid the foundation for the ‘planning school’ which developed the Strengths, Weaknesses, Opportunities, Threats (SWOT) model. The guideline of this school’s thought is that the top management, as the designer of a strategy, needs to obtain a good fit between internal capabilities (strengths and weaknesses) and external circumstances (opportunities and threats). The ‘planning school’ has its roots in systems theory and cybernetics, which is an application of
the engineer’s idea of control to human activity (Stacey, 2007). The ‘positioning school’ represented by Porter (1980) raised the concept of competitive positioning, that firms can choose different competitive strategies to strengthen their position in the industry. As with the ‘planning school’, the ‘positioning school’ considers the external environment to be relatively constant, and firms need to respond and adjust to the external environment by means of a suitable strategy through frequent and systematic forecasting, planning and control. The assumptions of these schools are that the environment can be analysed, the reaction can be planned, and firms are able to make adjustments (Spender, 2002). However, the question is whether there is time available for firms to analyse, to plan and to adjust in an unstable environment. Moreover, these schools did not take the complexity of internal organisation factors into consideration, therefore the influences of internal factors are not fully understood and analysed.

Having its roots in psychology, the ‘learning school’ considers strategy as not so much to be planned, but rather as incremental and emerging (Lindblom, 1959; Cyert and March, 1963). The ‘Cognitive School’ that has the same roots, considers strategic management as mental mapping with bounded rationality (March and Simon, 1958; Simon, 1976). Instead of being linear, the process of strategic management should have a long term vision while approaching every short term goal step-by-step (Etzioni, 1968). Because of this iterative and fragmental feature of the strategic management process, strategy needs to be adjusted continuously (Quinn, 1980). Initiatives can arise from different layers of the organisation, these initiatives can lead to either success or failure of the pre-designed strategy. This has been confirmed by Mintzberg and Waters’ (1985) research, showing that the pre-designed and planned strategy cannot always be implemented to achieve the intended goals. This ‘culture school’ also takes the organisation as a central issue and stresses the importance of organisational culture in formulating strategies and deciding the outcomes of strategy implementation (Normann, 1977). A successful strategic management is, therefore, a collective initiative, rather than a few strategists’ actions. The strict planning ritual within an organisation can restrict its innovative potential, because procedures are rigid and new options may remain unnoticed. The ‘planning school’ and ‘positioning school’ can be seen as being an ‘outside-in’ approach to strategic management, whereas the ‘learning school’ and ‘cognitive school’ are regarded as being ‘inside-out’.
Other schools take an integrated view of the external environment and internal organisation. Strategic management in the ‘political school’ means making strategic decisions by choosing a position within an organisation and between organisations (Perrow, 1970; Allison, 1971). The ‘environmental school’ views organisations as organic rather than mechanical; strategic management is therefore about finding favourable conditions for growth in a changing environment (Hannan and Freeman, 1977). Strategic management according to the ‘entrepreneurial school’ depends on the capability of entrepreneurs who can bring new products and ideas to the market, identify and create new market opportunities (Schumpeter, 1934).

Because of the increasing vertical integration of firms’ operations, cross sector cooperation and inter-independence between firms, a clear trend of synthesis has taken place in the theoretical development of strategic management, and this process leads to the emerging of three new schools: the ‘configuration school’, the ‘boundary school’, and the ‘dynamic capability school’. The ‘configuration school’ recognises the strengths of all the previous described ‘Schools’, but suggests that the effectiveness of those schools’ thoughts depends on the context and organisational environment (Mintzberg, 1990). The success of strategic management is the result of co-evolution of firms and their environment. The intensified engagement with the environment is also the key reason for the ‘boundary school’ to argue that strategy is a boundary decision. In an environment with increased international competition, blurred boundaries between industries and reliance on external parties (supplies, distributors, customers, partners, competitors, etc.), firms need to draw boundaries and manage the hazy dividing lines between themselves and their environment strategically (Powell, 1987; Foss, 2002). The ‘dynamic capability school’ suggests to acquire, create and develop organisations’ internal capabilities (Amit and Schoemaker, 1993; Teece et al. 1997). This approach has the goal of improving organisations’ flexibility through learning (Mahoney, 1995) and exploiting skills embedded in organisational routines (Nelson and Winter, 1982). By understanding how individual and organisational learning affect the process of strategy formulation and strategic change, organisations are able to deal with factors such as industrial changes particularly in knowledge-based organisations (Kirjavainen, 2002). The strength of the newly emerged schools is their incorporation of important cognitive and social dimensions of the managerial decision making process.
Although different schools are presented with their distinctive thoughts about, and approaches to, strategic management, the integration and shifting of boundaries, configuration of different theories, finding viable solutions, are more the case in reality. The boundaries made between these schools only exist in theory; in practice, the success or failure of strategic management depends on the circumstances (Mintzberg, 2002).

2.3.2 Definitions of Strategic Management According to the Education Literature

The term strategic management has gained popularity in the education sector in the 1980s and 1990s in many OECD countries (Yielder and Codling, 2004). The central change is considered as the application of business models and practices in the public sector (Miller, 1994; De Boer, 1996; Dearlove, 1998). The growth of managerialism in higher education institutions has had a profound influence on management, giving it a strong emphasis on strategic planning and controlling (Neave and van Vught, 1991). This outline of strategic management has stayed fairly consistent in managing finances, staff, space and resources in the education context (Ketteridge et al. 2002). A similar planning and positioning approach is also widely adopted in the case of internationalisation. For example, Wolverton et al. (2005) claimed that a great emphasis of strategic management of education institutions needs to be based on strategic planning. Bartell (2003) suggests that university internationalisation depends on institutionalising a strategic planning process. Davies (1992) suggested that, when formulating an internationalisation strategy, a university needs to be aware of its position in relation to what approach to internationalisation it chooses to take. Marginson (2007a) also stressed that the positioning strategy of universities in the global environment has critical importance for their world competitiveness.

Although strategic management is widely applied in higher education (Kettunen and Kantola, 2007), many criticisms have been raised. The articulation of clear and well-ordered strategic goals is the exception rather than the rule, according to Harrison et al. (1990). Such criticism of the application of strategic management methods in the public sector continues today. Pollitt and Bouckaert (2004, p194) pointed out in a straightforward manner that “popular strategic management models may sometimes still play a headline role, but they are being used as a
selling angel for something much more modest, or as a post hoc rationalisation for the same”. Their use, in short, is more a rhetorical device than a practical template for action. Strategic management has become the means of achieving only the efficiency of virtually anything because it focuses more on the process rather than the content (Boden et al. 2006). Despite all these criticisms, higher education institutions are still often forced to create strategic plans which, in reality, it may be difficult or even impossible to deliver the expected performance (Watson, 2000).

Therefore, if the link between the strategic management (from the planning and positioning perspective) and university performance is still weak, it will be worthwhile to try a new perspective of strategic management. Because both the ‘planning school’ and the ‘positioning school’ emphasise how organisations position themselves in the marketplace, by having a focus primarily on the importance of exogenous forces existing in the industry and product market, a study of the endogenous factors (e.g. knowledge possessed by an organisation, organisational culture context, individual and organisational learning capability) can possibly replenish the current theoretical base with some other determinants of performance.

2.3.3 Transferring Strategic Management from the Business to the Public Education Context

In order to have a thorough understanding of which aspects on strategic management can make a valuable contribution, organisational context must be considered (Bryman et al. 1996). HEIs have the most likeness with the organisational context of knowledge intensive enterprises as described by the business literature (Alvesson and Sveningsson, 2003). Drawing on and integrating the views of a number of authors (Starbuck, 1992, 1993; Steyhr et al. 1994; Alvesson and Kärreman, 2001; Robertson and Swan, 2003), the following issues and features tend to be emphasised when describing knowledge intensive organisations (McGrath, 2005, p550):

- Knowledge and/or valuable expertise predominate.
- Their typical product is knowledge and not some technical artefact and, as such, the execution of the job is synonymous with the consumption of its outcome. Knowledge is used, but rarely is it left intact in transmitting it to clients.
- Their work is very difficult to evaluate, at least for those outside the sphere of the experts concerned. In practice, such expert evaluations rarely take place.
- High dependence on a highly educated and professionalised core of human capital.
- High levels of individual autonomy and discretionary effort by the experts delivering the service.

The management theories about knowledge intensive organisations emphasise the human aspect of the organisation. For example, a large part of the work in a knowledge-intensive company draws on intellectuals’ mental abilities rather than physical strength or manual craft (Alvesson and Sveningsson, 2003). In a knowledge intensive organisation, knowledge workers should be given freedom to develop intellectual skills in their own unique ways; these skills are conceptualised as the core competence of a knowledge worker (Oliver and Montgomery, 2000). The managers’ task is to create space for the development of this core competence and allow the creation of organisational core competence. Managers in knowledge intensive organisations do not own distinctive hierarchical positions with administrative power over the knowledge workers, because they know less of what goes on than those large groups of knowledge workers holding esoteric expertise (Alvesson and Sveningsson, 2003). Knowledge workers who have a knowledge monopoly are less inclined to subordinate themselves to managerial hierarchies (McAuley et al. 2000), more inclined to resist rules and standards impose on them (Lawler and Hearn, 1996), and prefer to be directed by knowledge superiors and professional norms (Trevelyan, 2001). Leadership in a knowledge intensive organisation emphasises its function of indirect and supportive facilitation (Jain and Triandis, 1997; Mintzberg, 1998). The relationship between managers and employees is not about supervision and control, but negotiation and collaboration. Such relationships between managers and knowledge workers can only be achieved in an open, personalised climate rather than using streamlined procedures and distinctive positions of managers and leaders (Kärreman and Alvesson, 2004).

It is worth noting that there are other terms with a similar meaning to ‘knowledge intensive organisation’, but with a slightly different emphasis. For example: the paradigm of intelligent enterprise (Quinn, 1992) promotes a new infinitely flat form of organisation, of destroying traditional hierarchies that decide the relationship between an organisation and its employees, and
of outsourcing all but the few key activities in which a firm can identify and maintain ‘best in world’ capability (Arthur et al. 1995). The theory about knowledge(-based) organisations stresses the crucial role of knowledge as the only source of sustainable competitive advantage and economic growth (Grant, 1996a; Drucker, 1999b); urges that organisational climate and culture need to be managed in such a way that this knowledge source can develop and flourish (Spender, 2008). The concept of learning organisation (Senge, 1989) highlights the individual and organisational ability to learn better and faster than its competitors and views this ability as having an essential core value to the organisation. In a learning organisation, a sharing mentality among its members is more important than simply generating new knowledge, new methods, and core competencies (Wilkens et al. 2004). This is because new techniques and new procedures are not the essence of management, but how to make the obtained knowledge productive is essential (Drucker, 1994). Without this sharing attitude and a favourable climate for knowledge sharing, the usefulness of integral or newly acquired knowledge may be limited (Hibbert and Huxham, 2010). These theories share the commonality of focusing on the development and deployment of intellectual resources rather than on the management of physical assets. Second, these theories approach strategic management from the human behavioural and organisational culture perspective. Third, they adopt a dynamic view to see management as having a changing function in an organic instead of mechanical organisation, that is characterised by external adaptation, system openness and community interaction. Finally, because of the increasing importance of the knowledge economy, tight and hierarchical supervision is out, the intelligent exercise of discretion is in (Kassel, 2008).

In the context of resource management, a firm’s decisions about selecting and accumulating resources are characterised as economically rational within the constraints of limited information, cognitive biases and causal ambiguity (Lippman and Rumelt, 1982; Reed and DeFillippi, 1990; Amit and Schoemaker, 1993; Peteraf, 1993; Ginsberg, 1994). According to this view, it is the rational identification and use of strategic resources that leads to enduring firm variation and supernormal profits (Barney, 1991). Therefore, the possession of resources is only one precondition for enhancing competitive advantages, but it is the rational thinking of how to optimally use the available resources that is more important. And this rational thinking can be learned through formal methods (e.g. training programmes, seminars, workshops) and informal
methods (e.g. experience, mistakes, accomplishments) (Suggs, 2003). Strategic management is then about using such rational thinking to recognise market opportunities suited to the organisation’s available resources (Penrose, 1959), to identify the best fit between resources and opportunities (Wernerfelt, 1984); and to deploy these resources in the way that is value-adding and difficult to be imitated by competitors (Dierickx and Cool, 1989; Barney, 1991).

2.4 Conceptual Framework

In this research, the relationship between internationalisation and competitive advantage is to be studied from the RBV; strategic management is then viewed as an instrument or technique that can support and strengthen this relationship, if such a relationship exists in the higher education sector. According to the RBV, internationalisation can be said to enhance competitive advantages of HEIs if it can help to improve the availability and quality of HEIs’ resources. Therefore, this research will look at the currently applied strategic management practices in doing internationalisation, particularly their effects on the physical resources, human resources and organisational resources.

On the basis of justifying the existence of the relationships between internationalisation and competitive advantage in the higher education sector (see section 1.4, 2a) and the validity of applying strategic management (see section 2.3.3), by adopting the RBV perspective, one more sub-question emerges for studying how internationalisation can contribute to the building of competitive advantage:

2b) What resources have contributed to this relationship? To what extent do these resources meet the VRIO conditions, that can be identified as strategic resources? Have the resources been improved by strategically managed internationalisation?

Based on the synergy identified between the three key concepts and the context of internationalisation at the HEIs, a conceptual framework is developed for this research, as shown in Figure 2.1.
Figure 2.1 Conceptual Framework

Internationalisation

human resources

physical resources

Strategic management

organisational resources

competitive resources/strategic assets

Competitive advantages
Chapter 3 Research Methodology

This chapter will concentrate on defining the research methodology which is an account of how an inquirer sources knowledge in order to achieve the research objectives (Guba and Lincoln, 1994; Delanty and Strydom, 2003). The choice of a certain methodological design depends largely on the research focus and questions in order for the conclusions and findings to be considered credible (Opie, 2004).

3.1 Research Focus

This research focuses on the internationalisation process of public higher education institutions and the strategic management practices applied in this process. The direction in which this process is developing is the enhancement of institutional competitive advantage in an increasingly competitive international education market. By using internationalisation perspectives from business literature on competitive strategy theories and strategic management models offered by various schools, this research will concentrate on the following three issues.

*Education market competition and competitive strategies:*

Within the context of globalisation, international competition has been a major concern of national and institutional policy making that aims at improving the competitiveness of the national higher education system and the national economy as a whole, because higher education institutions are perceived as major contributors to successful national development (Luijten-Lub et al. 2005; Davis et al. 2006; Douglass, 2008). In a marketplace internationalisation can be used by HEIs to attract full fee-paying foreign students, to demonstrate their knowledge-producing and talent-catching capacity, to improve their status and stratification nationally and internationally. All of these involve an element of competition. The pool of foreign students is large but limited, particularly if an institution is concerned about the quality of students that it can attract, and so they tend to follow the principle of competing over limited resources. All of these also involve a notion of comparison and stratification, which inevitably lead to status competition. Although competition does not explicitly appear in any definition of internationalisation, it is an important reason for which HEIs actively engage themselves in internationalisation. In addition, the...
extended and intensified engagement of more HEIs in internationalisation inevitably leads to an increase of competition, reflecting the principle of impact on competition of having an increased number of contestant participants in the same market. The dynamics of competition between HEIs have shaped national higher education systems, and are integral to the day-to-day practices (Marginson, 2007b; Mayer and Ziegele, 2009; Hazelkorn, 2009). As pointed out by many scholars (e.g. Kirp, 2004; Luijten-Lub et al. 2005; Marginson and van der Wende, 2007; Eckel, 2007; Marginson, 2007b; Lovegrove and Clarke, 2008; Larsen et al. 2009), the complexity of market competition needs to be recognised; and the potential effects and costs of intensified competition on the development of higher education need to be reconsidered.

For reasons discussed in the previous chapter (2.2), this research applies the Resource-based View (RBV) to investigate the relationship between being involved in internationalisation and building competitive advantage. According to the RBV, institutions are more likely to outperform others by possessing unique bundles of resources which are valuable, difficult to imitate or substitute, and non-tradeable or non-transferable to other institutions. Therefore to enhance competitive advantage becomes a matter of identifying, developing and improving this bundle of competitive resources. So this research will focus on identifying the three types of resources of Dutch HEIs that meet the VRIO conditions, as well as the relative importance of these resources in terms of contributing to the enhancement of competition advantage.

Implementation gap:

Van Dijk and Meijer’s (1997) researched the internationalisation of the Dutch higher education sector, covering more than 95% of all Dutch HEIs. Their study concluded there is an ‘implementation gap’ between the intended objectives and the actual outcomes. Once the policy gets through the faculties, the designed strategy on paper in many cases does not produce the intended results in practice. Stohl (2007) argues that this gap remains today and claims that internationalisation is not progressing as it should be because the faculty’s interests in internationalisation still need to be awakened and the faculty has not been committed to internationalisation. He argues that the biggest challenge to developing and sustaining internationalisation in this century will be how to increase the level of engagement of the faculty. Little research has been done, however, in understanding the institutional/faculty management
aspects (Stier, 2002). The implementation part of internationalisation at institution/faculty level is seen as a black box, because there is relatively little known about the faculty perceptions and handling of internationalisation (Trice, 2003; Green, 2003). Among the limited studies, the role of faculty in internationalisation has been approached either from the management perspective (e.g. Taylor, 2004; Dewey and Duff, 2009; Agnew and van Balkom, 2009), or from the faculty perspective (e.g. Stohl, 2007; Sanderson, 2008). Therefore, it will be fruitful to get some insightful understandings from both perspectives about the disconnection between the institutional and faculty levels, the strategy design aspect and the executive aspect of internationalisation.

*Strategic management cycle:*
Knight (1994) describes the process of internationalisation as cyclical, and creates a model of an internationalisation cycle that includes six steps: awareness, commitment, planning, operationalise, review and reinforcement. This strategic management cycle is meant to track the progress and quality of an internationalisation element or strategy toward achieving a desired objective or target (Knight, 1994, 2001). Many years after Knight’s tracking measures were proposed, still little is known about how internationalisation leads to performance improvement (Boyne and Gould-Williams, 2002, 2003), and how the internationalisation strategy is developed and monitored (Childress, 2009). Universities still struggle to bring together their internal strategic planning activities and their strategic shaping behaviour as they attempt to improve their market position (Bovaird, 2008). Because this internationalisation cycle mirrors the business way of describing the strategic management cycle: strategic thinking, formulating strategy, planning, implementing, monitoring and evaluation, adjusting (Thompson and Martin, 2005), I am curious about how such a strategic management cycle has been applied and what strategic management practices throughout this cycle are experienced positively or negatively by the organisational members.

*Implementation gap* and *strategic management cycle* are snapshots from the whole field of strategic management chosen for the purpose of understanding the application of strategic management models and methods in education management practices, describing the experiences and responses of education practitioners, identifying the relationship between internationalisation
success and strategic management, as well as their contribution to HEIs’ competitive advantage building.

3.2 Research Design

This research focuses at the Dutch higher education system level, thereby demanding the sampling of institutions and personnel that can be considered as representative as possible. The selection of multiple samples can furnish the breadth of information needed to develop a holistic picture of the context of the research (Pettigrew, 1990). I am aware, however, of the institutional diversity that exists within the Dutch system and an aim of the research is therefore to capture and portray both commonalities of the system and variations within it.

Conceptually, the research focuses on internationalisation, competitive advantage and strategic management. In order to get some insightful understanding about how these three key concepts are actually manifested in the life and activities of HEIs, it is necessary to obtain data about the perceptions of these concepts held by key actors having significant involvement in the whole process of internationalisation. Their descriptions of their perceptions and actions are expected to provide a multi-dimensional picture of how the process and outcomes of internationalisation are constructed and developed. Moreover, this research aims to evaluate the application of business theories in the higher education sector. Among the considerable number of theories, models and methods developed in the business sector around each of the three key concepts, three areas of perspective/theory are focused on in this research, namely: business perspectives of internationalisation, competitive strategy theories, and strategic management theories. Therefore, the empirical data need to be collected around the three key concepts and these related three areas in order to investigate how these theories have been applied and experienced in a new context (internationalisation in the public higher education sector). This is a discovery process, from the beginning of not knowing what will be found out, to the end of shaping the narrative based on what has been discovered in the data.
### 3.3 Research Process

<table>
<thead>
<tr>
<th>Stages</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Getting started</td>
<td>Defining the main research question</td>
</tr>
<tr>
<td></td>
<td>Conceptual clarification and operationalisation of the research question</td>
</tr>
<tr>
<td></td>
<td>based on literature</td>
</tr>
<tr>
<td>2. Selecting samples</td>
<td>Specified population</td>
</tr>
<tr>
<td></td>
<td>Theoretical, stratified sampling by key dimensions</td>
</tr>
<tr>
<td>3. Crafting instruments and</td>
<td>Multiple data collection methods</td>
</tr>
<tr>
<td>protocols</td>
<td>Qualitative and quantitative data combined</td>
</tr>
<tr>
<td>4. Entering the field</td>
<td>Accessing institutions and personnel</td>
</tr>
<tr>
<td></td>
<td>Overlap data collection and analysis, including field notes</td>
</tr>
<tr>
<td></td>
<td>Flexibility in data collection</td>
</tr>
<tr>
<td>5. Analysing data</td>
<td>Within-dimension analysis</td>
</tr>
<tr>
<td></td>
<td>Cross-dimension analysis</td>
</tr>
<tr>
<td></td>
<td>Search for similarities and differences</td>
</tr>
<tr>
<td>6. Theoretical reflections and</td>
<td>Iterative tabulation of evidence for each construct</td>
</tr>
<tr>
<td>enfolding literature</td>
<td>Search evidence for ‘why’ behind relationships</td>
</tr>
<tr>
<td></td>
<td>Comparison with literature</td>
</tr>
<tr>
<td>7. Reaching closure</td>
<td>Theoretical saturation when possible</td>
</tr>
</tbody>
</table>

As a guide to structure the research design and operational process, I have drawn on a model proposed by Eisenhardt (1989, p533), which is in turn based on the theoretical contributions of various methodologists and researchers such as Glaser and Strauss (1967), Yin (1981, 1984), Miles and Huberman (1984). This model was originally designed for case study research, and I have modified it in its activity detail while retaining the basic stages and their order (see Table 3.1). The particular purpose of using this method is to move beyond the empirical data, so that a theory or an extension of a theory can be generated and discovered (Creswell et al. 2007); in my case, the extension of business theories into the higher education context. In this research, each stage of this process can be translated into practice as follows.
3.3.1 Getting Started

In this stage, the research question was first defined partly based on my working experience in the Dutch HEIs and partly by identifying a gap in the literature on the internationalisation of higher education. These two influences led to the question being expressed in terms of three key concepts. Different individuals from a HEI may have different ways of interpreting the three concepts, and of applying these based on their own objectives, motivations, and their organisational specificity. In order to investigate these interpretations, it is necessary to develop operationalised sub-questions. This was done by reviewing the treatment of the three key concepts in the educational and business literatures, to generate focal points for these sub-questions. The focal points of ‘internationalisation’ were generated as definitions and motivations. These are key issues of internationalisation identified by both the business and education literature because they are the reasons behind the strategies, actions and activities taken during the internationalisation process. The focal points of ‘competitive advantage’ were generated according to the RBV such as resources and their VRIO characteristics, because the RBV adds a new perspective of building competitive advantage in HEIs (as explained in the previous chapter). The focal points of ‘strategic management’ were generated according to the education literature as implementation gaps and the strategic management cycle. Since strategic management is meant to achieve competitive advantage, theoretically and in practice these two concepts are closely related, therefore these two focal points will be studied from the resources management perspective.

3.3.2 Selecting the Sample

Two aspects are important when doing sampling. One is to define the population, of which, in this research there are two: an institutional population and a personnel population within each institution. The institutional population is composed of all Dutch public HEIs. The personnel population are all those in each HEI who are involved in the internationalisation process. It is then necessary to draw appropriate samples from both of these populations. A purposeful
selection of representative samples is applied to help the investigator achieve the best understanding about the central question (Forman et al. 2008).

3.3.2.1 Selection of the Institutional Sample

As explained earlier, differences between the RU and UA sectors still affect their current organisational behaviour, which may be expected to have an impact on how internationalisation is directed, what competitive advantages are aimed at, and how the internationalisation strategy is designed and implemented. In order to produce a synthesis that represents the whole HE system, therefore, it is necessary to include both types of institution in the sample, to compare the two types of Dutch HEIs and see if there are sector specific characteristics in ways of doing internationalisation. I also identify other factors which may influence the approach to internationalisation in practice and should, therefore, be represented in the sample:

- **Location**: well known and not well-known geographical locations.
- **Structural change**: institutional merging is considered as an important and popular competitive strategy adopted by the Dutch higher education sector. Because institutional mergers amongst the Dutch UAs have fundamentally changed their structure, role, and relationships with the RU sector in the past two decades (Goedegebuure, 1992; Harman and Harman, 2008), which is the period studied in this research, the selected cases should represent the ones that have merged in the past few years and those that have not experienced such a merger.
- **Specialisation**: comprehensive and specialised universities (business school, technical university, agriculture university, etc.)

Following these selection criteria, 8 institutions are chosen from each sector among 14 RUs and 39 UAs. This represents different proportions of each sector, but in order to adequately sample the variations within each sector, the absolute size of the sample is more important than the proportional size. The selection of 8 institutions represents institutional diversity while remaining practically manageable. Moreover, the RUs together offer 432 Bachelor and 901 Master programmes, while UAs, having almost two-thirds of Dutch higher education students, offer only 347 programmes in all (Nuffic, 2011b). This is an indicator of greater homogeneity in the UA
sector compared with the RUs, therefore choosing the same number of institutions from the UA sector has little impact on the comparative representativeness of the two samples.

3.3.2.2 Selection of the Personnel Samples

Within each institution, we have a population of personnel who are closely involved in internationalisation. Originally three sub-groups were identified within this population:

- internationalisation staff at the central level (e.g. the head and staff member of International Office, marketing and communication department, and recruitment office, internationalisation project co-ordinators, the internationalisation policy advisors¹),
- internationalisation staff at the faculty level,
- academics (e.g. head of the faculty/department, academics without management function).

In the early stages of implementing the research process, however, I was made aware of a further level which was influential in setting the framework and institutional strategy for internationalisation, and deciding the focus and priorities of internationalisation. A fourth sub-group was therefore added:

- senior management (e.g. the Board of Directors which is in charge of internationalisation)

For the faculty level and below, a further consideration in sample selection is to represent the diversity of academic disciplines. Therefore, the sample selection should cover faculties which in nature are internationally oriented (e.g. economics, medicine, international business studies, international law), and faculties traditionally having limited international elements in their curricula (e.g. German language and literature).

In each HEI, ‘key actors’ were selected from these function groups (see table 3.2). It was not possible to sample every function group in every university, partly for practical reasons arising from institutional and personnel access issues; but mostly because not all institutions have all

¹ IP12: My main responsibility is giving advice regarding international affairs. I advise the Board on issues related to international marketing, international recruitment and international communication. A policy advisor works towards the directors or towards the Board of the university. Also I work in close cooperation with the internationalisation coordinators at the faculty level.
these function groups in their organisational structure. For example, some HEIs have a kind of ‘head’ function created at central level for internationalisation, some do not; some faculties have a coordinator responsible for internationalisation, some do not. Also there are varieties of function profile designed by different institutions: in one institution the head of the International Office has the function of policy advising and is involved in the strategy/policy making; while in another institution the functions of the International Office and international policy making are relatively separated from each other; and in another institution a faculty head is the one who is responsible for creating the internationalisation strategy for the whole institution because this faculty has the longest experience and is the most active faculty in doing internationalisation. In all cases, however, I tried to choose the key actors doing internationalisation. ‘Key actor’ refers to those who have the key positions of doing internationalisation at central or faculty level, have a good overview and sufficient knowledge about the internationalisation process, activities, history, etc. The selection of these key actors was often influenced by the identification of their significance by others in the institution and even from other institutions. A key actor is put into the following categorisation according to his/her official job title. Within any of the sampled institutions, there may not be a complete sample according to the criteria set out above, but across all the institutions together there is adequate sampling of the different function groups.

In all, 73 individuals participated in the research, as summarised in the following Table 3.2 An Overview of the Interviewees. The number of interviewee(s) working at each HEI and in each job function group is entered in the appropriate cell of the table.

<table>
<thead>
<tr>
<th>Research University</th>
<th>RU1</th>
<th>RU2</th>
<th>RU3</th>
<th>RU4</th>
<th>RU5</th>
<th>RU6</th>
<th>RU7</th>
<th>RU8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers (4)</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Internationalisation staff at central level (14)</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Internationalisation staff at faculty level (6)</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academics (10)</td>
<td>3</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>University of applied sciences</th>
<th>UA1</th>
<th>UA2</th>
<th>UA4</th>
<th>UA3</th>
<th>UA5</th>
<th>UA6</th>
<th>UA7</th>
<th>UA8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior managers (4)</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internationalisation staff at central level (15)</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Internationalisation staff at faculty level (7)</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Academics (13)</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>
3.3.3 Crafting Instruments and Protocols

3.3.3.1 Qualitative and Quantitative Research

Research paradigms can be categorised as quantitative, qualitative, and a mixture of both. Qualitative research is generally informed by constructivist and interpretivist philosophies (Johnson and Onwuegbuzie, 2004), affirms a relativist belief that realities are multiply constructed and bounded by mental, social and experiential constraints (Guba and Lincoln, 2000). I have taken this standpoint of placing the autonomous individuals as the central part of the investigation and view their perceptions as personal constructs of a reality. Although I recognise the existence of an objective, external reality, it is people’s perceptions and interpretations of this reality which are most significant in influencing their behaviour. Qualitative research methods have the strength of exploring ‘the subjective meanings through which people interpret the world’ (Jupp, 2006, p249) and their ‘experience, perceptions, motivations and behaviours’ (Clissett, 2008, p100). This can help to achieve the descriptive objective of this research. Moreover, the various schools’ thoughts about strategic management that this research wants to investigate, emphasise the human aspects of an organisation. These aspects can be better approached by qualitative analysis, for example: artistry, intuition, serendipity (Mintzberg, 1994); strategic thinking (Porter, 1996); experience and judgement (Lewis et al. 2004); and intuition and sometimes commitment (Ghemawat, 2008). Third, qualitative research is holistic, because it helps to gain understanding of a complex picture that cannot be meaningfully reduced to a few discrete variables and linear cause-and-effect relationships (Foreman et al. 2008). Finally, qualitative research can be used for the aim of generating theoretical propositions or theoretical elaboration on social life from data (May, 2001), allowing theories to emerge from the data through inductive processes (Lincoln and Guba, 1985). This fits well with this research’s intention of searching the general patterns of applying business theories in the public education sector, identifying their possible extensions that might emerge from the data.

Quantitative research tends to employ a deductive approach to the relationship between theory and research. That is, researchers might start with a general picture of social life and then investigate a particular aspect of it (May, 2001). The added value of quantitative method to a
qualitative research is that it helps to focus on measuring the parts in an issue (Tavallaei and Talib, 2010). This research, for example, applies quantitative methods to determine the relative importance of difference resources (these are the parts) in contributing to competitive advantage building (this is the issue); as well as to clarify the different weights given by respondents to the elements (these are the parts) that construct the total perception of the three key concepts (these are the issues).

Perla and Carifio (2009) argued that both qualitative and quantitative research is needed for a complete view and synthesis of any field of study looking to describe knowledge production and research in a meaningful way. The combination of both is likely to result in complementary strengths (Johnson and Onwuegbuzie 2004, p18). Taking this argument into consideration, a mixed methods approach is finally applied to address the research questions.

3.3.3.2 Data Gathering Methods

This research intends to identify the elements of three key concepts and answer the ‘why’ and ‘how’ questions in relation to individuals’ perspectives and choices in dealing with strategic management issues when conducting internationalisation activities. Therefore, the focus is on collecting qualitative data which are useful for searching social and cultural construction of the variables which are integral to the concepts (Denzin and Lincoln, 2003), and understanding the rationales and relationships (Jick, 1979).

This research uses the methods of document analysis and interview to gather qualitative data.

Document Analysis

According to Coleman (2007), documents are described as littering our world, but also providing narratives of our personal and professional lives. As secondary materials, documents can provide background information that prepares for interpretations to take place. The documents collected by this research include newsletters, strategic plans, annual reports, policy papers and presentation slides published on the websites of selected HEIs. In this research, document analysis was used mainly to inform the interview process by providing important institutional
background information, which either did not then need to be sought through interviews or which could be further clarified in interviews.

**Interviews**

This research aims to understand personal opinions, experiences, attitudes, feelings, beliefs and behaviours of those people who participate in internationalisation. Face-to-face contact in the form of interviews is a particularly effective way of gaining such understandings (Lofland, 1995). Therefore, individual face-to-face interview is chosen as the primary method to gather raw data for further analysis, to collect authentic statements provided by the key actors in a position to know what has occurred in relation to internationalisation at a HEI. The choice of conducting semi-structured interviews was based on its advantage of combining a systematic approach, in the initial construction of interview questions that maintain a relevant focus, while also allowing a broader discussion without deviating much from the topic (Opie, 2004; Coleman, 2007). It optimises both flexibility and control. The majority of the interviewees were contacted for the very first time, and semi-structured interviews offer respondents the opportunity to tell lengthy stories and answer more on their own terms, thus allowing deeper probing into the topic (May, 2001). It also allows me to clarify and elaborate the given answers while still following the pre-designed questions about the research topic.

### 3.3.3.3 Interview Schedule Construction and Piloting

Because the interviewee is given freedom to tell lengthy stories and answer more on their own terms, in order to align the open questioning and free answering, a clear structure was needed to guide and permit comparability between different responses (May, 2001). Bearing this in mind, a general structure for the interview questions was formed, consisting of six major parts.

1. background information about the interviewee, the university/faculty/office
2. his/her understanding of three key concepts
3. his/her perception on the differences between public education sector and the business sector, in specific about the three key concepts.
4. the internationalisation at his/her university
5. the application of strategic management in the internationalisation
6. the relationship between internationalisation, strategic management and competitive advantages

The interview schedule was finally constructed with the aid of a grid that ensured all of the questions and sub-questions were addressed in the interview (see appendix 1). The interview was piloted with three colleagues who were asked to give feedback on the experience. This also gave me the opportunity to develop my own interview technique prior to administering the further interviews. Feedback from the pilot was positive and did not lead to changes in the schedule.

This general line of interview questions was followed in the majority of the interviews. The questions were mostly open-ended, to create space for interviewees to express themselves, to allow flexibility and to allow the interviewer to probe and clarify misunderstandings (Cohen et al. 2000). Some adjustments were made to the interview questions when it was necessary (e.g. the time for the interview was limited), when the answer of the question had been confirmed by more than one interviewee at the same institution/department (e.g. when two staff of the International office already explained the organisational structure of internationalisation similarly, the same question would not be asked to the head of the International Office). No matter what adjustment was made to the interview questions, the criterion of making any such adjustment was that it would not have a negative impact on the validity and reliability of the gathered data, but would increase the amount of new information.

3.3.4 Entering the Field

There were various ways to initially approach the interviewees: sometimes by direct calling, by sending emails to explain my research topic with a standard introduction letter, by a personal visit first, by a recommendation from the previous interviewees. After the interview invitation was accepted, a date was agreed, a list of interview questions was sent via email in advance, some adjustments of interview questions were made if necessary, in response to the potential interviewee’s feedback. After the interview, transcripts was typed out and sent via email only to the respective interviewee for correction and additional information. After obtaining their
permission of using the data, I then started the text analysis by using Atlas-Ti discourse analyse software.

The interview questions were designed in English. It was explained to all interviewees why it was preferable to give their interviews in English; this was mainly for the convenience of making transcripts, considering the limited time for the research. In spite of not using the first language of most of the interviewees, there were no difficulties noticed in holding interviews in English because these interviewees’ daily working languages are English and Dutch. Only 3 out of 73 interviewees preferred to speak in Dutch, due to the limitation of time and a greater confidence in speaking their mother tongue. These three transcripts were translated into English. The English versions were reviewed and approved by the three interviewees before analysis. Because of the interviewees’ high proficiency in English and measures taken to safeguard the original meanings of interviewees, in this research, the difference between using English or Dutch for interview is minimal.

To ensure that trust and confidentiality are adhered to throughout the research process, a set of ethical codes needs to be followed. Researchers are ethically bound to maintain the privacy of participants, including confidentiality for any information they give and anonymity for their identity (Cohen, 2007). The number of key actors involved in internationalisation at the central and faculty level in any HEI, is limited. For this reason, every attempt was made to minimise the reference to specific details about participants’ personal information and identities. For example: the interviewees’ names and the names of their institutions are not mentioned; the original transcript was only sent to the respective interviewee (except for the one interview when two interviewees insisted on being interviewed together, when the transcript was sent to each of them); all transcripts were approved by the interviewees before being used for data analysis. Participants were made aware of the purpose of the research and the above issues before participating.

The interviews mostly lasted between 60 to 90 minutes and were recorded, with the permission of the interviewees. All interviews were conducted in the period of February 2009 to January 2011.
During the data collection period, there was no noticeable policy change regarding internationalisation.

Table 3.3 Duration of the Interview

<table>
<thead>
<tr>
<th>Duration of the interview</th>
<th>Number of interviews</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Research university</td>
</tr>
<tr>
<td></td>
<td>(34)</td>
</tr>
<tr>
<td></td>
<td>University of Applied</td>
</tr>
<tr>
<td></td>
<td>Sciences (39)</td>
</tr>
<tr>
<td>40-59 minutes</td>
<td>4</td>
</tr>
<tr>
<td>60-90 minutes</td>
<td>25</td>
</tr>
<tr>
<td>90+ minutes</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>3</td>
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<td></td>
<td>28</td>
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<td></td>
<td>8</td>
</tr>
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</table>

Interviews were conducted in parallel with making transcripts of previously conducted interviews. Therefore, there was frequent overlap of data analysis with data collection. I have experienced this overlapping positively. The interview process was carried out with the intention of generating new information continuously by questioning, confirming, or denying known information. As Eisenhardt (1989) explains, this overlapping is very important because it allows researchers to take advantage of flexible data collection. Therefore, each interview can inform the next and subsequent interviews can be used to explore issues raised in previous interviews, so adjustments can be made during the data collection process (Brod et al. 2009). These adjustments can be made in the addition of cases and/or data collection instruments, for example: to add new cases (Gersick, 1988). In this research, the function group of senior management was added during the period of interviewing. All transcripts were finished between 2-6 months after the interviews, and there was no feedback that required significant changes to the transcripts. This to a certain degree confirms the reliability of the collected data, and also indicates the stable internal policy environment (e.g. no significant changes in terms of organisational structure, management functions, internationalisation policy and strategy) in the period between the interview and the interviewee reviewing the transcript.

3.3.5 Analysing Data

In qualitative research, analysis proceeds from examining the raw data to coding, identifying themes or pattern development, and finally identifying relationships among themes (Foreman et
The coding process has involved three levels of coding: open coding, axial coding and theoretical coding (Charmaz, 2000). With the help of the Atlas-ti discourse analysis computer programme, I started with open coding and chose to manually select the central terms of the interviews rather than to automatically extract them. Around the three key concepts (internationalisation, strategic management, competitive advantage) a large group of codes were created. According to the similarity of key words and expressions in the transcripts, the words and expressions were brought together under one code. Patterns in the raw data were coded or given conceptual labels (McCann and Clark, 2003). In this stage of coding, how frequently or seldom a phrase or expression appeared in the data was not a criterion of coding and forming initial categories of information. In this research this proved very useful in discovering new phenomena.

Axial coding reconfigures data to reveal concepts and categories (Strauss and Corbin, 1998), so the concepts generated from the open coding were clustered into categories and the data moved to a more abstract and more concentrated form (McCann and Clark, 2003). A core category of codes then started to emerge through the frequent sorting and resorting. A core category is core because it includes a phenomenon that appears frequently in the data.

Theoretical coding looks at the interface of the data with what is known from the literature review. The reconfiguration of the theoretical coding is grouped around the three key concepts according to the theoretical framework. In the data analysis, I made comparisons between interviews from two sectors (UA and RU) and to see if there are sector-specific characteristics of doing internationalisation. Also the data analysis made a comparison according to the interviewees’ job function. The literature study showed that an implementation gap has been identified between the central and faculty level when implementing internationalisation policies/strategies (Van Dijk and Meijer, 1997; Trice, 2003; Green, 2003). The 73 interviewees were categorised first into four job function groups. In order to achieve greater understanding of this implementation gap, the interviewee data were then regrouped into the ‘central’ and ‘faculty’ sub-groups:

At the central level:
- senior management (this job function will be briefly indicated as ‘senior management’)
- internationalisation heads and staff at central level (see 3.3.2.2) (this job function will be briefly indicated as ‘int. central’)

At the faculty level:
- internationalisation officers at faculty level (this job function will be briefly indicated as ‘int. faculty’)
- faculty heads and the academics (this job function will be briefly indicated as ‘academic’)

The two levels division is useful for search for insightful information about the ‘implementation gap’. The original division of four job function groups is useful because it provides clear evidence about the similarities and differences between different job function groups at the same level.

Through continual comparison with the raw data, core categories were distilled down into constructs which enabled the links between categories to be established (Charmaz, 2000) and the data to be situated into a meaningful whole (McCann and Clark, 2003). Next to the core categories, there are also some codes that appeared seldom in the data. They may still have significant value for conceptualisation later on; for example, the codes that are contrary to the frequently appearing codes, the codes that are unique in the sense of representing critical and incidental events. Comparing the seldom appearing codes with the frequently appearing codes on the same topic can be especially useful when unexpected or surprising results arise (Creswell, 2003). For example: the RBV was inspected in the data analysis, should the evidence from the business and management literature review and this education research data conflict, there will be an opportunity to expose a deviation or biased thinking and allow new concepts to emerge.

### 3.3.6 Theoretical Reflection and Enfolding Literature

Conceptualising and coding is an integral process in analysing qualitative data, because the researcher is creating themes or concepts, meanwhile organising the raw data into conceptual categories (Neuman, 2000). In this stage, guided by research objectives, I constantly compared
the education-based data with the business theories. In some aspects I did find a close fit between the business theories and education data, which supported claims for the validity of these theories in an educational context; but I also found conflicts between the theories and data. My intention is not to reach consensus between the business theories and the education research, but to allow new constructs to emerge and possible relationships between constructs to start showing patterns, but still grounded in the data.

Based on the confirmations and conflicts identified, I try to find some explanations for the similarities and contradictions. The juxtaposition of conflicting results forces researchers into a more creative, frame-breaking mode of thinking than they might otherwise be able to achieve (Eisenhardt, 1989). This research explores the applicability of the business theories in the education sector. If this research in the education context were to produce findings similar to those from the business sector, then it would increase our confidence in the applicability of those theories. Or if this research were to produce findings in contradiction to the claims of business theories, the disconfirming evidence from the education context would help to sharpen the scope of the applicability of existing business theories. Either way, the research findings would enrich our knowledge.

3.3.7 Reaching Closure

This research had a planned number of interviewees in advance, approximately 40 interviews, based on the advice of three supervisors. In practice, the number of interviews reached 73 as interviewees suggested further useful contacts. Because the data coding and data analysis were proceeding at the same time as conducting interviews in a period of almost two years, I could justify ceasing to collect data when I saw less and less new information emerging from the interviews that could add significant value to the research. Researchers should stop adding cases when additional interviews are not expected to yield new or valuable information (Cutliffe, 2000). It means saturation has been reached, whereby sufficient data have been gathered in order to answer the research questions.
3.4 Reliability

Qualitative research has often been referred to as a ‘soft science’ and the researchers as a maker of quilts’ (Denzin and Lincoln, 2003). Nevertheless, intellectual rigor can be built into the research by having a sound scientific study methodology and protocol, including a semi-structured interview guide, purposive selection of cases, appropriate analysis of the data and documentation of findings (Brod et al. 2009). The reliability of interview data can be criticised as interviews are considered to be social interactions in which both the interviewee and the interviewer come with their ‘biographical baggage’, including their experiences, prejudices and so on (Cohen, 2007). However, it is possible for these biases to occur in other research types as well, because the understanding of complex social phenomena is often multifaceted (Sinuff et al. 2007), no matter what approach a research adopts. There is no poor or good research method, only a poorly or well executed study. In this research, these biases have received great attention when attempting to safeguard the reliability of this research mainly on two aspects: the reliability of the data collection and the reliability of the data processing.

3.4.1 The Reliability of Data Collection

The choice of 16 institutions and 73 interviews in a single country with a relatively small higher education sector provides a good base for safeguarding reliability. To include as many different perspectives on the issue or topic as is feasible can enhance data reliability (Corbin and Strauss, 2008). By following this principle, this research used the purposive, theoretical sampling mode to cover both UA and RU sectors, all four function groups, and the key persons in each selected institution (see 3.3.2.1 and 3.3.2.2) in order to make the whole picture as complete as possible in capturing the reality of internationalisation. The most appropriate way to collect data to promote both reliability and content validity entails direct communication with the relevant actors to adequately capture their perspectives on issues of importance to the research (Brod et al. 2009). The data are collected by such direct communication (face-to-face interview) with the key actors in internationalisation activities.
Moreover, sending transcripts to the interviewees and using their reviewed version has ensured the correctness and accuracy of any transcript which had either been transcribed incorrectly or left incomplete. During this process I have tried also to reduce the possible disadvantage of allowing an interviewee to review the transcript, for example an interviewee may rephrase a statement made in the interview or remove a specific section of the transcript, not because it was noted wrongly, but because it was felt to be “too open” and “too honest”. To accept such a revised version of transcript would be to lose spontaneity which can better reveal the true meaning of the interviewee. In such cases I spent a lot of time explaining to the interviewee the importance of keeping the original transcript text, and reassuring the interviewee about the anonymity of the interview data.

Finally, certain interview techniques have been applied in order to safeguard the reliability of the data. For example, especially when interviewing different people in the same institution, I often asked the later interviewees to comment on a statement previously made by their colleague(s) without mentioning any specific information about this colleague(s). The data gathered by using this interview technique are in my view more reliable because some ambiguity in meanings expressed by different interviewees can be clarified and the chance of misinformation can be reduced.

3.4.2 The Reliability of Data Processing

Reliability in qualitative research typically refers to adopting research methods that are accepted by the research community as legitimate ways of collecting and analysing data and consistently producing rich and meaningful descriptions of social phenomena (Collingridge and Gantt, 2008). The data processing method adopted by this research shares some similarities with multiple case studies which use a mixed form of qualitative and quantitative analysis. As Yin (1994) has pointed out, using multiple evidence or multiple indicators where more than one variable is used to measure one construct, helps increase construct validity of a research study. For example, in conducting data analysis, I am aware of the fact that this research has to rely on the perceptions of interviewees. Their perceptions can be influenced by many factors. Of particular interest in this research is the influence of the professional cultures associated with different job functions.
Different job function groups have their own sets of values, norms, priorities, ways of doing things and judging other job function groups. When trying to identify any common patterns, I searched through different job function groups, different institutions, and asked the interviewees to give their opinions on other HEIs they are familiar with. If a common pattern can be identified across job function groups and institutions, it can be considered as a ‘common’ pattern to which I can ascribe some degree of objective existence. If a pattern can be identified only in one or two job function groups, then contextual factors specific to their job functions may provide explanation for the pattern. This has been successfully achieved because the data have been analysed along the job function and sector dimensions.

