Title:

Corporate Entrepreneurship for Internationalising Learning & Teaching Strategy in UK Higher Education: A Combination of Literature

Abstract

The literature review combines uniquely writing from three academic domains: strategic management of HE (particularly internationalisation), entrepreneurship in HE and corporate entrepreneurship. This combination is applied to the internationalisation of UK universities to establish areas of overlap and to propose that an emergent strategic approach, resulting in an ‘umbrella strategy’ for internationalisation, is most appropriate and can be effectively executed in HE through corporate entrepreneurship. The review uses research and concepts from both private and public sectors. It recommends the adoption in HE of a broader definition of entrepreneurship and an ethical approach to internationalisation in order to appeal to the values of academics. Entrepreneurship can be conceptualised as part of university culture, and, as such, central to the execution of internationalisation.
When written in Chinese, the word ‘crisis’ is composed of two characters—one represents danger and the other represents opportunity.

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1 Introduction: Context of the Review

The UK is a market economy in the capitalist system and, as such, education is a function of the government’s contribution to the capital accumulation process and its continued expansion in that graduates supply the labour market (Dale, 1989). Education is now regarded as an engine of economic and international competitiveness (Welch, 2002) and most governments want universities to serve national interests in a global context so they increasingly emphasise the practical and technical value of HE (Currie, 2004). Under pressure from diminishing public funding levels, increasing competition and intensifying environmental turbulence, universities worldwide have become huge, international enterprises forced to re-evaluate their strategies (Grigg, 1994). The ability to select target customers (students) according to academic achievement is a key difference between HE and other public sector institutions (Liu & Dubinsky, 2000), rendering market forces more influential. In common with other public service providers, however, universities now suffer constrained autonomy, disputed values and aims, political scrutiny, public accountability and increasing performance demands (Williams, 1995).

‘Until quite recently, the notion that (...) universities either required managing, or were, in any meaningful sense, ‘managed’, would have been regarded as heretical’ (Deem, 1998, p.47). ‘New managerialism’ in the public sector is a term referring to ‘ideologies’ and the ‘actual use’ (Deem 2001, p.10) of private sector structure, practice, technology and values. It has been argued that in the UK it emerged from or was exacerbated by the government’s ‘Dearing Report’ (NCIHE, 1997), with its emphasis on compliance, as UK HE was increasingly required to justify public funding by delivering value for money in quasi-market conditions. This requirement exists externally in the quangos controlling resources and rankings and manifests itself internally through managers and administrators attempting to organise and regulate academic work and thereby to change the culture (Deem, 2001). This can result in what Gewirtz et al. (1995) named ‘bilingualism’ in staff, as two cultures operate
side-by-side, each prevalent in a different context. There is little agreement regarding the pervasiveness of ‘new managerialism’ in universities and its success in changing organisational culture. Indeed, Baruch & Hall (2004) observe that the corporate career model is moving towards the academic model rather than vice versa.

Such environmental turbulence leads Liu & Dubinsky (2000) to recommend ‘corporate entrepreneurship’ (taken from earlier work by Burgelman) as a strategic option. There is in fact already an increasing emphasis on entrepreneurship in HE (Binks & Lumsdaine, 2003). Tasker & Packham (1990) agree that entrepreneurialism has become a common theme in HE but warn that entrepreneurs and entrepreneurship are often viewed ‘with scepticism or even open hostility’ (Grigg, 1994, p.296). According to Smith (1990), the role of a university is to foster creativity and responsiveness to change. This suggests that universities need to be entrepreneurial organisations if they are to fulfil this role.

Grigg (1994) concludes that universities are unique organisations which differ in major respects from industrial organisations, government agencies and business firms. A combination of what seem contradictory forms of organisation, ‘partly collegial, partly fragmented, partly professional, partly unitary, partly bureaucratic’ (p.283) perplexes observers of academia.

2 On Combining Strategic Management, Entrepreneurship & Internationalisation

This review exposes some of the issues germane to the relatively recent phenomenon of strategy development and management in UK universities and the new focus on entrepreneurship (Binks & Lumsdaine, 2003; Tasker & Packham, 1990). Bartell (2003) links a university’s ability to adopt a strategic approach strongly with the ability to internationalise while Schapper & Mayson (2004) describe the implementation of internationalisation strategy in universities as crude.

