The Role of Dynamic Capabilities While Expanding a Nonprofit Abroad

The Honors Program
Senior Capstone Project
Student’s Name: Alison Feehan
Faculty Sponsor: Dr. Rustambekov
May 2018
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abstract</td>
<td>1</td>
</tr>
<tr>
<td>Thesis</td>
<td>2</td>
</tr>
<tr>
<td>Project Purpose</td>
<td>2</td>
</tr>
<tr>
<td>Research Methodology</td>
<td>2</td>
</tr>
<tr>
<td>Personal Motivations to Research Bryant Zhuhai</td>
<td>4</td>
</tr>
<tr>
<td>Why This Research Needed to Be Conducted</td>
<td>5</td>
</tr>
<tr>
<td>Theories &amp; Crucial Researchers</td>
<td>7</td>
</tr>
<tr>
<td>Dynamic Capabilities</td>
<td>7</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>7</td>
</tr>
<tr>
<td>Dimensions of Culture</td>
<td>8</td>
</tr>
<tr>
<td>Three Stages of Creating Initiative:</td>
<td>9</td>
</tr>
<tr>
<td>Teece</td>
<td>9</td>
</tr>
<tr>
<td>History &amp; Evolution of Dynamic Capabilities</td>
<td>10</td>
</tr>
<tr>
<td>Shapiro’s Strategic Conflict Model (1989)</td>
<td>11</td>
</tr>
<tr>
<td>Resource Based Approaches</td>
<td>12</td>
</tr>
<tr>
<td>Teece’s Dynamic Capabilities (1997)</td>
<td>12</td>
</tr>
<tr>
<td>Teece’s Dynamic Capabilities (2007)</td>
<td>13</td>
</tr>
<tr>
<td>Competitive Advantage</td>
<td>14</td>
</tr>
<tr>
<td>Diamond Model</td>
<td>14</td>
</tr>
<tr>
<td>Source Analysis with Research Context</td>
<td>16</td>
</tr>
<tr>
<td>Dynamic Capabilities</td>
<td>16</td>
</tr>
<tr>
<td>Dynamic Capabilities Analysis Bryant University Smithfield</td>
<td>19</td>
</tr>
<tr>
<td>Dynamic Capabilities Analysis Bryant University Zhuhai</td>
<td>20</td>
</tr>
</tbody>
</table>
ABSTRACT

The purpose of this senior capstone is to research and fully comprehend the dynamic capabilities field of strategic management as well as the experience students at Bryant University’s Zhuhai campus are having. I gained insight into the Bryant Zhuhai student experience by surveying professors and students who have been users of the campus for at least one semester. The data collected from these surveys was analyzed with excel, analysis enabled researchers to identify trends in student experience. The survey questions are tailored to understand the university’s sensing, seizing and transforming capabilities. The sensing question set focuses on uncovering how well Bryant Zhuhai senses students wants and needs, as well as trends in the higher education industry in China. The seizing question set aids us in understanding how quickly the university is able to adapt and innovate to remain current and keep its student’s educations relevant. The transforming question set provides insight into how well the school implements new programs and adjusts to better serve students. Once data has been analyzed the researchers can identify any critical areas needing improvement and develop feasible solutions and action plans that could be implemented to improve The Bryant Zhuhai student experience.
THESIS

To determine ways non-profits must extend their dynamic capabilities during international expansion, focusing on Bryant University’s Zhuhai, China campus. This is a traditional research project, and it will employ both qualitative and quantitative research methods to complete this capstone.

PROJECT PURPOSE

The purpose of my senior capstone was to research and fully comprehend the dynamic capabilities field of strategic management as well as the experience students at Bryant University’s Zhuhai campus are currently having. After surveys were conducted, statistical analysis was conducted using Microsoft excel. The analysis aided researchers in identifying trends in student experience. It also helped clarify which of the three areas of dynamic capabilities Bryant Zhuhai was excelling at, and which area had the most room for improvement. With trends drawn from the data, critical areas needing improvement became apparent, and researchers developed feasible solutions and action plans that could be implemented to improve the Zhuhai student experience.

RESEARCH METHODOLOGY

The researcher began this study by first reading all of the literature that founded the field, beginning with David Teece’s paper, *Dynamic Capabilities and Strategic Management*, which was published in 1997. After comprehending Teece’s thesis, and the various
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

Senior Capstone Project Research Prospectus for Alison Feehan

frameworks he created to evaluate the dynamic capabilities of organizations, I read up on popular theories and preexisting frameworks within the field of strategic management. Such complimentary frameworks included The Theory of National Competitive Advantage, and Strategies to Achieving Competitive Advantage, both by Michael Porter.

With a complete understanding of dynamic capabilities, research on the Chinese culture and the higher education industry in China began. Deloitte published a very useful report in May 2016 titled *The Golden Age of China’s Education Industry*, this comprehensive study gave me a baseline on the history of the Chinese education industry as well as a feel for current trends in the country. With this knowledge I began to focus my research more specifically on Bryant Zhuhai, and other US universities with satellite campuses in China.

With a basic understanding of both dynamic capabilities and the higher education industry in China, the researchers developed a question set that they planned on using for two focus groups. The first focus groups would have been comprised of students who spent their first two years at Bryant Zhuhai, but are now in their first year at Bryant Smithfield. They all would have been from China and would have spent the most time studying in Zhuhai. The second population that would have been included in the focus group are the international business students from Bryant Smithfield who studied abroad in Zhuhai during the fall of 2016 and the fall of 2017.

