



# Borderless education: some implications for management

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## Abstract

**Purpose** – There is a considerable competition within the global education marketplace, as can be seen by the growing number of higher education providers. Significant changes to information and communication technologies (ICTs) have also supported dramatic opportunities for distance and online education. This transformation, in combination with a growing demand for continuing professional education and strengthened demands by employers for tailored education and training, has caused significant shifts in higher education. The purpose of this paper is to provide an overview of three relevant trends within higher education. The paper explores: the significant changes in ICTs and their support for enhanced distance and online learning opportunities; the growing demand for continuing professional management education; and the strengthened demand by employers for tailored education and training.

**Design/methodology/approach** – The paper reviews current literature on higher education trends in the areas of globalisation, virtualisation and borderlessness. The impact of these trends is specifically examined relative to management education.

**Findings** – The paper discusses the implications of higher education trends on curriculum, teaching and administration in management education.

**Originality/value** – This paper brings together a significant amount of information from various sources to provide a coherent resource about management education trends and the implication of these trends on the future provision of management education.

**Keywords** Higher education, Globalization, Teaching, Curricula

**Paper type** Viewpoint



## Introduction

Heightened competition, complex environmental influences and persistent economic impacts continue to create constant change conditions in many organisations. This turbulence frequently requires organisations to focus on strategies for organisational survival (i.e. re-structuring, outsourcing and downsizing). Nowhere are these forces more pronounced than in the post-secondary education sector, where arguments have reached a fevered pitch. Governments, bureaucrats, university administrators and technology salespeople alike have suggested the death of one era (that of the traditional university sector) and the birth of another (that of the global and potentially virtual higher education business).

The present paper examines some views about the “business of borderless education” (BBE) drawing on wide ranging research, predominantly from the USA (including corporate and “for profit” examples), the UK and Australia as this is where most such research has been undertaken. The paper looks at some major global trends and issues in higher education and identifies their implications, with specific reference to management education where appropriate.

### **Trends and issues in higher education**

In 1997, Australia’s Department of Education, Training and Youth Affairs (DETYA) undertook an intensive examination of the rhetoric and reality of borderless education through the so-called “New Media and Borderless Education” project. Subsequent projects (“The Business of Borderless Education”, 2000 and the “Business of Borderless Education: 2001 Report”) considered the lessons that could be learnt in the corporate and post-secondary sector from organisations acknowledged internationally as delivering exemplar education and training that satisfied all stakeholders (i.e. staff, students and employers). While some have suggested that the initial project was aimed at striking fear into the hearts of paranoid professors in their ivy towers, the research in fact addressed three elements that continue to be significant influences in higher education; namely globalisation, virtualisation and borderlessness.

#### *Globalisation*

Higher education is competing in a global marketplace (Mazzarol and Soutar, 2001), but globalisation has not produced a major world market. There has been a fragmentation of the marketplace into many niche markets that are spread across the globe. Some of those niches (MBA programs for example) are clearly larger and potentially more profitable than others. However, globalisation is not a guarantee of a worldwide market with billions of people ready to purchase the goods or services of any one business or institution. In a globalised economy there are increasing requirements for standardised products, services and technical infrastructure, in addition to a need for complex and sophisticated communication systems (Gibbons, 1998). What we are seeing are new levels of global interdependency being embedded through new trades, particularly in skills and knowledge, trade in services and now the emergence of global electronic commerce (DETYA, 2001).

The 1990s saw increased interest in tertiary education, especially by adults demanding practical, relevant qualifications delivered in a manner sensitive to their competing time and energy demands (as has been evidenced in management education). School leavers are now less than 20 percent of the US student population and less than a third in Australia. The major segment of increased learning is in the plus 25 years of age who are part-time learners and who want to learn quickly and who are interested in career advancement. They are often paying for their own skills upgrades and are determined to get value for their money.

Due in no small measure to a general reluctance on the part of governments to fund this increasing tertiary interest, new private providers have emerged to exploit market opportunities. This has left publicly funded institutions to deal with less profitable or less marketable content areas and student populations. At the same time, profitable areas are extremely sensitive to economic realities. Weakening economic conditions in

the USA, for example, have seen a dramatic drop in demand for graduates from one of the most profitable niche programs (the MBA). Surveys of major business school students show that 80 to 95 percent of business school MBA graduates had employment before graduation in 2001, whereas this was true for only 50 to 70 percent of impending 2003 graduates (Dunham, 2003).

