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Empires of the Mind: Cross Cultural Cooperative Business Education

Keith Duncan^{*}, Simone Kelly^{**}, and Ray McNamara^{***}

This paper explores current trends in knowledge growth and decay, globalization, technology and education. Business education in the new millennium is shaped by these trends. This contextual backdrop raises both educational and business issues which are explored with exemplars from a successful cross-cultural blended MBA program. The educational issues considered include educational relevance, lifelong learning objectives, education vs. training, needs of the target audience, what is the language of instruction, as well as issues of assessment and outcome measurement. The business issues include a fair return to all parties, responsibilities, management and communication systems and dispute resolution. In a globalized, fast changing, technologically savvy, knowledge-based economy, it is knowledge coupled with the ability to learn and adapt that will drive individual and business success. As Winston Churchill once said "The empires of the future are the empires of the mind".

JEL Codes: M40 M10 I21 I22

1. Introduction

Sir Winston Churchill, in a speech to Harvard University in September 1943, exhorted his listeners, "Let us go forward in malice to none and good will to all. Such plans offer far better prizes than taking away other people's provinces or land or grinding them down in exploitation. The empires of the future are the empires of the mind" (Garay 1988, p. 18). We live in the age where "empires of the mind" dominate. Interestingly this is not because Churchill's notion of a uniform "Basic English" has spread over the world via broadcasts of the BBC. Rather it is due to the globalization business, propelled in part by technology and knowledge explosions, and the interaction globalization has brought to individuals and organizations alike (Rajasingham 2005).

Universities worldwide are reaching out to connect with other universities as part of their educational missions to promote lifelong learning and the business imperative to expand their market reach (Rye 2007). However the pursuit of the lofty goal of lifelong learning for students is often expensed in the rush for the business growth goal.

This paper explores some of the underlying business imperatives in technology, knowledge and globalization that are driving this cross cultural dimension to education growth (Javalgi, Joseph & La Rosa 2009). The development and implementation of a cross cultural cooperative business education model designed

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to balance the educational goals with business needs is presented as an exemplar. The specific program is an MBA delivered in Japan via cable television and online with a Japanese partner. The MBA program has grown over ten years to be the largest MBA program in Japan. The paper discusses three underlying business imperatives that are changing and challenging the relevance of traditional designs. These imperatives are globalization, technological change, and knowledge growth. Four educational issues underlying effective-cooperative cross-cultural-educational initiatives are examined in the light of these business imperatives.

2. Underlying Business Imperatives

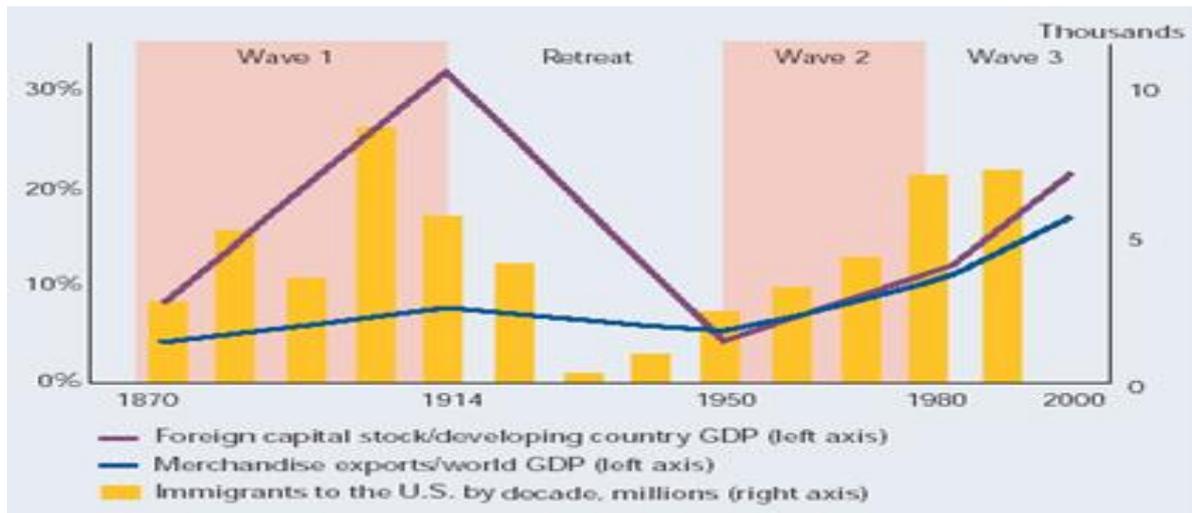
Management education is the subject of a range of criticisms in terms of its relevance to a global world (Sapp 2004). There is increased concern in developing markets that management education should be tailored to the needs of the local environment rather than generic western approaches (Dayal 2011; Randolph 2011). In addition, rapid increases in technology have increased knowledge growth and shortened communication changes. These three dynamic tones, of globalisation, technological change and knowledge growth are driving changes in international education.

