# ADAPTING THE E.P.R.G PARADIGM TO INTERNATIONALIZING BUSINESS SCHOOLS: A CONCEPTUAL FRAMEWORK

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#### **Abstract**

This research evaluates the application of the well-known ethnocentric, polycentric, regiocentric and geocentric (EPRG) paradigm as it relates to internationalizing university business schools in general, and specifically as regards the strategic appraisal of school mission, curriculum, faculty, and students. Successful business school internationalization requires a visionary mission, strong commitment from administration and faculty and actively involved students.

**KEYWORDS:** Marketing, internationalization, business school

#### 1.1 INTRODUCTION

Globalization is a touchstone word for the 21st century university business school stakeholder. A plethora of studies have examined the impact of business schools' study-abroad and distance learning programs, curriculum infusion schema, faculty exchanges global communities of practice and identity, and outcome regularization. These are a response to the exigencies of a fast changing business world, but also to an increasingly competitive Today's international challenges are caused, in part, by trade liberalization, market for top-quality students. increased competition, rapid changes in transportation and technology, and increased political, ethnic, and cultural diversity in the workforce (Manuel, Shooshtari, & Fleming, 2002). Moreover, as multinational corporations (MNCs), non-governmental organizations (NGOs) and governmental agencies face unprecedented domestic and international challenges, business schools will play an increasingly important role in preparing graduates to compete at home and abroad. Many of today's most competitive jobs regard international training as a essential comparative advantage (Walton & Basciano, 2006), and savvy students are increasingly seeking out progressive business schools that provide an international education.

Since students must be able to verify, through experience, what is presented in lectures and cases, and perform well in internationally-related internships and jobs, business schools that broaden students' understanding of the global environment are increasingly important to many stakeholders.

#### 1.2 INTERNATIONALIZING BUSINESS SCHOOLS

Excluding internationalization initiatives undertaken by liberal arts colleges and universities, the impetus to internationalize business schools has been driven by two factors: corporate leaders (Walton & Basciano, 2006; Shetty & Rudell, 2002; Manuel, et al., 2002;) and accrediting boards such as the Association to Advance Collegiate Schools of Business (AACSB) (Walton & Basciano, 2006; Zimmer, Koernig, & Greene, 2004; Turley & Shannon, 1999; Ball & McCulloch 1993).

In the first instance, corporations are recruiting globally and seeking candidates who are culturally savvy, internationally adept, and able to tackle challenging international responsibilities from the onset. Since 1974, the AACSB has required accredited business schools to include "global issues" and "global economic environments" (Fugate & Jefferson, 2001) in the curriculum. In order to implement internationalization, there must be a cadre of faculty who actively participate in, and are rewarded for, engaging in strategic shifts in program and focus. And the importance of the university's mission cannot be underemphasized, as recently noted by former Duke University president, Nannerl Keohane. She stated:

"If we as a nation are going to become better prepared to deal with an increasingly interdependent world, then the front line has to be in our colleges and universities where we prepare students to become leaders in global enterprise, to serve in the foreign service, to be leaders of their communities who are sensitive to international issues." (2004).

It is in this context that we consider the potential of EPRG, the well-known typology pioneered by Wind, Douglas, and Perlmutter (1973) as a conceptual tool for classifying a business schools' mission, curriculum, faculty, and students. Our approach does not place a value on whether a school is in fact ethnocentric, polycentric, regiocentric or geocentric. Instead, we use the EPRG paradigmatically to help business schools evaluate where they are, as regards internationalization, and where they want to go. The EPRG paradigm is a robust diagnostic tool which provides a measure of clarity as to how a business school can position itself internationally. It addresses questions such as where, when, how and why a school should internationalize. EPRG has mainly been used in international marketing, (Wind, et. al, 1973), global human resource staffing, and international strategic management (Daniels, Radebaugh, & Sullivan, 2007), this research adapts it as a benchmarking tool for evaluating various business school internationalization strategies.

