

COOPETITION IN THE SECTOR OF HIGHER EDUCATION – THE EXAMPLE OF CEMS

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Summary: Coopetition concept has been analysed mainly between companies. Nowadays the role and tasks of Universities have been redefined. Due to globalization, wider access to education in the whole world new educational profile is imposed on students. It is expected from students active participation in the society and better preparation of students to their future work life. Therefore the aim of this paper is to present the model of coopetition that exists in CEMS – Global Alliance of Management Education. The author argues that in the process of implementing the basic functions of the university, there is a simultaneity of cooperation and competition behaviours.

Keywords: coopetition, competition, global allinace, coopetition

Introduction

Companies have to change on a daily basis, which is due to increasing competition and the increasing requirements of the customers. The same phenomena occurs to the sector of higher education; the demographic, the change in the student's role as a coordinator and participant of the education process denotes that universities redefine their roles and responsibilities in relation to a wide body of stakeholders.

Education is one of the key elements determining the competitiveness of a country. Belonging to the greatest achievements of civilization European countries institution „the university” remained for centuries on the sidelines of market processes, with no impact on business processes, serving only as the provider of knowledge to students. As a result, the students, the economy and organizations have operated independently of each other, neither party knew of their expectations and requirements.

Today, the tasks and roles of universities have been redefined. In the risk society, the competition between universities has been stepped up because more and more universities form alliances, to whom they will invite universities of the country but also from abroad. Such behavior may pose a greater margin of safety, a sense of stability and may reduce the risk of operation in times of demographic decline and broad access to higher education. If coopetition relationships exist between companies and amongst Universities than we would consider if such relationship exists between partner Universities gathered in the CEMS association (Global Alliance of Management Education).

The purpose of this article is to propose a model of cooperation in the association of CEMS the higher education sector. The author argues that in the process

of implementing the basic functions of the university, at the same time to place the behavior of a cooperation and competition.

1. The concept of coopetition-main characteristics

The concept of co-opetition was presented for the first time in 1989, and its creator was Ray Noorda, president and co-founder of Novell, Inc. (Gomes-Caseres, 1996, p. 271). According to M. Bengtson, S. and S. Kock Hinttu coopetition, next to coexistence, cooperation and competition, is considered one of the basic types of relationships between competitors. The complexity of collaborative relationships takes place due to the simultaneous clash of two opposing streams of relations: competition and cooperation. Two independent parties work together to achieve common benefits and at the same time they are competitors (Lado, Boyd, Hanlon, 1997, pp. 110-141). These relationships include different levels of management, and can take a variety of organizational forms depending on the needs and conditions of such relationship. The range of solutions is therefore very broad: from the simple and clear to the extremely complex, multilateral, involving tens of competitors (Cygler, 2009, p. 7).

Competition is defined as a situation in which several actors in the area fighting for limited resources, and / or offer similar products or services that cater to the needs of the customer (Hunt, 2007, pp. 274-291). On the other hand, cooperation is defined as a relationship in which individuals, groups, organizations, work together by sharing complementary skills and resources in order to achieve the common benefit (Gnyawali, He, Madhavan, 2006, pp. 507-530). C. Canegallo and others (Canegallo, Ortona, Ottone, Ponzano and Scacciati, 2008, pp. 18-30) argue that human beings tend to be more willing to work together than to maximize pure, selfish utility function. It may be something in human nature, which brings them to cooperate. For most of our lives we are winners – who want to win together and not alone. Therefore, they argue that it is reasonable to conclude that mankind has developed an instinct toward cooperation or at least a genetic predisposition to learn behavior based on cooperation. Cooperation with success is based on trust, commitment, voluntary and mutual agreement, which can be expressed in a formal or informal document (Miles, Snow, Miles, 2000, pp. 300-321). Generally, entities work together to achieve a common goal as well just to learn or share their expertise and organizational knowledge. Co-opetition is often referred to as aggressive strategy “of sleeping with the enemy” (Quint, 1997, pp. 7-8).

Cooperation is a relationship between competitors, which compounds can be of economic and non-economic character (Bengtsson, Kock, 2000, pp. 411-426). The relationship between the parties is two-fold: the formal or based on trust (cooperative part) and based on the market position and / or the structure of the network links (competitive part). This raises the paradoxical situation in which the competing

parties must have to trust each other, engage in cooperation, share information, experience and cooperation risk (Cygler, 2009, pp. 20-21). Coopetition concerns the relationship of direct competitors, who often offer similar products or groups whose offer is addressed to the same audience in terms of demand characteristics and geography (Bengtsson, Kock, 2000, pp. 411-426).

