
How Higher Education Institutions Should Internationalise



By [Gabriel Hawawini](#) , INSEAD Professor of Finance

Schools that desire to be truly international should think like global companies.

Philips is a company that thinks *local* and acts *global*. Over the years, based on insights into consumers, it has introduced a soy milk maker in China. When sold in France, the product is modified into a soup maker. It also introduced a noodle maker in China, which was turned into a spaghetti maker in Italy. And its rice cooker, again developed in China, was modified for boiling borscht in Russia.

The essence of thinking locally and acting globally is a willingness to learn from local experiences and leverage global resources and supply chains to grow and create value.

Many leaders in such companies are internationally experienced managers who understand local nuances and apply international business principles to create products and services most relevant and meaningful to customers. This is why there has been no let-up in the demand for international education. In fact, as I wrote in my [last article](#), there has even been a surge

in applications to international education institutions despite the broad protectionist sentiment in the United States and Europe and perhaps because of it.

Companies such as Philips learn from the world. As I argue in my book, [***The Internationalization of Higher Education and Business Schools***](#), the ultimate benefit of internationalisation for a higher education institution is to learn from the world, not just teach the world what the institution already knows in order to widen its global reach.

Instilling a global learning mindset in their students will enable educational institutions to provide the globally competent talent that companies such as Philips need. Since the turn of the century, many institutions have added international modules or programmes to their curricula, “importing” faculty and students from elsewhere and “exporting” their students by offering them study abroad opportunities. Others have formed joint ventures or alliances whereby they export their curriculum to teach local students in distant geographies.

International richness

But how far such moves go towards creating the international richness necessary for a global education is not always obvious. For example, for “importers”, the proportion of international students in and of itself is a poor indicator of international richness and learning. This is especially the case if a single nationality dominates the student body. Based on data compiled by the *Financial Times* for its [***Global MBA Ranking 2017***](#), a very small number of schools currently have a proportion of non-local students that exceeds 20 percent of the total student body.

A low proportion of non-local students can create assimilation traps by causing these students to adopt the norms and views expressed by the dominant local culture in the classroom. They could then become reluctant to share alternative perspectives drawn from their home experience. Worse, this could give the host country’s students the idea that other cultures think like them.

One way to avoid this trap is to create a classroom where there is no dominant culture, where everyone is in a minority position and thus comfortable to express and share views and ideas drawn from their home experience. Interestingly, global online programmes can also help because

students all around the world join an interactive virtual classroom while in their home countries and thus unaffected by the assimilation traps.

There is no substitute for being there

Some institutions have gone a step further than importers and exporters and extended their reach with a physical campus abroad. Business schools were early adopters of this model with the establishment of campuses in Asia and the Gulf countries, such as Carnegie Mellon University establishing a business school in Qatar, INSEAD in Singapore and Abu Dhabi, and ESSEC in Singapore. The benefits of foreign campuses are numerous. First, an extra campus allows the school to attract high quality students who might not have applied to the home campus, and enrich diversity at the same time. Second, it enhances the school's ability to hire high quality foreign faculty members who might wish to live in the region where the extra campus is located thus increasing the diversity and background of its faculty. In a recent ACE survey, 68 percent of U.S. higher education institutions said that – all else equal – they'd prefer to hire faculty with international background and experience. Third, it increases the breadth of alumni and broadens the school's network. Fourth, it improves the school's visibility and gives it higher credibility as a global institution.

But these initiatives cannot be designed as independent add-ons to an institution's home campus and core activities. Multi-location institutions must also internationalise their home campus by harmonising diversity, admissions standards and student culture across their multiple sites. They should aim to create a seamless environment for students and faculty to interact and travel between campuses to maximise their global experience and learning.

Challenges to growth

The success of a multi-campus higher education institution rests, among other things, on having an internationally recognised brand; seamless transfer of knowledge between campuses; local and foreign students meeting the same admissions standards; frequent travel of faculty and administrative staff across the campuses; and graduates who are able to find local and regional jobs that allow them to put into practice what they have learned.

The risks and challenges of establishing an additional campus, however, can be numerous. An important consideration is the faculty's legitimate concern that postings over multiple locations may dilute the interactions among its members and affect their research productivity. While an institution doesn't necessarily need to rally its entire faculty body to go international, it will need broad support for it to succeed. Faculty resistance also occurs when an institution plans to enter a market where there are different degrees of academic freedom, which could be especially challenging in the case of the liberal arts colleges.

Another consideration is the fear of a potential dilution of reputation. Alumni tend to constitute the majority of an institution's governing board. They can be reluctant to extend their alma mater's international reach in a way that may change the structure or risk the reputation of their institution. Foreign campuses can also be costly to fund and sustain without some financial support from the host country and sufficient revenues generated by local activities. And closing them down in the event of a withdrawal could expose institutions to additional financial risks.

What a global school looks like

In my book, I categorise different types of institutions with presences abroad. The *multicampus* institution is in essence an exporter of its home-grown programmes. The *multinational* institution is a more structured student-exchange-led school. The *transnational* institution is an integrated collection of international campuses located around the world. In this configuration, students follow the same curriculum wherever they are, but are encouraged to spend time on the school's different campuses, along with faculty and staff.

A truly global institution should go beyond these structures, free from a home campus bias and driven by a desire to learn from the world to create new knowledge. I call this the *metanational* education institution. It should have at least three main campuses of roughly equal size, each in a major region of the world, that is, Europe, Asia and the Americas. To avoid assimilation traps, these campuses should be located in cosmopolitan cities and could have satellites in neighbouring countries. In such a network, no campus should be perceived as inferior to the others. The network's leadership must therefore foster a culture of cooperation among the sites and stimulate formal communication. The *raison d'être* of a metanational

higher education institution is to generate knowledge in multiple locations with the objective of blending that knowledge to create new insights, and to instil a global learning mindset in its graduates.

The demands of preparing business leaders for success in a global environment have not abated. As my colleagues Professors Yves Doz and Jose Santos [wrote in 2001](#), multinational companies became great by bringing the distinct qualities of their home markets into the global arena, but this kind of “projection” strategy has run out of steam. Companies, they said, “need to learn the art of learning from wherever knowledge is being generated...to become global knowledge prospectors.”

Those companies will need talented individuals trained not just in the science of business, but in the art of internationalisation.

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