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Identifying the Secret Sauce of International Academic Partnerships: Exploring the Influence of Entrepreneurial Orientation and Resource Commitment on Partnership Performance

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Abstract

There is a widespread belief that a positive relationship exists between an organization's intangible assets and organizational performance. That is, organizations that cultivate intangible assets such as the ability to innovate and the ability to fully engage their human capital are said to execute more effectively and achieve better performance results than organizations without those abilities (Low and Kalafut, 2002). In recent years researchers have posited that the intangible assets of international partners launching franchises in new markets serve as critical factors enabling better performance results of the venture (Grewal, Iyer, Javalgi, and Radulovich, 2011). Although lacking a substantial research basis, the author advances the argument that the entrepreneurial orientation of international academic partners, and their level of human and financial resource commitments to partnership projects, positively influences their collective ability to implement academic programs in new markets.

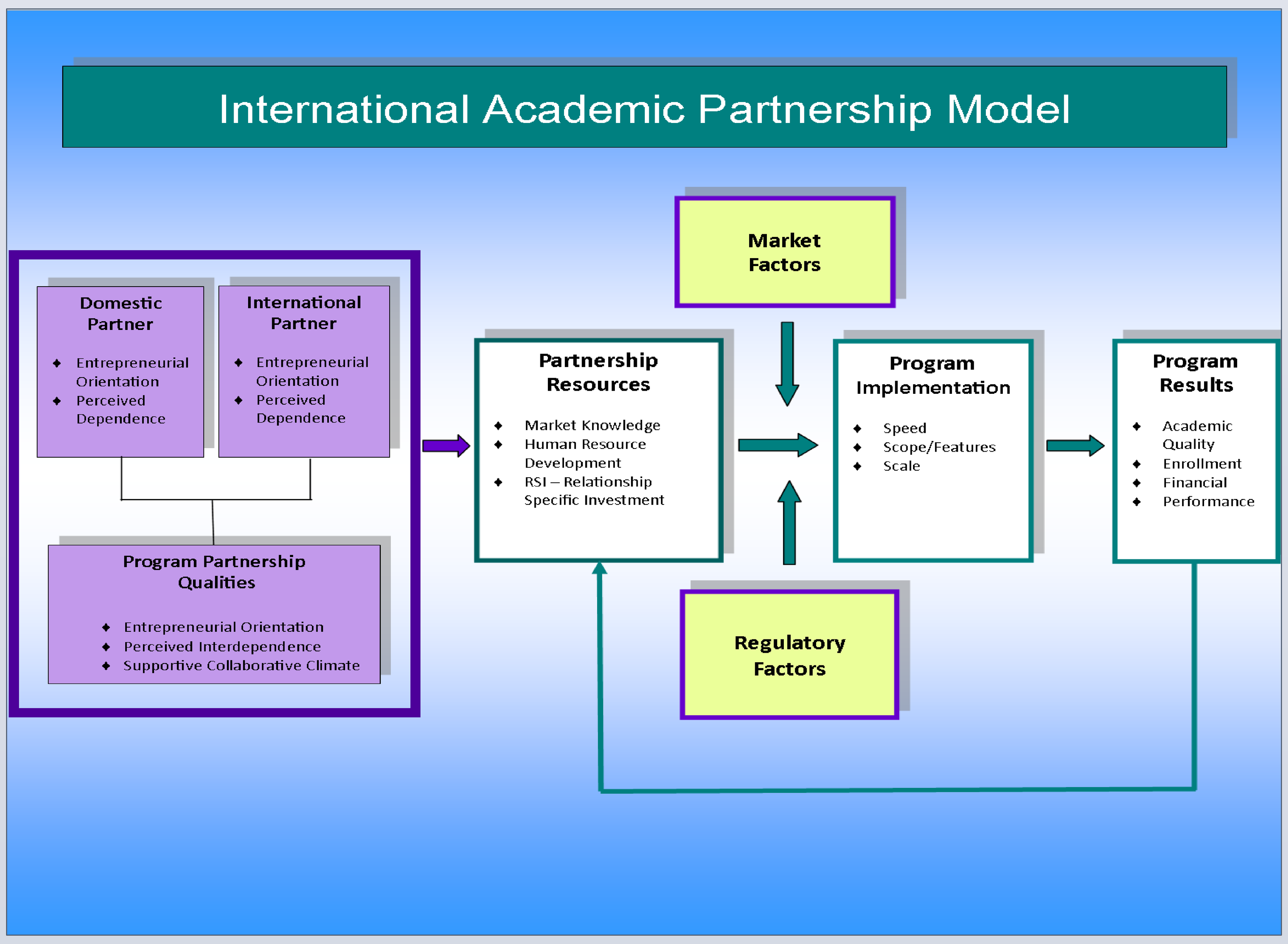
In the proposed conceptual model, the author proposes linkages among the entrepreneurial orientation of international partners, partnership resource commitments, program implementation outcomes, and program performance results. More specifically, the author seeks to review: the factors contributing to the success and failure of partnerships; what is known about the relationship between entrepreneurial orientations of organizations and partnership resource commitment; and what is known about the relationship between entrepreneurial orientations and program implementation outcomes. Lastly, the author proposes research questions to fully explore the relationships among entrepreneurial orientation of organizations, resource commitments of international academic partners, and partnership performance.

