

DISSERTATION

ESTABLISHMENT OF AN INTERNATIONALLY BASED
OFFSHORE BRANCH CAMPUS:
AN AUSTRALIAN CASE STUDY

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ABSTRACT

ESTABLISHMENT OF AN INTERNATIONALLY BASED OFFSHORE BRANCH CAMPUS: AN AUSTRALIAN CASE STUDY

As a result of the changes in society due to globalization, higher-education organizations are working to prepare graduates for a more global workplace. One of the methods of transnational education recognized for providing access to a global education is the international branch campus (IBC). While there are various types of international partnerships, the IBC is acknowledged for having benefits, and administrators acknowledge that there are significant risks. This qualitative methods case study explored an Australian source campus that engaged in the establishment of a Middle Eastern host campus. The central research questions were 1) what were the decision-makers' perceptions of the decision-making process when considering the establishment of an IBC, and 2) what were the indicators used to measure the success of the IBC.

The findings of this case were that, while many stakeholders contributed to the decision-making process, the CEO was identified as the final decision-maker. The decision-making process was not linear in nature, consisting of various go/no-go decision points. While this organization had a history of engagement in IBCs, it was felt that due to the nature of this partnership there was increased risk requiring a range in due diligence assessments. The measures of success were clearly aligned with financial and quality indicators. While the host operations were viewed as being very different, the source operation's standard annual reporting benchmarks and goals, and timelines to monitor success were used.

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DEFINITION OF TERMS

For the purpose of this study, the researcher used the following definitions of terms:

Globalization: “The economic, political, and societal forces pushing 21st century higher education toward greater international involvement” (Altbach & Knight, 2007, p. 290).

Higher-education organization: Educational organization or institute, such as a college or university that provides postsecondary teaching and learning that leads to the conferral of a certificate, diploma, undergraduate, or graduate degree.

Internationalization: “The efforts of institutions to meet this imperative by incorporating global perspectives into teaching, learning, and research; building international and intercultural competence among students, faculty, and staff; and establishing relationships and collaborations with people and institutions abroad” (ACE, 2012, p. 3).

IBC: “A physical presence, wholly or jointly owned and operated by the awarding institution, that delivers face-to-face instruction and includes traditional physical infrastructure such as a library, labs, classrooms, and faculty and staff offices” (ACE, 2012, p. 22).

Transnational education: All types of higher-education study programs, or sets of courses of study, or educational services (including those of distance education) in which the learners are located in a country different from the one where the awarding institution is based. Such programs may belong to the educational system of a state, may be different from the state in which they operate, or may operate independently of any national education system. (UNESCO, 2002). The organization delivering the educational services is referred to as the *source organization*, and the foreign location in which the services are being delivered is referred to as the *host location* or *host organization*.

CHAPTER 1: PROBLEM AND PURPOSE

Banks et al. (2007) advocated that education is the means to intellectual and social development, and the advancement of career opportunities, earnings, and social status. In this context, the American Council on Education (ACE, 2011) has acknowledged that the change agent that supports a country's economic success and competitiveness is its higher-education system. Further, ACE (2011) suggested that a need exists for increased educational opportunities that support the rapidly evolving global workforce, to prepare graduates to live and work in this more global environment. To meet these increased needs for educational opportunities, colleges and universities are transitioning from traditional models of educational delivery on campus to alternative modes of delivery, including various modes of borderless education and the establishment of an international branch campus (IBC).

This increase in internationalism and borderless higher education by public and for-profit universities is changing the landscape of global higher education (Olcott, 2014). According to Lane (2011), improved technology and liberalization of trade policies have contributed to the expansion of education's global footprint. The various modes of delivery include electronic or virtual platforms, short-term or longer-term offerings for students abroad, or a hybrid approach that combines these two modes of delivery.

Background of the Problem

Administrators in higher education continue to expand their global reach. They are actively pursuing engagement with institutions and students from other countries (ACE, 2012). One type of academic overseas engagement is the IBC. The decision to expand academic operations overseas is a high-risk growth strategy, and unsuccessful ventures can result in huge

financial losses and reputational consequences (Wilkins & Huisman, 2012). Lane (2011) acknowledged that no agency or organization has collected data on enrolled or graduated students of branch campuses, or on the number or qualifications of branch campus faculty or staff. Although the number of IBCs continues to grow, Wilkins (2013) suggested there is limited understanding of the successes and failures of this educational mode.

Clifford (2015) has argued that IBCs produce various benefits for the host and source organizations, students, and host country. The host organization is recognized for meeting the needs of a global society, while enhancing the source organization's brand and global reputation. Additionally, an IBC is acknowledged for its financial benefits as a for-profit educational endeavor. Revenue is generated because students are willing to pay higher tuition fees so they don't have to incur relocation costs. Students benefit because they are able to uphold family commitments while accessing a recognized foreign credential. The host country benefits because the IBC is recognized for developing and retaining local talent, which in turn contributes to knowledge development and economic growth. While there are various benefits to engaging in an IBC, several other factors need to be considered.

Factors to Consider

Lane (2011) suggested that higher-education administrators address several factors when they consider whether or not to establish an IBC. These factors include (a) limited availability of IBC research, (b) controversy over commercialization of higher education, (c) amount of stakeholder consultation during initiation, and (d) selection of a sustainable operating model.

The first factor administrators might consider is that little is known about both the motivations to establish an IBC (Kinser & Lane, 2014) and the factors administrators might consider in the decision-making process. While research in the area of IBCs has grown, the

actual process universities go through is still underexplored and poorly understood (Clifford, 2015). Limited research may be a result of the IBC being a relatively new endeavor. With little research in place, there is limited information about experiences related to effective and efficient operations, which prompts the question about sustainability (Altbach, 2011). Several UK and US universities have questioned the motives behind other institutions engaging in branch campuses, and consequently have publically declared their negative stance against implementing an IBC (Girdzijauskaite & Radzeviciene, 2014).

The second factor administrators might consider in the decision-making process is the controversy over commercialization of higher education through internationalization (Altbach, 2011). Historically, higher education has been viewed as providing a social benefit for society. More recently, higher education has transitioned to a for-profit venture or a financial commodity to be bought and sold (Altbach & Knight, 2007). An example of education as a commodity is higher tuition costs for international students, whether they are attending classes on the source campus or at a host location offshore through a for-profit partnership. The outcome is that the source organization receives revenue that subsidizes the source campus's educational needs. Knight (2005) suggested that there is a blurring of boundaries between publically and privately funded higher-education organizations, and between the nonprofit and for-profit status. As an example of blurring boundaries, IBCs are required to be financially independent, thus functioning more as private higher-education organizations that operate on a commercial funding model, even as they are affiliated with public organizations.

The third factor administrators might consider in the decision-making process is multiple stakeholder engagement throughout the consultation process, which requires resources such as money, time, and people (Holland, 2010). Stakeholder consultation would include individuals

internal and external to the organization. Organizations that deliver higher education offshore hope to replicate the operations of the source campus in a host location. Yet, the operation of a branch campus in a foreign context requires the source institution to adapt its business operations to meet cultural, legal, and environmental conditions very different from those at the home campus (Harding & Lammey, 2011). If they proceed, leaders have to determine where to locate the IBC, how to staff it, and how to develop the academic programs (Clifford, 2015). Consultation helps ensure that the venture is meeting the needs of the host and source organizations, and whether modification of operations and academic programs in the host location is required.

The last factor administrators need to consider in the decision to establish an IBC is which operating model will provide a sustainable operation (Gore, 2012). Administrators must consider both business and educational criteria that include risks in funding, campus resources, quality assurance, and political and legal implications. Ultimately, source organizations must look for operating models that demonstrate financial return with limited risk. IBC models of operation range from full ownership by the IBC with sole accountability for decision making and funding, to a joint venture or partnership agreement between the source and host organization with joint decision making and funding.

Purpose of the Study

Altbach and Knight (2007) suggested that the reason for establishing an IBC is to generate revenue through increased student enrollment. Additionally, an IBC is recognized for increasing access to education for students in foreign countries, and for enhancing the organization's prestige as a global education provider. To date, there has been no systematic investigation that examines the motivations of higher-education administrators who consider

establishing an IBC. Lane (2011) has acknowledged that the complexities associated with establishment and operations of an IBC result in managerial and leadership challenges. The purpose of this study was to expand the research on the decision makers' perceptions of the decision-making process when they were determining whether or not to establish an IBC, and to examine the measure(s) for success of IBCs.

Research Questions

In this study, I address the following central and subresearch questions:

1. What are the decision makers' perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?
 - (a) Who are the decision makers involved in approving the decision to establish the IBC?
 - (b) What steps are taken from initial engagement through to the decision to establish and operate the IBC?
 - (c) What are the considerations during the decision-making process?
 - (d) What information is used to inform the process of establishment?
2. What indicators are used to measure the success of the IBC?
 - (a) How are the indicators of success established?
 - (b) Who tracked and evaluated the indicators?
 - (c) What are the goals and timelines used to monitor success?

Significance of the Study

The intent of the study was to contribute to the body of knowledge related to the administrators' perspectives on the decision to establish an IBC, and to examine the measures for success. Currently, little is known about this decision-making process. As administrators make

operational decisions about IBCs, there are complex trade-offs that directly impact the host organization's performance and source organization's value. Having a better understanding of administrators' decision to establish an IBC will contribute to future decision making. Administrators' informed decision-making would support both the organization's source and host business strategies and the achievement of operational goals. The individuals who will benefit from the findings of the study are source and branch campus administrators, policymakers, and other stakeholders engaged in international education.

Limitations

The case-study approach is descriptive in nature and specific to the context. The case for this study covered a time span of 8 years, from preestablishment through to postestablishment, which created limitations related to access to some materials and potential research participants. The organizational documents were limited to accessible archived materials, and to the willingness of the site coordinator to provide access to these documents. Access to research participants was limited to the ability to locate potential participants and their willingness to participate in the research study.

Delimitations and Assumptions

The delimitations of the study were defined by the parameters of this research project. The country of Australia was selected as the source location because it has an extensive history of postsecondary internationalization, and, more specifically, the practice of establishing IBCs. I selected administrators of a specific source organization who were familiar with establishing IBCs in different geographical locations, all with different partnership models.

Recap

Transnational education is a high-risk venture with the potential for high return. Administrators and managers continue to seek opportunities to deliver education offshore, believing that they can model offshore programs on their current management and operational practices onshore. However, there are multiple factors for administrators to consider when establishing and operating offshore education. This case study explored the decision makers' perceptions of the decision-making process as they determined whether to establish an IBC, and the measure(s) of success related to the establishment of the IBC.

CHAPTER 2: LITERATURE REVIEW

The demands for quality higher education around the world are growing, and this situation is likely to continue in the future (Cai, Holtta, & Lindhom, 2013). Transnational education is a way for colleges and universities to meet the international demand for higher education. The American Council on Education (2011) suggested that transnational experiences assist students with their ability to function in other cultures. Students who engage in international education are better able to comprehend the realities of the contemporary world and meet their responsibilities as citizens. In this context, a number of studies predict substantial growth for the international education sector in general, and more particularly in the area of offshore/transnational delivery (Clifford, 2015; Heffernan & Poole, 2005; Hudzik, 2011).

With the growing interest in international education, higher education is now considered big business locally and offshore. As traditional education is transformed as a result of students' immediate needs for a job and career preparation, the competition amongst corporate, virtual, and for-profit universities, including those within the United States, also is growing. However, to date, the impact of these US organizations on the international education market share held by Australia and the United Kingdom is minimal. As the market continues to grow, so do considerations related to trade liberalization, including the need for (a) competitive education costs, (b) a business model that fits education, and (c) retention of quality curriculum.

Historically, colleges and universities have operated in their state, regional, and national contexts to meet the needs of their respective communities. However, colleges and universities now need to consider how to operate in a global context. Organizations are internationalizing

their education to meet these global demands through models such as the establishment of the *international branch campus (IBC)*.

I begin the literature review in this chapter with an overall discussion of the various models of delivery in international education, including IBCs. In the next section, I provide an overview of the history of the IBC, the rationale for engagement, and the basic considerations when one is establishing an IBC. In the third section, I examine the models of international branch campuses and the benchmarks for success. In the final section of the literature review, I examine the decision-making process associated with establishing an IBC and provide a summary.

Modes of Delivery in International Education

Export of higher education through borderless international education or transnational education occurs when a student engages in learning in a location different from the source or home country. The IBC is different than other modes of transnational education because it offers more extensive face-to-face programs than virtual learning options (Clifford, 2015). The scope and scale of higher-education providers who move across borders to offer academic programs and qualifications in foreign countries have changed dramatically, and so the definitions of these modes are evolving (Knight, 2016). The various definitions can be categorized based on the degree of collaboration (if any) between the source and host location, the associated accountability for conferring the credential, and the extent of staff or curriculum mobility. For example, the general modes of access to international education include joint programs supported through articulation agreements, online distance education, study-abroad opportunities, franchising, and the IBC (Alam, Alam, Chowdhury, & Steiner, 2013).

Articulation is the systematic recognition between two different educational organizations that have an agreement to recognize each other's course or program requirements to allow for partial credit toward a program (Alam et al., 2013). The educational organizations agree to provide students with credit for completed courses, which in turn creates the opportunity for students to transfer between the two organizations (Alam et al., 2013; Knight, 2005). The two organizations seek educational alignment in support of lifelong learning and increased career pathways for students, both locally and internationally. Articulation provides students with the opportunity to start their educational studies in the host country, and then to transfer and complete those studies in the source country (Alam et al., 2013; Altbach & Knight, 2007), with limited disruption in learning. Although articulation agreements seek alignment in program outcomes, sometimes there are challenges when the organizations involved are trying to identify course or program equivalencies. Such barriers to students' ability to articulate are created as organizations seek ways to differentiate their programs to keep pace in a competitive market. Another potential barrier is that administrators are looking for ways to enhance their reputations even as they realize that collaboration is required to meet the needs of a knowledge-based society (Hudzik, 2011). So the organization experiences competing priorities between creating pathways for articulation and the need to capitalize on niche educational markets as global competition spreads.

Online distance education is another alternative mode of delivery for international education. This approach reflects the use of technology to remove the traditional barriers of classroom learning by transferring the experience to an online platform. Technology is recognized for changing the notion of an educational campus being in a particular place or geographical location, to one of making the world a virtual campus (Hudzik, 2011). Online

programs can be collaboratively delivered with or without a partner organization, and delivered either onshore or offshore (American Council of Education, 2012). Delivery of online education may be fully online, occasionally supported by a face-to-face component through intensive lectures/workshops or attendance at regional study-support centers (Alam et al., 2013). Online education provides convenience and flexibility because learning can be self-paced. Like some other modes of transnational education, online learning provides an opportunity for working professionals to upgrade their qualifications while working full-time (Alam et al., 2013). However, a challenge of the online platform is that students must have a certain level of technological capability to engage in this learning approach.

Study-abroad opportunities are an alternative form of international education in which students travel to undertake courses and degrees for a fixed time at an organization located in a different country (Alam et al., 2013). Historically, organizations have placed a significant focus of their internationalization efforts on students crossing geographical borders to study abroad in a foreign country (American Council on Education, 2012). Student mobility is particularly popular among students in developed nations (Alam et al., 2013). Generally, students engage in short- or long-term exchanges abroad that are managed independently or facilitated by representatives from their source educational organization. Study abroad offers students several benefits that include the opportunity to see the world, and also exposure and experience to different cultures, lifestyles, and foreign languages (Alam et al., 2013). A challenge associated with this approach is the cost associated with living abroad.

An additional mode of delivery for international education is *franchising*, in which the source organization sells the rights to an education brand (Altbach, 2012). This mode is a business arrangement that allows an independent partner organization to sell and distribute a

branded education. A franchise arrangement is commonly referred to as a *for-profit commercial arrangement* in which the credential is provided by the source educational organization (Knight, 2005). In this type of agreement, the franchisor provides the franchisee with a license to use the business model, logo, and educational product for the purpose of resale, as means to capture market share. In the franchise model, the curriculum, qualifications, and academic oversight are primarily the responsibility of the foreign higher-education organization; the franchisee provides the space, students, support services, and program advertising (Knight, 2016).

Similar to the other delivery modes of international education, the franchise mode offers benefits and challenges. Franchising provides a certain degree of quality assurance and is considered to be cost effective for the franchisee; yet for the franchisor, this mode may pose some financial and reputational risks, depending on the local partner's shortcomings, financial or otherwise (Alam et al., 2013). Altbach (2012) acknowledged there are challenges with the franchise mode of educational delivery. First, there is the controversial perspective of whether education should be a commodity. Education has been traditionally viewed as a public service, and this mode encourages the trend toward privatization of higher education, which is now operating as a for-profit business. Second, the franchisee has no ownership of the product and there are no delivery restrictions or delivery oversight, which raise questions of quality.

Consequently, this mode of education is highly controversial for organizations.

The last delivery mode of international education to be discussed, and the focus of this research, is the IBC. Including transnational education ventures such as IBCs and their characteristics in the broader typology reflects the degree of mobility, partnership agreement, and scale of educational services available (Knight, 2005).

Potential IBC Limitations and Advantages

Helms (2008) acknowledged a lack of clarity in the IBC definition. Lane (2011) has defined the IBC as

An entity that is owned, at least in part, by a foreign education provider; operated in the name of the foreign education provider; engages in at least some face-to-face teaching; and provides access to an entire academic program that leads to a credential awarded by the foreign education provider. (p. 5)

However, Lane and Kinser (2012) have suggested that a single definition can never fully address all of the parameters of IBC activity without the more or less questionable use of judgment calls (Lane & Kinser, 2012). For example, “IBCs are distinguished from other forms of cross-border higher education by the physical movement of the institution from one geopolitical environment to another” (Kinser & Lane 2010, p. 108). However, while the defining criteria for the physical *delivery* of face-to-face educational programs is clear, the criteria for the delivery of educational programs at an IBC vary and are dependent upon the ownership or partnership agreements.

Recognizing the definitional issues related to an IBC, one can then argue various benefits and challenges when deciding whether to establish an IBC (Clifford, 2015). For the source organization, the benefits of the IBC are the expansion of global reach that may result in an enhanced reputation. The benefits for the students include having increased access to a foreign credential while remaining in their country of origin. Additionally, when students from developing countries attain a higher education without leaving their home country, this outcome can reduce the brain drain created when students who are educated abroad do not return home (Alam et al., 2013).

Specific challenges associated with an IBC relate to the financial and reputational risks for the source organization, and public perceptions related to the IBC as a for-profit venture. It is

risky for organizations to engage in internationalization of education if the motivations are primarily driven by revenue generation over institutional values (Hudzik, 2011).

As noted previously, the demand for higher education has increased dramatically in both developed and developing nations. Many students are unable to go abroad for work, family, or social, religious, or financial reasons (Wilkins, 2012). Countries that embrace the IBC as an educational strategy focused on internationalization view the IBC as a means to meet the demands for local higher education while preventing the risks associated with the loss of talent to other countries.

History of the IBC

Historically, IBCs have played a minor role in cross-border higher education, and there have rarely been more than one or two such entities in any one country (Farrugia & Lane, 2013). The earliest record of educational organizations crossing American borders to provide programs to US military and civilian personnel abroad dates to 1933 (Lane, 2011). The oldest recorded IBC is the John Hopkins University branch that is still in existence in Italy, which dates to the 1950s (Lane, 2011). Further development of IBCs came slowly, and in the 1970s, at least five American-based IBCs were opened in Belgium, Greece, Mexico, Switzerland, and the United Kingdom (Lane, 2011). Through the 1970s and 1980s, IBC development was inconsistent and slow, with sporadic development exclusively by American organizations (Becker, 2009). In the 1980s, the growth of IBCs was evident in Japan because Japanese leaders wanted to further strengthen the country's relationship with the United States (Lane, 2011). As a result, they actively recruited several American universities to establish branch campuses in the country.