In addition, during the interviews I discovered a rich diversity among the interviewees’ background. For example, there are academics with and without management functions; amongst the internationalisation staff some have a strong academic background, others do not; some academics are more business oriented than some managers, and some managers are less pro-management than some academics. In my opinion, this diversity of backgrounds among interviewees with the same job functions moderates the impact of professional culture associated with that job function on the objectivity of their perceptions taken collectively.

During the data processing, I choose to stay as close as possible with this ‘reality’ represented by the collective perceptions of the interviewees. For example, when there are overlaps between two of three elements of a key concept, I ‘struggled’ somewhat to categorise them or classify a certain statement. When such struggles occur, I tend to use the words used by interviewees to name the elements or make statements. Furthermore, I interpret the words within the context, by checking whether - but not assuming – that same word is used by different interviewees; similarly noting the same meaning may be described in several different forms of wording. What I seek is the meaning, not the words themselves. This has been achieved by gaining more understanding about interviewees’ background information, by correlating their words with extra information either from their institution’s website or the documents provided by the interviewees about their internationalisation policy stratégic plan/working plans, by comparing one transcript with other transcripts from the same institution. This contextual knowledge helps to interpret the meaning expressed by an interviewee that fits with his/her specific situation. When the contextual
information is not sufficient, in order to make sure the correct interpretation of words or expressions or statement is made, I asked the respective interviewee to clarify them.

3.5 The Validity of Generalisation

The validity of generalisation or generalisability, involves making a reasoned judgment about the extent to which the findings in one study can be used as a guide to what might occur in another situation (Kvale, 1996). It is not easy to define the generalisability of a qualitative research, because the nature of qualitative data gathering and analysis means that such studies are generally limited to a small number of sites or individuals, each of which will have specific contextual features, which presents difficulties in trying to make sense across a number of other sites (Miles, 1979, Eisenhardt, 1989). On the one hand, it is not the researcher that does the generalising but the reader, based on their practical situation (Elliott and Lukes, 2008). On the other hand, a reasonable generalisability can be achieved when a research is built on existing theoretical concepts through comprehensive literature reviews, employs theory-based sampling procedures, follows well-defined data analysis procedures, clearly defines how the findings apply to other contexts, and integrates results into existing research in a coherent fashion to produce results that can be generalised with a greater degree of confidence (Daly et al. 2007). This chapter has explained how these steps have been followed in this research, such as choosing the most suitable research method, the most representative samples, implementing the most careful data analysis, within the capability of the researcher (see 3.3), so that a reasonable level of generalisability can be expected.

Moreover, the common themes that research studies can transcend the particular sites used in that research (Yin, 2003; Creswell et al. 2007). In the context of globalisation, because of increasing connectedness between HEIs, they experience similar demands and consequences, such as dealing with international competition, students with free choice of study abroad, and staff with easier access to sources (Burnett and Huisman, 2010). A full-blown move towards a new ‘archetype’ of the university is not a Dutch reality and this claim certainly holds true for other HEIs within Europe that have many similarities in terms of shifts in governance and policy developments (De Boer et al. 2007). Although this research takes the Dutch higher education
sector as its research subject, the literature review also shows that the challenges of balancing different internationalisation rationales, the difficulties of dealing with the implementation gap, the discussion about applying strategic management practices, and the striving for competitive advantage, can reflect the common patterns in the higher education sector in other Western countries.
Chapter 4 Data Analysis: Three Key Concepts

One of the interviewees remarked that, “internationalisation, competitive advantage and strategic management are the similar kind of terms. It is a buzz word. It is a container, you can throw everything in it. You can even make more buzz combinations like strategic internationalisation, or international competitive advantage” (IP41-RU-int. central). Clearly the empirical data collected by this research cannot establish a definition of these terms, but they will provide us with a range of interpretations of these terms as understood by practitioners. This part of the data analysis therefore aims at investigating how the three key concepts: competitive advantage, internationalisation, and strategic management were understood by the 73 representatives from 16 Dutch HEIs. With examples from the interview data, I first explore the respondents’ interpretations of these three concepts. Thereafter, I compare the similarities and differences existing in two different sectors (RU and UA), as well as across function groups.

The analysis of the interview data started with the coding of each individual interview transcript. I looked for the words each interviewee used to describe any of the three key concepts. This process helped me gain a detailed understanding about how the interviewees interpreted these concepts. Then the phrases in which these words appeared were grouped together as belonging to a single element of the overall interpretation of the concept; for example: “being different”, “being appealing”, “you need to differentiate yourself”, “stand out from the crowd”, “being unique”, “having unique selling points”, “being distinguished”, “we are the only one doing it”, “they can pick your university out from the rest”, “we are not the same as the others” were grouped together and brought under one element, ‘unique selling point, being different’. This data analysis was then carried out institution by institution. During this process I produced a narrative description for each institution. This helped me to develop a detailed understanding of the data in their particular institutional context. Thereafter, subsequent analysis involved looking for general patterns across universities within the two different sectors and across job function levels. Getting through this process helped me to re-organise the data by removing similar quotations by the same interviewee about the same concept, thereby giving me a frequency of use value for each element based on the number of interviewees who referred to that element instead of the number of times it was mentioned.
4.1 To Bring the Data Analysis into a General Picture

This data analysis process led to the identification of 14 distinctive elements for the concept of internationalisation, 12 for the concept of competitive advantage and 12 for the concept of strategic management. These elements are defined and illustrated using quotations from the interviews, in sections 4.1.1 to 4.1.3, below. Frequency tables were constructed by identifying each interviewee who made reference to each of the elements and recording them in the appropriate cell according to their function level and institution type (Tables 4.1 to 4.3). Any individual referring to one of these elements is recorded once only in the appropriate cell, no matter how many references (s)he made to it in the interview.

The figures presented by the tables are valuable in making comparisons, but they cannot be used as an absolute criterion judging the importance of each element in practice. For example, in only one institution, using alumni networks has been identified as the most successful competitive strategy. The same applies to having multiple internationally recognised accreditation certificates in another institution. But when these elements are mentioned by only a tiny small number of interviewees from a few particular institutions, statistically they are placed at the bottom of the ranking list of elements of competitive advantages. In practice, the lowest ranked element can still be as powerful as the higher ranked elements in making a HEI competitive.

4.1.1 Perceptions of Internationalisation

The perceptions of interviewees are summarised and presented in the table below. The number of interviewees identifying each element is entered in the appropriate cell of the table.
<table>
<thead>
<tr>
<th>Elements</th>
<th>Senior management (8)</th>
<th>internationalisation staff at central level (29)</th>
<th>internationalisation staff at faculty level (13)</th>
<th>Academics (23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Student recruitment (88%)</td>
<td>UA(4)</td>
<td>RU(4)</td>
<td>UA(15)</td>
<td>RU(14)</td>
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<td>2. Gaining international experience/competences/knowledge (74%)</td>
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<td>RU(14)</td>
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<td>3. Internationalising curriculum/programmes (67%)</td>
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<td>4. International marketing (62%)</td>
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<td>5. Globalisation/government policy (58%)</td>
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<td>6. Network building (55%)</td>
<td>UA(15)</td>
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<td>7. Improving education/research quality (52%)</td>
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<td>8. A process changing universities (49%)</td>
<td>UA(15)</td>
<td>RU(14)</td>
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<td>9. Student and staff mobility (48%)</td>
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<td>RU(14)</td>
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<td>10. International positioning of the Institution (44%)</td>
<td>UA(15)</td>
<td>RU(14)</td>
<td>UA(7)</td>
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<td>11. Creating international environment (36%)</td>
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<td>RU(14)</td>
<td>UA(7)</td>
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<td>12. Integration into the entire organisation (30%)</td>
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<td>13. The defining features of higher education (27%)</td>
<td>UA(15)</td>
<td>RU(14)</td>
<td>UA(7)</td>
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<td>14. Peacemaking/solving global or societal problems (22%)</td>
<td>UA(15)</td>
<td>RU(14)</td>
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</table>
Element 1. *Student recruitment* covers any comment which refers to recruiting international students. The high frequency of such comments confirms the statement that internationalisation almost exclusively deals with the recruitment of international students (Lunn, 2008). As many interviewees considered the presence of international students to lead to an international environment which is attractive to national students as well, the recruitment of national students is counted here too:

IP23 (UA-int. central): Internationalisation in many cases is still about the number of foreign students who come to study at a university.

IP35 (UA-int. faculty): The very important goal of internationalisation is to get a lot of students into our programs.

IP47 (RU-int. faculty): Internationalisation and international student recruitment has gradually become so important for universities that there’s absolutely no way back.

Element 2. *Gaining international experience/competences/knowledge* covers the remarks made by the interviewees about the contribution that internationalisation can make to the development of an international awareness or perspective among students and staff:

IP19 (UA-int. central): Internationalisation for our Dutch students is basically to broaden their view of the world. It is not meant only for the pure education purpose. It is also for the life experience of students.

IP31 (UA-academic): The main purpose of internationalisation is for students to gain experience in another country which is good for their personal and professional development.

IP48 (RU-academic): It was written in the internationalisation policy of the university that the students of this university have to be internationally competent after they have finished their studies.

Element 3. *Internationalising curriculum/programmes* covers the understanding of the interviewees that internationalisation helps their institution to develop international programmes or add international elements to their existing study programmes. Meanwhile the large number of international programmes (which basically means programmes taught in English) also helps their institution to attract more international students and enrich their students’ international knowledge:
IP9 (UA- senior management): We have been trying to make more English taught Bachelor courses in different disciplines to be more suitable for international students.

IP35 (UA-int. faculty): It is getting more and more important to have an international curriculum, otherwise you will not be able to compete with other institutions. Not only the outlook of being international matters, but even more important the content of your study program should be international.

IP67 (RU-academic): This cooperation with our partner institution has developed further, so our programme. We added a pre-Master programme in order to give better preparation mainly to the international students. We also applied together with a partner university for research funding from the EU, that again helped both universities to improve our research programmes.

Element 4. *International marketing* covers remarks about marketing and branding activities outside the Netherlands. From the statements of interviewees, a clear link can be seen between international marketing and student recruitment:

IP10 (UA- int. central): If we need to be noticed among many others in the world, marketing and branding is the key. That’s what I perceive as internationalisation.

IP17 (UA-academic): The marketing message of the university had promised lots of things including guest speakers from the business world, first-class computers, many practical elements. This marketing message is printed in the folders and presented at the education fairs for attracting international students as well as partners.

IP63 (RU- int. central): The international influx is more of a marketing goal, but still it’s one of the internationalisation goals as well.

IP64 (RU- int. central): It’s the way that you present yourself internationally....You want to sell your product or service all over the world and you have some people functioning like ambassadors who go all over the world and present your products and your organisation.

Element 5. *Globalisation/government policy* includes any remarks indicating internationalisation as a response to aspects of globalisation or to government policies that are themselves a response to globalisation:

IP18 (UA-int. central): A university or a country will not be able to change globalisation. That’s a process that’s driven by the forces that we don’t have any control over.
Internacionalisation is to prepare the students and the staff members to be able to cope with the globalised world.

**IP41** (RU-int. central): Do you think we can still educate students without global knowledge? ... We offer this to people who will live and work in the future world.

**IP35** (UA-int. faculty): There is also the pressure from the government. They see that the business environment is international, it’s very important to prepare your labour force to be able to cope with the international working environment. ... All together we have to internationalise because the outside world is internationalising.

Element 6. **Network building** refers to comments about networks, partnerships or other forms of collaboration with national and international bodies of any sort:

**IP23** (UA-int. central): We want to build a network which allows us to reach out to the whole world. This network should include different people and their universities from all over the place, they can be able to find each other and open for each other.

**IP59** (RU-academic): Internationalisation bring a powerful network for the university. Talented people in universities and industries, good people with good ideas are connected together globally.

**IP67** (RU-int. faculty): Internationalisation is the cooperation between researchers working at all over places in the world. There’s a big exchange network connecting the top universities and companies in the world.

Element 7. **Improving education/research quality** includes the understanding among the interviewees that internationalisation can help HEIs to safeguard and improve their education and research quality:

**IP2** (UA-academic): Internationalisation can bring different angles to our staff and students, which is helpful for the improvement of quality.

**IP23** (UA-int. central): Internationalisation is a very prominent part in the general goals of this organisation, that is to safeguard and improve the quality.

**IP60** (RU-int. faculty): You can use internationalisation to improve your quality, because you can get the most out of the whole world, but not just in your own country or the neighbour countries. ... The pool of bright students and staff is enlarged when you go for internationalisation.
Element 8. A process changing universities shows that internationalisation is also understood as bringing changes to HEIs. These changes are not only in terms of developing English taught programmes, having increasing number of international students, etc., the impact of these changes has gone deeper into changing the mindset of students and staff:

IP19 (UA-int. central): When I started we didn’t have any international programmes, we started slowly and expanded it. At the moment we have a large number of international programmes. Having international programmes also brings other changes, more international students coming to this university, higher level of English required from your teachers, English written text explaining all kinds of facilities and services. Internationalisation has changed the landscape of universities.

IP10 (UA-int. central): What I see in the seven years when I work here, in the past we were a real Dutch university. Dutch to the core, so all those teachers are Dutch to the core as well. They might not be able to change their mindsets or not willing to change it, especially those who have worked here for more than twenty years. Internationalisation in many cases is about changing people’s mindsets.

IP52 (RU-senior management): Many things are not comparable with what is happening now. In my old campus, everybody was white and Dutch looking, now we have a totally mixed population. ...The numbers are totally different. When the number of international students or staff is increased, the impact can be seen everywhere. Many years ago most of the study materials were in English, but every course was taught in Dutch. Now all the courses are taught in English. It’s totally different now.

Element 9. Student and staff mobility refers to any activities that involve movements or exchanges of home students or staff with foreign institutions:

IP18 (UA-int. central): For students we prepare them with the international job competences. For the staff member we require them to go into the process of becoming an internationally recognised professional academic in the field of their expertise. Therefore, we try to improve the mobility of both students and staff. That is one of our focus in internationalisation.

IP63 (RU-int. central): We will stimulate our students to go to other universities for exchange or further study or whatever, but that’s only interesting if we get at least the similar amount of students back from the partner institutions, because we have to balance the incoming
and outgoing students. Therefore, we make the growth of incoming and outgoing students population as our second goal of internationalisation.

Element 10. International positioning of the institution covers any statement which places the Dutch institution in relation to the international higher education community. This may be expressed explicitly in terms of ranking or in terms of less precise measures, such as ‘reputation’:

**IP25 (UA-int. central):** For me internationalisation means in brief that we prepare the institution to have a good position in the international environment in which universities and companies work together on the global stage.

**IP27 (UA-academic):** We hope it will help position our university from being a regional university to a European university of applied sciences. That is what we have in our minds to apply internationalisation in this university.

**IP57 (RU-senior management):** If we want to be a good university, we have to be generally international. In order to get really high in the rankings and be an even better university, we have to be international.

Element 11. Creating international environment covers remarks about making the Dutch university environment more international in every respect, for example: having more nationalities on campus, promoting multicultural classrooms:

**IP18 (UA-int. central):** We think that the international students and the international programmes can contribute to an international study environment in which Dutch students and international students all have the feeling of being international.

**IP48 (RU-academic):** The university has a strong drive to carry out internationalisation. .. It is necessary because the international programmes need to be run and an international environment needs to be created successfully, if you want to get internationalisation process truly going.

Element 12. Integration into the entire organisation covers the integration of internationalisation into the entire organisation, the integration among different cultural groups formed by the increasing number of international students from the same country, and the integration with the local Dutch community. Integration itself is a kind of change brought by internationalisation to
the university, so there is a grey area between this element and Element 8. Comments were
assigned to Element 12 if they included an explicit reference to integration.

IP7 (UA-academic): I want more staff members to come into contact with the international
students, so they benefit from their presence. I don’t want to be seen as a cliché or club to
be exclusive. You want people to feel that this is not just something that some teachers do
in this department, but something that is integrated.

P12 (UA-int. central): Internationalisation of an education institution should ultimately lead
to the institutionalisation of international elements in everything you do, whether it’s
research or education, whether it’s helping students or communicating internally and
externally. Whatever you do, you need to bring an international angle in all you activities.
The institution has to be drenched with the international aspects.

IP55 (RU-int. faculty): In my view internationalisation should encompasses everything. It
should be integrated into everything that we do on campus.

Element 13. The defining features of higher education refers to the remarks that interviewees
expressed that internationalisation or anything international is part of the defining features of
higher education institutions and activities:

IP34 (UA-int. central): Knowledge has no borders. The research projects we do are international
in nature because you need a lot of expertise across European countries to train students with
certain competences.

IP41 (RU-int. central): We think if you are not international, you don’t exist. For us
internationalisation is a natural thing we ought to do. We think so, we say so, and we act
accordingly.

IP42 (RU-academic): International cooperation is not something new or unique for us. Our
subject has always been international. We work with institutions and research groups
everywhere in the world. We just look for the people with whom we can cooperate in doing good
research. Whether they are in Germany or far away in China, we don’t care. This is has
something to do with the fact that the research problems we deal with are often universal.

Element 14. Peacemaking/Solving global or societal problems covers the ideological rationales
of internationalisation.
IP35 (UA-int. faculty): If you think subjects like climate change and sustainability. We are all connected and all together. We have to start with working together. The first step of working together to deal with these problems is internationalisation.

IP59 (RU-academic): Internationalisation is in my opinion to attract the top talents from all places in the world, from the scientific world and the industry, from all kind of societies to develop scientific improvements for the future world.

IP62 (RU-int. central): For me personally internationalisation is really so important that children or students can live in a multicultural society peacefully by having contacts with different cultures and different peoples at an early stage.
### 4.1.2 Perceptions of Competitive Advantage

#### Table 4.2 Elements of Competitive Advantage

<table>
<thead>
<tr>
<th>Elements</th>
<th>Senior management (8)</th>
<th>Internationalisation staff at central level (29)</th>
<th>Internationalisation staff at faculty level (13)</th>
<th>Academics (23)</th>
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<tr>
<td>1. Quality of</td>
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<td>1.1 Education/research (82%)</td>
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<td>1.2 Buildings/facilities/services (49%)</td>
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<td>3. Unique selling point, being different (60%)</td>
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<td>4. Growth of student numbers (52%)</td>
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<td>5. Ranking position (37%)</td>
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<td>6. International partnerships/cooperation (36%)</td>
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<td>7. Location/living environment (29%)</td>
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<td>8. Doing better, being the best (26%)</td>
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<td>9. Experiential knowledge (23%)</td>
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<td>10. Competitive position of the Netherlands (22%)</td>
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<td>11. Alumni network (10%)</td>
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<td>12. Accreditation certificate (4%)</td>
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Element 1. **Quality** is divided into two sub-elements:

1.1 *Quality of education and/or research*

**IP3 (UA-int. faculty):** Eventually it is about quality, if you have a good quality, you will always be competitive.

**IP57 (RU-senior management):** The real competitive advantage, actually the source of all competitive advantage like rankings position and reputation is the quality of your education programmes. Basically you should search competitive advantages by going back to the resource of your institution to see what you teach and how you teach, how students experience everything that you offer to them.

**IP58 (RU-int. central):** Competitive advantage is in the quality of your education. Rankings, reputation, accreditation, these are the outcomes of the quality of your education. They are some kind of indicators to show your quality to the outside world.

Element 1.2 *Quality of buildings, facilities and services* is acknowledged as a key performance measure for excellence in education and a major strategic variable for universities as service providers to increase their market position. By addressing relevant service quality elements that are important to international students, universities are able to improve student satisfaction, a key factor contributing to benefits such as student retention, positive word of mouth communication, and competitive advantage (McFadyen *et al.* 2001).

**IP8 (UA-academic):** In the world market, it can be a bit complicated because our quality is not well known yet. When students don’t know you well, they look at other issues like price, location and difficulties of getting a study visa, etc.

**IP52 (RU-senior management):** Another competitive advantage we have is the facilities and services which are very much designed for meeting the needs of international students.

**IP58 (RU-int. central):** Service aspects are paid more and more attention, because they have many influence on the decision of students whether they like to come to study at your university, whether other universities like to cooperate with you...These additional aspects can have influence on your competitive advantage.

Interestingly, the university website was particularly mentioned by several interviewees as a kind of facility that makes them competitive, because according to them this is the most important medium through which international students get information and their first impression of the university.
IP11 (UA-int. faculty): One of our competitive advantages is our website which is built up in several different languages of the target countries we have chosen.

IP19 (UA-int. central): The website is very important. We started three years ago with a total new website for international students, which is very accessible and very user friendly for the students in different countries in the world.

Element 2. **Reputation/brand/image/attractiveness** includes statements referring to reputation, brand, image, name, etc – any reference to symbolic signifiers of quality rather than quality itself.

IP8 (UA-academic): Because we have a good reputation, we don’t have problem to recruit students or getting money from the government or other funding organisations. When you have a good reputation, others want to be connected with you, they want you to be a member of the associations or committees. This is the competitive advantage coming with the good work we do.

IP52 (RU-senior management): Competitive advantage is also your reputation which is partly based on the truth like rankings, number of publications, etc. Partly it is about how you present yourself, like showing with your website and in the press. It’s very important for an individual as well as a university to have a good appearance. This appearance is partly made up by the truth, partly is made up by your image building. If you’re always hiding yourself, nobody will ever notice you, even when you have a good quality.

IP59 (RU-academic): I am very happy with the brand of this university, absolutely we are famous for our name. All the students coming here are attracted by our name. So the name we have is very helpful for being competitive.

Element 3. **Unique selling point, being different** includes different ways in which an HEI can be unique, specialised or just different and distinguishable from others.

IP10 (UA-int. central): You try to identify what makes you unique compared to the rest, you try to find answers on why a student would come to your university instead of another university.

IP20 (UA-academic): The new tendency is that we see more and more universities that would like to distinguish themselves from the rest. If we have to go along that path of being competitive, we have to look more outward and compare ourselves to other universities of applied sciences and try to discover in what way exactly we can distinguish us from the others.
IP57 (RU-senior management): our very first competitive advantage is our unique education method.

Element 4. Growth of student numbers appears as an indicator of competitive advantage.

IP1 (UA-int. faculty): The number of candidates who show up at our intake interview and finally come here, that is what we look at whether we are competitive. It’s a very simple concept.

IP23 (UA-int. central): No matter whether we say we compete with education quality or services, in the end the commonly used indicator is really the number of students who come to your university.

IP61 (RU-int. central): This is an example showing you our competitive advantage. One of our competitors received about 3000 applications last year for Master programmes, we received only 200 more applications than that university. But in the end about 25% of our applicant students decided to come to us and less than 10% of their applicants finally enrolled at their institution.

Element 5. Ranking position was referred to as another indicator of competitive advantage, specifically related to quality, and student choice of a programme or an institution.

IP34 (UA-int. central): Having competitive advantage for today’s university means ranking.

IP49 (RU-int. central): Students do choose where to study based on the information of rankings. We are paying more attention to our ranking positions.

P69 (RU-academic): One of these competitive advantages is our ranking position. We are relatively high on the Shanghai Jiaotong ranking, which we of course flash out every day.

Element 6. (Inter)national partnerships/cooperation covers comments that suggest an advantage can be gained through collaboration or association with other institutions, particularly those of high quality and perhaps with complementary qualities, both within and beyond the Dutch system.

IP7 (UA-academic): Another competitive advantage we have discovered through internationalisation is our international contacts. The international contacts help you to tap into their resources like staff members and contacts.

IP14 (UA-int. central): We are a small school, at a not well known location. So my focus on being competitive is really on the collaboration and the joint projects we will do with our international partners.
IP43 (RU-academic): If competitive advantage would be needed by universities, they enter the competition for reaching the collaborations with many other excellent institutions or research centres. The strength of our creative forces should be found in collaboration. The best collaborator is the winner of the competition.

Element 7. *Location/living environment* can actually mean two different things in the sense that location is a fixed place that an institution cannot choose, whereas the living environment in a city where a HEI is located plays a role in the student’s choice patterns. However, I decided to place these two factors under one element because they were often mentioned together by the interviewees, and the selected HEIs use them also together in marketing and promotion.

IP2 (UA-academic): Also the competitive advantage depends on where you are located... There might be higher competition in the cities where more universities are located with similar study programs. It is not true in our case. We lose some students to schools in Amsterdam, because that is the big city where some students want to go.

IP11 (UA-int. faculty): I also think that living experience could be a competitive advantage. This city is a nice and safe student city as opposed to Amsterdam or Rotterdam. Some people value this more than other factors.

IP69 (RU-academic): One of these factor influencing your competitive advantage is students’ experience during their study. We have a beautiful city, but not many people know it before they come. Housing is another issue, the location of this city has made it very popular for young students. That drives up the housing prices. It has become increasingly difficult for students to find suitable apartments for an affordable price.

Element 8. *Doing better, being the best* covers the meaning of “doing better than others”, “being excellent”, “to be on the top”, “to be the best”, and “having a leading position”. Such statements include a comparison of some sort that is explicit in the term ‘comparative advantage’, but without reference to a formal ranking system.

IP4 (UA-senior management): On all fronts, you have to be better than good in order to compete.

IP20 (UA-academic): We would like to be the best academy with the best students with the best field contacts, with the highest rating in our field, with most international teachers. We are not so far yet, but these are the competitive advantages we need to build.
IP52 (RU-senior management): Having competitive advantage means that you can do relatively better than others.

Element 9. *Competitive position of the Netherlands* is also an environmental issue but differs from Element 7 in that it refers to perceptions of the general Dutch environment rather than a specific site within the country and, as such, is a competitive advantage shared by all Dutch institutions.

IP38 (UA-academic): The competitive advantage of Dutch universities of applied sciences is the competitive advantage of the Netherlands. We compete with universities from other countries in the international market, there should be some kind of general competitive advantage for all of us.

P69 (RU-academic): Having a good public health service is very important, having a reputation of being a safe and friendly country is very important, having a sound economic situation where consumer products are not too expensive is very important. In all these aspects we as a country have relatively high competitiveness.

Element 10. *Experiential knowledge* covers expertise gained through experience in the fields in which the institution is trying to compete.

IP15 (UA-senior management): our first competitive advantage is we know how to enter a new market, get our project through the governmental approval process. This know-how and experience has been gained throughout the years since we have been engaged in international education.

IP41 (UA-int. central): Our competitive advantage is also that many people working at this office have a long time experience, we do know quite well who is working on what where and whether what they do has any political importance for the university.

IP65 (RU-int. central): Our staff have a lot of experience in doing projects all over the world... they travel around the world, they teach internationally, they have advisory tasks all over the world. Therefore, the implementation of international projects will be more successful, that’s a big advantage for us.

Element 11. *Alumni network* can be important for establishing wider awareness and reputation.
IP16 (UA-senior management): Our alumni form a very powerful network for us in the world. That is also our competitive advantage.

IP61 (RU-int. central): The effect of having satisfied students is even more important for the university when our graduates go to all different countries in the world. If they would keep the virtual connection with us, they will spread the good word about us, this university will then always be on the world map.

Element 12. Accreditation certificate refers to formal systems of recognising quality.

IP18 (UA-int. central): Your quality standards should be acceptable throughout the Netherlands and further in Europe and the rest of the world. So meeting the accreditation quality standards of the Dutch government and the EU is one of the things that can make you competitive.

IP54 (RU-int. central): We have been accredited by a number of Dutch and international accreditation committees, that is really one of our competitive advantage when we recruit international students, because it gives us a certain status.

4.1.3 Perceptions of Strategic Management

The perceptions of interviewees are summarised and presented in the table below. The labels given to some of the following elements are self-explanatory, therefore no extra explanation is added.
Table 4.3 Elements of Strategic Management

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<thead>
<tr>
<th>Elements</th>
<th>Senior management(8)</th>
<th>international staff at central level(29)</th>
<th>international staff at faculty level(13)</th>
<th>Academics (23)</th>
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<td>UA(4)</td>
<td>RU(4)</td>
<td>UA(15)</td>
<td>RU(14)</td>
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<tr>
<td>1. Making choice / being selective / having focus / setting priority (73%)</td>
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<td>2. Well organised/good coordination/structured/efficiency (59%)</td>
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<td>3. Decisions and plans made at the management level (58%)</td>
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<td>4. Planning based on rational and analytical thinking/ setting target/monitoring (58%)</td>
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<td>5. Creating a strategy/giving direction and guidelines/having a vision or a goal (52%)</td>
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<td>6. Having collective action / involvement and commitment of staff (51%)</td>
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<td>2</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>7. Matching internal and external factors/having adaptability and flexibility (47%)</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>8. Having a long-term orientation (47%)</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>9. Making changes within the organisation (32%)</td>
<td>2</td>
<td>2</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>10. Giving supports, facilitating ideas and initiatives (32%)</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>11. Being effective (19%)</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>12. Using instinct and intuition, being creative and innovative (15%)</td>
<td>1</td>
<td>0</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>
Element 1. Making choice / being selective / having focus / setting priorities

IP4 (UA-senior management): In a huge organisation like ours, strategic management means you have certain policy priorities. You need to stay focused.

IP54 (RU-int. central): Strategic management is about following steps to help you select your focus for different purposes, to choose what gives you the most benefits.

IP52 (RU-senior management): In the strategic plan you can select the part of the world where you will develop a network for student recruitment or partnerships. The strategic plan also makes a selection on what sort of products you should put into an education market. Also we won’t include a university of applied science in our international network, because it doesn’t fit with the strategic plan in which we decide our focus is on research.

Element 2. Well organised / good coordination / more structured / efficiency

IP1 (UA-int. faculty): We go there and work three or four days, we have a sufficient number of good students for the whole year. It is very efficient, I do think it is strategic.

IP42 (RU-academic): Without a certain degree of coordination, too many activities just make the relationship chaotic, very unstructured. You do need to manage that strategically.

IP57 (RU-senior management): Internationalisation needs to be more organised and coordinated, that is what we are trying to do with strategic management.

Element 3. Decisions and plans made at the management level

IP6 (UA-int. central): Someone needs ultimately to make that decision, that decision making process seems to go back and forth between different members of the Board. ..That has to do with the strategic direction of this organisation, and that has to come from above.

IP23 (UA-int. central): Strategic management should be done at the highest possible level, because the people at that level should take care of the whole university has a good connection with the external world where we get our funding and provide employment opportunities for our students.

IP52 (RU- senior management): The university strategy is the sum of decisions the executive board makes.

Element 4. Planning based on rational and analytical thinking / setting targets / monitoring refers to the - “hard side” - measurable part of strategic management.
IP4 (UA-senior management): In my opinion the real strategic thinking is much more about good planning. ..Mainly what higher education institutions may be lack is the strategic component which starts with good planning.

IP21 (UA-int. central): Our success in internationalisation is because of careful planning and implementation. Also because we have very limited time, everyone is required to be multifunctional, so we really need good planning, otherwise you won’t be able to meet the deadline.

IP47 (RU-int. faculty): Now everything we do, every money we invest needs to be measured based on the results. If we can’t measure it, then we should think maybe not to do it. We cannot pay money endlessly to learning without seeing any result. Planning is getting more critical for strategic management today.

Element 5. Creating strategy / giving direction and guidelines / having a vision or a goal

IP9 (UA-senior management): More strategic management is needed because a clear vision needs to be defined and a strategic plan needs to be created in order to realise that vision.

IP52 (RU-senior management): This university applies strategic management to internationalisation in the sense that we make the strategic plan for every five years. ..The strategic plan is a guideline for people working in this organisation to decide which step to take, because their initiatives should fit into the strategic plan.

IP57 (RU-senior management): So your vision is the main goal you want to achieve. Keeping this goal in your mind, you can have a guideline for carrying out activities, you can coordinate them toward the goals, and you can decide to invest in certain things or not. That is what you need to have of internal strategic management.

Element 6. Having collective action / involvement and commitment of staff

IP13 (UA-int. central): It is very important for strategically managing internationalisation to get as many as possible of your staff members involved in international exchanges or international collaborations. ... it is my conviction that if you strategically and very systematically involve more staff in international relations, then that will have a very positive effect.

IP35 (UA-int. faculty): A critical part of strategic management is that you need the staff’s commitment toward your strategic plan. If you can’t get that, you can forget about it.
IP61 (RU-int. central): They[staff] might be more interested or less interested in internationalisation, they might be in different phases in the internationalisation process, but they must put efforts together, that is important for realise any strategic plan.

Element 7. Matching internal and external factors / being adaptable and flexible includes references to awareness of and alignment with external forces, trends, etc. Adaptability and flexibility are necessary when institutions match their internal factors with the external circumstances and adjust strategy accordingly. The constant process of matching external and internal factors leads to the self-improvement of the institution. This self-improvement is considered a purpose of strategic management.

IP71 (RU-senior management): Strategic management is to follow the market, to discuss with your colleagues in this field, take a look at what IDP Australia is doing, take a look at what the British Council is doing, take a look at what your colleagues at other universities are doing, to translate that to a policy for your own university, to discover the new trends and inform your board, and then to adopt into your own strategy.

IP49 (RU-int. central): Depending on the changing circumstances, you make decisions accordingly. You need to be flexible and your plan needs to be adaptable.

IP21 (UA-int. faculty): We do a good research about the market, develop the plans and implement the plans accordingly. ...Once you are successful, you also want to maintain that success and develop further, so you keep on building up on your previous success. That is what we have been always doing, start something and manage it and improve it. That is your purpose of applying strategic management.

Element 8. Having a long-term orientation

IP7 (UA-academic): The idea of strategic management is that you got to think long-term. Education and internationalisation is not a short term policy area.

IP8 (UA-academic): Strategic management in my opinion is nothing more than the long-term focus. Because we are not profit makers, our focus is the long term benefit for the next generation.

IP44 (RU-academic): I think the key element of strategic management is its focus on time range. Normally people don’t call tomorrow’s decision as strategic. We label something to be strategic if it’s meant for 5 to 10 years ahead.
Element 9. *Making changes within the organisation* covers initiating something new or different in order to prepare the organisation for the future.

**IP4 (UA-senior management):** Strategic planning should intend to make a change and a movement in the organisation. If everyone has gone through this training and really thought about how each individual would start to translate their thoughts in study programmes, in daily contacts with students, etc. then we have made a huge change in this organisation. It is strategic because you make them ready for the future, and for better. The strategic plan has the goal of change for improvement.

**IP40 (RU-senior management):** A strategic decision we made was to make English taught programmes. That change did not happen in one day. You have to invest and prepare the whole university community for that change.

Element 10. *Giving support / facilitating ideas and initiatives*

**IP20 (UA-academic):** If I can call this strategic management, it is about giving time and space to the people to try out things, because internationalisation is still new in this organisation. You cannot just assign a task to a teacher, you need to facilitate. You need to acknowledge that they make a lot more effort such as travelling, preparing lectures in English, because our teachers do international activities next to their regular teaching job. Actually what they need is not always the kind of support in terms of time and money; sometime it is just the recognition and the efforts you make to try to support them.

**IP48 (RU-academic):** The important motor of internationalisation is the enthusiasm of individuals who just like to do it. Therefore, strategic management is the manager’s capability to acknowledge, support, facilitate this motor.

Element 11. *Being effective* overlaps with efficiency sometimes, and the two concepts may be conflated, but is recorded separately because some interviewees clearly do recognise the need for effectiveness in achieving desired outcomes, although they use the word “efficiency” and “efficiently”. In their view the current strategic management has the main focus on measurable results which are only the indicator of efficiency, but not necessary of effectiveness. It is interesting to note that “effectiveness” (13 quotes) has been mentioned to a much lesser extent than “efficiency” (30 quotes) regarding strategic management.
IP1 (UA-int. faculty): Whether it is strategic or not, we look at the effectiveness. Effectiveness is compare how much time we have to spend and how much money we have to invest in promotion activities in order to get the students.

IP25 (UA-int. central): Strategic management for me, first I believe that a good organisational management structure is needed for doing internationalisation effectively.

Element 12. Using instinct and intuition covers the so called “soft side” of strategic management which is more related to human factors and personal choices.

IP4 (UA-senior management): Strategic management at the end and especially the critical moment, is done by following your intuition.

IP14 (UA-int. central): Strategic management on the other side is about making sense. You observe, you feel, you try to make sense from what you see and hear, but do not only rely on the information you have.

IP60 (RU-int. faculty): Strategic management works theoretically. In practice you do your work, make daily decisions by your instinct. That instinct is not unreasonable, because it is based on your knowledge and work experience in this organisation.

4.2 Data Analysis Along the Sector Dimension

The above analysis has identified a large number of elements in the respondents’ understanding of the three key concepts. To make the comparison between the two sectors more manageable and meaningful, it is necessary to identify where there are ‘significant’ differences among the elements. The significance of any difference depends not only on its size, but also on the relative importance of the element to which it applies, as measured by the overall frequency with which it was mentioned. If it is a low ranked element anyway, the size of difference will be of less concern. A ‘proportional difference index’ (PDI) is, therefore, calculated for each element by multiplying the raw, absolute difference in frequency between the two sectors by the frequency of its occurrence across all institutions, in both sectors (see Table 4.4, 4.5 and 4.6, Figure 4.1., 4.2 and 4.3). This adds a weighting to the raw difference score in order to reflect the importance given to the element by the respondents. A high PDI score may therefore reflect the significance of differences between the two sectors, where ‘significance’ may refer to the size of the
difference in frequency or the importance of the element, or a combination of both of these. Both indices can be valuable for data analysis and interpretation. The same PDI calculation method is also applied to the data analysis along the job function dimensions (see Table 4.8, 4.9 and 4.10, Figure 4.4, 4.5 and 4.6).

4.2.1 Data Analysis on *Internationalisation* Along the Sector Dimension

Table 4.4 Data Analysis on *Internationalisation* Along the Sector Dimension

<table>
<thead>
<tr>
<th>1. Student recruitment (88%)</th>
<th>UA</th>
<th>RU</th>
<th>difference</th>
<th>PDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Gaining international experience/competences/knowledge (74%)</td>
<td>77%</td>
<td>71%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>3. Internationalising curriculum/programmes (67%)</td>
<td>79%</td>
<td>53%</td>
<td>27%</td>
<td>18%</td>
</tr>
<tr>
<td>4. International marketing (62%)</td>
<td>62%</td>
<td>62%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>5. Globalisation/government policy (58%)</td>
<td>54%</td>
<td>62%</td>
<td>-8%</td>
<td>-5%</td>
</tr>
<tr>
<td>6. Network building (55%)</td>
<td>51%</td>
<td>59%</td>
<td>-8%</td>
<td>-4%</td>
</tr>
<tr>
<td>7. Improving education/research quality (52%)</td>
<td>36%</td>
<td>71%</td>
<td>-35%</td>
<td>-18%</td>
</tr>
<tr>
<td>8. A process changing universities (49%)</td>
<td>41%</td>
<td>59%</td>
<td>-18%</td>
<td>-9%</td>
</tr>
<tr>
<td>9. Student and staff mobility (48%)</td>
<td>64%</td>
<td>29%</td>
<td>35%</td>
<td>17%</td>
</tr>
<tr>
<td>10. International positioning of the institution (44%)</td>
<td>26%</td>
<td>65%</td>
<td>-39%</td>
<td>-17%</td>
</tr>
<tr>
<td>11. Creating international environment (36%)</td>
<td>36%</td>
<td>35%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>12. Integration into the whole institution (30%)</td>
<td>31%</td>
<td>29%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>13. The defining features of higher education (27%)</td>
<td>10%</td>
<td>47%</td>
<td>-37%</td>
<td>-10%</td>
</tr>
<tr>
<td>14. Peacemaking/solving global or societal problems (22%)</td>
<td>21%</td>
<td>24%</td>
<td>-3%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Figure 4.1 Difference and PDI: *Internationalisation* Along the Sector Dimension
For analysing the data about internationalisation, I am taking a continuum of PDI (from 18% to 0%) and turning it into two distinct categories by cutting it off at the 9% level. This is by no means meant statistically significant, but is used as an indicator.

The main differences between the UA and RU sector exist in the following 6 elements:

Element 3. Internationalise curriculum/programmes: The proportion of UA interviewees mentioning this issue exceeded that of the RU staff by 27% (PDI 18%). One possible explanation of this can be based on RU's longer tradition of being international. The curriculum and programmes in the UA sector still need to be internationalised, while they at the RUs are relatively more international or more suitable to be internationalised based on RUs' longer experience with international students and a common UA central purpose of serving the local development needs. One of the more obvious aspects of this programme of internationalisation is the switch to delivering courses in English, as 'the language of internationalisation' in many spheres of life:

IP54 (RU-int. central): This university already has many English taught programmes before internationalisation became a fashion like it is today.

IP41 (RU-int. central): Among the Master programmes, only a minority offered in Dutch, most of them are completely taught in English already at a very early stage.

IP19 (UA-int. central): To get foreign students to the Netherlands, to join our programmes, we have to develop programmes taught in English... When I started we didn't have any international programmes, we started slowly and expanded. At the moment we have over twenty international programmes.

The primary emphasis in internationalisation tends to be the increased recruitment of international students, which, at a later stage, leads to the realisation that curricula need to be internationalised to meet the needs of the changing student population, and even became a strategy to attract even larger numbers of such students. That is, the internationalisation of curricula begins as a response, or a reaction, but then becomes a proactive measure to assist in further internationalisation.

Element 7. Improve education/research quality: The proportion of RU interviewees mentioning this issue exceeded that of the UA staff by 35% (PDI 18%). The difference can be explained by
interview data showing that the research quality in particular, referred to by one respondent as “the lifeline” of RU, really depends on the international PhD students and research staff they can recruit through internationalisation. A considerable number of RU interviewees claimed that education and research quality is improved by having international students in the classroom, as they function as a role model for Dutch students in terms of seriousness, work ethic and ambition.

**IP45 (RU-int. central):** The international students on average score one point higher on their exams than the Dutch students. There are exceptions, but the majority of them are more disciplined, more motivated, more focused on their studies, because it is a lifetime opportunity for them to study abroad.

**IP44 (RU-academic):** We noticed that the average study results of international students are higher than those of the Dutch students. These Chinese students have increased the average level of the courses they attend. That puts pressure on the Dutch students. I am convinced that the level of Dutch students will be increased by studying together with international students.

This seems not to be echoed by the interviewees at the UAs, most of whom linked the presence of international students to the creation of an international environment for the home students to motivate them to go abroad or to give them international experience even without leaving the Netherlands. English language skills and international experience have even been used for selecting new staff and their development is promoted among the current staff. The interviewees at the UAs relate these changes more to enhancing the capacity to receive international students and meet their education demands, rather than to the improvement of their education/research quality. In fact many of the UA sector interviewees considered the international students as benefitting from rather than contributing to Dutch education, which is more advanced than that in their home countries (especially developing countries).

**IP38 (RU-academic):** The Chinese students are really interested in our practically oriented way of teaching. They have never been in an international environment, never learned to speak to teachers and have open discussion during the lecture. Actually some Chinese teachers have also shown interest. From the faculty level to the president, they have openly acknowledged the advantage of our education concept.

**Element 9. Student and staff mobility:** The proportion of UA interviewees mentioning this issue exceeded that of the RU staff by 35% (PDI 17%). It is almost certainly an oversimplification to
interpret this as suggesting there is more staff and student mobility in the UAs than the RUs, knowing that the proportions of international students are similar in the two sectors (though varying considerably from institution to institution). But the RUs, as with similar institutions globally, have a long history of international contacts, international research cooperation, attending international conferences, etc. Such practices are firmly established in the RU sector and are seen as a normal part of their job, so the interviewees paid much less attention to this element. The UAs, on the other hand, have tended to have a much more explicitly regional focus in their activities and their international involvement is relatively new. So I would interpret this figure as indicating that the UAs are still working intensively on this element in order to become more international, while the RUs have already passed that stage.

**IP9 (UA-senior management):** In the research universities, a lot of their staff have international contacts in their own disciplines. This is not the same for the university of applied science. ...To make progress in internationalisation, you also need more and more lecturers who are interested in international activities. That sometimes is a problem. They don’t want to go away, they want to stay home, they have families. It’s not very common for our teaching staff to go abroad to teach at other universities. Only a few lecturers want to go abroad.

**Element 13. The defining features of higher education:** RU interviewees (47%) were much more likely than those from UAs (10%) to express the opinion that higher education is international in its basic nature, which implies that the longer a HEI is established, the stronger these features it possess. This view is not yet strongly presented in the UA sector, possibly because they were established with the goal of enhancing regional development as is shown by the interview data presented above; internationalisation was not a part of their founding rationale. The fact that the RU interviewees give a much greater emphasis on the defining features of HEIs, can be interpreted as that the RU interviewees still strongly distinguish the RUs from the UAs, thereby tend to reinforce the more prestigious position of the RUs. It is worth mentioning that the interviewees from the UA sector in general stated that it is very difficult or even impossible to compare their institutions with the RUs. The interviewees from RUs commonly did not like to be compared with universities of applied sciences either. Some of them even insisted on using the title of ‘college’ rather than ‘university’ when referring the universities of applied sciences.
Element 10. International positioning of the institution: The proportion of RU interviewees mentioning this issue exceeded that of the UA staff by 17%. We can link this element with Element 5. Ranking position of ‘competitive advantage’ (see section 4.1.2, above), and see that almost equal weight was given by the RU interviewees to these two elements. Knowing that the most popular international rankings only include the RUs, I conclude that the RUs see internationalisation as a means to achieve and improve their ranking position, which marks their international position. Putting it the other way around, they intend to establish their international position through international cooperation and partnership, joint research, educational exchange, etc. in order to improve their ranking position. Neither of these ways is commonly applicable for the UAs because they are not included in the international rankings, only minimally involved in national rankings. This means that they have no independent means of measuring their relative international position, thereby reducing the significance of the concept for their institutions.

IP1 (UA-int. faculty): But the rankings don’t tell everything about universities of applied sciences, people don’t only rely on the rankings either. Actually when you go to a conference, you talk to somebody, you meet him again and again, then you have an exchange partner. This is how it happens in most of the cases.

IP18 (UA-int. central): We know that a university of applied sciences will never be able to get into the world rankings which is a research output based ranking.

Element 1. Student recruitment: does not score the highest difference, but since it is the number one priority of internationalisation, the proportional 11% difference in favour of the RUs needs to be addressed. One possible explanation is that, internationalisation in the UA sector has been criticised as seeking quantity (student recruitment) at the cost of quality (quality of students).

IP59 (RU-academic): Several years ago internationalisation was driven by money. When universities are in a difficult financial position, they need students from abroad to pay tuition fees. As long as a student can pay the fee, they did not look at the quality of the student. Still many universities, especially those UAs, are doing this probably, but that is killing universities.