In academic literature, the attitude towards entrepreneurialism or entrepreneurship in HE can be described as generally negative, based as it often is on a narrow, superficial understanding of the concept (e.g. ‘academic entrepreneurship’), a confusion with commercialism (e.g. in Deem, 2001) and an unproven (and contradictory) equation with ‘new managerialism’ (e.g. in Vaira, 2004 and Turner & Robson, 2007) and therefore globalisation (e.g. in Slaughter & Leslie, 1997 as evidenced by Deem’s (2001) critique), which is sometimes defined in purely economic terms (e.g. in Welch, 2002). This does not undermine the usefulness of such
writing as it alerts us to a potential ignorance in HE of strategic management and a related prejudice against ‘a business ethos’ (Vaira, 2004). This forces us to return to first principles and revisit the original Schumpeterian definition of entrepreneurship as ‘*the doing of new things or the doing of things that are already being done in a new way*’ (Schumpeter, 1947, p.151) and others which emphasise autonomy and flexibility (e.g. Timmons et al., 1985). In condemning ‘new managerialism’ and its effect on ‘academic freedom’ and in calling for an ‘ethical, values-driven approach’ to internationalisation, academic authors unconsciously recommend an entrepreneurship culture and entrepreneurial behaviours within an ‘umbrella’ corporate strategy (Mintzberg & Waters, 1985). Indeed, Chau & Sin (2000) found that ‘corporate entrepreneurship’ (Burgelman, 1983c) leads to higher cognitive moral development and ethical decision making in an organisation. This can be linked to the nature of academics and the values-based and ethical internationalisation approaches to HE suggested by, for example, Jones & Brown (2007). Thornberry (2001) admits that very little is understood regarding the implementation of corporate entrepreneurship. He defines it as organisational transformation, and Hornsby et al. (2002) as the implementation of new ideas into an organisation, both of which encompass the challenges of internationalisation.

### 3 On Straddling the Public & Private Sectors

The dearth of literature concerning execution of strategy and strategic entrepreneurship in HE means this review crosses a bridge into the private sector. However, this crossing is not predicated on the mistaken belief that innovation exists only in the private sector (Zampetakis & Moustakis, 2007) but rather on the existence of Roberts’ (1992) concept of public entrepreneurship (implementation of innovation in public sector practice), on evidence that entrepreneurship can flourish in public sector organisations (Zerbinati & Souitaris, 2005; Borins, 2002) and indeed Drucker’s 1985 assertion that the promotion of entrepreneurship in public organisations is the ‘*foremost political task of this generation*’ (p.187), admittedly a statement made a generation ago. Moreover, Thornberry (2001) claims that ‘*it is the large, slow-moving, bureaucratic organization operating in an increasingly turbulent environment that needs to do the most amount of entrepreneurial soul-searching*’ (p.530) while Kuratko & Goldsby (2004) have found entrepreneurship even ‘*in the most stifling of bureaucratic organisations*’ (p.17).

Although influential in this decision to apply private sector theory to a semi-public institution such as a university, neither public entrepreneurship (Roberts, 1992) nor social
entrepreneurship (Benz, 2005) as research topics provide as much insight into strategy execution as strategic and ‘corporate entrepreneurship’ (Burgelman, 1983c) so they too have been excluded from the scope. The future of UK HE appears to lie in an increasingly privatised direction and so this emphasis lends a little future-proofing to the analysis.

This work is not about ‘academic entrepreneurship’, a term used to describe the technology-transfer, spin-out and commercial activities of a university.

4 Strategic Management & Entrepreneurship in Higher Education

4.1 Introduction

Most literature pertains to strategic management in commercial organisations. Some writers have however investigated the usefulness of strategic management techniques to universities and these have been used in this article as a means to identify the major themes. Such reviews of strategic management in HE tend to focus on strategy formulation, development or planning rather than on the specifics of execution. But, as will be discussed, the separation of formation and implementation of strategy is not necessarily useful to organisations such as universities. Reading the literature on educational strategy-making, it can be assumed that the issues in development apply equally to implementation; in stakeholder management and slow, complex processes, for example. This article intends first to review key findings regarding strategic management in HE and some of the aspects of strategic management peculiar to this semi-public sector industry, which Grigg (1994) describes as consisting of complex organisations with vague and ambiguous goals, rarely a single mission and decision processes and structures designed to cope with a higher degree of uncertainty and conflict. Secondly, an exploration of relevant strategic approaches leads to a detailed investigation of the concept of ‘corporate entrepreneurship’ (Burgelman, 1983c) and the implications of an entrepreneurial culture for HE.

