The Optimal Global Integration–Local Responsiveness Tradeoff for an International Branch Campus

Nigel Martin Healey

Abstract The growth in the number of international branch campuses (IBCs) has been one of the most striking developments in the internationalization of higher education in recent years. IBCs are overwhelmingly branches of universities in the developed ‘West’. The United States, the United Kingdom and Australia dominate provision. In contrast, IBCs are concentrated in the Middle-East and Asia. The cultural distance between the home and host countries of many IBCs is considerable. This distance poses a major challenge for the successful management of an IBC. Should it localize its curriculum and pedagogy to better meet the learning styles and educational needs of its students or should it provide an educational experience that is comparable to that enjoyed by students on the home campus? This paper takes as its theoretical framework the global integration–local responsiveness (I–R) paradigm. Using an exploratory research design, it finds that the I–R paradigm can be operationalized for IBCs, to predict how faculty, the curriculum and research are likely to be localized in response to pressure from an IBC’s main internal and external stakeholders.

Keywords Cross-border education · Transnational education · International branch campus · Internationalization of higher education · Global integration · Local responsiveness

Introduction

The growth in the number of international branch campuses (IBCs) has been one of the most striking developments in the internationalization of higher education since the turn of the century. The latest study by the UK’s Observatory on Borderless Higher Education (OBHE) estimates that there are 249 IBCs across the world, with over 30 more in

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1 Fiji National University, PO Box 7222, Suva, Fiji
development (Garrett et al. 2016). The Cross-Border Education Research Team (C-BERT) at the State University of New York at Albany regularly surveys IBCs and its 2017 report lists 248 IBCs (Cross-Border Education Research Team 2017).

As Table 1 shows, IBCs are overwhelmingly branches of universities located in the developed ‘West’. The United States dominates provision, accounting for 76 (30%) of the 248 IBCs. Two of the other ‘main English-speaking destination countries’ are also heavily represented, with the UK in second place and Australia in fifth. In contrast, IBCs are concentrated in the Middle-East and Asia. Between them, the United Arab Emirates (UAE) and Qatar host over 40 IBCs, while China, Malaysia and Singapore have almost 60 foreign universities operating campuses in their territory.

The ‘cultural distance’ between the home and host countries of many IBCs is considerable. As a broad generalization, IBCs are set up by Western universities, steeped in a culture of academic freedom and critical thinking. In contradistinction, many of the host countries have very different cultures, often linked to religion and/or their political systems (e.g., hereditary monarchy or a single-party state). This distance poses a major challenge for the successful management of an IBC. Should it provide an educational experience that is comparable to that enjoyed by students on the home campus or should it localize its curriculum and pedagogy to better meet the learning styles and culture of its foreign students?

This paper takes as its theoretical framework the global integration–local responsiveness (I–R) paradigm, which is widely used in the international business literature and was developed by Prahalad and Doz (1987). The I–R paradigm highlights the fundamental tension faced by multinational corporations (MNCs). On the one hand, providing a standardized product or service globally allows them to exploit economies of scale and build a powerful global brand. For example, Coca Cola and Apple, the two most valuable manufacturing brands in the world (Interbrand 2014), sell standardized products across the world. On the other hand, if demand conditions vary between national markets, MNCs may be able to grow sales and profits by selling differentiated products tailored to local requirements. McDonalds, for example, offers a standardized core menu across its restaurants, but allows a high degree of localization at national level—for example, McDonalds substitutes chicken for beef in its ‘Big Macs’ in India and sells teriyaki pork and fried shrimp patties in Japan.

There are parallels between the challenges faced by the foreign subsidiaries of MNCs and the IBCs of universities. The greater the extent to which the education offered by the IBC is aligned with that provided on the home campus, the more the university can gain

| Home country | No. of IBCs | Host country | No. of IBCs |
|--------------|------------|--------------|-------------|
| USA          | 76         | China        | 32          |
| UK           | 39         | UAE          | 31          |
| France       | 28         | Malaysia     | 12          |
| Russia       | 21         | Singapore    | 11          |
| Australia    | 15         | Qatar        | 11          |
| Netherlands  | 9          | Uzbekistan   | 5           |
| India        | 7          | Hong Kong (SAR) | 5 |
| Other        | 53         | Other        | 141         |
| Total        | 248        | Total        | 248         |

Table 1  International branch campuses by home and host country Source: Cross-Border Education Research Team (2017)
economies of scale, while minimizing the costs of quality assurance. For example, if the IBC follows the same syllabus, using the same textbooks and virtual learning environment and assessing students using the same assignments and examinations, then it is relatively straightforward to demonstrate that successful graduates at both the home and branch campuses have achieved the same learning outcomes. On the other hand, the different social, religious, business and political environment within which the IBC operates may mean the educational offer needs to be adapted—for example, by having single sex classrooms in strict Muslim countries or redesigning courses in commercial and trade law to meet national conditions.

Borrowing models from the international business literature is open to the challenge that universities are fundamentally different organizations from MNCs, in terms of their mission and objectives, structure, scale and culture. It is clear that universities do not operate like MNCs. However, regardless of whether they are public, private or not-for-profit, all organizations have to choose how to adapt their products and services when they enter a foreign market. This paper will argue in more detail below that I–R paradigm provides a useful and tractable theoretical framework within which to problematize these challenges for an IBC.

The structure of the paper is as follows. The literature review briefly summarizes what is presently known about IBCs, before locating the challenges faced by IBCs within the broader international business literature and justifying the choice of theoretical framework. It then sets out the research questions that this paper addresses and the method by which primary data was gathered and analyzed. The final sections review the results of the study and discuss their implications for the localization of IBCs.

**Literature Review**

At the outset, it is important to be clear about the meaning and limitations of the term ‘international branch campus’. C-BERT defines an IBC as ‘an entity that is owned, at least in part, by a foreign education provider; operated in the name of the foreign education provider; engages in at least some face-to-face teaching; and provides access to an entire academic program that leads to a credential awarded by the foreign education provider’ (Kinser and Lane 2012, p. 2). In a report for the OBHE, Becker (2009) similarly defined an IBC as ‘an offshore operation of a higher education institution which meets the following criteria:

- The unit should be operated by the institution or through a joint venture in which the institution is a partner…in the name of the foreign institution and
- Upon successful completion of the course programme, which is fully taken at the unit abroad, students are awarded a degree from the foreign institution’ (p. 2).