After learning more about the nature of focus groups, and the quality of data derived from these sessions, the researchers decided to change the method of data collection from a focus group to a survey. This decision was made after the researchers came across several existing dynamic capabilities papers that all used the same basic question set to measure
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

Senior Capstone Project Research Prospectus for Alison Feehan

dynamic capabilities of various businesses. Once they had found this existing dynamic capabilities question set the researchers elected to use it rather than a focus group because they felt that this would add legitimacy to the research, since the question set had been widely published, and was trusted as an accurate way of gathering data on dynamic capabilities.

After gathering survey responses, the researchers used Microsoft excel to find statistical trends that were emerging from the survey results and from these trends they drew conclusions about Bryant Zhuhai’s existing sensing, seizing and reconfiguring abilities. Armed with the trends drawn from the data researchers generated a list of facets of the Zhuhai student experience that need improvement. Then the researchers invited relevant stakeholders such as, Dr. Rustambekov - the faculty advisor, Kong Li Liu - a member of the faculty who leads the Bryant SIE China trip every year, and anyone else who has stake in this initiative and may be interested in the research to the capstone presentation so that they could learn about the findings. From there the researchers highlighted the most critical areas that need improvement within each section of the dynamic capabilities model and then outline steps that can be taken to improve the weakest points of the Zhuhai’s dynamic capabilities, using Bryant Smithfield as a model to emulate, obviously tweaking for cultural differences when needed.

Personal Motivations to Research Bryant Zhuhai

I feel strongly that I am fit to research this area because I travelled to China during January of 2016, and was fortunate enough to spend 4 days on the Zhuhai campus. This gave me the opportunity to meet many of the Chinese students and faculty on the campus. I think it was crucial for me to have been there and to have befriended the students and experienced their country’s culture and the culture of the university there to become personally invested in
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai  
*Senior Capstone Project Research Prospectus for Alison Feehan*

the betterment of the institution and the experience of my Chinese friends. I am still in touch with several of them, 4 of whom have actually transferred and are now living and studying here at Bryant, Smithfield. Next month I am setting up two different focus groups, during the first I will ask a set of questions to the International Business Students who studied in Zhuhai last fall semester, and during the second I will ask the same set of questions to the Chinese students who studied in Zhuhai for two years but have since transferred to Bryant Smithfield.

**Why This Research Needed to Be Conducted**

This study is being conducted because of various conversations I have had with Zhuhai students during my SIE trip, and more recent conversations I have had with International Business classmates that studied abroad in Zhuhai. Despite their differing experiences, neither group is very satisfied with their time at Bryant Zhuhai. I particularly hope to be able to improve the study abroad experience that Bryant Zhuhai offers, I was fortunate enough to study in Vina del Mar, Chile, last fall and the experience far exceeded my expectations. My international business classmates who studied in Zhuhai were not lucky enough to share in such a rich experience. My interest in this study was solidified on April 20th, 2017 while I was listening to Dr. Riall Nolan a Professor of Anthropology from Purdue University speak at Bryant University. His talk was entitled, *The Internationalization Imperative: Why All Universities Need to Internationalize and Why Many of them Probably Won’t*. During this session he talked about how many other large prestigious universities have also tried to set up satellite campuses abroad, and have failed. I want to ensure that Bryant University’s Zhuhai campus is not on the path these universities satellite campuses were on. I also hope to give a voice to the unsatisfied users of the Zhuhai campus and hopefully inspire
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

*Senior Capstone Project Research Prospectus for Alison Feehan*

the board, and deans of Bryant’s Smithfield campus to make the necessary changes that will allow them to better extend the Universities dynamic capabilities to the Zhuhai campus.
THEORIES & CRUCIAL RESEARCHERS

Dynamic Capabilities

Although Teece was the first to define what dynamic capabilities were, since 1997 several other scholars and researchers have presented their own definitions. Below is a list of the two most widely used definitions.

1. Dynamic capability is “the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (David J. Teece, Gary Pisano, and Amy Shuen 1997).

2. Dynamic Capability refers to an organization’s ability to achieve new and innovative firms of competitive advantage given path dependencies and market positions. (Teece 1997).

3. Dynamic capabilities refer to “the capacity of an organization to purposefully create, extend, or modify its resource base” (Helfat 2007)."

4. Dynamic Capabilities can be disaggregated into the capacity to (1) to sense and shape opportunities and threats (2) to seize opportunities (3) to maintain competitiveness through enhancing, combining, protecting and when necessary, reconfiguring the business enterprise’s intangible and tangible assets. (Teece 2007).

Competitive Advantage

Managers and academics alike have been studying the idea of competitive advantage for decades, since dynamic capabilities are thought to be crucial in order for a firm be able to
create competitive advantage it is vital to understand the most widely used definition of this term,

1. Competitive Advantage - a function of either providing comparable buyer value more efficiently than competitors (low cost), or performing activities at comparable cost but in unique ways that create more buyer value than competitors and, hence, command a premium price (differentiation).

Dimensions of Culture

While interpreting the data findings it became apparent that cultural differences may have been reflected in the different ways that respondents of different nationalities typically responded to questions. To better understand the inherent distinctions between the American and Chinese cultures, researchers examined Geert Hofstede’s Dimensions of Culture Model. This theory states that all cultures can be measured or compared along six distinct dimensions. In Hofstede’s original paper there were four dimensions, which were power distance, individualism vs. collectivism, masculinity vs. femininity, and uncertainty avoidance. In more recent years two additional cultural dimensions have been added to the model, they are indulgence and time orientation.

