Making the Most of a Franchised Degree Agreement

Elizabeth Rainsbury & Laura Hopkins
Department of Accountancy, Law and Finance
UNITEC Institute of Technology

In 1997 a franchise agreement was confirmed between Eastern Institute of Technology (EIT) and UNITEC Institute of Technology (UNITEC) for specific Bachelor of Business Studies (BBS) majors to be offered at the EIT Hawke's Bay campus. The key outcome of the agreement was that EIT students would graduate with a UNITEC BBS degree and this therefore required consistency in delivery and quality of the programme. This paper outlines how the BBS degree Programme Committee has implemented the agreement in order to achieve this outcome and meet its statutory obligations.

The paper highlights the importance of defining within the contract the role of each of the parties in terms of the functions of the Programme Committee as set down in the Academic Statute. It also compares the quality systems of the two institutions and identifies the situations when each system should operate. The delivery of the courses at the two sites posed a range of operational issues to be addressed and these are also discussed.

As with any contract some practical implications are not always foreseen - this contract was no exception! Potential and actual problem areas are identified and suggested improvements which could be applied to similar arrangements or where delivery occurs at satellite campuses are provided.

Background.

In 1997 a Memorandum of Co-operation (franchise agreement) was signed between Eastern Institute of Technology Hawke's Bay (EIT) and UNITEC Institute of Technology (UNITEC) to allow EIT to deliver courses leading to the award of a Bachelor of Business Studies - a joint. It was envisaged that an additional benefit resulting from the agreement would be collaboration between the staff of the two Institutes through co-operative course development co-operative course delivery, staff exchanges and joint research.

This paper examines reasons for franchising, quality and operational issues associated with franchise agreements in business, and specifically in education. The paper then goes on to describe how the quality assurance systems were established and the agreement implemented. Feedback obtained from lecturing staff at both institutions is summarised including their opinions on the operation and overall value of the agreement.
Method

To obtain the perspectives of the staff involved, a questionnaire was developed and issued to UNITEC and EIT lecturers involved in the delivery of degree courses offered at both sites. Of a total of 23 courses offered under the agreement 14 responses were received from UNITEC lecturers and nine responses from EIT lecturers.

Why Franchise?

Elange and Fried (1997), define franchising as “an organisational form in which a company grants an individual or another company the right to do business in a prescribed manner over a certain period of time in a specified place in return for royalties or the payment of other fees.” (p. 68-69) Although three percent of franchise operations in New Zealand classify themselves as being in the education and training industry (Paynter, 1998) very little has been written on franchising in this specific area. What are the benefits from franchising an education programme?

From a general business perspective, Everest (1994) outlines the motivation for entering into a franchise agreement from the point of view of both the franchisor (the ‘seller’) and franchisee (the ‘purchaser’). In his view the franchisee is acquiring a product line at a considerably lower risk than “going it alone”, with ongoing support. The business format that is acquired has already an established brand or image. In contrast, the franchisor is usually wanting to rapidly expand the market and can see the benefit in achieving this with a highly motivated team/s of owner-operators.

From an educational perspective Yorke (1993) outlines four possible motives for an educational institution entering into a franchise agreement:

• to allow more students to participate in higher education
• to balance out over- and under-used capacity in tertiary institutions
• to provide added non-government financial resources
• to gain the development value that accrues to the franchisor.

From UNITEC’s point of view entering a franchise agreement extended the market for its BBS degree programme and provided resources to recoup some of the costs involved in developing it.

Yorke (1993) also adds that motives for the franchisee may be

• to expand its range of course/programme options
• to make cost savings
• to enable individual staff to gain from the experience.

A franchise arrangement allowed EIT to increase the number of degrees it could offer by purchasing an established degree programmes without incurring substantial development costs.
Quality Assurance

Yorke (1993), considers that the following quality assurance principles should apply to franchising in higher education: The franchisee should:

- be sound
- have government approval, where appropriate
- have resources available which are adequate for the programme
- have an appreciation and experience of teaching at the proposed level
- have a sound knowledge of the programme
- have a clear understanding of the franchiser’s expectations (p. 178).

Yorke suggests, in addition, a staff development policy is important to underpin the programme and the franchise should be subject to rigorous monitoring and review. Most of the principles identified by Yorke have been considered in the UNITEC-EIT agreement.