In the subsequent report for the OBHE, Lawton and Katsomitros (2012) acknowledged the impracticality of having a ‘permanent definition’ (p. 7), because universities are constantly repositioning their offshore activities in the light of changing regulatory and competitive environments. As a result, ownership, academic governance and financial and legal structure vary between IBCs (Lane and Kinser 2013), so that any definition arbitrarily includes some IBCs and excludes others. In the 2012 report, the OBHE modified the definition of an IBC to:
‘a higher education institution that is located in another country from the institution which either originated it or operates it, with some physical presence in the host country;

and which awards at least one degree in the host country that is accredited in the country of the originating institution’ (Lawton and Katsomitros 2012, p. 7).

Reviewing the OBHE’s change of definition, Lane and Kinser (2012) argue that it is ‘not clear that a single definition can ever fully address all of the parameters of IBC activity without more or less questionable use of judgment calls’, but concede that working definitions are needed to operationalize research questions and consider policy implications. For the purposes of this paper, an IBC is defined according the current 2012 ‘working definition’ of the OBHE, so that it includes campuses operating under their own brand names (e.g., Xi’an Jiaotong Liverpool University).

Much of the research on managing IBCs appears in the so-called ‘grey literature’, which is aimed primarily at practitioners (e.g., McBurnie and Pollock 2000; Gow 2007; Shatton 2007; Fielden 2008, 2011; Lane 2011; Emery and Worton 2014). The academic literature on IBCs includes research on the difficulties for seconded faculty of teaching and living in a foreign culture (e.g., McCully et al. 2009; Smith 2009; Dobos 2011; Chapman et al. 2014; Smith 2014) and teaching students who have very different learning styles and cultural frames of reference (Bodycott and Walker 2000; Dunn and Wallace 2004, 2006; Hoare 2013).

Another line of academic enquiry has been the study of how and why students choose to study at IBCs, rather than opting for a local higher education provider or looking offshore for their university education (e.g., Nguyen and LeBlanc 2001; Wilkins and Huisman 2011, 2013; Wilkins et al. 2012). Research has shown that students in IBCs are likely to have difficulty adapting their learning styles to the teaching methods promulgated by the home university (Kelly and Tak 1998; Pyvis and Chapman 2005; Wang 2008; Humfrey 2009; Pimpa 2009; Heffernan et al. 2010; Prowse and Goddard 2010; Marginson 2011b; O’Mahoney 2014).

Together with the challenges for faculty working at IBCs, the assurance of academic quality at IBCs is the other most widely researched area (e.g., Hodson and Thomas 2001; Coleman 2003; Castle and Kelly 2004; Craft 2004; Cheung 2006; Stella 2006; Blackmur 2007; Smith 2010; Edwards et al. 2010; Lim 2010). This is because a key challenge for universities, regulators and policymakers with transnational education is quality assurance (Martin 2007).

Adapting the curriculum is closely related to the issue of managing quality assurance. There are legitimate pressures to adapt the content, pedagogy and assessment (Willis 2004, 2005; Waterval et al. 2014). Most obviously, some of the content may be inapplicable to the local context. It is also conceivable that, for social and cultural reasons, trying to force the pedagogical approach of the home campus onto locally-hired faculty and students may be sub-optimal. Pyvis (2011) argues transnational education risks promoting ‘educational imperialism’ (p. 733); see also Rhee and Sagaria (2004) and Tikly (2004).

Managing International Branch Campuses: The Perspective from the International Business Literature

A small number of the studies have looked at the challenge of managing an IBC by drawing on international business literature (e.g., Gore 2012; Lane and Kinser 2012; Wilkins and Huisman 2012). The attraction of this body of literature is that it offers a
coherent organizing framework within which to conceptualize the issues facing IBCs, whereas much of the research in international higher education focuses on one problem at a time (e.g., faculty or the curriculum). Shams and Huisman (2012) conclude their review of the literature on managing IBCs by lamenting the ‘fragmented body of the literature, which depicts a large set of managerial complexities, accompanied by a number of solutions offered for each individual issue…[S]ome of these solutions are highly dichotomous and there is no fundamental analytical tool that facilitates understanding and explaining the managerial ambidextrous concepts in the field [of transnational education]’ (p. 121). Shams and Huisman (2012) argue that the I–R paradigm provides the most promising theoretical framework within which to conceptualize these challenges for an IBC.

The I–R paradigm posits that, for an MNC, there is a tradeoff between global integration (which allows companies to exploit economies of scale and offer their products and services at a lower cost) and local responsiveness or adaptation (which enables companies to develop products and services which are more closely matched to local demand conditions) (Prahalad and Doz 1987; Roth and Morrison 1990; Taggart 1997; Bartlett and Beamish 2011). These two extremes are mutually exclusive: the product or service is either standardized or customized to local market needs. The ‘strategic paradox’ (De Wit and Meyer 2004) is that both are desirable from the point of view of the MNC, but one cannot be achieved without sacrificing the other.

Birkinshaw et al. (1995) and Luo (2001) argue that the optimal trade-off between integration and responsiveness depends both on the nature of the MNC and environmental factors. For example, if the MNC is a manufacturer of a product where consumers value the compatibility and interoperability of standardized products (like cell phones), then there will be little pull from the responsiveness side and the optimal tradeoff will be close to global integration. If the MNC is selling food products that must meet the cultural and religious requirements of consumers, then there will be strong pressure to customize the local offer (Xu and Shenkar 2002; Ghemawat 2007; Phillips et al. 2009).

Haugland (2010) suggests that ‘from a managerial point of view, [the I–R] approach can be helpful in illustrating some major decision problems that managers need to address in developing international strategies’ (p. 94). Shams and Huisman (2012) similarly argue that the I–R paradigm provides a tractable framework for problematizing the challenges faced by the managers of IBCs. On the one hand, managers face the pressure to remain globally integrated from the home campus, which has a strong incentive to operate its IBCs using standardized curricula and assessments, underpinned by common operating processes and software systems. Partly this is for economic reasons (i.e., the benefits of economies of scale) and partly because the university may be seeking to build its global brand. Students and local regulators may also have a preference for a standardized curriculum, so that they are assured that the educational experience and learning outcomes are the same for students at the IBC as those on the home campus.

On the other hand, the greater the cultural, societal and regulatory distance, the stronger the pressure for local responsiveness. In a strict Islamic country, female students may not be able to sit in classes with male students unless they are chaperoned; one-to-one tutorials between male academics and female students may be unthinkable. Societal differences may render some parts of the curriculum inappropriate or even meaningless for local students (e.g., classes on common law in a civil law jurisdiction). Most obviously, local regulations may require the IBC to adapt its curriculum and faculty policies in order to be registered and permitted to enroll students. The regulations in countries like China mandate the teaching of certain courses (e.g., political economy, physical education) and do not
recognize distance-learning. The Malaysian Qualifications Agency sets minimum contact hours for degree courses.