4.2 Multiple Diverse Stakeholders

Schmidtlein & Milton (1989) conclude that rigid application of private-sector methods leads to planning failure in universities due to the existence therein of a plurality and diversity of stakeholders, a view echoing Sibley (1986) who talked in terms of education’s multiple
constituencies. The conditions of employment of academic staff and complicated institutional democracy mean that optimal strategies are unattainable, according to Groves et al. (1997). The concept of academic freedom is also in play. Academic freedom and institutional autonomy are not the same thing (Grigg, 1994). Academic freedom is that of individual scholars to pursue truth in their work wherever it seems to lead, without fear of punishment. Strategic autonomy exists if a university is able to determine its own goals and programmes.

Groves et al. (1997) highlight the role of national politicians as key stakeholders, observing that the development of long term strategy is difficult for HE as governments change direction. University processes mean that models of corporate strategising are not necessarily useful, so they recommend a political-cultural approach to strategy-making (characterized by Mintzberg et al. (1998) as ‘strategy formation as a collective process’ (p.263)). Universities are subject to varying degrees of imposed strategies, regardless of the presence of any central controls within, claims Grigg (1994) and this leads him to recommend an ‘umbrella strategy’ approach.

Strategic approach is heavily influenced by stakeholder perspectives. Knight (1999) divides these into three sectors, each with different subsets: 1. government, 2. education and 3. private (extending across industries and not only private HE institutions). She invites the reader to analyse each stakeholder’s perspective on the relative importance of each of four rationales (political, economic, academic and socio-cultural) in order to understand better the explicit and implicit motives of different groups.

It seems that HE institutions might be hampered at both ends. Unable to take a long-term approach due to stakeholder issues (Groves et al., 1997), they might not be able to take the short-term approach preferred by some private sector institutions, even in the same industry, as identified by Howe & Martin (1998) in describing their experience of working with international partners in the private sector.

4.3  Learning Strategy as an Emergent Process in a Professional Bureaucracy

Mintzberg (1979) characterises universities as professional bureaucracies and Grigg (1994) warns that one can expect a distinct management style in ‘professional’ organisations due to the ‘tension between professional values and bureaucratic expectations’ (p.279). Demands for academic autonomy clash with bureaucratic, hierarchical control, making it difficult to serve and satisfy both requirements. Mintzberg et al. (1998) use a university as an example of
Learning Strategy (‘strategy formation as an emergent process’, p.175) in the professional organisation (see Figure 1). Adapting earlier work by Hardy et al. (1983) it is suggested by Mintzberg et al., (1998) that defining strategy as a ‘pattern in action’ (p.192) enables the identification of strategy in an organisation using a complex interactive process between individual professionals and central managers. Their theory analyses the decisions made by these two groups and those made by ‘collective choice’ (a combination of the two) as set out in Figure 1 which also demonstrates the multiplicity of stakeholders. ‘Professional autonomy sharply circumscribes the capacity of central managers to manage the professionals in the ways of conventional hierarchy’ (p.193) they state, while citing some financial decisions, control over non-professional workers and managing the collective process as exceptions. This collective process can work in one of four ways, they suggest: a collegial model (common interest), a political model and an analytical model (each based on self-interest, in the latter of which analysis is used to bolster political arguments) and a ‘garbage-can’ model (a kind of disinterest). This last term was coined by Cohen et al. (1972) to describe organisations whose decision-making processes were ‘collections of choices looking for problems, (...) feelings looking for decision situations in which they may be aired, solutions looking for issues to which they might be the answer, and decision-makers looking for work’ (p.1). This concept was later adopted by their colleagues, March & Olsen (1976), who described universities as ‘organised anarchies’, and it features in Mintzberg et al.’s (1998) model in Figure 1.