To better understand how these underlying cultural norms may have affected the survey participants please see the section of the paper titled, finding 1 – Chinese Students Are Less Critical than American Students.
Three Stages of Creating Initiative:

While learning about how Dynamic Capabilities allow universities to maintain competitiveness in an ultracompetitive market, I came across a reference to the 3 stages of developing an initiative. This theory is dated as it was introduced in 1994 by Stopford and Baden-Fuller, however it is still referenced and relevant. The three stages are:

1. The Individual Initiative Arises
2. The stage of renewal – during which the initiative’s idea is spread through the organization
3. The attributes of the initiative are developed further and strengthened with increasing support throughout the organization.

Teece

The man who pioneered the study of dynamic capabilities is David Teece. He is a global business professor at the University of California Berkley. He also currently serves as the director of the Tusher Center for the Management of Intellectual Capital at the Walter A. Haas School of Business at the University of California, Berkeley. Teece’s initial paper that introduced the world to the concept of dynamic capabilities was entitled "Dynamic Capabilities and Strategic Management." This paper was published in 1997 and was wildly popular within the Unites States. It was the most cited paper in economics and business globally from 2000 to 2005.
HISTORY & EVOLUTION OF DYNAMIC CAPABILITIES

Although Teece’s theory of Dynamic Capabilities was an original theory, in the flagship paper the author sites various other popular management frameworks, to illustrate how his theory is similar and different from popular predecessors. Several of the frameworks he cited were, Porter’s competitive forces approach (1980), which emphasized actions a firm could take to protect itself from competitive forces. The second prevalent management framework which Teece referenced in the flagship paper was the, “Strategic Conflict Approach.” (Shapiro, 1989). This framework focused on product market imperfections, deterring new market entrants and used tools rooted in game theory. Teece then states that the commonality between these popular frameworks was that they suggested that the best way for firms to stay ahead of competitors was via a privileged product market position. (Teece, 1997.) Teece then covers a different class of strategic management approaches, all of which focus on firm’s ability to build and sustain advantage through efficient and effective organizational structure and policies.

Teece explains that the dynamic capabilities framework he is about to introduce is more in line with this class of approach, however it is different from its predecessors because it draws upon research in areas typically considered outside the realm of traditional management. These crucial yet not typically researched areas of include, research and development management, organizational learning, product and process development, human resource management and intellectual property. Teece then accentuates that because he is examining critical areas, that the former strategic management frameworks neglected to consider, his framework is able to provide the modern firm with a value superior to that which
could’ve been derived from previous frameworks. Teece does however include that in order to garner a true understanding of competitive advantage, it would be advantageous for firms to employ multiple strategic management frameworks.

The strategic management frameworks Teece believes would complement his well are, The Competitive Forces Model (Porter, 1980), and The Strategic Conflict Model (Shapiro, 1989.). To properly understand why these models, compliment information one can derive using the dynamic capabilities model, one must have a working understanding of each of these frameworks.

**Shapiro’s Strategic Conflict Model (1989)**

This model uses game theory principles to analyze the nature of competitive interaction between firms. Many firms implemented this research model in order to measure how effective their own company’s actions were at influencing the actions of competitors, thus also influencing the industry. One relevant idea finding that emerged from research done using this framework was that for a company’s initiative to be effective at manipulating competitors actions it had to involve a substantial strategic commitment that could not be costlessly undone. Teece points out several limitations to this framework, that he believes his framework will be better equipped to handle. The first of these weaknesses is that it ignores the entrepreneurial side of strategic management, game theory is an excellent tool if competitors keep the rules of their games the same, but when a company introduces a drastic new innovative product line or service, it falls short of suggesting how to manage the situation as a competitor.
Resource Based Approaches

This framework states that firms are profitable not because of how they interact with competitors but because the value proposition that they provide for the customers is greater than that of their competitors. This heightened value either comes from their product or service being of a higher quality than competitors or because they are able to offer a lower price than market competitors.

Given this resource perspective, Teece published an earlier paper in which he discussed the market entry process as outlined in his 1980 and 1982 papers. This market entry process is outlined as follows:

1. Identify your firm’s unique resources.
2. Decide in which market those resources can earn the highest rents
3. Decide whether the rents from those assets are most effectively utilized by integrating into related markets, selling the relevant intermediate output to related firms or selling the assets themselves to a firm in a related business. (Teece, 1980,1982).

Teece’s Dynamic Capabilities (1997)

Teece realized that all existing strategic management models did not account for how important continuous innovation was in technology intensive companies and industries. He stated, “Winners in the global market place have been firms that can demonstrate timely responsiveness and rapid flexible product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competencies.” (Teece, 1997). Teece felt the focus on being dynamic, or able to adapt quickly, and the capabilities of management to quickly shift strategies and direction were not focused on by the prior
strategic management frameworks, despite how much they play into success of a firm in the modern day. Teece states that the main purpose of his 1997 paper was to provide a coherent framework which can both integrate existing conceptual and empirical knowledge, and facilitate prescription. The working definition provided by this flagship paper, can be found in the definitions section of this research.

**Teece’s Dynamic Capabilities (2007)**

Teece begins his updated paper by acknowledging that since his flagship paper was published, business have had increasingly difficulty in maintaining their competitive advantage, as the pace at which innovation occurs is increasing every day. With this acknowledgement he plans to further develop his framework so that it covers how to sustain as well as develop competitive advantage. He begins with a review of how dynamic capabilities can be used for analytical purposes breaking it down into three segments. First is, “to sense and shape opportunities and threats.” Next is, “to seize opportunities.” The final step is to maintain competitiveness through enhancing, combining, protecting and when necessary, reconfiguring the business enterprise’s intangible and tangible assets.” (Teece, 2007).