Shams and Huisman (2012) argue that the I–R tradeoffs are likely to be most apparent in three key areas for an IBC: faculty, the curriculum and research. The IBC manager must choose between employing seconded expatriate academic faculty from the home campus and hiring local faculty who can relate culturally and linguistically to the students. Depending on the extent of the cultural, societal and regulatory distance between the home and host countries, the IBC manager needs to strike the optimal balance between delivering a standardized curriculum and adapting it to local conditions and regulatory requirements (Li and Baalen 2007). Finally, the manager may decide to incentivize and reward research that aligns with the research programs in the home university or allow faculty to pursue research projects with a local focus.

Figure 1 illustrates the three tradeoffs diagrammatically. The origin (point 0, 0, 0) represents absolute global integration, in which the IBC is effectively a ‘clone’ of the home university, for example, using seconded faculty to deliver a standardized curriculum underpinned by a research agenda that remains integrated with research on the home campus. This is close to the model adopted by some North American universities (e.g., University of Waterloo, Texas A&M) which employ only seconded academic faculty in an effort to faithfully recreate the home academic culture at the offshore campus.

In Fig. 1, the IBC represented by points X, Y, Z is one in which the curriculum and research exhibit a high degree of global integration (but not absolute) while the faculty base is heavily localized. Many of the UK and Australian IBCs in countries like Malaysia, where well-qualified faculty are available locally at much lower costs than employing seconded faculty, adopt this model, where the curriculum remains closely aligned with the home campus and the local faculty are encouraged to pursue research which meets the requirements of the home university’s promotions criteria (e.g., by publishing only in international peer-reviewed journals).

Figure 1 The I–R paradigm and an international branch campus. Adapted from Shams and Huisman (2012)
In justifying the focus on these three dimensions, Shams and Huisman (2012) argue that ‘the model is currently built around the themes we found in the literature (faculty, curriculum) or could not find in the literature but for which we put forward arguments to include (research’) (p. 119). A subsequent study by Healey (2016) confirmed that faculty, curriculum and research are the three main dimensions of an IBC that managers felt under most pressure to localize. In the case of research, localization was interpreted to mean adapting research agendas to the context and policy concerns of the host country or government.

Managing International Branch Campuses: A Critical Perspective

The obvious objection to using the I–R paradigm as a theoretical framework is that universities are not MNCs. Critical theorists like Marginson (2006, 2007, 2011a, 2013, 2016), Slaughter and Cantwell (2012), Taylor et al. (2013), and Rhoades (2016) have strongly argued that universities cannot, and should not, be problematized as if they were corporate, for-profit organizations. Universities are generally public or not-for-profit institutions with a social mission to create and disseminate knowledge—that is, to undertake research and teach (Rhoten and Calhoun 2011).

‘Academic freedom’ is a highly cherished value (Tierney 2001; Karran 2007; Arrrevaara 2010) and universities have complex management and governance structures, in which faculty and students are typically entitled to a decision-making role through bodies like the academic senate (Baldrige 1971; Fried 2006). Governance is complex and highly contested (Rhoades 2001; Steck 2003; Carnegie and Tuck 2010; Ordorika 2014). There are well-known examples of academic governance bodies rejecting the transnational expansion of their universities on ethical grounds. For example, the senate of the University of Warwick voted down the senior management’s proposal to establish an IBC in Singapore, arguing that the Singaporean government’s record on human rights conflicted with fundamental principles of academic freedom (Observatory on Borderless Higher Education 2005). George Washington University similarly pulled out of a proposed JV with the University of International Business and Economics in Beijing after strong resistance from senior faculty (Redden 2014).

Universities are also generally small organizations by corporate standards with a single local base which defines their identity (e.g., Harvard University is based in Cambridge, MA, and has a faculty of just 2400). This strongly local, bounded identity challenges the characterization of universities as ‘global corporations’. University education has strong public good characteristics (Marginson 2011a; Rhoades 2014) and so higher education is generally a politically-regulated sector, with governments intervening via legislation and public subsidies to ‘steer’ universities in the national interest (Ferlie et al. 2008; Marginson 2011b; Reale and Seeber 2011).

Although there is evidence of growing ‘corporatization’ of universities in some countries, notably the UK and Australia which have experienced considerable marketization (e.g., the deregulation of tuition fees, the replacement of government grants by tuition loans) and greater managerialism, the unique combination of mission, governance, scale and government involvement means that universities remain organized very differently from corporations, with different objectives and distinctive management structures (Gibbs 2001; Newman and Jahdi 2009; Natale and Doran 2012). They are typically led by senior academics rather than career executives and supported by bureaucracies that are shaped by the need to deal with public grant-awarding agencies (Yielder and Codling 2004; Evans et al. 2013). Their strong local identity and focus and historical dependence on public
funding means that universities lack an MNC’s sophisticated finance and human resources departments to deal with moving money and personnel across borders.

A study of the management of IBCs by Healey (2016) found that ‘there is a widespread view held by the managers of the IBCs that the senior staff at the home university sometimes take key strategic decisions in an amateurish and un-businesslike way, with decisions often driven by the personal agendas of the vice-chancellor [president]’ (p. 72). The same study also concluded that ‘universities generally lack the technical expertise in their professional services departments to effectively manage the development of an IBC in a remote and alien location’ (Healey 2016, p. 73), in contrast to MNCs which employ highly professional technocrats to manage their international operations.

The Global Integration–Local Responsiveness Paradigm as a Theoretical Framework

The rationale for adopting the I–R paradigm as a theoretical framework is not that universities behave as if they were MNCs. It is clear that in almost all regards, universities are fundamentally different organizations from global corporations. Rather, the justification is that the I–R paradigm provides a conceptual framework which can be used to analyze the tradeoffs that any organization faces when entering a foreign market, whatever its objectives, structure and culture. If a retailer, a university or a charity sets up an operation in a foreign market, the first question they must address is how much the product or service needs to be adapted to meet the needs of the new market.

This in turn begs two further questions. What are the benefits of adaptation and to whom do they accrue? And what are the costs or disadvantages of adaptation and who bears them? The I–R paradigm offers an organizing structure within which to consider these central questions. Similarly, the use of business terminology like ‘joint venture partners’, ‘managers’, ‘products’, and ‘brands’ in the discussion that follows is not intended to imply that universities act as if they are corporate entities, but rather that these concepts from the business world provide a useful ‘shorthand’ way of characterizing the key actors in, and dimensions of, a transnational partnership like an IBC.