The interviewees from the UA sector apparently are distancing themselves more from this element. To relate this difference further to Element 10. International positioning of the institution, for the UA sector, marketing is first and foremost about recruitment, whereas for RUs it has two purposes. Recruitment is a concern of RUs, but a more general goal of establishing an
international reputation or position receives more attention. Unlike the UA sector, research activities are a core component of the business of the RU sector and international positioning is important for attracting research partners and talented students. The proportional 18% more value given by the RUs to Element 7. Improve education/research quality confirms this.

On Element 8. A process changing universities UAs and RUs are different in their perceptions about internationalisation, but only to a limited extent. This element is more commonly expressed by RU respondents (59%) than those at UAs (41%), which indicates that the RU respondents view internationalisation as bringing more changes to their institutions than those from the UA sector. However, the majority of interviewees claim that the RUs are traditionally more international than the UAs, so one may expect that the changes brought by internationalisation will be much more influential at the UAs which were historically not international at all. This contrast may be explained in terms of the observation that the form that internationalisation is now taking is different from that in the history of RUs. The contemporary way of thinking about and implementing internationalisation has a new dimension of marketing.

IP6 (UA-int. central): Internationalisation means two things, the internationalisation of the organisation and the international marketing... The university of applied sciences is far more businesslike, far more pragmatic about dealing with everything. I don’t want to generalise, but I think the universities of applied sciences accept the idea of using business models more easily than a lot of research universities. The way our organisation is set up is more according to the businesslike model than traditional research universities where academic staff members are independent. Using business models for us is not such a big issue. The changes caused by applying these ‘business models’ such as an increased central direction of activities and an emphasis on business-like management are contrary to the traditional way of being international at RUs. In addition, UA interviewees claim that their subjects and methods are more tuned to market developments, their organisational structure and working processes can be more easily adjusted and changed, and their staff can be more interested in and enthusiastic about the new changes.

IP39 (UA-int. central): There are a lot of new opportunities for higher professional education. Basically their education model is very practically oriented, therefore they are more flexible in following market developments. They have a much shorter history than the research universities, a more business-like, less academic style of management.
When contemporary internationalisation is led more by an economic rationale and marketing activities which are seen as threats to their traditional academic rationale by the RUs, but as opportunities by the UAs, the resulting changes might be experienced by the RUs more than the UAs.

Among the 14 elements of internationalisation, seven are identified as having similar values in terms of Difference and PDI, implying that on these aspects UAs and RUs’ perceptions about internationalisation are similar to each other.

Element 4. *International marketing*
Element 11. *Creating international environment*
Element 12. *Integration into the whole institution*
Element 2. *Gaining international experience/competences/knowledge*
Element 5. *Globalisation/government policy*
Element 6. *Network building*
Element 14. *Peacemaking / solving global, societal, local development problems*

Both sectors largely share similar understandings of internationalisation, but differ in their understanding of the implications of internationalisation for their own sector. Where there is a difference in their perceptions of internationalisation, it is related to differences in their basic function and rationale for their creation: for the UAs, research is not their primary function, for the RUs it is. So international student recruitment, particularly at undergraduate level, is less important for the RUs; it is only a small part of their internationalisation effort. For the UAs the main benefits of internationalisation come from recruitment, they identified these benefits as generating extra income and creating an international environment, thereby giving international experience and knowledge to the local students. Financial benefits also accrue to the RUs as the result of active involvement with internationalisation, but they have the option of getting both research funding and tuition fees, instead of only relying on tuition fees.

In both sectors, highly ranked RUs and a few better positioned UAs are less concerned with the marketing aspect of internationalisation, because the ranking does the marketing for them.
IP50 (RU-int. central): Not focusing on getting students by attending education fairs like many others do, matches nicely with our image of having strict selection procedures, being exclusive etc. The same applies for other internationalisation activities at this university. This marketing aspect has been more of a concern to the majority of UAs. The notion of “real” or “true” internationalisation was raised, mainly by the interviewees from the UA sector.

IP14 (UA-int. central): We do real internationalisation because we want to offer some real things. We don’t only want to have collaborations with several foreign universities or exchange a few students on an annual basis. We really want to be out there with our partners and really do something together in that country.

IP19 (UA-int. central): The best we hope they’ll do is that they go abroad for at least one semester outside the country which at least 500km away from their home. The Netherlands is small, some people can go by bike cross the border and say “I am abroad”. That not the internationalisation we mean.

IP23 (UA-int. central): Internationalisation in many cases is still about the number of foreign students come to study at a university. That should not be the kind of internationalisation we aim at. The true internationalisation should making the exchange of knowledge really take place, help people understand each other better and to be able to work together.

I would interpret this as an indication that the UAs are becoming more mature in pursuing internationalisation, they critically review their approaches to internationalisation and try to redirect their goals of internationalisation. The interview data show that the UAs - in particular those have been successful in recruiting international students, perhaps because the international student numbers have stabilised - are more eager to move to curriculum development and to shift their focus from student number to student quality.
4.2.2. Data Analysis on *Competitive advantage* Along the Sector Dimension

For analysing the data about ‘competitive advantage’, the continuum of PDI (from 17% to 0%) is turned into two distinct categories by cutting it off at the 8% level.

| Table 4.5 Data Analysis on *Competitive Advantage* Along the Sector Dimension |
|---------------------------------|---|---|---|---|
| **UA** | **RU** | **difference** | **PDI** |
| 1.1 Quality: education and/or research (82%) | 85% | 79% | 5% | 4% |
| 1.2. Quality: buildings, facilities and services (49%) | 41% | 59% | -18% | -9% |
| 2. Reputation/brand/image/attractiveness (75%) | 72% | 79% | -8% | -6% |
| 3. Unique selling point, being different (60%) | 62% | 59% | 3% | 2% |
| 4. Growth of student numbers (52%) | 46% | 59% | -13% | -7% |
| 5. Ranking position (37%) | 15% | 62% | -46% | -17% |
| 6. International partnerships/cooperation (36%) | 31% | 41% | -10% | -4% |
| 7. Location/living environment (29%) | 41% | 15% | 26% | 8% |
| 8. Doing better, being the best (26%) | 23% | 29% | -6% | -2% |
| 9. Experiential knowledge (23%) | 21% | 26% | -6% | -1% |
| 10. Competitive position of the Netherlands (22%) | 28% | 15% | 13% | 3% |
| 11. Alumni network (10%) | 5% | 15% | -10% | -1% |
| 12. Accreditation certificate (4%) | 3% | 6% | -3% | 0% |

Figure 4.2 Difference and PDI: *Competitive Advantage* Along the Sector Dimension
The largest differences appear in Element 5. *Ranking position* and Element 7. *location/living environment*. The difference in terms of ranking position has been explained in the previous section. In ‘positional’ terms, the RUs have the option of explaining their competitive advantage derived from their academic position, marked with the rankings, which explains why the ranking position is given higher value than the physical location. But in the case of UAs, having a competitive advantage from an academic position is simply not an option because they are largely excluded from the ranking competition. Moreover, this difference also indicates that the UAs are less interested in using ranking position for their competitive advantage, while the RUs rely heavily on the rankings to justify their competitiveness.Interestingly, 13% more weight is given to the importance of competitive position of the Netherlands by the UA interviewees than those from the RUs. The UAs that do not source competitive advantage from the ranking position, search for the opportunities in tapping into other sources that may bring them with competitive advantage, such as the *competitive position of the Netherlands* (Element 10).

Element 7 is stressed more by the UA respondents than those from the RU sector, which may be explicable by the fact that the 39 UAs are more widely spread across the country than the 14 RUs, and are located in cities which are less likely to be well known by international students. As IP2 (UA-academic) said “students always ask ‘where is the city of your university?’”, the UAs need to clarify their location and stress the living experience for marketing purposes.

The proportion of RU interviewees mentioning the *growth of student numbers* (Element 4) and the *quality of buildings, facilities and services* (Element 1.2) exceeded that of the UA staff by 13% and 18%. The growth of student numbers partly depends on how well the buildings and facilities and services satisfy students; meanwhile good quality buildings and facilities and satisfactory services can help to increase student numbers. When putting these two interrelated elements with Element 1. *Student recruitment* of ‘internationalisation’, similar differences between the RUs and UAs can be noticed. The greater attention given to these elements by the RUs than the UAs may indicate that the RUs are increasing their efforts in doing market-oriented internationalisation. In addition, the interviewees from this sector mentioned that the international programmes developed and provided by the UAs are similar in terms of subjects (many are business and management related). Therefore, the growth of student numbers in the UA sector...
depends comparably more on the facility /service level and student satisfaction with facility /services. The RUs on the other hand are more specialised in certain subject areas which makes them much more different from each other. Also, because the RUs focus on attracting the higher level Master students / PhD candidates and researchers, they are more discriminating in their selection of students, just as the students are when choosing a RU. So the RUs’ student numbers depend more on subject specialisation, ranking position, reputation, etc. but less on services. Despite these differences, it is worth pointing out also that both sectors identically gave about twice as much weight to the education/research quality as they did to the facility/service quality. This in fact shows that both sectors attach more importance to the so-called “real” quality (IP17-UA-academic), that is education and research.

Therefore, the main differences regarding the understanding of competitive advantage again come from the essential differences between the basic nature of these two sectors. Because of these essential sector differences, RUs and the UAs emphasise different sources of competitive advantages. However, the differences between the two sectors were not always viewed by the interviewees as a force driving them apart. A positive relationship can be established between RUs and UAs in creating competitive advantage.

**IP6 (UA-int. central):** We are not competing with the research universities with an ‘A’ brand, we have a relationship with them. Many of our programmes have direct links with research universities. Our students can move on to do their Master programs there. Positioning us just under them or with them can help us.

**IP24 (UA-int. central):** The research university in this city is quite high on the international ranking. We are not on the list, but we work closely with that research university. We are often associated with it as well by international students.

The interviewees from both sectors have very similar views about what constitutes competitive advantage. Among the 13 elements of competitive advantage, eight are identified as being mentioned with similar frequencies in these two sectors. The interviewees from both sectors explained competitive advantage with notions of “being better than other”, “trying to be excellent”, “always working on improving ourselves”. For many, this view was seen to be a natural consequence of being an academic institution, as IP20 expressed it: “I think the people
working in the higher education sector generally strive for the best, for excellence. That’s really undifferentiated.”

Element 3. *Unique selling point, being different*

Element 12. *Accreditation certificate*

Element 1.1. *Quality of education and/or research*

Element 2. *Reputation/brand/image/attractiveness*

Element 8. *Doing better, being the best*

Element 9. *Experiential knowledge*

Element 6. *International partnerships/cooperation*

Element 11. *Alumni network*

4.2.3 Data Analysis on Strategic Management Along the Sector Dimension

For analysing the data about strategic management, I am taking a continuum of PDI (from 12% to 0%) and turn it into two distinct categories by cutting it off at the 6% level.

Table 4.6 Data Analysis on Strategic Management Along the Sector Dimension

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
<th>UA</th>
<th>RU</th>
<th>Difference</th>
<th>PDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Making choice / being selective / having focus / setting priority (71%)</td>
<td>74%</td>
<td>68%</td>
<td>7%</td>
<td>5%</td>
</tr>
<tr>
<td>2.</td>
<td>Well organised / good coordination / structured / efficiency (59%)</td>
<td>59%</td>
<td>59%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>3.</td>
<td>Decisions and plans made at the management level (58%)</td>
<td>59%</td>
<td>56%</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>4.</td>
<td>Planning based on rational and analytical thinking / setting target / monitoring (58%)</td>
<td>62%</td>
<td>53%</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>5.</td>
<td>Creating a strategy / giving direction and guidelines / having a vision or a goal (52%)</td>
<td>46%</td>
<td>59%</td>
<td>-13%</td>
<td>-7%</td>
</tr>
<tr>
<td>6.</td>
<td>Having collective action / involvement and commitment of staff (51%)</td>
<td>49%</td>
<td>53%</td>
<td>-4%</td>
<td>-2%</td>
</tr>
<tr>
<td>7.</td>
<td>Matching internal and external factors / having adaptability and flexibility (48%)</td>
<td>49%</td>
<td>47%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>8.</td>
<td>Having a long-term orientation (47%)</td>
<td>41%</td>
<td>53%</td>
<td>-12%</td>
<td>-6%</td>
</tr>
<tr>
<td>9.</td>
<td>Making changes within the organisation (32%)</td>
<td>31%</td>
<td>32%</td>
<td>-2%</td>
<td>0%</td>
</tr>
<tr>
<td>10.</td>
<td>Giving supports, facilitating ideas and initiatives (32%)</td>
<td>49%</td>
<td>12%</td>
<td>37%</td>
<td>12%</td>
</tr>
<tr>
<td>11.</td>
<td>Being effective (19%)</td>
<td>26%</td>
<td>12%</td>
<td>14%</td>
<td>3%</td>
</tr>
<tr>
<td>12.</td>
<td>Using instinct and intuition, being creative and innovative (15%)</td>
<td>15%</td>
<td>15%</td>
<td>1%</td>
<td>0%</td>
</tr>
</tbody>
</table>
The most obvious difference seems to be that 37% more interviewees at the UAs considered giving support, and facilitating ideas and initiatives (Element 10) as important meanings of strategic management. The fact that the interviewees at the RUs showed less concern about this element can be interpreted as academic freedom and autonomy having more dominance in the RU sector than in the UA sector.

Four elements (Element 1, 4, 5, 8, 11) are viewed as similar, although to a limited extent. The proportional difference is only 5% (with respectively actual difference of 7% and 9%) on Element 1. Making choice / being selective / having focus / setting priority Element 4. Planning based on rational and analytical thinking / setting target / monitoring but since these two elements rank highly on the list, this difference needs to be addressed. Because these two elements were mentioned in the context of selecting international partners to start institutional cooperation, the target countries to focus on, the faculties/programmes to progress internationalisation, etc., I interpret these differences as indicating the lack of experiential knowledge about internationalisation in the UA sector. Internationalisation is not in the tradition of UAs. When the UAs want to shift their emphasis from student quantity to student quality, from single dimensional internationalisation (recruitment activity) to multi-dimensional internationalisation (partnership, institutional cooperation, joint programmes and projects, etc.),
they give more weight to these two elements. Moreover, the literature study reveals that the organisational culture of the UAs is more managerial, and academic autonomy and self-governance are less present at the UAs than at the RUs. Therefore, strategic management is perceived by the UA respondents more as managers’ decision making, planning, setting clear a focus and rules, etc., while in the RUs this term is more related with only giving direction and setting long-term oriented strategy. These organisational cultural factors may also explain two other elements to which the RUs respond differently from the UAs: Element 5. Creating a strategy/giving direction and guidelines/having a vision or a goal and Element 8. Having long-term orientation. The 3% proportional difference in Element 11. Being effective indicates that the UAs emphasise more on the effectiveness of strategies and strategic management. But since the interviewees sometimes used the term ‘effectiveness’ and ‘efficiency’ in a conflated way, and this element has a low ranking anyway, the size of difference is of less concern.

The interviewees from both sectors mostly share common understandings about this term. Among the 12 identified elements, six of them are very similarly perceived by the interviewees from both sectors.

Element 2. Well organised/good coordination/structured/efficiency
Element 12. Using instinct and intuition, being creative and innovative
Element 7. Matching internal and external factors/having adaptability and flexibility
Element 9. Making changes within the organisation
Element 3. Decisions and plans made at the management level
Element 6. Having collective action /involvement and commitment of staff

Looking at the above Tables and Figures illustrating how the two sectors perceive the three concepts, it is clear that ‘internationalisation’ is open to multiple interpretation, as the literature has shown (6 of the 14 elements are defined quite differently). The scope for differences of opinion on what constitutes competitive advantage and strategic management is much smaller (only 1 of the 13 and the 12 elements respectively is defined as being quite different). When taking the ranking importance of the elements together with their differences in two sectors (the PDI), the difference between two sectors is minimal. Unlike internationalisation, which can be interpreted from largely different approaches (activity, management, process, change, systematic
efforts, defining features), the terms strategic management and competitive advantage define themselves, therefore reveal less variation of interpretation.

4.3 Data Analysis Along the Job Function Group Dimension

In order to search for the existence of the ‘implementation gap’ claimed by the education literature, I regrouped the four job function groups into two groups: central level and faculty level. For analysing the data about internationalisation, I take a continuum of differences (from 18% to 0%) and turn it into two distinct categories by cutting it off at the 9% level. For analysing the data about competitive advantage, the continuum of differences (from 14% to 0%) is turned into two distinct categories by cutting it off at the 7% level. For analysing the data about strategic management, I take a continuum of differences (from 17% to 0%) and turn it into two distinct categories by cutting it off at the 8% level. With similar numbers of interviewees from both sectors at all levels (Table 4.7), there is no real need to introduce a weighting factor that would otherwise be needed in any comparison.

Table 4.7 The Number of Interviewees from Different Job Function Groups

<table>
<thead>
<tr>
<th>Job function</th>
<th>Senior management (8)</th>
<th>Int. central (29)</th>
<th>Int. faculty (13)</th>
<th>Academics (23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector</td>
<td>UA</td>
<td>RU</td>
<td>UA</td>
<td>RU</td>
</tr>
<tr>
<td>Number of interviewees</td>
<td>4</td>
<td>4</td>
<td>15</td>
<td>14</td>
</tr>
</tbody>
</table>

4.3.1 Data Analysis on Internationalisation Along the Job Function Dimension

The data analysis is presented in the table below.
Table 4.8 Data Analysis on *Internationalisation* Along the Job Function Dimension

<table>
<thead>
<tr>
<th>S.M.</th>
<th>central int.</th>
<th>faculty int.</th>
<th>academics</th>
<th>CENTRAL</th>
<th>FACULTY</th>
<th>difference</th>
<th>PDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Student recruitment (88%)</td>
<td>88%</td>
<td>83%</td>
<td>85%</td>
<td>96%</td>
<td>84%</td>
<td>92%</td>
<td>-8%</td>
</tr>
<tr>
<td>2. Gaining international experience/competences/knowledge (74%)</td>
<td>63%</td>
<td>66%</td>
<td>85%</td>
<td>83%</td>
<td>65%</td>
<td>83%</td>
<td>-18%</td>
</tr>
<tr>
<td>3. Internationalising curriculum/programmes (67%)</td>
<td>63%</td>
<td>69%</td>
<td>85%</td>
<td>57%</td>
<td>68%</td>
<td>67%</td>
<td>1%</td>
</tr>
<tr>
<td>4. International marketing (62%)</td>
<td>75%</td>
<td>72%</td>
<td>69%</td>
<td>39%</td>
<td>73%</td>
<td>50%</td>
<td>23%</td>
</tr>
<tr>
<td>5. Globalisation/government policy (58%)</td>
<td>88%</td>
<td>69%</td>
<td>31%</td>
<td>48%</td>
<td>73%</td>
<td>42%</td>
<td>31%</td>
</tr>
<tr>
<td>6. Network building (55%)</td>
<td>50%</td>
<td>62%</td>
<td>31%</td>
<td>61%</td>
<td>59%</td>
<td>50%</td>
<td>9%</td>
</tr>
<tr>
<td>7. Improving education/research quality (52%)</td>
<td>63%</td>
<td>48%</td>
<td>23%</td>
<td>70%</td>
<td>51%</td>
<td>53%</td>
<td>-1%</td>
</tr>
<tr>
<td>8. A process changing universities (49%)</td>
<td>63%</td>
<td>69%</td>
<td>38%</td>
<td>26%</td>
<td>68%</td>
<td>31%</td>
<td>37%</td>
</tr>
<tr>
<td>9. Student and staff mobility (48%)</td>
<td>38%</td>
<td>52%</td>
<td>46%</td>
<td>48%</td>
<td>49%</td>
<td>47%</td>
<td>1%</td>
</tr>
<tr>
<td>10. International positioning of the institution (44%)</td>
<td>75%</td>
<td>55%</td>
<td>0%</td>
<td>43%</td>
<td>59%</td>
<td>28%</td>
<td>32%</td>
</tr>
<tr>
<td>11. Creating international environment (36%)</td>
<td>50%</td>
<td>28%</td>
<td>38%</td>
<td>39%</td>
<td>32%</td>
<td>39%</td>
<td>-6%</td>
</tr>
<tr>
<td>12. Integration into the whole institution (30%)</td>
<td>38%</td>
<td>45%</td>
<td>23%</td>
<td>13%</td>
<td>43%</td>
<td>17%</td>
<td>27%</td>
</tr>
<tr>
<td>13. The defining features of higher education (27%)</td>
<td>25%</td>
<td>21%</td>
<td>15%</td>
<td>43%</td>
<td>22%</td>
<td>33%</td>
<td>-12%</td>
</tr>
<tr>
<td>14. Peacemaking/solving global or societal problems (22%)</td>
<td>25%</td>
<td>21%</td>
<td>8%</td>
<td>30%</td>
<td>22%</td>
<td>22%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Figure 4.4 Difference and PDI: *Internationalisation* Along the Job Function Dimension
Having a job function of defining policy and strategy, setting out the big picture and general guidelines may also explain why the central level people give more weight to the following elements than the faculty level

Element 8. *A process changing universities*

Element 5. *Globalisation/government policy*

Element 10. *International positioning of the institution*

Element 4. *International marketing*

Element 2. *Gaining international experience/competences/knowledge*

In particular, the highest score in the proportional difference in Element 8. *A process changing universities* and Element 5. *Globalisation/government policy* might reflect, as was also showed by the interview data, the ambition and the strong will of the central management level in using internationalisation to give the university a new élan, to bring new changes to their organisation, to integrate internationalisation more widely and deeply into their organisation. Also the fact that Element 10. *International positioning of the institution* is given proportionally 32% more weight by the central level than by the faculty level, shows that the people at the faculty level are less concerned with the position of the whole institution, since their daily work is more related to the positioning in their own research field or positioning within their institution. This can be confirmed by their understanding of strategic management. The interviewees at the faculty level considered strategic management as dealing with big issues on a broad scale by the higher level management. The 23% less proportional weight given by the faculty level to Element 4. *International marketing* cannot be used to simply conclude that academics place them against the marketing aspect of internationalisation. Actually as a teacher of marketing, economics, business related subjects, some academics are more fond of marketing and economic terms than anyone else. Reading from the data, academics actually do not deny the importance of marketing within the education context, neither do they reject the marketing approaches of doing internationalisation, as long as marketing does the work it is supposed to do for example: bringing international students in, building a good image and creating a good name. In their view, the marketing activities such as promotions, branding, attending education fairs, etc. should be conducted at the institutional level. Also the faculty staff may give less attention to this element due to their rejection to the increasing weight of marketing in the whole education practice.
The existence of implementation gap are recognised by many interviewees, however this problem is seen by the faculty staff as the responsibility of the senior management rather than the less involvement of faculty staff as claimed by the management level. Many of the interviewees at the faculty level do not criticise internationalisation itself, they are to some extent even more aware of the importance of internationalisation, but what they criticise is the way how internationalisation is organised, how internationalisation is translated from policy paper to practice. The classic categorisation of internationalisation rationales (politic, economic, culture and academic) can be recognised in the data of this group. But the personal interests and experiences are more stressed in their understandings about internationalisation. Another example illustrating the implement gap is the notion of ‘real’ internationalisation that was discussed in section 4.2.1 is further revealed in this job function dimension. The academic approach to internationalisation has a long history in HEIs. There is a new form of internationalisation coming up, related to marketing and student recruitment, which in IP55’s opinion “there is not really a reason for doing it, neither do we know when exactly it started.” These traditional and new forms of internationalisation are potentially in conflict with each other, especially in a situation of competition for globally mobile students and international ranking position. The urge for the ‘real’ internationalisation rather than the “window dressing” type of internationalisation (IP45: RU-academic) is especially expressed by the faculty staff.

On Element 1. Student recruitment and Element 12. Integration into the whole institution there is a relatively small difference (PDI respectively 7% and 8%) between the central and faculty levels. The central level gives less priority to student recruitment and higher priority to the integration of internationalisation than the faculty staff. A possible explanation is that the central level is involved in setting a vision and creating official policy documents. For the sake of ‘political correctness’ (IP17-UA-academic, IP47-RU-int. faculty, IP70-RU-academic), student recruitment is less explicitly stressed by the central level while integration is more explicitly mentioned. However, the faculty level deals with the work happening on ‘the shop floor’, as IP70 (academic) said: “You’re constantly caught by day to day works. ... I would probably mainly think what I have to do and how to get things going.” Therefore, it is reasonable to assume that the faculty staff who are more concerned with the practical situation and daily reality in the faculty, are more
concerned with student recruitment, but less focused on integration. Moreover, the faculty staff viewed internationalisation as something they have always been doing (mainly in the case of RUs) or some extra activities added on to their regular work (mainly in the case of UAs). Therefore, this group attaches more weight to what is more directly related to their work and what are important objectives of doing internationalisation, such as Element 11. *Creating international environment* and Element 2. *Gaining international experience / competences / knowledge.*

Among the 14 elements compositing the term of internationalisation, the commonality between the four function groups can be found in that they related internationalisation with

Element 3. *Internationalising curriculum/programmes*

Element 7. *Improving research/education quality*

Element 9. *Student and staff mobility*

Element 14. *Peacemaking/Solving global or societal problems*

Element 11. *Creating international environment*

Element 6. *Network building*

Element 13. *The defining features of higher education*

### 4.3.2 Data Analysis on Competitive Advantage Along the Job Function Dimension

The data analysis is presented in the table below.
Table 4.9 Data Analysis on *Competitive Advantage* Along the Job Function Dimension

<table>
<thead>
<tr>
<th></th>
<th>S.M.</th>
<th>Int.central</th>
<th>Int.faculty</th>
<th>academics</th>
<th>CENTRAL</th>
<th>FACULTY</th>
<th>difference</th>
<th>PDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Quality: education and/or research (82%)</td>
<td>100%</td>
<td>72%</td>
<td>77%</td>
<td>91%</td>
<td>78%</td>
<td>86%</td>
<td>-8%</td>
<td>-6%</td>
</tr>
<tr>
<td>1.2 Quality: buildings, facilities and services (49%)</td>
<td>75%</td>
<td>52%</td>
<td>54%</td>
<td>35%</td>
<td>57%</td>
<td>42%</td>
<td>15%</td>
<td>7%</td>
</tr>
<tr>
<td>2. Reputation/brand/image/attractiveness (75%)</td>
<td>75%</td>
<td>76%</td>
<td>69%</td>
<td>78%</td>
<td>76%</td>
<td>75%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>3. Unique selling point, being different (60%)</td>
<td>75%</td>
<td>62%</td>
<td>46%</td>
<td>61%</td>
<td>65%</td>
<td>56%</td>
<td>9%</td>
<td>6%</td>
</tr>
<tr>
<td>4. Growth of student numbers (52%)</td>
<td>63%</td>
<td>66%</td>
<td>38%</td>
<td>39%</td>
<td>65%</td>
<td>39%</td>
<td>26%</td>
<td>14%</td>
</tr>
<tr>
<td>5. Ranking position (37%)</td>
<td>25%</td>
<td>38%</td>
<td>38%</td>
<td>39%</td>
<td>35%</td>
<td>39%</td>
<td>-4%</td>
<td>-1%</td>
</tr>
<tr>
<td>6. International partnerships/cooperation (36%)</td>
<td>0%</td>
<td>59%</td>
<td>15%</td>
<td>30%</td>
<td>46%</td>
<td>25%</td>
<td>21%</td>
<td>7%</td>
</tr>
<tr>
<td>7. Location/living environment (29%)</td>
<td>25%</td>
<td>31%</td>
<td>15%</td>
<td>35%</td>
<td>30%</td>
<td>28%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>8. Doing better, being the best (26%)</td>
<td>63%</td>
<td>7%</td>
<td>15%</td>
<td>43%</td>
<td>19%</td>
<td>33%</td>
<td>-14%</td>
<td>-4%</td>
</tr>
<tr>
<td>9. Experiential knowledge (23%)</td>
<td>50%</td>
<td>24%</td>
<td>0%</td>
<td>26%</td>
<td>30%</td>
<td>17%</td>
<td>13%</td>
<td>3%</td>
</tr>
<tr>
<td>10. Competitive position of the Netherlands (22%)</td>
<td>25%</td>
<td>24%</td>
<td>31%</td>
<td>13%</td>
<td>24%</td>
<td>19%</td>
<td>5%</td>
<td>1%</td>
</tr>
<tr>
<td>11. Alumni network (10%)</td>
<td>25%</td>
<td>3%</td>
<td>0%</td>
<td>17%</td>
<td>8%</td>
<td>11%</td>
<td>-3%</td>
<td>0%</td>
</tr>
<tr>
<td>12. Accreditation certificate (4%)</td>
<td>13%</td>
<td>7%</td>
<td>0%</td>
<td>0%</td>
<td>8%</td>
<td>0%</td>
<td>8%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Figure 4.5 Difference and PDI: *Competitive Advantage* Along the Job Function Dimension
The greatest differences between the central and faculty level are in Element 4. *Growth of student numbers* with a difference of 26%. The central level placed much more strategic emphasis on the growth of the number of students; this growth was also equated with the growth of the university. The political correctness factor mentioned in the case of interpreting ‘internationalisation’, seems not to restrain the interviewees at the central level from stressing the growth of students number here. This might be explained by recognising that here they are talking from their position as leader/strategist/policy advisor defining clear strategies and making strategic plans, therefore having concrete goals/targets is a necessity. Ironically, the faculty members who have more (although not very significantly) concern about student recruitment equate their institutional competitive advantage less with the growth of student numbers. By linking the two elements (Element 1. *Student recruitment* in the perception of *internationalisation* and Element 4. *Growth of student numbers* in the perception of *competitive advantage*) together, we can see that both central level and faculty level give the number one position to Element 1. *Student recruitment*, but the central level gives the third place (in the column ‘CENTRAL’ in Table 4.9) to Element 4 when interpreting competitive advantage, while the faculty level gives it only the sixth place (in the column of ‘FACULTY’). The interesting contrast is that faculty staff consider the number of students as an indicator of the success of internationalisation, but the student quality (not the number) as an important factor leading to competitive advantage.

In Element 6. *International partnerships/cooperation*, the actual difference between the central and faculty level is also noticeable, with 21% more weight being given by the central level than the faculty level. The interview data show a general trend that Dutch HEIs are working on establishing and/or intensifying international partnerships at institutional level. The existing partnerships at faculty level have been reviewed and selected, the information of the most active and fruitful partner institutions is communicated throughout the home institution. This effort regarding identifying key partners and intensifying the cooperation with the key partners, is for the purpose of searching a match between institutions instead of one or two research groups/faculties, and generating more benefits from each partnership.

**IP13 (UA-int. Central):** We would like to have international partnership at the institutional level, for example with an institution which is at the same phase in development as we are.
Then the executive boards can share their problems and their difficulties and their ideas, so they can come up together with new ideas or new plans.

**IP54 (RU-int. central):** We try to establish new partnerships in new markets between institutions, or select the old partnerships which offer us a broad possibility of cooperation with several faculties. Besides the benefit of getting more students from them, maybe in the future we can have joint programmes, we can exchange staff and students, we can do some join research, we can become more famous via our partner universities, and we can borrow their credit to strengthen our market position in their home market.

Because the quality of education and research (Element 1.1) and facilities and services (Element 1.2) are given much importance in the total ranking of 12 elements, the differences in these two elements need to be addressed. Interestingly, the central level stressed (actual difference 15%) the importance of facility and service quality in contributing to their institutional competitive advantage, to which the faculty members, especially the academics, gave only a third of the weight. Conversely, the faculty staff give 8% more weight to the quality of education/research over the quality of facilities/services.

Regarding the understanding of competitive advantage, the interviewees from different function groups have many commonalities in the following aspects:

- **Element 2. Reputation/brand/image/attractiveness**
- **Element 3. Unique selling point, being different**
- **Element 5. Ranking position**
- **Element 7. Location/living environment**
- **Element 8. Doing better, being the best**
- **Element 9. Experiential knowledge**
- **Element 10. Competitive position of the Netherlands**
- **Element 11. Alumni network**
- **Element 12. Accreditation certificate**

**4.3.3 Data Analysis on Strategic Management Along the Job Function Dimension**

The data analysis is presented in the table below.
Table 4.10 Data Analysis on *Strategic Management* Along the Job Function Dimension

<table>
<thead>
<tr>
<th></th>
<th>S.M.</th>
<th>Int. central</th>
<th>Int. faculty</th>
<th>academics</th>
<th>CENTRAL</th>
<th>FACULTY</th>
<th>difference</th>
<th>PDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Making choice / being selective / having focus / setting priority (71%)</td>
<td>88%</td>
<td>76%</td>
<td>54%</td>
<td>70%</td>
<td>78%</td>
<td>64%</td>
<td>14%</td>
<td>10%</td>
</tr>
<tr>
<td>2. Well organised / good coordination / structured / efficiency (59%)</td>
<td>63%</td>
<td>76%</td>
<td>46%</td>
<td>43%</td>
<td>73%</td>
<td>44%</td>
<td>29%</td>
<td>17%</td>
</tr>
<tr>
<td>3. Decisions and plans made at the management level (58%)</td>
<td>63%</td>
<td>66%</td>
<td>77%</td>
<td>35%</td>
<td>65%</td>
<td>50%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>4. Planning based on rational and analytical thinking / setting target / monitoring (58%)</td>
<td>63%</td>
<td>72%</td>
<td>46%</td>
<td>43%</td>
<td>70%</td>
<td>44%</td>
<td>26%</td>
<td>15%</td>
</tr>
<tr>
<td>5. Creating a strategy / giving direction and guidelines / having a vision or a goal (52%)</td>
<td>50%</td>
<td>66%</td>
<td>46%</td>
<td>39%</td>
<td>62%</td>
<td>42%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>6. Having collective action / involvement and commitment of staff (51%)</td>
<td>38%</td>
<td>55%</td>
<td>23%</td>
<td>65%</td>
<td>51%</td>
<td>50%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>7. Matching internal and external factors / having adaptability and flexibility (48%)</td>
<td>63%</td>
<td>55%</td>
<td>31%</td>
<td>43%</td>
<td>57%</td>
<td>39%</td>
<td>18%</td>
<td>9%</td>
</tr>
<tr>
<td>8. Having a long-term orientation (47%)</td>
<td>38%</td>
<td>34%</td>
<td>38%</td>
<td>70%</td>
<td>35%</td>
<td>58%</td>
<td>-23%</td>
<td>-11%</td>
</tr>
<tr>
<td>9. Making changes within the organisation (32%)</td>
<td>50%</td>
<td>45%</td>
<td>15%</td>
<td>17%</td>
<td>46%</td>
<td>17%</td>
<td>29%</td>
<td>9%</td>
</tr>
<tr>
<td>10. Giving supports / facilitating ideas / initiatives (32%)</td>
<td>13%</td>
<td>21%</td>
<td>23%</td>
<td>57%</td>
<td>19%</td>
<td>44%</td>
<td>-26%</td>
<td>-8%</td>
</tr>
<tr>
<td>11. Being effective (19%)</td>
<td>50%</td>
<td>10%</td>
<td>8%</td>
<td>26%</td>
<td>19%</td>
<td>19%</td>
<td>-1%</td>
<td>0%</td>
</tr>
<tr>
<td>12. Using instinct and intuition, being creative and innovative (15%)</td>
<td>13%</td>
<td>14%</td>
<td>15%</td>
<td>17%</td>
<td>14%</td>
<td>17%</td>
<td>-3%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Figure 4.6 Difference and PDI: *Strategic Management* Along the Job Function Dimension
The most noticeable differences between the central level and the faculty level are in terms of
Element 2. Well organised/good coordination/structured/efficiency
Element 4. Planning based on rational and analytical thinking/setting target/monitoring
Element 8. Having a long-term orientation
Element 5. Creating a strategy/giving direction and guidelines/having a vision or a goal
Element 1. Making choice/being selective/having focus/setting priority
Element 3. Decisions and plans made at the management level
Element 7. Matching internal and external factors/having adaptability and flexibility
Element 9. Making changes within the organisation
Element 10. Giving supports, facilitating ideas and initiatives

These differences can be interpreted as the desire of the central level to use strategic management to organise and structure internationalisation in a more efficient and coordinated way. The methods adopted by the central level are mainly planning and monitoring after giving a clear direction and establishing guidelines/framework. In contrast, the faculty level prefers to see that strategic management can have the effect of supporting and facilitating staff ideas and initiatives, be more long term oriented (e.g. education quality, academic freedom, maintain the objectivity and independence of research) rather than short term (e.g. financial concerns).

The central level and faculty level give relatively similar priority to the following elements of strategic management
Element 6. Collective action/involvement and commitment of staff
Element 11. Being effective
Element 12. Using instinct and intuition, being creative and innovative

There is an implementation gap in terms of a difference between internationalisation aspirations and plans at the central level, on the one hand, and activities and outcomes at the faculty level, on the other. The existence of such a gap was widely recognised by the interviewees, with the central level management and faculty staff offering different explanations: the former suggesting it was a consequence of the mind-set of academics and their lack of strategic thinking, while the latter tended to feel that the internationalisation strategy is too ambitious and vague. It is important to noting that staff with responsibility for internationalisation, at both central and faculty level all described their functions in terms
such as being a broker (IP45), linking (IP3,47, 58, 61), connecting (IP10, 12, 18, 19, 23, 41, 46, 49, 68), channelling (IP13, 26), bridging (IP5, 6, 39, 54), helping (IP24) to close the gap between the central level and faculty level.

On examining the comments by different function groups, however, it is noticeable that there are significant differences in important areas of understanding the three key concepts between senior management and faculty staff. In these areas internationalisation staff show much greater affinity with senior management than with faculty, suggesting that their capacity to effect their ‘bridging role’ may be compromised. Among the top five elements of the interviewees’ interpretation on strategic management, on four elements the weight given by the internationalisation staff at central level has more affinity with those given by the senior management, which are in turn much higher than those given by the academics. One explanation for this can be found in the following quote showing that the internationalisation staff are more aligned with the central policy, and rely more on the senior management support than that of the academics, which simply reflects institutional authority structures.

IP45 (RU-Int. central): To be honest if we have to choose between the part of the tightrope which is connected to the board and the part that is connected to the faculties, then we are closer to the board.

It is interesting to see that the central level and faculty level reveal much less significant differences in their understanding of internationalisation and competitive advantage than their interpretations of strategic management. In terms of internationalisation, 6 of the 14 elements can be identified as having significant differences between these two levels. In the case of competitive advantage, this number is 2 from 13. But among the 12 elements of strategic management, 9 of them can be identified as significantly different between these two levels. These differences in understanding may illustrate that the ‘implementation gap’ of internationalisation does exist. But the cause of this gap lies mostly in the different interpretations of strategic management, and to a lesser extent in the different interpretations of the other two terms.
Chapter 5 Internationalisation and Competitive Advantage Enhancement

This chapter has four aims. The first is to identify if there is any relationship between internationalisation and the enhancement of the competitive advantage of HEIs. This relationship does exist according to the business literature, but no empirical evidence can be found in the higher education literature to define this relationship in the higher education context. The relationship between these two concepts may be taken for granted, because this relationship has been established by business literature. However, in my view such reasoning has a tautological problem, namely internationalisation is good because it can lead to competitive advantage; competitive advantage is good because it enhances the progress of internationalisation. Neither a solid theoretical nor empirical foundation exists yet to verify such reasoning, for example: even competitive advantage itself is not yet clearly defined by the education literature. So it is necessary to first define this relationship in the higher education context based on empirical data.

Once a positive relationship between internationalisation and competitive advantage can be established, which means successful internationalisation does contribute to competitive advantage building, then it makes sense to search for the factors leading to successful internationalisation and competitive advantage building. To research these factors this research has taken the Resource-based View. According to the RBV, the resources that are valuable, unique, difficult to imitate or replace will more likely lead to competitive advantage. The reasons for successful internationalisation can then be sought from HEI’s resources that meet these conditions. To identify such resources is the second aim of this chapter. After these resources have been identified, the third aim is to discover how they are currently managed while pursuing internationalisation, so that they are more likely to contribute to competitive advantage. Finally, this chapter has the fourth aim of identifying some of the characteristics of competition in the higher education context; and reconsidering the potential effects and costs of intensified competition on the development of higher education, which is one of the research foci of this research.
5.1 The Relationship Between Internationalisation and Competitive Advantage Enhancement

65 from the 73 interviewees claimed that internationalisation can contribute to the building of institutional competitive advantage. Three foundations for this relationship have been identified.

5.1.1 Foundation 1. Student Employability

Internationalisation is thought to contribute to the building of institutional competitive advantage because student employability can be improved. The improvements gained through internationalisation, such as international language skills, cultural knowledge and cross cultural management competences, can add value to a student’s individual employability.

IP7 (UA-academic): I do 100% believe that if you follow an international related study, speak several languages, and you know how to interact with different cultures, not just through a textbook, but actually having done it, you’ll get a better job and you’ll rise more quickly through the ranks.

IP29 (UA-academic): In this increasingly internationalised world, cultural knowledge is needed by their[students] future employability and living their life in this world. Internationalisation can help students to gain cultural knowledge during their study.

IP52 (RU-senior management): Having international experience adds value to the students’ employability.

IP62 (RU-int. central): Because in the real world students have to be able to be competitive in a multicultural working environment, therefore we try to introduce international elements into their study programs and educate them to be competent for their future jobs.

These skills, knowledge and competences are claimed to be required by the labour market as a consequence of the increasingly globalised economy.

IP66 (RU-academic): Today there is nothing we can escape from globalisation. There is no community can say having nothing to do with the rest of the world.

IP69 (RU-academic): I don’t see any future for the institutions that are only provincial or national oriented... You have to be international and global.
HEIs need to provide a qualified workforce that meet the requirements of the labour market (Salmi, 2002). The better proof a HEI is able to provide of this enhancement of student employability, the more competitive advantage this HEI is perceived to have.

IP6 (UA- int. central): Our competitive advantage is to show where your graduates are going to work, the salary levels, how long it takes them to find a job after the graduation, how marketable they are when they graduate.

IP19 (UA- int. central): If our students already can get international experience in their education, there will be a higher chance for them to find jobs. If our graduates can find good jobs easily because of our education, they will spread the good news for us.

Therefore, this foundation on which the relationship between internationalisation and competitive advantage is established by the interviewees, reflects their perceptions that the existing meaning of higher education and the essential task of HEIs is to help students gain an advantageous position in the job market.

IP1 (UA- int. faculty): Students come to us for a better employment opportunity after their graduation.

IP10 (UA-int. central): If students get what they need from the higher education, they will move on to their personal careers, to put themselves in the international or Dutch job market.

IP61 (RU-int. central): If a student wants to be hired by the top technical companies in the world, then there’s only one place he should go, that is the university.

5.1.2 Foundation 2. Education and Research Quality

Education/research quality is viewed by the majority of interviewees as the source of all kinds of competitive advantage. Therefore, when internationalisation can improve the quality of education/research, its relationship with competitive advantage is established.

IP3 (UA-int. faculty): If you have a good quality, you will always be competitive...even at least to think about internationalisation, to be aware of the different angles is already helpful for the improvement of quality.

IP34 (UA- int. central): Internationalisation can improve education/research quality through absorbing the richness of knowledge from every culture.
IP62 (RU-int. central): Universities compete with quality. internationalisation helps to improve the academic quality.

5.1.3 Foundation 3. Survival, Growth and Sustainability

The relationship between internationalisation and competitive advantage was established by a considerable number of interviewees on this foundation firstly because the growth of student numbers via international recruitment is viewed as a competitive advantage for their institutions. The growth of international student numbers can lead to the creation of an international environment which helps the growth of the enrolment of Dutch students who want to or need to gain international knowledge and competences. In many cases in the RU sector, the growth of Master and PhD student enrolment is needed also to sustain certain research programmes.

IP5 (UA-int. central): [internationalisation] can help creating an international environment, .. and maintaining the growth of student number.

IP57 (RU-senior management): We need the talented PhD students if we want to survive as a good university, a top university. Without a sufficient number of Master and PhD students some of our research programs will really have struggles to exist.

Second, internationalisation helps HEIs to develop partnerships with foreign institutions, extend their network internationally and participate in various forms of international consortia/research collaborations. Having a position in such an international network and being connected together and forming a group are considered as a competitive advantage for HEIs to survive in an internationally academic environment.

IP42 (RU- academic): You have to have an optimal network in order to survive the competition. Being a small local university in this small country is not good for your future.

IP68 (RU-int. central): You need international co-operations to grow, to have synergy to become better, to belong to the top club of universities in the world.

Third, internationalisation can enhance competitive advantage by improving HEI’s competitive position locally and globally. This competitive position is defined according to international ranking, reputation, perceived image, recognition, etc.
IP12 (UA- int. central): Being seen to be more international gives the institution more advantage compared with another university in the same region.

IP62 (RU-int. central): Internationalisation helps to improve the image of the university, especially in the international scale.

IP56 (RU-int. central): When your university focuses on internationalisation, you will try your best to get a position or improve your position on international rankings which indicates your competitiveness.

Although different names are given to the three foundations, they overlap and intertwine with each other. For example, Foundation 1. Student employability and Foundation 2. Education/research quality are linked, because the employability of students is seen as an important indicator of education quality which is considered as a source of all kinds of competitive advantage. The link between Foundation 2. Education/research quality and foundation 3. Survival, growth and sustainability is obvious when the majority of interviewees considered quality as the basis to compete for their survival and growth. Some interviewees also linked Foundation 1. Student employability and Foundation 3. Survival, growth and sustainability together, for example:

IP24 (UA-int. central): With the success of your internationalisation, you can profile yourself to attract more new students by marketing these successful stories and experience of students in the international job market.

IP50 (RU-int. central): The most important reason for internationalisation is to make sure that the graduates our university produces have their competitive edge, can survive and thrive in an international environment. ..If you don’t internationalise your institution, the people who graduate from your institution are not going to be competent in the current and future job market, your institution is not going to be successful in the world which is international in itself.

5.1.4 Internationalisation and Competitive Advantage: a Synthesis

The following table brings together the diverse rationales for the relationship as perceived across all of the function groups at 16 Dutch HEIs. It should not be read as indicating that there are clear cut divisions between their perspectives. First of all, some interviewees viewed the contribution of internationalisation to competitive advantage in more than one way. Second, the placing of an interviewee in a particular cell on the table is based on what is
explicit in what they say rather than on any link that may be implied by their words. For example, it may be expected that the enhancement of education quality can also lead to the growth and sustainability of HEIs; however, as long as the interviewee himself/herself did not relate these two aspects explicitly, (s)he is placed only in one category. The number of interviewee(s) identifying each foundation is entered in the appropriate cell of the table.