An important element in negotiating the agreement was to give assurance that the programme could be delivered to a standard consistent with that of UNITEC’s own. A site visit was made to the EIT campus to meet with Faculty of Business staff and to view the facilities. After agreement to co-operate was made in principle, a great deal of time and effort was put in developing the Memorandum of Co-operation which identified the responsibilities of each party. A key aspect of this was reviewing the UNITEC Academic Statute and the EIT equivalent to identify matters relating to the degree programme, and reaching agreement as to which institution’s rules would apply to various situations. As a generalisation, any matters of an academic nature relating to EIT students (for example, appeals and misconduct) are covered by UNITEC requirements and matters relating to enrolment, administration and fees are covered by EIT. All quality assurance processes used in the degree were adopted by EIT and an EIT member of staff was appointed on to the BBS degree Programme Committee.

After completion of the agreement approval had to be obtained from the New Zealand Qualifications Authority (NZQA) for the degree to be delivered at EIT. The NZQA panel paid particular attention to the staff qualifications and research background, facilities and the quality assurance system proposed. Delivery at EIT was approved but subject to monitoring with a monitor to be appointed and who would report to NZQA.

Prior to the commencement of the agreement in 1998, a meeting of UNITEC and EIT staff was held in Auckland in November 1997. At that meeting the objectives and structure of the degree programme and quality assurance procedures were outlined. Lecturers also met and discussed planning for courses that were to be offered at EIT. Meetings with UNITEC and EIT staff will also be held this year for the purposes of planning and development.

Operational Issues

Everest (1994) suggests that the operation of a successful franchise will require the franchisor to offer the right level of support. Too much support, especially at the early stages, will result in the franchisee becoming too dependent and eventually being unable to run the business with any independence. The further effect of this over-dependence may result in a lack of innovative ideas being contributed by the franchise partners.
In a franchised operation the emphasis is on the team and the team players. The franchisee is required to work within the existing or agreed system as standards are not to be compromised. Everest points out that this will require regular meetings for ongoing team support, for updating the team and for strategic planning. For a team to function effectively mutual co-operation is vital as information must be shared and this is often seen by the members as the benefit of a franchise. Elange and Fried (1997) comment that the level of co-operation of the franchisee is greater if they perceive this as beneficial to the success of the agreement.

In summary, franchise agreements in business are built on collaboration and support from all members of the newly-formed team, whose motivation and determination achieve the goals of the enterprise with no compromise in the quality standards. The following section outlines how the UNITEC-EIT agreement was put into practice and the operational issues which arose.

Provision of Course Materials

Under the Memorandum of Co-operation UNITEC is required to “provide sufficient materials relating to the course to allow EIT Hawke’s Bay to prepare a delivery plan. This will include prescription, course outline, reading and reference list, outline of library or other specialist support required, and assessment schedule, and will be provided within three months of the request.”

“Sufficient materials” for delivering the course tended to require ongoing liaison between both lecturers in order to share appropriate resources. The EIT lecturer was a new member of the course team and the UNITEC co-ordinator would need, at the end of the semester, to be satisfied that the quality of the course, wherever delivered, was of a consistent standard. In practice some UNITEC lecturers pooled relevant resources with their EIT counterpart but this depended on the course-specific lecturing experience of the EIT lecturer. Most of the resources were provided by UNITEC but EIT will probably play a greater role in subsequent semesters.

The survey of the lecturers involved confirmed that the most relevant materials had been provided. In some cases additional materials such as previous assessment items and supplementary exercises were provided and in three cases lecture notes had been provided. All UNITEC staff responding considered that the materials had been provided on a timely basis and were relevant. However, three of the nine EIT respondents did not think that this was the case. Time delays did occur in providing the course prescriptions as there was some difficulty experienced by UNITEC in obtaining the most up-to-date course descriptor. However, the suggestion that materials sent were ‘not relevant’ is mystifying.