However, while the I–R paradigm provides a useful conceptual framework within which to capture the tradeoffs facing an IBC, it provides little predictive value in terms of the actual tradeoff that is likely to be chosen. For example, under what circumstances is the IBC likely to choose a highly localized faculty base? When will it tend to follow a highly standardized curriculum? If the three main variables that can be localized are faculty, the curriculum and research, then the position chosen along each of these three I–R dimensions will depend on the objectives and relative power of the main stakeholders.

The difficulty in operationalizing this model as a strategic tool is that each of the stakeholders may have different objectives, which are differently framed, so that there is no common ‘unit of account’ with which to calibrate the relative demands of each. For example, if the host government wants the IBCs to behave as private universities subject to the control of its Ministry of Education, the home university wants the IBCs to operate as a geographically separate but otherwise integral part of the home university and students want a UK degree but with content and assessment adjusted for their learning styles, it is unclear how the manager of the IBC should respond to these competing demands in terms of customizing the curriculum.

One way of recasting this paradigm is to try and understand the costs and benefits of localization for an IBC. The I–R paradigm is grounded in the international strategy literature. The implicit tradeoff as a standardized (globally integrated) product is localized is
higher cost versus increased demand/revenue. Producing a standardized product or service on a global scale (e.g., an iPad or Galaxy 8) minimizes cost by exploiting economies of scale and experience. Customizing the product for a specific national market raises production costs, but increases demand within this national market because customers’ needs are better met. Conceptually, there will be an optimal point of localization, where the marginal cost of an additional unit just equals the marginal benefit (revenue) of an extra sale. The challenge is to rethink these tradeoffs for an IBC, which is a fundamentally different organization to a subsidiary of an MNC.

Costs and Benefits of Localizing Faculty

Focusing attention on the localization of faculty at an IBC reveals the tradeoff at work. In this case, from the perspective of the IBC, the tradeoff is between the cost base of the IBC and the extent to which it can faithfully replicate the academic culture of the home university. If the IBC were staffed wholly by seconded faculty on, say, 2- to 3-year contracts, it would be relatively easy to transplant the academic culture and processes from the home university and create a ‘clone IBC’. As Franklin and Alzouebi (2014) argue, ‘international branch campuses have utilized the message “that everything is the same” to support their growth and development’ and academic faculty are at the heart of the reproducing the academic culture in the IBC.

The cost of its academic faculty base would, however, be so inflated relative to local rivals that it would need to charge tuition fees that were uncompetitive in the local market. The University of Waterloo provides a stark example of this dilemma. It opened a campus in Dubai in 2009 using only seconded faculty, charging the same tuition as at the Canadian campus, and closed in 2012 after recruiting only 140 students (Bradshaw 2012).

At the other extreme, if the IBC were wholly staffed by locally-hired faculty, it could minimize its cost base, but other than seconded managers (who could, in principle, also be replaced by local managers), the faculty would have limited first-hand knowledge of, and institutional loyalty to, the home university. There is a risk that the IBC would develop an academic and organizational culture that was quite unlike the home university. As a result, the students could have an educational experience that was so fundamentally different that it would undermine the proposition that they were earning the same university degree.

While there is not a common unit of account (e.g., money), as in the case of an MNC choosing the optimal degree of localization, making explicit the tradeoff for an IBC manager considering the localization of his/her faculty base is useful because it helps to frame the competing objectives of the different stakeholders. In principle, the tradeoffs for the other two dimensions of an IBC can be derived in a similar way.

Costs and Benefits of Localizing the Curriculum

Consider the curriculum, broadly defined to include content, pedagogy, assessment and internal quality assurance. Here the tradeoff of localization is equivalence versus relevance. Where the IBC delivers a standardized curriculum, with identical assessments and examinations that are marked (or moderated) by examiners at the home university, there is demonstrable equivalence between the learning outcomes of the same degree program at the IBC and the home university. A student with a BSc Economics from the IBC can justifiably claim to hold a degree from the home university that is equivalent to his/her counterpart who has earned the same qualification at the home campus. This is the model which the University of London International Programmes have used since 1858, with the
teaching materials and assessments being the same for every student wherever they study for a London external degree around the world.

The difficulty with absolute equivalence is that there is no allowance for the local context within which the IBC operates, or the different learning styles of students. Some academic content may be completely unsuited to local needs (Egege and Kutieleh 2009); e.g., courses on UK law may be incomprehensible to students living in a country governed by Sharia law. Engineers in hot, dry countries need to learn different techniques and models from UK students operating in a cold, wet climate. Some assessment regimes, for example, focus on group work and critical thinking and may unfairly disadvantage students from other cultural backgrounds, where scholarship is associated with the individual mastery of complex theories and texts (Bodycott and Walker 2000; Heffernan et al. 2010).

Localization improves the relevance of the IBC course to students and employers, but at the cost of reducing demonstrable equivalence. In extremis, a degree redesigned for local needs by the IBC may be regarded by potential employers not just as different, but also inferior, to a degree from the home university (Castle and Kelly 2004; Craft 2004). The most common criticism of IBCs is that they fail ‘to offer a curriculum and institutional culture that is consistent with what is present at the main campuses’ (Wilkins et al. 2012, p. 543).

**Costs and Benefits of Localizing Research**

With regard to research, the tradeoff has parallels with that of the curriculum. As long as academic faculty at the IBC engage in research aligned to the agendas of the home university, publishing in international peer-reviewed journals, they maximize their prospects of performing well in national research audits and lay the foundations for a successful academic career. It is well-documented that the leading academic journals (in terms of citations per paper) are in North America and Europe and that they are characterized by publishing papers in English that align with the research concerns of their home regions.

Man et al. (2004), for example, showed that the papers published in the leading medical journals are disproportionately written by native English speakers and focus on subject matter that is prioritized by the research funding bodies of the wealthiest countries. There is a vicious circle at work, with the developed countries with the highest research impact (measured by citations per paper) setting the global research agendas and hosting and editing the leading journals (King 2004). Success as an academic depends, in turn, upon publishing in these international peer-reviewed journals (Starbuck 2005).

Localizing research involves a tradeoff of international reputation versus local impact. As faculty refocus their research on issues of importance to the host country, their ability to publish the outcome of their studies in the leading journals is, as a general rule, degraded. It is likely to be much harder to place a paper on employee absenteeism in Malaysia in, say, *Organization Science*, than a similar study of absenteeism in US corporations. Smith et al. (2014) found evidence of multiple biases by journals against researchers based in developing countries, which resulted in them tending to publish in lower tier journals.