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*Virtualisation*

As is clear to all, many of the dot-coms of the 1990s subsequently turned into dot-bombs. Putting an e- before everything is no longer a guarantee of success. While technologically based distance education has grown rapidly, predictions of the opportunities afforded to education by the Internet and associated technology have not eventuated (Cunningham *et al.*, 2000).

There is no technology bullet to solve the problems with which education is grappling, such as shrinking funding from the public purse, the need to teach more with less or industry dissatisfaction with the responsiveness of traditional educational institutions or the skills sets of their graduates. The problem is that technology costs money and stakeholders are looking for high-tech/high-touch solutions and these systems are expensive to implement and to maintain. What students want is reliable and easy infrastructure. They want full flexibility and they want to operate on local time. When they go into their chat room they would rather like someone on it. Students want peer interaction, they want extensive and unmediated but they also want someone listening (DETYA, 2001). So while they want to use multiple modes of delivery as appropriate, they also want high calibre professionals teaching them in the classroom (Farrell, 1999). Students like the appeal of multimedia delivery, but many express an interest for small group learning situations to balance the isolation that technology often creates (Mazzarol and Soutar, 2001). Such views have also been expressed in the corporate sector, with McDonalds and Ford interviewees commenting on the value of individuals and teams learning together in a real-time, real-world environment. Similarly, Executive MBA director Regina Mitchell at the University of Otago in New Zealand observed that "MBA students often comment that the most useful things they learned during the MBA, they learned from each other during face-to-face discussions" (Seligman, 2001, p. 61).

The successful implementation of technology solutions in higher education requires a careful strategic integration into administration, communication and teaching processes. There is no pot of gold at the end of the Microsoft, MacIntosh or WebCT rainbow. Cunningham *et al.* (2000, p. 127) reflected that even the US corporate university FORDSTAR, which has high-volume international education and training commitments and sees the Internet as "a major part of the future of education and training delivery" considered that "technical limitations particularly bandwidth means that they are not ready to rely heavily on this medium."

*The borderlessness of borderless education*

In the mid-1990s, borderless education was predominantly concerned with geographic boundaries and the implications of a worldwide marketplace. Subsequently, there has been an increasing fragmentation of the sector across broader boundaries. Educational institutions are no longer in the higher education business as much as they are in a "post-secondary education market." This has increased the importance of branding

within this borderless space as geographic and sectoral boundaries are no longer as important (Currie and Newson, 1998). What matters are the name, the brand, the reputation and the quality (Mazzarol and Soutar, 2001). The solutions to surviving in this space are increasingly partnerships and alliances. Stakeholders (employers, students, governments) want integrated solutions to their problems and, if public institutions cannot deliver, private organisations will step into areas with profit potential and capitalise (Debats and Ward, 1998, Cunningham *et al.*, 2000).

In response to the rapid increase in the online delivery of education and training by traditional and non-traditional providers, there has been no shortage of predictions that education will become a distanced activity (Cunningham *et al.*, 2000). The GartnerGroup (1999), however, listed five constraints to such an outcome, namely:

- (1) the current tenure and salaries structure;
- (2) inadequate technical support;
- (3) fears of change by staff and students;
- (4) intellectual property challenges; and
- (5) leadership problems.

Early signs of borderless education are evident in fee-based training that produces credentials with global currency. Despite many organisations referring to their global reach, however, an examination suggests the numbers of international students at a variety of institutions are not substantial (Ramsden, 1998). The list below suggests some of the reasons why this is so (Cunningham *et al.*, 1998):

- (1) *Practical issues:*
  - profitability and availability of markets;
  - commercial need to focus on “core business” and selected markets;
  - strength of local recognition of existing institutions;
  - difficulties in working across language and time barriers;
  - difference in student access to it infrastructure;
  - cultural differences; and
  - availability of suitably skilled staff.
- (2) *Pedagogical issues:*
  - quality of distance or IT mediated education without strong local support;
  - need for local relevance; and
  - cultural difference in learning styles.
- (3) *Policy issues:*
  - local accreditation and consumer protection requirements; and
  - difference in public funding policy.
- (4) *Personal issues:* local variation in demand (e.g. for modularized courses or for convenience/personal tailoring).

The list below suggests some of the value drivers that will help to ensure success in the new environment (Cutler, 2001):

- soundness of the internationalisation strategy;
- the e-savvy characteristics of the business models being used;
- attention to people assets;
- value of customers (main driver of shareholder value in most environments is keeping your customer base;
- importance of intellectual property (intellectual capital as an asset); and
- quality of investors and business partners.