Development of IBCs continued into the 1990s, and in the early 2000s that activity increased (Farrugia & Lane, 2012). The countries of Dubai, Malaysia, and Qatar developed

policy in support of the import of education through IBCs. Over this timeframe, the development of IBCs grew into a global phenomenon, in which nearly 200 IBCs were located in every inhabitable continent. The educational reports indicate a total of 183 branch campuses in 2011 and 186 branch campuses in 2012 (C-BERT, 2015). By January 2015, there were at least 220 IBCs worldwide, and the count in January 2016 showed a total of 232 (C-BERT, 2016). More recently, the Observatory on Borderless Higher Education and the Cross-Border Education Research Team (C-BERT) has reported a distinct pattern of growth in IBCs. The most common programs offered at these offshore campuses are business and information technologies because those content areas are in high demand worldwide and require little overhead, such as equipment, to deliver the curriculum.

The movement of education across borders through IBCs is documented by locations on every inhabitable continent in the world. However, the historical trends for importing IBC educational services are country specific, with key countries being Africa, Asia, Europe, the Middle East, North America, and South America. The data vary by source. According to Becker (2009), the largest importers of IBCs were the host countries of China, Singapore, and Qatar. Later, Lane (2011) noted that the United Arab Emirates was recognized as the largest importer. In general, the dominant source countries for exporting IBC services are recognized as the United States, Australia, and the United Kingdom (Becker 2009; Kinser & Lane, 2010; Ziguras 2013). Although the IBC is not recognized as the most common mode for delivery of international education, this mode has demonstrated evident trends in growth geographically.

Rationale for IBC Engagement

Administrators may operate IBCs for various reasons or purposes (Clifford, 2015); it is important that they are clear about their rationale and guiding principles because that clarity will

contribute to the success of their future IBC-related decisions. Reasons for operating an IBC might be opportunistic in nature. Further, opportunistic activities may be classified as *developmental* or *entrepreneurial*. Developmental activities may be viewed as contributing to the traditional values of education for the purpose of increasing access and supporting internationalization. Entrepreneurial activities are acknowledged as revenue-generating undertakings (Huisman & Wilkins, 2012) that contribute financial benefit to the source organization by subsidizing its operations in times of fiscal constraint. These activities are a result of an IBC opportunity presenting itself to the organization and administrators making the decision to engage.

Administrators' overall attraction to the IBC as a developmental activity includes the potential for strengthening academic standards and increasing access to education (Clifford, 2015). Further, the immersion of faculty and students into a foreign context contributes to enhanced learning and the potential for creating research and development opportunities (Harding & Lammey, 2011; McBurnie & Pollock, 2000). Faculty and students develop increased global awareness, which better prepares graduates for a diverse global workforce. The outcome of international engagement for the organization results in an enhanced global profile, which contributes to a stronger reputation for the organization and increased student-applicant numbers (McBurnie & Pollock, 2000). The IBC increases the student-enrollment base, and in some models, also creates opportunities for students to articulate or transfer between the source and host campus locations, as noted previously, thus increasing student access to education.

According to Wilkins and Huisman, the overall attraction to the IBC as an entrepreneurial activity is for the purpose of organizational market positioning and revenue generation (2012). Similarly, Wilkins and Huisman noted that an IBC can be recognized for strengthening a source

organization's domestic and international market position, thus contributing to an enhanced profile and prestige (2012). As a means to enhancing the organization's brand and demonstrating market position, the IBC will typically include the host country in the source organization's name. This use of the host country's name contributes to the source organization's ability to market multicampuses globally (Lewis, 2014). Additionally, the organization will experience short-term financial benefits through increased revenue resulting from domestic and international tuition fees. Longer-term financial benefits to the source organization are associated with increased earned revenue through training opportunities as a corporate strategy, graduate employment opportunities, and the potential for financial donations from international alumni. When administrators engage in an IBC, their understanding of the attraction, whether it is opportunistic, developmental, entrepreneurial or a combination of these, will guide the establishment of the IBC and contribute to the strategic goals of the organization throughout IBC operations.

IBC Models

Particularly in developing economies, the demand for access to higher education is being met through varying forms of transnational education: "Worldwide demand for higher education is growing at an exponential rate, driven by economic progress of developing nations, demographic trends and increased globalization of economies and societies" (Alam et al., 2013, p. 870). When one is looking to meet the educational needs of a developing economy by establishing an IBC, there are various considerations. These considerations may include access to funding, governance structure, operational capability and requirements, quality-assurance requirements, sustainability mechanisms, and, depending on the partnership model.

As discussed earlier, one form of transnational education is the IBC, which is fundamentally an *ownership* model. Variations of the basic IBC model are defined by the deliverables, and by the differences in capability between the host and source organizations. The various models have different degrees of decision-making accountability, facility ownership, and involvement in delivery. As demand for the IBC increases, it is necessary to recognize that a campus that is separate from the host country has different operational considerations.

When one is deciding to establish an IBC, the many considerations vary based on the context that influences the terms of a contractual arrangement, or the *partnership* model. The outcome of transnational education varies based on the context of that education as the source and host providers look to meet the respective needs both of targeted elite students who are looking for reputable, name-brand programs of study and of local students who are looking to obtain an education while living at home and upholding personal commitments. With all these variables, the considerations related to the decision to establish an IBC inform the selected model of partnership and mode of educational delivery.

Kinser and Lane (2013) have described five different IBC ownership models that educational administrators are using to meet the needs of these varying markets. These models of partnership can include any of the following: (a) wholly owned, offshore campuses supported by the source organization's internal resourcing; (b) a partnership or joint venture that has joint funding between the host country and home country's local or national government; (c) a partnership with a local, private partner; (d) facility rental, sometimes as a result of invitation; and (e) operation as a standalone academic offering that operates within another academic facility, and with no affiliation with the host academic facility.

In addition to these five partnership models, IBCs can be classified based on the type of programs offered or the credential awarded. Helms (2008) distinguished these classifications based on the following characteristics: (a) the type of credential being awarded (e.g., degree or nondegree, credit or noncredit); (b) funding model (for profit or not for profit); (c) tax status (referred to as *public/private organizations*, or a combination, referred to as a *public-private partnership*); or (d) student/client demographic (e.g., traditional learner, adult learner, or executive/professional). Although the characteristics of an IBC vary, no one schema of classification is all-encompassing.

The preferred arrangement for establishing an IBC is the joint-venture or partnership model, and some countries *require* a partnership. The IBC joint-venture or partnership model has been used to distribute risk and to assist the IBC with navigating the host country's (national, state, and local) regulatory frameworks (Gore, 2012). In partnership models, by the nature of the agreement, both the source and host campus administrators share a stake as contributors in the project's success. Stakeholder share may include a curriculum-leasing agreement, student recruitment, supply of capital and human resources, and quality-assurance monitoring, all of which are required for delivery of education. As noted, some countries require a partnership model for IBC entry into the country, a strategy employed to ensure revenue and quality oversight. China is an example whereby the government has mandated that, for an IBC to enter the country, a Chinese partnership is required. As part of this partnership, the Chinese government oversees annual student-admission quotas to ensure IBC compliance with local requirements (Holland, 2010).

IBC administrators recognize that engagement in a partnership model requires limited financial investment, which decreases overall project risk (Kinser & Lane, 2013). One of the first

steps in the partnership is for representatives of both the source and host organizations to sign a memorandum of understanding (MOU) as a base to the negotiations (Holland, 2010). Because the MOU is the initial stage of collaboration in the partnership, it is common for administrators from the source and host countries to have differing perspectives that they must resolve before they finalize and sign the MOU. The common business practice of using an MOU is believed to help ensure clear understanding between the partners regarding the respective accountabilities associated with providing effective and efficient delivery of education. The MOU promises rich partnerships and collaboration, yet is a non-binding document that has limited worth (Hudzik, 2011).

The proposal and contract documents outline the partnership model the participants agree to, including details about the services to be provided, curriculum options (including adaptation, as required), proposed staffing models, cost structure, associated project timelines, and the name associated with the credential (usually the participant who has the most contractual influence). It is not uncommon for misunderstandings and differences in the perceived outcome to occur between the source and host partners because of cultural differences in the style of negotiation. For example, although bidding on a contract or submitting a proposal are familiar North American practices, negotiation and agreement in a host location outside this region may involve haggling and a simple handshake. And although the Western way is to be more direct in discussions about partnership expectations, other cultures may be reluctant to say *No* because they perceive directness as disrespectful. The result of these differences in approach may be that the process of negotiation consists of many stages, which can lead to a lengthy negotiation process before participants reach an agreement that outlines the venture.

IBC Establishment

The successful establishment of an IBC has benefits, and the phenomenon of IBCs continues to rise. But establishing an IBC can also pose risks of failure for both source and host organizations. As Healey (2015) stated, “Setting up and running an IBC exposes the home university to very considerable risk” (p. 387). Few examples of such IBC failures, financial loss, and lessons learned, however, have been published. So little insight is available into those IBC transactions, successes, and failures, or the rationale regarding why administrators choose to withdraw from a host country. As Clifford (2015) has noted,

While previously many IBCs were established with little to no research, an increasing number of parent institutions are now conducting research and feasibility studies before they commit to the establishment of an IBC. Unfortunately, institutions conducting such studies often do not share the results of their assessments due to their sensitive and proprietary nature and decision-makers at other institutions don’t have the opportunity to benefit from the information uncovered in these studies. (p. 2)

This statement reflects the unwillingness of administrators to disclose details regarding their successful and unsuccessful IBC establishment experiences. Consequently, administrators continue to seek strategies to mitigate risk, which often results in management complexities.

IBC Failures

There may be multiple reasons for failed ventures, but, according to Becker (2009), the decision to withdraw an IBC has usually been a result of insufficient market research that in turn led to poor enrollment figures and mounting financial losses. One challenge of operating an IBC is that the financial return on operations may take a decade to be realized. Some campuses never operationalize, and failures are often because original student-number targets are overly ambitious and enrollments fall short (Lewis, 2014). According to C-BERT data, “most IBCs that have closed their doors have done so because they have failed to adapt to the local environment or their business plans were flawed or based on inaccurate or unsubstantiated data” (Lane, 2011,

p. 10). Failed ventures that place the source organization's reputation, and in some cases its financial stability, at risk have demonstrated the need for administrators to proceed cautiously when they are engaging internationally.

Risk Management

An outcome of administrators recognizing the high level of risk associated with establishing IBCs is that they are careful about managing public perceptions and protecting the reputation of the organization. This heightened awareness and sensitivity has resulted in a culture of blame, which can depress potential participants' entrepreneurialism and appetite for risk (Gore, 2012). In many cases, managerial oversight of IBCs has been motivated through fear that the actions of the IBC would negatively affect the home campus (Kinser & Lane, 2014). The ability to predict and minimize key areas of risk when administrators are considering foreign-market entry is considered a very challenging task because, as noted, there is no substantial research on recommended practices.

Often, academic leaders seem to make decisions based on knowledge about the home-institution environment without fully investigating the host-country environmental conditions (Lane, 2011). Although the engagement internationally is not to be taken lightly, evidence suggests that academic leaders and managers are not thoroughly vetting their foreign partners (Lane, 2011). When considering entry into a foreign educational market, administrators must complete rigorous market research in advance of a decision to establish as a means of managing risk; and they must use a more advanced risk-management framework than when they are establishing the source campus. Additionally, IBCs are vulnerable to changing environments, and to be successful, managers must be prepared to confront challenges unlike they have faced elsewhere (Lane, 2011).

Key Risk Areas

The key areas of risk that can create instability for the source and host campuses may be associated with many considerations. Areas of risk may include (a) financial (e.g., unanticipated costs); (b) educational/values alignment (e.g., inability for source and host organizations to meet comparable quality benchmarks or to align with each other's institutional knowledge); (c) sociopolitical (e.g., political unrest); (d) governmental (loss of support); or (e) enrollment (e.g., insufficient or inaccurate projections resulting from misalignment of government, employer, or student needs).

More specifically, failure to meet revenue and enrollment targets can be financially devastating for the source organization (Clifford, 2015). Given the different cultural, economic, and national features between source and host, valid quality concerns relate to the ability of the host IBC to deliver education comparable to that of the source institution. Lane (2014) acknowledged that IBCs have limited freedom in their ability to adapt the source organization's policies and procedures because of the source administrators' fear that doing so will lessen quality. In addition, differences in government structure, such as democratic versus communist, may create tensions. The potential for tension between the source and host locations may result in political sensitivities and the potential for withdrawal of government support. These differences in the source and host organizations' cultures, locations, and value systems create a need for emphasis on diligence, respect, communication, and trust (Spangler & Tyler, 2011). The source organization needs to be flexible and willing to listen to the host/client's needs to contribute to a better understanding of expectations by both participants.

Relationship Management

By incorporating the lessons of the corporate world, higher-education organizations can meet the challenges of transnational education. Among these various challenges for administrators looking to establish an IBC, managing relationships has been identified as among the most important (Heffernan & Poole, 2005). In addition to ensuring IBC profitability, IBC administrators must balance the host partner's needs while delivering a quality education. Heffernan and Poole (2005) found that the key success factors for establishing an effective international educational partnership and developing networks were effective face-to-face communication, trust, and commitment, all while participants conveyed understanding and respect for their differences in cultural expectations and traditions. The key to success was communication between key representatives engaged in the operations of the partnership, facilitated through regular visits to campus to establish and maintain effective partnerships. Helms (2008) also acknowledged that it is important for program goals be recognized and for initiators to remain committed and involved; revenue generation cannot be the only objective.

Internationalization is not without controversy because some individuals view it as a strategic initiative that provides limited support for students holistically—curricular and cocurricular. The commercial presence of an IBC offshore is sometimes viewed more as a business partnership (Olcott, 2014). Particularly in a time of fiscal constraints, higher education is often viewed as a commodity for mere revenue generation, and even a distraction from core business: “International branch campuses have been regarded by many institutions as just another possible income stream to exploit” (Wilkins, 2012, p. 2). In this context, an IBC is considered an operational distraction for the source organization, putting it at risk even when it is managed appropriately. Yet even while they may question the intent behind internationalization,

policymakers and government supporters often promote transnational education because of its educational and economic benefits.

Benchmarks for Success

As noted previously, the IBC is generally viewed as a public-private, for-profit endeavor, recognized for raising revenue (Olcott, 2014). Therefore, it makes sense that benchmarks for IBC success are quality assurance and revenue generation. As discussed previously, Olcott (2014) acknowledged that quality assurance consists of maintaining program standards and alignment with the source-campus core mission, to which faculty recruitment, student admission, and recognition of the qualification (defined and discussed in a following subsection) may all contribute. In addition, Kinser and Lane (2014) identified that the prominent areas of managerial oversight align with IBCs' benchmarks for success. As an example, managers overseeing IBC delivery look to provide consistent and comparable educational offerings between the source and host organizations, which reflects both quality assurance and is an important factor in revenue generation. I discuss each of these benchmarks in the following section.

Quality Assurance

According to the research, key factors related to IBC quality assurance include consistent faculty resourcing, student admission standards, recognition of the qualification, and resource generation. The focus of the following subsections is on these components of quality assurance.

Faculty resourcing. Qualified faculty for the IBC is considered a key area of quality assurance. Lane (2011) suggested that there is no comparative data on the number of faculty and their qualifications in the context of IBCs. However, several factors in addition to teaching skills influence the qualifications of faculty who are hired. For instance, the approach to faculty recruitment and hiring is sometimes influenced by the demands of local employment laws or visa

restrictions. Similarly, faculty employed at the source organization who are looking to engage in delivery of education at the IBC must integrate into the host country's teaching and learning environment, which may require adaptation of their familiar pedagogical approaches to a context with different cultural and linguistic backgrounds. Likewise, host faculty members who have no affiliation with the source-campus operations may attempt to provide a comparable educational experience even though they lack familiarity with the source organization's mission and vision. Because they have limited means for engaging in the institutional governance structures, these faculty members often feel disenfranchised and disconnected from the source campus (Lane, 2011). In addition, faculty who attempt to provide comparable educational experiences delivered through the westernized curriculum are challenged by the differing cultural and linguistic sensitivities of the source and host programs. Further, academic managers who provide organizational oversight of a host campus that has different time zones and work weeks find themselves frustrated if they attempt to work within the structure they are accustomed to if that structure is based on the source organization.

Student admission standards. Student admission standards also have the potential to impact quality assurance. If the program entrance standards are not upheld in source and host locations, the educational delivery standards run the risk of being compromised. Some educational organizations measure inputs—specifically, the degree of alignment between the source and host students' admission requirements—as benchmarks. This standard creates a challenge when the host campus has been established in an underdeveloped country with limited access to higher education. Students may be benchmarked to determine their alignment with the source country's admission standards, and their ability to meet entrance requirements may be limited. To address this issue, the approach to program admission can be changed to provide

developmental or foundational courses to assist students in meeting the necessary admission requirements. An alternative would be to screen out applicants who don't qualify for acceptance into the program. With respect to operating an IBC, when evaluating program successes there is an evident trend of overpromising and underperforming (Kinser & Lane, 2014) that can result in the potential for compromised entrance standards. When it comes to considerations around potential expansion of branch activities, most had recognized that early ambitions needed to be tempered with reality.

Recognition of qualification. Outcome-assessment practices are recognized as a crucial part of quality assurance, which is so vital to the wider transnational education context (Smith, 2009). Specifically, cross-border delivery of courses or programs, that may be subject to licensing of the curriculum, and to recognition or registration requirements by external bodies to allow graduates to enter into the labor market. Oversight and/or evaluation of these outcomes to determine the level of educational quality, specifically focusing on the quality of curriculum and teaching that may lead to a credential. Quality assurance relative to credentialing and licensing of the curriculum may involve the need to meet the requirements of multiple regulatory constituencies, such as accrediting bodies in both the source and host countries (Harding & Lammey, 2011). Yet, in many countries, there is a lack of capacity or political will to undertake the evaluation or licensing requirements by external education providers (Altbach & Knight, 2007).

As a means of quality oversight, host governments may control the import of higher education, making foreign providers accountable for having their educational credentials recognized in the host country. The host government can declare that its unlawful for any

employer to employ any person whose qualifications and credentials that are different from or are not consistent with the credentials recognized by the host country (Blackmur, 2007).

Strong competition among foreign universities to establish an IBC is believed to have contributed to the quality improvement of most programs (Alam et al., 2013; Wilkins & Huisman, 2012). With quality as a benchmark, IBC reputation continues to be of utmost importance to international marketability. Various professional bodies of the source and host countries regularly undertake audits and accreditation to ensure that quality benchmarks are met. Governments suggest that guidelines or suggested principles for quality-assurance standards continue to be developed for IBCs, with emphasis on the fact that these are still only suggestions.

Additionally, host administrators may be obligated to meet the source organization's accrediting/recognizing and funding-agency or host-country requirements while also ensuring that the programs being offered at the IBC are operating within the mandated local government and recognition frameworks (Cai et al., 2013; Clifford, 2015). Although the host country may request an accredited credential that is parallel or comparable to the source-campus offering, there are questions about whether an existing quality-assurance system can address mobility across countries (Altbach & Knight, 2007). Representatives from the accrediting agency, whether in the source or host country, are responsible for evaluating the quality of the educational offering and outcomes. Another potential challenge is that the accreditation process is now evolving to be commercialized by self-appointed networks (Altbach & Knight, 2007). In summary, administrators of the host campus can find it difficult to provide an educational offering on their campus comparable to that of the source program because of the necessity to respond to local needs and conditions that may be different from those of the source campus.