Globalization

Globalisation is a driving force in the current business environment which is increasing its influence on education (Jain & Stopford 2011). Currently national barriers (and some physical ones) are being broken down with the free market model becoming pervasive. There are fewer travel, trade and financial constraints coupled with a government sector that is actively promoting trade and exports. History tells us that periods of open trade have been associated with growth. The 20th century was characterised by 3 waves of globalization. The first wave (see Figure 1) was associated with industrialization and mass migration from 1870 to the First World War. The barriers to trade erected by governments in the 1930's had dire consequences to world trade and the world economy in what became labeled as "a vast game of beggar-my-neighbor" (Department of Trade and Industry 2004, p. 18).

A different approach after World War II under the General Agreement on Trade and Tariffs and then the World Trade Organization lead to the second wave of international trade and development. This wave was characterized by the breadth of exports as well as volumes – that is less reliance on agricultural exports. Exports in the latter part of the 20th century have grown to include services and other information and communication technology dependent industries. Flows in capital and investment have fueled cross boarder activities of companies such that production is now international in many industries.

Figure 1: Waves of Globalization



(Source: Department of Trade and Industry (2004, p. 18))

Today we see production being globalized due to many factors (Department of Trade and Industry 2004) such as:

- competition forces firms to source production from low cost countries
- demand for quality counter-balances the demand for lower cost
- falling transport costs
- modern transport, logistics and storage systems remove location issue
- 'just in time' production makes 'supply parks' efficient
- information and communications revolutionizes production organization
- liberalization opening previously closed markets
- competitive pressures for quality and innovation.

The latest trend is "offshoring" of services in particular. Information industries can be located anywhere (e.g. call centers) provided information can be shared efficiently and effectively. The Department of Trade and Industry (2004) white paper gives the example of offshoring of high skilled tasks such as telemedicine. US physicians are having prescriptions and medical records processed in India. X-rays and scans can be transmitted electronically for interpretation by medical technicians anywhere in the world.

There are some lessons from these developments that education should heed. Quality and customer satisfaction are critical and can counter-balance or even eliminate cost savings (Department of Trade and Industry 2004). When moving into the global market, firms must formulate a competitive business strategy that both match and adapt to its environment and it must at the same time compete with other businesses that are also trying to adapt (Porter 1987). Experience in the business field suggests that relationships between businesses sharing the same domain, can take the form of competition, cooperation, coexistence, or a combination of these (Pesamaa, Hair & Eriksson 2008). Leiper, Lamont & Hing (2011) present evidence supporting the proposition that business organizations commonly compete and cooperate on a concurrent basis when operating in a cross-cultural context. What firms can do is choose their forms and degrees of co-operation (Leiper, Lamont & Hing 2011).

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From the perspective of cross-cultural initiatives in education, educational institutions may choose a partner that has extensive knowledge and experience of the social, economic, and political aspects of the local business environment. In addition, the competitive dimension between the local partner and the external organization can be minimized if the partner delivers a range of business services that are related to the delivery of an educational initiative but separate from them. This is common in the tourism industry where the partner in the host nation supplies local transport, accommodation, souvenirs etc. while the overseas partner supplies the marketing and international transport (Nielsen 1988).

In contrast to the tourism industry, in cross-cultural education, the local partner should be the one with a deep understanding of the political and social environments and accepted and successful marketing practices. The key characteristics of the overseas supplier of educational services are likely to be a reputation for quality and a capacity to deliver an innovative-education-product that is scalable.

Technological Change

The industrial age has come and gone – we have now entered the information age. The growth in technology has enabled the shift from agricultural economies to industrial economies and now to the information based economy (Bouras, Philopoulos & Tsiatsos 2001; Hunter 1987). This shift is fuelled by the rate of technology change. One driving force for this change is known as Moore's law stated in 1965 by Gordon Moore, founder of Intel (Moore 1965, 1995).

$$\Delta \log(t/c) \approx (\log_2/18)\Delta m$$

t = transistors

c = chips

m = time in months

Moore observed that the number of transistors per square inch on integrated circuits had doubled every year since the integrated circuit was invented. Moore predicted that this trend would continue for the foreseeable future. Over time the pace has slowed down a little and the focus for Intel more recently shifted from pure clock speed to processing speed. Nevertheless the general principle of exponential growth in processing power still holds true today.