### 1.3 EPRG AND BUSINESS SCHOOLS

Wind, Douglas, & Perlmutter (1973), identified four international approaches to international marketing strategies: ethnocentric (home-country orientation), polycentric (host-country orientation), regiocentric (regional-orientation), and geocentric (global- orientation) strategy. In brief, ethnocentrism reflects the conviction that one's own culture is superior to that of other countries. In international business, it is usually applied to a company, however in our case a business school committed to the principle that what works at home will also work abroad. A polycentric business school adapts to the host country's academic culture on a country-by-country basis (e.g. language studies). A regiocentric business school designs its curriculum on a region-by-region basis (e.g. regional studies) and a geocentric business school has a global perspective. Table-1 (below) is a visualization of the model.

#### Insert Table 1 about here

### 1.3.1 The Ethnocentric Business School

An ethnocentric business school is casually involved in internationalization, may not have globalization in its mission, and views internationalization as an extension of its domestic activities. Although some functional business classes, such as marketing, management, finance, accounting, and supply chain management, may have internationalization infused into them, the curriculum is often standardized and home-school based. An ethnocentric faculty regards international teaching, researching, traveling, and attending conferences abroad, as subordinate to domestic activities. And an ethnocentric student body may be provincial in their perspective of the world. One example of this is the San Diego State University CIBER, which mentors local community college faculty in developing an awareness of international business and in internationalizing the business curriculum. (Center for International Business Education and Research-CIBER. (2010).

### 1.3.2 The Polycentric Business School

A polycentric business school is actively involved in internationalization and often has globalization in its mission statement. Polycentric schools recognize that "one size does not fit all" and adapt their strategies and curriculum on a country-by-country, or case-by-case, basis. Polycentric business schools have language, internship, and country-specific programs that fit this model. Polycentric schools often have study abroad programs running concurrently, some taught in English and others in the local language. An example of the polycentric business school is Columbia University's CIBER, which has an intensive business language program for languages spoken in Korean, Vietnamese, Hindi, Czech and Hungarian. (Center for International Business Education and Research-CIBER.(2010)).

Faculty members at polycentric schools participate in exchange programs, teach and attach conferences abroad and conduct research on and or in foreign locales, each on a country-by-country basis. For example, the University of Memphis CIBER, in conjunction with Historically Black Colleges and Universities (HBCUs), takes business faculty on exchange programs to South Africa, China, India, Vietnam, South America, the European Union, Eastern Europe, and Turkey. (Center for International Business Education and Research --CIBER. (2010)).

Students at polycentric schools participate in exchange programs, foreign language certification programs and internships. A good example of this approach is the University of Florida CIBER, which in conjunction with universities in Brazil, offers internships and language training in Portuguese, as well as an international business learning module for students and faculty. The University of Connecticut CIBER offers a B.S. in Business, a B.A. in German or Spanish, and an internship with firms in Germany or Latin America. (Center for International Business Education and Research --CIBER.(2010))

# 1.3.3 The Regiocentric Business School

A regiocentric business school is fully committed to internationalization, has globalization in its mission statement, integrates regional studies into its curriculum, and practices internationalization on a region-by-region basis. Examples include, Temple University's CIBER, which offers a certificate program in Asian and Latin American Studies, and the University of Pennsylvania CIBER offers an Arabic Track joint-MBA and MA degree in International Studies). (Center for International Business Education and Research-CIBER. (2010)). Faculty at regiocentric business schools **participate** in exchange and language programs, conduct research, and develop region focused teaching specializations based on regions. An example of this is the University of Hawaii CIBER, which sponsors faculty study trips to cities in Asia. (Center for International Business Education and Research-CIBER. (2010)).

Students at regiocentric business schools enjoy the support of top administrators and are the beneficiaries of progressive international initiatives. Students often take language certificate programs, participate in internships, and conduct region-specific research. The University of Southern California CIBER allows MBA students to participate in courses on Pacific Rim Business Opportunities and take study trips to Hong Kong, Nanjing, Shanghai, and Tokyo. The University of Southern California CIBER Freeman Fellows provides students with opportunities and internships in Seoul, Tokyo, Osaka, Shanghai, Hong Kong, Taipei, Manila, Hanoi, and Kuala Lumpur. (Center for International Business Education and Research --CIBER.( 2010)).