Revenue Generation

In addition to quality assurance, benchmarks for IBC success include revenue generation. Managerial accountability related to financial oversight is highly influenced by the model of the partnership agreement and the degree of integration of the source campus's domestic operation with the host campus's international operation. Whatever the funding source, the representatives accountable for funding the IBC will be concerned with the level of financial independence, from establishment to the point of revenue generation (Lane 2011). The funding agency requires assurance that the host organization demonstrates financial solvency and is not a burden to the source organization (Clifford, 2015).

Lane (2011) identified three primary categories of funding for IBCs: (a) host-government subsidy in support of an education strategy (to increase access to education); (b) private-partner investment; and (c) student tuition, whether paid by the student or through sponsorship. Such sponsorships, whether through the government or an employer, may influence the degree of autonomous decision-making. A branch campus, even if it is small and specialized, still requires careful financial planning in a context that includes many variables that are difficult to measure or predict (Altbach, 2011).

Clifford (2015) has acknowledged that the motivations for the growing interest in establishing a branch campus vary by the organization and the leader. Additionally, the decision to engage in an IBC is inherently risky and time-consuming. For those involved, having clarity in the rationale for engaging in IBC establishment will help define operational success and determine whether the IBC can support itself or it is necessary to discontinue the project. To restate, establishment of an IBC is associated with high investment and high risks, but also the potential for high benefits (Girdzijauskaite & Radzeviciene, 2014). Entrepreneurship has become

an educational objective; an example is offshore education, which is also viewed as a business endeavor that requires business transactions because organizations can no longer rely on public funding. Although the motivations to engage in an IBC may vary by administrator and organization, those motivations are commonly seen as revenue-generating activities in entrepreneurial higher-education institutions (Wilkins & Huisman, 2012). As a result of economic influences and market competitiveness, educational leaders need to navigate the management of academic programming and diverse student enrollment while looking to maintain quality education.

Decision-Making Process

As the preceding discussion makes clear, the decision to engage in the establishment of an IBC is complex in nature, with many operational considerations. Wilkins (2012) acknowledged that “the international branch campus is not yet a fully proven model, as there have been many failures as well as successes” (p. 2). There are questions about the sustainability of an IBC as administrators face daily challenges that require project decisions resulting from their inability to resource and replicate the educational offerings of the source campus at the host campus. Leaders of IBCs need to understand how the requirements of the host campus differ from those of the home campus; they must find ways to adapt existing policies and practices to best meet those different demands while still respecting the standards and ethos of the home campus (Lane, 2011). I explore these areas of decision-making in the following subsections: building legitimacy, ensuring financial accountability, managing the academic business, resourcing delivery, and selecting students.

Building Legitimacy

There is an increased need to build legitimacy when one is establishing a multinational organization such as an ICB because the operations are in multiple environmental contexts and require multiple stakeholders' buy-in (Farugia & Lane, 2013). The internal stakeholders, who consist of policymakers, board-of-governor members, and trustee members, would be informed by the source organization's governance framework. Stakeholders also include program managers, faculty, potential students, and their families. Stakeholders external to the organization include representatives from local industry, such as future employers of the graduates, and the local and professional communities from within the host and source geographical locations. Gore (2012) acknowledged that there may be a need to prioritize the numerous stakeholders to achieve effective resource allocation, and to reduce the complexity of accountability. The understanding by administrators or managers of the prospective stakeholders' needs contributes to building the legitimacy of the organization and supports more informed decision-making related to establishment and operation of an IBC.

Ensuring Financial Accountability

Clifford (2015) has acknowledged that failure to meet projected revenue targets for an IBC could be financially devastating. Yet an IBC's ability to demonstrate financial accountability and independence is challenging because accounting for nonmonetary costs may not be easy. Harding and Lammey (2011) recognized that there are many operational considerations when one is opening an IBC, and tracking the activities related to negotiating and signing the contract, and the resources associated with executing the project, such as the development of curriculum, policies, and student cocurricular services, may be challenging. The procurement process alone requires separate due-diligence assessments that are undertaken by

multiple stakeholders and therefore is resource intensive (Humphries, Rauh, & McDine, 2013). Additionally, there is a need to understand the fragility or stability of the foreign context and the potential impact on the environments (Lane, 2011) while simultaneously working toward financial independence and sustainability. The administrators and managers overseeing the project must demonstrate that they are making fiscally accountable decisions.

When an organization is deciding to establish an IBC, there is an overall need for administrators to consider its financial operating plan, including the required assets and budget to fund the work. The IBC as a performance-based contract requires a high level of buy-in and accountability to the ministries, national authorities, private sector, and general public (Humphries et al., 2013). The importance of a plan and the establishment of sound infrastructure for back-office support functions cannot be underestimated (Harding & Lammey, 2011). Back-office functions include financial activities that require support, such as the administrative and financial accounting requirements associated with extensive hiring, procurement, and travel. The IBC has long timelines to establishment that requires administrators to assess current and long-term transactions related to commitment of resources. Multinational corporations measure their degree of internationalization using the indexes of foreign assets, employment, and sales (Helfert, 2003). Higher education is unfamiliar with assessing and reporting such data; however, it is familiar with using key performance indicators (KPIs).

Reporting in education has historical practices associated with KPIs related to (a) student enrollment, (b) program completion, and (c) employment outcomes. An IBC's success will depend on the organization's ability to mobilize organizational systems within different environments (Olcott, 2014). Little is known about the impact of the IBC on labor markets or workforce productivity. Yet Helms (2008) identified that preparing students for jobs or career

placements are an important measure of an IBC's program success. There has been considerable discussion in Australian higher education about the qualitative impacts of transnational education on work in universities, but little discussion of the quantitative impact (Ziguras, 2013).

Educational administrators require both a business and an educational lens; they must rely on these sets of key reporting metrics to assist them in steering the fluid and fluctuating operations of an IBC.

Managing the Academic Business

Establishing a campus in a foreign country requires college and university administrators to adapt institutional business operations to meet cultural, legal, and environmental conditions different from those at the home campus (Harding & Lammey, 2011). As discussed, when launching an IBC, an organization enters a new organizational environment with a different set of stakeholders whose values, expectations, and goals are likely distinct from the stakeholders in the home environment (Farrugia & Lane, 2013). Administrators managing offshore campuses have identified the need for different skill sets, which include a high level of intercultural and international competence. Administrators need to have knowledge associated with cultural, social, ethnical, national, and religious origins, and about economic, political, and social development (Torenbeek, 2005).

Administrators from the source organization familiar with academic management now need to establish collaborations and make connections in a new context, one with different values for education, government regulatory frameworks, and market needs. As Lane (2011) stated:

Multinational educational enterprises require an academic leader who can balance the requirements of the home country with the demands of the host environment, operate in multiple cultures almost simultaneously, and have the capacity to deal with the ambiguities and challenges associated with start-up ventures. (p. 5)

In addition to being culturally competent and balancing home and host country needs, administrators have to manage the IBC as a business while working within the public domain. A public-private partnership agreement has created different strategic and operational decision-making considerations. Senior administrators familiar with operating a public organization now have to make business decisions related to managing a private business endeavor with performance-based compensation. Among all the potential catalysts for spurring internationalization, the president/CEO is the most common one at most institutions (American Council on Education, 2012). And while the president is the ultimate decision maker within an organization, the program manager is accountable for day-to-day operations. According to Torenbeek (2005), important competencies for an administrator are entrepreneurialism and flexibility, and the ability to make independent decisions.

Resourcing Delivery

To assist with replicating the source student experience, administrators consider recruiting faculty from the source organization to teach overseas based on their affiliation and familiarity with the core values and operations of the organization. A key operational consideration is related to the access to sufficient faculty resources to fulfill the substantial human-resource needs (Girdzijauskaitė & Radzeviciene, 2014). Experience shows that it is difficult to convince source campus instructors to teach overseas (Altbach, 2011). Interested full-time faculty may be unable to leave their current teaching roles because of concerns around loss of seniority, limitations as a result of being bound by a collective bargaining agreement, or the impact on resourcing of the source organization's operations, which may result in a lost opportunity for institutional knowledge development. Additionally, instructors anticipate that the infrastructure in the host location reflects the source location's facilities, which it seldom does.

The differences in infrastructure may also impact the ability of instructors to provide a comparable educational delivery because of potential limitations with the curriculum's compatibility with onsite resources.

An additional consideration in the decision-making process includes the potential to resource using the human resources of the host country. In an underdeveloped country, challenges have been associated with accessing the local teaching talent required to deliver education because local instructors from the region have proven not to suffice (Altbach, 2011). The immaturity of a host country may result in limited access to educated subject-matter expertise, thus resulting in recruitment challenges that require a reliance on source-campus instructors. However, source-campus instructors who are interested and available to teach overseas may become exhausted over time. As a result, managers may need to find a balance between host and source staff to meet the delivery needs (Girdzijauskaite & Radzeviciene, 2014).

Selecting Students

Due to the difference in environments, students in the host country seldom reflect the student body from the source country. The branch campuses and local universities often need to provide up to a year of preparatory study, sometimes referred to as *academic upgrading*, for many host-country students before full admission to the local program is possible. This additional study is necessary as the result of both their inadequate English-language skills and inadequate secondary-school preparation (Altbach, 2011). If the students are admitted into the educational organization without upgrading, their ability to progress in the program is impeded. As a result, the overall length of time students who require upgrading are enrolled in the organization is extended before they enter their chosen area of educational specialty.

If the decision is to maintain selectivity based on student qualifications at the time of their enrollment in the IBC, enrollment numbers are impacted because the program entrance requirements may be difficult to attain. This reality has financial implications and is specifically risky for administrators who have implemented a tuition-based funding model. The cost of student tuition is based on the value of education, the ability of the local economy to sustain tuition costs, the attempt to align costs with the source-campus fees, and increases in situations in which brand-conscious students are seeking an education at a high-profile organization. High-end brand is appealing to organizations looking to gain credibility and prestige to influence government leaders and the direction of the country (Helms, 2008). However, administrators may need to seek alternative means for students to progress through programming to mitigate the financial risk associated with low student-enrollment numbers.

Consequently, although administrators are motivated to engage in offshore activities, they must consider all these considerations because engagement is inherently risky for both the source and host organizations (Clifford, 2015). Liberalization of trade policies and improvements in technology have allowed for educational organizations to expand their geographical boundaries, but little attention has been given to how these changes have affected the operational aspects of these multinational educational organizations (Lane, 2011). In many ways, the establishment of a branch campus creates more administrative and academic complexities and challenges that need to be overcome. Administrators work in a complex framework as they manage the obligations of the home campus while also managing the needs of the global partner (American Council on Education, 2011).

Summary

In this literature review, I have explored the various areas of literature related to the IBC. “The academic literature on the decision-making process related to the establishment of IBCs is limited. We don’t know a lot about the process or definitively what makes for a successful IBC development effort” (Clifford, 2015, p. 22). Overall, this exploration of literature has identified the various models of IBCs and degrees of ownership or partnership models. The degree of ownership is recognized as resulting in differences in the level of involvement in operations and managerial oversight by the source campus. Further, although the history of IBCs has demonstrated incremental growth, in the early 2000s the global phenomenon of IBCs became evident as reflected in their growth and increased market demand. The decision to establish an IBC is based on the motivations of the administrator, whether developmental, for the purpose of contributing to development of a country, or entrepreneurial, as a business venture for the purpose of profit, or as a combination of both. Moreover, administrators are familiar with operating a campus in the source country, although little is known about individual perspectives of decision-making and the operational considerations of managing a host campus in another country. Ultimately, “an international branch campus is one of the most risky and unexplored entry modes to international markets in higher education and the topic of interest around the globe” (Girdzijauskaitė & Radzeviciene, 2014, p. 301).

CHAPTER 3: RESEARCH METHODOLOGY

Despite reported failures, the number of IBCs continues to grow. In addition, little is known about how administrators decide to establish a branch campus. To investigate and increase the potential for understanding the establishment of the IBC, I used a case-study approach in this research. According to, “The case study is used in many situations, to contribute to our knowledge of individual, group, organizational, social, political and related phenomena” (2013, p. 4). This research approach provided me with insight into the perceptions of the individuals who had engaged in a real-life event within the case being studied.

In the case study, I explored participants’ perceptions of the decision-making process and standards for success when they were deciding whether to establish an IBC, also called an *offshore branch campus*. The specific context of this case study was a partnership between two higher-education organizations, one of which hosts a branch campus in a different country. The source organization for the case study was a campus located in Australia; for the purposes of this study, I refer to the source organization as Campus-A. I refer to the host organization located offshore as IBC-B. In this case study, I explored the perceptions of the administrators and managers who were involved in deciding to establish the IBC, and their perspectives on measures of success.

Research Questions

The study was intended to address the decision-making process when an educational organization is deciding whether or not to establish a branch campus. The study included the following central and subresearch questions:

1. What are the decision makers' perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?
 - (a) Who are the decision makers involved in approving the decision to establish the IBC?
 - (b) What steps are taken from initial engagement through to the decision to establish and operate the IBC?
 - (c) What are the considerations during the decision-making process?
 - (d) What information is used to inform the process of establishment?
2. What indicators are used to measure the success of the IBC?
 - (a) How are the indicators of success established?
 - (b) Who tracked and evaluated the indicators?
 - (c) What are the goals and timelines used to monitor success?

Research Design

To contribute to the understanding of the real-life event, I used a case-study methodology. According to Yin (2013), “the case study research is an empirical inquiry that investigates a contemporary phenomenon [the case] within a real-life context” (p. 16). The case-study design is exploratory in approach and descriptive in nature. I employed a qualitative approach to collect information. The rationale for using this approach was to contribute to the development of an in-depth description and the knowledge base of perceptions of the decision-making process. The two-phase research design consisted of analysis of retrospective documents followed by participant interviews. The case-study research was focused on Campus-A, the decision-making party that established the offshore branch campus. The process was inductive in

nature because I was seeking to arrive at a conclusion formulated on my analysis of the information.

Case-Study Sites

Creswell (2009) noted that the researcher needs clarity regarding why a site and participants were chosen for a study, and how the study will contribute to answering the questions. The purposeful selection of Australia as the case-study site for Campus-A was a result of the continent's long-standing history of engagement in education, and specifically in for-profit transnational education activity, largely because of its geographical location. The country has hosted a variety of offshore campuses. In addition to having a long-standing history in transnational education, Australia is one of the few countries recognized for having national quality-assurance standards for regulating its offshore educational delivery.

Australia

The business of international education has become a core element of Australia's philosophy of higher education (Heffernan & Poole, 2005): "The international education industry is Australia's fourth largest export industry, contributing \$11.3 billion to the Australian economy in 2006/07" (IDP, 2007, p. 7). And by 2013, international education had become the country's third largest export product (Ziguras, 2013). Offshore education has become a large economic influence in Australia and has changed the landscape of higher education there. Within Australia, two sectors of tertiary education in the national regulatory system focus on the needs of various students: higher education and Vocational and Education Training (VET). Higher education focuses on providers in the university system, and VET focuses on providers for gaining, retraining, or upgrading skills of offerings between secondary school and postsecondary education. VET, which is acknowledged as an internationally applied system of education,

focuses on practical skills training. “Relative to the size of the domestic student population, Australia’s international operations both onshore and offshore constitute a larger part of the tertiary education system than in any other country” (Ziguras, 2013, p. 336).

Australia’s VET sector encompasses eight state and territory governments that include both industry and public and private education providers. The government of Australia regulates VET organizations, and each is required to be a Registered Training Organization (RTO) to deliver accredited training. VET providers offer postsecondary apprenticeships, certificates, and diplomas through postdiploma credentials. Students engage in educational experiences related to practical, career-related skills to help them gain employment in the workplace. Of these Australian VET organizations, 33 now deliver offshore education in 34 countries, which reveals a slight drop in organizations from 2013 as a result of mergers and changes in providers (National Centre for Educational Vocational Research, 2015).

I selected Australia as the source country for this research study because it has set the benchmark as a leader in international education. Although its higher-education system has unique nuances, Australia’s culture, economy, language, and political systems are similar to those of North America. Australia has large international market appeal both onshore and offshore because of its location; as a result, it is one of the few countries to have implemented a quality-assurance framework to regulate the delivery of overseas education. Public RTOs are regulated by the Australian Quality Training Framework (AQTF) and are assessed by government authorities to ensure compliance with national standards for consistent delivery of high-quality training that preserves academic integrity. This assessment is required for publicly funded organizations to register to provide training onshore, and to provide education offshore, the focus of this research.

In the mid-1980s in Australia, the liberalization of international education demonstrated faster growth in universities than in VET providers. As a result, the Australian government established specialized international units to assist Technical and Further Education (TAFE) providers with development, including offshore delivery. TAFE education adheres to the internationally applied VET framework; its focus is on practical application, and the program is designed to be accessible and affordable. In recent years, TAFE providers have become increasingly active in offshore education, along with the universities. Campus-A, as one of these organizations, is an RTO in Australia. I selected the specific organization of Campus-A based on its long-standing history of engaging in various models of partnership to successfully deliver offshore education.

Campus-A and IBC-B

Campus-A was established in the early 1900s and is now one of the largest VET providers in Australia. Campus-A has numerous campuses that deliver TAFE specific to apprenticeship, diploma, and degree programs, with an enrollment of approximately 63,000 students. Campus-A offers educational programs in a broad range of areas, from automotive, building, business, health, and hospitality to information technology. Campus-A has developed more than 20 accredited overseas branch campuses since it began operating offshore in 2000, and by 2010 it had enrolled more than 2,000 students offshore, who were studying its programs through many different partnerships in various countries.

Campus-A has five campuses and is owned, operated, and financed by one of the states in Australia. As the source campus, Campus-A has an extensive history of involvement in for-profit offshore education; it provides more than 1,400 programs, which include short courses, apprenticeship training, and certificate, diploma, and degree programs. In 2012, 70,572 part-time

and 18,861 full-time-equivalent students were enrolled at Campus-A, according to a year-end audit (Campus-A, 2013). The student population consists of domestic, international, inbound VET, and higher-education students, with a total of 6,457 international students offshore. Campus-A recently reported that it is currently the source organization of more than 20 global, transnational, or offshore campus partners, of which I chose one for the focus of this case study. The organization focuses on delivering practical training through well-matched local partners in areas of workforce need. In this case study, I explored the partnership agreement from the perspectives of participants from Campus-A as the source campus, and the international branch campus of IBC-B as the host campus.

Campus-A, the research site operates a branch campus in a Middle Eastern country, one of the five major host countries for Australia's offshore education. As the extended host campus in this Middle Eastern country, IBC-B is a single-campus operation that provides higher education exclusively for female students. IBC-B functions under a different operating model from the source campus. As an organization affiliated with Campus-A, the source campus, IBC-B has separate financial accountabilities, including reporting, and needs to demonstrate not only sustainability, but also profitability.

In 2007, Campus-A partnered with IBC-B to establish an IBC offshore. Specifically, IBC-B offers private higher education for women of the Middle East, providing full-time diploma programs in English that range from job skills to higher degrees through articulation or transfer. IBC-B provides diploma programming in three key areas: arts, business, and foundational studies. Since 2011, IBC-B has enrolled more than 1,000 students, with 670 students having graduated by 2013 (Campus-A, 2015).

Information Sources

To support my exploration of the research questions, I identified two key information sources and sequentially collected from those sources (a) documents, and (b) participant interviews. I accessed the document sources through the site coordinator at Campus-A, who was the main human source of information for this study. These sources consisted of organizational and public documents, both before and after the establishment of IBC-B. Campus-A organizational documents highlighted the establishment activities and participants who engaged with the development of IBC-B. The public documents consisted of publicly available materials from websites, as recommended by the site coordinator, who considered them to be informative and of relevance to the research questions. I sequentially analyzed the information sources because, in the decision-making process, the documents contributed to identification of participants as potential interview participants. The participant interviews, in turn, provided perspective in the decision-making process.

