Chapter 50
Internationalization and Strategic Alliances

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ABSTRACT

This chapter presents the internationalization processes of universities, in particular that of business schools, in their search for expanding the offerings and experiences presented to their students, who have become ever more demanding in terms of quality and quantity of choices. In this context, strategies for internationalization include online education, academic research links, the formation of campuses abroad, as well as strategic alliances in exchange and dual degree programs. The aim of this process of internationalization is to form well-prepared students for future work in an ever-changing, competitive, and international workplace where foreign languages and experience outside one's home country have become the norm.

INTRODUCTION

When studying the internationalization processes of firms in business research (Johanson & Valhne, 2009), researchers will inquire about and seek to negotiate strategic alliances with other firms in countries where the firm plans an expansionary presence. Knowledge creation at the center of the relationship as well as trust building and commitment are both preconditions but also consequences of this internationalization process. The rationale behind this behavior is that other firms are also seeking to expand beyond their borders in order to increase the goods and services offered to their clients, but also to reach additional potential clients abroad. This intra-industry competition pushes firms to search for partners in other foreign markets to negotiate strategic alliances so that the offers on hand for their consumers increase and thus, their expectations of better service or more variety of choices are met. This process will continue as long as performance and prospects continue giving value to the venture (Johanson & Valhne, 1977).

This same rationale for internationalization is quite similar for higher education institutions (HEIs), who constantly look to "source" in foreign countries for possible partners that will be good complements for the purpose of offering more choices for international exchanges (semesters or years abroad;

dual degree programs; professor exchanges) to their students or professors. And as with multinationals enterprises (MNEs), HEIs can sometimes find it challenging to enter into such alliances (mainly due to the steep curve of negotiating an agreement to meet the needs of both institutions), although the promise of a good working relationship can overshadow these short term challenges and bring about many long term competitive advantages not only for the survival of the HEI, but also for it to thrive successfully.

At a time of an unprecedented pace of globalization of firms due to an opening up of economies and of technological progress, the need for individuals, institutions and countries to develop intercultural competencies to fit into this new environment has increased. One of the most obvious and easiest answers to this call has been to internationalize higher education institutions (HEIs). In this way, it is hoped that once they are ready to start work, young people will be equipped with the necessary intercultural skills and qualifications to function in a globalized world, and to enhance job opportunities in this new and increasingly interconnected world. This chapter will thus try to explore more in depth the reasons for these strategic alliances at HEIs, their purpose and eventual consequences not only on the HEIs, but also for students.

HISTORICAL RECOUNT THAT HAS ACCELERATED THE INTERNATIONAL PROCESSES OF HEIs

The current globalization processes are mainly driven by market forces, and as barriers to trade have fallen in the last decades of the 20th Century, trade relations in the form of regional and multinational free trade agreements have accelerated at an unprecedented pace giving way to an unlimited amount of choices for the consumer as trade patterns have accelerated. As the resulting exchange of goods, of services and of people seems unstoppable, international human resources with the necessary skills for this new economy need to be provided in order to have a well-functioning economy where all citizens can contribute not only to the well-being of their immediate surroundings, but also of the world at large. Hence, the easiest and most effective way of achieving this is to internationalize people, that is to say to give a person the opportunities and possibilities of get and receive a "process of internationalization". How do we achieve this? Universally, as every child should, in theory go to school, the easiest way seems to be via education.

As this chapter relates to management education in HEIs, we will focus on these institutions and business/management education, as the relationship between management education and the business world, market forces such as globalization, technological change, and new workplace requirements may affect business education more than any other branch of academia (Friga, et al., 2003), as these students are the ones who will be filling the positions in an increasingly global business environment, where cross-cultural interactions and overseas travel have become ever more frequent. Data shows, for instance, that undergraduate business degrees have increased from 186,264 to 347,895 from 2009 to 2012, while MA and PhD numbers in business studies increased from 88,005 to 168,375 during the same time period (Statistical Abstract for the United States, 2012).

Knight and De Wit (1995) explore the historical roots of globalization in higher education starting from the Middle Ages until today in an attempt to fill the gaps in the scant amount of literature in this field. With the use of Latin as the common language in the realm of Christendom, scholars and students

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