Table 5.1 Relationships Between Internationalisation and Competitive Advantage Enhancement

<table>
<thead>
<tr>
<th>Is there a relationship between internationalisation and competitive advantage?</th>
<th>UA(39 interviewees)</th>
<th>RU(34 interviewees)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Senior management (4)</td>
<td>Int. staff central (15)</td>
</tr>
<tr>
<td>Survival, growth and sustainability (66%)</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>Education quality (42%)</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Student employability (36%)</td>
<td>2</td>
<td>10</td>
</tr>
<tr>
<td>No (11%)</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The data analysis on the relationships between internationalisation and competitive advantage is conducted along two dimensions: the sector and job-function dimension.

Table 5.2 Relationship Between Internationalisation and Competitive Advantage Enhancement Along Sector Dimension

<table>
<thead>
<tr>
<th></th>
<th>UA</th>
<th>RU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival, growth and sustainability</td>
<td>51%</td>
<td>82%</td>
</tr>
<tr>
<td>Education/research quality</td>
<td>38%</td>
<td>47%</td>
</tr>
<tr>
<td>Student employability</td>
<td>51%</td>
<td>18%</td>
</tr>
</tbody>
</table>

Initially, only 6 from the 34 interviewees (18%) in RUs linked internationalisation and competitive advantage on the foundation of student employability, while 20 from the 39 interviewees (51%) in UAs did so. This is to be expected since UA are often seen as having their main focus on practically oriented education with an explicit vocational agenda. Regarding education/research quality 38% of UA interviewees established the relationship
between internationalisation and competitive advantage on this foundation, compared with 47% in the RUs. This almost undifferentiated emphasis on education/research quality is not surprising. At whatever level they are competing, the education/research quality is given the highest ranking among these elements of competitive advantage by both sectors. Furthermore, fewer interviewees in the UA sector (51%) than the RU interviewees (82%) established the relationship between internationalisation and competitive advantage on the foundation of survival, growth and sustainability. Survival and growth in the RU sector demand competitiveness in two areas, research and the preparation of the elite members of the workforce. In the UA sector, research has a much lower priority so they are relatively free from international competition here. However, as the internationalisation of the labour market deepens, their vocational emphasis in preparing the ‘second tier’ of the workforce becomes more susceptible to the forces of internationalisation. As a result, there is a substantial perception that internationalisation is necessary for survival and growth, although not to the same degree as in the RU sector.

The three foundations (student employability, education quality and the survival/growth) have been given similar weights in the UA sector. In the RU sector education quality and survival/growth were considered as the most important (35% and 82% respectively), while student employability was much less weighted by the RU interviewees (18%). The data also revealed that in the UA sector, survival/growth is closely linked with both education/research quality and student employability; while in the RU sector survival/growth depends mainly on education and research quality. The role of the UA sector is explicitly and consciously about preparing the workforce for the labour market. The RU sector in practice is doing the same, but it places less explicit emphasis on this, perhaps assuming that obtaining a degree from such a university almost automatically makes someone employable, because the degree is considered by the students and the employers and society as a qualification for being employable.

When looking at the job function dimension (Table 5.3), excluding senior management, the other three job function groups all give their highest priority to survival, growth and sustainability; the least weight is given to student employability. Amongst the interviewees of senior management, foundation 2: education/research quality is given the highest priority, foundation 3: growth and sustainability the second place. The function of senior management is to ensure that the education/research quality as high as possible. The senior management
may also strongly believe that the quality of education and research in their institution still needs to be improved. Interview data from the academic staff gave the strong impression throughout that, although they see quality as an important concern, they tend to be quite satisfied with what they are already achieving.

Table 5.3 Data Analysis on the Relationship Between Internationalisation and Competitive Advantage Enhancement Along Job Function Dimension

<table>
<thead>
<tr>
<th></th>
<th>Senior management (8)</th>
<th>Int. staff central (29)</th>
<th>Int. staff faculty (13)</th>
<th>Academics (23)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survival, growth and sustainability (66%)</td>
<td>75%</td>
<td>72%</td>
<td>46%</td>
<td>65%</td>
</tr>
<tr>
<td>Education /research quality (42%)</td>
<td>100%</td>
<td>31%</td>
<td>31%</td>
<td>43%</td>
</tr>
<tr>
<td>Student employability (36%)</td>
<td>38%</td>
<td>45%</td>
<td>31%</td>
<td>26%</td>
</tr>
</tbody>
</table>

Although the proportion of RU and UA academics combined show that 26% identify student employability as a foundation, none of the RU interviewees actually mentioned this, while about 51% of the UA academics did so. Such striking differences between sectors were not found in the other three job function groups. This indicates that the academics at the RUs consider their institutional competitive advantage is less dependent on their graduates’ employability, in comparison with the academics at the UAs.

5.1.5 Interview Data That Did Not Establish This Relationship

Among the minority of interviewees who did not establish the relationship between internationalisation and competitive advantage, three interviewees come from the RU sector and five from the UA sector, 9% and 13% respectively. Among the 5 academics who did not establish this relationship, 4 of them are from the UA sector, and only 1 from a RU. The reasons for not recognising - in some cases denying - this relationship can be various. In the UA sector, the concept of internationalisation is claimed by many interviewees as something of a new terrain, because universities of this type have been established for regional economic development and they are relatively more region-focused rather than internationally oriented. The continued existence of the UAs does not depend on attracting international students; their competitive advantage comes more from how well they serve the local development needs.
This is the argument of IP2 (UA-academic) and IP26 (UA-int. faculty) in doubting this relationship. Second, as IP32 (UA-academic) and IP33 (UA-academic) pointed out, no matter whether it is internationalisation or any other activity, the motivation for doing it is for the good of students, and the quality of education. If internationalisation can really help students in their life and career and improve the quality of education, it should be pursued even if competitive advantage is not achieved. If the competitive advantage achieved by pursuing internationalisation has only superficial value for “showing off”, such internationalisation should be abandoned. IP17 (UA-academic) and IP71 (RU-academic) argued that competitive advantage is contributed to by many different factors, internationalisation can lead to many different results, a relationship between these two is too vague to be established. IP43 (RU-academic) and IP54 (RU-int. central) claimed that the competitive advantage of a university comes from other sources such as a university’s creativity and ranking position; as long as internationalisation is not linked with these sources, a link with competitive advantage cannot be established.

Although the research focuses on the contribution of internationalisation to the building of competitive advantage, the data also show that having competitive advantage can, to a certain extent, increase the success of internationalisation. For example, when a HEI enjoys competitive advantages such as a good reputation, internationally recognised accreditation, or a high ranking position, it is more attractive for students and researchers to join, for foreign universities to establish exchange programmes and partnerships, than it is for those HEIs that do not have such competitive advantage. However, a minority of interviewees maintained that even without such competitive advantages HEIs can still achieve success in internationalisation (by just “doing our job well”). In that respect, having competitive advantage is one important factor that contributes to the success of internationalisation, but not the only one.

5.1.6 An incontestable Relationship

Although the majority of interviewees give their explanations for establishing the relationship between internationalisation and competitive advantage enhancement, it is worth noting that they first of all see the relationship between internationalisation and competitive advantage as self-evident and incontestable.
IP38 (UA-academic): This relationship should not be questioned, internationalisation should not be asked why, but how we should do it.

IP63 (RU-int. central): Internationalisation is a must and therefore as such no competitive advantage ... not being internationally active is not an option for research intensive universities.

The self-evidence of this relationship is explained by the interviewees as the result of people claiming this relationship is so and in doing so, reinforcing belief in the existence of this relationship.

IP48 (RU-academic): Everyone says “internationalisation is important, is a good thing for higher education”. If you would say “internationalisation is bullshit”, nobody would talk to you.

IP57 (RU-senior management): I can’t believe there are universities which do not do internationalisation if they want to be competitive.

IP61 (RU-int. central): The link between internationalisation and competitive advantage is always there, but it is difficult to explain because it is a kind of belief. When you believe in that link, you don’t question it, you just do it.

Moreover, internationalisation is linked with competitive advantage because of the ‘bandwagon effect’. Participating in internationalisation might not have the direct result of enhancing HEIs competitive advantage; but not doing so gives HEIs a disadvantage since everyone else is doing it. Internationalisation has become a kind of criterion for having competitiveness.

IP67 (RU-int. faculty): Every university is in that race of being able to stay in competition. You want to make yourself a better player in the world, then this is the game you have to play.

IP64 (RU-int. central): We need internationalisation as a new instrument to beat our competitors. Through internationalisation you can have more diversity in your employees, your students and your researchers, you will have new perspectives and new ideas to do your research. Because of the diversity, it is also difficult for your competitors to copy from your best practices. But if you don’t have access to a bigger pool of potential candidates that you can choose from, your position will be weakened.

IP46 (RU-int. central): If you don’t want to be internationalised, you won’t have a competitive advantage, you will miss a lot in competition. Who wants to be left behind?
Internationalisation has been viewed as the means by which firms gain a competitive advantage and enhance corporate performance in a global environment (Fahy, 2002). In the higher education sector, the data reveal that internationalisation has been seen by the majority of interviewees as the means by which universities gain a competitive advantage and enhance their overall performance in a global environment. This relationship established in the business sector has been confirmed in the context of the higher education sector. Interestingly, every interviewee acknowledges the existence of competition and most of them accept its growing dominance in the higher education sector, even when they have only passively responded to it in order to survive, even when they view the consequence of joining in the competition as being destructive for higher education, even when they value collaboration more than competition. The relationship between internationalisation and competitive advantage is needed for coping with competition which is viewed by all interviewees as their working reality.

Therefore, it is reasonable to assume that the three foundations on which most interviewees establish this relationship derive from their belief in the necessity and usefulness of internationalisation in dealing with competition. Keeping this belief in mind, interviewees’ rationalise this relationship and create the foundations on which they establish it. A documentary analysis did not deliver concrete evidence showing internationalisation can be linked with competitive advantage based on three foundations; for example, student employability, education/research quality and the sustainability of HEIs are not explicitly adopted as key indicators for marking the progress of internationalisation. Hence, this research takes a step further to study this relationship by adopting the RBV. If internationalisation can help to improve the quality or availability of HEIs’ resources that lead to competitive advantage, then the relationship between internationalisation and competitive advantage can be empirically confirmed.

5.2 The Resources of HEIs

The first step of applying the RBV is to investigate what resources are available that meet the VRIO conditions. According to the RBV, such competitive resources are more likely to contribute to the success of internationalisation, and strengthen its positive relationship with
competitive advantage. According to the literature, I have identified three resource bundles of HEIs, physical, organisational and human resources. The aim of this section is to describe the specific components of each of these bundles rather than the importance of each component. The data analysis reveals considerable heterogeneity in the resource bundles in different institutions. If the detailed resources possessed by different HEIs are so heterogeneous, the calculation of the frequency with which they are identified by interviewees does not add much value to achieving the research objective.

5.2.1 Physical Resources

Physical resources have been described mainly as a diversified set of revenue streams, teaching facilities, laboratory equipment, accommodation for international students and staff, and location. Accommodation is highlighted as an important physical resource that is directly related to internationalisation, due to the fact that international students need to be provided with accommodation while Dutch students tend to live at home or are capable of finding rooms by themselves. This is to be expected in the cities in particular, where there is a more serious shortage of rental housing, and the great value the interviewees would give to the housing issue. Except for the purpose of marketing and promotion, physical resources like the existing buildings and facilities were not seen as being very relevant for pursuing internationalisation, because with or without internationalisation, these physical resources are available and/or need to be improved.

The main source of financial resources is still considered to be the subsidies and other kind of investments made by the Dutch and EU government, although a small number of interviewees did mention the trend of budget cutting and the need for other sources of external funding. The main concern about the governmental financial resource is the allocation within an institution or the sector, but not the supply of it. Scholarship programmes were mentioned by the interviewees from one UA and all eight RU as a valuable financial resource that helps to attract talented international students.

Most interviewees discussed their physical resources as valuable, but not unique. Only location was discussed as a unique selling point by some interviewees from the HEIs located in an advantageous geographic location (convenient accessibility, well-known city, etc.). But
locational disadvantage can easily be turned to advantage in the case of HEIs that do not have such a unique resource, for example by emphasising the quiet and safe living environment if that is what one has, or the vibrant city life if one happens to be in a city. Therefore, the uniqueness of location cannot be seen as being unique in an absolute sense. In addition, perhaps because the location advantage is in the perception of the targeted ‘consumer’, every institution can have or even create their own location advantage. In this sense, it is inimitable, because this advantage can be created through imaging, advertising and image building, etc., if the favourable perception of the target students is known by the institution. The interview data do not provide much information about the embeddedness of physical resources in the interviewees’ institutions, which may be explained by the fact that the main financial resources - government funding – are granted by, not embedded, in HEIs. Only the fixed assets such as buildings, facilities, labs, are seen as possessed by the HEIs, therefore also embedded in the organisation.

An interesting type of ‘physical’ resource that has been identified from the data, is time. Kyvik (2009) noted that academic staff time is the most important resource available for research, but the data show this notion is also valid for academic staff from the UAs. As IP30 said “In business people perhaps talk about resources in term of money, in education resources is more in term of time, how much time is available to do certain job”. 14 of the 73 interviewees mentioned the importance of time as a valuable resource which is given to teaching staff to do internationalisation. Developing international contacts and running English taught programs are time intensive, so the workload related to teaching and supervising international students is higher than with Dutch students. The internationalisation activities are extra work given to the teachers on top of their regular educational and research activities. Time investment for programme development alone discourages many faculty members from attempting to launch new programs. Therefore, extra time is needed. I categorise ‘time’ into physical resources for the reason that time is the basis of calculation of financial costs in terms of time spent by personnel.

5.2.2 Organisational Resources

The most frequently named organisational resources can be grouped into two categories: institutionally specific resources and nationally specific resources. The former can be sub-
divided into two parts, one is related to the “internal working dynamics” of a HEI, the other relates to the external environment of the HEI.

5.2.2.1 Institutionally Specific Resources

Institutionally specific resources are seen as valuable, unique, being embedded in the organisation, and impossible to be duplicated as a whole. The following institutional resources were mentioned as important for the success of internationalisation. Many aspects listed below look like more general resources that every HEI can have. However, these aspects are still categorised as institutionally specific resources because the interviewees mentioned that they perform better than others on specific aspects, or adopt the same internationalisation policies/methods but in their own specific ways.

- the organisational structure and the way of pursuing internationalisation
- a welcoming international environment with a good mix of nationalities
- the internal cooperation between the people and departments that are involved in internationalisation
- the good services offered to international students and staff
- a shared vision and goals of pursuing internationalisation
- a right attitude about internationalisation (e.g. open-mindedness, taking initiatives, willingness to do extra work, being proud of their international elements, having strong international awareness, dedication and commitment)
- the support given by the university board and managers
- internal communication and cooperation
- the length of the management line and decision making process
- a monitoring system for internationalisation progress
- internationalisation strategy or university policy which gives internationalisation priority
- the study programmes that are suitable to be internationalised
- the international office and its relationship with the rest of the organisation.

The second type of institutionally specific resources are related to the perceptions/judgements from the external environment, for example: reputation, brand name, ranking position,
accreditation certificates, credibility of professors in their subject areas, alumni network, partnerships with foreign universities, connections with industry, participation in international co-operation initiated by the local (city/provincial) or Dutch government, channels to obtain accurate market information, and membership of international education consortia. These externally dependent institutional resources can be contributed to by the first type of institutionally specific resources defined internally, and can also impact on them. Many interviewees also mentioned that the externally defined institutionally specific resources are more important than the internally defined institutional specific resources, because all kinds of internal resources can have value only when they are recognised, accepted and appreciated by the external world. Particularly when student recruitment is still a dominant rationale for the current internationalisation, many interviewees explained that such external recognition and appreciation are a kind of confirmation of the quality of the internal organisational specific resources.

The data also showed that some of these organisational resources are endowments, such as a long establishment history, an international orientation from the beginning, the only university teaching Slovene, etc. This is particularly true in the case of RUs. These endowments also have a direct impact on the organisational resources like ranking position, branding, internationalisation strategy, international partnerships and network building. However, these initial resource endowments are not a reliable predictor of the future success of internationalisation, because internal working dynamic related resources can be leveraged by accelerating the pace of building experiential knowledge. The data from the eight UAs and four RUs which have meagre or less bountiful endowments showed that these HEIs have succeeded in gaining diverse organisational capabilities for improving their way of doing internationalisation, and they have become competitive in certain fields. Therefore, these externally dependent institutional resources are specific, unique, difficult to be imitated, embedded in their organisation, for those HEIs that have these resources. But the HEIs that do not have them, in many cases are still able to internationalise successfully, indicating that these resources are not essential, alternatives can be found in other ways.

5.2.2.2 Country Specific Resources
In addition, most interviewees mentioned the country specific resources as valuable to various extents for pursuing internationalisation. Examples of country specific resources include the Dutch higher education concept (especially the ‘Competence-based Learning’ concept), a strong practical orientation in the Dutch UAs, the attractiveness of the Netherlands as a study destination (e.g. Dutch people commonly speak English, the Netherlands has a considerable number of English taught programmes comparing with other EU countries). The success of Dutch HEIs’ internationalisation is considered by many interviewees as nationally and culturally based because of a strong international orientation developed throughout Dutch history.

**IP23 (UA-int. central):** This country has been built up because of internationalisation in the past hundreds of years. It’s a very small country, therefore is very dependent on everything around us. It has always been influenced by people, cultures, trading partners from everywhere in the world. In our country we’ve always been a trading nation, sailing nation. We trade with people from all over the world, internationalisation is in our genes.

**IP65 (RU-int. central):** Dutch are more outgoing than staying inside, they travel around the world, they do projects, they teach internationally, they have advisory tasks all over the world.

Since these country specific resources are available for all Dutch HEIs, they are valuable but not unique. So the uniqueness of these types of organisational resources depends on the way each Dutch HEI has exploited them.

The relationship between Nuffic and individual HEIs is described differently and often in contradictory terms in different institutions.

**IP5 (UA-Int. central):** We work closely with the Nuffic’s offices in different countries. We look for information in different markets, the certain level of quality, the type of practical education, the national ranking list made by the government… Nuffic’s offices sort out that kind of things out for us and point us in the right direction.

**IP37 (UA-academic):** Nuffic is a very bureaucratic organisation. I don’t think that they actually encourage entrepreneurialism, they are not aimed at putting things in and set things up and getting results. Their way of doing things is a very planned bureaucratic.

### 5.2.3 Human Resources
From the interview data, four types of human resources can be identified as valuable for pursuing internationalisation. These are described by the interviewees in the following terms.

**The academics** are valuable and unique resources for pursuing internationalisation when they possess the following characteristics. They are open minded, enthusiastic for internationalisation, take initiatives; they have international experience in education and/or industry, credibility in their subject field, international network and contacts; they are able to attract project money and research funds; and their personal interests and commitment drive them to make constant efforts to promote internationalisation. Because the development of international competences among students depends on the academics, therefore the valuable academics have sufficient English language skills, as well as sufficient knowledge about teaching international classes and dealing with cultural differences when involved in international projects, and are often the pioneers and key persons in pursuing internationalisation. In order to maintain the continuity of internationalisation, they also need to be able to share their knowledge and distribute their contacts willingly with other colleagues. If these key persons are not willing or they are not given the opportunity to share their knowledge and (inter)national contacts, the personal-based resources are difficult to imitate and transfer. This is advantageous for their institution when competing with other institutions that do not have this kind of human resource, but also this advantage cannot be sustained when knowledge sharing and transfer is not taking place within their institution. The same applies to some professions that have high reputation, credibility and powerful networks in industry and certain areas of expertise. Therefore, the value and uniqueness of human resources can create competitive advantage, but sustaining these advantages relies on the transferability and speed of imitation within the institution.

**Managers** were mainly discussed from the perspective of management quality. The managers who can deliver value to internationalisation are able to bring changes to the organisation in terms of increasing international awareness among staff and giving internationalisation a strategic importance. The positive attitude of managers toward internationalisation was considered by many of the interviewees as an important contribution to internationalisation. In the relationship with their staff, they should also be able to set out strategic plans which are “realistic” and “achievable”, create freedom and space for the staff to become involved in internationalisation, facilitate their international activities, provide training and other kinds of support. They need to stimulate open communication and be involved in “real work” in order
to gain trust from their staff members. This human resource is mentioned by interviewees as valuable, but not unique, not difficult to be imitated or replaced.

**IP57 (RU-senior management):** I am a manager and I am replaceable. The university should really worry about those specialists in academic areas leaving.

*Marketers / recruiters / international office staff* were seen as a “different type of professionals” in universities. Their contributions to the success of internationalisation come from a strong services orientation and a good knowledge about internal working relationships. They are therefore able to communicate between different layers in the organisation, and have access to the appropriate academics for carrying out different internationalisation activities, as well as feeding the senior management with information for strategic decisions. Moreover, they should be good at relationship building with foreign partner institutions and making the right contacts between the people in their home institution and partner institutions. Only 2 from the 73 interviewees mentioned this type of human resource as valuable and unique. In general they are viewed as valuable, but substitutable and duplicable, therefore not unique. Unlike the knowledge held by academics, the marketing knowledge is easier to obtain and not unique; the success of marketing/recruitment/internationalisation coordination depends more on the factors like market opportunity, available budget and existing contacts. In other word, having marketing knowledge is not per se a pre-requisite for marketing success.

**IP28 (UA-int. central):** After me, they will find someone else, who can be different from me. That is fine. Different people work in different ways. They can be successful as well.

**Students** are not mentioned explicitly as human resources of HEIs, although the value of this resource was acknowledged to a considerable extent by the interviewees. A large number of interviewees emphasised the impact of having the “right type of students” and “ideal students” on the success of their internationalisation. Moreover, many interviewees discussed the substantial role of students in HEIs. The UA sector interviewees mentioned the important economic gain because of international recruitment of Bachelor students. The RU sector interviewees stressed the importance of international recruitment of Master and PhD students, especially the international PhD students. This is not only because they are badly needed to fill PhD research positions and keep some important research programmes going, but also they were viewed as being a reserve for future staff members in the Dutch universities and their foreign partner universities, as well as being ambassadors who know the Dutch education system and know how to sell this in their home country. Finally, getting
international students to the Netherlands and sending Dutch students abroad were viewed by most interviewees as the main internationalisation activity. For these three reasons, I have included the student group also as human resources of HEIs.

Within this group, the value of Dutch students and international students in terms of contributing to the success of internationalisation needs to be discussed separately. The right type of Dutch students for internationalisation are the ones who are serious with their study choice, are aware of the impact of globalisation on their future, and are sure about the international perspective of their career development. Having the right type of students can add great value to the outcome of internationalisation. In particular the RU interviewees viewed international students as a kind of “role model” for Dutch students because “they are the best out of the best” (IP44-RU-academic) and “work extremely hard” (IP70-RU-academic); their presence can have many positive effects on the education quality and research output. However, not all international students are the right type and therefore valuable resources for Dutch HEIs. Their main contribution to internationalisation can be summarised as the tuition fee they bring to the Dutch universities, the international environment they form, and the international perspective they add to the Dutch students and staff. International students are seen as valuable to a certain extent (depending on in which sector and subject area, and the quality level of students), but not unique, inimitable or embedded in the organisation; because the international students pool is very large and international students are mobile in moving from one HEI to another.

5.2.4 The Importance of Three Resources

Based on the data, the existence of all three types of resources is confirmed by all interviewees, and they are attached with different importance in relation to the success of internationalisation and competitive advantage building. The number of interviewees identifying each form of resources as being the most important is entered in the appropriate cell of the following table.

Table 5.4 The Importance of Resources

<table>
<thead>
<tr>
<th>Per sector and per function group</th>
<th>Human resources as the most important</th>
<th>Organisational resources as the most important</th>
<th>Physical resources as the most important</th>
<th>All three equally important</th>
</tr>
</thead>
</table>
47 of the 73 interviewees (64%) considered human resources as the most important resource to achieve the success of internationalisation and enhance the competitive advantage of their universities. 26 of the 73 (36%) interviewees viewed the organisational resources as the most important resource, but 15 from these 26 interviewees stated that organisational resources are important because they cannot be separated from human resources. If these double-counted 15 interviewees are removed, in fact only 11 interviewees (15%) place the importance of organisational resources above human resources. 4 interviewees (5%) absolutely considered the physical resources as the most importance resources. And 14 interviewees (19%) viewed all resources as being equally important. When looking at the sectoral level, there is no significant difference between the RU and UA sectors, nor between different institutions in the same sector.

Table 5.5 The Importance of Resources Along the Sector Dimension

<table>
<thead>
<tr>
<th>Sector</th>
<th>Human resources as the most important</th>
<th>Organisational resources as the most important</th>
<th>Physical resources as the most important</th>
<th>All three equally important</th>
</tr>
</thead>
<tbody>
<tr>
<td>UA</td>
<td>69%</td>
<td>38%</td>
<td>5%</td>
<td>15%</td>
</tr>
<tr>
<td>RU</td>
<td>59%</td>
<td>32%</td>
<td>6%</td>
<td>24%</td>
</tr>
</tbody>
</table>

When looking at the function groups, the differences between the interviewees from the two sectors are minimal. Across all function groups, human resources remain as the most important and physical resources remain as the least important in the interviewees’ perception.
Table 5.6 The Importance of Resources Along the Job Function Dimension

<table>
<thead>
<tr>
<th>Function level</th>
<th>Human resources as the most important</th>
<th>Organisational resources as the most important</th>
<th>Physical resources as the most important</th>
<th>All three equally important</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTRAL</td>
<td>59%</td>
<td>41%</td>
<td>5%</td>
<td>19%</td>
</tr>
<tr>
<td>FACULTY</td>
<td>69%</td>
<td>31%</td>
<td>6%</td>
<td>19%</td>
</tr>
</tbody>
</table>

5.2.5 The Most Highlighted Resources: Academics

Human resources are viewed as the most important resources, among the four groups of human resources described above, academics are commonly claimed as “very different type of people (IP73-RU-academic) and “the core of university’s human resources” (IP17-UE-academic). As IP40 (RU-senior management) stated “whatever management is in a university, it is about managing academics”, therefore it is necessary to present some specific features of academics that are highlighted by the interview data.

The academics are not much interested in the strategic plans and policies when they consider these plans and policies are irrelevant to their education and research work. They would rather concentrate their main focus and efforts on striving to be the top in their subject areas. Education and research are given the highest priority.

IP69 (RU-academic): We as academics give priority to the research. We are against the idea of placing anything else in a higher place than the academic research itself. .. We academics work together by being honest, by building friendships. .. When there’s a threat or a challenge from the outside by which I mean maybe a university official or a policy change in one of our university or in one of our countries, my foreign colleagues and I will take that in our stride together.

IP35 (UA-int. faculty): The teachers are not very busy with all the strategic plans, most of them are not interested in it at all. They are mainly interested in their own subjects.

IP64 (RU-int. central): The academics are too deeply focused on their research topics and are not really interested in the changes happening in the world around them.

Their motivations for doing their work and for being actively involved in internationalisation, are not driven by commercial profit, but by personal interest, curiosity, knowledge gain, social benefit, ideology.
IP2 (UA-academic): Curiosity. That is why I do internationalisation and encourage my students to be internationally minded. People should be curious about what people from other countries think and do. I mean, why do you go on holidays in Greece? Not just because of the sun, but because of the people, you want to know more about the people. You are interested in people. Teachers never think commercially.

IP7 (UA-academic): What do I gain personally? Knowledge. As I said before, in the classroom you’ll meet people from all of over the place. If you try to get them to engage in the classroom, you’ll hear their story, it’s just fascinating. I’ve been teaching now for 14 years and I have to say that I’ve never had the same experience in all these years. Sometimes some people say “you must be bored of that”. No, because it’s always different.

IP8 (UA-academic): Noble profession to me means that we do it for the good of others, for the good of the society, but not for own benefits. Education is such a noble profession: you are creating the future, not only the students but also for your country and other countries. These are the kids that will rule the world in 20 years time. .. In a noble profession, the return on investment is your job satisfaction, not money. My job satisfaction always comes from the students.

They are not business oriented, at least not in the normal business way.

IP49 (RU-int. central): An education institution is full of academics who think in all different ways. They do not think in business terms, their salary is not dependent on the results at the end of the year.

IP57 (RU-senior management): The lecturers just want to offer the best education to good students, no matter how much money the student can pay or the university can afford.

IP64 (RU-int. central): Those academics who have devoted their whole life to do scientific research are not interested in the people who are trying to sell their work for money. Basically what the recruiters, the marketing and communication departments do is selling the academic works to potential researchers and potential students; promoting our research to the public. But the academics don’t think it’s really important, because the good work sells itself.

The academics highly prize their academic freedom and autonomy. This can be one explanation as to why they prefer to work independently from management or administration or bureaucracy.

IP5 (UA-int. central): Everybody is independent and no academic is going to be told what to
do by somebody from the administration.

**IP39 (UA-int. central):** Especially in knowledge organisations such as universities, professors desire high autonomy. Academic freedom is the source of innovation, self development, self improvement. No matter how you present your policy, making people to follow a fixed policy won’t work in this kind of organisation. They will follow you when they are convinced with your reasons of making a certain policy.

**IP45 (RU-int. central):** It’s an innate tendency that researchers do not care much about the central administration.

The academics are independent workers who like to take actions and make their own decisions based on their knowledge and judgement, rather than waiting for orders or copying the message passed on from management.

**IP31 (UA-academic):** I have many years practical experience in industry and in teaching, when I see something is good for my students and there are enough students interested in my idea, I will just start carefully doing it...I don’t wait for the approval from my manager for this kind of thing.

**IP52 (RU-senior management):** Academics, in particular, don’t have to listen to anybody, because they are their own boss in the sense that a professor is responsible for his own program. He has a lot of responsibility and authority, nobody can say to him he has to do this or that. The top researchers will not say “yes” to hierarchy, they need to be interested by themselves.

The academics view the manager’s function as less important, less valuable for an educational institution. The education managers have less hierarchical power to influence academics, because “the bosses and the heads of faculties understand very well that they need the academics’ expertise in teaching and research” (IP5-UA-int. central) and “managers also want to have some achievements to be able to show others. They need things to get done by us.” (IP2-UA-academics). Such attitudes towards managers make academic’s relationship with the management different from what it is in the business sector, and probably creates a natural gap between the academics and managers in HEIs. No matter whether a manager is competent or not, it is unavoidable that (s)he is confronted with this natural gap.

**IP38 (UA-academic):** In the eyes of academics, the manager is not very important in our organisational culture. Most of the department manager’s work is only to transfer the message from the top level to the department. So not much competence is needed for doing management work.
IP59 (RU-academic): In a company we obey the boss, and in education we say the boss is stupid and we know better. That’s the nice thing of the university which has all clever and professional people having their own ideas. ... In industry often the boss says what you have to do. If you do what the boss says, you do a good work. But for the scientific research you need your own talents and your own ideas, you need to be good in your specific research field but not in doing what your boss says.

IP27 (UA-academic): In the academic world, a faculty manager or director doesn’t have the same status as a professor. I don’t know whether there are university lecturers who are interested in being a manager. It is possible, but the question is whether they want it. Looking at my own situation, I’m happy to be a professor, I wouldn’t want to be a manager. I think being a professor is a nicer status than being a manager when I profile myself to the outside world.

Academics are considered by managers, in some cases by the academics themselves, as very difficult to be managed, planned for and changed.

IP57 (RU-senior management): These university professionals are hard to be managed, because they have their own ideas, they’re clever people, they can work independently by themselves, so why should they listen to you?

IP72 (RU-academic): Particularly at university, full of intelligent and highly independent individuals, it is difficult to change their ideas, you cannot force them to follow your plans. They won’t.

IP69 (RU-academic): The teaching professionals in universities are the people who are good at telling a story of his own. ..They’ve made their minds up and not always open to other views. Once they become the experts, they will less likely allow other people to tell them something different than what they have in mind. An expert is an expert because his view is not debatable, his view represents the main stream.

IP54 (RU-int. central): The professors are always determinate in their opinions, therefore inflexible in their thinking. Because they are very knowledgeable, so they always think they are right, other people are wrong.

However, although academics are difficult to manage, as a resource they need to be managed, because “this bunch of academics are your most important assets” (IP52-RU-senior management). The key success factors of internationalisation depend on this group of academics, for example their ability to implement internationalisation, their personal contacts and international networks, their enthusiasm and commitment, their research records and
credibility in industry. If these valuable resources are managed well, they can become an inexhaustible source of competitive advantage.

IP1 (UA-int. faculty): Our internationalisation just started with one person’s effort. The result was we had a lot of contacts, exchange opportunities, also work placements with the country where she came from. And then it just keep on growing by itself. We got subsidy from the government. She was one of the pioneers to try that. We got a very big network built up by her many years efforts.

IP49 (RU-int. central): They have their own networks, some of them send their students abroad via their own international connections. They know their partners and can find those trustworthy people.

IP38 (UA-academic): So far as I know, there is no international contact that was originally established by the marketing department. The international connections they have now all start from the existing contacts built up by individual teachers. A lot of them are personal relationships for many years.

5.3 Resource Management

The interview data do not provide significant evidence to show that the UAs and RUs manage their resources differently. From the RBV perspective, strategic management is about how to identify, create and manage resources in a strategic way, so that they can contribute to the competitive advantage building (Barney and Hesterly, 2006). The following part of data analysis presents a general picture of the current strategic management practices applied in managing resources for pursuing internationalisation. Also the relationships between these general resource management practices and competitive advantage are sought.

5.3.1 Physical Resources Management

Some common practices can be identified that are adopted by Dutch HEIs to manage physical resources in general. In making internationalisation successful, the 16 institutions made similar efforts to make their facilities friendly and convenient for international students, as claimed by IP22 (UA-int. central): If you take a look at the building, the accommodation, the library, they all have been adapted to the presence of international students. The study environment has to be adapted to the international students. Also the possibility for making graduation ceremony, lecturers on-line, for students from different campus
sites to do video conferencing. Before we had international students, we hardly had any non-Dutch food in the canteen. Now there’s a canteen with all kinds of food. Those kinds of practical things. The signs within the building are mostly bi-lingual now.

In some cases such improvements are made for marketing purposes, and in other cases for the need of doing world class research, but eventually both aim at “attracting foreign students or staff” (IP24-UA-int. central).

The improvements made on physical resources by pursuing internationalisation cost HEIs extra, but are seen as a worthwhile investment. Only in a few cases when the improvements are not viewed as real improvements, the extra costs for making the improvements are seen as “a waste of already limited financial resources” led by “wrong management decisions” (IP31-UA-academic). These improvements are viewed as necessary, but an absolute relationship with competitive advantage cannot be established because they are not unique when every HEI adopts the same practices; in some cases this can even cost the existing competitive advantages.

IP38 (UA-academic): Money is only given to the ideas that fit well with the line of our management, without thinking whether those ideas are essential for our education. The sign can be in English everywhere, students can follow those signs to find the right office, but if they are not helped by the knowledgeable staff, their problems are not solved, because there is no money left for hiring highly qualified staff and improving the service quality, they won’t spread good words about your university. When improvements are made a bit here and a bit there, resources are diversified in too tiny streams, it is just a spoiling of a lot of time and energy.

Institutional budgeting principles derive from the budgeting principle set by the Dutch government, that relates the funding provision with the student numbers. A centralised budgeting method based on student numbers exists commonly in both UA and RU sectors. The only difference is that faculties in the RU sector seem to have more influence than those in the UA sector, to negotiate with the senior management and the central office of internationalisation.

IP62 (RU- int. central): We have to work well with faculties. They give a part of their budget to this central department to organise things for them. ... The faculties earn the money because they do the research and give education. It seems like we [the central office] divide the budget, but in fact the budget comes from the faculties indirectly,
because they earn the money. When I come up with an ad hoc action without any planning, they’re going to complain and won’t pay us. So we need an alignment with all the faculties in order to be financed.

So far there is no evidence provided by the data that different budgeting methods are applied in the selected institutions. As a result, a direct relationship between this budgeting method/system and competitive advantage cannot be identified. A factor that may lead to this outcome is that the few interviewees at senior management level who were involved in budgeting, did not reveal detailed information about their budgeting method; whilst other interviewees were not involved in budgeting.

Although internationalisation is given strategic importance at all the selected institutions, the budget given to faculties varies. Some universities did not give a budget to faculties for internationalisation, while other universities did. The universities that give budget for internationalisation in one case did help competitive advantage enhancement, but in another case did not. But the interview data show that a large budget given to internationalisation does not secure the success of internationalisation.

IP28 (UA-int. central): Since the central office of internationalisation has been established, the director of the office has quite a large budget, also the freedom to decide where to put the money. Still it’s so difficult to achieve any real success, that’s strange eh?

Therefore, this research does not produce any consistent data on whether a relationship between this financial management practice and competitive advantage exists.

Another common financial resources management practice is that all HEIs are actively searching for external funding sources. Being able to obtain external funding is considered as a competitive advantage.

IP9 (UA-senior management): Take this technical study as an example again. There is a lot of money available in Holland for improving technical education. .. Now they are very enthusiastic, now we are getting money from them to improve and to make new courses for technical studies. That money does not come under the name of “for internationalisation”. That is the result of making this kind of combination.

IP68 (RU-int. central): What we need to do now is to raise enough interest and willingness to follow up the initial cooperation, and to finance with the faculty money or external funding. There is a growing European and Chinese governmental funding for joint programmes
and joint research. We intend to get the external funding to make our PhD students and
professors travel freely between China and the Netherlands.

Having a scholarship programme is viewed by many interviewees as an important physical
resource for creating competitive advantage. However, because different interviewees have
their own understanding of the purpose of a scholarships programme, their scholarship
programmes are used differently. For example, one professor who came from a poor family
and finished her higher education with a government subsidy, considered a scholarship
programme as offering all kinds of possible supports to talented students with financial
difficulties:

**IP59 (RU-academic):** Financial factor only has impact on those talented students who
cannot afford. We do lots of work to soften the financial burden for this type of
students, for example they may work as teaching assistants, get special fund for the
students who are really in financial problem. The principle of helping the poor but
talented student is the basis of our scholarship program.

In the second case a marketer viewed their scholarship programme purely for marketing
purposes and describes its main function as attracting the attention of international students.
Therefore, the scholarship programme is often designed for a specific targeted market.

**IP54 (RU-int. central):** It is a good strategy to offer scholarship for a few Chinese
students, because you got a lot of attention from the Chinese students. It just sounds
good if you tell that you offer scholarships for students from poor areas. Among the 35
students we get, only 6 or 7 students will get scholarships, the rest have to pay by
themselves. Some of the students tried to apply for the scholarship, even if they did not
get it, they still decided to come, because they like to study here after doing some research
about this university. When you have a scholarship programme, good students will
try to get it, then they will do some research about the university and study programmes.
Many universities from the website or brochures look like the same. So you need to get
students’ attention by attracting them to do a good on-line research on your university.
Marketing is about trying to surprise people a little bit, to stand out from the rest.
Offering a scholarship is a nice way to catch students’ attention.

Having the same purpose of attracting more international students, in the third case the
scholarship programme is explained by another marketer as providing a small amount of
scholarship to most international students in order to gain price advantage when competing with other HEIs in the international education market.

IP19 (UA-int. central): Most international students get the talent scholarship. Only some of them will get the top talent scholarship which is a bit more, which allows them to pay almost the same amount of tuition fee as a EU student. That is our pricing strategy to compete in the market.

In the fourth case because of the belief in offering development aid, a scholarship programme was viewed as offering financial support to students from developing countries by using a cross subsidising strategy.

IP71 (RU-senior management): The nominal cost of a student studying at a technical university is about 7000 euro that is the minimum cost carried by the university. In fact you don’t have profit at all. But when you have a student who is able to pay 25000 euro, he is paying in fact 18000 euro more than the cost. From that money, you can give three or four students scholarships. So then you can multiply the benefit of one student paying 25000 euro by providing high education to three or four students.

Because the scholarship programmes are used for different purposes, the link between this management practice and the expected competitive advantage can be established, but along multiple dimensions rather than a single dimension. This confirms the causal ambiguity between the resources and the resulting performance improvement, as the RBV claims (Lado et al. 1992).

5.3.2 Organisational Resources Management

Three types of organisational resources are identified by the interview data (see 5.2). The greatest variations can be found in the “internal working dynamics of institutions”.

IP48 (RU-academic): In one university, to have a business unit setting up cooperation with China is much easier. In this university they tried the same. But they didn’t have much strength on economics subjects. They have the School of Economics which was supposed to be set up as a real business endeavour, it probably failed; probably because of the internal culture and internal dynamics of this university. The internal working dynamics in every university is completely different. That is the real cause of the differences among universities in terms of competitiveness.
Internal working dynamics can be seen as organisational resources, meanwhile they are also the resource management practices, and the reasons why and how certain management practices are applied in a faculty or an institution. The interview data show that the selected institutions all apply some similar management practices in managing this type of organisational resources in order to achieve competitive advantage, for example: using existing networks of staff, centralising international contacts, reducing the number of international partners, intensifying key partnerships, stimulating the share of internationalisation knowledge and experience, increasing international awareness and improving cross cultural communication skills. Although similar management practices have been applied, the effects in different institutions are different. Even within the same institution, the effect of the same management practice in relation to competitive advantage was perceived differently by the interviewees from different function groups. Sometimes their perceptions can even be opposite to each other. For instance, the centralisation of international contacts among faculties was viewed by the senior management and central office staff as making a positive contribution to competitive advantage.

IP5 (UA-int. central): There are different directions that we go in, only they all need to be coordinated with each other. Basically it’s not that somebody is wandering off totally by his own without knowing what anybody else is doing. It does make sense to have a centrally coordinated direction, because they’re working with different aspects of internationalisation. A centralised coordination can avoid the situation that someone is cutting across the lines of what somebody else is doing.

IP23 (UA-int. central): To shift the international contacts from the faculty level to the institutional level gives us competitive advantage. Absolutely. ... It happened quite often in the past time, people from different faculties went to the same foreign country to do their promotion work, because they did not know what each other was doing. It is not handy, not cost efficient, and it is not good for your name in that country.

Meanwhile, the response from the faculty staff shows a clear doubt about whether this management practice can lead to competitive advantage. Their main argument is that international contacts can be the competitive advantage because the contacts are established and maintained on a personal basis. According to the faculty staff, maintaining personal interests and efforts are the most effective and cost efficient way of growing international contacts; centralising dilutes or in the worse case can destroy these contacts rather than
strengthen them.

IP28 (UA-int. central): We had a partner institution in Beijing with whom we had good contact. We started with student exchange. Although there were a lot of difficulties, both sides were willing to developing their relationship. We were one of the first few Dutch universities at that time that had concrete cooperation with a Chinese partner. It could become really a competitive advantage for us. Then there came the merger and a centralised structure. The International Office did not play a coordinating or supporting role, but a dominant role in deciding what should be done with which partner. The initiative with Beijing was cut off, because it was said “it does not fit into the central policy, international partnership has to be management centrally. To give a cohesive communication to all our partners, every contact has to get through the central office.

IP38 (UA-academic): From the moment when all international contacts have to be centralised, the relationship with China went totally wrong... All the work we have done, the relationships we have built up, were totally blocked, because everything related to internationalisation should be centralised, initiatives taken at the department were stopped. They asked us to hand over our contacts because that is the best way to put everyone’s strength together. What is the result? The strongest contacts we had for years got lost in the central bureaucracy.

Many interviewees explained that the problems of managing organisational resources in the current way are caused by the clash between different sub-systems within a HEI. For example, IP17 described two systems co-existing and conflicting with each other; one is “a tightly organised administrative system” and another is a “very loosely organised education professional system” which needs to be operated in a different manner.

IP17 (UA-academic): These two systems are in some sort of conflict with each other all the time... Sometimes it seems the only thing that is well organised is the financial part, because they are the only ones who can do their work well, they can calculate the numbers of students in all detailed categories, the cost of teachers, all different tariffs for hours, the squares in a building. Everything you can think of is well calculated. The financial part is always organised. But the other side of the story is about the essential of education. Many questions remain like “what sort of school do we want to be? how do we approach the market? what education concept do we use?” That is the content part of the education organisation, the core part and the unorganised part. When different realities are co-existing and developing at the same time. The teaching professionals think about education, the students, the education concept; while the
management professionals think about the money, the planning and the management concept. Those sub-systems work so independently that it is very difficult to bring in a lined-up strategy.

Similarly IP4 (UA-senior management) stated: You have all these small islands for pursuing internationalisation in an organisation, sometimes they mistrust each other. .. Also very often you will see that people in internationalisation have a narrow working field, like one is concentrated on student recruitment, one is focused on international curriculum.

In order to connect the different systems and “islands”, the management practices that are expected to initiate a strong internal cooperative relationship and good internal communication, are promoted by all the selected HEIs. Some management practices are widely adopted to achieve these goals. For example: creating a central office to communicate the internationalisation policy /strategic plan through centrally designed channels to the faculty level, holding regular meetings for staff who are involved in internationalisation at different organisational levels, making promotion campaigns to increase the awareness among staff about international activities, publishing documents and guidelines. The interesting thing is that the HEIs that have a cooperative climate internally, are also good at developing co-operations with external parties. Their collaborative attitude helps them to achieve competitive advantage in both internal and external environment. Creating a cooperative working climate, opening channels for sharing knowledge, experience and networks, can make a HEI not only benefit from the bonded strength; but also the risk of losing critical knowledge and network can be eliminated when one key person leaves the organisation.

IP51 (RU-int. faculty): We work together. I also work together with the directors of the Bachelor programs. So everyone who is involved with internationalisation works closely together. If we need to decide something about internationalisation, it could be done in various ways. Sometimes the request comes from the teaching staff, they have contacts here or there. We discuss and think it would be a good opportunity for our students to go there, then we will try to see if we can establish an agreement. Sometimes students come up with good ideas. I myself also do some researches on the websites of universities and ask around. It is about gathering useful information and making the effort together.

IP26 (UA-int. faculty): If a method works well for a faculty, they can share it, so others can do something with it as well. Within the faculties, there’s a group of people who are enthusiastic about internationalisation. When someone in the faculty has some interests in internationalisation, this person can hook up with the group of people to share information and get ideas about what to do and how to do... So we make sure the information
is always shared. We make success stories be heard by a lot of people, because we want to see if others can create the same success. So someone get ill or anything else happens, the others can take over the work without problems.

Being connected and being able to share information/knowledge/networks are viewed by interviewees differently from the management practice of centralising international contacts which is also intended to stimulate the sharing of existing knowledge/experience/networks through central coordination, because the former is initiated and extended by the staff and faculties, while the later is a management practice implemented from the top level. A few cases even showed that the resistance could grow when staff were forced to share their individual resources, when they disagree with the argument of a centralisation policy and distrust the promises of positive changes by the centralisation policy. Therefore, a cooperative climate, open communication, knowledge sharing can lead to competitive advantage, but this depends on whether they are initiated from the top-down or the bottom-up route.