Document Identification

Analysis of organizational and public documents as recorded over the years contributed to my understanding of the nature, meaning, and tenets of the case study. The review of the websites from both the source and host campuses offered an overview of the organizations and increased my understanding of their missions, visions, and program offerings. Public documents that were identified included (a) annual reports that highlighted historical activities and documented the organization's evolution and engagement in transnational education, and (b) associated financial statements. In addition, government websites provided access to archived public documents that assisted in my understanding of the operational context and parameters that regulate Campus-A's educational delivery and partnerships, and the evolution of IBC-B.

Organizational documents consisted of archived records of operations from Campus-A specifically, the steps in initiation of the partnership through to the decision to establish IBC-B, and operational measures of success. Documents that were identified included an agreement to collaborate; archived meeting minutes; and correspondence that outlined the evolution of campus operations through to the time of establishment of the extended campus, and through the initial years of operation. These documents included financial projections and annual monitoring reports.

Document review depended on access to and availability of information, and consisted of an archival 4-year time frame from 2004 through 2007 as it related to the decision to establish the IBC, and a 4-year term from 2008 through 2011 as it related to measures of success for the operation of the IBC. This time frame reflected the establishment of IBC-B in October of 2007, and the students' initial engagement in program delivery in 2008. I analyzed these documents for the purpose of identifying categories associated with documented steps in decision-making and measures of success, and to identify key participants involved in the decision.

Preestablishment documents central to the study from 2004 to 2007 included the following:

- Documents outlining the decision to engage in an international branch campus (correspondence, memos, etc.)
- Business Case document, developed between Campus-A and Middle Eastern Shareholding Company from 2004 to 2007
- Business/Contract Development Process document
- Amiri Decree document, from 2005 approved by the Middle Eastern state, Council of Ministers General Secretariat that licensed IBC-B set-up

- Campus-A Annual Report documents
- Annual academic and administrative reports
- IBC-B Board of Trustees Terms of Reference and Board of Trustees Meeting minutes
- Campus-A Financial Statement reports
- Discussion paper about national quality strategy
- Memorandum of Understanding (MOU) document

Postestablishment documents central to the study from 2008 to 2011 included the following:

- Australian Qualifications Framework (AQF) supporting documents
- Campus-A Annual Report documents
- Campus-A Financial Statement reports
- Annual Monitoring Checklist Report Action Plans document
- IBC-B Board of Trustees Meeting minutes
- IBC-B Financial Return on Investment (ROI) spreadsheet

I analyzed, categorized, and further reduced a total of 39 archived public and organizational documents. The document analysis contributed to my understanding of the context of the case, the documented steps in the establishment of IBC-B, points of decision making, and areas of consideration during decision making. In addition, the document analysis helped me identify potential interview participants who may have engaged in the decision-making process. Postestablishment document analysis contributed to my increased understanding of the perspectives on the measures of success, including indicators and timelines.

Participant Identification

As noted, the comprehensive document analysis helped me identify administrators and managers as potential interview participants. The administrators and managers represented key contributors recorded in the archived organizational and public documents. These historical records provided evidence of the various participants' involvement in the decision-making process and the establishment of the IBC. Additionally, these documents provided me with potential participants to request their involvement in the study. The participants' consent to engage in an interview validated their involvement in this case study.

Information Collection Procedures

In recognizing that information collection occurred within the real-world context, I needed to carefully and respectfully integrate into the source campus's operations. I received Institutional Research Board (IRB) ethics approval and initiated the document analysis for the purpose of investigating participant perceptions of the decision-making process and measures of success. I contacted a site coordinator from Campus-A regarding the case study to request recommendations on public documents and access to organizational documents of relevance to the research questions. A nondisclosure agreement (NDA) was initiated, limited to Campus-A, for my access to all confidential organizational documents such as historical documents and tracked financial metrics and data, subject to Campus-A's agreement to release. Completion of the NDA between Campus-A and me was completed prior to release of the documents to me, to ensure that the private nature and proprietary information remained confidential. The site coordinator then released for my review the available and accessible archived organizational documents collected throughout the preestablishment and postestablishment of IBC-B.

Potential research participants were identified as a result of the comprehensive document analysis. I used the Campus-A site coordinator and professional networks to assist in locating potential participants. Potential interview participants received an email of introduction (see Appendix A); upon validation of their involvement in the decision-making process, the Consent to Participate in the Research Study form (see Appendix B) was distributed. I requested that participants sign the consent form and return it before their scheduled interviews. Upon receipt of the signed consents, I scheduled semistructured field interviews with participants for a maximum of an hour and a half per interview. I conducted interviews with a total of five participants consisting of senior administrators and program managers. The interviews were completed over Skype because of our different geographical locations. Interview times were flexible and were scheduled based on participant availability. I conducted all interviews using the Interview Guide (see Appendix C). Upon receipt of participant authorization, I created an audio recording of the interviews to assist me with the recollection of the interview. Additionally, the audio recordings contributed to the transcriptions, ensuring that specific statements or quotes were captured and accurately represented. The professional transcriptionist signed a confidentiality agreement before completing the transcription of the recorded interviews. All transcripts were captured verbatim based on the audio recordings.

To protect the organization and the participants from identification, all transcribed and recorded files had identifiers removed, and pseudo names for the participants and the organizations (Campus-A and IBC-B) were assigned. All documents and all files with a pseudo name that corresponded with the file name were stored on a password-protected computer. The pseudo names (codes) associated with identifiers on a linked list were stored in a separate locked filing cabinet within the office of the coprincipal investigator. The audio recording and the linked

list will be destroyed or erased within a 2-year timeframe. The transcribed interviews and documents will be stored for 5 years and will then be destroyed or erased.

Information Analysis Techniques

To increase my understanding of participant perceptions when they were considering the establishment of an extended campus, I completed a thorough document analysis. This analysis contributed to my understanding of the context of the case, the steps involved in the establishment of an offshore campus, and the identification of potential decision-making participants. The information-analysis portion of the research study comprised two phases. Phase 1 included data collection and assessment, and the selection of study participants. Phase 2 focused on analysis and coding of participant interviews, and the final interpretation and incorporation of the results. I present my analysis techniques in the following sections.

Phase 1

The initial information analysis consisted of a study of multiple information sources, which contributed to my basic understanding and ability to formulate an account of the case study. The analysis helped me to create an in-depth description of the perceptions of those involved in the decision-making process around whether to establish an IBC, and their measures of success upon establishment. The collected documents contributed to my increased understanding and ability to identify categories associated with the decision-making process. The documents also helped me to identify research participants for data collection through interviews.

Upon initial collection, I reviewed and re-reviewed 39 archived public and organizational documents to increase my in-depth understanding. I applied a document-selection spreadsheet to each of the documents; the spreadsheet outlined the central and secondary research questions in

the context of each document. I categorized the documents based on chronology, document title, purpose and audience, and alignment with each central and secondary research question. This process resulted in 26 preestablishment and 13 postestablishment public and organizational documents. I then reviewed the documents and eliminated those that were not relevant to understanding the central and subresearch questions. The final reduction of the preestablishment documents yielded a total of eight public and three organizational documents that required detailed analysis. The final set of postestablishment documents included six public and six organizational documents. Both sets of public documents included the financial documents.

The primary preestablishment public documents were the Annual Reports, the Australian government regulations, and a discussion paper about national quality strategy. The primary preestablishment organizational documents that contributed to the study were the MOU, the Business/Contract Development Process, and the Business Case. The primary postestablishment public documents were the Annual Reports, and the Financial Statement reports. The primary postestablishment organizational documents were the Annual Monitoring Checklist Report Action Plans, IBC-B Board of Trustee Meeting minutes, and the IBC-B Financial ROI spreadsheet.

Preestablishment public documents. Campus-A's Annual Reports and corresponding annual Financial Statement reports (from 2004 to 2007) provided me with insight into the context of the case study prior to establishment. Campus-A's geographical location having an impact on operations, and potentially the participant's approach to the decision to establish IBC-B. In addition, the annual reports documented Campus-A's organizational updates from the various departments and schools, which highlighted any previous involvement they had in IBC-B. The Australian government websites, specifically the higher-education site and the Australian

Qualifications Framework (AQF) website (supported by the AQTF standards), also increased my understanding because these sources outline the regulatory framework for higher-education operations, including the reporting requirements for offshore delivery. Because Australia has been recognized as a leader in many forms of transnational education, the *National Quality Strategy for Australian Transnational Education and Training Discussion Paper* from 2005 focused on quality principles for transnational educational delivery.

Strategic direction. Review of the Campus-A Annual Report documents contributed to my understanding of Campus-A's strategic direction and supporting initiatives related to its focus on comprehensive internationalization. These reports documented topics associated with internationalization/globalization, the chronological development of Campus-A's offshore extended campuses or franchises, and specifically, the year-to-year development of IBC-B. The annual financial statements, reported as a section of the Campus-A Annual Report documents, increased my understanding of the organization's financial position and the extent of the contribution to the source organization's overall financial situation that resulted from its engagement in international education and extended campuses.

Annual financial statements are a mandatory requirement for all publically funded educational organizations. Campus-A's annual financial report documented the organization's financial performance, position, and transactions for its operations, including its international activity. The statements documented all fee-for-service activities and associated revenues based on a percentage of its projects completed to date.

Although administrators were familiar with working with foreign currency when engaging in international offshore activities, Campus-A still implemented the practice of using the exchange rate in effect on the date of the financial transaction. As a means to managing

floating currencies and exchange rates, Campus-A used its standard financial policies and a natural hedging method for its financial transactions relative to IBC-B where feasible. (A common definition of *Natural hedging* was using one consistent currency for contracts and payments, whether or not the currency was local.) These documents reported the annual monetary costs to operate an extended campus from a high-level reporting perspective, based upon year-end values and revenue-generation data. The financial reports also documented the contributions of international activities separate from the government-funded programming.

Campus-A is situated in a state that has a long-standing history of involvement in delivery of offshore education, international projects, and receipt of students in country. In 2004, the Australian Minister of Education issued a statement that acknowledged the benefits of international education and established a committee in support of the development and implementation of a strategy, which included offshore campuses. During this time, the higher-education system has represented various states and territories that govern the educational-delivery and quality-assurance requirements. Government representatives and educational administrators consider quality assurance a key component of education because it represents a level of satisfaction with the consistency and effectiveness of vocational education, training, and services not just organizationally, but nationally. Both entities may raise questions related to inconsistencies in standards in educational delivery on behalf of regulatory and nonregulatory stakeholders, and also industry employers, licensing bodies, professional associations, and unions.

Quality assurance. During Campus-A's IBC-B development, the government of Australia released the National Quality Strategy for Australian Transnational Education Discussion paper. This document demonstrates the national focus on the need for continued

quality-assurance audits, with an increased focus on the differences associated with onshore and offshore transnational education. As the Minister for Education, Science, and Training stated, “About one in every four international students in the Australian education and training system is now enrolled offshore” (*A National Quality Strategy*, 2005, p. iii). In 2003, a total of 55,000 students were studying in higher education offshore, and of these students, 18,300 were specifically VET students (*A National Quality Strategy*, 2005, p. 1). The Australian government has identified that, for Australia to maintain its recognition as a high-quality education and training provider, a national quality strategy for transnational education is essential. This increased focus on providing a quality education is a means to protect Australia’s high reputation as a provider of international education.

In support of quality assurance, Australia implemented a qualification structure. With a continued focus on quality, the government has continued to update the AQF documents and supporting processes over time to provide a more flexible framework, applicable to all postcompulsory education and training qualifications. The purpose of this framework is to monitor consistency and quality in the teaching and assessment of learning outcomes that lead to a recognized Australian educational qualification. All the specified learning outcomes or competencies focus on preparing students to enter into university studies, vocational education and training, and the workforce sector. The scope of credentials included in the AQF have evolved over the years and account for various qualifications in different sectors, with some of the qualifications listed in more than one sector because they represent different types of learning.

The AQTF represents a set of national standards established for the purpose of auditing and registering higher-education organizations, ensuring application of mutual recognition and

statement of attainment, and accrediting courses. RTO audits were to ensure that educational organizations complied with AQTF standards. Noncompliance by educational organizations would impact the ability to maintain continuous registration or to qualify as a government registered organization. Training packages that describe the knowledge and skills necessary for students to effectively perform in the workplace support these programs. In addition, there are standards and qualifications for assessing these skills, which have been developed by industry through national training advisory bodies and guided by the registering bodies. The benefits of RTOs are that their credentials are quality assured, and qualified organizations can apply for financial assistance for program delivery. Australia's quality-assurance system requires that RTOs maintain the same standards for course delivery for onshore and offshore delivery; if they do not, the source organization's license will be at risk.

Campus-A aspired to be the number one global leader in vocational education and training in Australia, recognized for providing extended campus education offshore. Consequently, quality assurance was an important consideration when administrators were deciding to establish an extended campus because it impacted the source organization's standing as an RTO, both locally and internationally. Campus-A's strategic plan focused on developing students for local, national, and international communities; the plan focused on preparing students to excel in the global employment market. As Campus-A's mission, vision, and values evolved over the years, the organization remained focused on giving students the global resiliency necessary for a sustainable career in a global economy. This included a continued focus by the organization on internationalization through various initiatives that included increasing extended-campus business offshore.

Evolving economics and marketing. 2004 was a time of change for Campus-A in terms of socioeconomic factors related to traditional markets. Changes were a result of increased competition in the international realm due to the high Australian exchange rate in comparison to world currencies, and increasing uncertainties in world security. Campus-A focused on its engagement in international education through initiatives such as recruitment of international students inbound, study-abroad endeavors, study tours, and engagement in extended-campus agreements. During this time, there was a slight increase in the number of inbound students. Study tours included persons from various countries, including China, Thailand, Uzbekistan, and Vietnam, visiting the source campus. Internationalization of the campus was evident, based on various initiatives that included professional-development opportunities and international engagement for staff, instructors, and coordinators. As a result of demonstrated growth and strength in performance, Campus-A engaged in a variety of models of offshore training, offering a range of programs in Asia and the Middle East. At that time, extended campuses were hosted in several different geographical locations, for a total of six campuses or centers.

To summarize, my analysis of these public documents provided me with a description of the Australian context and activities at Campus-A during the administrators' decision to establish IBC-B. Additionally, the documents validated Australia's extensive history in the engagement of international education and its governance structure—specifically, the regulatory framework associated with operating a branch campus.

Preestablishment organizational documents. The preestablishment organizational documents provided me insight into the development of IBC-B, including potential participants involved in the decision to establish IBC-B. The 2003 MOU, outlined the convergence of the two organizations (Campus-A and IBC-B) in support of a common goal. The MOU was

authorized by the General Manager of Corporate Services, and signed by the Chief Executive Officer (CEO) of Campus-A and the general manager from the partner company invested in the establishment of IBC-B. Although nonbinding, the MOU outlined the agreement to collaborate on establishing a campus through mutual cooperation with the intention of building a sustainable alliance. The document highlighted understandings and conditions related to confidentiality and security in the affairs related to collaboration, legal status associated with the governing jurisdiction, ownership of intellectual property, privacy principles related to collection of personal information, and terms until the technical service agreement took effect.

The Business/Contract Development Process document and supporting brief for IBC-B from 2004 outlined the high-level life cycle of this specific project, from initiation through to delivery. This document was created well into the stages of IBC-B development, just before final approval. At this stage the CEO had identified that the ongoing evolution of the project, including various changes, were not accorded the appropriate attention required based on importance and impact. In some situations, e-mail communication was used to engage stakeholders and to make go/no-go evaluative decisions, which may have been appropriate in some circumstances, but not others. This document captured the lessons that had been learned in the process, and recommendations for improvements that assisted the participants with the business flow of international contracts and the engagement of key stakeholders in the decision-making process, which was of specific importance with the scale and value of this project. This document captured the project life cycle from an overarching prospective of the process, which outlined the primary and support responsibilities, supporting processes, aligning policies, and key points of go/no-go decisions.

The Business Case document between Campus-A and IBC-B from 2004, a 27-page document (in addition to 12 appendices, and accompanied by an extended-campus agreement), was created specifically for securing the CEO signature that confirmed approval for the establishment of the extended campus of IBC-B. The business-case document was the key source of information (validated by supporting documents) that documented the steps in project development and potential participants who engaged in the extended-campus approval process. The Business Case document combined with the service agreement outlined the background actions to date, due diligence, stakeholders, and project assessment. In addition, the business-case document rated the financial considerations from worst to best relative to direct benefit to Campus-A specifically financial contribution. The overall demand for educational offerings, long-term financial outlook of operations, financial contribution back to Campus-A, and sustainability of operations informed financial considerations. The Business Case also documented a range of internal stakeholders that were consulted on the decision to establish IBC-B.

I further analyzed the documents that directly contributed to my understanding of the research questions. I used horizontalization to manually color-code the consistent and repetitive themes associated with the research questions. I categorized these codes, which helped me create the initial descriptions of the themes. The analysis process consisted of movement backward and forward throughout the analysis of the various documents, which contributed to the further development and defensible interpretation of documents (which I later compared with transcript analysis from the interviews).

The analysis of the organizational documents contributed to my ability to answer the research questions by developing a timeline of events, identifying the various stages of

development, and identifying the potential participants who may have engaged in the decision to establish IBC-B. Additionally, the documents contributed to my understanding of the participant's levels of accountability associated with the decision-making process.

Postestablishment public and organizational documents. Finally, Campus-A's Annual Reports and corresponding annual Financial Statement reports (from 2008 to 2011) contributed to identifying IBC-B's measures of success. I examined the publically available annual reports and financial documentation to increase understanding of IBC-B's indicators used to measure success. I further analyzed the postestablishment, high-level financial data from the IBC-B because financial ROI was a key consideration upon establishment and through continued operations. As Helfert (2003) noted, economic or financial value may be used to measure an organization's economic performance, future expectations, and value. The primary organizational documents were the Annual Monitoring Checklist Report Action Plans, IBC-B Board of Trustee Meeting minutes, and the IBC-B Financial ROI spreadsheet that contributed to understanding of financial and quality indicators.

Phase 2

With the Phase 1 collective document analysis, I identified a total of 14 potential participants (decision-makers) for Phase 2 interviews; based on this analysis, these participants appeared to have engaged in or contributed to the decision-making process. The documents outlined the roles of the various individuals I identified as having been directly or indirectly engaged in the extended campus operations, and specifically the establishment of IBC-B. These individuals included a range of managers, senior leaders, CEOs, and council members (later called the Board of Governors).

The Business Case document had required signatures that verified the review and approval of the project and supporting services. The levels of sign-off assisted me with validating the various participants in the decision-making process. This document identified the following participants: six teaching center managers (CMs), one project manager (PM), and six senior administrators/managers (general managers [GMs] and a vice president [VP]). When I was validating the participants with the site coordinator, it was noted that one additional manager may have been a potential participant in the decision-making process. This manager was not formally documented in the Business Case because the manager had transitioned into the project during the approval process.

The site coordinator indicated, and my request for an interview confirmed, that, although various administrators and managers were documented in the Business Case, not all were involved in project development. The business-case document was a template that included boilerplate statements and listed names of managers associated with the various program areas. Although various managers were listed in the Business Case document, however, some of these program areas were only under consideration, but not necessarily involved in the project and the final decision to establish IBC-B. Initially, a variety of programs were offered to the client; but the number of programs were significantly reduced when the set-up costs were realized. This reduction in project scope was documented in the annual reports and validated by some of the interview participants.