Trust, the variety of relationships and knowledge transfer by S. Thorgrena and other authors are treated as outstanding cornerstones of thriving networks (Thorgren, Vincent and O'ttqvist, 2009, pp. 355-373).

Coopetition in broader aspect is defined by J. Cygler, who treats coopetition as a system of concurrent streams and interdependent relationship of competition and cooperation between competitors in retaining its own organization. Cooperative relationships are created for the implementation of specific strategic objectives in a defined and extended time horizon (Cygler, 2009, p. 25).

It can be stated that in every relationship function both elements of competition and cooperation, but one or the other element in some cases may have a hidden character. If both elements of cooperation and competition are visible, then this relationship is called kooperencją. Parties involved in coopetition are involved in a relationship, on the one hand, it is a hostile relationship due to conflicting interests on the other hand is friendly because of common interests. Coopetition presented on the example of the Swedish brewing industry, where organizations compete distributing beer to wholesalers while cooperate in returning bottles (Bengtsson, Kock, 2000, p. 419). So there are two important elements in coopetition, knowledge sharing and connection shared competence.

J.R. Harbison and P. Pekar emphasize that most of the agreements between competitors are based on coopetition (Harbison, Pekar, 1998). Y. Luo shows how international companies are engaged in a comprehensive and simultaneous competitive and cooperative relations (Luo, 2007, pp. 129-144). For example, Ericsson, Nokia and Motorola are working together to improve the infrastructure of the Chinese telecom industry, negotiating with the Government to gain a larger market share, at the same time together, building telecommunications networks. At the same time, these companies are fiercely competing with each other to get the highest possible profits. While coopetition is reinforced by market commonality and resource asymmetry between competitors in the same market commonality contributes to competition when the asymmetry of resources contributes to cooperation.

Simultaneity of the occurrence of competition and cooperation is inextricably linked with the time criterion. Coopetition occurs when two streams of relations occur simultaneously, and not in the sequential arrangement. Importantly, the competition is not perceived as a barrier to cooperation. Through this shift of cooperation between competitors can be seen as beneficial for the competitiveness of these entities because at the same time, new opportunities may arise in the context of this type of relationship.

2. CEMS – The Global Alliance of Management Education

CEMS is now a global alliance of leading business schools, international companies and NGOs, which together offer a graduate program in the field of International Business (International Business). From its European nucleus of four European Universities alliance has grown into a global organization.

The flagship program of the CEMS Master in International Management (MIM) offers the best international students theoretical and practical knowledge needed to succeed in an international business environment. Designed by academics and business leaders, the CEMS Master's program combines academic education with business expertise by offering valuable insight into best management practices. MIM program is a collaboration platform for the creation of knowledge by academics and practitioners in the field of economic management, providing students with a unique opportunity to learn through access to innovative courses, contact with international students.

MIM program (Master in International Management) is a one-year program built on analytical skills, advanced knowledge that students have gained during the previous three or four years of university education. This is a program which is a bridge between theory and practice. The program consists of lectures in addition to advanced management (provided by individual institutions and activities as jointly developed by faculty and practitioners from different countries), the seminar block (week intensive courses in international group) seminars for skills management (skill seminars), business projects (business projects) implemented in companies, and a 10-week practice abroad. In addition, each student must complete a semester at one of the associated universities and pass examinations in two foreign languages.

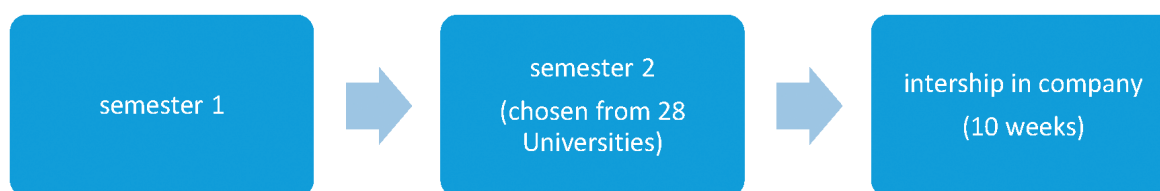


Fig. 1. CEMS MIM structure program

Source: Own development on the basis of: www.cems.org, date: 20.09.2014

The program has gained international recognition. The CEMS Master's in International Management has consistently ranked in the top 10 since the Financial Times Global Master's in Management ranking which began in 2005. In 2009 he won the title of the best in the ranking of the master's program run by the Financial Times. In 2014 the program was on the 5th position (www.cems.org, date of access, 30.09.2014), 7 out of the top 15 programs' are part of the CEMS Global Alliance. It's fair to say that CEMS is a unique blend of cultures, perspectives, ideas and ambitions.