Institutional mergers are one of a number of competitive strategies considered; for example in the Dutch higher education sector the number of UAs was reduced from almost 350 to 58 between the mid-1980s and 1999 (Harman and Harman, 2008). Strategic partnership within and beyond national boundaries has been a clear trend for HEIs seeking mutual competitive advantages, such as larger market share, better access to capital and enhanced ability to win government contracts (Beerkens, 2004). Interviewees who had experienced such mergers, however, believed that they seem to create redundancies, not synergies. As IP37(UA-academic) said: “The only problem at this merged institution is that we do not bundle our activities efficiently enough”, most interviewees considered a small sized institution with a simple structure and a short management line as being favourable for managing resources effectively and efficiently. Although none of the selected HEIs meet this condition, still the interviewees expressed their positive experience with their previous smaller organisation before the merger, or highly praise the successful examples of a smaller institution.

IP22 (UA-int. central): Before the merger, there were also very easily, very good contact within and between different schools where international programmes were running. That was where internationalisation mostly took place. So it was very easy to talk to them, the lines were very short... Now the whole process at the central level is more complicated than before. You also have more schools, each has their own history and different
interests in doing internationalisation. So it is a more complex structure, more hierarchical. The communication within such a structure is extremely important. That’s why sometimes things go wrong.

IP25 (UA-int. central): There is a small university in this region, a lot of internationalisation activities are going on there successfully because it’s a pretty small organisation. They don’t have nor do they need much more money than we spend, but they are very clever in getting grants and subsidies. With the amount of money they get, they can facilitate good projects, give their teaching staff more hours and more budget to allow them to do things. But for a large organisation like ours, the same amount of money will not help that much.

The interview data show a clear trend in Dutch HEIs, that is to move internationalisation further and wider into the faculty level. This implies that the Dutch HEIs has passed the phase of centralisation and structuring which had focused on coordinating diversified and often individual-initiative-based international activities. The interviewees in general agree that “the real internationalisation has to happen at the shop floor” (IP38-UA-academic), “not being something separated because it is conducted by one international office, but to be integrated into all aspects of education and research” (IP63-RU-int. central). One important reason for such a shift is that internationalisation is encouraged to be integrated into the institution, faculties are given more responsibility to organise their internationalisation based on their needs and existing contacts.

5.3.3 Human Resources Management

Four groups of human resources have been identified by the data analysis: academics, managers, marketers and students. Although the main attention of human resources management goes to the academics, it would be an over-simplification to say the challenges of human resource management at HEIs only exist between academics and non-academics. The interview data show that differences exist between different function groups and within each function group as well. For example, the difference between the marketer with an academic working background and the marketer without,

IP5 (UA-int. central): I started in the faculty, now moved to the central point. By having people that can work on both sides of the fence, a lot of tension can be taken out of the conflicting situation between the academic and non-academic communities in your
organisation.

IP6 (UA-int. central): I’ve had nothing but an increase of incoming students for continuing 4 years. Let them laugh if they want, but my numbers say everything... In fact it is not about whether marketing is commercial oriented and education is non commercial, what the academics struggle about is the change of their mindset toward marketing.

….between the academics who think more like marketers/managers than the marketers and manager, and those marketers/managers who claim to be more academics,

IP36 (UA-academic): Education can be improved when we truly think economically, I think of economies of scale and economies of scope. I think we still do not exploit the economies theories enough.

IP5 (UA-int. central): For all these years my job basically is more about promoting the university and student recruiting. Despite being engaged with commercial activities and having been moved to the central level, at heart I am still an academic.

….between the manager with an educational background and one without,

IP52 (RU-senior management): To call students our customer is a modern term of the same mistakes that damage education in previous time. Students are students.

IP15 (UA-senior management): Our clients are our students and organisations working with us. Sometimes you have to make an alteration in order to get closer to our clients. We make decisions every day on how we make sure that our students are happy when they leave this organisation.

….between the younger generation and the older generation,

IP10 (UA-int. central): I think it’s a cultural clash. Marketing is new, is done by young people. We have a different mindset, a different culture of our own generation. It clashes with the culture of academics who are really into the education itself. ...Many of them have been working in the higher education sector for 20-25 years already. ... We look at things more businesslike. That clashes with their ideology as well.

IP64 (RU-int. central): The younger generation under 30 has grown up in a digitalised world, they see, think and work in different ways than the previous generation. ... The professors are the baby boomers generation. They really don’t understand the younger generation, particularly the changes happening to the younger generation. In the coming years there’s going to be more clashes between the old and new generations.
between the teachers and researchers

IP72 (RU-academics): In universities you have the researchers who cannot teach, but also the teachers who are not good at doing research. Of course the ideal situation is all of them can teach well and do excellent research at the same time, but we need to deal with the reality.

All these differences have made the human resource management at HEIs a complex. To deal with this complexity and to make internationalisation successful, the commonly applied human resource management practices include training staff in English language skills and cross cultural management skills, using English proficiency and international orientation as criteria in selecting new academic staff and assessing the annual job performance of existing academic staff, creating a core team of internationalisation that connects the most internationally active academics across faculties and across organisational layers, publicising of internationalisation activities and success stories in order to get more staff interested and involved.

Training is mentioned as the most important human resource management practice. One key difference between the academics in the RU and UA sector can be identified regarding their attitude towards training, namely there is more resistance among academics toward such training in the RU sector than in the UA sector. The majority of academics in the UA sector are positive and in general enthusiastic about the language and intercultural skills training. They also welcome the new opportunities of travelling abroad and having contacts with foreign partners, which were not available for them before. The academics in the RU sector are more critical about this kind of training. The following quotes illustrate their attitude toward such training:

IP47 (RU-int. faculty): One problem we run into is that a lot of people speak English to some degree, but not sufficient to have intensified and in-depth contacts with international students. ..So we need to train staff in this aspect. We have set up trainings for all our academic and supporting staff to improve their English, and we had all the academics tested for their English. The ones who didn’t pass the test had to do a language training course. There was a lot of upheaval because we had some staff who have been publishing in English for years but failed the test. Some of them initially refused to take part in any course to improve their English proficiency. The professors thought it was ridiculous, however the faculty board was quite firm in that point. So at this moment
all of them have been tested and a lot of them have done courses.

**IP58 (RU-int. central):** Giving the teachers and professors language training, was already a touchy thing. Because technology has always been international from the very beginning, many professors have been publishing their articles in international journals, exchanging knowledge with their foreign colleagues for years. But we still needed to test whether all staff have the sufficient English level and we made it a part of their annual job assessment. ...In the transition period, there were very respected and valuable staff that at that time did not want to work with this requirement.

Despite the resistance, training has been widely introduced in all selected HEIs, and in a considerable number of selected HEIs it has been included in the annual job function assessment. The assumption for adopting this human resource management practice is that human behaviour can be changed and their mindset can be changed and reshaped through training. Employees are expected to be trained continuously, if they wish to retain their positions as the work roles are subjected to rapid change and a consistently higher level of performance is demanded of everyone (Brown and Hesketh, 2004).

**IP3 (UA-int. faculty):** You can and you have to change people’s mindset. We do that through training.

**IP4 (UA-senior management):** The world is changing rapidly, the job requirement to our students and staff are changing as well. But people tend to change slowly, therefore you should invest in human resources a lot, not only money wise but especially time-wise...because a lot of them won’t like it, and not everyone will come up to the level that you wish they would be, especially when they have stayed in the same institution for such a long time.

**IP47 (RU-int. faculty):** We constantly offer trainings to our staff in giving presentations, writing reports in English; as well as special courses teaching them to do personal counselling, study advising, etc. with international students... Through these courses, we try to make them acquainted with the organisational development and the changing environment.

Moreover, the interviewee data also reveal that training can help to get the management’s vision across to the institution, push the management’s decision through the hierarchical organisation, make people aware of the common direction designed by the senior management and follow the plan that leads towards that direction. Although it does not necessarily mean that everyone follows the plan in the same way, at least managers expect
that staff can therefore be aligned and organised to make joint efforts when one vision is shared, one direction is chosen, one plan is designed.

IP18 (UA-int. central): By training staff with cross cultural awareness they would be more capable of coping with international students in their courses. The better they know how to teach the multi-cultural groups of students, the more satisfied students we will have. We’re making quite some effort in that. We’re also trying to get our staff members to work at partner universities and find the professors from partner universities to come to work with us. So the international contacts for the staff members will be improved. All these are small steps in helping the people and the organisation to move in the same direction of internationalisation.

Another commonly adopted human resource management practice is to identify key players in the organisation who are seen as more internationally oriented, and connecting these key players into networks, then having focused investment (in terms of money, time and other kinds of supports) on the key players, explicitly or implicitly promoting the successful examples of these key players. This practice follows the same principle of managing human resources applied in the business sector, which considers getting the right people, with the right knowledge, into the right jobs as essential for a high level of organisational performance (Brown and Hesketh, 2004).

IP26 (UA-int. faculty): We have an international workgroup. In that workgroup, some faculty members come together once every one or two months to discuss what’s going on within their faculties. ... Within the faculties, there’s a group of people who are enthusiastic about internationalisation. When someone in the faculty has some interests in internationalisation, this person can hook up with the group of people to share information and get ideas about what to do and how to do... We make success stories be heard by a lot of people, because we want to see if others can create the same success.

IP43 (RU-academic): So what is important for making internationalisation successful in the future is to find those individuals with personal interests in internationalisation from all faculties at our university. My next step is to get them together to make a virtual community. Via this platform different faculties can exchange their ideas and activities in relation to this topic, share their knowledge and networks.

In most cases, the selection of key players and training are used in conjunction. Institutional leaders and managers hope to equip a group of personnel for realising the strategic developments that they have designed in their minds, especially when they are aware that
there is a certain level of resistance existing in the organisation. Through training, internal meetings and networking, individuals get chosen to participate and get connected with the people having similar interests and a similar mindset, and will be allocated with budgets and given opportunities. In the business sector human resource management practice has a tendency to either ignore or criticise the paradigms of the minority, or with which managers may have less sympathy (Mabey, 2003; Brown and Hesketh, 2004). The interviewee data collected from the education sector confirms this tendency.

**IP9 (UA-Senior management):** So internationalisation is not for everybody and every program. You have to focus on the people who are interested in internationalisation, and those programs which are already international and already have mixed students groups. That is where I spend a lot of my time. I focus on the ones who are international, but not those who are not yet.

**IP28 (UA-int. central):** In principle, there is nothing wrong about making a selection. But whether a contact or a country will be included into the strategic plan, very much also depends on the favour of the director of internationalisation. If he believes in the market potential in Latin America, then the contacts in other regions will be given a low profile. Teachers and faculties still have their freedom to continue the contacts, but it will be very difficult to get a budget from the institution, because they are not included in the strategic plan.

### 5.4 Theoretical Reflections on the RBV

#### 5.4.1 The Heterogeneity and Imperfect Mobility of Resources

The application of RBV in the relationship between internationalisation and competitive advantage has gained momentum in the business literature. The two essential hypotheses of the RBV are the heterogeneity of resources and their imperfect mobility (Peteraf, 1993). Heterogeneity means that institutions possess different bundles of resources that distinguish one institution from another (Barney, 1991). The evidence for resources heterogeneity can be found in the data. No two HEIs can be identified as possessing exactly the same resources or the same configurations of resources. In addition, the inter-linkages between the three type of resources make the combinations of different resources in different institutions incomparable.
Consequently, a standard pattern between institution/function groups and their available resources, or these resources and their institutional competitive advantage cannot be identified.

Imperfect mobility means that it is difficult to transfer or trade valuable resources between firms in an industry. The data on the one hand confirm that the cross-institutional transfer of organisational and human resources is very difficult. The academic distinctiveness of each institution arises from their excellence within certain subject areas, e.g. specialist knowledge and research, distinguished scholars inside a specific university. Different HEIs have their own context made up by their history, location, internal working dynamic, etc., the successful experience of one HEI does not lead to the success of another HEI that has simply adopted the same approach to pursuing internationalisation. However, the data also show that specific education concepts and didactic methods can easily be copied by a large number of HEIs especially when the Dutch government promotes it. Also the faculties within the same discipline and the research groups involved in similar research topics often seek collaboration, exchange information and knowledge, and share their international networks willingly. Under the condition of willingly sharing knowledge and networks, organisational resources like education concept, market information, experiential knowledge, and certain ways of pursuing internationalisation (e.g. international networking, using local agents, attending education fairs), etc. can be perfectly mobile. The same applies to human resources, particularly when academics work together on joint research projects, or marketers form strategic alliances to promote several institutions together in a certain target market. Therefore, the assumption of resources imperfect mobility cannot be fully established in the context of the public higher education sector, because scholars and HEIs, for the purpose of knowledge production and development, can benefit more from perfect mobility than from imperfect mobility.

Interviewees did not make a clear division between organisational resources and the other two types, especially human resources. The overlapping areas between organisational and physical resources are mainly some endowments and the study programmes. Some endowed resources like a long established history, a well-known high ranking position, etc. were viewed by some interviewees as physical resources, because they are an existing fact that certain HEIs have and others do not. But other interviewees named them as organisational resources, because these endowments do not automatically lead to competitive advantage, but need to be recognised and explored in an organisational context. Some interviewees named their high-
quality study programmes as a physical resource because they regard them as a ‘product’ that is the end result of an investment made on developing international programmes, the concrete something that HEIs offer to students. Meanwhile others named them as organisational resources because they cannot be grasped or contained, and they involve a working process contributed to human and organisational resources. The even bigger overlap between organisational and human resources is not surprising, since all interviewees viewed these two as being interlinked, interactive and inseparable.

Similarly the division between tangible and intangible resources is blurred. The RBV developed in the business sector made the division between tangible and intangible resources (Barney, 1991). Tangible resources are the assets that have physical presences and measurable amount, and are obviously things which an organisation owns; intangible resources have the characteristic of belongingness, but have less fixed presence, are often difficult to be measured and not tradable (Hall, 1992). Typical examples of intangible resources are human resource related skills, competencies, the know-how of employees and their relationship with external relations; also the collective aptitudes which add up to organisational culture and particular capabilities for creating and sharing knowledge (Nahapiet and Ghoshal,1998). This division has been blurred in the context of HEIs. First, some resources such as education programmes, time, location, possess the characteristics of both tangible resources and intangible resources. Second, the interview data show that tangible resources like financial capital can be made ‘intangible’ in the sense that added value can be created through “smart budgeting”, “clever planning”, “many years knowledge of dealing with financial constraints”. Meanwhile, intangible resources like top academics can be viewed as ‘tangible’ because of their limited numbers and the price a HEI would pay for recruiting them. The same applies to some organisational resources as well. The intangible capacity of knowledge sharing can be reduced when certain channels are set up, structured and regulated formally, the intangible potential of academic contacts can be eliminated when official criteria are rigidly applied in defining target markets, or prioritising partner institutions. Therefore, limited tangible resources can be turned into unlimited intangible resources, and the other way round.

Such vague and indistinct division of resources in my opinion reflects the real situation of HEIs’ resources existence, and also confirms the tautological weakness of the RBV. However, the overlapping nature of different resources should not have an impact on achieving the aim of this research, that is to identify the competitive resources of HEIs in
relationship to the success of internationalisation, rather than defining a clear boundary between different resources.

5.4.2 The VRIO Characteristics of the HEIs’ Resources

Although interviewees are familiar with the concepts of resource, they did not explicitly relate resource management to clearly defined goals like improving the VRIO condition of their resources. This can be explained by the fact that most interviewees were not familiar with the RBV itself and the terms like ‘VRIO’ characteristics. Knowing the definition of these terms and methods are not essential for their daily work. As commented by many of the interviewees, they search for what works for their situation; they apply the theories or management models that are most close to their reality. The RBV is not necessarily applied by the practitioners intentionally. Therefore, I analysed the data not with the intention of searching for evidence to confirm the RBV theory, but to evaluate the RBV in the education context by understanding what the interviewees said about resources and resources management.

Among the four characteristics of resources (VRIO conditions), only the V(valuable) was commonly mentioned by interviewees. It is interesting to notice that although all interviewees recognised the value of their resources, they claimed this must be confirmed by recognition, appreciation and judgement from the external environment. No matter how valuable a resource is viewed to be internally, this resource needs to be communicated, advertised and made visible to the outside world in order to get its value confirmed. In short, the value of an internal resource depends on an externally given approval, rather than an internally ensured confidence.

The uniqueness of resources was discussed from the marketing, management and academic perspectives. From the marketing perspective the uniqueness of resources was viewed as being the same as unique selling points to attract new students, researchers and staff members. From the management perspective the uniqueness of resources was viewed as having a sound university strategy and policy, a well functioning international office, the quality of education and research, and the match between internal working processes and external environmental factors. From the academic point of view the uniqueness of resources was seen as the
uniqueness of education/research programmes, the leading position in certain education/research subject areas, the fame of professors, the quality level of students. Each interviewee and each HEI claimed their own uniqueness, but when bringing all resources into one picture, some claimed unique resources are indeed unique because no other Dutch HEIs have the same resources or the same way of using these resources. Also some resources were claimed to be unique, but in fact these resources are not unique because other HEIs have a similar resources and / or similar way of using these resources. The third variation is that some resources were not seen as unique by the interviewees, but they are indeed unique because no other Dutch HEI has the same resources or the same way of using these resources.

Inimitability is closely related, and sometimes equated with uniqueness. The uniqueness of resources can lead to competitive advantage by making the HEI different from the rest, but it is the inimitability that can sustain this competitive advantage. Both of them are at the heart of the RBV because they can help an organisation to eliminate competition (Collis and Montgomery, 1995). Inimitability was discussed by some interviewees, but for most it was simply not an issue of concern to them, because they did not perceive competition in the market sense to be a significant feature of the contemporary Dutch higher education sector. Indeed they were often critical of such competition becoming part of the sector, seeing collaboration as still being more valued than competition among Dutch HEIs. Only when they face competition in international education markets, did they see unique and inimitable resources to be necessary for staying in the competition. But then those resources that are necessary for such international competition are not always institutionally specific, but nationally specific resources that are available for all Dutch HEIs, so they are not unique or inimitable for individual institutions. Even when there are institutionally specific resources that lead to competitive advantage, it is not certain that the competitive advantage created by a few key personnel will be sustained. The RBV holds the argument that competitive advantages can be sustained over time when some of the resources cannot be easily replicated by the competitors (Hoopes et al. 2003). But what is difficult to be imitated by competitors is often also difficult to be replicated within the institution. For example, it is often difficult to replace the key personnel because of their personal qualities (working attitude, enthusiasm, life experience, personality, cultural background, etc.). As IP68 (RU-int. central) said “when internationalisation depends too much on the few key persons, and then when that person is gone, everything falls apart”, therefore, the RBV argument is pointed out by the interviewees as only partly true. The RBV also claims that rival organisations will seek to
imitate, acquire or try to substitute for the competitive resources (Barney, 1991). Based on the data collected by this research, this claim cannot be established yet in the Dutch HE sector, because the interviewees mentioned that academics in general do not like to copy, but to create something that is new, different or better.

The embeddedness of resources was discussed basically in terms of the interactions between various resources. A resource is well embedded within an institution when it interacts with other resources in a constructive rather than conflicting way. For example: the allocation of physical resources was considered as the joint action of budgeting system (organisational resource) and the strategic importance given by certain budget planners (human resources); the optimal utilisation of the international contacts possessed by teaching staff (human resource) was viewed as being dependent on the time given (physical resources) and the incentive policy, formal reporting system, control procedure (organisational resources). So the central theme in this discussion is about the capabilities of an institution that enable it to realise its full potential through combining, complementing, and compensating different resources. These capabilities are described by the RBV as having an appropriate organisational structure, management controls and employee compensation policies (Barney and Hesterly, 2005). Since these capabilities can be seen as the organisational resources of an institution, and also as the quality of their human resources, I have to acknowledge this is one of the most tautological examples I have confronted when applying the RBV. The embeddedness of resources also refers to their mobility, the ease with which they can leave the institution. Despite many concerns, all academics expressed little interest in positioning themselves for employment elsewhere than in the academia, but did not specifically refer to their institution. The number of managers and marketers/internationalisation staff who took this position is less than the academics.

5.4.3 The Resource Management and Internationalisation Success

The link between resource management and internationalisation success is not definite. The HEI’s capability in identifying and developing valuable and unique resources can help to achieve internationalisation success; and successful internationalisation can in turn have impacts on the existing resources. These impacts can be positive, for example, internationalisation is claimed by many interviewees to help to generate extra income
(physical resources), create an international environment (organisational resources) and improve the international awareness and cross cultural competences of staff (human resources). However, in the negative cases, successful internationalisation also caused problems like exceeding the capacity of buildings and teaching staff or creating sub-culture student groups because of recruiting a large number of students from the same country.

Moreover, the same resource can be identified as both enabling and hindering factors for pursuing internationalisation. For example, the divergences in understanding what internationalisation is and how it can be achieved in one institution are viewed as an obstacle for aligning people, but in another served as a key to develop new contacts, invent new ways of pursuing internationalisation. The individual academic’s initiative taking, is seen in one institution as an additional barrier to internationalisation due to the great complexity in coordinating it, but in another became a key drive for progressing internationalisation because of his/her enthusiasm and commitment to his/her own discipline. The work of the central International Office is experienced by the interviewees in one institution as an enabling factor in implementing the internationalisation plan, but in another institution as interference in a negative sense which hinders the implementation.

Similarly, the same resource management practice may produce different results. In one situation it may be welcomed and experienced as effective, but in another situation as an unnecessary and a disturbing factor. For example, institutional-wide organised workshops, trainings, forums and conferences were seen by some interviewees as useful tools to get faculty members engaged and involved in the designing and implementation of internationalisation strategy, but were blamed by others as adding to the workload of faculty staff, wasting time and money for nonsense. Having an internationalisation plan is seen by one function group as necessary for providing a roadmap for internationalisation, but by another function group as dysfunctional, even useless.

In addition, the same resource management practice can be attributed to different causes. For instance, the supports given by the senior management level are considered overall by the interviewees as an enabling factor. The supports can be given because a senior manager felt a personal connection to increasing the internationalisation of his institution because he has a multi-cultural background, or a college-age child who is to go abroad for an exchange programme, or his study abroad experience in his student time that had significant impact on
his life forever, etc. Next to the personal, emotional, occasional causes, senior management may also decide to give supports on the basis of objective, rational, regular reasons, for example, the international office or a faculty has made enormous efforts, their excellent performance has proved their worth to the senior management’s decision of increasing investment in internationalisation, or because a government subsidy is made available for a certain international educational project.

Different logics lead to the adoption of similar strategies, and similar strategies in turn are perceived as producing different outcomes (Miller, 2003). So, the data show that there is causal ambiguity existing in the relationships between internationalisation success and competitive advantage, which is also acknowledged by the business literature (Lado et al. 1992; Zott, 2003). Whether resources and the management of them can function as a driving power or obstruction depends on the human factor and organisational context (Oliver, 1997). This research suggests making a distinction between the static and dynamic aspects (human factors and their interaction with others in an organisational context or a specific situation) that may link resource management and internationalisation success. The static aspects can be managed with the hypothesis, methods and theories developed either by the business or education literatures, because the same rationality can be applied in management, that is to have a sensible adaptation to present realities based on rationally evaluating the past events and the future rent-generating potential of their competitive advantage (Andersen and Kheam, 1998). The dynamic aspects are context dependent and related to human factors (e.g. individual, emotional, instinctive decisions to commit resources and to perform activities). The dynamic aspects matter a lot, just do not matter predictably, but relationally (Stuntz, 2003). The RBV explicitly draws on economics which abstract the manufacture part from the contextual and human relationships, and more precisely on equilibrium price theory (Barney and Hesterly, 2006). The dynamic aspects linking resource management and internationalisation success/competitive advantage lie outside the legitimate domain of this theory (Foss and Mahnke, 2000; Yu, 2003). As long as these dynamic aspects are not clearly understood (or may never be clearly understood), ‘the processes through which particular resources provide competitive advantage remain in a black box’ (Barney, 2001, p33).

5.5 The Competition in Higher Education Context
A fundamental assumption among the interviewees is the existence of an intensified competition in the higher education sector, society in general and the world. Internationalisation and various methods adopted to manage resources are our responses to deal with this competition. Since the competitive environment will not abate (Eckel, 2007) and competitions have become essential dimensions of national policy making and of the strategic apparatus of executive and disciplinary leaders in HEIs (Marginson and van der Wende, 2007), our studies and discussions are centred around the question about how to cope with competitions, rather than why we should do it. In the light of this assumption, the relationship between internationalisation and competitive advantage can be rationalised, the usefulness of strategic management can be accepted, and a competitive strategy such as the RBV is recognised as helping organisations to gain competitive advantages over other competitors. However, some evidence provided by the interview data does challenge this established assumption in the public higher education context and lead me to question what competitions we are talking about and where they exist.

The HEIs (in the same sector) are viewed as being very similar in terms of internationalisation activities, study programmes, basic quality level, and marketing approaches. So, in these homogeneous areas HEIs are unlikely to really have competitive advantage, because everyone possess the same resources and does the same thing.

IP2 (UA-academic): I don’t think our international activities are that special either. The funny thing about internationalisation is that everyone is doing similar things, like exchange, study abroad, work placement abroad. I don’t think we have any competitive advantage as a department compared with other institutions.

IP62 (RU-int. central): In general each university is telling the same marketing story, like good education, excellent research, international community, etc. Therefore, those are not seen as competitive advantages because they don’t really distinguish one university from the other.

If a competitive advantage can be gained in the homogeneous areas because one HEI does the same thing but better than others, it comes from its different ways/capabilities in utilising the same resources. Also because of this heterogeneity in resources, each HEI can structure their resource portfolio, bundle their resources, and leverage their capabilities differently. As pointed out, each organisation has a kind of natural competitive advantage and resource
position barriers (Wernerfelt, 1984; Carpano et al. 2004). In these heterogeneous areas, HEIs
do not need to compete with each other, but explore their own unique differences.

IP7 (UA-academic): Because we are just different, every university has something special
to offer. We try not to compete in the same area.

IP54 (RU-Int. central): Every Dutch university is different from every other. We are in
different regions, have different focused disciplines. We compete in fact by who we are.

Nevertheless, competition is assumed as a “fact of life”, the idea of being competitive has
become an incontestable phenomenon and settled belief, because being competitive is in our
human nature, as claimed by many interviewees.

IP49 (RU-int. central): It’s a fact of life, you have to be competitive in order to survive
and improve. To stay high on the list, you always have to try to be the best. That’s probably the way how we were brought up, always to score, always be better than others.

IP68 (RU-int. central): It is a drive in our nature that you would like to be the best or
work with the best. There comes the importance of ranking. Despite the debate on the
ranking, it works in this way in reality. So we have an instinctive way of wanting to be
good and better. That is being competitive.

Moreover, the incontestability of this established assumption is claimed to be particularly true
in the higher education sector, because of the academic tradition that international reputations
are viewed as very important evidence of their academic achievements (Teichler, 2004).

IP20 (UA-academic): Highly educated people are often ambitious in the sense that they
always want to strive for the excellence in their fields. We are continually looking beyond
our own professional boundary.

IP70 (RU-academic): Science is by nature competitive, but in the right way. You want to
show you’re right and the other one is wrong. You want to prove that you have a better
idea.

Such academic competition is seen as helpful for the education quality of HEIs and the
knowledge development of human beings, because it is the intellectuals’ will to strive for
academic excellence. However, there is the second type of competition identified by the
interview data: the market competition that has been introduced recently from the external
environment.
IP40 (RU-senior management): The competition among universities is very recent. That has to do with globalisation. Only in the last decade, universities are explicitly ranked in all kinds of rankings. Universities want to know where they are, and they want to know the positions of other universities. They all say it’s not important, but they all regard it actually as important. We have to deal with it realistically.

IP47 (RU-int. faculty): So there’s the pressure of keeping growing and developing, at least at the same pace as other players in the market. The introduction of marketing concepts makes universities to enter a much more competitive field.

When market competition is planted in a system where Dutch HEIs receive almost all funding from the government, the subsequent changes in the mechanism of managing HEIs are inevitable. The market competition is not always experienced as advantageous for the development of HEIs, although it is widely recognised and accepted. Some interviewees even think the emphasis on market competition between Dutch HEIs is wrong. They believe that if this trend continues, education can be harmed, although that is not intended by their government’s stimulation of competition. According to these interviewees, the logic that greater competition can induce public HEIs to improve their performance (Murnane and Nelson, 2007) is not valid when competition is defined by credentialism, not the formative roles of higher education in providing a high-quality education, performing research and scholarship, and propagating cultural values (Marginson and van der Wende, 2007).

IP35 (UA-int. faculty): The focus on competition within the Netherlands and also within Europe will not do good to the sector, if you go on with very strong stimulation of competition.

IP45 (RU-int. central): The central government teaches us to be competitive with each other. The way you treat people is how they will behave. Now we are in competition for students, for funds, for PhD positions, we don’t have a stimulus to act together as Dutch universities to compete internationally. Right now good behaviour is often punished and bad behaviour is rewarded. If I steal a PhD student from XX university, we will get €80,000 and they won’t. Once you introduce this competition as a guiding principle, universities will act accordingly.

IP70 (RU-academic): I think it’s a huge mistake of this government to stress the competitiveness of each university. I think the Dutch universities should not compete with each other in the Netherlands, because this country is so small, the market size is too small for us to compete with each other. The cooperation existing between the universities, the collegial attitude are great assets for all of us.
Although the interviewees expressed their preference for academic competition and were critical of market competition, the same argument for enhancing education/research quality and academic excellence is also used for introducing market competition (Massy, 2009). The acceptance of the same argument mixes these two types of competition. One consequence is that the joint work of market competition and academic competition is changing the way in which Dutch faculties and universities work and transform their functions. The global market competition has been reflected in the internal academic competition as HEIs adopt more competitive, market-oriented behaviours in a marketplace (Mazzarol and Soutar, 2008).

IP70 (RU-academic): There has been an increasing competition within the university. Through the increasing internal competition our own students have to compete with the foreign people that work more than 40 hours a week, no summer holiday, no ski weekend, and sometimes even get less paid. ..Some people think that having more foreign students in your student community is good for stimulating your home students. But some people think it’s an unfair competition between foreign and home students. The university will get what it wants, the research output, publications, etc. But I can see that it also creates jealousy among the Dutch students. They cannot express it explicitly. But I see the Dutch PhD students are more agreeing with each other upon this point and they start questioning whether we should have so many foreign PhD students. It is tough for them, such is the life.

The same happens in the UA sector. Indeed the UA was established to meet the local needs, but now the local needs have been globalised, the local economic development has become dependent on the global market changes.

IP20 (UA-academic): We believe that a student who will work on a high professional level, cannot afford not to know anything of the outside world. We are just a little component of this big world. If the students from a small Dutch village could understand what is happening in the world and how the things happened a thousand miles away in another part of this world can affect their life here in their small village, that will be a minimum step that they should take to be involved in globalisation.

So, through internationalisation the external global competition has been transformed into an internal competition between and within HEIs. As Marginson (2007a) pointed out, externally generated competition, rather than universities themselves, come to shape the purposes, outputs and values of higher education and define it to, and for, the world at large. This is the
price HEIs pay for internationalisation; we are losing the independence that academia may have had in defining competition and deciding whether to join. Universities are pulled into the competition game. No one can escape from the game, because we are not the ones deciding the rules of the game, which are decided elsewhere. Fiscal constraints have increased competition and fostered a greater role for market forces, HEIs are pushed into the game of pursuing strategies that they believe will best position them in the competitive marketplace (Eckel, 2007). Among the interviewees, no one denies the existence of competition and no one refuses to go along with this competitive game. Willingly or unwillingly, everyone takes a part in this competition, however our common actions in going along with the competition empowers the assumption and make it a settled belief. We are locked into the competition game.

IP45 (RU-int. central): So we do play the game. You have to, otherwise no one is going to notice you. We’re not principled anymore in that respect. We’ve become clever and opportunistic, we’ re window dressing, we have to represent yourself, we have to talk the talk, you have to put yourself out there.

IP67 (RU-int. faculty): I think the whole competition thing is like a cycle. If your university has a high ranking position, then you could set your recruitment criteria higher to get better students. When you have better students, the study outcomes will be better; after they graduate, they can get better jobs. Then again their examples inform more good students to come to study at the same university. As long as the good students come, the university’s status becomes better. Then the competitive advantage becomes obvious. When you are recognised as a good university, you will be more competitive than others which don’t have this obvious advantage. Every university is in that race, this is the game you have to play.

IP70 (RU-academic): But competition is driving the whole world. Everybody is competing, every organisation is competing. Everything we do in an organisation is meant for displacing others or not being displaced by others. I live with it but I don’t like it.
Chapter 6 The Contributions of Strategic Management

This chapter focuses on finding an answer to the question ‘what is the contribution of strategic management in enhancing the relationship between internationalisation and competitive advantage?’ Because the resources of a HEI are perceived as limited, strategic management is then needed to select the focus and priority in order to make the allocation of resources more efficient and effective. In chapter 5 human resources and organisational resources are identified as the most important resource in building competitive advantage, and physical resources mainly play a supporting and enabling role. Therefore, in this chapter strategic management will be studied by concentrating on the management of organisational and human resources. Chapter 5 has presented a picture of how the three resources are actually managed at the selected HEIs. These strategic management approaches identified in that chapter were seriously criticised by many interviewees, also in more general terms in the literature that was revealed in chapter 2. This chapter discusses the strategic management practices that fit better with the specific context of public education, as identified by the interviewees.

6.1 Limited Resources

The scale of internationalisation activities has grown, numbers of new staff working for internationalisation and the work load caused by pursuing internationalisation have increased, but the physical resources remain limited. In a relative sense the budget and facilities made available for pursuing internationalisation have even been decreased, because “internationalisation is often seen as something of a luxury, something extra” (IP28-UA-int. central), and “universities have little money left over for this sort of thing” (IP23-UA-int. central). These claims of the interviewees are also confirmed by the IAU (International Association of Universities) global survey on internationalisation (2010), which shows that lack of funding is viewed by a vast majority of the respondents from 6,000 institutions around the world as the top obstacle to internationalisation. This survey report also points out that the concern over funding for internationalisation is likely to have serious consequences for how the process develops in future, potentially driving institutions toward more commercial approaches (Egron-Polak, 2011).
Also the availability of human resources for institution/faculty/research groups, is seen as limited, especially for those who are the “best” and the “brightest”. In addition, it is not always easy to fulfil the key functions of internationalisation with the best people, or to deal with the global competition for top students and researchers, or to keep the top talent within the institution.

IP39 (UA-int. central): The realisation of a plan depends on whether you have the right people to do the work. But it is not easy to get the right people. The good people are always scarce.

IP64 (RU-int. central): We have to recruit top talents because everyone can see the fact that a lot of researcher positions stay open. If you want to compete as a knowledge institution internationally, you have a weak position because of those unfilled positions. It’s a battle of the brightest brains.

IP40 (RU-senior management): Sometime I want to have an academic that is hired by another university, in that sense I am also a competitor because I will offer an amount that attracts the best academic moves to us. If he says “I want to take my wife too” then I will say “okay, I will hire your wife too.” Because we really want to have him. ...It indicates that we are really in a competition for academic talent.

Strategic management is considered in the business literature as necessary for coordinating, organising and planning the increasing expenses of activities and personnel; making the right selection and decisions on using available resources efficiently, effectively and economically (Ray et al. 2004). The perceptions of interviewees about strategic management confirm that this motivation for applying strategic management is also valid in the education context because of the limited resources. The following quotes show the close link between the availability of physical resources and the necessity of applying strategic management.

IP3 (UA-int. faculty): We do feel the limits of education subsidies given by the government, we are all calculating...You need strategic management to make selection and have focus.

IP25 (UA-int. central): Really the hours, the budget is so little that teachers can only keep the plan in their head and think it is not possible. ...Therefore, we need to strategically choose the market that is important but with less competition for us.

IP57 (RU-senior management): The physical resources limit our progress in internationalisation. The number of flats for our international students has been limiting our internationalisation strategy. Some people find that unacceptable that we base our
strategic goals of internationalisation on the number of rooms available for international students. But it’s the truth.

6.2 Professionalisation

Professionalisation is the term very frequently used by interviewees to describe how strategic management is applied in pursuing internationalisation. The interviewees in general viewed professionalisation as the logical step to be taken after years of pursuing internationalisation, or as a means to improve their current way of pursuing internationalisation, or as a goal that they strive for to ensure that internationalisation is conducted in an increasingly professional way.

Professionalisation is primarily mentioned as applying business and management methods, just as Deem et al. (2008) notes that many HEIs have adopted organisational forms, technologies, management instruments, and values that are commonly found in the private business sector. These aspects of ‘professionalism’ have come to be seen as the focus of higher education internationalisation strategies (Callan, 2000).

IP21 (UA-int. faculty): We are pursuing internationalisation in a more professional and commercial way.

IP6 (UA-int. central): There is a wakeup call that internationalisation has to be more professional. ..In the universities in the States or the UK, to certain extent they’ve already professionalised and got smarter about how they market, how they strategically go after the market opportunities. It is just starting to happen here in Europe. ... Many European universities indeed are just starting really professionalizing such as using market research and the branding strategy.

IP30 (UA-academic): We have become more professionalised just as it is done in business, you need to prove what you do, so targets are needed for evaluation, then you can measure the progress and try to keep control about the process.

Because of the increasing importance of internationalisation and the rapid extension of internationalisation activities, new job functions have been created in the field of marketing and communication, selection and recruitment, policy advising, supporting services offered to students and staff engaged in internationalisation. Interviewees also describe
professionalisation as filling these positions with ‘professionals’ who have specialised knowledge in their working fields. The central intention has been that power and authority should be given to those who know the challenges and problems best and as such know best how to solve them (Larsen et al. 2009).

IP58 (RU-int. central): We set up a bureau run by people who have professional knowledge about all the different aspects of internationalisation. We became more specialized, and more professional. That has made immense improvement in our internationalisation.

IP39 (UA-int. central): It’s really important that people are highly qualified for their own subjects, researchers are excellent in their research, teachers are excellent in teaching, the marketing work should be done by someone who is specialised in marketing.

The professionals like managers and internationalisation staff at central and faculty level, talked about professionalisation in terms of strengthening the position of the International Office within the institution, centralising internationalisation service and activities, formalising internationalisation in terms of setting up an institutional strategy, standardising working procedures of student application, partner selection, and funding application for teacher’s mobility, etc. On all these aspects, no significant differences can be identified between the UA and RU sectors within the job function groups of internationalisation staff.

IP19 (UA-int. central): We try to learn from our mistakes and improve the ways we do internationalisation. When we find some good methods, we then standardise them into a kind of administrative procedure for every other department that is recruiting from the same country.

IP68 (RU-int. central): It is very important to gradually have a standardised set of instruments and procedures for faculties to do internationalisation of their own. The trend of standardising and centralising some services and procedures can be found in other Dutch universities as well.

Professionalisation in the view of management is about making academics “become more professionalised” (IP28-UA-int. central), through all kinds of training. However, the academics commonly take a non-cooperative attitude towards the trainings that are interpreted by them as changing their mindset, coordinating their international activities, setting out centrally created strategies and plans, and promoting a service orientation. This attitude is in some cases considered by other job function groups as a symbol of the unprofessionalism of academics, which forms an opposite force to the professionalisation trend set out by the
management. By the interviewees at both central and faculty level, it is widely acknowledged by the professionals that different job function groups need each other in order to achieve the success of internationalisation at both faculty and institutional level. But the mutual dependence between different job function groups does not imply an equality of their power positions.

**IP38 (UA-academic):** The management tries to be open and always invite people to speak their opinions and give new ideas, but then they don’t do anything about those opinions and ideas. We are equal in terms of expressing our opinions, contributing ideas, but finally it is the management that decides what will be included in the strategic plan.

As in many countries the Dutch public education reform has also commonly transferred decision-making power from the academic staff to professional managers and external stakeholders (Jongbloed et al. 2008). Both the university structure and strategic policy-making have become more centralised than before (De Boer et al. 2007). In all the selected HEIs a central office or a central job position has been created, which often represents the voice of senior management in terms of formulating internationalisation policy making, formulating and communicating strategic plans, as well as monitoring processes and progress. Because of the supports given by senior management, the decision-making power of the central office exceeds that of academics. Therefore, professionalisation has the characteristic of transferring the decision-making and control power to the central level, while implementation authority and responsibility are transferred more to the faculty level. This dynamics of power shifting cannot be simply labelled as centralisation or decentralisation, but rather as decentralisation within the framework of centralisation.

Another characteristic of professionalisation is the introducing of computer based systems, advanced technologies and techniques to monitor and evaluate internationalisation progress.

**IP18 (UA-int. central):** The internationalisation monitor system is actually monitoring the process of internationalisation. We also use the plan-do-act-check cycle to plan and control the implementation of our policies and strategic plans. This planning and controlling mechanism is used not only in our own international office, but also in the academies; not only in the field of internationalisation, but also in the quality control of education and all kinds of services we render to students.

**IP64 (RU-int. central):** We plan to have a new computer software by which we can retrieve a lot of advertisement information; and monitor how many people have received our job
advertisements, what kind of people are reacting on it, what these people were looking for, what their backgrounds are, what other channels they use.

As a result of applying these quantitative methods and instruments, decisions are required to be made and actions are to be taken based on measurable evidence like student satisfaction survey, market research, quality scan, etc. The increasing emphasis on rationality and accountability is also an important characteristic of professionalisation.

IP5 (UA-int. central): I don’t think you can make it all measurable, but you may try to pick up a few key indicators. For example an easy one, student movement. How many students go abroad on exchange, how many come back in, how many foreign students of your total student population, how many staff are going abroad, how many international staff do you have with international experience, you can measure all those things... The central office will have a database which we can look into programs and then make sure they will align with the central policy, operate in an appropriate way. Our strategic decisions are increasingly made by looking into these figures.

IP25 (UA-int. central): So the good thing is that we have become more systematic in terms of monitoring, identifying problem areas, developing new services, making the right choices, etc.

6.3 Scientific Management

Professionalisation is in many ways described by the interviewees as scientific. As Murnane and Nelson (2007) note management practices in the education sector have been sharply oriented by strong scientific understanding, as is the strategic management of internationalisation. Therefore, it is useful at this point to given a brief account of scientific management. This account is presented here rather than in the literature review section, where the rationale for its inclusion would not have been so obvious to the reader.

Drucker (1999) claimed the most important contribution of scientific management in manufacturing is the increase in the worker’s productivity. In general, increased efficiency is associated with increased productivity (Johnson and Richard, 2004). Scientific management applies the methods of science to solve efficiency problems arising in the management of large systems (Locke, 1982), which were derived from the leadership of Frederick W. Taylor in introducing the concept of scientific methods. Searching for ways of achieving efficiency
and productivity is therefore the goal of scientific management. The pre-condition for applying scientific management is to break up the organisation, the working process, the task into manageable components (Nelson, 1991). After a task has been specified, specialists will be assigned to deal with specific components of that task, and resources will be then allocated. An essential element of scientific management is a scientific approach to managerial decision making (Taylor, 1912, quoted in Locke, 1982). The decisions on how to divide and evaluate the components according to their importance in contributing to improving the overall performance of organisation is labelled by Quinn (1999) as disaggregation. Therefore, scientific management is task oriented, the worker’s role is to fulfil the given task, the worker’s value is decided by how well his/her task is performed.

In order to keep the components of such an organisational form working efficiently together, scientific management essentially adopts the approaches of setting up rules and regulations, standardising procedures and quality requirements, centralising control over processes (Lamberg et al. 2009). In controlling how the rules and procedures are followed, accountability is introduced to discourage fraud and deficiency, prevent manipulation, strengthen hierarchical authorities to which subordinates are obliged to report (Romzek and Dubnick, 1987). Scientific management promotes consistency and fairness throughout the organisation (Laursen, 2002). Consistency can be achieved by applying rules, protocols, procedures, regulations, standards, which then allows the routine parts of tasks and working methods to be identified and further improved. Constantly making improvement on the same tasks and working methods can assist to stabilise the routines within the organisation.

Since the same rules and procedures are consistently adopted for carrying out the same task, best practice can be identified, replicated and transferred, and poor performance can be limited within the organisation. Fairness can be achieved by developing sophisticated models and applying the same standards to measure, to assess and to control the workers and their working processes. These models need to be designed in such a way that the application and outcomes are independent of whoever is using them. A scientific approach produces data based on proven fact (e.g. research and experimentation) rather than on tradition, rule of thumb, guesswork, precedent, personal opinion, or hearsay (Taylor, 1967, quoted in Locke, 1982). When a scientific management system can operate effectively based on using indiscriminate measurement and scientific evidence, the distinction made between valuable and less valuable components and the allocation of resources should be clear and fair. When
consistent and fair rules and procedures are applied, the people in an organisation talk the same language and act according to the same rules and procedures; therefore, bureaucracy is the basis of organisational efficiency (Perrow, 1986).

Scientific management believes that worker’s control and know-how placed owners at a disadvantage because production depended on workers’ discretion to determine their own efficiencies (Jaffee, 2001). This means that the productivity is controlled by skilled workers but not the owners (Hatch, 1997). To gain control over work processes, employers had to diminish workers’ power by establishing independent estimations of optimal inputs and outputs and place emphasis on efficiencies, predictability and control (Schapper and Mayson, 2004). The control power of employees was viewed by Taylor as being vested in their knowledge of work processes. The solutions for transferring control power from employees to the employer were not sought by hiring employees with little knowledge and hence little control power, because this kind of employee could not help to achieve the essential goal of scientific management - increased productivity and efficiency. Scientific management advocates selecting only the ‘first class’ high aptitude people for a given job because their productivity will be several times greater than that of the average man. Taking over the control power from the highly competent first class workers can be achieved by offering them consistency and fairness in assigning specific tasks and giving rewards (Locke, 1982).

The irregularity and unreliability of production were the other concerns of scientific management. They can be overcome by replacing idiosyncratic work patterns and methods by the ‘one best way’ (Taylor, 1967, quoted in Locke, 1982). The uneducated manual workers who did not have the requisite knowledge to do their jobs in the one best way, needed to be trained. The training should be done by experts who are thoroughly familiar with the job and objectively evaluated by the management (Boddewyn and Sokolik, 1967). Standardised tools and procedures were then developed by management in accordance with designs that experiments had shown to be the most effective in a given context (Locke, 1982). In this way, managers assumed control over workers and production. Therefore, scientific management is developed basically because of the distrust and suspicion employers have about the on-the-job behaviour of their employees. This distrust and suspicion should not be interpreted in a negative way that can be the cause of management-labour tension. In fact, scientific management was meant to solve the management-labour conflicts of Taylor’s time when management-labour strife was widespread, violence was not uncommon, and a number of
radical labour groups were advocating the violent overthrow of the capitalist system (Locke, 1982). Again, consistency and fairness were seen as the solution to the management-labour conflict problems.