A second critical driving force is the exponential value of networking which is known as Metcalfe's law (Gilder 1993; Kocovic 2009). The law, attributed to a presentation in 1980 by Robert Metcalfe, founder of 3Com (inventor of the Ethernet protocol used in networks) states:

“The power of the network increases exponentially by the number of computers connected to it. Therefore, every computer added to the network both uses it as a resource while adding resources in a spiral of increasing value and choice.” (Ley 2007, p. 74)

More specifically, Metcalfe's law states value of a network is the square of the number of nodes in that network. However when developing a network, it is recognised that initially costs increase faster than the benefits or value of the network. This reverses once the network reaches a critical mass where value increases faster than cost. A network that is twice as large will be four times more

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valuable because there are four times as many things that can be done due to the higher number of interconnections.

Why are Moore's and Metcalfe's laws important to business education? We need to consider why organizations are created – in particular why businesses exist? The Nobel Prize winner Coase (1937) proposed that firms are created when it is cheaper to conduct business internally rather than engage in the transaction costs of a market exchange. So it is transaction costs that determine what exists within a business and what is bought on the market or from other businesses. Moore's Law and Metcalfe's Law have made transactions cheaper. The by-product of this lowering of costs, in some cases to zero, are the business trends in outsourcing and disintermediation.

In the marketplace of today it could be said there are few sustainable competitive advantages, only temporary ones. The firms that grow are the ones that can adapt and change to meet emerging market needs, capitalise on that opportunity and then adapt again to the next opportunity. Furthermore few businesses will survive by operating as islands to themselves. There are huge gains associated with networking and this has implications for the business of education. Adaptability and interconnectedness on a global market will underlie long run success. Universities that interconnect their students on a global basis are likely to receive a significant increase in the value of their programs.

Knowledge Growth

The exponential growth over the last 50 years (i.e. post World War II) in research and technological innovation has produced what is commonly called the knowledge economy. This is a radically different type of society which has been described as follows:

“The emerging [knowledge] society is the first society in which ordinary people—and that means most people—do not earn their daily bread by the sweat of their brow. It is the first society in which ‘honest work does not mean a callused hand. It is also the first society in which not everybody does the same work, as was the case when the huge majority were farmers or, as it seemed likely only forty or thirty years ago, were going to be machine operators.” (Drucker 1994, p. 57).

Not only is knowledge growing it is becoming almost overwhelming. If we take a snapshot of the stock of information over time we see:

“It took from the time of Christ to the mid-eighteenth century for knowledge to double. It doubled again 150 years later and then again in only 50 years. Today it doubles every 4 or 5 years. More new information has been produced in the last 30 years than in the previous 5,000” (Dahlman, Haque & Takeuchi 1995, p. 163)

Today's university graduates are exposed to more facts in one year than their grandparents were in a lifetime (Ebersole 2004). But there are two tandem forces at work. While we can all identify with the growth in knowledge, especially technical knowledge, there is also the somewhat paradoxical growing obsolescence or decay in knowledge (Verville 1995). Thus much of what an undergraduate learns in 3-4

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years of university will be obsolete by the time they graduate (Custers 2010; Ebersole 2004). Certainly by the time they are in management positions 5-10 years after entering the workforce 50 percent of their knowledge will be obsolete (Custers 2010).

This trend in knowledge growth and decay, which all agree will continue unabated, has a number of implications for the university sector. Firstly knowledge per se is not as relevant as developing the skills to be able to adapt to new knowledge and even generate knowledge. Secondly education is no longer a “one shot” process where an undergraduate degree is all that is needed. We are fast moving to a society where undergraduate degree, postgraduate degree and then further education throughout the employment lifetime are going to be the norm. Formal learning will truly be a lifelong process.

3. Co-Operative Business Education Model

Based on the analysis of globalization, technology and the imperatives of knowledge, and the educational needs of the Japanese business community, the University entered a service agreement with a business cable TV operator (BCTV) to develop a co-delivered MBA program for Japanese executives. At the time there were very few MBA programs in Japan and most Japanese business people who wanted a western style MBA were either being sponsored by their companies or taking time out of the workforce to study in the US or Europe. The Japanese economy was also recognised as suffering from a lack of innovation and entrepreneurialism. It also lacked critical managerial skills in the areas of finance and accounting.

As a partner BCTV offered several advantages suggested by the literature. First, as a cable TV operator they had an extensive knowledge of the Japanese business environment. Second, the need for BCTV to source professional, relevant and inexpensive content allowed for a co-operative rather than a competitive relationship. Third, the communication technology allowed for a combination of distance educational media in the form of lecture delivery by television, effective communication via media, interactive chat based tutorials (synchronous delivery) and a range of asynchronous deliveries such as discussion boards email and FAQs.