Figure 1: Mintzberg et al.’s Learning Strategy in the Professional Organization

(Mintzberg et al., 1998, p.192)
Liu & Dubinsky (2000) come from the apparently opposite direction but arrive in a similar place. They suggest that it is the current ‘transitional state’ of UK universities that require them to consider emergent strategy (Mintzberg & Waters, 1985) in addition to the ‘rational planning to which they are accustomed’ (Liu & Dubinsky, 2000, p.1323) and they use the dynamism of the environment as a justification for proposing that academic institutions need to go beyond conventional planning by facilitating ‘intrapreneurship’ (Pinchot, 1985) i.e. internal entrepreneurship. Environmental changes have led to changes in the relative power and responsibilities of academics and administrators within universities and in turn to a recommendation by Liu & Dubinsky (2000) of ‘corporate entrepreneurship’ (Burgelman, 1983c) as a strategic approach.
5 Corporate Entrepreneurship

5.1 Origins and Definitions

‘Corporate entrepreneurship’ (Burgelman, 1983c) and ‘umbrella strategy’ (Mintzberg & Waters, 1985) are brought together in Mintzberg et al.’s (1998) ‘Learning School’, in which strategy formation and implementation are regarded as an emergent process. The use of a singular noun is deliberate. This school of thought is one which attempts to describe how strategy is actually managed, as opposed to how it should be managed (as in the prescriptive schools) and it was initiated by Lindblom’s (1959) article *The Science of Muddling-Through*. From this developed the concept of ‘disjointed incrementalism’ (Braybrooke & Lindblom, 1963) and the ‘piecemealing remedial incrementalist’ (Lindblom, 1968) who ‘may not look like a heroic figure (but) is, nevertheless, a shrewd, resourceful problem-solver who is wrestling bravely with a universe that he is wise enough to know is too big for him.’ (p.27). These ideas were later developed by Quinn (1980) into ‘Logical Incrementalism’, a large part of which Henry Mintzberg et al. (1998) characterise as ‘political implementation’ (p.181). While Quinn put much emphasis on the role of senior management, other writers identified the middle-management ‘champion’ and the ‘strategic venturing’ of internal entrepreneurs (hence Pinchot’s (1985) ‘intrapreneurship’) ‘deep within the hierarchy’, (Mintzberg at al.,1998, p.186), resulting in Burgelman’s (1983a) ‘autonomous strategic behaviour’ (ASB) which he calls ‘the motor of corporate entrepreneurship’ (p.241). ‘Autonomous’ is as opposed to ‘induced’ strategic behaviour i.e. that directed and managed through the strategy. So influential are the autonomous initiatives of ‘strategic entrepreneurs’, when successful, that Burgelman (1983b) proposes that ‘strategy follows autonomous strategic behaviour’ (p.62), which is maintained by Grigg (1994) as a possibility under an ‘umbrella strategy’ (Mintzberg & Waters, 1985).

Burgelman (1983a) studied ‘the process through which a diversified major firm transforms R&D activities into new businesses’ (p.223). Since universities are diversified major organisations, this work can shed light on how ‘to diversify into new areas that involve competencies not readily available in the operating system of the (...) corporation’ (ibid.), such as internationalisation. He usefully defined ‘corporate entrepreneurship’ (Burgelman, 1983c) as
the process by which firms engage in diversification through internal development (...) which requires new resource combinations to extend the firm’s activities in areas unrelated, or marginally related, to its current domain of competence and corresponding opportunity set. (p.1349)

and the role of entrepreneurial activity is to provide the required diversity for continued survival:

This stream of autonomous strategic initiatives may be one of the most important resources for maintaining the corporate capability for renewal through internal development.

(Burgelman, 1983a, p.241)

Thornberry (2001) offers four different interpretations of corporate entrepreneurship, of which ‘organizational transformation’ (p.528) seems the most appropriate for the topic of internationalisation. For it to fit the original Schumpeterian definition of entrepreneurship, the transformation must involve new combinations, ‘the doing of new things or the doing of things that are already being done in a new way’ (Schumpeter, 1947, p.151) and Thornberry develops this idea to specify that learning which results in new competences and capabilities should emerge from such implementation. Furthermore, corporate entrepreneurship must result in long-term value creation.

Liu & Dubinsky (2000) coin the term ‘institutional entrepreneurship’ when applying the concept to universities but it is unclear why, since they use both interchangeably and there is no discernable conceptual difference between it and corporate entrepreneurship. Perhaps they consider a university yet more of an institution than a corporation so their version is more politically acceptable. Since Deem (1998) describes ‘new’ universities as corporations, this might not be universally true.