The final signatory on the Business Case document was the CEO, supported by signatures of four additional managers who were confirmed to have contributed to the decision-making process. Throughout the establishment of IBC-B, various stakeholders had transitioned out of the project, and one manager later joined the project team. As noted, the participants who

were confirmed to have been directly engaged in the project, whether operationally or strategically, were CMs, GMs, a PM, a VP, and the CEO. These stakeholders were affiliated with Campus-A's Commercial Development, Corporate Marketing, and Corporate Service areas.

While the project team represented a range of knowledge areas, all individuals had very specific accountabilities. CMs consulted on needs of the extended campus, from infrastructure (classroom design), to education (academic class selection and selection of class units), to instructor ratios (class size per cohort), to resourcing (staff qualifications). The GM was required to provide strategic leadership in a range of initiatives, from managing business growth and performance, to community relations and client or customer services, which included students receiving the education. The GM for Commercial Development was accountable for managing commercial growth and institutional business development, including international business opportunities. The GM for Corporate Marketing was accountable for building partnerships, developing funds, and growing the business of the organization. The GM of Corporate Services was accountable for the organization's overall financial management and viability, which included budgets and financial auditing. The Deputy CEO was accountable for many of the institution's objectives, with a key focus on corporate governance, and specifically statutory obligations related to review and compliance of the VET Act, and to ensure that the institute met the AQTF standards.

The final list of decision makers consisted of a diverse cross-section of managers who had worked in various roles across different countries, either formally within their respective roles or informally in support roles. Participant-A worked in Asia, Bahrain, Dubai, Fiji, and the Middle East, and engaged in commercial business by pursuing international training opportunities for Campus-A. Participant-B was an educational center manager who oversaw

domestic operations for various program areas and consulted for Campus-A's international business-development unit on different aspects of offshore educational delivery. Through capability conversations, Participant-B advised on curriculum, instructors' needs, and costs for overseas delivery throughout Asia and the Middle East (China, Fiji, Kuwait, Malaysia, and Vietnam), in addition to a few smaller projects. Participant-C started in education as a center manager in one of the academic schools and later transitioned into coordinating extended campuses in the Middle East and establishment of IBC-B, which was his first international experience. Participant-D had an extensive background in international business activity and was employed by Campus-A at various times throughout his career. Initially, he was an international business-development manager, and he later returned to the role in senior management for international. Participant-E also had an extensive background in international business and commercial activities, having had regional, national, and international influence in his role as a senior manager of this educational organization.

I analyzed the interview transcripts using inductive thematic analysis; I sorted the participant responses in the transcripts based on the alignment of the responses with the research questions. The analysis consisted of identifying the frequency statements and echoing comments of the various participants, including outlying responses. I read and reread the interview transcripts and reviewed and re-reviewed the recordings of the interviews, and I created a memo of my observations. Then I manually color-coded the interview transcripts using horizontalization, which helped me to identify emergent categories in relation to the questions. Allowing for contrast and comparison between the various participants' responses, I organized the responses of each participant into general categories to help me identify the relationship among responses.

The coding from each of the participants' responses was clustered into emergent categories, which I organized into a conceptually clustered matrix. The conceptual matrix assisted with information management, and identification of causal links, congruencies, and overarching categories across the participants. I then subjected the conceptual matrix to further refinement, including recoding, combining, and eliminating categories to prevent coding drift and to ensure accuracy in the capture of participants' experiences. The summary of participants' experiences represented their various perspectives on the decision-making process as they were deciding whether to establish an IBC, and their understanding of the measures of success.

I completed an initial independent analysis of the documents (including financials) and interviews, and then compared all the sets of information for consistency and to help me identify the relationships within the collective information; doing this enabled further elaboration of the initial descriptions. As I formed my conclusions, I captured quotes and explanatory phrases regarding the participants' perceptions of the decision-making process and indicators for a successful IBC. The collective analysis of documents and interviews helped me to identify the degree of alignment, and any potentially misleading categories or statements they contained, and to further articulate the initial description and supporting statements. I reported the case-study results in single-case format, and my final interpretation of the research results helped me to identify participants' perspectives.

Researcher Perspectives

To reduce researcher bias and support the reporting of valid research results, researcher bracketing was necessary. To maintain clarity and honesty about perspectives, and to assist me in setting aside or acknowledging preexisting beliefs regarding the research area, I employed the self-reflective bracketing process of memoing. I used this method throughout all stages of the

information collection and analysis. Memos consisted of a range of notes such as observations, theoretical statements, and important insights based on analysis and self-reflection. The value of bracketing is that it assists with deeper engagement and allows for renewed insights from the researcher. In addition, a second-party representative validated the transcripts and reviewed the matrix and the codes for accuracy, and to confirm that the study could be replicated.

Study Limitations

The foreseeable limitation of this study was that, as the researcher, I had access only to the source organization's data. The research did not include interviews with client stakeholders from the host location, or materials directly from the host Middle Eastern country's offshore campus. Client access was limited to protect client relations out of consideration for Campus-A's partnership with IBC-B. This limited access, as the result of potential risks to the partnership and the impact on the source and host organizations' financial standing and reputations, resulted in the study representing only the source organization's perspective.

Overview

Australia is recognized as a leader in international education. I selected Campus-A, located within Australia, as the case-study site, based on its having extensive experience in transnational education. To contribute to an increased understanding in the field of the perspectives of the decision-making process when one is deciding whether to establish an IBC, I employed a two-phase, case-study research design. Phase 1 consisted of an analysis of organizational and public documents to contribute to a broader understanding of the participants' perspectives on the research questions, the operational context, and parameters regulating Campus-A's educational delivery and partnerships, and the evolution of IBC-B. In addition, Phase 1 contributed to identification of potential research participants who engaged in the

decision-making process. Phase 2 consisted of participant interviews. I coded all sources of information horizontally to identify common themes and outliers. I then captured all data in a matrix for comparison and contrast to support identification of the common themes and for coding.

CHAPTER 4: ANALYSIS OF INFORMATION

In this chapter, I present the findings from information collected throughout the two phases of the case study that explored the participants' perceptions of the decision-making process and measures of success when they were establishing an IBC. In Phase 1, I completed a retrospective document analysis, and in Phase 2, I completed the participant interviews. The first phase consisted of information collection and the retrospective document analysis to increase my understanding of the context and the organization. Document analysis assisted with identification of potential decision makers for the interview process. The second phase consisted of the interviews, which supported my exploration of the participants' decision-making process and assisted me with understanding their measures of success.

The central research questions and related subquestions were the following:

1. What are the decision makers' perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?
 - (a) Who are the decision makers involved in approving the decision to establish the IBC?
 - (b) What steps are taken from initial engagement through to the decision to establish and operate the IBC?
 - (c) What are the considerations during the decision-making process?
 - (d) What information is used to inform the process of establishment?

2. What indicators are used to measure the success of the IBC?
 - (a) How are the indicators of success established?
 - (b) Who tracked and evaluated the indicators?
 - (c) What are the goals and timelines used to monitor success?

Research Results

In the following sections, I address the central research questions, “What are the decision makers’ perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?” and “What indicators are used to measure the success of the IBC?” In this process, I also address the results for the subquestions as they relate to the central questions.

Decision Makers’ Perceptions

Before I address the first central research question, “What are the decision makers’ perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?,” it’s important to consider first the subquestion, “Who are the decision makers involved in approving the decision to establish the IBC?” A discussion of this question provides an important context within which to consider the first central research question.

Identity of decision makers. Interview participants responded to this subquestion by validating that many stakeholders, including center managers (CMs), general managers (GMs), a project manager (PM), and a vice president (VP), all contributed to the process of decision-making. Of the five participants who consented to participate, four participants clearly stated that the chief executive officer (CEO) was the final decision maker. Participant-B stated that, with respect to the final decision-maker, “Authority is delegated at a certain level and some decisions

are delegated and some are not.” Additionally, Participant-B stated that, with respect to the final decision maker, “Heads of Agreement is only done with the CEO.” *Heads of Agreement* is a general term used to reference an informal agreement between two partners, in advance of their moving into a formal contract. Participant-C acknowledged that many participants contributed in the decision-making process, but stated “...the CEO would have had to have been on board.” Participant-C further stated “the board at that time was extremely supportive of the CEO, and the process could have been viewed as a rubber stamp, effectively.” Participant-D acknowledged that, regarding the decision to establish IBC-B, “Philosophically, the decision was made very early” because a lot of money had been spent up-front on visiting and designing the campus, in advance of establishing IBC-B. Participant-D acknowledged that senior leadership had made most decisions, and the board was there to complete due diligence. Participant-D further acknowledged that most decisions fell to the CEO: “The CEO liked it that way, and so did I.”

Participant-E clearly identified the senior executive team (which included the CEO) as the final decision makers, stating, “What we did was we then sat down and we looked at our risk matrix, and we made a decision.” Participant-E further stated that, “when we made the decision to engage in an extended campus, we effectively made the decision at the senior-executive level and informed, what you would call your *Board of Governors*,” which was the standard process until more recently, when Campus-A moved into a stronger governance role. Participant-E noted with respect to the final business case, “The proposal then came through and got evaluated by our education people, our finance people, and our HR people; and they all had input into what was happening.” Participant-E further commented “...the board of governors and the minister were supportive, as the decision to establish was based on sound educational and commercial reasons.” The decision was to proceed to establish IBC-B.

Although four participants identified the CEO as the decision maker, a fifth participant identified a broad range of Campus-A stakeholders who the participant considered to be the decision makers. Participant-A noted that it was hard to identify the decision-maker because “there were [*sic*] a group of us in this commercial space [who were acknowledged for contributing to the decision to establish IBC-B].” Participant-A highlighted that the decision-making process included representation from the different areas related to business, finance, and international. Participant-A stated, “We completed a feasibility study” and “...from there it just started to roll.” Participant-A confirmed that, although there was a lot of rigor and upfront work, “[approval of] the business case was like getting the ‘formal’ approval to proceed.”

With the decision makers identified, I now address the central research question about the decision makers’ perceptions of the decision-making process as they considered the establishment of an IBC). Participant interviews contributed to my understanding of the participants’ perspectives.

The development of IBC-B occurred over an extended period; throughout the development of the campus, numerous stakeholders were involved in the process up to the final decision to establish IBC-B. These stakeholders engaged in various stages of internal consultation, referred to as *go/no-go decisions*, in support of the decision-making process. For example, Participant-D stated, “Decisions were made that we were not going to proceed, before we made decisions to proceed.”

Although no-go decision points were established, that process was not with the intention of terminating the project, but instead to temporarily delay the project from moving forward. No-go decision points were associated with conditions or criteria that did not align with the values of Campus-A. These stopping points allowed for additional work and investigation to be completed,

and for the representatives involved in IBC-B development to identify solutions to the challenges in advance of the project moving ahead. There were many no-go decision points throughout the project. Participant-E noted that the areas of go/no-go decisions were mainly focused on "...how we were going to manage the quality of what was going to be the delivery." According to Participant E, many decision points such as this were focused mainly on quality: If the quality was not there, then the credential would not be shared. Participant-E gave an example related to one of those decisions, when managers at Campus-A were not comfortable with the proposed approach to staffing IBC-B. Both organizations agreed that a strategy to resolve this difference was for IBC-B to fund an academic leader over the first few years of operations. According to Participant E, the final decision to establish an extended campus occurred when all the criteria related to this issue were met, before going to the next step of moving forward with students.

In addition to go/no-go decision points, participants talked about how the basic decision to establish IBC-B evolved. Participant-A stated, "It wasn't sitting down around a table and having major discussions about it; it just evolved." Participant-B acknowledged that there were many conversations and that, with respect to the decision-making, "...it is not a simple answer." Participant-C addressed the fact that various stakeholders may have been consulted in the decision to establish IBC-B; however, some stakeholders were not consulted as much as they should have been. Participant C noted, "CM[s] were people that were being consulted from time to time about content"; however, "at no point were the teaching centers actually asked, do you want to do this." Participant-E validated that the teaching centers were involved in project development, but not the decision to establish IBC-B. Participant-E stated, "they all [teaching centers] had input into what was happening; ...probably not as much input as they should have, to be quite frank."

Participants also talked about when the final decision came to establish IBC-B.

Participant-E said that, over time, a massive amount of work was done that included “the backwards and forwards, the getting it into position, the testing, the rejecting, the discussions.” Participant-E acknowledged that, because of the back and forth between partners, the project took a long time to come to fruition with no commercial return. As a result, limited time was being invested in internal stakeholder engagement.

Different representatives from Campus-A’s departments and schools questioned the project decisions and the project team. In addition, various individuals became involved with and departed from the project at various times, which impacted overall stakeholder buy-in for the establishment of IBC-B. The project had met a point of maturity, yet questions arose from Campus-A’s internal departments creating frustration for the project team because the partner had bought into the project direction meaning the scope was unable to be changed. Participant-E stated, “They [the stakeholders] started to say, ‘Well, wait a minute; what about this?’; yet it was too late.” This situation created the need to find a balance between the expectations of Campus-A representatives and IBC-B representatives. Participant-E acknowledged that “there was a massive amount of it [testing and rejecting] in the buildup to it [the decision to establish IBC-B], but then there was a degree of a frenzy that took place in the 12 months to actually where we said, ‘Looks this is a goer.’”

It was confirmed by the research participants that the perception of the process of establishing IBC-B consisted of lessons learned. Various decision points resulted in further exploration and clarification to identify potential solutions prior to the decision to proceed. The process of establishment was lengthy, which resulted in assorted stakeholders engaging and

departing at various stages throughout project development. After various decision points, the decision to establish IBC-B was confirmed.

Steps to decision making. The next subresearch question I address is “What steps are taken from initial engagement through to the decision to establish and operate the IBC?” The document analysis and participant interviews highlighted that the decision to establish IBC-B was complex, and that the process was impacted by a complex set of influences.

The influences ranged from the historical experiences of Campus-A and its representatives in international activities to the agreed-upon facility-ownership model. Historically, Campus-A’s engagement in operating international activities had demonstrated a financial benefit, but it also had demonstrated the potential for reputational and public-funding risks. Having increased levels of engagement by Campus-A in IBC-B operations, the agreed-to facility-ownership model had increased levels of risk. As a result, there were various go/no-go decision points throughout the decision to establish IBC-B. In the following paragraphs, I outline the key steps, identified through retrospective document analysis and participant interviews that led to the decision to establish an IBC, I then discuss those steps in more detail, based on the document analysis and the perspectives of the participants.

The key steps in establishment of IBC-B consisted of the following:

1. *Strategic Alignment.* Acknowledgement by management that extended campuses align with both organizations’ growth priorities based on demonstrated successes.
2. *Prioritization of Market(s).* Identification and pursuit of priority markets with a known partner (diversify, consider pilot experiences, and share lessons learned).
3. *Partner Identification.* Identification of a partner as a result of referral and contact made, with the viability of the opportunity determined.

4. *Prospect Pursuit*. Initiation of preliminary discussions associated with prospect.
5. *Memorandum of Understanding*. Signing of a nonbinding Memorandum of Understanding (MOU).
6. *Due Diligence*. Completion of due-diligence assessment and reporting.
7. *Contract Negotiation*. Clarification of full project scope and alignment of project phases (including costing and revenue).
8. *Internal Stakeholder Sign-Off*. Project approval and sign-off by Campus-A management.
9. *External Stakeholder Sign-Off*. Project approval and sign-off by IBC-B management.
10. *Project Execution*. Delivery of services.

Strategic alignment. The decision was made in the early 2000s to broaden the scope of international activities at Campus-A beyond the current extended-campus partnerships. Participant-E acknowledged that there were benefits to international engagement and stated, “I could see the benefits that would happen... Why shouldn’t community college students get those benefits as well!” Historically, the broadening of international activities through international projects had demonstrated commercial successes for the organization. One outcome of these successes was cross-subsidization of a broad range of the organization’s activities—specifically, initiatives that the government had not historically funded. These commercial successes contributed to the overall success and growth of Campus-A as a result of revenue infusion back into the source operations.

Prioritization of market(s). Participant-D also acknowledged that the “extended campus model was viewed as the future in technical and further education because [international] projects were too hard to get.” The managers of Campus-A made the intentional decision to

focus only on strong opportunities because they perceived international contracts as challenging to finalize due to the required investment in time. This approach was a shift from historical practices. In the past, potential opportunities frequently presented themselves, and higher education providers were generally reactive to approaching and pursuing these new offshore markets. Specifically, Participant-E stated,

we had noticed was that a lot of organizations in our sector, worldwide, had more of a scattergun-type approach to the way that they tried to approach markets, or, alternatively, they had a reactive approach that, if an opportunity came up, they would react to that.

Since Campus-A already had a strong extended-campus presence in China and Southeast Asia, managers made the decision to diversify and expand into different geographical locations. The geographical location that was selected for expansion was the Middle East. Administrators of Campus A had previous experiences in the country and knew about the future potential opportunities.

Partner identification. Related to the geographical location, Participant-B stated that IBC-B was an “...opportunity to move into higher-volume markets, and [the Middle Eastern Country] was [a] fairly liberal, fairly stable place.” Participant-E highlighted that Campus-A’s engagement in the Middle East had historically been smaller-scale training projects that demonstrated some early successes, which contributed to the decision makers’ understanding of the foreign context. Campus-A’s principal role in these projects had been operational oversight, including support for strategic and succession planning, and performance management, but not engagement in an early extended-campus concept. Campus-A’s involvement in IBC-B’s governing board contributed to the administrators’ understanding of the host country’s governance structures and the operational considerations. With a partner model, Campus-A took

on increased accountability. This meant that Campus-A was required to independently manage IBC-B operations and was expected to offer higher-level qualifications.

Prospect pursuit. Public documents and participant interviews indicated that the gestation period for the establishment of IBC-B was approximately 4 to 6 years, and the concept was initiated in the early 2000s. Participant-C recalled that the partnership model used for IBC-B was relatively new for administrators at Campus-A: “It was probably reasonably earlier in our, what we call our extended-campus programs.” Participant-E recalled that the business-development manager made initial contact with the private partner as a result of a referral through an extended network. As validated by Participant-A and Participant-E, representatives from the private company approached Campus-A to request campus set-up services in the country. Participant-A noted, “An opportunity presented itself and it was pushed forward.” Participant-E suggested that, over the span of the development and implementation of IBC-B, various organizational managers completed extensive groundwork.

The project initially evolved, having had various go/no-go decision points that allowed for continuous evaluation and ongoing investigation to determine whether it was a viable prospect. Participant-A stated that, throughout project evolution, “there was a lot of development along the way, a lot of discussion, a lot of relationship building.” Participant-A was the central point of contact who worked with the [IBC-B] partner to build and manage client relations. Participant-A stated that a key focus of the project was to manage the relationships: “It took a lot to sort of manage the relationship, but when we were right in the thick of it was when it was really, really stressful.” Participant A noted, “We started down a path of ‘This is what we are going to offer’; and then, as it evolved, it changed.”

Participant-B noted that it was initially communicated [to Campus-A stakeholders] that involvement in IBC-B was a consultation (because there was no academic partnership), with the possibility of having a campus. Participant-B stated that this changed as “at some point that moved over to a partnership.” In contrast, Participant-E recalled that there was always an intention to operate a campus, either independently or through partnership: “What we did was use the consulting as a way of us making sure that we weren’t [just] investing our time and resources..., that we were getting some return.” The steps leading to establishment consisted of a series of chronological, sometimes reciprocal, actions throughout project development.

MOU. In February of 2003, the first formal documented step that demonstrated the intention to establish an extended campus occurred. Both Campus-A’s CEO and the managing director and GM of the partner company, the representatives interested in investing in and funding the establishment of IBC-B, reviewed the agreement to collaborate and signed the nonbinding MOU.