#### 1.3.4 The Geocentric Business School

A geocentric business school has a global commitment and internationalization is in its mission statement. For example, the mission statement of the Moore School of Business, University of South Carolina, a CIBER school, states:

"Our mission is to foster a dynamic and collegial environment that serves our two most important goals: the creation of knowledge and the education of future business leaders. We produce rigorous and relevant research that enriches the understanding of business and the practice of management. We develop graduates whose professional expertise, skills, and leadership are enhanced by unique understanding of the global marketplace. Through our service and our achievements in research, and education, we contribute to the welfare of our main constituents: our students, alumni, university, state, and business partners. (Moore School of Business-The University of South Carolina, 2010).

The geocentric curriculum is globally focused. For example, the University of North Carolina's CIBER One MBA program is a partnership of business schools located in Asia, Europe and North and South America. Courses are developed by faculty from five schools, which are delivered to students in global virtual teams (Center for International Business Education and Research – CIBER.(2010)). Geocentric faculty and students participate in exchanges programs, such as Fulbright fellows, conduct research, attend conferences, and have professional internships in many parts of the world. The University of Pittsburgh/CIBER Semester at Sea offers a Global Studies Certificate for faculty and students who participate in the twelve-week voyage. (Center for International Business Education and Research --CIBER. (2010)). Some proprietary schools, such as Career Education Corporation's American Intercontinental University, own schools in different parts of the world in places like Dubai and London.

#### 1.4 STRATEGIC FIT AND EPRG

## 1.4.1 As an ethnocentric strategy

One of the strengths of the ethnocentric approach is that the business school can transfer some of its core competencies to the host country. For example, if a school is doing well in the U.S., it might transfer its curriculum and faculty abroad, and adopt, in effect, an ethnocentric approach. Many business schools have short-term study abroad programs that are taught to students from the home country school by faculty from the same school while in the host country. This approach helps ensure that the academic rigor, found in the home country, remains virtually the same while learning about some aspects of the host country's culture. This strategy is especially important as more business schools grant academic credit for short-term exchange programs while trying to insure that their programs do not "deteriorate" into academic tourism. Another strength of the ethnocentric approach is that it helps to mitigate cognitive dissonance. By using faculty from the home county, this in many ways reduces the potential for "student remorse." Pedagogical familiarity, between students and faculty from the same academic culture, tends to reduce the degree of cognitive dissonance between teaching and learning styles.

One of the main weaknesses of the ethnocentric strategy is that it often inspires the belief that one's school is intrinsically better than schools in other countries. This in turn, can promote academic arrogance and cultural illiteracy. The ethnocentric approach often blinds schools from seeking innovations found at schools in other countries. In addition, a threat of the ethnocentric strategy arises when the host country's government imposes immigration laws designed to employ local faculty as opposed to hiring expatriate faculty. This can severely impact study abroad programs that are taught by faculty from the home country's school.

## 1.4.2 As a polycentric strategy

One of the major advantages of the polycentric strategy is that the business school is less likely to suffer from cultural myopia and dispels the notion that "one-size-fits-all." Host-country business faculty is better able to teach using real-world examples related to the host country's business culture and environment. In addition to having the possibility to placate the host country's government enforcement of local labor laws, the polycentric strategy is often less expensive to operate. Hiring local faculty often reduces the exorbitant expense of sending faculty from the home college to teach abroad. Moreover, business schools that offer foreign language certificate programs benefit greatly from using a polycentric strategy. One of the salient weaknesses of the polycentric strategy is that it cannot insure that the program and pedagogical style is academically rigorous and suitable to the standards of the home country's business school. Students may get "short-changed" academically and suffer from teaching styles that are incompatible with their academic culture. In addition, operationally, a polycentric business school may rely too heavily on host-country practices, and in the process, lose some of its innovation and autonomy honed at the home-country business school.

## 1.4.3 As regiocentric/geocentric strategies

The main advantages of the regiocentric/geocentric strategies are that the business school is less likely to suffer from academic myopia and is better able to leverage its academic style and innovations into mutually-beneficial opportunities on a regional and global level. The regiocentric/geocentric business school develops a cadre of international-oriented faculty and makes synergistic use faculty resources and pedagogical styles and teaching and research perspectives. Some weaknesses of the regiocentric/geocentric strategies include the fact that they are complex, costly to administer, and hard to coordinate and integrate. It is also difficult to find qualified business faculty who are willing to teach in different parts of the world as expatriates.