Throughout the remainder of the paper, Teece breaks down each of these three steps, outlining how the nature of the capability and the micro foundations of the business being studied will affect the process firms go through during each of the three steps.
Competitive Advantage

In order for managers to better understand the concept of competitive advantage, Porter created the graphic shown below, which simplifies his theory into the idea that in order to perform better than your competitors your product or service must be cheaper, or different.

![Porter's Generic Strategies to achieve Competitive Advantage](image)

Diamond Model

Michael Porter has another more modern model through which he explains the theory of National Competitive Advantage of Industries, this model has come to be known as the diamond model or Porters Five forces, it can be seen below.

![Porters Diamond Model](image)
In order to better understand this model and how each square affects a firm’s competitive advantage, we must break down each square.

There are two main types of factor endowments a nation can have that will help an industry or firm succeed, they are natural resources and human capital. Your nation does not need to be endowed with both in order to be successful. Continuing clockwise through the diamond firm strategy, structure and rivalry can be crucial to the success of a firm, highly competitive industries and nations can be good for business, they force firms to innovate to stay alive and to continually improve their value chain and create more value for consumers.

The third block of the diamond covers demand conditions. Demand conditions often vary by nation, something that may be in high demand in one nation may be seen as a product deterrent in another nation. I am certain that I will need to learn a lot about how demand conditions for universities differ in the US and China in order to complete my study. The bottom of the diamond focuses on related and supporting industries. As products become more technical and global markets become more saturated because of increased globalization, firms are focusing a lot on creating value in their supply chains. In order for this to be possible the industries that support your own industry and firm must be successful, the firms in these related and supporting industry must also have good relationships with your respective firm in order to be motivated enough to help your firm create value by leveraging your supplier’s unique capabilities.
Dynamic Capabilities

In addition to the aforementioned definitions, the reader must also be able to understand the dynamic capabilities frameworks. The flowchart below shows the three stages that dynamic capabilities can be broken down into.

The process begins with a firm’s ability to have a clear sense of industry trends. In order for this to be obtained a firm must constantly be researching their competitors as well as staying abreast in current events and even attending industry trade shows, where trends may reveal themselves to industry insiders before becoming publicized and capitalized on. The second stop in the flow chart is seizing, this refers to the firm’s ability to sense their industry environment in an efficient and timely manner, decide what trend they want to capitalize on and seize the opportunity. A firm that successfully seizes a trend that they have sensed is able to create a product or service that meets the unique new demand that has recently emerged earlier than their competitors. Another way firms can successfully seize is if they sense consumers use a product but aren’t happy about it, redesigning items that are staples for the majority of a market is another great way to seize a trend you have sensed. Transforming, the final block in the dynamic capabilities flow chart, refers to how well a firm can continually innovate the product they developed in order to solidify their own market share as substitute products emerge. It also can refer to how well an organization can tweak the product they developed as trends shift and evolve.

Figure one below provides a visual representation of the three capabilities that shape managements dynamic capabilities. One weakness of this visual is the fact that it is linear in
actuality, firms that successfully use their dynamic capabilities to maintain competitive advantage, are successful because they never stop the process, once they get to the last block they begin again to sense their industry.

Figure 1: Dynamic Capabilities (Teece, 2007).

In order to gain a deeper understanding of figure one, we can look at Procter and Gamble’s swifter line. Proctor and Gamble sensed that people were fed up with the mundane task of mopping their floors. In order to seize this opportunity, they launched the wet Swiffer. This product was a huge success. Shortly after the launch of this popular product they were able to further transform their new product quickly when they sensed that customers also would love to see them create a broom alternative. Armed with the sense of this spin-off of Procter and Gambled seized yet another opportunity by launching the dry swiffer product line.

Before there was Teece’s field of dynamic capabilities, there was Michael Porters idea of competitive advantage. Prior to breaking down that theory we need to understand the simple relationship between dynamic capabilities, competitive advantage and firm performance, show below in figure two. This triangle exemplifies how I will evaluate Bryant
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

Senior Capstone Project Research Prospectus for Alison Feehan

Zhuhai’s current performance providing a sound student experience via how well they leverage their dynamic capabilities to create and sustain their competitive advantage.

Figure 2:
Dynamic Capabilities Triangle
Dynamic Capabilities Analysis Bryant University Smithfield

<table>
<thead>
<tr>
<th>Sensing</th>
<th>Seizing</th>
<th>Transforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many students attend business school to find a job after graduation</td>
<td>Bryant University capitalized on this trend by creating the Amica Center for Career Education. This center hosts 6 career fairs per year that help students find internships and full time employment</td>
<td>Bryant University is now viewed as a school that provides student a great return on what they invest in their education. 99% of 2016 graduates had a full time job, or where enrolled in grad school within 6 months of graduation.</td>
</tr>
<tr>
<td>Study abroad programs are becoming increasingly popular among college students</td>
<td>Bryant University’s international business program capitalizes on this trend by making study abroad a requirement</td>
<td>1. In order to differentiate their international business program from other universities, they require that each student also study a language, intern and live with a host family while they are abroad’ 2. SIE Program was introduced</td>
</tr>
<tr>
<td>Innovation is necessary now more than ever as firms need to achieve continuous innovation to survive in today’s hyper saturated, ultra-competitive global markets</td>
<td>Bryant University seized this opportunity by starting the Bryant Idea program. During which all first year students learn the design thinking process and understand the importance of brainstorming, prototyping and its relevance in modern business culture</td>
<td>1. Bryant was able to transform their focus on innovation from a unique 4-day program that every student goes through once, into a physical building, The Academic Center for Innovation that was opened in 2016. This proves they are dedicated to producing students capable of innovating, and they are willing to retrain faculty and invest in infrastructure. 2. Bryant Honors Trip 2017 visited San Francisco, in which Silicon Valley a national and global hub for innovation is situated.</td>
</tr>
</tbody>
</table>
In order to understand how well Bryant University is extending the dynamic capabilities that create their competitive advantage for users of their Zhuhai campus, we must understand how they are doing with their United States campus. Once the Chinese, and study abroad populations of the Zhuhai campus have been surveyed I will use the Sensing, Seizing and Transforming analysis of the Smithfield campus as a comparative benchmark. I feel that this list will aid me in comparing the dynamic capabilities of the Smithfield campus with those of the Zhuhai campus.