Course Delivery

Under the Memorandum of Co-operation EIT is required to “prepare a plan...for the delivery of each course which it proposes to offer, and forward this to UNITEC at least six months before delivery is to commence”. UNITEC’s responsibility was to “consider delivery plans presented by EIT Hawke’s Bay, and either approve these, or indicate changes required for approval...”
The delivery plan format was not established in the Memorandum of Co-operation but was agreed by the parties at a meeting held with UNITEC and EIT lecturers in November 1997. A plan includes a schedule week by week of the learning outcomes to be covered and the mode of delivery to be used (for example, lecture or tutorial) and the resources to be used (for example, case studies and exercises). This required the EIT staff to plan their teaching of the course in some detail. UNITEC staff expected EIT to produce the delivery plans once the course materials were made available, but the EIT staff’s lack of familiarity with the content material meant that UNITEC staff were heavily involved in the process, to a much greater extent than anticipated. Some delivery plans were finalised just before the semester started and this created uncertainty at both institutes. Time delays in providing relevant resources - in particular course descriptors - did not help, and all consider that the ‘first time round’ was a learning process.

Assessment

Although the assessment programme was planned by UNITEC, the setting of the individual assessment items was a negotiated exercise, and usually resulted in lecturers from both institutions sharing the setting of assessment. The marking share was also negotiated, usually determined by ‘what you set, you mark’. The policy of the BBS degree Programme Committee was that, subject to exceptional circumstances e.g. practical computer tests, all assessment items would be ‘strip marked’ i.e. marked by the same lecturer. The strip marking has increased marking loads for lecturers and this needs to be reviewed by the Programme Committee.

Lecturers were asked to comment on the effect the agreement had had on the preparation and marking of assessment items. Seven UNITEC responses indicated the need for more time to prepare the assessments and liaise with EIT. They had experienced no difficulties in marking except for the increased marking loads, coupled with the time pressure of meeting the UNITEC Faculty of Business policy of a two week turnaround for returning marked assessment items to students. In contrast, five out of eight EIT responses indicated difficulties associated with marking. These related to the need to have more detailed marking schedules and turnaround times for marking of final examinations.

It is important that students at both sites are treated equally and receive the same information as to the learning outcomes to be assessed and feedback on their completed assessment. Information on the learning outcomes to be assessed was usually communicated in writing by the course co-ordinator to students in both locations. Various feedback methods were used including written comment sheets, detailed marking schedules, written comments on scripts or verbal feedback. Isolated issues have arisen as to whether students have been provided with the same information. This is an area requiring greater communication between lecturers.

Administration

Programme administration functions have not changed except for volume of work. EIT uses UNITEC documentation which their degree students complete and forward to UNITEC. Examination results are prepared by EIT with summaries submitted to the BBS degree Programme Committee for approval.
Value of the Relationship

The majority of respondents to the survey considered that the franchise agreement had been of value to their institutions (UNITEC - 8 out of 14 responses; EIT - 8 out of 9 responses). EIT lecturers also consider that the agreement has added value to them as individuals (7 out of 9 responses), however, only 7 out of 14 lecturers from UNITEC considered that it had added value. To improve the relationship a common response from UNITEC lecturers was that their EIT counterparts should contribute more, for example "become more self sufficient" but that this would "come with time". In contrast the EIT response was to "[for UNITEC] to pay more attention to detail in lecture delivery schedule/assessment questions and marking schedules". In other comments provided it is clear that good communication is important to maintain the relationship.

An impact of the agreement has been that UNITEC lecturers have had to plan their course delivery earlier and allow additional time for liaison. Implementation of the dual-site agreement has identified weaknesses in our systems - such as updating course prescriptions, the quality of marking schedules and the form of communication to students.

Summary

The UNITEC/EIT franchise agreement for the BBS degree is ending its first year of operation. This paper has reviewed the operation of the agreement and issues that have arisen. On the whole the relationship has operated satisfactorily. Issues that have arisen have been the unexpected time demands on both parties to prepare and support the preparation of delivery plans for new courses. Both parties need to improve their planning and communication in this area. The marking regime adopted has increased the load on staff and there is also pressure on them to complete marking within policy guidelines.

Lecturers from both locations consider that their institutions have benefited from the agreement. EIT staff also consider that they have benefited personally and professionally from the relationship; but only half of the UNITEC staff responding considered that they had benefited. It is hoped that as the agreement proceeds for the next two years, that UNITEC staff might feel differently as their EIT partners develop as a result of the relationship, and collaborative activities that were originally envisaged as flowing from the agreement eventuate.

References