5.2 Organisational Type, Structure and Culture

While autonomous strategic behaviour (ASB) cannot be planned (Burgelman, 1983c), once recognised and valued ‘it needs a ‘home’, so to speak, for its further nurturing and development’ (p.1362) and this, he suggests, is a question of organisational design. Hutt & al. (1988) suggest that organic structures are more likely than bureaucratic to produce autonomous strategic initiatives. Indeed, Thornberry (2001) asserts that corporate entrepreneurship can be an oxymoron that is uncomfortable or even impossible to reconcile
with the careful planning, organisation and structure of large institutions. Kyrgidou & Hughes (2010) use Birkinshaw & Gibson’s (2004) concept of ‘organisational ambidexterity’ to describe the internal conditions facilitating the switch between apparently contradictory activities: corporate strategy-making and entrepreneurship. They claim that ‘duality’ is required by simultaneously pursuing innovative opportunity and controlling strategic practice. This is worth linking to Gewirtz et al.’s (1995) observation of ‘bilingualism’ in universities.

Thornberry (2001) characterises corporate entrepreneurship as part of culture and Burgelman (1983c) claims that successful companies have a strong culture supporting clear strategic goals concerning entrepreneurial activity.

Burgelman’s (1983c) analysis ‘Generic Situations Concerning the State of Corporate Entrepreneurship in Large, Complex Organisations’ (p.1357) (see Figure 2 below) maps four different types according to the level of slack available at operational level and top management’s perception of the opportunity cost of current business. Where the first is low and the second is high, top management wants, but operational participants do not provide, many entrepreneurial projects, with the resulting readiness to jump into any projects available, many of which then end up as failures.

One can argue that this situation applies in universities; the environmental factors described in earlier (such as decreasing public funding, increasing global competition driving the need for international accreditation and the resulting pressure to internationalise, not to mention the more recent economic crisis) make the opportunity cost of universities continuing with ‘business as usual’ very high. Meanwhile, initiatives to measure and control workload allocations across the university are designed to ensure that slack be minimised. Where slack is increased, operational participants provide many more entrepreneurial projects and the autonomous strategic behaviour (ASB) loop is maximised. This Thornberry (2001) couples with the acceptance of an increased level of risk since in corporate entrepreneurship ‘the ability to actually implement is unproven’ (p.529).

Figure 2: Burgelman’s Generic Situations Concerning the State of Corporate Entrepreneurship in Large, Complex Organisations

Burgelman 1983c, p.1357
Entrepreneurship as Culture in Higher Education

Most literature on the topic of entrepreneurship in HE refers to the introduction and encouragement of ‘academic entrepreneurship’, the technology transfer, spin-out and commercialisation activities of universities which are not relevant to this article. However, some general points are useful in considering the importance of culture and the implications of fostering entrepreneurship of any kind in a university.

Bartell (2003) echoes Grigg’s (1994) assessment of universities in arguing that

\[ \text{the complexity, high degree of differentiation, multiplicity of units and standards, autonomy of professors, control and management philosophies and mechanisms, which increasingly do not operate effectively even in business organizations, are likely to be complicating and inhibiting factors vis-à-vis pressures for organizational change (...) Under these circumstances the culture of the university assumes greater prominence (and) an understanding of the university via its culture can facilitate the analysis of managing structure and processes in order to implement strategies (...).} \]

p.53
Groves et al. (1997) agree and Kallenberg’s (2007) analysis of strategic innovation in HE concludes that culture is crucial to success. The effect of values and beliefs on university decision making is strong (Tierney, 1988, cited in Bartell, 2003). The orientation and strength of a university’s culture are highly influential on strategic management and on an ability to adapt and cope with environmental turbulence (Sporn, 1996) and can enhance or inhibit renewal and innovation (Cameron & Freeman, 1991).

Binks & Lumsdaine (2003) use the four pillars of successful innovation (Lumsdaine et al., 1999) to discuss the promotion of entrepreneurship in a university and these bear a remarkable similarity to some of the issues pertaining to strategy execution. They include consistent communication of clear information about rationale and available support processes provided by a focal point at the centre, whose role is ‘inreach and outreach’ (ibid, p.50) and the dissemination of best practice, examples of success and peer recommendations. They suggest that an appropriate environment can most effectively be provided by ‘the demonstration effect’ (ibid, p.50) since staff are better convinced by other staff than a central marketing campaign.