**Dynamic Capabilities Analysis: Bryant University Zhuhai**

<table>
<thead>
<tr>
<th>Sensing</th>
<th>Seizing</th>
<th>Transforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation capabilities are in high demand in China, but low supply due to a high power distance and more feminine culture.</td>
<td>Bryant University’s management team identified this knowledge shortage and hosted the first Zhuhai Idea program in January of 2015.</td>
<td>The IDEA program did not occur in Zhuhai in 2016, it was clear a direct copy of the program wasn’t as effective for Zhuhai freshman as it was for Smithfield freshman, the program needs to be adapted with cultural differences and language barriers in mind.</td>
</tr>
</tbody>
</table>
English language skills are in high demand around the world.

All classes at Bryant Zhuhai are supposed to be taught in English.

Students at Zhuhai who excel in English and in their business classes can study abroad in Smithfield to further their cultural knowledge and language skills.

Study Abroad is becoming more popular with students all over the world.

Zhuhai students have the opportunity to participate in SIE America, which was introduced in 2016.

Students at Zhuhai who excel in English and in their business classes can study abroad in Smithfield to further their cultural knowledge and language skills.

---

Three Stages of Creating Initiative

**For the three stages please see the subsection with the title “Three Stages of Creating Initiative.” in the theories and definitions section of the paper.

Although these concepts were not very relevant to the early stages of the project, they will have been helpful for me in creating action plans once the data had been collected and weakness points had been determined. It is one thing to write about the issues I learn about, and suggest solutions, but understanding how an initiative moves from the idea phase to the action phase, especially within Bryant University will be crucial if I want this study to have a real impact on the student experience at Bryant Zhuhai.

Higher Education in China

According to a survey from the ministry of education in 2010 there were 2,723 higher education institutions in China, with 31.05 million students and 1.343 million teachers. The
first large industry wide shift in the higher education industry in China came in the late 1800’s when traditional Chinese curriculum began to be phased out and replaced by advanced knowledge of science and technology, much of which came from the western world. Following 1949, the Soviet educational model was brought to China and continued to shape their higher education institutions until the late 1970’s.

When the open-door policy was implemented in 1978, China began a nationwide attempt to internationalize its universities. One of the most crucial strategies in this initiative was to send students and scholars abroad, China hoped this would solve the countries glut for highly educated workers. By 1998 there were roughly 300,000 Chinese students and scholars studying abroad, 50,000 of these people where having their international study funded by various government programs.

In addition to sending students abroad, the Chinese government also established policies in an attempt to attract more international students to study in China. These policies have certainly been effective, in 1978 when the initiative to globalize higher education began in China there were 1236 foreign students enrolled in either short term training courses or long term degree programs. In 2011 that number had risen to 292,611 making China one of the world’s top 10 international student / scholar host countries.

Another activity that the Ministry of Education in China focused on was the internationalization of university curriculum. In 2001 the Ministry of Education set a goal of 5-10% of undergraduate classes being conducted in English or Bilingually. This initiative has come to fruition, as of 2011, China produced one of the largest demands for textbooks in English from Harvard, Stanford and MIT in the world.
In the mid 1980’s the Chinese government made it legal for a foreign higher education institution to construct a campus in China and focus on recruiting local Chinese students. By 2013 there were 472 cooperative / joint programs and higher education institutions offering at least a bachelor’s degree for students. Bryant Zhuhai is one of those 472!

It is clear that since 1978 the government has successfully globalized their higher education industry. This is evident in the growing frequency and ease of student and scholar mobility, the internationalization of curriculum and the construction of foreign universities in China.

Cultural Dimensions – Hofstede:

Dr. Geert Hofstede is a Dutch social phycologist who published his initial theory on cultural dimensions at the close of the 1970’s after researching the topic for over a decade. Since its publication, The Dimensions of Culture model has become an internationally accepted standard for understanding cultural differences.

During his time researching, Hofstede studied IBM employees from more than 50 counties. His initial publications included four dimensions, along which a person could distinguish one culture from another. Those four were Power distance index, individualism versus collectivism, masculinity versus femininity and an uncertainty avoidance index. As his model became more widely accepted and he continued to apply it to new groups, he added a fifth and sixth cultural dimension, pragmatic versus normative, and indulgence versus restraint.

Power distance refers to the degree of inequality that exists and is accepted between people in power and those not in power. A high power distance usually leads people to
believe that the culture is hierarchical and that members of the culture tend to accept and know their rank within that hierarchy. Conversely a country with a low power distance would indicate that society members usually are not happy in situations where power is distributed unequally. In these types of societies power is often widely dispersed and shared.