More importantly, many studies of relevance to developing countries may find no market at all in Western-centric academic journals. A study by Horton (2003) reported the ‘widespread systematic bias in medical journals against diseases that dominate the least-developed regions of the world’ (p. 712). Altbach (2007) similarly laments the dominance of English as the language of science, arguing that it has established a global community ‘at the cost of other national languages and research topics of national importance’ (p. 3608).
On the other hand, as research is localized, it strengthens the perceived legitimacy of the IBC in the eyes of the host government and opens up new sources of local funding. For example, the International Finance Research Center at University of Nottingham Ningbo Campus (UNNC) is a joint venture (JV) that was established in 2008 as part of a ‘Strategic Cooperation Agreement’ between UNNC, the Ningbo Municipal Government and the China Academy of Social Sciences. The Center has a number of research teams that also involve Ningbo Financial Affairs Office, Ningbo University, Zhejiang University and other Chinese institutions, enabling it to bid for Chinese research grants and undertake research projects ‘with Ningbo characteristics’ (University of Nottingham Ningbo n.d.).

The Tradeoffs of Localization

Table 2 summarizes the nature of the tradeoffs for the three dimensions. An IBC that consistently chooses a low degree of localization gains the benefit of the home academic culture, demonstrable academic equivalency of its qualifications and the academic reputation associated with its faculty publishing in international journals. These benefits are bought at the cost of offering an education which is likely to be too expensive for local students, especially in relation to its competitors, delivering a syllabus which may be unsuited to the needs of students and employers and undertaking research that is disconnected from societal needs in the host country.

Given this background and the conclusion that the degree of localization of the faculty, curriculum and research will depend on the objectives and relative power of the main stakeholders, this leads directly to the two research questions:
1. Who are the key stakeholders of an IBC?
2. What are the key stakeholders’ preferred degrees of localization of the faculty, curriculum and research?

Methodology

This study uses a qualitative research methodology, focusing on the perceptions of IBC managers of the objectives and relative power of their key stakeholders. The justification for this approach, rather than directly interviewing the stakeholders, is that it is the IBC managers’ understanding of their stakeholders’ objectives that drives their decision-making. For example, the home university may claim that its objective for the IBC is to build its international profile by focusing on high-quality teaching and research, but if the IBC manager is set performance targets which center on maximizing operating surpluses, s/he

| Table 2 The localization tradeoff |
|----------------------------------|
| **Low localization** | **Degree of localization** | **High local localization** |
| Academic culture | Faculty | Local affordability |
| Academic equivalence | Curriculum | Local relevance |
| Academic reputation | Research | Local impact |
may infer that the home university is primarily concerned with net revenue rather than reputation and act accordingly.

The research focused on the IBCs of UK universities, so that all the home universities were subject to a common national legislative and quality assurance framework. C-BERT presently recognizes 39 UK IBCs. The nine IBCs were selected from this population so that the three most important host countries (China, Malaysia and the United Arab Emirates) were represented. There are significant differences between the operating environment for IBCs in each country. In China, IBCs must be set up with a local JV partner as a Sino-foreign joint institution and regulated by the national Ministry of Education. In Malaysia, foreign universities can establish wholly-owned IBCs, although most have local JV partners, and are subject to regulation by the Malaysian Qualifications Agency. In the United Arab Emirates, foreign universities can establish IBCs within special free trade zones, with or without local JV partners, and are regulated by a special Knowledge and Human Development Agency (KHDA). In both Malaysia and the United Arab Emirates, the government operates schemes to help foreign universities build campuses.

The second sampling dimension relates to the international profile of the UK university, in terms of its ranking in the 2014/15 QS World University Rankings. The rationale for the second dimension is that there is a consensus in the literature that the purpose of IBCs is related to the status of the home university (Wilkins and Huisman 2012). For high-status universities, IBCs are a way of building global profile. To do this, their IBCs are also research-intensive, allowing them to attract research funding from host governments, and there is a long-term commitment. For lower-status universities with a weaker global brand, the primary focus is presumed to be revenue-generation, by enabling them to reach new markets through their IBCs. Table 3 shows that the sample set had three universities from the QS Top 100, four from those ranked 101–850 and two from those ranked below 850.

Where possible (in five IBCs), two managers were independently interviewed to triangulate the results. In the other cases, there was only a single expatriate manager leading the IBC. In total, 14 senior managers of IBCs were interviewed over a 6-month period. The interviews took place in the managers’ own offices at the IBC and were preceded by a tour of the IBC and informal conversations with faculty and students to provide background context.

The interviews were 90–120 min and semi-structured, inviting participants (on condition of confidentiality and anonymity) to ‘tell their story’; that is, to provide a narrative

| International profile of the UK university | Host country | China | Malaysia | United Arab Emirates |
|------------------------------------------|--------------|-------|----------|----------------------|
| High (0–100)                             | IBC A        |       | IBC B    |                      |
|                                          | IBC C        |       |          |                      |
| Medium (101–850)                         | IBC D        |       | IBC G    |                      |
|                                          | IBC E        |       | IBC H    |                      |
| Low (850+)                               | IBC F        |       | IBC I    |                      |
account of their experience of managing an IBC, with cues from the interviewer (as necessary) to ask them to reflect on their interactions with the key stakeholders and their views about the various stakeholders’ objectives. This interview technique allows participants to express their subjective perspective on the way they see and interpret the world (Opie 2004).

Results

The Main Stakeholders of an International Branch Campus

The interviews were transcribed and analyzed. The key points in the transcribed accounts of the participants were marked with a series of codes. Through a process of axial coding, the qualitative data was grouped into clusters that represented the key stakeholders and their views regarding localization of faculty, the curriculum and research. Consider the five most important stakeholders first.

Home University

For the managers interviewed, the home university was a key stakeholder in the IBC, because the offshore campus is trading under the home university’s brand and offering its degrees. One seconded manager noted that ‘it’s really incumbent on us to make sure that the standards are absolutely comparable’. Another agreed that because ‘we have the same program degree specification, therefore in QAA [Quality Assurance Agency] terms it is the same degree’. However, they expressed frustration with the inevitable power imbalance between the senior management on the home campus and the managers of the IBC. It’s ‘a perennial complaint of people at branch campuses that you know it’s always the case you are far more dependent on the home campus than they are on you’. This tension manifested itself when the home university insisted on the IBC following processes and procedures designed for the home campus. For the major functional departments like HR, finance, information systems and libraries, trying to apply standard policies to an IBC based in a different country, with a different language, culture and legal system, is potentially problematic. Bemoaning the inability of the home finance department to comprehend arcane local rules on depreciation and auditing, one IBC manager concluded simply by saying ‘we are a Malaysian organization’.