In addition, the founder/CEO of BCTV is a world leading professor of strategy.¹ His doctor of philosophy was from a top ten US university which was complimented by extensive academic teaching and research credentials. Through him, BCTV brought to the partnership an advanced knowledge of the educational roles of a university and an understanding of the structure and content of a modern MBA. BCTV's expertise is in the management training programs it runs and the narrow cast satellite business television channel it operates.

The University is a leader in MBA education with a reputation for entrepreneurially driven management skills with a strong financial and innovation focus and experience in co-operative educational programs. The Japanese program is structure with blended delivery including pre-recorded lectures narrow cast via Satellite, course materials and assessments delivered online. There is live interaction with instructors using real time chat facility, field projects with groups of students enabled by an integrated online facility plus the provision for group face to face student contact and annual on campus visits during study tours.

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As a measure of success, the jointly offered MBA program is one of the largest MBA programs in Japan with over 350 students. The program has attracted many corporate and individual customers and has won more than half a dozen export awards in Australia. However, the delivery of the program using innovative communication and technological is a necessary but not sufficient condition for a successful educational enterprise. The trends in technology, knowledge and globalization that are the drivers of the development of the program underpin four educational issues and four operational issues involved in cooperative-cross-cultural-educational initiatives. The rest of the paper explores these key educational issues together with business/operational issues that need to be addressed when designing such a cross-cultural co-operative educational delivery.

4. Educational Issues

The three educational issues that need to be considered in designing an offering are:

- Educational relevance – whose relevance Japan, Australia or a global focus?
- Education vs. training – needs of the target audience vs. the home institution?
- Language Lingua Franca (English) or local language?
- Assessment – should culture be considered?

The four issues are interrelated and hinge on the cultural relevance of the program being offered. The perfect program design balances the cultural aspects of the program provider with the business culture aspects of the local environment and the broader cultural environments.

Educational Relevance

What is relevance in education? Education needs to be relevant to the requirements of the students. However, relevance is a concept that is interpreted differently by different individuals and groups. What a student sees as relevant when faced with a conflict between the present and the future may not be the relevance required by future employers. Naturally degree programs need to be relevant not only to their student population but also to the broader community, including employers (Cooper & McAlister 1999). Relevance may be lost as courses become fragmented with a lack of coherence. This can also lead to high levels of redundancy creeping into a student's program (Muster & Weekes 1983).

We can also ask whose relevance should drive the design. Is it relevance in Japan (the students' domestic market) or relevance driven by the University's market when that university is based in another country? While it can be argued that customer needs and preferences all over the world are converging (Ohmae 1989) the Japanese culture is historically an insular culture (Murata 2010) and has a need for a greater knowledge of and involvement with (cultural) the outside world. Ohmae (1986) has long argued for the need for Japanese management to be imbued with entrepreneurial ethos and innovative thrust. This coupled with new economy skills in knowledge, Ecommerce and finance are key elements in reinvigorating a stagnant Japanese economy. These needs for management education in Japan matched with the University's strengths and hence created a natural overlap in the relevance discussion in the design phase.

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Another strong theme in business education has been the perceived gap between the skills of MBAs in terms of team work and decision making under uncertainty. That is, to bridge the gap between the academic classroom and the “hands-dirty” approach of the commercial world (Economist 2004). These issues belie the fact that business is global as discussed earlier. There are fewer barriers to cross boarder business and those that remain are being whittled away. Furthermore the issues identified as Japanese or Australian business education issues are actually global issues (Ohmae 2005). MBA programs in the US, Europe and Australasia are now international in student mix ranging from 20 to 60% international students. Thus the program and individual courses are delivered cognisant of international trends in the respective disciplines and international trends in educational delivery.

Education vs. Training

A much more vexed question related to the issues of education vs. training. Should a cross-cultural program and indeed any degree program focus on specific industry training needs? While this would provide relevance, especially to corporate customers, it flies in the face of two key issues. Firstly the sheer volume and rate of change in knowledge means that highly targeted and specific content is likely to have a fairly short half-life in the information age. Secondly universities historically have been less about employment and more about education and development of critical thinking. This distinction has blurred in the last decade or so with the emphasis on employment and “graduation salary” often dominating ranking of MBA programs (Economist 2004; Fletcher & Latham 1989; Friga, Bettis & Sullivan 2003) rather than educational goals.