Mazzarol *et al.* (2003, p. 90) noted that international education has predominantly taken three forms, namely:

- (1) Students travel to a host nation to study at a selected institution.
- (2) An education institution develops an alliance or coalition and establishing a presence in international markets through “twinning” programs (Smart, 1988). Twinned programs make services accessible, overcome capacity problems and can enhance an educational institution’s competitive advantage.
- (3) Branch campuses are set up in foreign markets that often integrate the delivery of traditional and “on-line” courses to students in these markets.

A number of US, Australian and UK universities have established offshore campuses and it is apparent that quality assurance ranks high among the various issues that have to be addressed when such decisions are made. While offshore quality assurance is possible with good management, strong entry standards and sufficient investment, there are examples of failures that illustrate the difficulties involved (Tysome, 1998). Effective collaboration and partnerships are strategic imperatives for any university that aspires to be world class in the global education marketplace.

### **Implications for higher education**

These three trends will have far-reaching effects in many education areas. Here, their impacts in three key areas (curriculum, teaching and administration) are explored.

#### *Curriculum*

Given the work and domestic commitments of most adults and the “time poverty” many feel, it is not surprising that locational convenience, time scheduling and the length of a study program, are important to adult students. An increasing number of students undertake extensive paid work alongside their university study. These time-poor and instrumentally-oriented learners want a “stripped-down version of higher education” (Levine, 1999, p. 10). However, students are not likely to be attracted by an unstructured “smorgasbord” of on-line subjects.

Laura Noone, the Provost at University of Phoenix, observed that:

Contrary to popular belief, adults don’t exclusively want flexibility, they want convenience. So they don’t necessarily want to come in and take the entire panoply of 12 courses in whatever sequence. They want you to structure it in such a way that it is convenient and easy for them to attain (Cunningham *et al.*, 2000, p. 128).

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Higher education must effectively sequence units in a way that matches student interests, while supporting the rigor and requirements of employers. Many businesses and employers are asking (DETYA, 2001):

- What skills do we need?
- Where do we get them?
- How do we package them?
- Do we need a learning manager?

Traditionally, higher education has tried to provide a coherent and thoughtful integration of knowledge, skills and attitudes, with the dual aims of imparting a specialist understanding of a discipline area and developing an individual to his or her full potential.

The increasing use of credit transfers from work training programs and competency based institutions may disrupt curriculum coherence, with a disjunction between practice-based knowledge and theoretical knowledge and a questioning of the skills that can be attributed to a graduate from a particular university. Many commentators have expressed concern that the primary mission of the university has been diluted and distorted as a result of commercial decisions taken to broaden curricula (Daniel, 1999). These critical voices are not limited to traditional arts courses as they can be heard even in business programs.

Mangan (2003, p. A12) reports that, while critics complain that “some business schools are compromising their academic priorities and becoming more like trade schools”, others argue that graduate business programs are not on the same page as business, with cumbersome academic planning procedures, inflexible course requirements and out-of-date faculty combining to deliver an out of touch curriculum. “While today’s businesses operate in Internet time, they say, programs training future business leaders are often a decade behind” (Mangan, 2003, p. A12). She suggests that the solution for many business schools is to free up the curriculum and look at niche-orientated MBAs:

Business schools are redesigning their curriculums, forging closer ties with businesses and giving students more freedom to customize their degrees. MBA programs are trying not only to give their students an edge in a brutal job market, but also to distinguish themselves from their competitors (Mangan, 2003, p. A13).

### *Teaching*

Globalisation and virtualisation have also fragmented academics’ traditional tertiary teaching role. Recent developments in higher education have challenged traditional views as to “how knowledge is constituted and comprehended” (Becher, 1989). One result is the casualisation of the academic workforce, with many academic staff now employed in this way (Cunningham *et al.*, 2000). While the substantial number of adjunct teaching staff in corporate and for-profit institutions was an area of difference to traditional higher education institutions, the increasing casualisation of the traditional university workforce is making this difference less apparent (Ryan and Stedman 2001). Those committed to a traditional view of the higher education institution as a supplier of theoretical understanding beyond practice and skills would argue that a balance towards the employment of full-time academic theory staff gives the university an “edge” in its currency and relevance.