Due diligence. In June 2003, Campus-A administrators completed a series of due-diligence reports, which consisted of three key areas: (a) international credit reports, (b) feasibility studies, and (c) financial consultations. The credit report provided insight into the IBC-B representative’s background and financial status. The team used a feasibility study to determine risk and viability of the potential undertaking; in addition, it provided strategies for managing risk and identifying exposure. Financial consultation provided tax advice to Campus-A administrators regarding the foreign location of the establishment and specifically insight into the auditing, accounting, and management of financial transactions. In addition, managers and staff from Campus-A made a minimum of five different visits to the partner’s office.

Contract negotiation. The Business Case document and participant interviews validated for the current study that a full range of programs were considered for establishment at IBC-B. Yet as the project evolved, the initial costs projected for program set-up were found to be prohibitive and required scaling back, specifically when costs associated with setting up labs were involved. Although the host government had donated the land, the managers of IBC-B would incur the capital costs for construction and resourcing of the facilities. Campus-A was not required to invest in infrastructure for IBC-B, but it consulted on the set-up requirements. Participant-A stated that, as the project evolved, plans changed: “The budget that had been allocated was going down pretty fast, so that was a really, really messy time.” The Business Case document outlined a change in the plan that resulted in a decrease in project scope, and the need for additional partners to invest in funding the endeavor. An additional private business partner was solicited for investing in the establishment of IBC-B. In March 2004, with the addition of the partner, a new MOU was signed to reflect the three partners who entered into the agreement.

Private educational organizations were subject to the ministry-supervision and country-licensing requirements within the host country. Consequently, another issue related to the contract negotiation pertained to the licensing requirements established by the Middle Eastern State. The application for the Amiri Decree had outlined the requirement for IBC-B to offer an internationally recognized credential, which increased Campus-A’s level of involvement and accountability in IBC-B operations. Participant-E stated, “Initially there was a consulting fee for set-up, which soon identified that the market place required an internationally accredited program.” As a result, Campus-A’s brand and reputation became involved. Participant-E stated, “If the quality wasn’t there, we weren’t going to share our credential.” The extended-campus concept then evolved to include deliverables related to the formal management of operations of

the educational delivery by Campus-A's managers. Participant-E stated, "...we took a principal role rather than having a relationship that we were managing." These changes impacted the project's direction and scope, creating additional considerations that extended the development timelines for approval to establish IBC-B.

Internal stakeholder sign-off. When clarifying project scope, internal stakeholders identified that there was a misunderstanding between Campus-A's business-development representatives and the expectations of IBC-B representatives. There were unanticipated program costs and the unexpected need for IBC-B to offer internationally recognized credentials. Representatives from Campus-A implied that their extended-campus project team should have better understood the local context and the partnership. Participant-B stated that many conversations were going on and there were "suggestions that the consultation had built expectations [with representatives from IBC-B] that were ahead of our CEO's expectations." In addition, representatives from IBC-B had a false perception of Campus-A's business-development representative's levels of authority associated with project approval. Participant B stated, "Business development is delegated to the business-development people, but organizational agreements are not." As a result of the disconnect between the client's and Campus-A's expectations, the CEO requested a review of the organization's contract processes that were outlined in the correspondence from March of 2004, referred to as the CEO Briefing paper. The CEO requested that he be briefed as to potential solutions related to this challenge, which resulted in the Business Development Process document. Participant-B commented that Campus-A "learned from that to be much clearer about its internal briefings and the approval process, to make sure we didn't get to the point where a business-development person had incidentally made commitments."

The Business/Contract Development Process document and supporting brief were used to outline the organization's project-development processes and internal and external stakeholder sign-off during the IBC-B development timeframe. The Business/Contract Development Process document was used to establish an extended-campus project model that outlined contract development and sign-off. The process consisted of many nonlinear, sometimes reciprocal stages that contributed to the decision-making process when participants were deciding whether or not to engage in the establishment of an offshore campus. These stages had aligning accountabilities and associated policies and procedures. The stages consisted of the following sequence:

1. Lead (identification of an opportunity)
2. Contact (partner profile and initial scope)
3. Prospect (negotiation of scope and development of a preliminary proposal)
4. Qualification (completion of due diligence check and agreement on final scope)
5. Proposal (detailed scoping including costs, completion of final proposal, and initiation of draft contract)
6. Contract (client accepts business case supported by proposal, contract is finalized and signed)
7. Delivery (of detailed services)
8. Return to Prospect (identification of additional partnering opportunities)

These stages encompassed internal and external stakeholder consultation and discussion, integrated into the points of go/no-go evaluation. The key decision points were generally associated with stages 3 through 7 as the scope of the project and roles of the partners were clarified and defined.

As the result of the increased demands of commercial activity, Campus-A administrators determined that there was an organizational need to demonstrate commitment and support, and to focus on quality for current and future international partnerships and projects. As outlined in the Annual Report documents, Campus-A initiated the development of an extended-campus unit in 2003 and established full operations in 2004, with the overarching purpose of the extended-campus unit to provide consistent and effective management of projects and partner relations. The managers of the extended-campus unit reported to the head of international for Campus-A and were accountable for the various geographical locations, which included the new development in the Middle East. Participant-C confirmed that the extended-campus unit was the key point of contact for partners; managed program delivery, such as sending instructors abroad; and managed student numbers using a semicentralized approach to internal collaboration with Campus-A's various departments and schools. The growth in Campus-A's international activities continued to generated commercial revenue and provide opportunities for staff. Yet international growth was not without challenges. The annual report documented that the challenge of working in the international business market "is growing that business while maintaining high quality standards" (Campus-A Annual Report, 2004, p. 7).

During this time, Campus-A undertook an Australian Qualifications Training Framework (AQTF) compliance and conformity audit, a key component of domestic and international delivery. As a result of the audit, Campus-A was recommended for 5-year, unconditional reregistration as a Registered Training Organization (RTO): "The institute has effective quality assurance processes in place and is considered to be fully AQTF compliant" (Campus-A Annual Report, 2004, p. 25). The AQTF mandated that the framework be applied to offshore delivery, which created challenges because not all standards aligned with the distinct differences in the

various forms of transnational education. To better reflect the differences in transnational education, these standards were continually being updated. Participant-E confirmed that the evolving standards were an ongoing consideration during the establishment and operation of IBC-B, at times impacting project direction. Participant-E stated that, when quality standards change, this "...becomes a problem when you are negotiating a contract; you're then negotiating that the rules have changed ... as we have to adhere to the rules." Noncompliance with the standards had the potential to impact Campus-A's status and funding as an RTO.

The Business Case document dated April of 2004 was considered to be the final sign-off of the project. The Business Case document highlighted the alignment with the strategic priorities, program offerings, and financial approval based on respective levels of authority within Campus-A. The international business-development team presented the Business Case document along with the service contract to the CEO for signature because IBC-B's operations were initially anticipated to commence in September of 2005. The Business Case document outlined the following details:

- (a) The first year of programming, which consisted of foundational studies and also future offerings to include certificates in health science and diplomas and advanced diplomas in business, engineering design, and information science.
- (b) The standard governance process for public organizations, which related to the organization's financial signing matrix when approving projects. This matrix outlined the levels of signing authority associated with specific dollar values for contracts.
- (c) Highlights noting that, for a project to be approved, it had to align with the strategic direction of the organization, including country selection.

The internal contract-vetting process for the business case documented the review by many stakeholders, with the final request for approval and signed authorization to proceed with the extended campus agreement assigned to the CEO. Upon review of the business case, which demonstrated evidence of financial sustainability, the CEO approved the project and reported the decision to Campus-A's council. Participant-E confirmed that the approval for extended campuses to proceed did not require a formal motion. Yet the Council members had the discretion to prevent the project from moving forward if they chose.

External stakeholder sign-off. Participant-E further confirmed that after the decision was made to establish IBC-B and the contract was signed, the next step was to apply for an Amiri Decree to the host country's council of ministers, requesting approval to proceed. This Decree licensed the establishment of IBC-B in the host country by the Minister of Education and Higher Education. As outlined in the Amiri Decree from January 2005, the Secretary General of the Council of Ministers approved the license to set up the campus and decreed specific obligations related to governance and operations. Obligations for IBC-B outlined in the Amiri Decree included that an independent legal entity was established to manage funds (through a Board of Trustees), that IBC-B was to be branded with Campus-A's name, and that the credential was conferred by Campus-A. The Amiri Decree established a key difference from historical extended-campus practices in that this extended-campus model used the source campus's name and logo.

Project execution. Throughout project gestation, various stakeholders contributed to the different components of the overall project design and development. Through the data-analysis process, the two project phases of consultation design and development became evident; however, not all stakeholders were aware or engaged. Phase 1 of the project, a fee-for-service

consultation agreement, included the provision of expert advice in multiple areas. These areas included designing the campus; campus set-up, including classroom sizes, curriculum needs, and learning resources; professional development for faculty and staff; and selection of technology, teaching methodologies, and qualifications. Phase 2 was project execution; this included the formal implementation, management, and oversight of operations, and program delivery, which included resourcing of delivery including instructional and support services. In June 2005, the licensing of IBC-B occurred; the Power of Attorney document was signed, authenticating support for the registration of Campus-A's trademark in the Middle Eastern country; and the project was executed. Campus operations, including student enrollment, were executed later than anticipated, being initiated in the fall of 2007.

Campus-A Annual Reports confirmed that in 2007 the strategic plan came to term's end and the organization's focus was on developing a new 5-year plan (2008 through to 2012). The CEO stated, "Our future success depends on our commitment and capacity to deliver high-quality, relevant educational services to our local, national, and international communities" (Campus-A, 2007, p. 12). Having an established name as a key player in the international project market, Campus-A was the recipient of two awards for quality of international programming and outstanding performance. Several new contracts were added to the project list, and the addition of three new extended campuses brought its total to 22 extended campuses, with a 40 percent increase in student enrollment over 2006. The Middle Eastern extended campus of IBC-B opened its doors for operation in late fall 2007. The extended-campus unit continued to provide support for these partnerships, which included IBC-B. The extended-campus unit established administration and program set-up training in addition to an online auditor program; the extended-campus unit also delivered quality assurance in support of overseas delivery

compliance (focused around the Australian Qualifications Framework [AQF]). Campus-A provided support services to IBC-B, access to the student and learning management systems, and resourcing of instructions.

The host site proposed differences in operational considerations, and the key performance measures used at Campus-A could not directly translate into IBC-B operations. There were differences in IBC-B operational requirements and unpredictability associated with student progression. IBC-B initiated operations while having some similarities but also different delivery considerations in comparison to Campus-A. Participant-E confirmed that IBC-B secured instructors using a combination of expatriates and indigenous people from the Middle Eastern country for instructors. Campus-A's Annual Report corroborated that teacher training in the areas of general English and specialty English was provided to potential instructors in preparation for implementation of program delivery.

Prior to students being admitted into IBC-B programs of study, English language assessments were administered. All prospective students were required to meet program-entry requirements. In the late fall 2005, IBC-B admitted the first group of students for foundational studies, enrolling a total of 50 students. IBC-B representatives optimistically forecast that within 2 to 3 years of operations, a total of 1,000 students would be enrolled and program offerings would be expanded to offer business, fashion, graphic design, and information technology diploma programs. Although there were many unknown variables about IBC-B operations, and enrollment numbers were only projections, the decision was undertaken to develop additional learning programs in anticipation of program commencement in 2008. Yet administrators acknowledged that IBC-B enrollment numbers would require a reevaluation as operations progressed.

Participant-C acknowledged that IBC-B was considered a well-run organization academically and financially; IBC-B's operations were viewed as moderately successful when compared with other Campus-A extended-campus agreements because the legal agreement reduced financial risk and guaranteed financial return. This legal agreement reflected Campus-A's decision not to invest in the partner company, which would have included capital and infrastructure requirements. Campus-A had no equity ownership, and IBC-B as the partner organization was then the direct beneficiary of financial return. Campus-A administrators expected that, for any commercial activity such as extended campuses, a key indicator of success was financial viability, demonstrated through revenue generation and contributions back to the source organization. The agreement between Campus-A and IBC-B guaranteed financial return and reduced the level of risk, increasing the comfort level of both Campus-A administrators and the Council around the partnership.

Considerations during decision making. In this section, I address the subresearch question, "What are the considerations during the decision-making process?" Phase 1 and Phase 2 of the data analysis confirmed two prominent types of considerations during the decision-making process: financial and quality. A third type of consideration consisted of a range of ancillary factors identified by the research participants. Ancillary considerations consisted of market need, political stability, protection of reputation, and overall staff safety. As a result of this range, the decision-making process consisted of many go/no-go decisions throughout the development of IBC-B.

The Business Case document as an information source contributed to the identification of the key areas of considerations for administrators when they were considering the establishment of IBC-B. This document outlined the background of the project and the range of due-diligence

steps that were completed throughout project development. The Business Case document outlined the key considerations associated with international brand management, competitive analysis and market appetite, financial analysis, resourcing plan, risk management, quality assurance, legal and taxation implications, and potential future opportunities. Although many considerations were brought to the forefront, it became evident through the study that the participants and supporting documents predominantly identified the financial considerations as a priority, followed by quality indicators. Both the financial and quality indicators were considered to have high risks with consequences.

Financial considerations. Some participants highlighted different financial considerations related to the establishment of IBC-B; these ranged from currency conversions to overseas debt collection, equity investment, partner finances, and sovereign risk. Fluctuating currency values had the potential to impact the overall contract value and return on investment (ROI). And though natural hedging was used to reduce financial risk, it was not completely mitigated. Overseas debt collection was a consideration for decision-making because of the challenges of collecting funds in different legal jurisdictions (as determined by the contract) and the potential for costly legal fees as a result of pursuing compensation. Participant-D highlighted three financial considerations: (a) the ability to manage equity and comply with the requirements of the foreign jurisdictions (if the decision was to invest in ownership); (b) the impact of the partner's financial management; and (c) whether the government defaulted on financial obligations. Participants recognized that these financial considerations needed to be addressed because they were critical to sustaining operations since the purpose of IBC-B was revenue generation.

Finance, as a key area of consideration in the decision-making process, was associated with three direct-benefit scenarios. The business case outlined these scenarios for financial benefit, which ranged from worst possible to best case. The scenarios took into consideration the management fee for set-up, inflation, funding of an exit strategy (if required), initial investment required for set-up to meet legal requirements, program offerings, student enrollment numbers (and associated fees), and taxation (returns and withhold requirements). These considerations had moderate to high levels of financial risk and were dependent on the partners' financial situations, partners becoming insolvent or defaulting on payment, and the impact of unpredictable enrollment numbers on revenue. Despite all this, Participant-D stated that from a "...risk of compliance, IBC-B was probably one of our best colleges." Participant-C noted that finances were a key consideration when Campus-A administrators were deciding to establish IBC-B: "...for the institute, for the board, for international business development, purely a commercial decision." As previously emphasized, the Business Case document and participants confirmed that finance was one of the overarching considerations related to the decision to establish IBC-B. The decision makers at Campus-A needed to see that IBC-B had long-term financial viability, sustainability in operations and revenue generation, and indications that there would be a direct financial benefit for Campus-A.

Quality considerations. According to the Business Case document and study participants, quality was another key consideration when Campus-A was deciding to establish IBC-B. Quality was associated with maintaining AQTF compliance for both Campus-A and IBC-B. To review, AQTF as the national framework for regulated qualifications in education and training, to ensure recognition of educational qualifications, nationally and internationally. To reflect more flexible qualifications and increased portability, nationally and internationally the AQTF standards had

evolved during the development and establishment of IBC-B. The standards changed in the areas of types of credentials, linkage requirements between organizations, and learning pathways for students. In order to maintain the ability to deliver these AQF qualifications, Campus-A, as an RTO, had to ensure that IBC-B complied with the AQF qualifications as a condition of maintaining registration.

To meet the requirements of the Amiri Decree and to ensure AQTF compliance, IBC-B established a governing board for the purpose of operational decision making. The Amiri Decree established the scope of the decisions to include IBC-B's strategic direction related to operational requirements, which included curriculum, finances, governance, infrastructure, and policies. Participant-E acknowledged that the board members were nominated representatives from various communities and service sectors that provided an industry lens based on workforce needs. Additionally, Participant-E highlighted that the board consisted of a range of members, specifically two representatives, one from both Campus-A and IBC-B having 50 percent representation in IBC-B operational decision-making. This governance model mitigated the host country's commercial requirements around campus ownership and also provided Campus-A the necessary influence on operations and oversight required for brand management and protection. As a requirement by Campus-A, this study confirmed that an initial AQTF audit would be conducted when IBC-B operations had been established. The review would evaluate IBC-B's facilities, financial management, marketing, policy, risk management, staffing, and student records and information. In addition, Participant-D acknowledged Campus-A's proposal that two moderation visits or audits be completed each year for the purpose of confirming quality compliance. Participant-E stated that "they had to be able to demonstrate to us that they had mechanisms in place, that they were comfortable about the quality assurance and moderation of

all of the work that was being done.” Participant-D further highlighted that the findings of these audits would be reported back to Campus-A’s extended-campus unit as a means of oversight into quality assurance, and that a correction plan would be put in place as required.

Ancillary considerations. Finally, participants identified a third type of considerations, ancillary, which included four areas. One area was market need, to ensure that IBC-B delivered unique educational program offerings that differed from competitors. In addition, political considerations were of concern. Political considerations included an analysis to enable administrators to better understand the political context and the political stability of the country. A third area was reputational considerations, which were related to having strategies in place to protect the global reputation of Campus-A. Participant-A stated that there was risk associated with “...mainly the financial risk and the marketing reputation risk ... particularly the branding, having the brand up in lights; the branding of Campus-A was at risk.” The fourth area was safety considerations, which included delivery risks and overall staff safety as a result of their visiting or residing in a foreign country. Yet, related to the physical threat to staff and terrorism, Participant-A stated that “...at that time terrorism wasn’t really like it is now; I mean now it would be substantial risk.” The proposed facility-ownership model required increased involvement by Campus-A in IBC-B operations, which resulted in key considerations associated with mitigating potential risks.

Information that informed decision making. In this section I address the subresearch question, “What information is used to inform the process of establishment?” The information that informed the process of establishment included analyses of financial and market risks, quality risks, and historical knowledge in international projects. The information generated as a

result of lessons learned contributed to the identification of mitigating strategies related to the two key categories of financials and risk.

Although full engagement in the operations of IBC-B was a new model of partnership for Campus-A, there were overlapping criteria with Campus-A's standard franchise offerings. These criteria were used as a baseline that contributed to the administrators' understanding of the information they needed to inform the decisions they made. Because of the uncertainty about the feasibility of IBC-B's partnership model, they determined that additional consultation was required. They sought consultation with experienced international service providers to help ensure that all of the business-case and risk-management requirements of Campus-A had been met. Participant-A stated that "we had to do a feasibility study to see whether it was going to be a viable prospect or viable concept." Various representatives were recruited to engage in due-diligence research to assist with risk identification and potential mitigating strategies. The research groups included the business development team in conjunction with resources from the source campus, the consular, an external consultant, and on-the-ground employees from Campus-A onsite at IBC-B. Campus-A's due diligence was to determine the feasibility of establishing IBC-B, and to assess risk associated with the areas of finance and market, and quality.

Analysis of financial and market risk. While offshore education was acknowledged for providing many benefits, it was also recognized for its risks to the source campus operations, specifically as a government-funded organization. Participant-A stated that "due diligence is key around partners; this is something I think is fundamental when setting up a business." To mitigate business risks, Participant-A acknowledged that a due-diligence assessment confirmed the partners' financial status. This assessment included the partners' business and banking

history, including payment records and confirming the their ability to collect their fees for service. Assessment of business risk also included investigation into legal considerations such as overseas licensing, tax requirements, and debt collection if required. To mitigate sovereign risk, Campus-A administrators determined that a thorough analysis of the host country was necessary because that increased their understanding of the economic situation, the political regime, and associated risks. Participant-E confirmed that, during the time of decision-making, Campus-A's state government had an international strategic plan that targeted the Middle East, which contributed to the collection of regional data and reports on the host location. In addition, country analysis related to where the IBC-B would be located increased administrators' understanding of the economic drivers. In addition, the analysis identified the potential for political uncertainty, which could influence the safety of employees to travel and live within a country, and the considerations associated with an exit strategy if that were required.