In 2010, the group of four social partners joined CEMS: (www.nytimes.pl, D.D. Guttenplan) (International Humanitarian Organization) by Transparency

International (an international, independent and non-governmental organization that studies, revealing and fighting the corrupt practices, especially in public life) Fairtrade (the organization that represents the interests of producers and farmers) and the United Nations Alliance of Civilisations (an organization that seeks to improve cross-cultural understanding). Invitation to the alliance of the social partners was a result of criticism of business education system, which was attributed to the lack of proper emphasis on issues of ethics and sustainability. And as corporate partners, the social partners are involved in shaping the program, advising on admission of new members and even the classroom and curriculum development.

The aim of the Master program in International Business is to promote global citizenship with particular emphasis on the following:

- Efforts to excellence while ensuring high standards and ethical action
- Understanding and making the cultural diversity taking into account the respect and empathy
- A sense of responsibility towards the society.

During the study, students solve interdisciplinary problems. Moreover they are encouraged to take a critical approach in lectures, discussions and projects they are working on. The main dimension of the program is a perception study to future graduate studies at the level of developed contacts with industry, through a network of corporate partners or former students. Such functioning has lead to a better understanding of the profile of qualifications that a graduate must win to match the requirements of the industry (intellectual competence, professional, academic and practical). While studying at the Academy of CEMS student is required to spend a semester at a foreign university, which will prepare them for international. Compulsory internship involves insight into another system and organization.

3. Coopetition within CEMS

The development of countries increased intercultural dimension of education, especially at the tertiary level. At universities increasing percentage of people are people from outside the country, representing a completely different culture. This has created a natural need to adapt educational programs to take account of multiculturalism and global scale issues discussed. Challenges that face the university, began beyond the boundaries of regions or countries. Nowadays this is the role of universities to educate future employees who will be working in international teams conducting their research such graduates who will be solving problems, make decisions in a multicultural environment.

The processes of internationalization of higher education are strongly influenced by factors such as the flow of foreign students, the need for training of personnel for the knowledge economy and the development of the global labor market. Also conduct of joint research and exchange of academic staff strengthen cooperation between Polish and foreign educational institutions. Internationalization processes

within the European Union are financially supported by appropriate programs of cooperation.

Polish universities in order to be competitive in the global market are increasingly entering into agreements with other universities from abroad. An example of the network to which Polish universities may belong to are: CEMS (Global Alliance of Management Education), PIM (Partnership in International Management), EUA (European University Association) and CEEMAN (Central and East European Management Development Association). In case of universities, the study can be bilateral cooperation (between two universities in the country or abroad) or network (when there is a signed agreement between several universities) as shown in Fig. 2. Cooperation can be executed at the level of local connections, regional, when in mutual cooperation and participate competing local or regional universities, at national or international level. At each of these levels cooperation can be in the form of bilateral form or network one.