Significance of the Study

This study seeks to explore whether certain qualities of international partners serve as intangible assets in establishing new programs in new markets. Examining the research relating to establishing franchise businesses beyond domestic markets illustrates the unique value of partnership attributes that support implementation success (Huszagh, Huszagh, & McIntyre, 1992). More specifically, franchises with a high entrepreneurial orientation can accumulate more resources and can quickly learn about new markets (Zahra, Ireland, & Hitt, 2000), identify and respond to environmental cues faster than competitors (Wiklund & Shepherd, 2003), and leverage market knowledge resources into market entry capabilities that maximize speed and efficiency. The impact of an entrepreneurial orientation to partner relations on franchise expansion is has been found to affect the speed, scale, and scope of activities undertaken in launching new ventures (Grewal, Iyer, Javalgi, and Radulovich, 2011). This research study would expand upon the work of Grewal et.al. by examining the influence of entrepreneurship orientation of partnering organizations on partnership performance within the context of the higher education industry. In this way the study intends to heighten understanding of how the entrepreneurial climate of higher educational institutions serves as an enabler of implementing new programs in new markets effectively.

Secondly, the study seeks to explore the linkage between entrepreneurial orientation and the resources committed by partnering institutions to achieve desired implementation outcomes. For example, organizations have known qualities, unobservable by the other party, and choose to use observable qualities to signal their characteristics, values, or commitments to their partner (Connelly, Certo, Ireland, and Reutzel, 2011). In this way, an organization's commitment of human and physical resources to a project is one way to signal its desire for the partnership to achieve successful implementation outcomes. Consequently, the researcher seeks to test signaling theory by examining the relationship among entrepreneurial orientation, resources commitments made by partners, and program implementation outcomes.

Figure 1



Research Hypotheses

The research hypotheses for this study are:

Organizations that have a high entrepreneurial orientation will have higher resource commitments to the partnership.

Organizations that have high entrepreneurial orientations experience higher levels of support and collaboration for new projects from their employees.

Organizations that have a high entrepreneurial orientation demonstrate higher commitments to human resource development.

Partnerships that have a high entrepreneurial orientation will have higher resource commitments to the partnership activity.

Partnerships with high levels of resource commitments to the partnership activity will have more favorable implementation outcomes.

Partnerships have higher entrepreneurial orientation will experience higher performance results than partnerships with a low entrepreneurial orientation.

The effects of entrepreneurial orientation on partnership performance will be partially mediated by the level of resource commitment and implementation outcomes.

Definition of Terms

Entrepreneurial orientation - the processes, practices, and decision-making activities that lead to new entry. It is composed of three dimensions: innovativeness, proactive efforts, and risk-taking. The related scales have been developed by Covin and Slevin (1989). Proactiveness refers to opportunity seeking; risk-taking involves committing resources in uncertain environments; and innovativeness is the "predisposition to engage in creativity and experimentation" (Rauch et al., p. 763). Thus, firms that exhibit an EO are more proactive, risk-taking, and innovative and better able to perceive and act on opportunities for new entry.

Human Resource Development - the process of developing and/or unleashing human expertise through organization development and personnel training and development for the purpose of improving performance (Swanson, 1995). As it pertains to entrepreneurial activity, human resource development strategies have been found to infuse an organization with new ideas (Damanpour, 1991); Enhances the capacity to understand new ideas (Dewar and Dutton, 1986; Damanpour, 1991; McGinnis and Ackelsberg, 1983; King and Anderson, 1990); and aid in implementation by improving problem solving (Senge, 1990; McGinnis and Ackelsberg, 1983; King and Anderson, 1990). A five item commitment to human resource development scale will be used.

Supportive and Collaborative Climate - the degree to which people in the group actively support and help one another in their work. As it pertains to the effectiveness of entrepreneurial ventures, supportive and collaborative cultures have been found to facilitate communication between groups which is needed for implementation (Shepard, 1967; Angle, 1989; Damanpour, 1991; Daft and Becker, 1978); reduce fear and increase openness and therefore encourages new ideas and risk taking (Cummings, 1965; Gibb, 1972; Pierce and Delbecq, 1977, Scott and Bruce, 1994); nurtures and encourage innovative ideas (Waldman and Bass, 1991; Aiken and Hage, 1971); and signal to employees that they are valued which encourages them to care about innovation for the good of the organization (Eisenberger et al., 1990; Waldman and Bass, 1991).

Partnership Entrepreneurial Orientation (EO) - the extent to which partners jointly engage in making strategies and implementing entrepreneurial decisions and actions. EO items will be modified to measure EO of the relationship.

Perceived partner dependence - the extent to which the each party relies on important resources provided by the other party in the absence of other alternatives. Perceived dependence can be measured in terms of the importance of the resources, the extent to which the party requires them, and the loss incurred if the relationship ended (Heide & John, 1988; Kumar et al., 1995).

Partnership interdependence - the extent to which both parties in the relationship are dependent on each other. Interdependence can be measured as the sum of both parties' dependence (Kumar et al., 1995).

Local Market Knowledge - knowledge of local customers and competitors available to the partnering organizations. Li and Calantone's (1998) scale can be modified to consider new academic program context.

Relationship Specific Investments (RSI) - investments made by either or both parties that do not have value outside of the partnership. Following Palmatier et al. (2007), RSI can be assessed as the time, effort and costs incurred specifically in the relationship.

New Program Performance – Enrollment data, student success measure, revenue results, and return on investments that can be harvested for future performance of the partnership.

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