Most university systems have an overarching goal to achieve lifelong learning. In Australia the AVCC (AVCC 2002) states that to prepare students for lifelong learning and to facilitate effective learning, university programs need to be designed, managed and delivered so that they:

- provide students with opportunities to be involved in the structuring of their own learning experiences, and encourage them to take control of their own learning;
- develop students' analytical and critical thinking skills by demonstrating these skills, and providing students with tasks appropriate to the development of these skills;
- provide learning experiences that will enable students to develop both individual initiative and the skills needed to work cooperatively with their peers;
- assist in the development of students' communication skills by providing opportunities for oral, graphic and written presentations and for feedback on their performance;
- encourage and enable students to evaluate their own and each other's work critically;
- make time available for giving advice to and for supervising individual students.

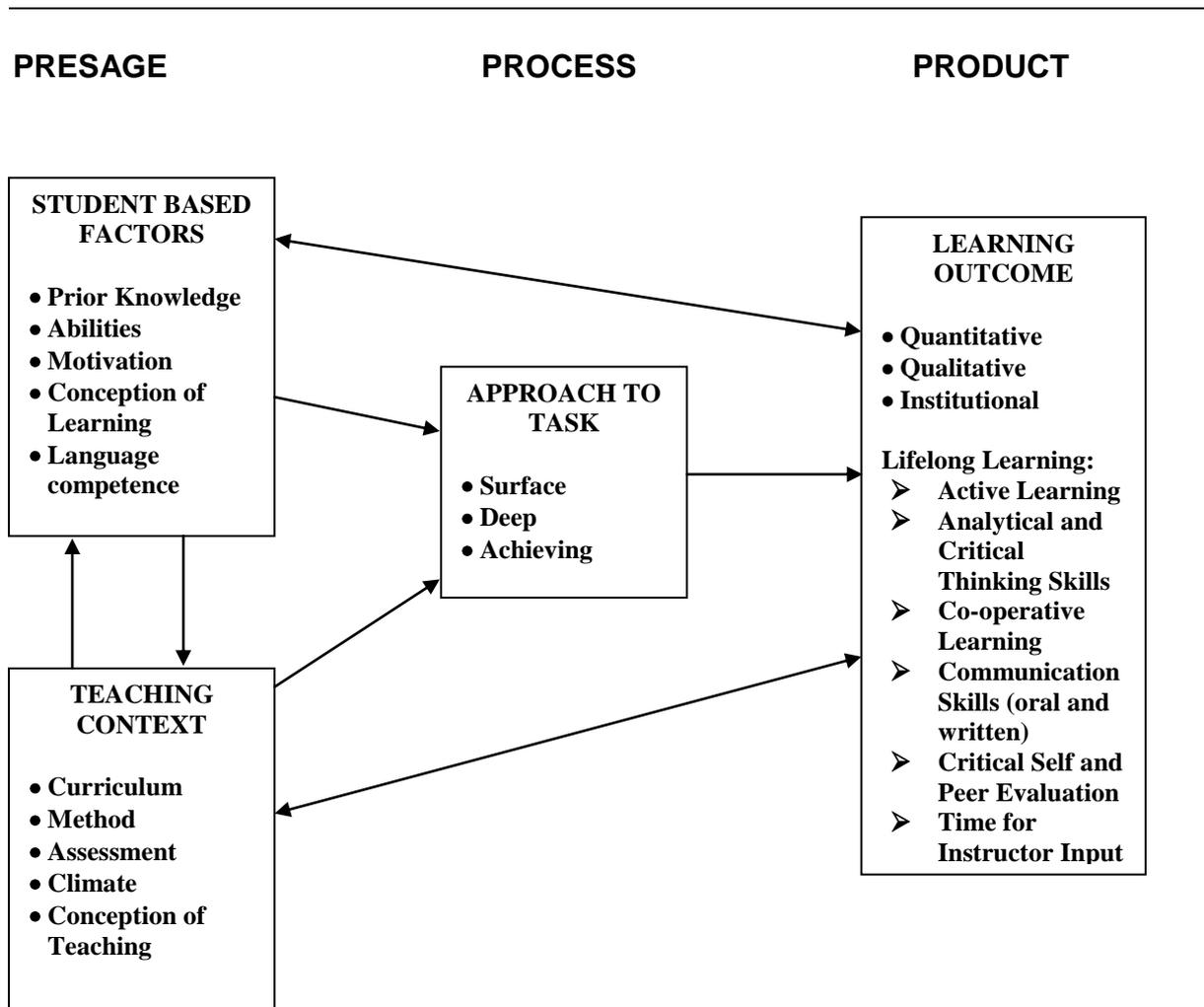
These design objectives are universal and apply to all universities and all programs affiliated with the AVCC in Australia and are also indicative of requirements in other countries. Nevertheless it is recognised that each university will design and deliver

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its curriculum according to its own set of constraints and subsidiary objectives, thus resulting in diversity in design across the university sector.