### 6.3.1 Some Problematic Areas of Scientific Management in the Education Context

Quality, efficiency and effectiveness are common key words of management of HEIs (Lane, 1997). In many countries public education reforms have been introduced aimed at transferring decision-making power from the academic staff to professional managers and external stakeholders (Jongbloed et al. 2008). The consequence is in general a centralisation of power inside the institution (Meister-Scheytt, 2007). As De Wit (2011) notes, activity oriented and instrumental approaches toward internationalisation are still pre-dominant, the management of internationalisation has followed the map of scientific management. The examples include, to transfer power and authority from academics to professional managers and marketers, to establish the management structure of internationalisation, to centralise decision/policy making, to standardise procedures (e.g. recruitment, partner selection), to specialise tasks (e.g. marketing, communication, student services), and to select the ‘best’ person for the designed task. More ‘scientific’ approaches have been adopted in both private and public sectors (Brown and Hesketh, 2004), but have the many advantages claimed by scientific management been achieved by HEIs?

Some problematic areas of strategic management have been highlighted by interviewees. It was claimed twenty years ago that the attitudes towards the HEIs merger operations were positive from the start and became more so during the operation itself (Westerheijden and Goedegebuure, 1991). The interviewees in this research acknowledge that mergers and the follow-up centralisation can help HEIs to achieve competitive advantage in terms of economic scale and size, but there is not always increased financial efficiency and productivity.

**IP1 (UA-int. faculty):** Basically there is one big pot of money, you can make the budgets in different ways, at the end you can see if there is any money left. When the organisation is getting big, the pot is getting big, people don’t care about the 10000 euros anymore. This school has a turnover of nearly 200 million. So what’s 10000 euros for the people of management? It is nothing. But with the 10000 euros we could go to 2 countries and get maybe 60 students. The big system does not feel the small part. For example, we spend time
to find out how we can send a box of brochures cheaper to Brazil. Normally it costs 200 euros. We found a way that costs us 80 euros. But in such a big organisation, who cares for this saving? If they need it next week, I send it now. So if it gets into the organisation, it can be good for information sharing, but money wise, budget wise, I don’t think it’s always beneficial.

**IP37 (UA-academic):** In reality it just doesn’t work according to management theories. When several smaller institutions decided to go together, .. different members all had their own agents, they all had different contacts with different focused countries. .. I understand there was a need to sort of orchestrate that, so the international department initiates everything, they decide where they go and which universities they want us to work with. In the end most of the previous contacts have been lost because it is impersonal. So it’s a very bureaucratic, ineffective way of working. The system as a whole is not productive at all.

**Consistency is not experienced by the staff.**

**IP49 (RU-int. central):** Because circumstances and organisations change constantly, within universities they have this kind of “come and go” things. It’s sometime very tiring, but it keeps you on your toes. Sometimes you feel things are going okay, then suddenly some processes change, or the budget, or the structure, or the management.

**IP70 (RU-academic):** So the daily work on the shop floor is constantly influenced by the managerial changes in the structure of the university. Everyone can make mistakes. However, my experience is that they[senior management] never learn from their mistakes. We’re now in the phase of centralisation. I know for sure that in 5 years time we will be in a decentralisation phase again.

**Nor do people feel that they are treated fairly.**

**IP2 (UA-academic):** The more extra classes of students we get means the schedule will be fuller, more people need to be hired for teaching. The more classes we get, the more money gets into the whole system. .. For the whole school one more class of students doesn’t make a difference of course, but for us it is a lot of extra work. We work more, but according to the budgeting, it seems we are making an extra loss again.

**IP8 (UA-academic):** That was my complaint in my previous university all the time. We worked hard to give good education to the students, the department every year makes money, but the teachers never get it.

**IP37 (UA-academic):** But if you ask for money for the extra work you do, the standard
answer is “we don’t have the resources”. There are just two different ways of thinking and calculating.

The best practice, even if it has been recognised and modified, cannot be easily transferred within the organisation, because the distinctive constructs of the success cannot be clearly identified.

IP17 (UA-academic): The strategy exists in the mind of a creative dean who does creative things in his daily work and finds ways to finance it. Maybe they had strategy on paper, or perhaps nothing they do is strategic. Some people can describe what they are doing and explain their success, give a name for it such as differentiation, niche marketing, learning strategies. But the most successful people are not able to tell you what strategy they have used that led to their success. They just do certain things and afterwards it is claimed as a strategy or even becomes a theory.

Plans, protocols, rules and procedures are created, but not widely welcomed and supported by the staff.

IP24 (UA-int. central): There are people who write those protocols in their ivory tower, giving orders to people to do accordingly. But in an education institution, it vaporises if you ask people to follow your protocols.

IP67 (RU-int. faculty): Strategic plan? You only need that when you write reports. Too many strategic documents are published, it is impossible to read them all. I will read it when I have time.

IP44 (RU-academic): I don’t believe in this kind of word like “strategic plan” that much. If people would have a serious evaluation of the strategic plans and see what really has been realised from the initial plans, I will be surprised if the percentage is very high.

Scientific strategic management relies heavily on the availability of information input. The more accurate, on-time, sufficient information can be brought into the system, the better the management decision that can be made (Healy and Iles, 2003). However, interviewees explained that in reality sufficient information cannot be obtained, so the theoretically designed strategic management process cannot be completed.

IP38 (UA-academic): Planning sounds a fantastic and effective way to manage internationalisation, but the problem of planning is that you need information to make
your plan. The more information you have, the more accurate plan you can make. The essential problem is that information is not always available.

**IP44 (RU-academic):** Management decision is made based on the certainty you think you have with the available information. Therefore, the crucial element is that you need to be well informed, you need all the information that you could possibly get. Of course it’s never the case that you get all the information, so you could make mistakes.

**IP56 (RU-int. central):** The strategic management circle does exist in the education management, but it can hardly be finished completely, because the information on which strategic management decisions should be based on, is not there.

The rise of these problematic areas is not caused by the lack of knowledge about strategic management among the interviewees and their institutions. All the selected HEIs have management faculty in general or in some specialised fields. Among the interviewees, almost 30% of the interviewees have a management subject related education background, 55% have worked for a management function at central, faculty or research unit level, 22% are specialised in teaching and researching management subjects. Even the management schools or faculties are struggling with ensuring a successful application of strategic management.

**IP38 (UA-academic):** We teach knowledge management theories, we teach others to create innovative organisations, but here in the university nobody is given the opportunity to do so.

**IP50 (RU-int. central):** I think strategic management is something that doesn’t really happen a lot at universities. The most poorly managed institution at a university is the Management School.

**IP47 (RU-int. faculty):** This is a management faculty, but sometimes we really struggle with the basic management issues like planning, evaluation and decision making. There’s a difference between teaching and doing it yourself.

These problems about strategic management cannot be simply explained by the argument that it is the people who have not applied scientific management well or correctly. I cannot judge which strategic management approach in the context of HEIs should be correct, however, people do carry out the work with good intentions and rational thinking, as the interview data show. Therefore, the interview data support the notion that the primary motivation of people working in an organisation is to achieve some form of improved organisational effectiveness through established robust structures, systems and processes (Cooper, 2001).
IP61 (RU-int. central): We all work in an organisation for the good of the organisation and our own interests, this is the basis why we can reach agreement in dealing with our work.

IP29 (UA-int. central): In reality any plan could go to other directions than it was planned, I don’t know about how exactly that happens. But we all intend to do things with good intentions. You make a decision because you think that is the right thing to do at that moment.

IP63 (RU-int. central): When there is a clash, we cannot simply blame anyone of the others, because people just want to do their work well. I don’t think anyone would do a bad job on purpose.

6.3.2 The Mismatch Between Scientific Management and the Public Education Sector

The problematic areas of strategic management were explained by interviewees as being the result of a mismatch between the currently applied strategic management practices and the type of organisations that HEIs are.

First of all, scientific means originally were developed for large scale industrial manufacturing, although it has been applied to a range of other sectors (Teisberg et al. 1998), and has underpinned much management ideology and practice in extended sectors since the turn of the 20th century (Schapper and Mayson, 2004). The underlying force behind scientific management was the unprecedented expansion of capitalism and industrialisation with the support of important technological developments (Fry, 1976). The trend of commercialisation, standardisation, and centralisation, together with the increasing use of monitoring and control mechanisms, has resulted in HEIs becoming more factory-like. The validity of applying scientific management approaches in HEIs is thereby enhanced. The interview data reveal that the promotion and enforcement of scientific management means come mainly from the senior management and central level, while most faculty staff maintain their standpoint that HEIs are not “factories” and their working processes cannot be streamlined as “production lines”. Therefore, the ‘implementation gap’ identified in chapter 4 is also reflected in the explanation of this ‘mismatch’.

Another argument given by the interviewees is that HEIs are seen as knowledge organisations, which are in many aspects different from the industrial organisations where most success stories about scientific management can be found. This confirms the view that
strategic management failures in higher education are usually explained by the mismatch between reform design and cultural and historical characteristics of HEIs, where different institutional logics collide and create turmoil, inertia and contestation (Larsen et al. 2009).

IP38 (UA-academic): The current thought of “strategic management” is still the product of the old fashion factory model of one-way control. The focus is on measurable figures such as the hours you work, the space you use, the exams and grades you deliver, the publications you produce, etc. Strategic management is seen as the task of higher level managers. Many higher education institutions still practice the old fashioned management style. It is because of the lack of money, but also the lack of social skills in managing a human organisation instead of a production centre. We are still struggling in applying factory management style, because in a human organisation we work with people, with brains, not with machines and procedures.

IP20 (UA-academic): I think there’s a danger of the current way of pursuing internationalisation. We all tend to give evidence and figures to show that we are capable of outperforming others, then we will all be happy. Therefore, many measurements and indicators have been produced to do the illustration, to give the proof. We cannot just do it good, but we have to show it, even show that we have done better than last year. We forget that the real result of education can only be seen some years later, and that result you can see, you can feel, but you cannot measure it, at least not in the way that we measure it now.

Many relationships existing in the education sector are human based, and counter to the logic of management principles based on economic rationale (Spender, 2008).

IP29 (UA-academic): You choose a job in education because it has social relevance, a teacher makes a positive difference in students’ lives. Whether it is for only one or two students, it does not matter to me.

IP32 (UA-academic): As a teacher, you are not responsible for the number of students, that is what the management cares. Your task is to strive for a good result of a student’s learning.

These educational ways of reasoning and thinking are perfectly rational and logical for maintaining and improving education quality. But they are irrational and illogical according to the scientific management models which establish their logic in linking cost and benefit, efficiency and productivity.

IP52 (RU-senior management): We think a large quantity of students will cost the quality
of the students and our education. The contact hours and supervision that students can get with the teachers will all suffer from the large number of students. When it is too much, it will be unmanageable. ... we simply put a limit on our growth, we do not want more students.

IP63(RU-int. central): At this moment every student coming from non-EU countries still costs us money. The influx now is nice for your profile, but from a business perspective it’s a loss. But fortunately not everybody is thinking in a business way.

IP24(UA-int. central): In terms of money that we put into internationalisation, there is no return on investment. Or let’s say the return on investment in money terms never matches the amount that we invested. But we still keep on investing in internationalisation.

Also the economic modelling principles adopted by scientific management such as the total being a lineal sum of all the components and all values can be aggregated or translated into economic value, have great difficulties in handling situations like “when humans interact with each other, 1+1 is not a 2, but can be 3 or 4, or can be zero”(IP13-UA-int. central). Or when it is not possible to aggregate all values to an economic value like “how much value in terms of money will you give to the impact of the study abroad experience on a student’s life? In 4 years or 10 years time? At his future job or when he deals with a foreigner in the street or tells his children about a foreign culture?” (IP28-UA-int. central). Or when something with a less economic value is given a higher priority than another thing with a higher economic value, for example, a teacher may place more value on the pleasure and satisfaction he gains from teaching one student than two hundred; the commitment he shares with his small research group may be more important to him than that which he has with the whole faculty or the institution; the friendship he established with a research colleague in a competitor institution may be more valuable than the competitive position of his own institution. So there is a lack of affinity between the educational valuing principle and economic valuing principle on many essential issues of education.

For all the reasons mentioned above, some interviewees, especially those who are specialised in management subjects, pointed out the necessity of identifying a new type of management that is more suitable for public HEIs than the currently applied strategic management that has come from the business sector. HEIs are described as human organisations, which mean that the relationships between educators and students, between educators and their colleagues are human. The interviewees (particularly those being managed, e.g. academics,
internationalisation staff) expressed their concerns about the form of strategic management taking place in their institutions, because human relationships cannot be reduced to calculable indicators and measurements for the purpose of organisational management.

IP17 (UA-academic): Because education deals with people, not products. Think about the health care sector. It is also a field that is very difficult to manage, because the existing management theories don’t really have an answer to the problems of those sectors. ...Much of strategic management theory was developed for managing factories which are the type of highly integrated, tightly coupled systems. In that system the structure, planning and controlling are the keys to have successful management. We have applied those management theories, but the reality pushes us to think maybe those theories are not suitable for the education sector. If a new management strategy is needed, it should come from both professional fields, but not only from the conventional business and management sector.

IP38 (UA-academic): If we keep on using the old industrial management model aiming at nothing else than increasing efficiency, then all the talk about knowledge organisation, knowledge economy will never be realised. We need to make efforts to find a new way of managing a human organisation and develop knowledge economy.

This new type of management in the view of interviewees should stress the crucial role of knowledge and knowledge workers in contributing to the organisation’s competitive advantage. The key argument is, as Hansen and Wernerfelt (1989) pointed out, that organisational performance is an aggregate phenomenon which cannot be treated with the disaggregation and then add-up approach of scientific management. Particularly in the context of HEIs that are defined as knowledge (intensive) organisations, the competitive advantage needs to be sought from the intangible resources which are the knowledge embedded in the knowledge workers, rather than the tangible assets (Barney and Hesterly, 2006).

The management of knowledge organisations is to some extent different from the type(s) of management we have so far, because of the nature of knowledge. Knowledge is an abundant, rather than a scarce commodity, which is very different from conventional industrial production (Marginson, 2009). Unlike most resources that become depleted when used, information and knowledge can be shared, and actually grow through application and sharing (Peters, 2002).

IP34 (UA-academic): Industrial economic theories were developed because there’s always
a shortage of everything, water and energy, market and customers. But knowledge is in
abundance, the old theory like 1+1 dollars make 2 dollars cannot be applied anymore. In
the knowledge economy, 1+1 knowledge can make up the value of 3 or even more... because
knowledge will grow when you share. You should share with everyone, even your competitor.
In our contemporary society where knowledge flows around the world with the speed of
light, trying to hide your knowledge and expertise will not lead to the progress of our
society. It will more probably lead to barriers, distances and greed. Sharing is the only
way to be fruitful for everyone.

IP59 (RU-academic): Knowledge production is different from traditional production, the
more you share, the less you have. For knowledge production, the more you share, the more
you create. Knowledge will be enriched and improved when more people are involved from
different disciplines and different cultures. We have put a lot of our lectures on the
internet. Somewhere in a world ranking it says that we are the number two in the world in
doing that after Harvard. The lecturers are being filmed and the students can see their
teachers on the internet. That’s a very exciting development. People should not keep
their knowledge, but should be able to transfer that to other people who need it and can
share with us. We will all be better off if we are willing to share and transfer knowledge
to each other.

These unique features of knowledge make it different from traditionally defined resources of
scarcity, and also make knowledge organisations different from other type of organisations
(e.g. industrial organisations in the product market).

6.4 Managing the Knowledge Organisation

In a knowledge organisation, the enhancement of a HEI’s competitive advantage cannot rely
on protecting intellectual property rights, keeping knowledge for one’s self and competing
with others. In contrast, it needs to be realised by opening up the system, building
connections, sharing and exchanging knowledge and collaborating, although this openness
and free sharing are still conditional, not entirely philanthropic.

IP7 (UA-academic): Coming back to the question of competitive advantages, if I keep
everything I know in my head, will that make me better than you? No! Actually if I share
my knowledge with you, you can trust me more, if you trust me more, then I have been in
power, and that helps.
IP17 (UA-academic): Many people are discovering that offering a service for nothing can be much more profitable for all of us together. So many people are exchanging ideas and information now in a different way. Without our knowing, there can be a completely different business model created by someone whom no one has ever heard about. Via the open source networks people find out things can be done differently with even better results. An open system is absolutely very important for creating such innovative organisations and stimulating fair competition, especially in the internet-based knowledge economy.

IP34 (UA-academic): The current management models draw from the industrial era when people considered knowledge as an item which you have to defend for your own benefit. In today’s knowledge economy, knowledge flows around the world and knowledge is in abundance freely available to anyone who wants to learn. How are you going to defend it?

The internal sharing and transferring of knowledge has been stimulated by all the selected HEIs, also the cross-institutional exchange and active sharing of knowledge have been promoted by the Dutch government, because these activities are considered as beneficial for all Dutch HEIs when entering the international education market. Then, two crucial questions are raised. Why do institutions pursuing unsuccessful strategies not change to more successful strategies, such as by imitating the winners? Why cannot institutions repeat the winners’ success once strategic and organisational recipes for success become known? The first point to recognise from the data is that answers to these questions have to do with the heterogeneity of organisational resources and capabilities. One heterogeneity can be more persistent than another, because it is more difficult to imitate (Lippman and Rumelt, 1982). For example, some internationalisation strategies can be imitated easily, many HEIs simply followed the trend of using agents in certain target countries, centralising the internationalisation related activities, etc. Therefore, the heterogeneity of HEIs in choosing internationalisation strategies seems less persistent. However, the heterogeneity of HEIs in implementing these strategies seems more persistent, because the organisational context and personal behaviours that determine the implementation and its outcomes are difficult to duplicate.

The second noticeable issue is that the majority of selected HEIs are large organisations, some have separate campuses located in different, widely separated cities. The orientation, selection and implementation processes can take so long that, before unsuccessful institutions can deduce what is going on, the target market situation has already changed and the previous successful strategy is then no longer competitive. This appears to be the case particularly
where market changes have happened in a relatively short period; for example, a new governmental funding policy enforced in the target country, an adjustment made in study visa procedures by the Dutch government, etc. In this kind of situation the competitiveness of the ‘follower’ institutions remains one step behind because they are not able to identify, create or utilise their own competitive strategy. The persistence of organisations’ heterogeneity and the incapability of exploring their own competitive advantages also happen commonly when large firms attempt to pursue the best practice, despite a known recipe for success and a decision to pursue it, firms may be unable to implement the same best practise successfully (Reed and Defillippi, 1990).

The interview data reveal that for an institution to achieve competitive advantage it is not necessary for it to adopt a strategy of being the best, the strongest, the biggest, but to be different, unique, or special. Since institutions possess different resources of their own, the heterogeneity and specificity to some extent already form a natural competitive advantage. Therefore, the inimitability of resources is particularly important as it is expected to create sustainable competitive advantage (Barney, 1991). According to Porter (1996), the essence of strategic management is about choosing to perform activities differently or to perform different activities from rivals. The RBV views an organisation as a pool of hard-to-copy resources and capabilities, including distinctive differences in terms of history, size, corporate structure, but also their capabilities to build up, expand, and organise those resources in a unique and hard-to-copy way (Amit and Schoemaker, 1993; Barney, 1991; Peteraf, 1993). The supporting evidences for this view can be found in the interview data collected from the education sector. The Dutch universities are different in their subject focus, location and establishment history “when the Dutch government at the beginning decided in which province or city to establish universities, they already take the regional development needs and local industries into consideration. So they have many overlapping disciplines, but also have their own special focused subject areas.” (IP28-RU-int. central).

Indeed, more than half of the interviewees considered a differentiation strategy as the best competitive strategy. Two other very popular competitive strategies from the business sector -- first mover strategy (to be the first to enter a market or the first to adopt a certain strategy) and cost leadership strategy (to offer the cheapest market price) – are not generally adopted by the Dutch HEIs. As Mazzarol and Soutar (2008) stated, that the nature and structure of HEIs, the dynamics international student market, particularly in the current climate of shrinking
governmental funding, differentiation strategy is more sustainable than the cost leadership competitive strategies.

**IP17 (UA-academic):** If you still want to offer a standard product, then you will also be caught in the standard range of the market, you have to just play the same game with everyone else, you have to use a lot of image building and then deliver under a very poor margin because your price must be kept low. Therefore, we have not chosen this standard way of running our programme which is actually easier. We have not chosen the standard product to go to the market that is full of other institutions offering similar programmes. I don’t want to do the same thing again. I want to organise the material in a different way. As soon as you do one of these, your programme will become something different and unique, therefore more recognisable and competitive.

**IP39 (UA-int. central):** For Dutch universities, being competitive means being special, different from the rest. You do not necessary need to be better, but you ought to be different. You don’t want to copy from others, to do the same thing as others. You have to do something extra through differentiated programmes, by using different approaches. When students choose programs, they make decisions based on the differences and uniqueness of a program and how it matches his or her own interests.

**IP48 (RU-academic):** So every organisation tries to be special, be slightly different in choosing different target groups, doing same thing differently. It is about having your own niche.

Differentiation strategy is acknowledged by the interviewees as the best competitive strategy that can be applied in both domestic and international markets. Then it is understandable why some scientific management approaches like the standardisation and centralisation of activities across organisational levels and discipline boundaries are seen as less appropriate by many interviewees. Standardisation and centralisation can be effective competitive strategies in a world characterised by greater homogeneity of both resource and market (Fahy, 2002). However, when the emphasis of competitive advantage building is placed more on uniqueness rather than similarity, on differentiation instead of uniformity; where organisations catch different opportunities by creating asymmetries, being flexible enough to exploit different strategies, the dichotomy of scientific management is too simplistic to deal with the full complexities of an organisation (Fahy, 2002). This is not to claim that the scientific management approaches are not applicable in knowledge organisations, but to draw attention to the management areas of knowledge organisations in which scientific management has proved to be ineffective and needs to be improved.
In order to make efficient use of institutional resources, allocations and reallocations of resources, and assessment of progress made in specific increments of time, scientific management establishes a strong link between strategic planning and budgeting. According to scientific management models, a strategic plan can be accomplished when each unit is aligned and take actions that contribute to the institution wide strategic goals. If there is no direction decided and no coherence between different units, a consequent failure of the full implementation of the strategic plan should be expected (Gottschalg and Zollo, 2007). The experience of Dutch HEIs shows that having a single direction or one shared view within an institution, and implementing one central strategy can be difficult. HEIs are described by Weick (1976, p4) as examples of ‘loosely coupled systems’ in which strategy emerges from the random confluence of problems, solutions, participants and choice opportunities. For that reason, there is a tendency to strategic inertia, as different interest groups within an institution pursue their own goals in relative isolation, with little collective strategic action for the institution as a whole (Jarzabkowski and Seidl, 2008). This may explain why the interviewees viewed management tools like target marking, planning, monitoring, and controlling as, in many cases, not having much effect in the education setting.

IP17 (UA-academic): So the education organisation is very flexible in terms that everyone can do his job. Therefore, this is not the type of system that can easily find a single direction with a common goal for everyone. Because there is maybe not even an organisation in a sense that it has shared goals and structures and so on... The top-down strategy making will not be successful in really innovative universities. A tight hierarchy and pre-decided goals might work in some supporting service departments at a university, but not the education department itself.

IP38 (UA-academic): My dean already said we won’t work with that strategic plan. We prefer to send a smaller group of students for a longer period, but make sure they really learn a lot in terms of knowledge and cross cultural management skills. The target set by the strategic plan is too high, sending that amount of students is wasting our money and spoiling our time. ... We have our own goals and we know the most effective way of achieving that goal.

In a large organisation, the social complexity of the working environment is claimed to play a decisive role in competitive advantage enhancement, because of the importance of cooperative relationships and interdependence between departments and individuals (Rumelt,
The social complexity comes from the specific historical development of the organisation in which its strengths or weaknesses are deeply rooted, also from the specific images, perceptions and preconceptions that managers and staff have developed (Ridder et al. 2006). This social complexity is a source of idiosyncratic combinations of resources and routines which are described by IP66 (RU-academic) as being “very random, opportunistic, ad hoc, subtle, hard to predict and often they are out of your control”. However, the management systems established in the public higher education sector aim to impose a structure, do not accept this kind of irregularity and unpredictability, but try to eliminate or simply ignore it (Byrne, 2005). Moreover, the social complexity makes organisational performance an aggregate phenomenon of a group of interacting heterogeneous factors. As mentioned earlier, the disaggregation approach applied by scientific management tends to treat the selected key factors separately and investigate only the selected key relationships between the key factors. Paradoxically, it is the interaction among the factors rather than one factor alone which enhances competitive advantage (Laycock, 2005). The scientific way of management, no matter how sophisticated it is in its design, can only to some extent capture some of the multidimensional aspects of some significant organisational phenomena (Campbell, 2007). Therefore, a flexible and aggregated approach may have more effect on dealing with the social complexity.

This new flexible approach to management has been adopted in practice in some HEIs, according to the interviewees. For example, when involving faculty staff in pursuing internationalisation, instead of sending teachers for training, they are sent to a partner institution for teaching or participating into joint projects; when deciding whether a new target market should be invested in, instead of relying on market research and following trends, they “make use of the opportunities given by your personnel” (IP33-UA-academic); instead of setting up rules and structures to eliminate uncertainty or chaos, they “trust the capability of your own personnel” (IP52-RU-senior management) or “allow people to make mistakes as long as they learn” (IP31-UA-academic). When such approaches do not work out or are not welcomed by the managers who have difficulties gaining control over the working process, it is often judged as “ad hoc”, “not well organised”, “too much individual initiatives and actions”. However, when these approaches do work out or are supported by the managers, the social complexity of the organisation, the causal ambiguity of the actions and performance, the unpredictable strategies, can be the most valuable and sustainable sources of competitive advantage. This is because they act as powerful barriers to imitation.
(Dierickx and Cool, 1989); often it is even impossible for other competitors to figure out the exact constructs of their success.

IP66 (RU-academic): While all the changing factors are giving us troubles in dealing with our supplies, partners, customers, etc., also make the copying difficult. It is no longer a product or a method or a plan brings you competitive advantage, but it is the whole context of making the product or applying the method or implementing the plan makes you competitive. For example, the unique way the company has organised its process, the unique way it is able to attract the right people, to organise its network, are even more important. This whole context is very difficult to be copied. Strategic management is about how to take all these factors into account. So you have to organise all your production and management processes in very good, organised ways. Even when your ideas are copied, without the right process and the right people, your competitors still have great difficulties to compete with you.

In HEIs, the differences between disciplines are getting blurred through internationalisation, principally because universities need to contribute to the finding of solutions for global problems.

IP59 (RU-int. central): University is especially meant for developing technology and making innovations to solve technological problems, to find answers for the societal and economic question for the global world. Given the situation that the world population will keep on growing, according to the statistics well founded by top scientists we may expect to live on this earth with 9 billion people in 2040, we all notice there are huge problems we have to face at that time, clean drinking water, air, transportation, large infrastructure, huge urban areas, metropolis, all these things need solutions, but these solutions cannot be found by doing the traditional ways of scientific studies. We need to be able to combine our strength with other institutions in the world that are at the same level with us or even higher level than us. You have to create virtual teams and groups across different disciplines, they have excellent expertise and they can find each other much faster than in the traditional way, they have communication skills to be able to understand each other quickly and work together easily. They can access each other’s research results, share their information resources and experiences.

Moreover, some disciplines have grown together naturally because of developments inside the education sector (e.g. new education concepts) and outside (e.g. new ways of working).

IP28 (UA-int. central): The new education concept of competence based learning, based on
which we re-organised our education system, only made clear in theory what competencies the students need to work on during their study. But in reality the definitions of competencies are very difficult to describe or formulate exactly. So what you see now is that the edge of a subject area is getting vague and intertwined with other subject areas. For example: the competences of art students include sales skills and the making of marketing plans; the business students study a module of “psychology” helping them to analyse customer behaviour.

**IP4 (UA-senior management):** If you look at the generalists nowadays, it is less broad in term of philosophical grounding, but more in terms of a mix of certain interrelated disciplines. At this university, the staffs from the ICT and communication programmes were mingled five or six years ago. It has done wonders for innovation, creativity etc. In the old time, there was a very technical ICT department, and a very creative communication department. But now we integrated them completely into one. The inter-links between these two disciplines are so clear now, we don’t question it anymore. But it was something that would never be thought about before it has become a fact.

The reasons identified by the interviewees for the blurring of disciplines in my view may also be applied to the discussion about the academic and commercial features of internationalisation. The remarks made by the interviewees provide a new perspective for looking at the borderless nature of knowledge, which applies not only to geographic borders, but also to disciplinary borders. The theories developed by disciplines like mathematics, physics, chemistry, biology, and computer sciences, etc. can be extended, redesigned, absorbed, to gain new insights and new perspectives which act as scaffolding for the education researchers or vice versa (Lemke and Sabelli, 2008). Perhaps the blurring between academic and economic rationales is just in the nature of knowledge (intensive) organisations rather than being caused by pursuing internationalisation. Internationalisation has played the role of an accelerator rather than an initiator for this blurring, because it has intensified the contacts between individuals and their institutions, as well as the transfer of knowledge. That results in a new and diverse international community of researchers automatically seeking a common framework for sharing ideas from different disciplines and approaches to both their specific subject areas and to the common complex knowledge production system we continue to develop.
6.5 Managing the Intellectuals

As the RBV claims that the value of all resources (including human resources) must be matched by their realised value for the organisation in the market, so organisations should focus on identifying and investing in the resources that deliver more market value for the organisation than those that can do so to a lesser degree (Barney, 1996). And any investment made in human resources must result in affecting their behaviour and increasing their productivity and capability (Penrose, 1959; Barney, 1991; Teece et al. 1997). Although these business principles have been questioned or even criticised, they are seen as valid and also widely applied in the education sector (Hunter et al. 2006).

The value of an intellectual is seen primarily to depend on his/her contribution to the organisation’s competitive advantage. The more value an intellectual can deliver to the organisation in terms of visible productivity (e.g. publications, teaching hours, student satisfaction rate), the more value (s)he has, and the more investment (s)he deserves. The interviewees commonly stress the importance of having highly competitive therefore valuable staff, because the “right type of staff” makes not only internationalisation successful, but also the whole institution competitive.

IP16 (UA-senior management): In order to compete you need clever ideas. Really clever ideas come from only a few people. You also need some other clever people to criticise the clever ideas and identify the value of those clever ideas. These people are your valuable human resource. Their ideas make your organisation competitive.

IP40 (RU-senior management): Some of the teachers are good and you also need super good staff. When we look at the competition among universities, it has all aspects of a soccer competition, because in the end a university’s fame is built on the talents of the academics they have. You don’t need to have every staff member to be very good, but you need a number of them that are really good. If you have those, that’s fine. If you don’t, then you have to worry.

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2 Here ‘intellectuals’ does not specifically refer to the academics, but also include the non-academic staff (managers, marketers / recruiters/international office staff) identified in the previous chapter (5.2.3), because “they are in principle all highly educated intelligent people” (IP49-RU-int. central). The term “knowledge worker” in my opinion fits better with the discussion of knowledge management in knowledge intensive organisations. However, a considerable number of interviewees expressed clearly their rejection of calling themselves ‘workers’, which has a negative association with low education and physical labouring of production. ‘Intellectual’ is the term more appreciated by the interviewees, hence I decided to adopt it.
IP73 (RU-academic): We need to have the top people who can get research grants by themselves. The good thing is there are sufficient grants provided by the government. But the researchers need to get them by themselves. When someone gets such important grants, it makes that person visible. A researcher should also score very high in terms of publications in the most influential journals in his field of expertise. Top people produce top publications that belong to the highest ranking.

It is argued that the overall competitive advantage of an organisation is delivered by effectively increasing the competitive advantage of its human resource (Walker, 1992). Many interviewees declare that the competitive advantage of intellectuals depends on their uniqueness such as their subject knowledge and leading positions in their subject areas, and the imperfect duplicability of their knowledge and capabilities. The imperfect duplicability can be created when their knowledge and skills have been acquired through special historical conditions, personal background and character, networks, working environment, etc. The uniqueness that results from causal ambiguity and social complexity makes it difficult for competitors to understand how each individual acquires knowledge, and how they are interconnected, and how these different people with different capabilities together lead to competitive advantage, let alone systematically copy it (Amit and Schoenmaker, 1993; Teece et al. 1997; Sanchez, 2002).

Therefore, at HEIs intellectuals should be considered as the core component of knowledge management. The value of an intellectual exists not only in the knowledge (s)he possesses individually, but even more important his/her connections with working environments or processes. Through internal and external cooperation, the limitations of individuals can be compensated for, the piecemeal knowledge and capabilities can be combined and accelerated, eventually realising a higher value accumulated through the sharing and interacting with the collective. In order to achieve a value higher than the sum of individuals, knowledge intensive organisations seek suitable knowledge workers and put them in a more rewarding, more satisfying working environment (Laycock, 2005). Thus, it is important to identify the management practices that are acknowledged by intellectuals in their environment as motivating and satisfying. This motivating and satisfying environment has been described by many interviewees as the main reason why institutions can attract, and keep their valuable personnel to work for them in a productive way.
IP30 (UA-academic): The surroundings can make people unhappy, dissatisfied, or the other way around. So first of all you need to have motivated people and keep on making them enjoy their work. If they don’t like it, they will only do it when money is there and time is given. Like in all jobs, if you don’t like your job, you are only there for the money, you try to do the minimum, to get by, and that’s it. So you need people who like it, who are motivated.

IP73 (RU-academic): It’s important to identify whether a person is really motivated for an academic career and really wants to go for a top position. But still you need to have a nice system in which everybody feels happy and motivated to do research.

Hence, identifying such motivating and satisfying factors in their working environment can be the key to improving the value of human resources and the overall competitive advantage of a HEI. Because the intellectuals are independent workers who highly prize academic freedom and autonomy, so the management practices that support this freedom and autonomy are viewed as positive and motivating; for example, flat organisational structure, short management line, bottom-up decision making. Conversely, management practice like frequent interference or using hierarchical power can impede employees from achieving a higher quality of job performance (Bryson, 2004).

IP3 (UA-int. faculty): It is very clear that that person at the central level doesn’t need to interfere too much in the different activities of the different faculties.

IP53 (RU-int. faculty): We have very short lines here. I have a wonderful boss. He gives me a lot of space and freedom to do things. If I think we should do this and that, I can tell him frankly, there is no hidden agenda. And most of the cases he will say “do what you think is right”. .. Your job performance depends a lot on who your boss is. He gives me trust, space and freedom.

IP38 (UA-academic): One of the key features of being professional is that (s)he needs the space to grow. They don’t mind to spend extra time and energy, they want to have the freedom of self development and growing in their own way. If a manager will limit this freedom, in my opinion he is missing the best possibility of increasing productivity.

The independence of intellectuals seems only refer to their maintaining a distance from the management, but not from their colleagues in the same profession or subject area. In the relationship with these colleagues, cross-discipline and cross-border cooperation is a more common practice. This cooperative spirit has been mentioned by interviewees as the main driver of internationalisation.
Intellectuals work with knowledge which can best be gathered and developed in informal and pragmatic ways. The management practices that fit with the characteristics of knowledge production are experienced positively by the intellectuals. Pfeffer and Sutton (1999) suggest that knowledge production is happening informally between people all the time. In many cases occasional events and experiences may have a more significant impact on individual knowledge development than purposely planned learning activities (Engelhardt and Simmons, 2002), a point that is confirmed by the interview data. According to the interview data, the effectiveness of knowledge transfer can be optimised through flexible connections, diverse channels, informal and incidental learning capability, and collective efforts on learning and sharing. A system or structure can be useful, but only for the purposes of supporting and stimulating knowledge transfer, not for regulating and controlling the flow of knowledge. When a system or structure is set up for the latter purpose, it will have great difficulties in managing the intellectuals’ ways of work, which will appear to the management as unsystematic and unorganised.

IP1 (UA-int. faculty): How do we share knowledge? Gossip. We talk and joke a lot. We do write reports. But the real sharing of knowledge happens when we just talk with some people about some juicy stories next to the coffee machine.

IP59 (RU-academic): Very often the best idea comes from the most unnoticeable place. Knowledge can develop through all kinds of ways. So managing a university faculty is more about getting these very knowledgeable people together and let them talk and come up with good ideas in an informal and unorganised way.

IP66 (RU-academic): Thinking, discussing, drinking coffee together, exchanging information and learning from each other are very important moments for knowledge development.

The need to be connected and meet together is recognised by the management of all the selected HEIs. But the way to meet this need offered by the current management approach is through formal mechanisms such as periodic meetings to review and exchange experiences between the central and faculty level, between the internationalisation officers of different faculties, etc. This management practice follows the scientific management view, that the existence of a knowledge organisation is seen primarily in terms of their ability to produce and transfer knowledge regularly and efficiently (Theodosiou and Leonidou, 2003). But this management approach is not always seen by the intellectuals (particularly those at the faculty
level) as **effective**, because a huge bureaucracy is created and a lot of time is wasted by trying to communicate with or control others.

**IP38 (UA-academic):** The management is only interested in the output of knowledge, but not interested in where the knowledge comes from. This is the reason why they schedule us for this or that meeting. Those nonsense meetings take all the time away that we can spend for talking, having a drink or cigarette, having constructive academic discussion together. They think we should not be paid for those hours, perhaps they also think that is nonsense. But they should know, more freedom, more ideas!

**IP47 (RU-int. faculty):** We’re not very good at having effective meetings and making decisions. Not even the decisions that we take in all types of board meetings. Sometimes it’s frustrating when you sit in a meeting and you think “I’m really sure that we had this same meeting last time. What happened to our decision made at that meeting?” When you speak it out, people look at you and no one can find a document about that decision.

Scientific management practices favour planning, monitoring, control, keeping coherence, eliminating irregularity, increasing predictability. These approaches of dealing with uncertainties and unpredictability of an organisation are recognised but criticised by many academics.

**IP70 (RU-academic):** Many managerial systems are introduced to universities because they provide information to the managers, directors and board members; they allow the higher persons to monitor what people are doing on a daily, monthly basis. Again it is caused by the fear that something can go wrong without being noticed.

**IP17 (UA-academic):** It’s ultimately crazy that the management systems that we have are about predictability. You want to be able to plan ahead and predict the outcomes. Managers want to know if in 1 to 3 years we could have produced something, we could have been somewhere on the ranking. Managers want to predict things that by their nature are unpredictable.

**IP44 (RU-academic):** Decision making is about dealing with uncertainty. ..So if the policy makers ask the central planning bureau about the gross growth forecast, they want a point forecast, for example: next year in 2011 we expect that the economy will grow with one percent. They like this figure of one percent and take it as a true value. If you look at the real data, you will see that the probability of growth rate might be −1 or +3, both are possible. I think decision makers in general dislike all kind of uncertainties that they have to face.
But, has the application of scientific management resulted in less uncertainty and more predictability? Since scientific management is aided by economic modelling, in order to keep their decisions within ‘cognitive bounds’ and avoid ‘affective bias’, managers must often and extensively simplify the complexity in their situation (Russo and Schoemaker, 1989, p44). The means of this simplification is to use “indicators, measurement and economic modelling” (IP17-UA-academic). According to IP47 (RU-academic), a professor in economics, “economic modelling is based on past experience and assumes that what happened in the past has a certain percent of chance of happening in the future”, so there is inevitable inaccuracy in economic modelling itself. In addition, no one measure tells the complete story, no one system monitors a full scale of dimensions of performance and analyses the sources of lagging performance; therefore the managers’ judgements about correlations among or relative importance of various factors may frequently miss important cues and interactions, easily misconstrue the success/failure factors and opportunities and risks (Clegg and McAuley, 2005). Particularly in human based organisations such as HEIs, such a planning, monitoring and control oriented approach is less capable of capturing the richness and wholeness of human thinking, neither is it good at predicting the hazy and dynamic actions and reactions of human being.

These are the reasons why this kind of simplification may lead to additional bias and inconsistent decisions (Amit and Schoemaker, 1993). In fact, not only in the education sector, but also in the business sector, the initial foray into strategic planning has ended up becoming very bureaucratic. As the founder of competitive advantage theory Porter stated in an interview that strategic planning processes have been concluded by many firms as a waste of time after they went through various rituals and invested a lot of time (Stonehouse and Snowdon, 2007). The interviewees neither confirmed nor refuted the claim of Cole and Scott (2000) that strategic management following planning, monitoring and control circles has turned out to be largely a fad. But their general impression is that such strategic management approaches have been shown increasingly to have weaknesses and offer hindrance in managing knowledge organisations. Instead of having the functions of planning, monitoring and controlling knowledge production and transfer processes, in the view of many interviewees, strategic management should have the functions of creating conditions that enable and stimulate the innovation processes and knowledge acquisition. Instead of being pushed or required by rules and procedures and institutional policies, it should be recognised
that the real driver of intellectuals’ high performance is their personal involvement, interests, willingness and commitment.

IP33 (UA-academic): Make use of the opportunities given by your personnel. Also give opportunities to your personnel, to encourage them to take initiatives, to enable them to create more opportunities.

IP45 (RU-int. central): If you manage internationalisation intelligently, you will create conditions in which academic activities will just naturally blend in. ... The real strategic management is about creating the channels and the pathways which will cause science to move as it wishes to move. Because science wishes to move everywhere, so you should take away the constrictions to allow the scientists to do so.

IP27 (UA-academic): All kinds of control, structures, procedures kill the entrepreneurship. You’d better to leave things as it is there, let everybody develop his own hobby. It is great if we see someone is very enthusiastic and passionate because it is his hobby. In that kind of situation, you can have the most brilliant ideas.

The personal involvement, interests, willingness and commitment come firstly from a strong consciousness of self-improvement among intellectuals. They like continuously learning and searching for better and smarter ways to do their work. This self-improvement consciousness goes together with the aspirations of individuals for meaningful and interesting work, but not always with the organisational improvement measured with efficiency and productivity (Brown and Hesketh, 2004).

IP10 (UA-int. central): The further you go on with internationalisation, the more areas you will discover within your organisation which are not yet internationalised. So you try to do as best as you can to make constant improvement.

IP18 (UA-int. central): Yes, I think we have made quite a big step in the past 10 years. ... There are always problems that we don’t know when it will be enough, actually nobody knows, we just keep on making improvements.

IP67 (RU-academic): It is in the nature of highly educated people that they strive for the highest level they can reach, they are often very self-disciplined, otherwise they won’t progress their career so far.

In a knowledge organisation, direct supervision, rules and output control are at odds with the very nature of the uncertain, long-term, ambiguous and complex work processes at the core of this business (Alvesson and Sveningsson, 2003). In this sense, management practices like
directing, regulating, monitoring and control are not necessary; what is necessary for strategic management to do is to support, coordinate and facilitate the intellectuals’ work.

IP36 (UA-academic): The coordinators should know the personnel and create some facilities to support them to use their networks to do something useful for the department. That’s to me the role of education managers: be aware of the expertise of the employees, their wishes, and their availability and possibilities. In this place coordination is more important than management, because you do not force your wills on the teachers, but try to facilitate their wills.

IP17 (UA-academic): Planning and control do not work in knowledge based organisation because they reduce the differences, overlook the minorities. One of the fascinating things about Microsoft is that it was quite loosely organised. While they were working on developing new versions of DOSS, the interesting thing is that Microsoft products were presented by three different stands with three different departments of the same company. They offered their own versions at the same fair without knowing about each other. We can say that was a bad planning, not efficient, not economic. But from a learning perspective, it was very intelligent, because what they did was to develop different products at the same time from different angles of thinking, using different design principles. They let the market decide how these products would be used and developed further. Planning and control models focus on eliminating differences. But being different is not the problem if you know how to take advantage of the differences.

IP52 (RU-senior management): In this organisation most people are mature enough to deliver what they promise. They come with an idea, when we say it is good, normally people just do it, because it’s their own idea and they want it to be realised. So we don’t really have a kind of mechanism to control and monitor how they work out their plans, we believe they know their stuff better than us. I don’t check if they finish the whole cycle, I don’t monitor it either. In education, a manager is more a coordinator than a manager.

To be able to make this move from directing/planning/controlling to supporting/coordinating/facilitating, interviewees mention two conditions: open communication and mutual trust between the managers and those being managed. These two aspects are interlinked. Open communication is meant to creating trust; having a certain degree of trust is a pre-condition of open communication. The uncertainty and complexity inherent in innovation suggest that employees’ confidence in their organisation’s management is central for the development of a culture that supports innovation, because trust makes
people capable of speaking their opinions freely and taking risks without fearing the consequences of failure (Yahya and Goh, 2002; Thite, 2004). The RBV claims that managers and employees working cooperatively are especially likely to maximise a firm’s capabilities when their partnership is characterised by a strong form of trust (Barney and Hansen, 1994). However, the scientific way of management with its disaggregation principle, approaches the building of trust by eliminating individuals’ opportunistic behaviour, obviating the violation of the values, principles and standards of behaviour that have been internalised in the organisation (Barney and Hansen, 1994). This approach is not always experienced positively by the interviewed intellectuals.

IP39 (UA-academic): Often in universities policy papers or strategic plans are put under an employee’s nose when they are fixed and made ready. The same thing happens to our internationalisation policy document. There was not an open communication with the people who will work with it. The policy making process was not transparent. Only a few policy advisors were involved, doing desk research. The staff at faculties or students were not involved, neither informed.

IP38 (UA-academic): The managers should trust their people and be trusted by their people. Those who speak out do not need to worry whether they are going to be criticised or fired. So taking care of your people is essential for a good human resource management. I have never seen our HRM managers talking with teachers, thinking for teachers. I saw them only a few times in the formal occasions, but then they were drinking with the managers, never talk to the teachers or come to the teachers room. They are not interested in what happens on the shop floor, as long as the management is on their side.

The lack of trust between managers and the staff is viewed by many interviewees as the reason for introducing certain human resource management practices, which are mainly focused on, changing and reshaping the existing personnel’s mindset, improving their quality level and keeping them suitable for their job functions.

IP64 (RU-int. central): If they don’t meet the requirement on their functions, we can help them by giving them training and coaching, to make them connect more easily with others and more acquainted with the organisation. We can be all different in our way of thinking and behave, but I think we have to be identical on making people more suitable for their functions.

However, many interviewees stress the difficulties, sometimes the uselessness and even danger of trying to change an intellectual. Attempts to do so may result in an atmosphere of
resentment and mistrust, in which accountability initiatives produce more resistance than progress (Padró, 2009).

IP13 (UA-senior management): You can’t force people to work on something that they do not like. You can lead a horse to water, but you can’t make it drink.

IP73 (RU-academic): Researchers often are very shy people. It’s completely unnecessary to try to change their nature, because they don’t have those talents that are appreciated and complimented by the fund providers, but they have other talents. When these people are mismanaged, the modest, shy, tolerant researchers get frustrated. Some of them accept passively, some of them get angry and turn away. We offer them courses to make them to be aware of the external requirements, but not to change them. Because these people are very clever, an awareness is already sufficient for them to understand how to follow which way. You should leave them alone. If they are producing and they are good at what they are doing, why bother? Why try to make them like everybody else?