Participant-C stated that, because market demand was untested in the location of IBC-B, "there was some anxiety over whether there would be, you know, an appetite for it [an interest in IBC-B's programming] in that area [Middle East]." Participant-D commented that "it looked like a good model if they [IBC-B] could get 3,000 to 4,000 students at no risk." The IBC-B representatives' interest in investing money in the endeavor demonstrated potential opportunity for success. As a result of uncertainty related to the facility-ownership model, Campus-A completed an additional market analysis as documented in the Business Case document. Although the host government's policy promoted IBC-B's program offerings, the market need was yet to be confirmed; as a result Campus-A had the market tested for levels of interest and additional niche markets. Market analysis completed by a marketing research company

contributed to the administrators' understanding of the context, the student demographic, and the ability to attain the projected enrollment targets at IBC-B.

Additionally, administrators at IBC-B completed a competitor analysis to determine the viability and value of the opportunity because an additional Australian organization was working in the host country. This analysis validated that course offerings were not in direct competition with another organization's offerings, and it identified key points of differentiation to consider during program development. As noted previously, Campus-A's name was attached to a foreign partner as a result of the business arrangement, so Campus A was subjected to a high-level of reputational risk, whether real or perceived. Participant-A stated that the whole concept of the extended campus was just evolutionary: "There was a lot of rigor, at one point in time, put around the business cases ...when the idea of calling it [IBC-B] came into play, that's when the rigor came really hard and fast." There was a lot of debate around IBC-B using the Campus-A name and logo, or receiving a Campus-A transcript. Participant-C stated that "this was a very poor decision to allow them [IBC-B] to use our name." Regarding the use Campus-A's name in IBC-B's name, Participant-C commented, "I think it was a very poor decision to let them [IBC-B] use our name. ...the institute [Campus-A] believed that is was a safe thing to do, but the [IBC-B's] board had the ability to throw Campus-A off the board." The participants observed that there were limitations to protecting Campus-A's position when there was no way to guarantee a seat on the governing board.

Analysis of quality risks. In addition to the financial and market risk analyses, the administrators reviewed the AQF standards in advance of the decision to establish IBC-B. This review provided insight into quality-assurance needs and considerations when they were offering international credentials. Participant-B confirmed that every AQTF line item related to

educational requirements, from student registration through the academic transcripts, had to be addressed. In addition, Participant-B verified that it was necessary to ensure that the infrastructure at IBC-B was of sufficient quality to deliver the technical training students needed, including having the appropriate selection of academic staff and the related professional-development activities for them. Participant-B stated, “I was very happy with the building and the infrastructure; that is because we were involved in the consultation from the beginning.” In addition to the need to meet these standards, Participant-B acknowledged that another key area was to protect academic quality and ensure that credentials were not compromised through academic malpractice. Credentialing consisted of careful control over two educational aspects: outcomes for students upon program completion, and control over the actual awarding of the credential. Campus-A had standard operational requirements, and Participant-B stated, “You got to have strategies in place that cope with a client not treating the way [we do] our business right.” This perspective emphasized the importance of Campus-A understanding IBC-B’s rationale for wanting to over transnational qualifications.

Information from historical lessons learned. Based on Campus-A’s experiences in international projects, historical information assisted Campus-A administrators with identifying additional considerations related to risk that required mitigating strategies. Participant-D confirmed that historical practices were to mitigate these risks by shifting the risk to the partner, in this case IBC-B, thus increasing their accountability to comply. Participant-D acknowledged that by writing risk into the contract and passing it to the IBC-B campus, some believed that the Campus A was protected. Yet there was an inability to ensure compliance. It was common for extended-campus partners to initially work toward meeting quality criteria; but as time progressed, extended-campus partner priorities and associated financial support would

commonly decrease and shift away from meeting important operational criteria. Participant-D stated that “this meant that our [Campus-A’s] risk of noncompliance on academic standards was a bigger problem than financial risk of not getting the students.” Additionally, Participant-D noted that the challenge was to “make sure that they [IBC-B] could manage the risk; and if they [IBC-B] didn’t buy the service because they couldn’t afford it, then you [Campus-A] weren’t managing the risk.” So a means to mitigate contract noncompliance was to identify how to defer the risk within the partnership. Participant-D explained that incorporating support-service costs into the contract reduced Campus-A’s overall project margin, but that doing so prevented noncompliance by IBC-B.

Another mitigating strategy was for administrators of Campus-A to assess the international project against a risk matrix based on historical lessons learned. Before they approved the decision to establish IBC-B, Campus-A administrators reviewed and assessed the business case and AQF standards, as previously discussed. Participant-E stated, “There was a risk matrix that we went through.” According to Participant-E, all risk criteria were ranked on a scale (0 to 5) that represented no risk to high risk, with the option to comment as required. The risk matrix ranked the following criteria: ability to deliver education (based on the country and geographical location of IBC-B), the stability of the political environment, and impact of third-party service providers. Recognizing the need for cultural sensitivity and a self-assured independent traveler, other criteria they considered were safety of staff and employee attraction and retention. Participant-E stated, “On every one of the criteria ... each one of those areas were weighted as well, and unless it hit across the benchmark, then it was a no-go.”

Participant-B acknowledged that as a result of the decision to establish and associate experiences, there had been a much clearer understanding of the risk profile throughout the

organization. Although there were many lessons learned, Participant-A stated, "...in the days like 2004 we were really new in the game" and "we were probably, out of all of the institutes, the most proactive in that space; a whole building dedicated to our programs in a foreign country with our brand on it is was very extraordinary."

Measures of Success

In this section, I address the second central research question, "What indicators are used to measure the success of the IBC?" The public documents that were identified in the study as primary information sources postestablishment of IBC-B were Campus-A's Annual Reports and Annual Financial Statement reports covering from 2008 through 2011. The organizational documents consisted of the Annual Monitoring Checklist, IBC-B's Board of Trustee Minutes, and Financial Return on Investment (ROI) spreadsheet. In addition, research participant interviews contributed to findings around the central and subresearch questions.

Participants' view-of-success indicators. IBC-B's indicators informing the measures for success were not formally communicated to the project team upon establishment, yet four out of five interview participants clearly identified financial metrics and quality compliance as the two key indicators. Participant-B, Participant-C, Participant D, and Participant-E clearly identified financial metrics as the leading measure of success, with quality recognized as being a second. Participant-A highlighted revenue as a measure of success, but additionally included the delivery of courses in a foreign country delivered by Campus-A staff, having Campus-A's name on the building, and a successful partnership with a foreign company. Additional indicators of success were meeting of student enrollment targets, engagement in study abroad, and demonstrated continuous learning rates as well as employment upon graduation.

Participants say indicators of success for IBC-B as largely influenced by Campus-A's standard operating procedures, metrics and reporting requirements in the areas of student enrollment, graduate numbers, and revenue generation, while recognizing there were differences in context. Participant-C confirmed that the financial indicators for success were very evident, "measures one, two, three, and four through to 20 were revenue, and not even profitability really, the revenue," based on an annual projected income amount. Participant-C further stated that, "The number one is profitability, the second one that would interest people is in the sort of educational side, is the quality of the outcomes." The most prominent indicators identified by all participant interviews were, demonstrated financial return followed by quality assurance, with individual participants identifying supporting indicators.

Financial indicators. Participant-B, Participant-C, Participant-D, and Participant-E clearly identified financial benefit as the key measure of success. Participant-B stated that there were preestablished indicators: "...the financial ones, they're always there, because they're part of our standard operation procedures." Participant-B acknowledged that the financial focus of operations was "what did they income last year? Can you run that cost effectively? What is your target income this year? Can you run that cost effectively?" Participant-B further stated, "...if it's not working financially, it's not working." Participant-C noted that "...the indicator, the performance indicator is always going to be revenue." Participant-D said that the measures of success were "...the financial performance of the organization, which meant its ability to pay us." Participant-E observed that, "when it came to financial measures, there was an expectation that there would be a profit." The financial targets for both Campus-A and IBC-B were reported separately, and the CMs from Campus-A were accountable for managing their own cost centers.

(The IBC-B partners independently managed their own financial reporting and operational budgets.)

Campus-A's financials. Campus-A's annual financial statements itemized and documented the actuals for both onshore and offshore activity organizationally. In addition, the statements compared the institution's annual growth and decline in revenue from one fiscal year to the next. Offshore activity was generally recognized for providing the majority of revenue generation when compared with onshore activity. Fees for service for onshore and offshore activities for international operations were reported both independently and collectively, depending on the year. Increased student enrollment and financial benefit was identified as an outcome. Financial reporting demonstrated that Campus-A's intentional focus on extended-campus operations increased international activity, thus providing a positive financial contribution back to source operations, as outlined in Table 1 (values have been rounded up to the nearest percentage).

International operations clearly demonstrated consistent revenue contributions to the source organization's operations. In 2010, offshore revenue decline slightly while still demonstrating a positive contribution. While Campus-A still achieved financial success, its annual report (2010) stated,

The commercial environment for the Institute during 2010 was complex. The combined effects of the increasing value of the Australian dollar, much greater competition in the market, and the residual effects of the global financial crisis provided a number of challenges. (p. 11)

Table 1

Campus-A Annual Onshore and Offshore Financials

Preestablishment— Annual Financial Statements	Onshore Activity— Difference in % From Previous Statement	Offshore Activity— Difference in % From Previous Statement	Combined Difference in % From Previous Statement
2004	5	16	8
2005	16	13	15
2006	N/A	N/A	81
2007	N/A	N/A	80
Postestablishment— Annual Financial Statements			
2008	N/A	N/A	32
2009	N/A	N/A	*27
2010	N/A	N/A	(6)
2011	(4)	12	10

* restated amount due to accounting error

IBC-B's financials. The measures of success for IBC-B were based on Campus-A's financial operating structure; managers used a standard growth calculation of 10 percent per year as an established target. Participant-B stated that at one point there was misalignment between the financial targets between Campus-A and IBC-B because "they had their own projections and student numbers, how fast they were going to grow." Participant-B confirmed that Campus-A met its forecast student target rates while IBC-B did not, which created tension in the partnership. Campus-A's extended-campus unit monitored IBC-B targets and reported results to senior management to ensure that financial performance did not impact the ability to receive the fee for service from the partner.

Initially, Campus A set IBC-B's financial indicators of success based on previous extended-campus experiences because this was a new model of delivery for Campus-A. Participant-B confirmed that the indicators were never formally established: "The financial ones were always there because they are part of our standard operating procedure." Participant-B further stated, "I think there was a good understanding of what was necessary, but at the time we

set up the contract, we hadn't formally written them [the indicators] down." As operations evolved and management became more experienced, the indicators simultaneously evolved and became more established and documented. IBC-B's financial indicators were established, managed, and monitored in alignment with Campus-A's annual budgeting cycle, which included setting financial targets. These targets included documented forecast amounts for revenue generation that had been set by managers from within the various departments and approved by management and the Council for all programs including commercial activity.

Short-term financial outlook. IBC-B's annual financial statements, including actual financial transactions, were unavailable, but an ROI working document with financials was provided. The ROI document highlighted the financial outlook that included forecasted revenues and net revenue actuals. IBC-B's revenue generation for the first year of operation was unknown. Enrollment numbers were relatively low throughout the start-up, with anticipation of growth in student enrollment and plans for future program expansion. Based on the ROI document, IBC-B had a reasonable financial start upon establishment by doubling its revenue from the initial year of operations through year 2, and in year 3 it stabilized financially, with a slight decrease in revenue.

Longer-term financial outlook. As operations stabilized, the ROI document projected profit generation in 2010, and projected revenue contributions were to remain consistent over the following 3 years. The 3-year trends indicated an increase in 2011, but an evident decrease in net profit by 2012. The projected profits for IBC-B ranged from 16 percent to 75 percent in net revenue. Some of the program centers had anticipated that they would demonstrate greater revenue return than others.

Participant-B acknowledged that the expectations associated with IBC-B's projected growth were never achieved for various reasons. Participant-B confirmed that, with regard to student targets, "IBC-B had started off badly." One reason was that the growth of any extended campus was impacted by student enrollment, which was directly countered by overall student attrition and graduation. As students were enrolled, additional student cohorts were completing their programs, graduating, and leaving the organization. Another reason was that all programs had met maximum student capacity, and the ability to increase student numbers could only be as a result of implementing new programs. Program development sometimes took up to 3 years before formal implementation due to the required investment for international delivery, which delayed the timelines for implementation and demonstrated revenue return.

IBC-B's financial statements confirmed that, over continued years of IBC-B operations, revenue remained relatively consistent as the result of meeting maximum student enrollment capacity (cap), and as a result of not offering credentials such as bachelor's and master's degrees, which require longer delivery timelines. Although the partner organization had forecast continuous growth based on 5-year student enrollment numbers, the projections proved to be ambitious and fell short; similarly, longer-term projections were confirmed to be overly optimistic.

In addition to revenue, another success indicator was student progression. Because revenue generation directly reflected student numbers, Campus-A and IBC-B consistently reported metrics associated with student progression, from enrollment to graduation, employment, and studying abroad. Although some of these metrics directly translated into IBC-B's operations, some of the standard Campus-A indicators such as continuous learning, employment, and study-abroad rates were later determined not to be reliable indicators of success. This outcome was a result of a large number of students who had not intended to seek

employment upon graduation. Participant-E stated, “Quite a number of our graduates were not going to go on to employment outcomes, but it was more about stimulating them and keeping them involved.” Participant-D commented that the host country’s government policy was to improve unemployment rates: “There was certainly an economic driver in terms of government policy about how to deal with this unemployment problem.”

Quality indicators. In addition to financial profit as a measure of success, AQF was an indicator of quality as a measure of success. Participant-E stated, “It was unequivocal that they had to meet the quality standards of the Australian AQTF.” Quality assurance, as a key indicator of success for Campus-A and IBC-B, was monitored and reported on an annual basis through external processes such as the AQF.

In order for Campus-A to meet AQF requirements associated with quality indicators, evidence of educational outcomes was to be demonstrated for all aspects of educational operations ranging from operational delivery to staffing of operations in both the source and host country. The extended-campus unit oversaw regular monitoring of these requirements and provided moderated academic reviews to contribute to the ongoing development of IBC-B’s operations. Participant C indicated that the moderated academic review became a key area of focus, and people would become specifically interested only if there was to be an external audit. Participant-B confirmed that the outcome of these audits was the generation of a detailed report of results that outlined any significant issues which needed to be rectified; this report was provided to Campus-A’s senior management team and to the client. Progress was tracked annually as a means of quality control in preparation to meet the regulated AQTF audit requirements of Campus-A. Although the participants mentioned quality as a measure of success, Participant-C stated that the “educational side is the quality of the outcomes ... the annual

moderation and academic administrative review carry out ... but I have got to say it is only of fleeting interest.” Internal to the organization, quality was monitored through biannual, internal, moderated academic review. In preparation for meeting the regulated AQTF organizational audits, IBC-B was regularly audited by representatives from Campus-A to ensure alignment with the source-campus offerings and ongoing compliance.

These two measures, financial and quality, were monitored throughout operations at routine times. Participant-B stated that, regarding establishing indicators, “I think there is ... a good understanding of what was necessary financially and academically.” Participant-B also said that quality was an indicator of success: “There was no significant issues at any point within these academic moderation reports.”

Establishment of Indicators

In this section, I address the subresearch question, “How are the indicators of success established?” Participants confirmed three findings related to the indicators of success. First, the indicators of success were never formally established. Second, the standard reporting practices from Campus-A were directly applied to IBC-B. Third, administrators from Campus-A later recognized the differences in context. Participant-A acknowledged that “we never spoke about the indicators of success in my time.” Participant-B confirmed that Campus-A had preestablished indicators to support the measurement of success.

Some of the indicators of success were more formally established and quantified. The operational policies and procedures required to meet government-reporting requirements on financial statements/documents indicated the financial measures and AQTF compliance reflected the quality measure. Campus-A’s standards were applied to IBC-B operations as an extended campus delivering a branded credential. Participant-B stated that, with respect to the

establishment of indicators for IBC-B, administrators felt there was "...a good understanding of what was necessary to be financially and academically [successful], but at the time we set up the contract we hadn't formally written them down." Participant-D noted, "We were monitoring the financial performance of the organization, which meant its ability to pay us." Participant-D further stated, "We monitored student performance, we ran annual audits, and we had biannual moderator reports, which they paid for, and so ... and we presented those reports to the board."

Other indicators of success that were not measured included Campus-A's presence in a foreign country, such as delivering courses abroad to demonstrate the ability to deliver Campus-A's branded education in a different geographical location. Participant-A stated that Campus-A took an "Australian product and placed it on the ground and it's being fully utilized. I guess it's like a commodity." Another indicator of success was that Campus-A had consulted on the establishment of a building branded with Campus-A's name, supported by staff in the host country, thus demonstrating a successful partnership. Participant-B stated, "I suppose they became more formal as time has progressed" and "they improved over the years." The indicators were never formally set and strictly adhered to; they were implemented informally, evolving into practice as a result of lessons learned.

Tracking and Evaluation of Indicators

In this section I address the subresearch question, "Who tracked and evaluated the indicators?" Participant interviews confirmed that the evaluation and tracking varied by indicator because each indicator of success posed a different level of risk to the Campus-A and IBC-B organizations and their operations. The level of risk determined the individual accountable for tracking the indicator: the higher the risk, the more senior the representative.

Senior-manager accountability. Participant-D confirmed that, from an organizational perspective, senior managers were considered to be accountable for international operations, including extended campuses, because these operations were considered to have a higher level of risk than the general operations of Campus-A. Senior managers, who were required to review, evaluate, and sign off on financial reports, were used to track the status of the indicators. Changes in financial status of IBC-B ran the risk of impacting Campus A's overall operating budget and the sustainability of IBC-B. The financial reports outlined any changes in forecasting that required evaluation. In addition, IBC-B's Board of Trustees, CEO, and VP continuously monitored international benchmarks, which included financial and risk metrics.

Project-manager accountability. The project managers were responsible for oversight of the operations of all extended campuses within their respective geographical regions. They generated the reports for senior managers. Participant-C confirmed that monthly and quarterly reports were generated for evaluation of financial status (revenue generation), payment history, and current and projected student-enrollment numbers. Participant-C stated that timelines to see changes in metrics had a 2-year lag. Participant-C further acknowledged that some projects experienced challenges associated with tracking project revenues because there were differences in financial-management cycles and underpinning processes between the source and host campuses. IBC-B's financial status was impacted by fluctuation in student enrollment numbers due to the inability to predict academic progression and attrition. Fluctuating student numbers created challenges in managing financial forecasts. An example of these challenges was the unpredictability of the student numbers and the timelines for generating invoices, which impacted Campus-A's predetermined annual-forecast cycle.

Although managers tracked and made recommendations, ultimately the senior managers were accountable for evaluating the financial and quality metrics from an organizational perspective. The financial metrics were tracked and reviewed at the annual Board of Trustee planning meetings for the purpose of reviewing normal business operations. To determine accuracy and to identify whether mitigation was required, quarterly meetings were held by the Board of Trustees to monitor IBC-B's performance against these set targets. Participant-D stated that "the financial statements were presented to the Board of Trustees every year." The quality indicators that were tracked included academic metrics such as moderated audits and the assessment of the AQTF processes for compliance. The center managers were accountable for facilitating the biannual audit process of the academic indicators, which included arranging to send the moderators from Campus-A to contribute to the process.