How does a program achieve these objectives for lifelong learning? (Biggs 1999) provides a useful framework for considering the “craft” of learning and learning to learn. Learning can be thought of happening within a swamp or ecosystem that has a number of dimensions and thus a number or pathways to achieving the desired outcomes – see Figure 2.

Figure 2: Educational Swamp



Adapted from Biggs (1999, p. 18)

The key issue in a co-operative delivery of education is a shared understanding of the objectives – from the overarching objective of lifelong learning through the multitude of methods, approach, context, language and so on that make up the educational swamp as discussed. Without a shared educational vision and a commitment to the collaboration it is impossible to maintain quality and achieve important outcome goals for students.

Language

In developing the Japanese program the issue of language of delivery is important. Should the delivery be in English as English is the accepted Lingua Franca of

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Business and/or should the delivery be in the local language - Japanese (Rogerson-Revell 2011). *Lingua Franca* historically means the language of the Franks – Arabs in medieval times referred to Western Europeans as “Franks.” The original *lingua franca* was a tongue actually called *Lingua Franca* (or *Sabir*) that was employed for commerce in the Mediterranean area during the Middle Ages. Now extinct, it had Italian as its base with a mixture of words from Spanish, French, Greek, and Arabic (Dewey & Jenkins 2010). Occasionally the term *lingua franca* is applied to a fully established formal language; thus formerly it was said that French was the *lingua franca* of diplomacy. The *lingua franca* of international business is English and is the language of instruction at the provider university. This made English the obvious choice for instruction.

This issue can be a sensitive issue in the Australian education industry. One case exemplifies the discord that can occur when the language of instruction is an issue. In this case, the accrediting and certifying university for an overseas MBA program required the language of instruction to be English. The University refused to grant MBAs to foreign students when it was discovered their instruction was not in English. Apart from the question of the University’s quality control procedures the education question is whether language of instruction should be English or the language of the society in which the students will work. As illustrated in Figure 2, if the critical attribute for program is the outcomes then surely the key attributes of those outcomes are peer interaction, knowledge and critical thinking. It is the graduate attributes that are important not whether the concepts and skills were developed in English or some other language.

In fact evidence suggests that students forced to study in a non-native tongue have more difficulty in linking prior knowledge to the new knowledge and take longer to process new information. What is required is an on the fly translation to one’s thinking language, thought integration (this is critical to deep learning – a key element of developing critical thinking and lifelong learning skills), then translation back to the language of instruction for assessment and interaction purposes. It has been observed that students studying in a foreign language will resolve meaning and concept integration via native language discussion. This leads to quicker and deeper understanding.

The issue of language was well recognized by the Japanese MBA program due to the University’s prior experience with off shore programs and intensive executive education with non-native English. Equally important in the decision relating to language was the availability of Japanese language content and resources (including instructors and leading business people) via the partner BCTV’s satellite business channel. To run the program solely in English would have almost totally excluded use of many of the film resources at BCTV’s disposal.

However the issue of English as the *Lingua Franca* of business could not be ignored if the MBA was to be globally relevant. In addition, many of the areas where there was a perceived deficiency in traditional Japanese education have their reference material in English. Hence the decision was made that the design would emphasise global business terms and concepts achieved via dual language – English for 60% of the program and Japanese for 40% of the program. The English component is supported with a specifically designed Business Communications Course which develops formal English communication skills (e.g. oral skills, email, report writing,

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analysis presentation and assessment completion). A Japanese language “chat room” is also provided where students can exchange ideas and develop understanding in their native tongue. A parallel English chat is also used.

Assessment and Culture

There is an old saying in business “what counts is what gets counted”. Assessment as shown in Figure 2 is another key element in the educational swamp. With a distributed learning program distance can kill interaction (peer to peer and with instructors). People are not islands of information and learning – this is a co-operative activity (Slavin 1996). There are many ways to ensure co-operation including the design of the assessment. To achieve “team/group” working dynamics all the normal on campus group based projects work were maintained for the BCTV MBA website. There was some initial concern about students being able to spend time with one another as they are scattered over the major centres (Osaka, Kyoto and Tokyo) as well as postings to other parts of the world (UK, Europe, Asia, USA and South America).