This desire for open communication and mutual trust boils down to the decision over whether intellectuals will willingly support the management decisions and plans, willingly cooperate with other intellectuals. “When people do their work willingly, they will do it with joy and pleasure, and perform automatically better” (IP7-UA-academic). Without these willing actions of intellectuals, strategic plans run the risk of being resisted and might eventually fail, and the real source for improving productivity or efficiency or effectiveness is not exploited. The lack of willingness among intellectuals is considered by interviewees from different function groups as the key reason why the currently applied strategic management practices are criticised as inconsistent and unfair, and why the strategic plans/policies are not supported.

IP49 (RU-int. central): Faculties are quite free in making a number of choices. Of course they know they need to follow and operate within our set-up framework, but unwillingness can undermine the strategic choices that the Board made, very subtle sometimes.

IP38 (UA-academic): Managers complain that teachers are not interested in the announcement or plans or policy papers made by the management team. They should ask why the teachers are not interested. When people lose their interests, the organisation will really have problems. If the managers really believe in the potential of their human resource, then they should give their human resource sufficient attention, listen to them and respect their ideas. In a really professional organisation, the employees and managers should cooperate willingly together in finding solutions and making developments. No
matter how efficient a plan you have, how much money you have, without the willing work of your human resource, the plan is doomed to fail.

IP72 (RU-academic): People in academia cannot be planned or changed in the way that they will do standard work with a well scheduled timetable and clearly defined measurable target. If you force them to do so, treat them as a machine without feeling and emotions, you will miss the most valuable thing they have, that is their brain, their intelligence.

The scientific management approach assumes the scarcity of resources. Therefore, the overall task of management boils down to its ability to invest in a way that allows it to maximise its position within the resources market. Squeezing another penny out of costs, getting a product to market a few weeks earlier, responding to customers’ inquiries a little bit faster, ratcheting quality up one more notch, capturing another point of market share is the obsession of scientific management. This principle of ‘getting work done as quickly as possible’ has been applied to utilise resources without contextualisation, which means that scientific management has not paid sufficient attention to the differences between resources. Sometimes these differences can be so essential that the ignorance of them can lead to the misplacement of the core concept. For this reason, the scientific way of human resources management has been criticised as focusing on the resource, rather than on the human (Lamond and Zheng, 2010). Because scientific management does not essentially distinguish human resource from other resources, the same piecemeal approach is also applied in managing human resources. That is to cut working processes into small tasks with pre-decided targets, assign a certain task to a specialist according to his special knowledge and skills, then assess this person’s performance based on the fulfilment of the task assigned. But this approach does not recognise that people do not cast off the influences of their working context, nor are they able to simply function in a vacuum without interacting with their surrounding environment. This explains why the scientific way of utilising resources is confronted with serious difficulties when it is applied to human organisations, especially the type of human resource that values freedom, autonomy and creativity.

Therefore, this notion of willingly makes an important distinction between a human being and a machine. Intellectuals are human beings. They were treated like machines under Taylorism, which served many organisations in the manufacturing industry quite well for much of the last century. Human resource management has been primarily understood to be about building the capability of employees to achieve the strategic objectives of the organisation (Mabey, 2003).
Whether it is through staff training, competence development evidences, key performance indicators, the capability of employees will be seen as successfully upgraded if there are demonstrable and measurable outcomes which are accredited by their managers. These notions of measurement and control reflect Taylor’s thinking and language (Spender, 2009). Therefore, human resource management in a scientific way is typically structured, using formal techniques and procedures to monitor the development process, and initiated by the senior management level. The individualistic development arising from personal initiatives (e.g. an incidental experience, an inspiring conversation, an insightful article, a coincident meeting) may easily be ruled out by a perfectly designed scientific management system, because its impact is difficult to demonstrate according to the collective, standard, scientific criteria.

Scientific management needs the working system, the organisational structure and procedure for running an organisation. The system, structure and procedures bundle people together, but do not automatically lead to an adding-up effect. The high performance of an organisation cannot be ensured only by making each individual function optimally, but needs also to be achieved through the joint work of different specialists. Scientific management views people as a collective of more or less homogenous personnel that are not sufficiently qualified and need to be continuously upgraded and reshaped in order to remain qualified (Jaffee, 2001). Because the market environment is constantly changing, internal working methods need to change accordingly, so the overall performance of an organisation can be improved when less qualified personnel who need to be changed are changed and made suitable. Consequently scientific management places people in second place to serving the system of organisation. The interview data show that the human resource management practices that intellectuals desire are in many respects in contrast with the scientific management approach. The interviewees describe the new type of management as placing people first, viewing them as the core resource for sustaining the organisation. The intellectuals should be recognised as highly educated and consciously self-improving individuals with heterogeneous capabilities and specialised knowledge. The system, structure and procedures are considered as a necessity, but the exact form and content of the system/structure/procedures are paid very limited attention, because these factors are subject to change in order to meet the demands of people. In other words, the system/structure/procedures should serve the people, rather than the other way round.
6.6 The Relationship Between Knowledge Management and Scientific Management

The data analysis above describes a type of management which is claimed to be different from the currently applied scientific management approaches. To avoid the invention of a new term in what is an already crowded strategic management field, I choose to use an existing term (see section 2.3.3) which has the most affinity with the descriptions provided by interviewees. Also because HEIs are considered by all interviewees as knowledge organisations, and a considerable number of interviewees did use the term ‘knowledge management’, so the following text will use this term to represent the new type of management.

It is important to note that the distinctions between knowledge management and scientific management have been explained explicitly in order to highlight the specific characteristics of knowledge management in a context (public higher education) different from that in which it was originally developed (the business sector). However, this emphasis may cause a misunderstanding that these two management practices are mutually exclusive, or that they necessarily conflict with each other. In fact, they should not be seen as distinct, opposed and unconnected, but can occur at the same time and applied in a mixed form.

IP63 (RU-int. central): In doing strategic management, you should not interfere too much with academics... I don’t care how they do it, but they should try to achieve these goals and tell us how you are going to achieve them, and why in that way, and what kind of finance they will need. You set the goals for them, but also give them freedom to do it, then you only check the final results. That will be the ideal situation.

IP52 (RU-senior management): It’s not so easy to find the balance between giving freedom and keeping control. You need to talk a lot and see a lot. Mostly the management is needed when something goes wrong. We can give people the freedom, they can work on their own, they know where to find me when there are any problems. But when something really goes wrong, then the real monitoring comes in. In most of the cases if everything is going fine, you don’t have the extreme of both sides: giving freedom and having control, you are somewhere in between.

It is not my intention to replace one type of absolutism, that of scientific management, with another, so called ‘new’ type of management. The latter just offers an alternative route to encourage researchers and practitioners to take multiple approaches when viewing management. The use of a new term may create tensions and contradictory data, but it is only
as such complexities are confronted that the meaning and significance of human activities and organisational performance will become better understood. It is also important to note that no one organisation works in a way that conforms to the ideal portrayed in either management style.

Knowledge management cannot be developed without the rich empirical data and theoretical foundation laid by scientific management. Scientific management views humans as a form of capital which can be used as any other capital to maximise the productivity of an organisation (Swanson, 2001); knowledge management has the same goal. Scientific management accords value-creating importance to human capital by aligning organisations to the external environment (Pfeffer, 1993); knowledge management follows the same reasoning. The contribution of knowledge management is that it makes corrections to scientific management, particularly in managing knowledge based organisations where human capital is essential. Human activity involves a mix of routines that are relatively standardised, describable, replicable, and imitable, and non-routine aspects that do not have these characteristics. Scientific management has been continuously developing methods and technique to understand and improve the routine aspects, while the non-routine aspects are especially important to high performance organisations (Murnane and Nelson, 2007). But still scientific management seeks to explain human resource in functional terms and is concerned with representing the benefits in the language of accounting and economic value (Swanson, 2001). This way of managing human resource has been questioned as to whether it is an unhealthy preoccupation with performance assessment, a kind of reductionism to subjugate human development processes to an over-simplified means-end calculation (Komoche, 1994).

Scientific management tends to avoid the complexity of situations and focus on some of their dominant expressions with the hope that when the key issue is solved, the rest will be solved as a consequence (Mason, 2008). Because the complexity of situations is abstracted and reduced to a workable level of statistical generalisation, the key issues can be identified wrongly in the absence of contextualisation. The effectiveness of this piecemeal approach in improving knowledge development is doubted (Pfeffer and Veiga, 1999), just as the interview data show that developing plans and implementing practices in isolation may have little effect or even be counterproductive. The assumption of scientific management is that decisions consist of choosing between discrete alternatives, and tends to emphasise rational and strategic decision-making criteria such as costs, investment, risk and control (Ahuja and
To correct these biases, knowledge management aims at including the emotional side of human activities that is sometimes considered as irrational from a scientific perspective, but has a great influence on their performance (Senge, 2003). Many problems emerging in the application of scientific management can be better dealt with by knowledge management, because of its vague and flexible approach to developing human resources based on understanding the wholeness of human beings and their working environment.

The field of management theory is also making the shift from a reliance on planning, ruling and controlling behaviour to a more transformative conception of continuous improvement through informal and flexible learning, innovation and finding creative solutions (Raelin, 2000; Mabey, 2003). Strategic management has shifted the focus from strategic choice to strategic change, and given much more recognition to ‘soft’ variables and to the ‘messy’ side of reality (Farjoun, 2002, p562). It implies that management needs to be proactive rather than being on time (Alvesson and Sveningsson, 2003), to focus on the whole situation to decide whether it is the right thing to do rather than on the planning to get process done correctly (Brews and Hunt, 1999), and to move from a rule-bound culture to a performance-based culture (Kuchinke, 1995; Shim, 2001). A similar development can be found in the human resource management field. Putting people first and taking them as a whole have been empirically shown to contribute substantially to performance improvement (Engelhardt and Simmons, 2002). Knowledge workers are valuable not only because of the knowledge they possess individually, but also because of their connections with others in a system/process/network. These connections can give the knowledge higher value than its inherent value in one person’s head (Peters, 2002). So, the openness, diversity, creativity and the importance of relationships between human beings and their environment need to be seen. The management focus thus shifts from a concern with de-contextualised and universalised essence to contextualised and contingent complex wholes (Mason, 2008).

The key features of knowledge management described by the interviewees and literature have the greatest affinities with the strategic management thoughts proposed by the “learning school” in terms of giving people the highest priority, creating a learning environment for knowledge development and stimulating open communication and knowledge exchange; the ‘dynamic capability school’ in terms of exploiting the potential of internal capabilities as the sustainable sources of competitive advantage and promoting self development rather than authoritarian management; the ‘configuration school’ in terms of emphasising the contextual
factors and the configurations of different strategic management approaches according to these contextual factors.

6.7 Knowledge Management as a Solution?

Because of the critiques of its claims to linearity in management process, scientific management has been ameliorated over the years by humanising the concept (Clegg and MsAuley, 2005). The transition to knowledge management approach can be seen as one of the stages in this humanising process. However, such amelioration has still not particularly questioned the foundations of management itself, that is to deal with the competition for limited resources in order to survive (Mason, 2008). Particularly, in the knowledge-based economy and society in which individuals and their social welfare become increasingly dependent on the competitiveness of their knowledge, skills, talents (Brown and Hesketh, 2004), the fundamental assumption of competing for limited resources has been strengthened and expanded to include human resources. If this foundation remains, it is still doubtful whether a new instrument like knowledge management can really bring the improvements to public education management that have not been achieved by scientific management. I will explain my reasons for this doubt below.

First, the strengths of knowledge management might be weakened by the current adoption of competition theory by the Dutch public education sector. For example, knowledge management promotes ‘opening up’ and sharing knowledge as the best way for knowledge development; but competition theory suggests having regulatory protection of intellectual property rights (Hall, 1989, 1992; Fahy, 2002). Knowledge management stresses that a small sized institution/department works better by having the advantage of a short management line, flexible and efficient communication, and high education quality; but competition theory suggests growing in scale and market share (Collis and Montgomery, 2008). Knowledge management proposes HEIs search for and develop asymmetries and specialisation for building competitive advantage; but the popularisation of competition theory has in practice resulted in increased standardisation and formalisation (Marginson, 2007a). Knowledge management emphasises the decentralised mode that distributes decision making power to the faculty level; but the pressure from a competitive environment increases centralisation in pluralistic organisations in order to improve coordination, monitor quality and reduce costs.
(Jarzabkowski, 2002). The introduction of competition by national governments and the recognition of competition as a positive element have gained considerable ground in the HEIs, which are likely to be expanded and utilised more intensively than they have been thus far (Mayer and Ziegele, 2009). Because this state guideline remains first and foremost directed towards strategic purposes (Kyvik, 2009), the full scale application of knowledge management seems unlikely or even impossible.

Second, the primary objective of knowledge management, which is investing in people, might not become established in the contemporary public education sector. Many scholars claim that the key rationale for the internationalisation of higher education is economic (Starck, 2000; Matthews, 2002; Marginson, 2003; Feast and Bretag, 2005). Education is seen as a product of the competitive rush for students and their money (De Vita and Case, 2003). The decentralisation of the analysis of costs for office space or other services is increasingly used as a tool to rationalise and control operating costs in universities (De Boer et al. 2007). So HEIs have become over-dependent on financial planning. By following the accounting principle, the expenditure on human resources is seen by firms and their investors as an expense rather than an investment (Chan, 2009). The same view holds in the education sector as is revealed by the interview data. As long as this view holds, even if the concept of knowledge management might be accepted, the increasing budget cutting and wide adaptation of financial accounting management techniques is arguably compromising the principle of investing in human and social concerns (Kong, 2008).

**IP49 (RU-int. faculty):** That’s where the business and management practices come in, because you really have to think as a unit with limited budget. The budget makes you always look at the business side of academic life.

**IP40 (RU-senior management):** Although we’re not a commercial enterprise, we do something similar to the commercial enterprise too. For example, we use budgets to persuade talented academics to leave their institutions and come to us. There is a commercial element in the human capital management, because we try to get those very good academics to come here and we prevent our super academics from going elsewhere. I don’t know if it’s commercial, but it is definitely a part of competition. If you don’t have money and a name as a university, there’s no way you can do it. That is a part of the game, if you want to stay in the game, you have to play the same. In that sense there’s a very realistic element in it. Yes, there are also less nice features about this competition, and it could get worse.
IP17 (UA-academic): As the education institutions grow by themselves or by merger, the situation gets more complex. You see the growth of the size of school leads to the growth of administrative components of the organisation. Finally we all end up with the financial management. The financial sight which was something very simple in small scale schools has become highly complex because of the large size of universities. Because it is complex, so it also becomes more important. So we need financial managers to help us to understand the complex. Then we get financial control and everything else we can think of to manage the complex we created by ourselves. This is when management is being coupled with budgeting process and auditing and financial analysis. The big size of the organisation makes some sort of planning more necessary. As long as education institutions keep on growing, the financial management will keep on ruling.

Third, the dominance of economic value in selecting and evaluating human resources may undermine capturing the full value of intellectuals. Value creation is the essence of effective firm strategies as well as the primary source of their competitive advantage (Nahapiet and Ghoshal, 1997). Knowledge management is, like scientific management, about being selective in making investment in a resource based on its economic value. The distinction made by knowledge management between human resource and any other non-human resources, is primarily because the knowledge held by human resources has been discovered as the most valuable resource for the organisation. With the economists’ concern with knowledge as the factor of production whose predominance characterises the contemporary world (Spender, 2009), human beings are seen as capital. Standing on this ground, the business sector develops its human resources management theories. For example, to select, develop and use the high value and unique human capital can create value for organisations (Lepak and Snell, 1999). The value of human capital depends on its potential to contribute to the competitive advantage (Barney, 1991). Having employees with knowledge of high value facilitates, better information handling and processing, rapid learning and an efficacious application of what has been learned (Taggar, 2002). The ‘knowledge athletes’ characterised by having unique and valuable knowledge, play a key role in innovation (James, 2002, p57). All of these claims lead to the belief that the right type of human resource will exert a positive influence on the innovative capacity of the organisation. The improvement knowledge management can make is only a better way of redefining a person’s value according to the needs of the organisation and the requirement of a job function, by taking human factors into consideration in a more
accurate, sensitive, and comprehensive way, by adopting more advanced technology and methods.

The selection and evaluation of the right human resources are made based on their economic value needed by the organisation. A knowledge worker is valuable because of the knowledge (s)he owns and is able to develop. A knowledge worker is needed because the knowledge needs a body to be stored in and carried around, and needs a brain for its invention and developments. The implication of applying this knowledge management approach for education management is that managers need to understand how to realise more intellectual value with limited financial resources, either by raising intellectuals’ productivity or expanding the consumption of higher education certificates (Spender, 2009). The implication for intellectuals is that a knowledge worker needs to earn recognition, acceptance and credit by using his/her knowledge and capability to show and prove their added value to the organisation they belong to. By succeeding in doing this (s)he is given a value by the organisation and granted with an investment (e.g. salary, reward, research funding).

IP8 (UA-academic): We are growing, so I have to hire new people. But if they don’t fit in this organisation, don’t do what we expected them to do, then we don’t need them anymore.

IP14 (UA-int. central): When we take new people to join us, they need to be trained and know what rules to follow in doing their work well. We leave room for them to work independently, but all the rules, standards and academic criteria need to be stuck to. That is how we are going to judge whether we keep them or not.

IP64 (RU-int. central): Because a knowledge organisation deals with intangible knowledge, people’s talents, IQs and EQs, etc. in order to select the right people for the right place we have to do some assessments... Talented people according to our recruitment policy should not only have talents in their subject area, but also in social events. Like it is in companies job applicants have to prove that they are valuable for the company and they can create value for the organisation.

Although the selection and evaluation aims at identifying qualified, well-behaved and efficient workers, there is no guarantee that high performance will be achieved by these selected intellectuals. This is because human functioning depends on many other factors, like the moral complexity, and the multi-dimensionality of human rationalisation and actions (Spender, 2009). When making selection of valuable human resources, an assumption is that
high value knowledge is possessed by the top talents and specialists. This is the reason why
the interviewees stressed the importance of recruiting top talent students / staff, and the
significance of professionals. However, valuable knowledge may reside in individuals and
relationships throughout the organisation, in different functions and areas and levels, and not
simply at the upper echelons of the organisation (Nelson and Winter, 1982; Nonaka, 1994;
Nonaka and von Krogh, 2009). Much of the knowledge and capabilities that an organisation
needs may reside elsewhere within the organisation, both in the form of individual human
capital and in the form of groups existing within or outside the organisation (Ranft and Lord,
2000). The value for competitive advantage lies in the resource configurations that they
jointly create and their complementarities (Adegbesan, 2009), not in the individual resources
in separated form.

The concept of a value added intellectual coefficient (VAIC) is suggested by the business
literature for measuring the value of intellectual resources. A higher VAIC shows more value
created with the same amount of company resources (Pulic, 2004). Several studies on
companies, mainly in the high-tech sector (Bontis, 2001; Chen et al. 2005; Tseng and Goo,
2005; Shiu, 2006; Chan, 2009), found a significant positive association between the VAIC
and traditional indicators of firm performance including profitability, market value, return on
equity, but a negative association or a lack of association with productivity. This weak link
with productivity was interpreted as a sign that high human-related expenditures do not
necessary lead to high productivity in a knowledge based organisation, and human resource
alone has much less explanatory power of high performance than when the three resources
work together. For example, the willingness of intellectuals is revealed by this research as the
key driver of productivity. The factors that lead to willingness can be many: personal interest,
personal background, personal relationships, personal calculation of costs and gains, personal
experience with the organisation, etc. Because these factors are personally based, they are
difficult to be quantified by the economic model of calculating input and output.

Fourth, it is unclear whether knowledge management will provide a guarantee of the
improvements in organisational performance. According to the RBV, superior performance of
an organisation is partly produced by its ability to implement strategies accurately anticipating
the future, and partly a manifestation of good fortune and luck (Barney, 1986). As long as the
world is still assumed to be full of infinite possibility, is characterised by the principles of
openness, indeterminism, unpredictability and uncertainty, the question of how to gain more
certainty and reduce uncertainty, remains. The answer that knowledge management offers to this question is to gain more knowledge. During the process of gaining knowledge, we learn to improve our working methods, to correct our mistakes, to develop new ways. Engaging in experiential actions to learn actively creates new knowledge about the current situation and compensates for the limitations of existing knowledge (Eisenhardt and Martin, 2000). Knowledge empowers us to gain greater control, and the feeling of ‘being in control’ gives us a greater sense of confidence, if not certainty. The more knowledge we have, the better we can understand the situation, predict the outcomes, make plans and be prepared for an uncertain future, therefore the greater chance we think we can have to survive.

IP4 (UA-senior management): A strategic plan is to prepare the organisation for the unknown but predictable part of the future.

IP44 (RU-academic): Still people want to know where to go, so it’s wise to make a guess. That’s what people do with the strategic plan, they make a guess. They look at themselves, consider their strengths and weaknesses, look around at the opportunities and the threats in their environment, then make their best guess in a particular situation, which is mostly an economic calculation based on history and assumes that what happened in the past will happen in the future. That becomes the best plan at that moment.

IP25 (UA-int. central): With planning you will be less surprised and better prepared...There are many things you can predict in advance because you have built certain knowledge, experiences. So if you can predict, you should do it. I think actually the most important task of strategic management is on the one hand to know your surroundings and know your own strengths and your weaknesses, on the other hand to be able to predict the future. And then you can drive the future with the power of these two kinds of knowledge.

When knowledge management is used in this way of making predictions, it falls back onto the same track as scientific management. As IP44(RU-academic) said: “strategic management is about making a good guess, it is the outcome of predicting an unlimited uncertainty based on the limited certainty which is the data we have”; no matter how better predictions knowledge management can achieve than scientific management, the unlimited uncertainty remains. So, both scientific management and knowledge management can increase the probability of achieving success, but neither guarantee success, let alone the sustaining of success. This implies that we still cannot gain the certainty that we look for; even the certainty that we may have achieved can be temporary and apparent.

IP38 (UA-academic): In reality you hardly have a long time to survive due to the short
term thinking of our whole society. So you have to find short term solutions in order to create some certainties for yourself in the future. But these certainties are temporary, they exist only in our feelings.

IP44 (RU-academic): We make a guess, the guess can be more realistic than coincident, not through perfectionalising our calculation models, but through having a broad view, because the cause or solution can be found somewhere else, not necessarily in one specific area, but beyond the border of this subject. Because it is impossible to get the whole picture, the economic models provide often an apparent certainty.

Moreover, the temporary and apparent certainty may lead to even more uncertainty. For example, internationalisation is used to achieve the certainty of staying in the increasing international competition. However, internationalisation has also made companies more dependent on other parties (e.g. partners, suppliers, customers, agencies, competitors), therefore it is inappropriate and unrealistic to assume that organisations can actually own knowledge-based assets only by themselves (Coff, 1999). The same applies to universities that are increasingly linked up through international partnerships. Faculties and their staff from different disciplines are increasingly connected together by joint research and all kinds of exchanges. When universities have become increasingly dependent on the larger networks in which they are located, they become vulnerable to a wider range of events such as policy changes of visa application procedure, economic downturn, or epidemics such as bird-flu.

The inevitable existence of uncertainty is recognised by most interviewees, but why do we continue to strive for greater certainty? The answer revealed by the interview data is that, in doing so, we can be more confident about our chances of survival in the competition.

IP15(UA-senior management): We have to earn our own money for our existence and survival.

IP12(UA-int. central): It all comes down to the first need – the survival of course.

IP13(UA-int. central): No matter whether firms or universities, if we are not competitive, we will not survive in the increasing globalised world.

IP45(RU-int. central): What you are doing now is for the long term investment, for the sustainability of this university. There is a pressure because of competition, we have a time constraint. The more we prepare now, the better off we will be in the future.

IP67(RU-int. faculty): No university will tell you that they need to be competitive for financial reasons. However, if we are to continue we need finance, so any advantage needs
to turn into economic advantage that makes us survive and continue. That is the bottom-line. Ultimately we have to stay alive, it is as simple as that.

IP27(UA-academic): We need a strong market position in order to stay in the competition.
IP37(UA-academic): Education is becoming a business, because it has to survive, it has to pay for itself together with some government funding.
IP72(RU-academic): There is a pool of talented students in the world, all top universities wants to get the most bright brains. We need to be competitive in order to survive the competition.

Market competition is assumed necessary because of another assumption: resources are limited. But to look at the case of HEIs, the intangible resources like reputation, knowledge and organisational capability, etc. which are recognised as the key contributors to competitive advantage, have no limit to their exploration. Market share is not a limitation either, because the international education market is viewed by most interviewees as enormous and the Dutch HEIs only need a tiny proportion from that market. The talented students and scholars are viewed as a limited resource, but internationalisation has enlarged the talent pool for selection. The resource that is viewed as being absolutely limited is the funding. When every HEI faces the same difficulties of limited funding, then it is not the resources, but the knowledge of how to use them that generates for competitive advantage (Penrose, 1959, 1995, quoted in Spender, 2009). So it is the knowledge of how to manage resources, but not the resource itself that decides the survival in the market competition. The same argument is given by some interviewees as well.

IP68 (RU-int. central): It is not the availability of resources, but the management of the ongoing interaction between these three resources that is actually the key to success.
IP31 (UA-academic): Money is always critical. So far we have some years experience, our network has expanded rapidly while the personal contacts stay close and intensive. There is always shortage of money, but we can find other ways to solve the problem if we really want to do something.
IP41 (UA-int. central): I have never got a lot of money for pursuing internationalisation and I have never got it easily. But in many cases internationalisation is just building on what we already have, it does not request an unreasonable price. And we have a very very clever executive board, and financial officers. In one way or the other we have a healthy organisation.
Knowledge management is assumed to make better use of the knowledge and capabilities of people in the organisation by identifying valuable staff and facilitating their knowledge development (Osborne, 2004). Knowledge management remains as an instrument that is assumed to provide more certainty in surviving the competition, because the assumptions of limited resources and the existence of competition in the higher education sector on top of which knowledge management is established, remains. The previous data analysis reveals that the assumptions of limited resources and competition in higher education are questionable, therefore the assumption about knowledge management’s effectiveness are doubtful as well.
Chapter 7 Conclusion

This research addresses the concepts of internationalisation, competitive advantage and strategic management in the Dutch higher education system. The main research question is

*How can internationalisation help to enhance competitive advantage through the application of strategic management?*

This chapter summarises the research findings by presenting the answers to each research sub-question and eventually the main question. First of all, the research findings clarify the key elements of the three significant concepts and quantify the importance of these elements to practitioners in Dutch HEIs. In particular, the notion of ‘competitive advantage’, which has been widely used but not yet defined in the context of public higher education, is more clearly conceptualised by this research. Second, the previously uncontested relationship between success in internationalisation and the enhancement of institutional competitive advantage is both confirmed and challenged by the research findings. Third, this research provides a better understanding of the currently applied strategic management approaches and competitive strategies adopted by the Dutch HEIs. Finally, the limitations of this research are discussed and a personal note is added.

7.1 Answering the Research Questions

7.1.1 Answering Sub-question 1: *How are the three key concepts perceived in the higher education sector?*

Based on the data collected from 73 interviewees with a range of job functions in sixteen Dutch HEIs, 14 distinctive elements have been identified for the concept *internationalisation*, 13 for the concept *competitive advantage* and 12 for the concept *strategic management*.

1a) *How is internationalisation understood?*

The understanding of the term ‘internationalisation’ includes the following elements:

Element 1. Students recruitment (88%)  
Element 2. Gaining international experience/competences/knowledge (74%)  
Element 3. Internationalising curriculum/programmes (67%)
Element 4. International marketing (62%)
Element 5. Globalisation/government policy (58%)
Element 6. Network building (55%)
Element 7. Improving education/research quality (52%)
Element 8. A process changing universities (49%)
Element 9. Student and staff mobility (48%)
Element 10. International positioning of the institution (44%)
Element 11. Creating international environment (36%)
Element 12. Integration into the entire organisation (30%)
Element 13. The defining features of higher education (27%)
Element 14. Peacemaking/solving global or societal problems (22%)

These elements show that the main activities of internationalisation conducted at the Dutch HEIs are student recruitment, internationalisation of curricula, international marketing, staff and student mobility, joint research projects, the development of exchange programs, and (inter)national network building, which are similar to HEIs in many other countries (Van Damme, 2001). Also their rationales for pursuing internationalisation and the approaches adopted are consistent with the literature, such as gaining international experience and knowledge, dealing with globalisation and government policy requirements, improving quality and ranking positions, creating an international environment, and peacemaking (e.g. Knight and De Wit, 1995, 1999; Naidoo, 2006; Altbach and Knight, 2007; Van der Wende, 2007; Pandit, 2009). Next to these rationales, a negative rationale is identified by this research, that is the fear of falling behind competitively when the entire system or sector is moving in the direction of greater international involvement. So a ‘bandwagon effect’ is created by HEIs all going international and by a general belief that an international orientation is a necessity. The existence of such a ‘bandwagon effect’ implies there is a sense of competition amongst HEIs, even if it is not explicitly recognised.

The elements constructing the concept of internationalisation reflect many of the findings from the education literature, which differs to a large extent from the business literature. Elements such as helping students and staff to gain international experience and competences, improving education/research quality, peacemaking and solving global and societal problems, dealing with government policy pressure, are not considered as motivations for the business approach to internationalisation. The simple reason is that these activities bring costs rather
than profit; even if they can be converted into profit in some way, it will take a long time. But
maximising profit-making opportunities is the most important, often the only reason why
firms engage in international business. The interview data show that contemporary
internationalisation in HEIs is often seen as commercially oriented. Logically, some
similarities can be found between the education and business approaches when defining
internationalisation in the marketing sense; for example: student recruitment, student and staff
exchange, and international marketing. Also, the assessment of the success of
internationalisation is largely based on these short-term visible effects rather than long term
hard-to-measure goals. Although the similarities are fewer than the differences between the
business and education definitions, the high priority given to the short-term elements does
signify the firmly established position of an economic rationale over academic and social
rationales of internationalisation.

1b) Which competitive advantages are Dutch HEIs seeking?
The term ‘competitive advantage’ is interpreted as the following elements:
Element 1.1 Quality of education and/or research (82%)
Element 1.2: Quality of facilities and services (49%)
Element 2. Reputation/brand/image/attractiveness (75%)
Element 3. Unique selling point, being different (60%)
Element 4. Growth of student numbers (52%)
Element 5. Ranking position (37%)
Element 6. International partnerships/cooperation (36%)
Element 7. Location/living environment (29%)
Element 8. Doing better, being the best (26%)
Element 9. Experiential knowledge (23%)
Element 10. Competitive position of the Netherlands (22%)
Element 11. Alumni network (10%)
Element 12. Accreditation certificate (4%)

Because the concept of competitive advantage originates from the business sector, it is
expected that many commonalities can be found between the education and business ways of
defining this term. Both education and business define competitive advantage as being better
and/or unique, having a good reputation, growing customer (student) numbers, recognisable
name and market position, possessing an effective international network and rich experiential
knowledge, etc. The interview data confirm that competitive advantage of HEIs is mostly related to terms like ‘excellence’, ‘reputation’, ‘status’ (Marginson and van der Wende, 2007). In addition, some new aspects have been revealed that can enrich our understanding of this term. For example, quality is seen as the most important element of competitive advantage, but the education practitioners make a distinction between education/research quality and service/facility quality, and weight them differently in their contribution to competitive advantage building. Position is an important indicator of competitive advantage. In addition to the market position referred to by the business literature, a special aspect of competitive advantage - academic position - is identified in the higher education context. These specific aspects are academic in nature, but when used as competitive advantage, they are converted into marketing value. It means that they are recognised and acknowledged only when they can be demonstrated, and to challenge government to provide more funding, or for students and scholars to come to study or work.

1c) How is strategic management perceived?

The interviewees’ perceptions of the term ‘strategic management’ include the following elements:

- Element 1. Making choice / being selective / having focus / setting priority (73%)
- Element 2. Well organised / good coordination / structured / efficiency (59%)
- Element 3. Decisions and plans made at the management level (58%)
- Element 4. Planning based on rational and analytical thinking / setting target / monitoring (58%)
- Element 5. Creating a strategy / giving direction and guidelines / having a vision or a goal (52%)
- Element 6. Having collective actions / involvement and commitment of staff (51%)
- Element 7. Matching internal and external factors / having adaptability and flexibility (47%)
- Element 8. Having a long-term orientation (47%)
- Element 9. Making changes within the organisation (32%)
- Element 10. Giving support, facilitating ideas and initiatives (32%)
- Element 11. Being effective (19%)
- Element 12. Using instinct and intuition, being creative and innovative (15%)

The term strategic management is adopted from the business sector without critical questioning (Foster and Bradach, 2005). The interview data show that the perceptions of this term follow very much the business definitions. The business studies have reported that strategic planning is still found to be the most popular scientific management tool of all in the
business sector (Rigby and Bilodeau, 2007). This research confirms that some streams of the business theories on strategic management (the ‘planning’ and ‘positioning’ school) are more formally studied and espoused by the education literature, and also more recognised by the interviewees. Consequently, strategic management is seen mainly the task of the people at senior management level that create strategy, give direction, make decisions and plans based on rational thinking, set targets and monitor the process. In the context of internationalisation, when the scale becomes larger and activities more complex, strategic management is primarily applied for making choices, selecting foci, setting priorities, and ensuring activities are well organised/coordinated /structured.

The integration of international elements into all aspects of education is suggested by the education literature as an essential goal of the strategic management of internationalisation (e.g. Knight, 1994, 2003; Ellingboe, 1998; De Wit, 2002). However, the notion of integration only appears as the 12th ranked (among 14) elements of internationalisation, and is not explicitly mentioned in describing the concept of strategic management. An explanation may be that the notion of integration together with the wide adoption of Knight’s (1994) definition of internationalisation, has been widely accepted among the Dutch HEIs for almost 20 years. Therefore, the attention is no longer given to the concept of integration, but to the implementation of it; for example the approaches (e.g. develop international curricula, create international environment, increase students and staff mobility) and the consequences (e.g. the changes brought to the institution, collective actions /involvement and commitment of staff), are stressed by the interviewees.

1d) Do the UA and RU sectors perceive the three key terms differently? Do different job function groups perceive the three key terms differently? What are the possible explanations of these differences/similarities?

The meanings and identities of the key concepts, by themselves, are ambiguous and highly contestable. A contribution of this research is that it presents a relatively complete picture of the elements comprising these terms and illustrates in a quantitative manner how Dutch HEIs prioritise these elements. Moreover, this research carried out a comparison along two dimensions: the sector dimension and that of job function groups.

Both sectors largely share similar understandings of internationalisation, but differ in their understandings of the implications of internationalisation in their own sector. The main
differences in their perceptions come from the defining features of the UAs and the RUs. For example, the RUs have a much longer history, carry out fundamental research, and primarily offer academically-oriented programmes. Most of the UAs were set up much later with a strong regional focus and the intention of offering study programmes with a strong vocational orientation. Consequently, the UAs have been making efforts to internationalise their curriculum and stimulate staff and student mobility, while the RUs place more emphasis on international market positioning of the university and academic positioning on the ranking lists. For the UAs, research is not their primary function, for the RUs it is. So international student recruitment, particularly at undergraduate level is less important for the RUs, it is only a small part of their internationalisation. But for the UAs the main benefits of internationalisation come from undergraduate recruitment. They identified these benefits as generating extra income, and creating an international environment, thereby giving international experience and knowledge to the local students. Gaining financial benefit stimulates both UAs and RUs to be actively involved with internationalisation. However, the RUs have the option of getting research funding, government subsidies and tuition fees; the UAs having a weak research tradition are then more reliant on the financial benefits associated with having international students.

The commonality between the two sectors in understanding competitive advantage and strategic management is much greater than it is of internationalisation. The differences in their defining features again influence the differences in their perceptions, for example, the RUs give much higher weight to the ranking position than the UAs when interpreting competitive advantage. It seems paradoxical that the RUs use the marketing aspects (quality of buildings, facilities and services, growth in student numbers, branding, alumni network, etc.) as indicators of competitive advantage more often than the UAs, while the UAs stress the quality of education and research more than the RUs. This is interpreted as a sign that both sectors have matured in pursuing internationalisation. The RUs have recognised their previous shortcomings in terms of active marketing and promotion, and customer services. The UAs are improving their admission criteria in order to increase the quality level of incoming international students, and previous mistakes such as striving for increased student enrolment at the cost of education quality, are being corrected. The most obvious difference between the UAs and the RUs in terms of strategic management is that the UA interviewees attach more importance than the RU interviewees to the role of management in providing support, facilitating ideas and initiatives, and making decisions. The lesser concern of the RUs about
these issues can be interpreted as the RUs maintain a greater distance from managerial culture to safeguard the academic freedom and autonomy.

The job function dimension is mainly used to investigate the ‘implementation gap’ claimed by the education literature and, more importantly, to identify the areas where this gap exists. The central level has the ambition and the strong will to use internationalisation to give the university a new élan, to bring changes to their organisation and to lift their institutional position in the international market. Consequently it tends to stress the higher goals and larger issues of internationalisation, such as dealing with globalisation, and integrating internationalisation more widely and deeply into their organisation. In contrast, the faculty level deals with the practical situation and daily reality, and therefore attaches more weight to what is directly related to their work, such as getting students into their own programmes, creating an international environment and helping students to gain international experience/competences/knowledge. The central level links their institutional competitive advantages more with the growth of total student numbers, which means the growth of the institution. In contrast, the faculty levels places much less emphasis on the growth in total student numbers, and more with student quality. The central level stresses the importance of facilities and services quality in contributing to their institutional competitive advantages, to which the faculty members, especially the academics, gave much less weight. On the other hand, the faculty staff give more weight than the central level to the quality of education/research over the quality of facilities/services.

Except for three of the twelve elements that stress the collective actions, involvement and commitment of staff, effectiveness, and personal qualities (e.g. using instinct and intuition, being creative and innovative), the central level and faculty level differ in their perceptions of strategic management in all other aspects. The central level would like to use strategic management to organise and structure internationalisation in a more efficient and coordinated way, and adopt the methods of planning and monitoring. The faculty level prefers to see that strategic management can have the effect of supporting and facilitating staff ideas and initiatives, and be more long-term oriented (e.g. education quality, academic freedom, maintain the objectivity and independence of research) than focusing on short-term goals (e.g. financial income, student numbers).
7.1.2 Answering Sub-question 2: How can internationalisation contribute to the enhancement of competitive advantage?

2a) Is there a relationship between internationalisation and competitive advantage perceived by the Dutch HEIs? If yes, on what basis is this relationship established?

Internationalisation can contribute to building competitive advantage through improving student employability, enhancing educational quality, and ensuring the continued existence and development of HEIs (see table 5.1). The majority of interviewees have established the relationship between internationalisation and competitive advantage building of HEIs on these three foundations. Among these three, survival/growth is given the most importance, followed by education / research quality and student employability. Not only does internationalisation contribute to the building of competitive advantage, the data also shows that having competitive advantage (e.g. a good reputation, internationally recognised accreditation, or a high ranking position) can increase the success of internationalisation by attracting high quality students and researchers, and foreign partner universities.

In the RU sector education quality and survival/growth were considered as the most important, followed by student employability, while the UAs give similar importance to all three foundations. In the RUs survival/growth depends mainly on education and research quality, while in the UA sector, survival/growth is closely linked with both education/research quality and student employability.

Student employability is given the least importance by all function groups. The survival, growth and sustainability of the institution is given second place with relative equal weight among different function groups. Education and research quality is given the highest priority only by the senior management function group, but second or third place by the other groups. This difference may be interpreted as senior management expecting more improvement in education/research quality and being much more ambitious in making this happen, while the staff consider their work directly or indirectly related to education and research as already being of high quality. In their view, the improvement needs to be made in supporting and facilitating them to carry out their work which ultimately determines the survival and growth of their institution.
Business theories identify the relationship between internationalisation and competitive advantage as being based only on the foundation of survival and growth (Hill, 2000; Svetlicic et al. 2007). The higher education sector add two further foundations to this position. The foundation of enhancing education quality in the education sector can be compared with the improvement of product/service quality in the business sector, but it is not the motivation or goal of firms in pursuing internationalisation. In today’s higher education context, students are often viewed as customers paying fees for services provided and diplomas issued by the HEIs. While improving students employability is given the lowest but not insignificant importance by the education practitioners, improving their customers employability does not provide a rationale for firms to be engaged in international business. The degrees given by the HEIs have an exchange value for the students on the labour market. In this sense students’ employability can be considered equally as benefits provided to the customers, but the HEIs offer these benefits less directly in cost-benefit terms.

Although the relationship between internationalisation and competitive advantage enhancement has been confirmed by the majority of interviewees, it is explained first of all as a belief, the rationalisation comes afterwards. This assumed relationships is then further studied from the RBV perspective.

2b) *What resources have contributed to this relationship? To what extent do these resources meet the VRIO conditions? Have these resources been improved by pursuing internationalisation?*

The contribution of internationalisation to competitive advantage building is studied by applying the Resource-based view (RBV) - a useful theory in explaining sustainable competitive advantage (Peteraf, 1993; Oliver, 1997; Peng, 2001; Newbert, 2008; Crook et al. 2008). The interview data identify the existence of three types of resources (physical, organisational and human) in the HEIs and also describe the content of each resource. In general, the resources possessed by HEIs are not very different from those available to business organisations. Some specific resources have been highlighted in the education context, for example, government funding, ranking position, accreditation certificates, credibility of professors in their subject areas, alumni network, connections with the industry, and good quality students. Human resources are considered to be the most important, followed by organisational resources, in making internationalisation lead to competitive advantage. Physical resources are important as well, but play a supportive and enabling role.
The resource heterogeneity, social complexity and causal ambiguity claimed by the RBV are also confirmed by the data. No one organisation owns or has access to all the same resources that meet all VRIO conditions (Barney, 1991). As in the business sector, the VRIO conditions are partly met by the HEIs’ resources, as summarised in Table 7.1. For convenience I put time as a physical resource and study programmes as an organisational resource in the table. Among the VRIO conditions, the interviewees mostly discussed the value and uniqueness of the resources, while the inimitability and embeddedness were less considered or not mentioned (marked with ‘-’).

Table 7.1 VRIO Characteristics of HEIs’ Resources

<table>
<thead>
<tr>
<th>Physical resources</th>
<th>Valuable</th>
<th>Rare/unique</th>
<th>Inimitable</th>
<th>Organisation embedded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government funding</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Buildings and facilities, student accommodation</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Geographic location</td>
<td>Yes</td>
<td>Yes/no</td>
<td>Yes</td>
<td>-</td>
</tr>
<tr>
<td>Time</td>
<td>Yes</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Organisational resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional specific resources (internally dependent)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Institutional specific resources (externally dependent)</td>
<td>Yes/no</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>National specific resources</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>-</td>
</tr>
<tr>
<td>Human resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academics</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes/no</td>
</tr>
<tr>
<td>Managers</td>
<td>Yes/no</td>
<td>Yes/no</td>
<td>Yes/no</td>
<td>No</td>
</tr>
<tr>
<td>Marketers/ recruiters/international office staff</td>
<td>Yes/no</td>
<td>Yes/no</td>
<td>Yes/no</td>
<td>No</td>
</tr>
<tr>
<td>Students</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

Table 7.1 shows that organisational resources possess the VRIO characteristics to the greatest extent; according to the RBV these resources should be viewed as the most important assets of HEIs. The poorer fit between human resources and the VRIO characteristics does not contradict the previous claim made by the interviewees that human resources are more important than organisational resources for HEIs. My interpretation of this is that human resources still need to be viewed as the most important, because the human resources are
mobile and HEIs do not have full control over their movement, while the organisational resources are less of a concern because they cannot ‘walk’ away from the institution.

Physical resources are seen as valuable, but not unique or inimitable, because the governmental budgeting system is applied uniformly to all public HEIs, the buildings and facilities need to be maintained and upgraded with or without internationalisation. Except for the advantageous geographical location (e.g. a well known city) that is inimitable, all of the physical resources to some extent can be duplicated. Although buildings and facilities are the only physical resources that are considered embedded in the organisation because of their ownership, they do not necessarily produce competitive advantage because all Dutch HEIs invest in improving these resources. Physical resources can be improved by pursuing internationalisation in terms of making improvements in facilities and services for international students, which in turn may attract more students and government funding. The extra costs needed to make these improvements are seen as a cost, but more important as a worthwhile investment for competitive advantage building. But when they are not perceived as improvements and are not necessarily essential for education and research, the investment is seen as a waste of financial resources, and the result can even be damaging to the existing competitive advantages.

Organisational resources are considered as valuable, can be unique and difficult to be imitated, and embedded in the organisation. The country specific resources (e.g. the marketing promotion of Dutch higher education sector as a whole, the general image of the country) do not belong to one specific institution, but are available for all Dutch HEIs. Therefore, if there is any competitive advantage, it is also enjoyed by all HEIs. The externally dependent institutional resources like history and associated reputation/status, unique education/research subjects, ranking position etc., can be made more valuable and unique for marketing purposes, but this only applies to a few HEIs that have these resources. Most HEIs that do not have such resources, seek their competitive advantages from other possibilities. The internally dependent institutional resources (e.g. organisational structure, cultural, internal working dynamics) can be improved by pursuing internationalisation when it results in more openness and involvement in the international environment. The interviewees have very divergent opinions about whether these improvements will lead to competitive advantage enhancement. For example, the centralisation of international contacts is viewed by the senior management and internationalisation staff as being positive for the institutional competitive
advantage, but a considerable number of academics view this ‘improvement’ as being gained at the cost of personal contacts, which are seen by the academics as the real source of competitive advantage.

Several types of human resources are identified by the data. Students are viewed as valuable human resources only in the sense that talented students can make international programmes qualitatively more successful, they are not unique, inimitable, or embedded in the HEIs. Managers/marketers/internationalisation staff (non-academics) are viewed by some interviewees as valuable, unique, inimitable, because their key contributions (e.g. as pioneers, key drivers) to the success of internationalisation; but by other interviewees as not meeting the VRIO conditions because their management knowledge is not unique and their positions can be filled easily by others. This group of interviewees advocates job rotation within and outside of the academia to a relatively large extent.

Most discussion about HEIs’ human resources focuses on the academics. In comparison with the other human resources existing in HEIs, the academics who possess unique subject knowledge, or a leading position and credibility in their subject areas, are difficult to be substitute. Furthermore, the academics are described as having some specific characteristics, for example, little interest in the strategic plans and policies, because they give highest priority to teaching and research, and concentrate on striving for academic excellence. Their motivations for doing their work and specifically for being actively involved in internationalisation are mainly driven by personal interest, curiosity, knowledge gain, social benefit, and ideology. They are in general not business-oriented: they do not prioritise commercial interest and market value. They highly prize academic freedom and autonomy, preferring to work independently from management or administration. Education managers’ function is viewed as being less important, less valuable for an educational institution and managers therefore have less hierarchical power to direct academics. This special relationship between managers and academics is named by Sousa et al. (2010, p1453) as ‘ambivalence’ which makes managers particularly aware of their dependence on the academics and of not ignoring what researchers love and loathe. This portrays the role of managers as that of coordinator rather than manager, and reveals the highly negotiated character of their work. The academics consider they are not bound to the HEI they work for, rather to the disciplines they belong to. Despite many concerns about the current situation of HEIs, they expressed little interest in positioning themselves for employment elsewhere than in academia. The
improvements in human resources delivered by pursuing internationalisation are mainly confirmed by the UA interviewees, such as increasing their international awareness, skills for teaching in an international environment and new contacts with foreign colleagues. Most RU interviewees view these improvements as necessary to a limited extent for competitive advantage building, because they have always possessed them; except for some managers who stress that further improvements should be made among the existing personnel.