Individualism versus collectivism reflects how tightly bound people in one culture are to those in their community. A culture that is skewed towards the individualist side indicates that most people in this culture will have weaker bonds with their communities and families. They will take responsibility for their own actions, but typically not for the actions of others. A culture more aligned with the collectivism side will show that people in the society are more loyal to all of the community groups that they belong too, and that these groups themselves tend to be larger. A high value is placed on family, and anyone who is a member of a group is likely to feel responsible not only for their own actions but also for all of the actions` of the other members.

The Masculine versus feminine dimension of culture explores how roles are divided between men and women. In more masculine societies, these roles are strictly defined and do not overlap often. Men are expected to behave assertively, people are typically more quick to the point, assertive and focused on success. Conversely in a feminine society, there is a great deal of overlap between male and female’s roles. Being modest is important, as is cooperation and harmoniousness in all relationships.

The uncertainty avoidance index is the fourth dimension of culture. This dimension describes how risk taking or risk adverse a society is as a whole. Places that score high on the uncertainty avoidance index love routine and try to avoid risk, they are very unnerved by
failure and that which is unknown. Countries that are low on the uncertainty avoidance index are more open to change, innovation and generally more inclusive, they also tend to have less of a sense of urgency. These people are more inclined to enjoying open-ended learning.

The fifth cultural dimension is the pragmatic versus normative index, this dimension is not one of the originals but was added more recently. More pragmatic societies value modesty, virtues and meeting obligations. Additionally, thrift and education are seen as positives, and people value reaching compromises rather than continuing arguments. In a more normative society, people often hold fast to strong convictions, and tend to oversell themselves. Since this dimension of culture is newer, it is less widely used than its four predecessors.

The final dimension of culture is indulgence versus restraint index. Societies with a higher indulgence score tend to be more optimistic, there is a strong focus on personal happiness and enjoying life and people tend to value their free speech. A country that scores high on the restraint index tends to be more pessimistic, social norms are more rigid and more enforced, and people tend to suppress their enjoyment and desire for fun in order to conform to social norms.

**SURVEY CONSTRUCTION**

After the researchers found an existing survey question set that had been widely used and widely published to measure the dynamic capabilities of an organization, they decided to tweak the existing questions to be suitable for a survey on the dynamic capabilities of Bryant Zhuhai. The survey was built out using google forms, to view the survey in google forms as
The survey had six main sections, the first gathered demographic data on the respondent, the second section contained six questions about Bryant Zhuhai’s sensing capabilities. In this section a statement was made, for example, “At Bryant Zhuhai there are partnerships with desirable employers which aid in connecting students and ensuring curriculum is up to date with industry needs.” The respondent would then rate this statement from 1-7, with one being defined as, “No Partnerships.” and seven being defined as “Several Strong Industry Partnerships.” The third section asked four questions about Bryant Zhuhai’s seizing capabilities. In this section each question started with a statement, for instance, “At Bryant Zhuhai Faculty and staff are invested in educating students.” To answer the student had to choose between 1-7 with 1 being they strongly disagreed with the statement and 7 being they strongly agreed with the statement. Section five measured Bryant Zhuhai’s reconfiguring capacities. In this sections participants were asked, “How often do you imagine Bryant Zhuhai has carried out the following activities in the past several years?” One such criteria point that was measured was, “Substantial renewal/update of class curriculum,” which students could rate from 1-7, with one being defined as, “never,” four being defined as, “every year,” and seven being defined as weekly. Section six of the survey aimed to understand how students perceived the organizational structure of Bryant Zhuhai, and the final section, section seven tried to measure how competitive the higher education industry in China was.
SPECIFIC DATA FINDINGS:

In order to present the specific data findings for each critical section of the survey the researchers put together tables for the different sections. In each table one can observe the question that was asked in the left column and the average response for that question on the right. The bottom row of each of the tables communicates the average response for all questions in that specific section. If a specific question’s average response figure is in red, it indicates that this question’s average response was below the section’s average response. This indicated to researchers that this was an area the university should look into improving. For the three tables containing all of this data please see Figure’s B, C and D in the appendix.

Potential Area Needing Improvement – Student Recruitment

After studying the tables mentioned in the previous paragraph that are housed in Figures B-D of the appendix, it is clear from the sensing section and the reconfiguring section that student recruitment is a weak point for Bryant Zhuhai. In the sensing question set the average section response was a 3.40, the average response to the question, “At Bryant Zhuhai established processes are used to identify and recruit quality students.” was a 3.25 which fell below that section’s average. In the reconfiguring question set, recruiting again was pointed out to be a potential area needing improvement. The average section response for the reconfiguring questions was a 3.28, but when asked about how often students felt, “A new or refreshed marketing strategy was introduced for student recruitment.” Respondents average answer was a 3.06, which translated to the belief that every other year these marketing materials were refreshed. It is clear from these two question’s responses that student recruitment could be improved at Bryant Zhuhai.
Finding 1: Chinese students less critical than American students

After analyzing the data, it became clear that the seven Chinese students surveyed were much less critical of Bryant Zhuhai’s dynamic capabilities than their ten American counterparts. The researchers were surprised with these findings, they had imagined that since the Chinese students had spent a longer period of time on the Zhuhai campus many for 1-2 years, compared to American students who had only spent one semester, that they would have had more grievances. The data made it clear though that the Chinese students thought much more highly of the institutions dynamic capabilities than the American students did.