Despite the tyranny of distance students keenly identified as part of the host University’s family and formed a strong affiliation with fellow students and the institution. The same has been found in the US (Ebersole 2004, p. 16). Students meet online, via email and in person. In Japan our students have developed their own culture of restaurant meetings. They meet after work at a predetermined restaurant and will discuss (with portables sharing data) over dinner and a drink – for hours at length. Distance is no barrier – even video over IP is used by some groups to co-ordinate their presentations for some projects. This group activity helps facilitate a key outcome objective for the MBA – team work on real projects under pressure.

Another series of issues in assessment areas related to language. Firstly for complex problems, students need to translate, solve the problem, and then translate back to English. Should they be given more time in exams? Comprehensive take home or 24 hour exams have proven to be a useful assessment device. It allows higher order questions to be asked that assess the student’s deep learning (this is a cultural shock to traditional Japanese rote education – this is now changing in the primary education sector in Japan). It also respects the thinking demands of studying in a second language.

Designing assessment items to be culturally relevant is also an important consideration. It is all too easy to write questions and assessment items based on one’s home general knowledge (i.e. history, social customs and colloquialisms). Culturally sensitive assessment that encourages the students to relate the concepts in the subject to their own local knowledge sets is more relevant and likely to foster interest, application and therefore will result in deeper learning in the subject. In part cultural awareness is facilitated via Faculty training conducted by the University’s Department of Eastern Studies and Applied Linguistics. For teaching staff they conduct a program covering pitfalls of multi-cultural communication.

Designing the MBA program required balancing these and other educational issues. While a range of design outcomes are possible the model has been well received by students and employers as measured by in-house feedback surveys.

5. Business Issues

International collaboration in a global world is a cost effective way of leveraging a university's resources – be they human capital, financial, physical assets, technology and administrative services. Partner organizations can use each other's strengths and market reach and reputational capital (which may be more localised) to jointly achieve programs that individually are not achievable. This is certainly the case for the Japanese MBA program.

The scope of collaboration in some cases can be extensive or could more superficial. Universities tend to want to preserve their reputational capital and independence but sometimes forming a separate entity makes sense. One key decision is the form of the collaborative venture. Among the more popular forms of international collaboration are (UNESCO 2004):

Twinning programmes: offer degree programmes from a university in one country to another university or other universities in another country. An advantage of twinning programmes is the cooperative planning and development of instructional programmes by partner institutions (Spring 2008).

Consortia: where several institutions jointly staff and fund the venture. Consortia are guided by their own mission statements that are reflective of the individual partners' interests. They operate under a governance structure that clearly delineates the roles and responsibilities of partners.

Franchising arrangements: A foreign provider allows a local provider to deliver its programmes rather than set up a branch operation. The foreign partner is responsible for course design and development, examinations and awards while the local partner could be responsible for another set of tasks such as student support.

Technology-supported collaboration: This form of collaboration can take several forms. Institutions collaborate with either those that have developed information technology infrastructure and facilities, or with institutions facing the same need in order to pool resources.

In the case of the Japanese MBA program we chose a version of technology-supported collaboration. In our model the University brought its degree IP, content, campus, administrative systems, library resources, student support systems, on line learning environment (powered by collaboration software) and faculty to the consortia. BCTV brought a satellite business channel (a means for distributing lectures), marketing infrastructure, marketing pull (The CEO was well known and highly regarded) and local knowledge and language skills. The technology (web interface) was the point of meeting and interaction of all parties.

Whatever the form of the collaboration, four key business issues underlie the setting up a co-operative educational program. We will consider each of the following in turn and discuss how these were addressed in the Japanese MBA program.

- Need for a fair return to all parties
- Need for clear delineation of responsibilities for educational content

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- Need for clear systems of management and communication
- Need for a predefined dispute resolution process

Need for a Fair Return to all Parties

When discussing globalisation, we considered the issue of co-operation and competition. The model discussed to date has emphasised the cooperation between partners and the strength of the synergies they brought to the collaboration. However, competition also occurs when the issue is the distribution of the returns from the program. As with any business enterprise, even private education, parties to the transaction (including the students) must obtain a good return to their investment. BCTV has extensive marketing costs and a marketing infrastructure to support. They also need to recoup the marginal costs of satellite access provision and earn a return on this service. They also need a return on the management and staff time invested in the operational aspects of the business and a return to shareholders.

The University needs to cover its marginal instruction costs, obtain a return to its brand and for risk taking, cover the direct administration costs, and pay for the marginal information technology infrastructure, software and people. The University also requires a surplus to provide a contribution to central costs (in effect a subsidy for on campus operations) as this was the reason for undertaking the project.

Clearly there are a lot of competing costs that need to be factored into the dividing of the student tuition dollar. Both parties have fixed costs that need to be covered and thus both parties have incentive to grow the program and thus maximise the surplus. One critical factor in negotiating such contracts is the ability to recognise that the other party to the contract needs to make a profit. If one party uses a position of power to drive down the return to another party then it may no longer be worthwhile for that other party to be in the deal. So an essential element in our negotiation has been to ensure BCTV and the University get a reasonable return.