Joint Venture Partner

The IBCs studied were all established as private educational companies in the host country, in which their home universities have an equity stake. In most cases, the IBC was co-owned by one or more local JV partners. In China, the Sino-foreign Cooperation in Running Schools Regulations 2003 requires the involve of a majority local joint partner. In cases where it is no longer mandated by law (as in Malaysia), the home university often seeks a JV partner to share start-up costs and gain access to local expertise and social capital. The interviewees identified the JV partners as critical stakeholders, with one noting that the relationship ‘is complicated because we are minority shareholders in the JV. So it’s not a partnership of equals’. Others stressed the risk of a misalignment in the home university’s objectives and those of the JV partner. One cautioned that partnerships go
‘through a honeymoon, development, build the campus, but then they [the partners] start wanting a certain amount of, at least, control… to interfere academically in the sense they were pushing to get more backsides on seats and were pressing the university to lower its entry standards to fill the places’.

**Host Government**

The managers interviewed identified the host government as a key stakeholder. Higher education is a highly politicized sector and, in most host countries, it is publicly subsidized and closely regulated. IBCs can only operate within a host country with the consent of the host government and their scope to offer courses, enroll students and charge tuition fees are subject to governmental control. In the three countries covered by this study, moreover, the degree of governmental involvement in the higher education sector is more direct and explicit than in the UK. As one manager explained, ‘one of the big differences, which I still have difficulty getting my friends at home to really comprehend, is universities here are not self-governing. This is something in British higher education we just take for granted. Here we are directly accountable to the Ministry of Education. For example, if we want to change our entry level requirement grades, we have to get their permission. If we want to change our fees, we have to get their permission. There are 48 different approvals we need’.

**Competitors**

The managers interviewed identified various competitors as stakeholders, in the technical sense that they are affected by, and can in turn affect, the behavior of the IBC. The primary source of competition comes from domestic universities and other IBCs. The former provides the more potent challenge. This group includes public universities which have a range of competitive advantages over the IBCs, some created by political fiat (e.g., free tuition). This combination of cost, access and prestige factors means that, as a generalization, IBCs are competing for the students who cannot get into the major public universities. For such students, the choice is between lower status public universities, the domestic private universities and other IBCs. One interviewee noted: ‘Malaysia is a cutthroat competitive market. Not only are there government universities, which we cannot compete with. Out here we are private organizations in Malaysian terms, but there’s also 20 other private schools of variable quality. It is quite a cutthroat business’.

**Students**

The interviewees reported that students are important stakeholders. While they are attracted to the IBCs to gain a foreign educational experience, students often struggle to adjust to Western pedagogical approaches and experience language difficulties. Although they conceded that the same issues existed on UK campuses where there are large numbers of international, students, there was a general feeling that these difficulties were exacerbated when students are being taught in their home countries. One observed: ‘you are dealing with different student bodies, different students. Academics here who have taught in Australia, taught international students and they are teaching international students here, but they say the students are different. Completely different. Completely immature…It’s a problem in the UK, but it’s huge here’.
The Competing Interests of Stakeholders

The five key stakeholders have different, potentially conflicting, objectives, sometimes in relation to those of the IBC managers (e.g., the JV partner wanting to minimize cost and extract profit) and sometimes in relation to each other (e.g., the host government wanting to treat the IBC as an autonomous private university and the home university wanting to maintain control over the branding, the curriculum and quality control). The choices that IBC managers make in relation to the localization of faculty, the curriculum and research will depend on the relative power of stakeholders with divergent goals. With this insight, the next stage is to reanalyze the interview data to explore the attitudes of each of the main stakeholders, as perceived by the IBC managers, towards localization of the three key variables.

Stakeholder Attitudes to the Optimal Localization of Faculty

Home University

The IBC managers reported that they felt under pressure to localize the faculty to meet the financial objectives set by the home university. Employing seconded academic faculty from the home campus is much costlier for the IBC than hiring faculty on local terms and conditions. As one manager noted ‘if you are on a [seconded] contract you get a housing allowance, you get flights home, you get your children’s school fees…So not only have you got salary differentials, you’ve got benefit differentials’. At the same time, managers felt that home university management expected them to have seconded faculty in key roles to ensure the quality of teaching and research.

Joint Venture Partner

Because JV partners are commercially oriented, they have a strong preference for a highly localized faculty base to minimize costs and increase the IBC’s operating profits. The IBC managers recounted being pressurized to localize faculty at the JV board meetings. In some cases, the JV partner actually sets the terms and conditions of the IBC’s faculty by providing the IBC’s human resources function, and tended to try and employ local faculty on part-time or fixed-term contracts.

Host Government

The interviewees regarded the host government’s primary policy goal for allowing IBCs to operate to be building the capacity of their national higher education system; that is, the quantity and quality of provision. Managers felt that the host government expected them to localize the faculty for two reasons. The first is that localization reduces the cost of tuition and makes studying at the IBC accessible to a wider group of students. The second is that localization involves hiring and training indigenous academic faculty, adding to the pool of academic talent from which local universities can benefit in the future.
Competitors

Local competitor institutions impact the localization of faculty at an IBC by competing for students. Public universities typically have a major cost advantage over IBCs, insofar as their tuition fees are publicly subsidized; private universities also have a cost advantage, since their entire cost base is localized and they do not rely on seconded faculty and flying faculty to supplement their labor force. IBC managers explained that they were pushed to localize faculty, in order to minimize staff costs and make tuition fees competitive with local rivals.

Students

IBC managers believed that their students like local faculty but that they expect to be taught, at least part of the time, by UK faculty. There was a general consensus that students expect the senior faculty (provosts, vice-provosts, deans and possibly heads of department) to be British. In Malaysia, and to a lesser extent in the UAE and China, there was also a reluctant admission that, reflecting the UK’s imperial/colonial past, some local students complain about being taught by locally-hired faculty because they believe them to be less academically competent than seconded UK faculty. All the IBC managers went to great lengths to ensure that induction programs, examination boards and graduation ceremonies were well-supported by UK-based faculty, to reassure students of the ‘Britishness’ of their education.

Stakeholder Attitudes to the Optimal Localization of the Curriculum

Home University

IBC managers reported an array of forces in the home university that discourage the localization of the curriculum. In part, there is an institutional fear of losing control of quality and being embarrassed by a QAA audit. But there are also a range of institutional factors, which include the way that senior faculty in the UK negatively regard attempts to adapt the curriculum in the IBC, systems and processes like course review, the moderation of assessments and the management of examination boards and external examiners which all tend to prevent faculty at the IBC from customizing content and delivery. One interviewee bitterly complained: ‘I think sometimes people still think probably that [the host country] is still backward and we’re living in mud huts’. Another revealed that even the PowerPoint slides that lecturers at the IBC use to teach students are prepared and sent to them by faculty in the UK.