The table below shows the average score that students gave Bryant Zhuhai’s sensing, seizing and reconfiguring abilities broken out by the respondent’s country of origin. It is clear from this table that Chinese students perceived Bryant Zhuhai’s sensing abilities to be 54% more adequate than their American counterparts, their seizing abilities to be 22% better than American students and the school’s reconfiguring abilities to be 46% more advanced than their American classmates. The numbers above the percent differences in the table show the average score that the students of different nationalities gave in the three different sections of the survey. In each section students were asked to rate different aspects of the university from 1 – 7 with 1 being the lowest score and 7 being the best possible score. For a graphic representation of this data please see figure one in the appendix. The researchers looked into
why this may be, and the first explanation they came across came from a researcher named Geert Hofstede. Hofstede is a Dutch social psychologist, and he is famous for his research on culture and the effect it plays on organizations. In particular, his cultural dimension’s theory is widely used by scholars, business people and travelers alike. For more information on it please see the section titled Cultural Dimensions – Hofstede. With this knowledge in mind, we can see that the different ways that China and The United States score on the cultural dimensions, may explain some of the trends seen in the data. The table below communicates the different scores that China and The United States have along the various cultural dimensions.

It is clear from this graph that there is a much lower power distance in the US than there is in China. The Hofstede research indicates that countries with a higher power distance have a more hierarchical structure, and thus feel less comfortable with critiquing someone higher up in society than they are. There were numerous questions in the survey that asked...
respondents to rate from 1 – 7 Bryant Zhuhai’s different abilities, it seems clear that culturally Chinese respondents may be less comfortable with harshly grading an institution, which has more power than they do because of how high China’s power distance is.

China’s long term orientation is quite higher than that of the United States. This indicates that Chinese people are better at thinking long term than people in the US and also that they are likely more patient. With this in mind, it is clear that Chinese respondents likely remember that Bryant Zhuhai is only in its infancy as an institution, thus they will give more leeway to the school when grading its dynamic capabilities in this survey. American students on the other hand according to Hofstede’s cultural dimensions are much more focused on the short term, hence less patient. Armed with this knowledge, one can infer that American students are less likely to be conscience of the fact that Bryant Zhuhai has only just opened its doors as they are critiquing the school in the survey.

The third and final cultural dimension the researchers wanted to highlight is the individualism index. The graph above makes it clear that the United States is much more individualistic than China, which is clearly a more collectivist society. As stated in the section titled Hofstede – Cultural Dimensions members of a more collectivist society are more likely to be loyal to the organizations and groups that they are a part of. The fact that China and the United States are at opposite sides of the collective vs. individual spectrum helps explain the disparity in answers to the survey questions between the two groups.
Key Data Finding 2 – Bryant Zhuhai’s Dynamic Capabilities Have Improved Each Year

Thus far, there have been two different groups of American International Business students who have studied abroad in Zhuhai. The first class of students spent the fall semester of 2016 on the Zhuhai campus and the second class was there for the fall of 2017. From these two groups there were 10 people who answered the survey that was sent. Six of these people were a part of the inaugural class who studied abroad in fall of 2016 and the remaining four were students who studied in Zhuhai during the fall of 2017. The table to the left shows the average responses to questions in the three different sections of the survey broken out by when the American students studied abroad. It is clear from the table that strides were made in the students’ perception of the institutions sensing and seizing capacities, contrastingly Bryant Zhuhai’s transforming capabilities declined, however it was such a slight change that the researchers did not feel it was statistically significant. This finding was very encouraging and shows that the university is headed in the right direction as far as its ability to harness dynamic capabilities is concerned. For a graphic representation of this data please see Figure C in the appendix.

<table>
<thead>
<tr>
<th></th>
<th>Sensing</th>
<th>Seizing</th>
<th>Transforming</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2016</td>
<td>2.56</td>
<td>2.88</td>
<td>2.8</td>
</tr>
<tr>
<td>Fall 2017</td>
<td>3.50</td>
<td>4.88</td>
<td>2.7</td>
</tr>
<tr>
<td>Percent Difference</td>
<td>+37%</td>
<td>+70%</td>
<td>-4%</td>
</tr>
</tbody>
</table>

Key Data Finding 3 – Female Respondents Were Less Critical Than Males

The third interesting data trend that the researchers observed from the data was that regardless of nationality, females perceive Bryant Zhuhai’s dynamic capabilities to be better
than their male classmates. Out of the 17 survey participants, 10 respondents were females and 7 were male, despite the small population size, the data was clearly showed this trend.

The table to the right shows the percent differences in the average answer from 1-7 that survey respondents gave for the three different categories of questions. It is clear from this table that males felt that the institutions sensing capabilities were perceived on average to be 42% less adequate than females. Seizing also had a sizeable percent difference when responses were broken out by gender, males rated Zhuhai’s seizing capacity to be 39% worse than females. Bryant Zhuhai’s transforming abilities had the least percent difference when responses were separated for gender. After averaging the male’s responses to questions in the transforming section it was clear that male’s perception of the school’s ability to transform trends that it had seized to be 14% less adequate than females in the surveyed population. For a graphical representation of this data please see Figure D in the appendix.