Need for Clear Delineation of Responsibilities for Educational Content

With any co-operative endeavour it is important that all parties know their rights and responsibilities. In the case of a cross cultural co-operative educational program the need for clear delineation becomes even more critical. Coordination should be done by people who share the same interests in education and distance learning. Without such a shared goal it is easy for operations to get off track.

In the case of educational content the degree provider must have total responsibility for content. In the Japanese MBA program, the responsibility for content, course outlines, instructors, exams, other assessment and grades rested with the University. In a strong working relationship initial preparation of such content can be delegated with the university assume more of a monitoring role. But in the early stages of the relationship, the partner responsible for the educational content needs to have more input and control.

In essence the nature of the Japanese MBA co-operative agreement reflects the relative expertise of the partners. The University controls all education content as that is its expertise. Similarly BCTV is the expert in broadcast and marketing to the Japanese audience so it controls those aspects.

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Need for Clear Systems of Management and Communication

In the information age information and timely information is critical. For an off shore program where students do not have the luxury of face-to-face contact with peers, instructors and administrators, the timely sharing of information is essential to keep all parties moving forward. When customers and partners are demanding of service quality, keeping all parties informed – even of problems – can greatly reduce negative flows and reduce the volume of email. Distance programs with problems can generate an exponentially increasing flow in emails. Information reduces this flow even when there are problems to resolve (e.g. server down, power failure etc).

In the Japanese MBA program a specific web site was developed to allow the two partners to jointly view student data relating to applications, emails, processing, admissions and study tours. Students can view their results; fill out virtual forms for special consideration, study tour bookings, review of results, graduation and a whole host of functions. The management team developed protocols for email traffic so that information goes to those who need it – not everyone. The Cc function in emails can grind an administrative team to a halt and has the danger of communications being over looked. Email protocol is critical to an efficient operation.

Other communication technologies are also very useful – voice over IP reduces operational costs of communication between partners, video over IP allows a connection between management teams to be maintained between face to face visits and MSN messenger is extremely useful for resolving smaller issues in a timely manner. It should be noted that students were given the option of audio/video tutorial interaction but prefer chats as the typing gives translation and interpretation time.

Need for a Predefined Dispute Resolution Process

Finally, as in any relationship sometimes the negotiation and discussion process breaks down. As with all successful collaborations, there needs to be a clear predefined process for resolution of issues. A stalemate, while not productive, can be quite detrimental if the unresolved issues affect imminent course delivery and other student services.

Of course prevention is always better than the cure. So a shared focus on the management system efficiency, regular contact (and that includes face-to-face contract initially) to build trust and interpersonal connections, and a common mission are critical to keeping the relationship healthy.

6. Summary and Conclusions

This paper has considered the trends in technology, knowledge and globalization and the impact this has on designing a cross cultural cooperative education model. The Japanese MBA program is used as an exemplar to tease out some of the educational issues and business issues that need to be resolved in designing a collaborative cross-cultural education program. As we learn how to use new communication and educational technologies the traditional university will, if working co-operatively – have a much wider reach and impact locally and globally. The limitation we recognise is that the extent of involvement in this style of program is the time zone that supports the synchronous interaction.

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In the future classes will rarely include lectures. The best dozen in any field of the core business disciplines of accounting, finance, statistics, systems, economics, marketing and management will be reduced to on line libraries of text and lectures. Very much in the same way that expert medical knowledge is available as a database to buy. Core courses around the globe will draw on this common database. Instructors will no longer be the lecturers but will be skilled “learning coaches”. Students will be guided and trained by their coach with a team of peers to be skilled lifelong learners.

The on campus experience will still remain for undergraduates to build their skills and networks. However, they will not have the traditional lectures for many subjects. Rather “classes” will be deep learning workshops where a problem focus drawing on prior self-study and peer interaction will facilitate integration and application of content.

Postgraduate education is likely to be less degree orientated and more modularised reflecting the study anything anytime requirements of global business people. Learning will be e-enabled with much interaction being virtual discussions. Lifelong learning skills acquired during undergraduate years will prepare students for continuous professional education (CPE) type programs. Institutions that can adapt to this new world will be the empires of the future minds.

Endnotes

- ¹ This professor has two citations for strategy in Editors of Perseus Publishing and Perseus Publishing 2003, *The best business books ever: The 100 most influential management books you'll never have time to read*, Perseus Publishing, Cambridge, MA.

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