Joint Venture Partner

Because the JV partner press the IBC managers to localize faculty, sometimes forcing them to hire local faculty on part-time and fixed-term contracts, interviewees explained that this militated against the localization of the curriculum, since the local faculty are less likely to have the technical expertise and personal motivation to spend time on adapting and developing the curriculum. The managers felt that it served the JV partner’s interests for local faculty to passively transmit the home university’s curriculum to students.
**Host Government**

Although some of the IBC managers could cite examples of the host government using its regulatory authority to influence the curriculum, mostly notably the mandatory teaching of cultural courses and physical education in China, they generally felt that the host government’s objective of capacity building encouraged the IBCs to preserve the pedagogies and teaching materials from their home universities. They also felt the host government was worried that localization of the curriculum might lead to a deterioration in quality. One interviewee stated: ‘we are not permitted under the terms of our license to offer awards that we don’t offer in [the home university]. …They [host regulator] have been burnt by these sorts of things. They don’t want us to come in here and run some sort of “Noddy” qualification that we don’t offer to the students at home’.

**Competitors**

IBC managers were unequivocal that the competitive advantage of their IBCs vis-à-vis local competitors is that they offered a high-quality UK education. They felt that IBCs trade on the promise of being part of a UK university and the UK ‘branding’ is critical to their commercial success. The managers feared that to try to localize their curriculum would undermine their ability to compete effectively with local rivals for students.

**Students**

IBC managers reported that their students are very concerned that the degrees they earn are seen to be equivalent to the degrees of the home university and tend to be suspicious of adaptations that might dilute the perceived integrity of the qualifications. As one interviewee summed it up, ‘the students want to be global’.

**Stakeholder Attitudes to the Optimal Localization of Research**

**Home University**

IBC managers generally felt that the systems and processes of the home university effectively discourage faculty from engaging in localized research. This was primarily attributed to the importance of international, peer-reviewed journal papers for academic promotion and career progression. They noted that the seconded faculty are only based at the IBC for a limited period and know that they will return to the UK, where they will be judged by their research productivity and, specifically, by their publications in leading journals. Accordingly, they have no incentive to engage in local research that may be difficult or impossible to publish in mainstream Western journals. For the locally-hired faculty, their aspiration is to make their career in higher education and they invariably follow the example of the seconded faculty, seeking to publish ‘international’ research.

**Joint Venture Partner**

The IBC managers generally felt the JV partners have little interest in research at all, given that the IBC’s revenue is almost all wholly generated by tuition fees. To the extent that the
JV partners could see a role for research at the IBC, the interviewees speculated that this would be highly localized and applied research, probably funded by local business.

**Host Government**

There was a general consensus among the interviewees that the host government has an interest in the IBC localizing its research agenda to address the needs of the host country. Several IBC managers noted that both the Malaysian and Chinese governments fund research in the IBCs, actively encouraging faculty to bid for grants. They also pointed to the fact that some employers and local governments have entered into agreements with IBCs to financially support research of direct interest to the country.

**Competitors**

IBC managers argued that the pressure to differentiate their IBCs from local competitors meant that they needed to retain a recognizable research ethos. While competition also forced them to localize faculty to minimize staff costs, they claimed that having some seconded or internationally-hired faculty was important to maintain pockets of international research excellence.

**Students**

There was a strong feeling from the interviewees that students were attracted to the IBC by the promise of a traditional, research-informed UK degree and that, if there were not some research of international quality taking place at the IBC, students might feel they had been ‘duped’ into studying at a second-rate ‘teaching only’ institution. For this reason, they felt that students expected at least a minimal level of visible research activity at the IBC.

**Table 4** Preferred degree of localization by stakeholder

|                      | Faculty | Curriculum | Research |
|----------------------|---------|------------|----------|
| Host country         |         |            |          |
| Competitors         |         |            |          |
| Students            |         |            |          |
| Joint venture partner |       |            |          |
| Home university      |         |            |          |
Discussion

The perspectives on the preferred degree of localization of faculty, curriculum and research from the five stakeholder clusters are brought together in Table 4 (key: red is low localization, orange is moderate localization, green is high localization). Without making any judgment on the relative power of the different stakeholder groups, it is immediately apparent from the findings that a significant degree of localization of the faculty is required to satisfy all the stakeholders. Indeed, one conclusion might be that the optimal degree of localization of faculty occurs where the proportion of seconded faculty is driven down to the lowest point which still satisfies the students that they are getting a UK experience and assures the home university that they still have control of the IBC. In practice, this may be as low as a single secondee—the provost—supported by flying faculty from the UK at key times of the year (e.g., enrollment, examination boards, graduation).

Table 4 shows that the alignment of preferences in relation to the curriculum is even more stark, with none of the stakeholders having a preference for any significant localization of the curriculum which moves it out of alignment with the home university. This is a relatively striking finding, given that the interview data was gathered in host countries with very different legal, cultural and political environments from the UK (e.g., two Islamic countries, one country ruled by a royal family, another by the Communist Party). Yet there seems to be a general consensus that to adapt the curriculum in a way which either destroys the demonstrable equivalence of standards with the UK degree or fundamentally moves away from the pedagogy and teaching style associated with UK universities, would fatally damage the appeal of the IBC to host governments and students, while undermining its market position vis-à-vis domestic competitors.

Finally, the picture in relation to research is the only one that is mixed. The host country clearly has an interest in the IBC focusing on research which is of national relevance, while the JV partners have little interest in supporting research at all (as it raises operating costs without contributing to the core business of teaching); to the extent that the latter tolerates research, it is likely to be limited to research which can be undertaken locally at little or no cost. On the other hand, the IBC needs faculty to focus on research which is of international standing, partly to set it apart from the local competition in the eyes of its students, but also because its organizational culture and processes are geared towards incentivizing and rewarding publications in major international journals.

In the case of research, such activity is undertaken by individual academics, not mandated by host governments, and undoubtedly the self-interest of the academics trumps all other considerations. For this reason, there is unlikely to be a strong tendency to localize research in practice, unless issues of national interest to the host government (like sustainable energy in China) happen to align with the preoccupations of the global academic community. In this instance, research is not really being localized, but rather funding from the host government is being accepted to allow faculty to pursue international research.