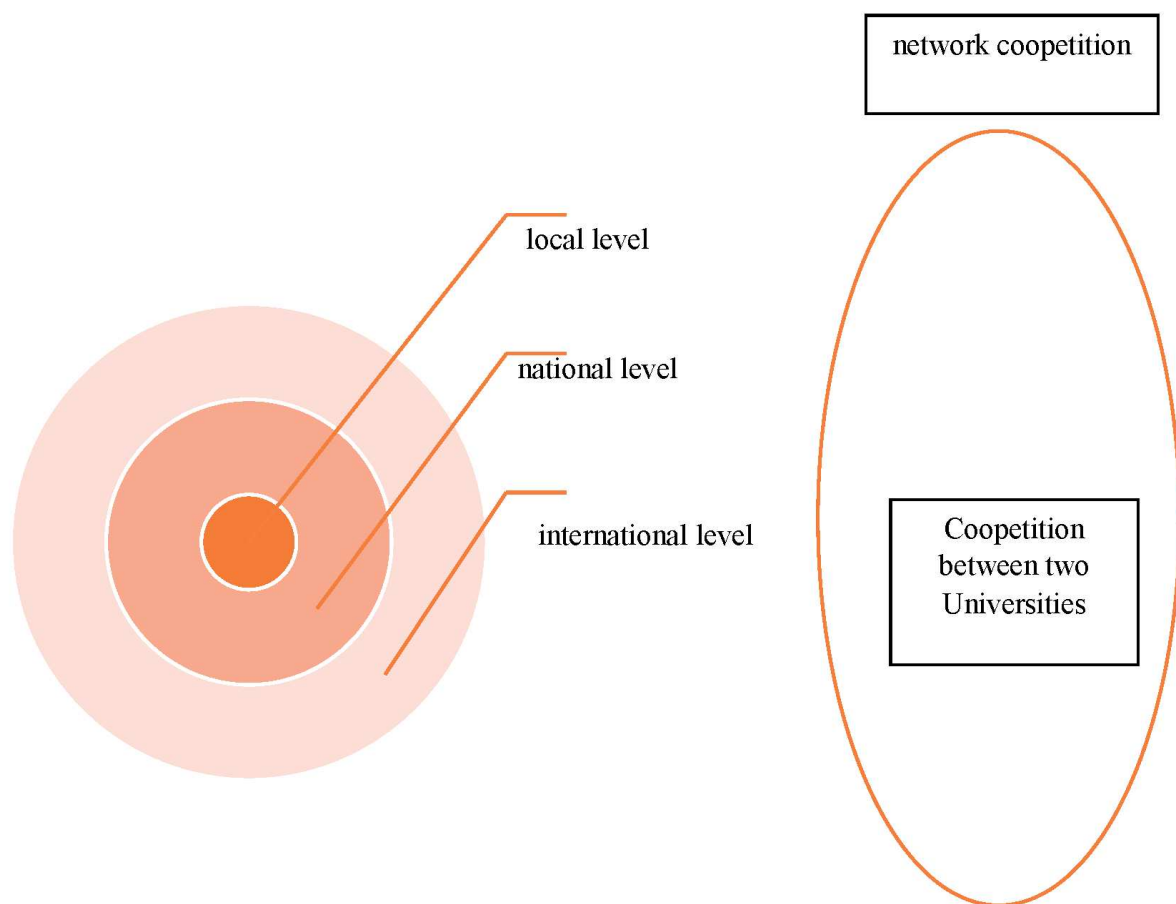
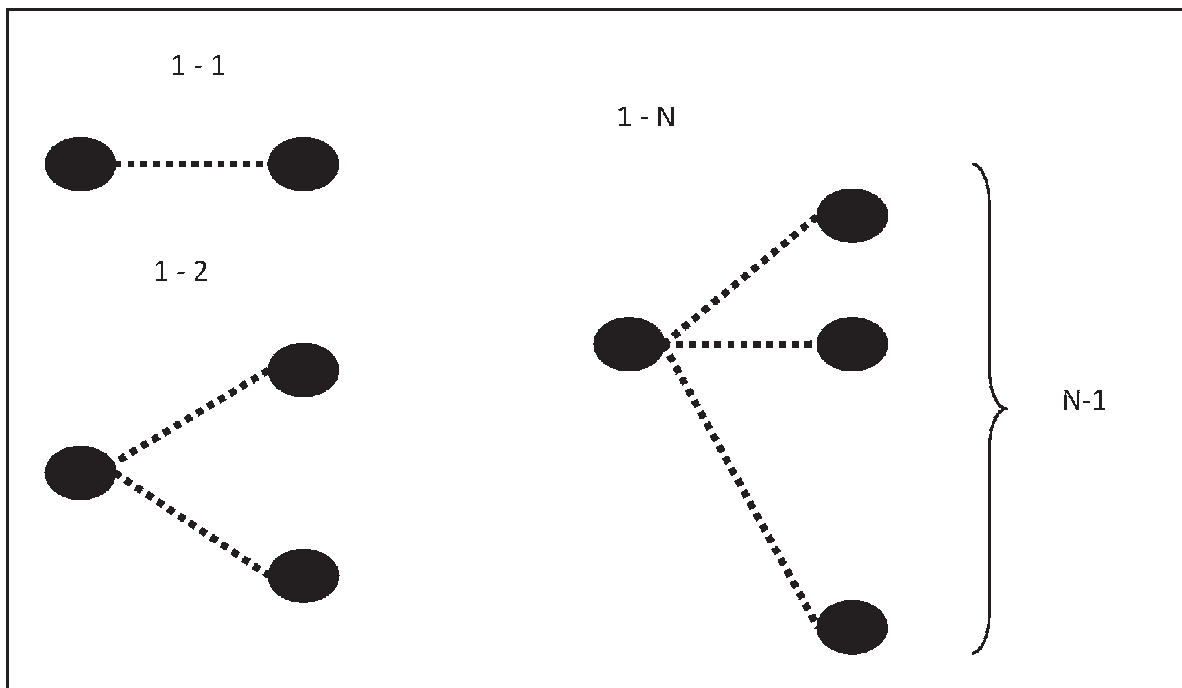