Communication is also the foundation in building and sustaining a conducive climate for entrepreneurship and innovation in HE. Much entrepreneurial skills development relies heavily on experiential learning. (ibid, p.51)

Touching on the importance of a strategic approach, they recommend that an entrepreneurial strategy is decided upon, rather than waiting for one to emerge, and that senior management support for those implementing the strategy is critical. Additional support and resources should be provided when necessary and flexibility in approach maintained. Once a critical mass is achieved, entrepreneurial development in universities can be self-perpetuating and grow rapidly.

Universities that seek to encourage entrepreneurship (...) will need a carefully designed and FLEXIBLE strategy (...) to ensure that (...) the support and loyalty of their academic staff is sustained. (p.51)

To this, Grigg (1994) applies Mintzberg & Waters’ (1985) term ‘an umbrella strategy’. Such a strategy originates from constraints and operates where leaders are in only partial control. It sets general guidelines and defines the boundaries for behaviour, within which strategies can emerge, allowing academics to respond to their complex, partially uncontrollable and unpredictable environment. Such an approach can accommodate occasional strategies
imposed by powerful stakeholders while at the same time providing an incentive to behave entrepreneurially. Institutional adjustments designed to give potential entrepreneurs the necessary support would be required, as well as the promotion of entrepreneurial culture within the university environment, and the ability of academics to move in and out of the organisation. Care should be taken to ensure that any organisational changes retain strategic autonomy and academic freedom within the boundaries set by the university’s leadership. Nevertheless, behaviour must be monitored and, if it strays outside of the boundaries senior management may stop it, may ignore it to see what happens or may adjust with it, altering the strategy in response (ibid.) In this way, strategic learning takes place and the organisation is less likely to disconnect from its external environment. Grigg (1994) argues that universities may appear to be little more than collections of personal, autonomous strategies but an umbrella strategy can encourage general consensus to emerge among academics.

Sporn (1996) defined the ‘strength’ of a university culture as the degree of fit between values, structure and strategy. Using that concept and Cameron & Freeman’s (1991) identification of ‘external or internal positioning’ (see Error! Reference source not found.e principle dimensions influencing an institution’s strategic management, he developed a quadruple typology to assess a university’s capacity to support a strategic approach (see Figure 3). The dimensions can be used to examine a culture’s readiness to support strategic management and secure consistency between strategy and culture, where a strong culture is considered most appropriate for adaptation in a turbulent environment (Bartell, 2003). Bartell links this with Cameron & Freeman’s (1991) characterisation of an ‘adhocracy culture’ (as one with an ‘external adaptation’, focussed on a ‘shared commitment to entrepreneurship, flexibility and risk’ (p.30, see Figure 4Error! Reference source not found.) and a flat structure populated by professionals (Mintzberg, 1989)), to argue that a university with an adhocracy culture, i.e. a strong culture and an external orientation, is ‘most likely to facilitate a successful internationalization process’ (Bartell, 2003, p.55) as opposed to a type favouring a hierarchical culture and resource allocation approach.

**Figure 3: Sporn's Typology of University Culture**

Typology of University Culture

Orientation of University Culture

Strong Internal
Strong External
Weak Internal
Weak External

Figure 4: Cameron & Freeman's Model of Culture Types for Organizations


A Model of Culture Types for Organizations

ORGANIC PROCESSES
Flexibility, Individuality, Spontaneity

CLAN
ADHOCRACY

HIERARCHY
MARKET

EXTERNAL POSITIONING
Competition, Differentiation

INTERNAL MAINTENANCE
Smoothing Activities, Integration

MECHANISTIC PROCESSES
Control, Order, Stability
6 Conclusion

This review has investigated the major issues of strategic management pertinent to HE institutions and linked them in turn to ‘learning’ (Mintzberg et al., 1998), ‘emergent’ (Mintzberg & Waters, 1985) and ‘umbrella’ (ibid) strategy. ‘Corporate entrepreneurship’ (Burgelman, 1983c) has been explored as a modus operandi under such strategies and finally an entrepreneurial culture has been linked to success in internationalising universities.

References


