

Internationalisation as University Business Model Innovation: A Case Study of the University of Nottingham (0022)

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Background and introduction

Internationalisation has become an important key phenomena for higher education which involves processes of integrating international or inter-cultural dimensions into the teaching, research and service functions of higher education institutions (HEIs) (Harman, 2005; Knight, 2008). Apart from providing a set of commercial drivers for organisational innovation, internationalisation brings with it a set of educational challenges (Van Damme, 2001), such as how to adapt ‘home’ educational provision to meet the diverse needs and expectations of international students and how to retain the ‘distinctiveness’ of the educational offer. Furthermore, internationalisation has become an important strategic and organizational means through which universities can innovate, for example, by introducing new dimensions to the delivery of education and the improvement of institutional quality (European Union, 2014).

On the consideration that internationalisation strategies are contextualised by the type of university and how they are embedded nationally (De Wit, 2011), this proposed paper will examine the scope and evolution of internationalization as an institutional strategy. The University of Nottingham in England was chosen for the study because it has successfully set up two international campuses - the Malaysia Seminyah and China Ningbo Nottingham campuses since 1990s, which is an exemplar of innovation in internationalisation strategies.

Conceptually, the paper will build on the concept of university “business model” as a unit of analysis, by exploring how different stakeholder relationships have shaped the evolution of a university’s “business model innovation”, and how that has been influenced by multiple stakeholders’ expectations, interests and concerns. A business model here refers to the content, structure and governance of interactions with stakeholders and how business opportunities are exploited (Miller et al, 2014).

Methodology

The paper will draw on findings of a research project on the “innovation in higher education” conducted in 2013. The paper will explore changes in the way the University of Nottingham has created, delivered and captured value from internationalization as new business opportunities. The study is designed around two research questions:

1. What are the major motivation, processes, and outcomes of internationalisation at the University of Nottingham as driving forces of business model innovation?
2. What are the implications of Nottingham’s business model innovation for the wider higher education sector, in relation to internationalisation and transnational education?

Literature review and a case study of the University of Nottingham have been conducted, in order to explore how internationalization strategies have changed during the evolution of the university business model. Internal and external stakeholders with different roles and seniority were selected for twenty interviews. The interviewees selected from the UK were the present and previous pro Vice-Chancellors of Nottingham, and five senior university managers responsible for internationalisation. External stakeholders interviewed include officials from the Higher Education Funding Council for England (HEFCE), and persons engaged with media in the local community in Nottingham, the UK. The other key stakeholders interviewed outside the UK were: four students at the University of Nottingham campuses in China, the Heads of both Asian campuses, one official of the Higher Education Evaluation Center of the Ministry of Education of China, and three key local community stakeholders in the three university locations. The interview data was treated confidentially, and carefully analysed by thematic coding around two research questions.

Findings

The study reveals diverse experiences and perceived opportunities and constraints faced by the University of Nottingham both internally and externally, throughout its internationalisation by the creation of offshore campuses in China and in Malaysia. It is clear that internationalisation is strongly embedded in Nottingham's long-term strategy, which is evidenced in not only increasing student numbers but also developing different areas of activities including teaching, research, partnerships, knowledge exchanges, and responding to the local needs and environments. Its two Asian campuses have contributed to raising Nottingham's research profile and its engagement with local stakeholders, in a form of 'third mission' which involves the local business partnerships underpinning the development of overseas campuses and is reflected in a clear intention to connect the curriculum at Asian campuses with regional economic needs.

The key motivation of Nottingham's business model is to secure and enhance the University's position and reputation as a national and international institution. Its innovative initiatives focused on developing institutional strategies and leadership related to the internationalisation of the University, and its business model innovation has been supported by multi-level leadership.

The study also suggests that with the pressures for internationalization and the competition of diversified transnational higher education markets, the University of Nottingham needs to adjust and create wider institutional frameworks and resources related to education, research and wider engagement. The process can be affected and influenced by multiple stakeholders' involvement over the years, as well as internal and external business opportunities and exploitation, enabled by the multi-level leadership structures.

Implications

This paper is based on a single case study of University of Nottingham. The study is limited in terms of the generalisability of the findings due to its small number of 20 interviews. Future studies could expand on different types of institutions and different

internationalisation processes, because university business models vary from different national contexts.

The paper makes two distinctive theoretical contributions to the literature on internationalisation of higher education. Firstly it highlights the diversity of internationalisation processes and the organisational transformation by adopting the concept of “business model”, identifying the identification of opportunities, adaptation of organisational strategies and exploitation of new resources, including different levels of organisational leadership. Secondly, through the studies of internationalisation, the paper conceptually contributes to the understanding of multiple nature of university activities and functions, and the dynamic relationships between them, whilst many of the existing studies tend to focus only one of the functions (e.g. teaching, research, outreach).

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