Fig. 2. Levels of cooperation

Source: C. Sołek-Borowska, 2014, *Model kooperencji w sektorze edukacji wyższej – rozważania teoretyczne*, [in:] *Współczesne problemy zarządzania a społeczna odpowiedzialność biznesu*, Politechnika Łódzka, Łódź

Network cooperation arises when in competitive cooperation there involved more than two parties, creating a network structure. Network structures are not

homogeneous system. Benefits of coopetition network for each of its members are not the same, they depend on the quality and position of cooperators the network. Due to the interdependence of activities and their specialization in the context of competitive collaboration favorable conditions are created for specialization and scale-party function. Cooperative relationships permit the parties involved to develop new products, in this case, new curricula and entry into new geographic markets. Competitors decide to cooperate also in order to reduce the risk of the operation. In the case of universities in collaboration with another institution can develop a new course or university to open a branch abroad home country.



with international corporate partners. As part of the CEMS coopetition relationship exists, it is difficult to clearly point out the areas of competition and cooperation for individual universities, as they may be different for each university and therefore this model will work in a completely different way.

Table 1. Possible areas of coopetition within CEMS alliance

Possible areas of competition	Possible areas of cooperation
• students (attracting them)	• Joint conferences and publications, joint research
• quality of education	• exchange of academic teachers
• grants	• joint students initiatives
• EU grants	• Agreements with international corporate partners
	• Joint promotion (Financial Times ranking)
	• Peer-review assessment
	• Joint e-learning programmes
	• Joint summer school

Source: Own development

Conclusions

Currently, students have the unique opportunity to learn in different countries, challenging the preconceived notions, breaking the barriers between different cultures and areas of expertise. It's fair to say that young people are educated at the University, will build a new social group, which will be thinking globally, require from their institutions to meet the needs of citizens. These new leaders will be in the vanguard of a new phase of globalization.

In recent years, especially during the education boom that took place in the late nineteenth and early twentieth century in Poland, the relationship between universities were mild in nature of coexistence. Nowadays universities can function in a variety of relationships, an example of which is complex and multi-dimensional relationship of coopetition which was exemplified on the example of CEMS.

Coopetition in the global higher education sector has a chance to become the new paradigm of thinking. It should be emphasized that coopetition indicates that cooperation and competition create a new kind of strategic independence between universities.

KOOPERENCJA W SEKTORZE EDUKACJI WYŻSZEJ – PRZYKŁAD CEMS

Streszczenie: Kooperencja jest rozważana głównie między przedsiębiorstwami. Obecnie rola i zadania uniwersytetów ulegają przededefiniowaniu. W związku z globalizacją, szerszym dostępem do edukacji, nowy profil wykształcenia jest wymagany od studentów. Oczekuje się, że studenci będą aktywnymi

uczestnikami w życiu społeczeństwa oraz że będą lepiej przygotowani na rynku pracy. Dlatego celem artykułu jest zaprezentowanie modelu kooperencji, który funkcjonuje w CEMS – Globalnym Aliansie Edukacji Menedżerskiej. Autorka argumentuje, że w procesie realizacji podstawowych funkcji uniwersytetu funkcjonują równoległe strumienie współpracy i konkurencji.

Słowa kluczowe: kooperacja, konkurencja, globalny alians, kooperacja

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