Competitive advantage develops and results both from resources possessed by HEIs and the interconnectedness of these resources. The actions and reactions between resources are multidimensional, they form multiple cycles of activities through which the elements of competitive advantage are continuously constructed and reproduced. For these reasons, a single causal relationship between intensified internationalisation and competitive advantage cannot be established, because competitive advantage is a systemic outcome, rather than an outcome of isolated activities (Porter, 1985). Therefore, whether the resources meeting VRIO conditions can be correctly identified, developed and lead to enhanced competitive advantage, depends on how they are strategically managed, but not necessarily or certainly via the route of pursuing internationalisation.

7.1.3 Answering Sub-question 3: How can strategic management contribute to the strengthening of the relationship between internationalisation and competitive advantage?

3a) What are the main approaches of the current strategic management practices? And how do the Dutch HEIs experience these management practices?

Strategic management is viewed by all interviewees as necessary and useful in pursuing internationalisation and in strengthening the relationship between internationalisation and competitive advantage. The homogenous perceptions about the term ‘strategic management’ could be a reason why strategic management practices adopted by the selected HEIs in pursuing internationalisation are also similar. Another reason for this commonality may be that the managerial values have been commonly translated into the higher education sectors as an emphasis on budget transparency, administrative effectiveness, increased competition, output measurement, and financial reward (Stiles, 2004).

Noticeably, professionalisation is a term very frequently used by interviewees to describe how strategic management is applied in pursuing internationalisation. This term is given the
following meaning by the interviewees: applying business and management methods, filling these positions with ‘professionals’ who have specialised knowledge in their working fields, introducing systems and using advanced technologies and techniques to monitor and evaluate internationalisation progress and making decisions based on measurable evidences. These characteristics of professionalisation show that the strategic management of internationalisation has followed the map of scientific management, for example, to establish the official management structure of internationalisation, to centralise decision/policy-making, to standardise procedures (e.g. recruitment, partner selection), to specialise responsibilities for tasks (e.g. marketing, communication, student services), and to assign specific tasks to suitable professionals. It is true that not all interviewees apply scientific management consciously and faithfully, but the interview data show that most interviewees have subscribed to the principle of scientific management and many actually practice it, at least with respect to some of their rational decisions. In fact, the rational thinking in which strategic management models are particularly rooted still guides much of the thought in the strategy field, action is purposive and prospective, and strategies are to be realised as planned (Mintzberg et al. 2005).

The interviews reported a spectrum of opinions on the effectiveness of strategic management, from positive to negative. An approach experienced by some interviewees as the key contributor to the success of internationalisation and very effective in competitive advantage building is reported by others as useless or even harmful; therefore it is difficult to identify universally the effective strategic management approaches. Similarly, the contribution of strategic management to the relationship between internationalisation and competitive advantage cannot be clarified in terms of one or several fixed causal links. Strategic management embraces a paradox, referred to by Kogan (1996, p263) as ‘constructive ambiguity’. In all these ambiguities, the implementation gap between the central and faculty level can still be clearly identified. The cause of the gap is claimed by the interviewees to be the mismatch between the currently applied strategic management practices and the public higher education context. The currently applied strategic management is scientific and was developed at the turn of last century to deal with problematic employer-employee relationships in order to improve productivity and efficiency in a setting of factory and product manufacturing. Based on the evidence provided by the interview data, in the case of HEIs the employer-employee relationship remains problematic, and the improvements of productivity and efficiency have not yet been achieved in the case of HEIs. The main
criticisms of strategic management arise from their previous experiences that make them see the management-inspired initiatives as being externally driven and not something that is a useful contribution to their work (Rudzki, 1995). This division between the managerial and the academic agenda and the gap between management intentions and academic realities lead this research to search further for what kind of strategic management is desired by the staff and what may work in HEIs.

3b) What strategic management approaches can be identified as being effective in managing internationalisation and leading to competitive advantage?

The answer to this question proposed by the interviewees is a new type of management. The approaches of this new type of management to enhance competitive advantage building are

- opening up the system,
- building connections,
- sharing and exchanging knowledge and collaborating,
- adopting differentiation strategy as competitive strategy,
- utilising the social complexity of strategic resources,
- and emphasising the contextual factors and their impact on human behaviour.

This approach to strategic management is to some extent different from the currently applied scientific approach that relies more on protecting intellectual property, applying competitive strategy to be the best/the biggest/the fastest/the cheapest, planning and aligning staff towards one direction/vision/goal, eliminating irregularity/unpredictability/minority reports. This new type of management is described as having components like flat organisational structure, short management line, bottom-up decision making style, limited interference from the management and administrative departments, informal and inspiring working environment, supportive coordinators, open communication and mutual trust between academics and managers. All these organisational arrangements are meant to facilitate and stimulate individual knowledge workers’ knowledge production in a way that they appreciate and makes them feel motivated.

The new type of management is named by the interviewees as knowledge management, because HEIs are viewed as knowledge organisations and the intellectuals as knowledge experts. The data identified two essential aspects of the current scientific management that can be improved by adopting knowledge management. First, people are given priority, instead
of the systems (being served by the people). Second, instead of applying a disaggregation approach, knowledge management focuses on connecting and integrating the components.

Placing people in first place means that knowledge management values not only the uniqueness of individuals’ knowledge and capabilities, but also social and emotional factors like the connections an individual worker has, personal social skills, motivation and commitment. These key human intangible performance factors of students, faculty members and the academic community can bring significant benefits to internationalisation, but are not currently being fully captured (Knight, 2011b). In the selected HEIs, the benefit of internationalisation and the internationality of a HEI are still measured quantitatively to serve accountability requirements. At the present time, strategic management is believed to be improved, completed, perfected by defining measurable performance indicators and regularly monitoring and assessing how individuals and groups score on these indicators. This scientific way of continuously identifying, measuring, and developing the performance of individuals and teams, and aligning performance with the strategic goals of the organisation has been a common phenomenon in the reforms of the public sector (Aguinis and Pierce, 2008). In Legge’s term (1995, p65-67) the scientific management model is defined as a ‘utilitarian instrumentalism’ that focus on rational-calculative methods in achieving organisational performance indicators; whereas the knowledge management model leans towards ‘developmental humanism’ that stresses the human, social and emotional factors in developing an organic, living and self-improving organisation.

The second improvement aspect is that knowledge management connects and integrates, and scientific management disaggregates and standardises. Knight (1994) suggests a model for the internationalisation cycle in universities, with the cycle proceeding through phases of awareness, commitment, planning, operationalisation, revision and reinforcement. The interview data reveal that this cycle is established in some institutions for monitoring purposes, but is never completed, and does not ensure the continuity of improvement. This example reflects the view that the scientific model is too standard and general, in that it could be applied to virtually any institutional activity, it also does not capture the complexities of managing internationalisation in the public higher education context (Poole, 2001). Scientific management at best uses factual or instrumental knowledge, also at best provides us with factual or instrumental knowledge. Scientific management attempts to deconstruct the organisation’s functioning into elemental components. In this sense scientific management
can help us to simplify, generalise and standardise the information and produce methods that can make the future more predictable and controllable. The predictability and control are expected because of the theoretical creed that the same method can be applied in the same condition to achieve the same result over and over again, just like a machine being programmed in producing the same product repeatedly as long as all conditions remain the same. But when placing people at the first place, the living organism needs to be approached as an integrated whole that connects all their irreducible, heterogeneous, specific and complex, authentic characteristics. These characteristics are impossible to standardise. The disaggregation approach would deepen and specialise our knowledge about each of the components, but their interactions and joint effects on individual performance can be better understood and improved by using an integrated approach.

Both scientific management and knowledge management approaches can be effective and they have been adopted in a mixed form. There is not a clear defined division between these two approaches or a perfect rationalisation about when and why to choose which approach. The two management approaches are not mutually exclusive, nor do they have to conflict with each other. Any significant improvement in practice is almost always the result of prior advances in scientific understanding (Murance and Nelson, 2007). Knowledge management is developed based on the rich empirical data and theoretical foundation laid by scientific management, follows the same goal of improving organisational performance, depends on the information collected in a scientific way. It is not my intention to defend one or the other approach to strategic management, but to contribute to the knowledge development. The interview data show that where differences exist, they relate mainly to the degree in which aspect these approaches have been adopted, rather than whether the substance of the approach is right or wrong. The effectiveness of scientific management has strength in improving physical resources management and the hard side of organisational resources, it can therefore be best embodied in dealing with process-based operations and task-oriented situations. Knowledge management makes corrections and improvements on scientific management, and is particularly effective in managing knowledge intensive organisation like HEIs where human capital is essential for enhancing competitive advantage.
7.2 To Evaluate the Application of Business Theories in the Public Higher Education Context

Three areas of business theories have been investigated in the public higher education context. The outcome of this research is that some claims of the business theories/perspectives can be confirmed by the interview data collected from the education context, but not all of them. These claims are discussed in three areas: internationalisation perspectives, competitive strategy and strategic management approaches/thoughts.

7.2.1 The Internationalisation Perspective: Competition Driven Internationalisation

The internationalisation of business has the aim of maintaining competitiveness through maximising the opportunities for profit-making. Profit-making as a central institutional goal is generally rejected by the interviewees and their institutions. However, the perspective of internationalisation that sees it as being competition driven is commonly accepted. The introduction of competition by national government and the recognition of competition as a positive element for the HEIs has gained considerable ground (Mayer and Ziegele, 2009). Competition in the higher education sector is not always seen as a negative force, but it seems to be creating as many problems as it solves.

First, competition is claimed by the business literature as the main driver of the explosive growth of international business activities. Competition is a fact of life, a view that is also shared by the majority of interviewees. No matter whether competition is seen as being in our human nature, or in the academic tradition of striving for excellence, or in governments’ plan to achieve cost-efficiency, or in the HEIs’ creative response to globalisation, according to the interviewees, competition and gaining competitive advantage are incontestable perceptions in the HEIs. The HEIs (in the same sector) are viewed as being very similar in terms of their internationalisation activities, study programmes, basic quality level, and marketing approaches. In these homogeneous areas it is difficult for individual HEIs to gain competitive advantage, because every HEI that does the same thing may enjoy the same advantage, so the payoff of their efforts at the end can be scarce. Meanwhile, because of the heterogeneity in their existing resources such as history, location, living environment, each organisation has a kind of ‘natural’ competitive advantage and resource position barriers (Wernerfelt, 1984; Carpano et al. 2004). The heterogeneity of resources is also reflected by the fact that each
HEI possesses its own organisational capabilities and human resources components for identifying, investing in and developing institutional specific competitive advantages. As a consequence, each HEI can best enhance its competitive advantage through exploitation and development of its unique, distinct characteristics.

Second, joining in competition in the business sense has the objective of outperforming one’s competitors. Because a strong element of natural monopoly has created a high entry barrier to the public higher education market (Cummings and Worley, 2005), there are hardly any new competitors (except for those created through mergers) and the competition is only among the existing HEIs in this market. The interview data show that cooperation is more appreciated by the Dutch HEIs than attempts to outperform others. Unlike strategic alliances in the business sector which often exists only for a short time and commonly end up with separation or take-over, this collaborative feature has been growing stronger in recent years among HEIs having similar type and status at institutional level, or complementary strengths in certain disciplines. Unlike firms which define competitors in the same product category, industry, country, and market, the HEIs from widely separated regions do not see each other as competitors because the majority of Dutch students are still locally oriented in choosing universities. When going into international education markets, Dutch HEIs behave more like a group of adventurers together to explore a foreign market instead of having the intention to play against each other in the market. The deviations from educational competition confirm that higher education institutions are very much national institutions as they are regulated by national law, reply primarily on national sources of funding, and have been utilised as important vehicles for nation building (Neave, 2003). The same ties binding national authorities and universities do not exist between firms and national authorities. Therefore, the competition in the higher education sector is unlikely ever to reach the level of open competition in commercial markets.

Third, competition favours the few HEIs that are already competitive, more than the majority of public HEIs that do not have outstanding capacities to create and draw upon diverse revenue streams. The HEIs, particularly the UAs that focus predominately on undergraduate education, must search for opportunities in the commercial market, but have fewer possibilities to pursue improvement in education quality (Eckel, 2007). Institutions shape and re-shape their behaviour and priorities to increase their ranking positions, or to ensure their government funding streams, or to access external financial resources from the market
Given the particular obligations and constraints placed by national policies on HEIs, the competition on these established terms narrows their options and dictates their strategies (Eckel, 2007). The demands of being competitive push HEIs to pursue strategies individually that generate revenue, maximise prestige to generate future opportunities, increase the attractiveness of their institution, and enhance research capacity. So the elite sector continues to grow, becomes more concentrated and segregated (Marginson, 2006) and the majority of HEIs could engage in unproductive patterns of consumption and spending to gain a competitive advantage (Eckel, 2007). If the HEIs cannot collectively benefit from the competition game, can the improvement of the education sector as a whole and the national competitive advantage really be achieved?

Fourth, competition is introduced into the public higher education sector because many governments want to stimulate higher education institutions to become financially more self-sufficient (Adams, 2007), improve cost-efficiency (Sousa et al. 2010) and achieve higher quality (Andrews et al. 2006). However, many interviewees doubt whether competition is the only or the best way to achieve these goals. Even if these goals can be achieved to some extent, it is uncertain whether the costs HEIs are paying now and in the future are worthwhile. There is a strong concern among the interviewees at both central management and faculty level about whether the unqualified praise of competition is justified. In a market competition situation no single participant has the ability to alter the rules of competition without the risk of becoming irrelevant (Frank and Cook, 1995). When no one can afford to quit the competition, the cumulative effect of competition may work against important social objectives like equality, affordability and accessibility (Eckel, 2007). Examples provided by the interview data include offering education to students who could afford tuition rather than to students in need, investing in one set of academic programmes that have a quicker return of investment in the market place like business and management programmes, while cancelling the programmes which may have greater academic/social/cultural value but an extremely low economic payback in a short term.

Fifth, there is no reason to assume that intensified internationalisation in itself will certainly generate greater competitive advantage. Through internationalisation, a 10% increase in student numbers or 10% more market share in a foreign market will be a success in the business sense, but it does not necessarily give a HEI sustainable competitive advantage. The inadequate education capacity, declining quality, dissatisfied teachers and students, etc. are
the well-known arguments for the negative impacts of these apparent market successes. Moreover, the interview data show that intensified internationalisation moves HEIs more towards the centralisation of strategy/policy-making, the standardisation of procedures and protocols, the consolidation of a few monitoring criteria and management methods. As a smaller range of standard management systems and methods are used, the management of internationalisation will be encompassed with more codes, indicators and controls. Accompanying the intensification of internationalisation, the homogenising effects of globalisation together with government incentives seem to be beyond the capacity of individual HEIs to overcome. The international rankings and standardisation policies work in almost the opposite manner to differentiation and specialisation (Marginson, 2007a), which are perceived by the interviewees as the best competitive strategy for Dutch HEIs.

7.2.2 The Competitive Strategy: the RBV

This research uses the RBV lens to analyse the resources and contribution to the internationalisation success and competitive advantage building. The data prove the RBV to be an applicable and valuable theory to help the HEIs to build competitive advantage from an internal perspective. This finding is particularly important because HEIs still search and build competitive advantage to a great extent by focusing on how to meet the external requirements and handle external opportunities and threats. The paucity of published work dealing with resource allocation (Ringwood et al. 2005; Kyvik, 2009) and the little attention given in the public management literature to clarify the concept of organisational competencies and capabilities (Bryson et al. 2007) can be seen as a proof of this.

Although the RBV can be a suitable tool for identifying strategic resources, it has less explanatory power in resource management in the education context. As the RBV claims, also the research data confirm, resources heterogeneity endures in a socially complex context, the links and fits between them are difficult for competitors to obtain or substitute (Lippman and Rumelt, 1982; Dierickx and Cool, 1989). Therefore, to discern the relationship between a bundle of resources and its performance is difficult (Lippman and Rumelt, 1982; Reed and DeFillippi, 1990). From this perspective, resource management practices are vulnerable to decision biases and competitive blind spots caused by different organisational contexts (Amit and Schoemaker, 1993; Ginsberg, 1994; Barney and Zajac, 1994). It is exactly the
organisational differences between business organisations and HEIs that lead to a view of the RBV as not being fully adequate when applied in the education context. Three main contextual differences can be summarised based on the data.

First, the data reveal that the human and organisational resources in HEIs have different characteristics from those they have in a business organisation. The competitive advantage of HEIs are more likely to arise from intangible resources such as human resources and human-related organisational resources (Allee, 2000; Sveiby, 2001), which are available inside the HEIs. The origin of all tangible resources lies outside the HEIs and are viewed as limited and increasingly difficult to obtain. As Penrose (1995) noted, when facing the same difficulties in accessing limited resources, it is not the resources, but the knowledge of how to use them that promotes competitive advantage. The interviewees also stress that the knowledge and capabilities of human resources, and the supporting and motivating organisational resources, have more power in ensuring survival under market competition conditions. The hard side of the resources can be limited, like most of the physical resources; can be difficult to enlarge or can take a very long time to accumulate, like part of the organisational (structure, procedure, endowments, etc.) and human resources (e.g. subject knowledge, creditability). In a relative sense, the soft side of resources such as personal knowledge and capacity for self-improvement, in finding solutions, in exploring creativity, particularly in a motivating and supportive organisational environment, is unlimited. As both the literature and interview data reveal, competitive advantage lies in the soft side of resources, so the fundamental assumption of resource scarcity cannot hold in the context of HEIs.

Second, the RBV, which draws upon economic principles and is designed to deal with market competition, has less applicability in dealing with a mixed form of academic and market competition in the education sector. According to the interview data, academic competition and market competition have become, to some degree, symbiotic. In addition to the most common remarks about these two types of competition - for profit versus non profit or private versus public - several other characteristics of academic and market competitions as described by the interviewees are summarised below:
Table 7.2 Two Types of Competition in the Public Higher Education Sector

<table>
<thead>
<tr>
<th></th>
<th>Academic competition</th>
<th>Market competition</th>
</tr>
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<tr>
<td><strong>Described by</strong></td>
<td>reputation, status, academic excellence, respect, attractiveness (towards students,</td>
<td>market position, market share, return on investment, financial accountability,</td>
</tr>
<tr>
<td></td>
<td>other scholars)</td>
<td>competitiveness</td>
</tr>
<tr>
<td><strong>Nature</strong></td>
<td>ideological</td>
<td>commercial</td>
</tr>
<tr>
<td><strong>Aim</strong></td>
<td>knowledge development</td>
<td>institutional survival</td>
</tr>
<tr>
<td><strong>Where does it come from?</strong></td>
<td>in the genes of academics</td>
<td>recently introduced by the external environment</td>
</tr>
<tr>
<td><strong>Maintenance</strong></td>
<td>academics’ own will</td>
<td>enforced by the government and university administration</td>
</tr>
<tr>
<td><strong>Competitive strategies</strong></td>
<td>differentiation</td>
<td>cost leadership, first mover, differentiation</td>
</tr>
<tr>
<td><strong>Impact on the organisation and individuals</strong></td>
<td>supporting joint efforts, open access, sharing of knowledge, prioritising social value and collective benefits over individual rewards</td>
<td>supporting ‘dirty games’, protectionism, prioritise personal and institutional individualism over collective benefits,</td>
</tr>
<tr>
<td><strong>Impact on the sustainability of HEIs</strong></td>
<td>helpful</td>
<td>harmful</td>
</tr>
</tbody>
</table>

These two types of competition have been described by the interviewees as being distinct opposites, particularly in value judgment terms of academic competition being ‘good’ and market competition being ‘bad’. This implies that the essential features of public education as a public good are still in evidence. However, just like the non-existence of a perfect market competition, an ideal academic competition similarly does not exist. It is true that public HEIs have to meet public requirements that may not have much value in the marketplace but are essential to local community and social developments, but many commercial activities and business management methods may provide the additional resources HEIs can use to fulfil their public purpose (Eckel, 2007). It is also correct to argue that HEIs do not only seek economic value, but view status as an even more important goal in institutional decision-making than money (Slaughter and Leslie, 1997; Marginson and Considine, 2000), but it is hard to imagine that status, reputation and prestige would be viewed as HEIs’ competitive
goals if they do not also deliver monetary return. Therefore, the interviewees acknowledged that these two competitions are intertwined and reinforce each other in reality.

The ‘quasi-market place’ of HEIs implies that the market competition and academic competition are not completely in opposition to each other, but are interchangeable and may be incorporated to keep and improve both their academic and their market value in the competitive environment. The gain by HEIs of public awareness, recognition and opportunities through having high status, reputation and prestige, is not necessarily distinct from the financial gain (Ehrenberg, 2002); they are inter-convertible and translatable. Academic competitiveness needs to be confirmed by its standing in market competition, and market competitiveness needs to be achieved through gaining status and reputation in academic competition. On the one hand, many interviewees share their concerns that public education can be harmed if academic competition becomes subjected to market competition and social and cultural values of public education are lost to economic values. On the other hand, the interview data also show that Dutch HEIs have developed new methods for dealing with this mixture of academic and market competitions; for example, the academic marketing “which is about using professors as a marketing instrument” (IP45-RU-int. central, IP50-RU-int. central). Therefore, the acceptance (although with criticism) and collaboration (although unwillingly) of the education practitioners have contributed to the intertwining of academic competition and market competition, with the consequence that some essential features of public education have been substituted by business principles.

Third, the business theories about competitive advantage are based on the concept of value (Porter, 1985). An organisation has competitive advantage when it creates more economic value than its rivals, and this competitive advantage in return will enable the firm to earn superior economic value over its competitors, and therefore the survival chance of the organisation is ensured (Adner and Zemsky, 2006). The RBV’s resource valuing principles are the outcome of a process of selection, whereby those individuals/organisations that do not fit their environment are ‘deselected’ and ‘die’. High-performing individuals/organisations meet the expectations of critical interest groups, minimising their dependence on external contingencies, while poor performers consistently fail to manage the supply of essential resources, leading to the departure of key interest groups and increased vulnerability to external pressures (Andrews et al. 2006). The same principles are applied in the education context, so institution/department/academic programme are put under pressure to deliver
‘value for money’, to compete with other universities and offer the best deal to consumers, and management focuses its attention on publicly visible standards of performance (Jamieson and Naidoo, 2004). Low and typically average-performing organisations are suggested by the business literature as not having any sustainable advantage (Rouse and Daellenbach, 2002). The education literature similarly declares that such institutions will find it substantially more difficult to survive (Jamieson and Naidoo, 2004).

The RBV judges the value of resources according to their economic value. The more economic value a resource has, the more attention and investment is deserved by this resource, and a greater economic value is expected from the investment made. The RBV does not make a distinction between human resources and the other two resources when judging their economic value. In other words, like other types of resources the value of a human being is equated to his economic value when he is viewed as a resource needed for fulfilling the organisation’s purposes (whether that is for profit or not-for-profit). This idea of mixing up human resources and other resources, equating the value of a human being to his/her assessable value justified by the organisation, can be seen as a key argument of performance management widely adopted at the selected HEIs. University academics are increasingly evaluated through quantitative performance indicators, which implies a tendency to focus less on the content of their work than on measurable evidence such as the prestige of publication outlet and number of citations (Engwall 2008). No matter whether human resource management is about value appropriation or value creation, such an approach restricts ‘value’ purely to its economic sense, because the equal value of each human being in a wider sense of the term has been put aside in such discussions (Moran and Ghoshal, 1996; Nahapiet and Ghoshal, 1997). This restriction of the sense in which the term ‘value’ is used, may be more appropriate in a commercial business, but is difficult to justify in an educational setting without reducing that setting to a purely commercial enterprise.

7.2.3 Strategic Management Approaches/Thoughts

This research identified the presence of a generally existing supportive culture for strategic management. The concept of strategic management itself is perceived by all interviewees as good, necessary and useful. Unlike the other two areas of applying business theories, there is no significant difference between the strategic management approaches suggested by the
business theories and those applied in the education context. Also the new type of management - knowledge management - has been frequently mentioned by the interviewees as “like it is in the business sector”, “just like the knowledge based companies do”. This limited deviation can be explained by the fact that strategic management approaches from the private sector with a focus on cost-efficiency are assumed as being the best for improving HEIs’ performance (Smeenk, 2007), and are therefore widely adopted by the public HEIs. Despite the finding of niche deviation from the business theories, the application of strategic management has been highly criticised by the interviewees. From the RBV perspective, the application of strategic management is criticised for not giving the full use to the most important resources of HEIs: human resources and organisational resources. Because of the deficiency of scientific management in utilising these resources, knowledge management is proposed by the interviewees as a solution and improvement for many shortcomings of currently applied scientific management practices.

Knowledge management theories promise a bright future for exploring the potential of human and organisational resources in a knowledge intensive organisation. The hierarchical structure with established procedures and information systems, independent and isolated departments, clearly defined lines of authority and responsibility, instructions and control mechanisms, will be replaced with a flatter structure, with working teams connected by cross-disciplinary and cross-border networks. Managers become coordinators, facilitators, sponsors and mentors rather than supervisors and controllers. Employees are not principally motivated by promotion and financial compensation, but are guided by being granted independence and creative space, and sustained by commitment to experimentation and innovation (Steele and Murray, 2004). Knowledge management inspires individual initiative, autonomy and participative decision-making, employees are not inhibited by fear, and are ready to take risks; the leaders promote dynamic and creative working processes, reward success and tolerate failure (Yahya and Goh, 2002; Thite, 2004). While human resources supply innovative ideas and approaches, organisational resources help to connect these ideas and approaches together, resulting in unusual and unforeseen combinations that may generate innovation, and recognise and disseminate the ideas and knowledge in order to maximise their impact on innovation (Subramaniam and Youndt, 2005).

However, can these promises be fulfilled in practice? Both scientific management and knowledge management draw on economic principles and are built on the fundamental
assumption of the need to compete for scarce resources. As Spender (2008) pointed out, knowledge management is essentially capitalist, because knowledge is regarded as a form of capital. The traditional view of scientific management is to see the organisation as a machine that turns resources into products, and strategy as the instrument for positioning the organisation in the industry and marketplace (Löwendahl and Revang, 1998). The new approach, knowledge management, views the organisation as a living system that uses organisationally available knowledge based on sound information management practices to improve itself through innovation, organisational learning, and recognising the contribution and value of knowledge workers (Osborne, 2004). Although the primary concern of management is changed from tangible materials to intangible knowledge as the input, from products to performance as the output, from production to innovation as the process, the goal of sustaining the organisation’s position in the sector and marketplace remains the same. As Padró (2009) noted, knowledge management does not entail any change in the managerial paradigm but only an extended application of scientific management, therefore it is doubtful whether the proposed knowledge management can really be more effective than the current scientific management in improving the HEIs’ performance.

Knowledge management is assumed to be effective, because HEIs are viewed as knowledge organisations that need to compete and survive in the knowledge economy. In the knowledge economy, it is more the rule of knowledge rather than the rule of authority which guides management. As Taylor advocated, “there is only one master, one boss; namely, knowledge” (Taylor, 1923, Vol.1, p291, quoted in Schapper and Mayson, 2004), the foundation of modern management techniques is the enthronement of knowledge as king in industry. Taylor’s idea has not only been applied in industry, but expanded into the whole society. Through law, economics, accounting, and technology and an ‘economising’ attitude (e.g. maximisation, optimisation, least cost), modern developments spread of a spirit of functional efficiency and measurement toward all life (Bell, 1973, quoted in Löwendahl and Revang, 1998). If scientific management is viewed as treating men as machines, then knowledge management helps to develop the science of integrating human beings with machines and mechanical systems. In this process of integration, the value of employees is enabled by technology and represented by the value of their knowledge when they are productive for an organisation or a community. In the case of HEIs, the value of their knowledge is represented by university rankings, research and publication metrics, comparative learning outcomes, commercialising intellectual property and knowledge products (Marginson, 2009). Consequently, the selection,
assessment, and rewarding of and investment in knowledge workers are also based on these representative values. If the value is invisible, so is the person who holds it. In knowledge organisations, human beings are recognised as the true assets of the organisation, the critical factor of production. Human beings have replaced capital, but are still the scarce resource. Knowledge workers are not machines making profit, but are still labourers creating profit for the organisation. They are released from the rigid rules of scientifically managed systems, but are still bound by performance requirements. The true goal of an institutional management system, and the reason it is programmed like a computer, is to improve performance based on the relationship between input and output (Harris, 2008). Knowledge management does not depart from this goal if individual performance remains the basis for selection, evaluation and promotion.

An essential function of strategic management described by the interviewees is selecting and making choices in order to have a focus and set priorities. By making selections, we can continue to codify the best practices more successfully than our less effective rivals, and stay focused on allocating resources to the research group, faculty or university judged to have the most potential, so they will continually improve in form and function. In a competitive environment, the risk of continuous selection is that everyone becomes a survival machine that is programmed to preserve their own existence (Clegg and McAuley, 2005). Because of this concern for self preservation, employees might end up becoming selfish and acquisitive molecules to compete each other out of existence; the structures, systems and processes should be established with righteous reasons (Cooper, 2001). Therefore, on the one hand, motivated by being fair and clear, the systems and practices have been advanced. On the other hand, human beings remain as the ones that struggle along with ‘bounded rationality’ and ‘incomplete information’ (Simon, 1947; Bryan, 1999), stay an imperfect part of the systems/procedures/methods/techniques. Human beings are less easily perfected than systems/procedures/methods/techniques, because the handling of individuals is complex and affected by different circumstances, and their rationalisation is subjective, context-related and socially ambiguous (Spender, 1996). Human rationalisation very frequently departs from perfect rationality, because the information and the individual knowledge-processing of the information may not be perfect either. Individuals use the sources available to them, adapt to, or even compromise with the opportunities and constraints characterising their situations and accordingly make ‘good enough’ decisions to reach their goals (Goldthorpe, 1996, p485).
Moreover, the function of organisational culture, systems and procedures, norms of behaviours in roles and interactions, and the physical structure of the organisation have more power to transform the individuals working in the organisation than vice versa (Brews and Hunt, 1999). Therefore, the use of increasingly sophisticated and advanced computerised systems has a high chance of driving the human imperfections of knowledge workers out of the system. The selection of human resources can be scientific, objective and systematic selection as it is supported by developments in the fields of industrial psychology and personnel management (Wren, 1979). However, no matter how sophisticated the human selection method is, how objective the human selection is claimed to be, I propose many core natures of living human beings are still inaccessible to scientific investigation, although we now know a lot about human nature. Indeed, the interview data show that human-related capabilities do not always emerge out of clear strengths or resources in the economic sense, but rather out of their critical incidents, asymmetries, inimitable uniqueness and even weaknesses (Miller, 2003).

Because of the dominant assumption that competition is increasing everywhere, as a response to this competition internationalisation and strategic management are needed to ensure a higher chance of HEIs’ survival. This belief can turn into an orthodoxy that no one challenges, because it is internalised in everyone. The three key concepts and their relationships are rapidly established in the habits of HEIs to a large extent because of government policy. Although HEIs have acquired significant autonomy and scope for their own institutional strategies in accordance with market developments, the system of quality insurance and the power of funding decide the nature of the relationship between the state and its public higher education sector. The changes happen only in the terms used (e.g. governance instead of management, steering instead of directing), forms (e.g. monitoring quality levels through an independent inspectorate rather than by the government itself), but not in the nature of this relationship. As long as government maintains its crucial role in steering HEIs’ institutional policies, the funding provider’s perspective will have a powerful impact on the funding receiver’s construction of rationality (Sousa, et al. 2010). Competition is a perspective introduced and promoted by the government to require HEIs to demonstrate their effectiveness, efficiency, sound fiscal stewardship, and proven performance (Moreno and Tadepalli, 2002). The deviations revealed in this research between education and business theories show that this perspective of being competitive through internationalisation or strategic management has some misleading foundations. The illusion of educational
competition is fed by the rationalisation of the relationships between internationalisation and competitive advantage, the rankings, the market forces and the pressures of globalisation. As Lyotard (1984) stated, in a system

“[e]ven when its rules are in the process of changing and innovations are occurring, even when its dysfunctions (such as strike, crisis, unemployment, or political revolutions) inspire hope and lead to belief in an alternative, then what is actually taking place is only an internal readjustment, and its result can be no more than an increase in the system’s viability.” (p11-12).

As long as we stay within the framework of competition and believe it is a fact of life, the embodiment of ‘talent’ will remain constructed by the cultural values of organisations and the wider society of working hard and smart, consistently meeting deadlines, maintaining good mental and physical health, and investing significant time, efforts and money in career development (Brown and Hesketh, 2004). Enhancing one’s employability will remain the most meaningful way of improving one’s life chances, achieving personal credentials, income and social status. Education will continue to be the most legitimate way of qualifying people for their employability. People will keep on proving and improving their value in order to make them worthy employees. As long as these beliefs continue to hold their dominant positions, the change from scientific management to knowledge management, or to whatever other improved forms of management come after knowledge management, is only an internal adjustment that increases the viability of this world system driven by a particular set of values.

7.3 The Dutch Context

The research data have revealed certain contextual factors with Dutch characteristics. Internationalisation in the Dutch higher education sector has its historical root in development aid through international cooperation. This tradition may explain why only 18% of the RU interviewees and 51% of the interviewees in UAs linked internationalisation and competitive advantage on the foundation of student employability, although the Dutch government in recent years has related internationalisation strongly with the employment effects and economic consequences of globalisation. National co-operation between institutions is generally viewed by the interviewees as partly a heritage of the Dutch ‘golden age’ of the
17th and 18th century, which marks the greatest achievement of this nation’s international trading and overseas expansion, and partly a result of how a small nation deals with external pressure and successfully adapts to it. Following this historical and cultural path the joint-stock model, in which power is shared among competing parties as are profits and risks, and individual interest is subordinated to the collectively formed central authority, has also been applied to the Dutch HEIs’ internationalisation. This spirit of cooperation may explain why the selected HEIs emphasised the importance of promoting nationally specific competitive advantages, forming alliances, exchanging market information and sharing experience, and making joint efforts in the same target market. Dutch HEIs are also encouraged by the Dutch government to develop different profiles in order to be distinctive from their competitors. This policy may explain why being different, having uniqueness and being recognisable are highly valued by the selected Dutch HEIs when creating and enhancing their competitive advantages.

These contextual factors can have an impact on the general applicability of the conclusions drawn by this research. However, this research aims at grasping the holistic richness and complexity of the internationalisation actualities, and an over emphasis on the specific contextual factors of Dutch HEIs can raise the question of whether the findings of this sort of research can be of any use to other situations, in other contexts, or on other levels. The valuable contribution of scientific research is not a specific method or conclusion, but the knowledge transfer which can occur in a direct way, for instance when a practitioner finds elements in the situation researched that trigger new ways of understanding his/her own particular situation, instead of by means of formal propositional generalisations (Mejía, 2010). To improve this possibility of knowledge transfer in my opinion is also the aim of the discussion of generalisation. Therefore, the contextual factors need to be clarified, but should not be over emphasised.

7.4 Research Limitations

Many elements and dimensions have been identified in constructing each concept and area of the application of business theories. These elements and dimensions are intertwined, although this research separates them for analytical purposes. For example, there is no pure centralisation or decentralisation, but rather, a spectrum of practices that comprise areas of mixtures of the two. Neither is there a one-dimension link between centralisation and top-down management. Centralisation does not necessarily mean top-down; many other possible
links co-exist such as centralisation together with bottom-up, or centralisation at one faculty together with decentralisation at another faculty (depending on the internationalisation stage a faculty is in), or bottom-up in one situation and top-down in another situation (depending on what decision needs to be made and how urgent it is). The same applies to many other elements and concepts, such as flexibility with control, freedom with regulation, standardisation with differentiation, ad hoc with strategic thinking, knowledge management with scientific management, competition with collaboration, partial predictability with partial unpredictability, and similarity with difference. Our conceptualisation of these elements and concepts seems as though it were arrayed along one dimension between two opposing conceptualisations. But in reality we cannot distinguish them as two ends of a single spectrum of management practices or two separate modes; they vary, sometimes inversely, sometimes separately, sometimes together (Horn, 2008). The position taken by different interviewees can be anywhere between the two ends, depending on each interviewee’s own reference framework and specific situation. Because of this interconnectedness and multidimensionality, an unavoidable limitation is that no research can ever catch all the connections and dimensions.

Additionally, the researcher has to rely on the interviewees’ perceptions of the concepts studied, which are relative in the sense that every interviewee has his/her own reference framework. Also the data analysis is set out to indicate the most important, common, noticeable facets. Each of these three key concepts and the relationships between them can be richer than this research can reveal and even more than any researcher can assume. Certainly I have not caught all the views and perceptions, but the size and diversity of my samples gives me confidence that those presented are to a substantial extent representative of the dominant views within Dutch HEIs.

Moreover, this research investigates some business theories’ application in the public higher education sector. Therefore, a limitation of this research is that it derives from the existing theories. Just like any other useful theories developed in any other disciplines, theories are tools helping us to grow our knowledge about certain aspects, but no one theory or model captures the totality of comprehension (Everett, 1957; Vaidman, 2002; Steane, 2003). As IP70 (RU-academic) pointed out, “a theory remains a theory, it works perfectly in a vacuum environment in which there is no disturbing factor”, any research using the existing theories
has the limitation that it cannot catch all the disturbing factors, especially those that are not represented in the existing theories.

Finally, the research clarifies that interviewees established the relationships between pursuing internationalisation, enhancing competitive advantage, applying strategic management on three inter-related foundations: education quality, survival and employability. However, are these foundations the ones on which HEIs ought to be established? What is higher education really for? It is essential that these questions be answered. This would require further research beyond the scale and focus of this research.

7.5 Final Remarks - Personal Notes

In order to improve our way of pursuing internationalisation and enhancing competitive advantage of HEIs, this research began the journey of searching for a re-balancing between the intended goals and unintended outcomes, the social, cultural and political obligations and economic rationale for pursuing internationalisation. This re-balancing needs to be sought because inappropriately balanced social systems are inherently unstable. In these systems, choices and decisions emerge from complex interactions between individuals with different interests and different perceptions, that have empirical validities and normative merits (Mintzberg, 1991, 1994). The empirical validities and normative merits can be socially acceptable in terms of the values of a society, but can still be judged morally wrong when the values of that society embrace the absoluteness of competition and the scientific selection principle based on the idea of ‘the survival of the fittest’, thereby losing concern with the poor, the weak, the disadvantaged and the insignificant. A moral consensus breeds our comfort and confidence in continuing our self-designed improvement process, but whether the direction in which we are led will serve our human society better should be critically considered and questioned.

The findings of this research reveal that alternatives to the absoluteness of competition and the principle of natural selection applied to social systems do exist. We do not have to be marshalled into competition, there is the alternative of collaboration. We do not have to concentrate on narrow personal goals of competitive advantage, there is the alternative of producing advantages for all parties involved. We do not need to focus exclusively on
adapting to the external environment, there is an alternative of looking for the treasures and potentials within an organisation and each individual. It is not necessary for us to anchor our hope of improving quality in an apparent certainty and imaginary standards that strategic management methods offer to us, there is an alternative of ‘real’ certainty and a control without authority that arises from trust, commitment, dedication, self-discipline, willingness, interests, and curiosity. We do not need to only advance in converting intangible resources into measurable and tangible values, there is an alternative of exploring tangible resources (including the human resources being frame-worked by the HRM standards) to make them in-exhaustible, unlimited, immeasurable and having intangible value. These alternatives are worth considering, because the interview data show that collaboration is often more preferable than competition; the external environment alone does not decide the development of organisation; people do recognise the difference between appearance and reality, and attach greater value to intangible over tangible resources.

This research deals with the problems of strategic management failures and implementation gaps, indicating the limitations of strategic management practices, challenging the established assumptions of competition, resource scarcity and economic-value-based-selection. Research should be able to teach us and challenge us by excising what we think we already know, turning what is familiar to something strange, distancing us from conventions and established assumptions. This is how we develop our knowledge. As Sousa et al. (2010) point out, many management norms have been introduced to define human performances by combining effectiveness and efficiency, measurable and immeasurable constituents of work behaviour, but are selectively applied or sometimes completely ignored, for the sake of ‘getting the work done’. Instead of being negative about the current management practices, this research suggests not to simply blame the incompetence of human beings, but to acknowledge their work reality and their condescension to the valuing standards of society. Instead of being pessimistic about the current situation, this research promotes optimism, because there has never been such advanced technological developments connecting individuals, institutions and nations in a global knowledge network, so strong an awareness of the importance of human resources in an organisation, and so high an emphasis on the value of individual human beings throughout the history of management. For competitive advantage enhancement or not, above all, human beings and their relationships matter infinitely more.
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Nuffic (2011b) Selectie is in Europa heel normaal (in English: selection in Europe is very normal), *Transfer*, 19(2): 8-11.


# Appendix

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<th>Research question</th>
<th>How can internationalisation help to enhance competitive advantage through the application of strategic management?</th>
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<tr>
<td><strong>Operational research questions</strong></td>
<td><strong>Commonly asked interview questions</strong> (during the interview the order of asking these questions can be different from the following presentation)</td>
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<tr>
<td>1) <em>How are the three key concepts perceived in the higher education sector?</em></td>
<td>What is your understanding of ‘internationalisation’?</td>
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<td>What is your understanding of the term ‘competitive advantage’?</td>
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<td>What is your understanding of ‘strategic management’?</td>
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<td>Do you see any significant differences or similarities between these terms used in the education and business sectors?</td>
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<table>
<thead>
<tr>
<th>2a) Is there a relationship between internationalisation and competitive advantage perceived by the Dutch HEIs? If yes, on what basis is this relationship established?</th>
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<tbody>
<tr>
<td>Do you think there is a relationship between pursuing internationalisation and building competitive advantage? Why?</td>
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<tr>
<td>How is this relationship reflected in your internationalisation strategy?</td>
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<tr>
<td>How is this relationship reflected in the progress of the internationalisation at your faculty/institution in the previous years?</td>
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<tr>
<td>What competitive advantages has your institution achieved by pursuing internationalisation? Why are these competitive advantage important for your institution?</td>
</tr>
<tr>
<td>Can you tell me the best practices of internationalisation that you have seen at other PHEIs? Has their success in pursuing internationalisation led to the enhancement of their competitiveness?</td>
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<th>2b) What resources have contributed to this relationship? To what extent do these resources meet the VRIO conditions? Have these</th>
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<tr>
<td>How do you see the existence of the three type of resources in your institution (physical, human and organisational resources)?</td>
</tr>
<tr>
<td>Has internationalisation helped to improve these resources? In what ways?</td>
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| 1. the relationship between internationalisation and competitive advantage building established by the interviewees and their institutions |
| 2. the arguments given by the interviewees for supporting or denying this relationship |
| 3. the view of an interviewee about his/her own institution and other HEIs; different HEIs are viewed by ‘insiders’ and ‘outsiders’. |

| 1. identify the relationship between internationalisation and competitive advantage |
| 2. identify how this relationship is constructed |
| 3. achieve a more objective and comprehensive picture of the relationship between internationalisation and competitive advantage |

| 1. the interviewees’ understandings about three types of resources in PHEIs |
| 2. the VRIO characteristics of these resources |

| 1. define the components of the three type of resources, their contributions to the success of internationalisation and competitive advantage building |
| 2. compare the differences and |
| resources been improved by pursuing internationalisation? | Among these three resources which is/are more important for the success of internationalisation? | 3. the importance attached by interviewees to different resources  
4. the improvements on resources led by pursuing internationalisation | similarities between the resources possessed by the selected HEIs and firms’ resources described by the business literature  
3. study the relationship between internationalisation and the building of competitive advantage from the RBV perspective  
4. evaluate the applicability of the RBV in the context of HEIs |

| 3a) What are the main approaches of the current strategic management practices? And how have the interviewees at the Dutch HEIs experienced these management practices? | Do you think it is necessary to apply strategic management practice in pursuing internationalisation?  
How do you see the relationship between strategic management and the success of internationalisation and competitive advantage building?  
Are you familiar with the strategic management cycle? How do you view the application of this cycle in your department/faculty/institution in relation to internationalisation?  
How was the internationalisation strategy plan/policy paper created and/or decided? | 1. the strategic management practices adopted by the selected HEIs in pursuing internationalisation  
2. the motivation of applying strategic management  
3. the factors that influence the application of strategic management  
4. the experience of the interviewees with the application of strategic management practices  
5. the strategic management practices that are viewed by the interviewees as being effective in managing | 1. discover the personal and organisational motivations of applying strategic management, therefore it is possible to identify the contribution of strategic management to internationalisation and the enhancement of competitive advantages  
2. compare the similarities and deviations of the strategic management practices in the HEIs with the strategic management methods suggested by the literature  
3. identify some specific characteristics of the HEIs that have great influence on the success or failure of applying strategic management |
<table>
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<tr>
<th><strong>Internationalisation</strong>&lt;br&gt;and leading to competitive advantage?</th>
<th>How is the setup of the organisational structure concerning internationalisation?</th>
<th>How have the emergent ideas, opportunities and individual initiatives been taken up into this strategic management process?</th>
<th>Can you give me one or two examples of the most successful internationalisation projects that you have done? Has strategic management been applied in those cases? If yes, how? If no, why?</th>
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<tr>
<td></td>
<td>In what way do you monitor or control the internationalisation process?</td>
<td>What criteria have you used for evaluating the success of internationalisation projects?</td>
<td></td>
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</table>
| **Background information** | **Can you please describe your current job title and functions?**<br>Did you have international working and living experiences before you undertook this function? Why were you placed in this job position? What is the position of | **interviewees as effective management**<br>4. search for the strategic management practices that have been successfully applied, or are proposed/desired by the interviewees | **Can you describe the personal factors of interviewee (e.g. qualification, interests, background) that may have impact on their attitude, thinking, working methods, etc. in pursuing internationalisation work?** | **1. the personal factors of interviewee (e.g. qualification, interests, background) that may have impact on their attitude, thinking, working methods, etc. in pursuing internationalisation work**<br>**2. some important contextual factors and personal factors in decision making, strategy formulation and implementation**<br>**2. some important contextual factors and personal factors in decision making, strategy formulation and implementation**<br>**2. use the background information as references to do data analysis**<br>**1. understand the role of contextual factors and personal factors in decision making, strategy formulation and implementation**<br>**2. use the background information as references to do data analysis**
| internationalisation in your institutional strategic plan or development plan? |
| Can you tell me about the history of internationalisation at your institution/faculty? And the progress so far? |
| factors in the faculty/institution when pursuing internationalisation |