#### 1.5 BENCHMARKING BUSINESS SCHOOLS

Two organizations which have been instrumental in the development and promulgation of widely accepted standards for internationalization are the Center for International Business Education and Research (CIBER) and the National Association of Foreign Student Advisors (NAFSA). Both organizations view internationalization holistically, from the perspective that includes among others, the mission, curriculum faculty, and students. CIBER consists of approximately 30 business schools and is funded by the Department of Education, whereas NAFSA concentrates on outstanding internationalization initiatives in all academic disciplines. Although this paper focuses on internationalizing the business school, the criteria used for NAFSA's Senator Paul Simon award should be implemented, at least in part, by institutions seeking to internationalize. Table 2 (below) lists NAFSA's selection criterion.

#### **Insert Table 2 about here**

#### 1.6 CONCLUSION

There is no best way to internationalize a business school, nor is there a superior EPRG adaption approach in internationalizing a business school. The attractiveness or fit of a particular EPRG model is predicated on several factors, including the size of a business school, its financial and faculty resources, and commitment, experience in overseas programs, and ability to adapt to the local academic culture. A holistic approach, using internationalization criteria developed by institutions like CIBER (see Table-3, below) and NAFSA, should be used by business schools seeking to internationalize. Regardless of the school and EPRG orientation (i.e. business, arts and sciences, humanities, etc), successful internationalization includes a visionary mission and strong commitment from top administration, creative leadership from the faculty, and actively involved students. The EPRG framework is relevant for describing current and desired internationalization decisions related to the mission, business curriculum, faculty, and students. The literature and antidotal evidence help evaluate the spectrum of distinct EPRG orientations employed at various business schools. The authors feel that today's business school should have internationalization imbedded in its mission and curriculum, an internationally-active faculty, and a critical mass of students who are internationally savvy and participate in study abroad programs.

In regards to the business curriculum, three major international business strategies are available, including the infusion method, a required international business course, and internationally oriented functional business courses (Kwok & Arpan, 2002). The infusion strategy integrates international coverage into "all" business classes and students get some level of international exposure in their business classes. A required international business course helps ensure that all students are exposed to international business vis-à-vis a required "capstone" course. And offering international-oriented functional business classes such as international marketing, international management, international finance, international accounting, etc., helps to ensure that international coverage is offered across a wide range of functional business classes. One of the best methods used to internationalize the faculty are study abroad exchange programs. Kwok & Arpan (2002) found that teaching and living abroad was the most effective factor for internationalizing the faculty, followed by international research and foreign travel. Kwok & Arpan (2002) also found that the most important incentives to internationalize the faculty were funding for travel and attending international conferences, followed by favorable promotion and tenure considerations.

As with faculty, foreign exchange programs are the most important form of internationalizing students (Tesar & Moini, 1998). Business schools, as well as all schools interested in internationalizing should implement the criteria used by NASFA and CIBER, as well as other institutions dedicated to taking a global approach to internationalization. If the U.S. is to remain a leading nation in an era of increasing interdependence and global competition, leaders of academic institutions must ensure that graduates from diverse backgrounds are exposed to international business (Keating & Byles, 1991). Business schools must participate, enthusiastically, in the internationalization paradigm shift and re-engineer their curriculum, faculty, and students to reflect the importance of internationalization in theory and practice. Drawing on the rich diversity of America's students and academic institutions is essential if the United States is going to remain a competitive leader in global business.