Analysis of the stakeholder clusters and their preferred degree of localization helpfully moves the I–R paradigm from being a conceptual framework within which to think about the way the conflicting objectives of external and internal stakeholders are balanced by IBC managers to becoming a more strategic management tool. Figure 2 reintroduces the diagrammatic representation of the I–R paradigm. In principle, depending on the objectives of external and internal stakeholders and the relative balance of power between them, the optimal degree of localization of faculty, curriculum and research could result in an IBC with any triangular shape: e.g., no localized faculty, a fully localized curriculum and
partially localized research. While some permutations are more plausible than others (e.g., highly localized faculty teaching a localized curriculum), the model itself is silent on the likely outcome of the interaction between the various stakeholders and the IBC managers.

However, the analysis above argues that, while there will undoubtedly be differences that reflect the stakeholders and their interests in different host markets, IBCs will tend to be characterized by a relatively high degree of localization of the faculty base, but relatively low degrees of localization of the curriculum and research. In other words, rather than being any triangular shape, IBCs will tend to be narrow isosceles triangles with the only significant movement towards localization being in the faculty base, largely driven by the competitive need to minimize operating costs.

It is notable that in the nine case studies, eight had very high degrees of localization of faculty. In two cases, the localization was 100% with provosts who were locally-hired and, although they reported to senior managers in the UK on a regular basis, they had a considerable amount of operational autonomy. Not one IBC had more than a few handfuls of seconded faculty and some were actively seeking to reduce their dependence on these individuals by finding locally-hired replacements. As one manager explained ‘the HR approach we’ve got is ideally we would look to recruit locally’. In one case, localizing the faculty base included hiring academics internationally, on terms and conditions which were more generous than paid to employees in local competitor universities, but this was justified as expediency because qualified applicants were not available locally.

Similarly, none of the managers in the IBC case studies reported any serious attempt to customize or adapt the curriculum, citing resistance from all the major stakeholders. Most agreed that it was the equivalence of the qualifications with those at the home university that was key to their competitive advantage. Finally, while there was occasional reference to research being redirected to deal with issues of relevance to the host country, deeper inspection of the research programs which were being funded by the host government revealed that they all played to international research agendas like climate change and environmental sustainability.

Fig. 2 The I–R paradigm and an international branch campus. Adapted from Shams and Huisman (2012)
In terms of the I–R paradigm, the most important findings of this study are the need to understand what dimensions of the organization can be localized, the pros and cons of localization and the objectives and relative power of the internal and external stakeholders. The I–R paradigm is a valuable conceptual framework, but without understanding those aspects of the industry or sector being studied, the model has limited operational value. In this sense, the main contribution of this study to international strategy is to highlight the importance of properly contextualizing the I–R paradigm for the specific sector being analyzed, which can only be done by understanding the nature of the business and the objectives of the stakeholders.

Figure 3 provides a diagrammatic representation of the I–R paradigm in the case of IBCs. At the heart of the diagram is the IBC itself, with the three arrows radiating from the center of the circle representing the degree of localization. An IBC which is a clone of the home campus (i.e., has zero localization on any dimension) is a singular dot at the center of the circle. Around the IBC are the two internal and three external clusters of stakeholders, which exert, to a greater or less extent, a ‘gravitational pull’ on the IBC, dragging it away from the center of the circle along one or more of the three arrows. As the discussion has shown, IBCs generally tend to localize the faculty base more than the curriculum and research, resulting in the red triangular shape.

![Fig. 3 The I–R paradigm and international branch campuses](image)
Conclusions

This qualitative study borrows the I–R paradigm from the international business literature to analyze the choices facing the manager of an IBC in terms of adapting the educational service to the needs of the host market. This theoretical framework is justified on the grounds that any organization setting up an operation in a foreign market must decide how much to adapt its product or service, regardless of mission, scale, structure and culture. The study concludes that managers seek to localize the faculty, curriculum and research of their IBC in order to balance the competing demands of external and internal stakeholders, with the main external stakeholders being the host government, competitors and students and the main internal stakeholders being the home university and the JV partner.

The chosen position along the global integration (I)–local responsiveness (R) spectrum for faculty, curriculum and research will depend upon the objectives and relative power of the stakeholders, which will each vary over time. Occasionally, there will be discontinuities, for example, when there is a change of host government or leadership at the home university. There is also an underlying dynamic, which changes relationships between the managers and the internal stakeholders as the IBC matures.

The I–R paradigm provides a useful conceptual framework for problematizing the challenges facing the manager of an IBC, but provides little insight per se into where the optimal degree of localization will be for a given IBC and how this may change over time. This paper has sought to understand the costs and benefits of localization along the faculty, curriculum and research dimensions. These are academic culture–local affordability (faculty), academic equivalence–local relevance (curriculum) and academic reputation–local impact (research). By analyzing the attitudes of the main stakeholders (as reported by IBC managers) to these costs and benefits, it is argued that there is, in fact, a strong alignment of the stakeholders in favor of a high degree of localization for faculty and a low degree of localization for the curriculum. In practice, the IBC case studies all appear to be consistent with this analysis, with highly localized faculty and a standardized curriculum.

It is only in the research dimension where the stakeholders have divergent interests, with the home university, competitors and students tending to encourage the IBC to focus on international research themes and the host government (and to a limited extent, the JV partner) having an interest in the IBC focusing on local research topics. The host government can influence the degree of localization by funding research in the IBC, but the evidence suggests that this will be most successful where there is an alignment of national and international research interests (e.g., as in the case of China, where the government has financially supported research on sustainable energy) or the local topics are of international interest (e.g., Chinese management).

One limitation of this study is that it is based on a sample of UK IBCs. This was part of the research design, in order to place the focus on the internal and external stakeholders of the IBC and abstract from the influence of different national policy frameworks. For example, German public universities are forbidden by law to charge tuition fees in their offshore campuses, so that they engage very differently with IBCs from their UK counterparts. In the United States, the system of regional accreditation requires that the learning outcomes of degrees offered by IBCs are identical to that of the home campus, ruling out various forms of localization of the curriculum. Nonetheless, this UK-centric feature of the research design may mean that some of the findings reflect the particular culture and history of UK higher education.
In terms of directions for future research, the literature review highlighted the relative paucity of research on IBCs. There are probably at least three reasons for this. First, the phenomenon of the IBC is relatively new; most IBCs have been in existence for less than a decade. Second, the operation of IBCs is shrouded in commercial secrecy. Third, the campuses are remote and most of the faculty are locally hired, so that there is not the usual interchange of information through informal networks. This paper suggests that using some of the theoretical models and frameworks from the international business literature, suitably repurposed for the context of international higher education, may open up new directions for investigating the phenomenon of IBCs in a more coherent and rigorous way.

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