### CONCLUSION

Studying the dynamic capabilities of Bryant Zhuhai for the past year has been a challenging yet rewarding experience. During the past year in addition to learning about my topic, I have also learned a lot about persistence, data collection, survey building, cultural
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

Senior Capstone Project Research Prospectus for Alison Feehan

differences, the importance of timelines, organization and follow through. To conclude the researchers, wish to address the main weakness the data indicated, student recruitment. Bryant Smithfield has a robust multifaceted student recruiting strategy, between the student ambassador program, the division one sports and the plethora of academic offerings it is clear that recruiting for the Smithfield campus is more developed than what is being done in Zhuhai. The researchers recommend that to begin remedying this issue, the Zhuhai campus look into founding its own student ambassador program. The Smithfield program is run by Rebecca Erickson and Mary Beth Lutziano, and through their program current Bryant University students give tours, host overnights, host day-with-class programs, luncheons, scholarship dinners and attend summer barbeques with prospective Bryant students and their families. Not only would such a program build further camaraderie between the Zhuhai students involved, but it would also aid in recruiting quality students to Bryant Zhuhai. Additionally, a student ambassador program would make it easier for the recruiting marketing materials to be refreshed with more frequency, another suggestion that the data led researchers to see was needed. With current students interacting daily with prospective students, there would be plenty of organic photo opportunities, as well as current students who are prepared to speak eloquently about what led them to choose Bryant Zhuhai, and why they are enjoying their experiences there. The data made it clear that Bryant Zhuhai’s dynamic capabilities are improving year over year, but that they do still have a way to go before they are equal to the dynamic capabilities of the Smithfield campus. The researchers are excited to continue following Bryant Zhuhai and watch as the institution continues to grow and flourish in the future.
Figure A – Hofstede’s Cultural Dimensions China Vs. United States
### Sensing Section Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Average Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please indicate how common it is for students and faculty to participate in professional association activities (International Business Association, Supply Chain Club etc.) at Bryant Zhuhai.</td>
<td>3.41</td>
</tr>
<tr>
<td>At Bryant Zhuhai established processes are used to identify and recruit quality students.</td>
<td>3.25</td>
</tr>
<tr>
<td>At Bryant Zhuhai there are partnerships with desirable employers which aid in connecting students and ensuring curriculum is up to date with industry.</td>
<td>3.67</td>
</tr>
<tr>
<td>Recruiting processes, teaching processes and partnerships are evaluated and altered as needed.</td>
<td>3.42</td>
</tr>
<tr>
<td>It is clear that best practices in the higher education industry in China are observed.</td>
<td>3.58</td>
</tr>
<tr>
<td>Economic information on the Zhuhai campus operations is gathered to ensure the operation is efficient</td>
<td>3.08</td>
</tr>
</tbody>
</table>

**Average Section Response** 3.40
<table>
<thead>
<tr>
<th>Seizing Question Set</th>
<th>Average Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>At Bryant Zhuhai Faculty and staff are invested in educating students.</td>
<td>4.94</td>
</tr>
<tr>
<td>At Bryant Zhuhai best practices in the higher education industry are adopted</td>
<td>4.06</td>
</tr>
<tr>
<td>At Bryant Zhuhai student feedback and criticisms are heard and corrective actions are taken.</td>
<td>4.06</td>
</tr>
<tr>
<td>At Bryant Zhuhai faculty/staff feedback and criticisms are heard and corrective actions are taken.</td>
<td>4.12</td>
</tr>
<tr>
<td><strong>Average Section Response</strong></td>
<td><strong>4.29</strong></td>
</tr>
</tbody>
</table>
### Reconfiguring Question Set

<table>
<thead>
<tr>
<th>How often do you imagine Bryant Zhuhai has carried out the following activities in the past several years: (1 = Never, 7 = Weekly)</th>
<th>Average Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementing of new classroom technology or teaching styles</td>
<td>3.12</td>
</tr>
<tr>
<td>New or refreshed marketing strategy for student recruitment</td>
<td>3.06</td>
</tr>
<tr>
<td>Substantial renewal/update of class curriculum</td>
<td>3.53</td>
</tr>
<tr>
<td>Updating methods for achieving goal of educating students</td>
<td>3.47</td>
</tr>
<tr>
<td>Updating methods for achieving goal of aiding students in finding post graduate employment</td>
<td>3.24</td>
</tr>
<tr>
<td>Average Section Response</td>
<td>3.28</td>
</tr>
</tbody>
</table>
Figure E – Chinese Respondents vs. American Respondents

DYNAMIC CAPABILITIES SURVEY DATA

<table>
<thead>
<tr>
<th></th>
<th>US Students</th>
<th>China Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensing</td>
<td>2.93</td>
<td>4.52</td>
</tr>
<tr>
<td>Seizing</td>
<td>4.24</td>
<td>5.18</td>
</tr>
<tr>
<td>Reconfiguring</td>
<td>2.76</td>
<td>4.029</td>
</tr>
</tbody>
</table>
Leveraging Dynamic Capabilities to Improve Bryant Zhuhai

Senior Capstone Project Research Prospectus for Alison Feehan

Figure F – Year Over Year Improvements in Dynamic Capabilities

DYNAMIC CAPABILITIES SURVEY DATA

<table>
<thead>
<tr>
<th>Component</th>
<th>Fall 2016</th>
<th>Fall 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensing</td>
<td>2.56</td>
<td>3.50</td>
</tr>
<tr>
<td>Seizing</td>
<td>2.88</td>
<td>4.88</td>
</tr>
<tr>
<td>Reconfiguring</td>
<td>2.8</td>
<td>2.7</td>
</tr>
</tbody>
</table>
Figure G – Gender Differences in Perception of Dynamic Capabilities

<table>
<thead>
<tr>
<th>Dynamic Capability</th>
<th>Mean Male</th>
<th>Mean Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sensing</td>
<td>2.88</td>
<td>4.08</td>
</tr>
<tr>
<td>Seizing</td>
<td>3.5</td>
<td>4.85</td>
</tr>
<tr>
<td>Reconfiguring</td>
<td>3.029</td>
<td>3.46</td>
</tr>
</tbody>
</table>
REFERENCES