#### Insert Table 3 about here

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### Table-1

## MODELLING EPRG ALONG FOUR KEY DIMENSIONS

	Ethnocentric	Polycentric	Regiocentric/Geocentric
Mission/Vision	Home oriented	Home or globally oriented	Global
Levels of Involvement	Causal	Active	Full-Scale/Global
Curriculum	Home oriented	Host oriented	Regional/Global
Faculty	Home oriented	Host oriented	Regional/Global
Students	Home	Host oriented	Regional/Global

## Table-2

#### **NAFSA's Selection Criterion**

- The campus has been widely internationalized across schools, divisions, departments, and disciplines.
- There is evidence of genuine administrative or even broad-level support for internationalization.
- The campus-wide internationalization has had demonstrable results for students.
- The institution's mission or planning documents contain an explicit or implicit statement regarding international education.
- The institution's commitment to internationalization is reflected in the curriculum.
- The campus-wide internationalization has had demonstrable results within the faculty.
- There is an international dimension in off-campus programs and outreach.
- There is internationalization in research and/or faculty exchange.
- The institution supports education abroad as well as its international faculty, scholars, and students.

Source: Internationalizing the Campus 2009: Profiles of Success at Colleges and Universities

### Table-3

## **Objectives of CIBER**

- Internationalizing the business curriculum by dramatically increasing the number of interdisciplinary courses, existing courses with international content, study abroad and other international exchange opportunities for students.
- Creating faculty development and enrichment programs for business faculty from colleges and universities around the nation, such as low-cost study trips to Asia, Latin America, Western and Eastern Europe, and intensive 2-3 week workshops at host universities.
- Collaborating with modern foreign language departments to develop business language courses for students and to provide intensive language training programs for business persons.
- Providing support to small and medium-size business firms seeking to develop overseas
  markets. Educational programs for business may include, for example, export training,
  market information, management reviews, and response strategies to increased
  international competition.
- Funding research projects, events and publications on issues of strategic national interest, such as international competitiveness issues.

Source: (Center for International Business Education and Research (CIBER)., 2010)

# Appendix 1-Center for International Business Education and Research (CIBER) Schools

- 1. Brigham Young University (BYU)
- 2. Columbia University
- 3. Duke University (Senator Paul Simon Award Recipient)
- 4. Florida International University
- 5. Georgia Institute of Technology (Senator Paul Simon Award Recipient)
- 6. Indiana University (Senator Paul Simon Award Recipient)
- 7. Michigan State University (Senator Paul Simon Award Recipient)
- 8. Ohio State University
- 9. Purdue University
- 10. San Diego State University (Senator Paul Simon Award Recipient)
- 11. Temple University
- 12. Texas A&M University
- 13. Thunderbird, The American Graduate School of International Management
- 14. University of California at Los Angeles (Senator Paul Simon Award Recipient)
- 15. University of Colorado at Denver
- 16. University of Connecticut
- 17. University of Florida
- 18. University of Hawaii at Manoa
- 19. University of Illinois at Urbana-Champaign
- 20. University of Kansas (Senator Paul Simon Award Recipient)
- 21. University of Memphis
- 22. University of Michigan
- 23. University of North Carolina-Chapel Hill (Senator Paul Simon Award Recipient)
- 24. University of Pennsylvania
- 25. University of Pittsburgh
- 26. University of South Carolina
- 27. University of Southern California
- 28. University of Texas-Austin
- 29. University of Washington
- 30. University of Wisconsin-Madison

## Appendix 2 -Recipients of the Senator Paul Simon Award for campus Internationalization (2002-2009)

### 2009 Winners

Boston University Connecticut College Pacific Lutheran University Portland State University University of Minnesota Twin Cities

## 2008 Winners

Goucher College University of Illinois at Urbana-Champaign Nebraska Wesleyan University Pittsburg State University (Pittsburg, Kansas) Valparaiso University

## 2007 Winners

Calvin College Elon University

Georgia Institute of Technology (CIBER designated Business School)

University of Oklahoma

#### 2006 Winners

Arcadia University Concordia College Earlham College

Michigan State University (CIBER designated Business School)

Purdue University (CIBER designated Business School)

## 2005 Winners

Colby College Colgate University Howard Community College

University of California at Los Angeles (CIBER designated Business School)

University of Kansas (CIBER designated Business School)

# 2004 Winners

Bellevue Community College Binghamton University

**Duke University (CIBER designated Business School)** 

St. Norbert College

University of North Carolina at Chapel Hill (CIBER designated Business School)

# 2003 Winners

Community College of Philadelphia Dickinson College

Eastern Mennonite University

Indiana University (CIBER designated Business School)

San Diego State University (CIBER designated Business School)

Yale University