For the individual staff member, part time teaching can be soul destroying or challenging and stimulating. The full-time practitioner staff employed as part time teachers in many for-profit/private institutions are often motivated by the love of teaching, ego or, less frequently, extrinsic rewards, such as additional income (Cunningham *et al.*, 2000). They are generally earning above average salaries in their “day” jobs and see teaching as a form of community service. For professional teachers, casualisation results in “freeway fliers” or “road scholars” in the sense that “they go from institution to institution trying to put together enough of a teaching living” (Cunningham *et al.*, 2000, p. 119). The fundamental problem for traditional institutions is that, as the proportion of casual teaching staff increases, they often find the high-profile, well-credentialed industry-based adjunct teaching staff outrank their own teaching staff in professional experience and credibility. A further challenge for teaching staff is the pressure generated from diverse motivations for learning, with many students driven to the classroom as a result of generous tuition relief from employers (particularly in management courses) and an emphasis on credentialism (Ryan and Stedman, 2001). Indeed:

The influx of students and the move to student centred learning has placed in juxtaposition the values of those academics who see education as being about critical thinking and disciplinary study, and the values of students, many of whom see university education as being about professional training and the acquisition of a credential which will assist their chances of career advancement (Coaldrake and Stedman, 1998, p. 3).

The focus on the bottom line requirements of the corporation (which the university is now to serve), rather than the personal expectation of the students in a broad educational experience, creates discomfort for many traditional teachers (Cunningham *et al.*, 2000). Further, maintaining program integrity as worthwhile in its own right, rather than as a means to an end, creates tension between teachers and the corporations on which they are becoming increasingly reliant for income. Corporate universities have endeavoured to distinguish their teaching resources in two ways. First, instructional staff have been required to receive teacher training (not necessarily a requirement at traditional tertiary institutions) and, second, there has been no expectation that instructors will be involved in community service or research responsibilities (Ryan and Stedman, 2001).

New technologies have also had a significant impact on the changing roles of tertiary teachers. Institutions that have introduced broad and sophisticated technology solutions (often using external expertise) have found their teaching practices have been permanently changed, with staff moving from developing, producing, delivering and assessing knowledge roles to roles that requires more support staff assistance, higher facilitation and less content-focus (McConnell, 1999). Many academics are not comfortable in a “team-based” environment. They lose their autonomy, they no longer have that absolute control over the content that is to be delivered (DETYA, 2001) The future of teaching may also see a revision to the “teacher-student relationship” as increasingly large classes depersonalise the relationship and ICT distances it:

So who owns the IP? The institution, because the work was done at the behest of the institution during the time of the staff member paid for by the institution? Of the staff member, because it was their brain, their IP; because they are the content provider and they brought it together? Most staff will accept that if the course was to be delivered by them or their colleagues in that institution for the students of that institution then the institution should have the IP. But what about the institution that takes that IP, chops it up, repackages



it and on sells it to somebody else? Whose IP is it then? Staff members get very jumpy at the thought that it is their intellectual property rebadged, redelivered and they lost it. There is a real sense of loss and that can create its own discussions (DETYA, 2001, p. 65).

In higher education, ICT-based delivery models seem likely to supplement, rather than replace, the campus model. It is unlikely that such media will remove the need for face-to-face interaction, particularly in high quality teaching environments where “soft” service is the key. Indeed, “we don’t yet know whether individuals will seek online MBA’s” (Cox, cited in Ryan and Stedman, 2001, p. 10). Most education providers expect to use a combination of delivery mechanisms to mix classroom experience with online program availability (Cunningham *et al.*, 2000). Nevertheless, to remain internationally competitive universities must embrace the opportunities interactive media techniques offer, while withstanding the pull to over-capitalise on technology-based solutions.

### *Administration*

The increase of international programs within higher education, particularly those that rely on local alliances and coalitions, have had a profound impact on academic staff who must make a large time commitment in regular ongoing visits to international markets. The “third wave” emphasises the development of branch campuses (with effective local staff) provides a new educational solution. These branches, however, require significant investment (in financial and human resources) and it is unclear if they will provide a real return on this investment. Educational institutions need to revise administrative procedures to support branch campus operations effectively, including HR policies that permit foreign campus staff to move freely into their domestic faculty. However, there is often considerable resistance to such change, especially in more traditional institutions, which reduces the flexibility that is needed. Information technology has strengthened these processes and it is clear that institutions that develop new supportive administrative systems are more likely to succeed (Mazzarol and Soutar, 2001).

### **Conclusions**

The present paper outlined some significant trends that are impacting on international education and has outlined their implications for curriculum, teaching and administration. Despite the sectoral challenges of increased competition, decreased public funding and the like, there are clear opportunities for educational institutions that understand their own strengths and the markets within which they operate. What is clear is that educational institutions are operating in very different markets than they did even a decade ago and that their overall success or failure is likely to be determined by how well they make the transition from local to regional to global players, while not losing sight of their educational objectives and their roles as developers and disseminators of knowledge and wisdom.

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