Goals and Timelines for Success

In this section, I address the subresearch question, "What are the goals and timelines used to monitor success?" The study participants confirmed that the goals and timelines of Campus-A were used to monitor success of IBC-B. Participant-B verified that Campus-A's standard budget process applied. Participant-C confirmed that the setting of targets/goals for IBC-B was restricted to an internal 12-month timeframe as dictated by Campus-A's fiscal year. An annual plan was established with quarterly and monthly reports. The financial monitoring timelines were very much dictated by the annual planning cycle of Campus-A, which created challenges because the operations of IBC-B were not in alignment with the delivery methods Campus-A was accustomed to.

Ultimately, the CEO was accountable for determining the time required for an extended campus to demonstrate success, and for mitigating steps if the targets were not attained. Yet

administrators at Campus-A had a common understanding that not all operations would generate revenue in the first years of operation. The targets for the second year of operation were determined based on the first year's actuals, in anticipation of more realistic, attainable, and profitable targets in the following years. An external auditing agency manually audited the financial targets annually.

Campus-A's budgeting practices and reporting timelines were effective financially and contractually, but not commercially. Campus-A's annual planning cycle created challenges for extended-campus projects because they required approximately a 2-year time lag to demonstrate operational effectiveness. Ideally, an extended-campus project of this scale required a 3-year to 5-year timeframe to gain a full understanding of costs to operate, not including the lead time required to develop and establish operations. Each extended-campus project's time to operational effectiveness was situational and varied based on the context, upfront development needs, and funding model. Extended-campus funding was either tuition based or supported by a project sponsor that funded the overall extended-campus operations or provided students' scholarships. Participant-D stated that Campus-A took a shorter-term perspective: "It was an annual issue; if we aren't making any money, then why are we not making any money?" Although the short-term perspective was important, a longer-term perspective allowed for the establishment of operations, and for the extended campus to financially break even the first year. Overall, Campus-A's administration was hard pressed to monitor the success of IBC-B because this scale of project required a longer timeline to see progress.

Additional oversight was established through IBC-B's Board of Trustees. This oversight included having senior representation from Campus-A, and utilizing an annual planning meeting to review the annual business plan, a process that included potential expansion and reduction in

programs. Participant-D acknowledged that the IBC-B Board meetings provided “an overarching ability to put pressure on the owners and investors to put more money in if they needed to buy new equipment.” In addition, Board of Trustees quarterly meetings were held to maintain oversight and manage IBC-B’s performance and quality measures.

In summary, IBC-B’s goals and timelines for success were in alignment with Campus-A’s operational practices, but with a higher level of oversight by senior managers. Additional oversight of IBC-B operations was a result of additional risks due to the time lag required to adjust goals and targets. Additionally IBC-B Board of Trustees completed an annual review in support of operational planning.

Conclusions

In summary, this study addressed seven research questions using a case-study approach. Multiple sources of information were accessed and examined, and five participants were interviewed. The findings were as follows:

- The analysis of the data confirmed that, although extended campuses were not new to Campus-A, the arrangement with IBC-B was new in the respect that Campus-A engaged in a contract in which it managed host operations as a result of providing a branded credential. For Campus-A, engaging in this different model of delivery resulted in many lessons learned, which administrators used to inform future partnerships and the associated potential considerations. “The more that we entered into the international market, the tighter we got in terms of procedure and making sure that we were covering all aspects of risk, due diligence...” (Participant-A).
- In response to the subresearch question “Who are the decision makers involved in approving the decision to establish the IBC?,” the study confirmed that the decision to

- establish IBC-B consisted of various due-diligence checks and stakeholder consultations, in which the CEO was identified as being the final approving signatory.
- In response to the central research question “What are the decision makers’ perceptions of the decision-making process when they are considering the establishment of an international branch campus (IBC)?,” The development of IBC-B occurred over an extended period in which numerous stakeholders were involved in the process up to the final decision to establish. Various stakeholders engaged in various stages throughout the internal consultation, referred to as *go/no-go decisions*.
 - In response to the subresearch question “What steps are taken from initial engagement through to the decision to establish and operate the IBC?,” the gestation period for establishment of IBC-B ranged from 4 years to 6 years. There were two stages of development: (a) consultation on campus set-up, and (b) engagement in operations. The seven major steps in the decision-making process consisted of (a) partner identification, (b) discussions around prospects, (c) due diligence, (d) MOU signing, (e) scope clarification, (f) internal and external project approval, and (g) delivery of services. The decision to establish IBC-B was not linear but instead consisted of various stages of go/no-go decisions that included consultation with a variety of stakeholders. And although many stakeholders contributed to the decision-making process, the final decision to proceed was associated with the sign-off of the business case.
 - In response to the subresearch question “What are the considerations during the decision-making process?,” the study confirmed that there were two prominent types of considerations—financial and quality—in the determination of whether or not to

establish the partnership with IBC-B. A third type of ancillary considerations included those related to market need, political stability, protection of reputation, and overall staff safety.

- In response to the subresearch question “What information is used to inform the process of establishment?,” the information that informed the process of establishment included analysis of financial and market risks, quality risks, and historical knowledge in international projects. Additionally, as the result of Campus-A agreeing to a facility-ownership model, having increased engagement and oversight of operations resulted in the request for additional due-diligence research.
- In response to the central question “What indicators are used to measure the success of the IBC?,” The most evident measures of success were financial return, followed by quality measures.
- In response to the subresearch question “How are the indicators of success established?,” IBC-B’s indicators of success were adopted based on Campus-A’s operations. Although there were ancillary indicators documented in the reporting requirements, reporting on revenue generation was at the forefront for IBC-B operations.
- In response to the subresearch question “Who tracked and evaluated the indicators?,” the reporting requirements were based on Campus-A’s standard cycle, which proved to be challenging because international projects had different timelines. The individuals accountable for tracking and evaluating these results were reflective of both the roles and the levels of risk within the project. In other words, the higher the

levels of risk to Campus-A, the higher the level of the individual within the organization accountable for tracking and evaluating the metrics.

- In response to the subresearch question “What are the goals and timelines used to monitor success?,” the goals and timelines were reflective of the source organization’s practices of annual planning. For instance, quarterly and monthly reviews were because of the time lag required to adjust goals and targets.

CHAPTER 5: SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Higher-education administrators continue to pursue opportunities to establish IBCs. Yet little is known about administrators' perspectives when they are deciding whether or not to establish an IBC, and the measures of success for an IBC. For instance, Lane (2011) highlighted that there has been no systematic investigation into administrators' perspective of the institutional motivations to open an IBC. Engagement in an IBC as a business is recognized for its high risk but also high reward. Likewise, McBurnie and Pollock (2000) stated that there is little written about risk in relation to the provision of higher education. So it is important that administrators determine the motivations for IBC pursuit: whether to develop the IBC for the benefits associated with internationalization, or for the financial return on investment (ROI). It is considered particularly important for administrators to understand that, because of the fluid and unpredictable nature of international engagement, establishing an IBC is not for the faint of heart.

In this chapter, I present the alignment or contradiction of the results with the key literature in the areas of (a) IBC models, (b) establishment of an IBC, (c) benchmarks for success, and (d) the decision-making process. Then I draw conclusions from the findings. The chapter concludes with implications for administrator actions and recommendations for future areas of research.

Outcome: IBC Models

Although there are various definitions of an IBC, not one definition can fully encompass IBC activity (Helm, 2005; Lane & Kinser, 2012). Variations of the basic IBC models are defined by the deliverables and the differences in capabilities between the host and source organizations.

These differences in capabilities define the level of partner engagement between the source and host campuses, the degree of accountability related to facility ownership, and operational oversight.

An IBC is commonly classified as such by its engagement in a public-private partnership. Humphries et al. (2013) described these partnerships as meeting the needs of countries that are seeking access to quality postsecondary education at home. These countries are partnering with world-class colleges and universities to achieve their human-resource development objectives. Kinser and Lane (2013) have proposed five IBC facility-ownership models commonly used by educational administrators: (a) wholly owned; (b) partnership or joint venture between the host country and the home country's local or national government; (c) partnership with a local, private partner; (d) facility rental; and (e) standalone operations. In this study, Campus-A established IBC-B in the host country, which aligned with Lane's facility-ownership model, referred to as the partnership with a local, private partner. In this case study, administrators at Campus-A had a history of engaging in various forms of extended campus partnerships. Campus-A's preferred ownership model had no in-country capital investment, and as a result no owner equity or need for formal oversight of extended campus operations. The five participants identified that the rationale for engaging in this partnership ownership model was to reduce the risk associated with engaging in IBC-B. The risk for Campus A was decreased as a result of having an in-country partner that would be assisting with navigating the differences in environmental conditions and regulatory framework of the host country.

The characteristics of the partnership ownership model between Campus-A and IBC-B impacted the levels of accountability and degree of delivery involvement for both partners. Initially, the consulting agreement between administrators at Campus-A and at IBC-B was

limited to supporting the infrastructure and campus setup. The agreement later evolved to increased partner engagement as a result of the host country's mandate for an internationally branded credential and use of the source-campus name. The host country's mandate resulted in the need for Campus-A to offer a branded credential through IBC-B. Although there was no change to Campus-A's partnership ownership model, increased involvement by Campus-A in IBC-B's operations impacted the contractual agreement and deliverables. Campus-A's administrators and staff had to take on a more principal role in the oversight of IBC-B operations. This decision raised Campus-A's accountability associated with managing quality assurance to meet Australian Quality Training Framework standards, and protecting the credential (preventing academic malpractice). Gore (2012) acknowledged that a source organization's approach to engagement in a partnership ownership model, similar to Campus-A's approach, is to mitigate financial and operational risks.

Outcome: IBC Establishment

Heffernan and Poole (2005) acknowledged that a key success factor associated with establishing an IBC was managing the risk. Yet limited research exists that has explored the key considerations and the practical implications when an organization is deciding whether to establish an IBC (Clifford, 2015). Lane (2011) further highlighted the Cross Border Education Research Team's acknowledgement that most IBC business plans were flawed, and that there was insufficient investigation into the host country's environmental conditions, which is required to mitigate risk. Clifford (2015) also highlighted the key areas of risk associated with financial and alignment of educational values. Additionally, Girdzijauskaite and Radzeviciene (2014) underscored that, while there are mitigating strategies to reduce risk, educational administrators

have limited ability to predict and minimize risk when they are considering entry into a foreign market.

Literature that documents examples of IBC failures is also limited because of the proprietary nature of the IBC as an educational business. Yet Lewis (2014) noted that some IBC campuses never even operationalize. In contrast with the literature, Campus-A had demonstrated historical successes with extended-campus operations because administrators had an increased understanding of the offshore delivery requirements. Campus-A's mission and vision enabled its administrators to identify the strong support for internationalization, and specifically the intentional pursuit of extended-campus opportunities. Campus-A's decision to engage in a partnership ownership model with IBC-B was to decrease its project risk and limit its responsibility associated with managing operations. Upon application for the Amiri Decree, the Middle Eastern government approved a conditional agreement that required Campus-A to brand IBC-B operations. This requirement resulted in increased involvement by Campus-A in IBC-B operations. As a result of the increased risk and accountability associated with this conditional agreement, Campus-A completed additional due-diligence research for the purpose of assessing the project risk in support of the final business decision. Campus-A's due diligence consisted of additional market research and feasibility studies.

Altbach and Knight (2007) highlighted in the literature that international activities are subject to risk due to changes in the economic, political, and societal influences where the IBC-B exists. In the current study, the decision to establish IBC-B was a result of Campus-A administrators' familiarity with the context because they had previously worked with this same partner in this particular Middle Eastern country. And although the previous project had limited scale and scope in comparison with the extended campus operations of IBC-B, the first project

had provided insight for Campus-A administrators to understand the context. In addition, the previous project contributed to their understanding of this specific partner's values, and their rationale for engaging in IBC operations. As a result, both historical knowledge and an understanding of potential risks and mitigation strategies contributed to the administrators' decision to engage in the establishment of IBC-B.

In her research, Clifford (2015) highlighted that financial risks were related to a source organization's potential failure to meet revenue and enrollment targets considered to be financially devastating for the organization. This premise was validated in the current project when IBC-B's projected enrollment targets were not met; yet Campus-A mitigated this risk by forecasting lower enrollment numbers. Additionally, there were challenges for administrators who were working to replicate the source-campus student experience at an offshore campus. To mitigate these differences, Campus-A consulted on the facility set up for IBC-B, and administrators' recruited staff from Campus-A into key positions overseas. This approach assisted Campus-A administrators with transferring the source-campus's knowledge and experience to the host campus. In addition, administrators from Campus-A established a governing board to support operational decision-making and made regular visits to IBC-B as ways to establish and maintain effective partnerships. Additionally, implementation of regular quality-assurance visits helped ensure that the source campus was complying with the AQTF standards, thus protecting the source organization. All of these strategies were demonstrated to be effective, as identified by one of the participants as IBC-B was considered to be a well-run organization.

Outcome: Benchmarks for Success

Olcott (2014) emphasized revenue generation and quality assurance as two key benchmarks for success, and the current research results supported this. Financial return to the source organization was quantified based on the percentage of revenue generated by fee-for-service activities, as Wilkins and Huisman (2012) noted. Quality assurance was a key area outlined in the literature, as host countries look to ensure that the offshore education is meeting a minimum level of program standards (Alam et al., 2013). Lane (2014) suggested that there is a trend of overpromising and underproviding, and the current research findings also indicate that this was a common perception between the Campus-A and IBC-B partnership. Helm (2007) stressed that, when one is establishing an IBC, it is important to understand the goals of the program.

IBC-B's key measures for success were validated through interviews and were related to the two key benchmarks of finance and quality. Neither of these benchmarks was ever formally established or communicated for IBC-B operations, but both were informed by Campus-A's standard reporting requirements. Finance as a measure of success was associated with revenue generation for the source campus as an expectation of IBC establishment. Quality as a measure of success was representative of IBC-B being AQTF compliant, which was required for Campus-A to maintain its status as a Registered Training Organization. The application of Campus-A's benchmarks for IBC-B created challenges in reporting because of the differences in context and the timelines for measuring success. Another benchmark that came to the forefront in this research based on participant interviews was associated with the need for more clarity in expectations and goals between the project team, Campus-A's internal departments, and external IBC-B representatives.

Throughout the various stages of project development, there were points of tension, both internally with the different departments within the organization, and externally between the source and host partnership. The differences in the expectations between Campus-A and IBC-B administrators resulted in frustrations and unplanned changes to the project direction. Participant interviews also revealed that there were internal tensions between Campus-A teaching centers and the project team; these tensions were associated with differences in perceptions. Campus-A representatives questioned whether extended-campus offerings were being viewed as merely for the purpose of generating revenue, foreign to the realm of traditional education. Additionally, these findings identified challenges associated with the lengthy gestation time of extended-campus projects and the need for ongoing engagement by Campus-A representatives. The importance of Campus-A administrators clarifying the project expectations became evident. External tensions with the partner organization were related to a number of factors that included the process of finalizing of the service agreement, which was impacted by changing AQTF standards; and reaching agreement on the scope of the curriculum, program offerings, financial and student enrollment projections, and forecasted employment outcomes.

More specifically, Campus-A and IBC-B administrators had differences in their understanding of the project scope and expectations. Throughout project development, the AQTF standards were evolving, which was impacting the deliverables in the service agreement because Campus-A needed to be compliant. Another example of a difference in understanding between Campus-A and IBC-B representatives was related to curriculum because different educational organizations can view the components differently. For instance, administrators at Campus-A and IBC-B viewed curriculum as represented by course modules, administrators at IBC-B considered curriculum as additionally including presentation materials and lesson plans. Another

example of differences in expectations between the two entities was related to financial expectations, specifically in terms of student enrollment. IBC-B's projections were more optimistic and had to be tempered with the realities of the actual enrollment numbers. Additionally, projected employment outcomes for IBC-B students, although a common metric for Campus-A, were not necessarily aligned with the intentions of the IBC-B graduates. Research participants identified that students didn't always attend IBC-B for the purpose of employment but instead attended for the purpose of stimulation. As a result of such differences, expected project outcomes needed to be realigned at various times throughout the establishment and operations of IBC-B. Additionally, the benchmarks and reporting requirements Campus-A used and applied to IBC-B were not always transferrable to the host organization because they needed to reflect the uniqueness of offshore operations.

As a result of the identification of differences in expectations that created these tensions, an organizational process review was completed and the Business/Contract Development Process was documented in support of Campus-A's future project success. Participant interviews confirmed that the project lessons those involved in the various contexts had learned, and which were documented, contributed to the development of a viable extended-campus project model.

Outcome: Decision-Making Progress

Harding and Lammey (2011) emphasized that operating an IBC required attention to considerations around the differences in cultural, legal, and environmental conditions that were very different from those at the home campus. Similarly, Campus-A administrators determined that it was necessary to complete due-diligence activities to ensure that they had sufficient information to inform their decision-making process. Even having completed due diligence,

Campus-A's administrators still had to consider the ambiguity and challenges associated with the fluidity of what could be compared to a start-up venture (Lane, 2011).

The literature highlighted that international administrators are expected to work in a complex framework that requires entrepreneurialism, flexibility, and the ability to make independent decisions (Torenbeek, 2005). The literature identified the president/CEO as the leader who managed ambiguity and challenges as being the most common catalyst for internationalization at most institutions (American Council on Education, 2012). Campus-A administrators confirmed through lessons they had learned that IBC-B had different operational considerations that required management of daily challenges from the home campus, as a result of the fluid needs of operating in a global environment. The decision-making process around whether or not to establish IBC-B consisted of various go/no-go stages that resulted in extensive project-development timelines. While the research corroborated that various stakeholders contribute to the decision-making process, the CEO was the final approving decision maker in Campus-A proceeding with establishing IBC-B in the current project.

As a result of lessons learned when they were establishing IBC-B, Campus-A's administrators had a much clearer understanding of the areas they needed to consider when deciding whether or not to establish an extended campus. The key areas of consideration consisted of selecting a preferred facility-ownership model, and understanding of the model's correlation with the degree of operational oversight. Additionally when selecting an ownership model, the need for administrators to identify the level and type of due diligence research required, when deciding whether to engage in IBC operations based on the.

In Conclusion

There are many considerations for administrators engaging in the high-risk venture of establishing a branch campus, considerations associated with the alignment of the mission and vision of the source campus that contribute to the overall internationalization of the campus. While the literature confirmed that the intended outcome of establishing an IBC is to replicate the source-campus operation at the host location, the differences in context create additional layers of complexity. The research findings were in alignment with the literature in that IBC-B's difference in context from Campus-A created complexities around the selection of a facility-ownership model. The business of offshore higher education requires administrators with the business acumen necessary to run a start-up venture, which differs from the skills required for managing within the public sector. Administrators need to be comfortable operating within an ambiguous and challenging environment, which requires problem-solving skills and continuous focus on strategy and risk mitigation.

The literature confirmed that the areas of IBC risks are broad, and the findings from this case study demonstrated the high financial and reputational-quality stakes for Campus-A. Working with an educational institution in a different geographical location, and in the international arena requires management support and skills beyond the usual levels of adaptability and flexibility. The potential issues in managing an institution in remote location are often quite different from those on the source campus, whose operational systems and reporting requirements have been established for standard domestic operations and accountabilities. The case study confirmed that Campus-A's systems and requirements were not designed for differences in international delivery, and these differences created challenges. Similarly, the differences in expectations between the two organizations can create operational challenges,

unrealistic timelines for demonstrating success, and, as a result, inaccurate reporting of outcomes. Campus-A viewed IBC-B as providing a key source of revenue for the source campus, a means for contributing to its core operations, and a way to subsidize activities that the source campus would otherwise be unable to fund. And while demonstrating such return, IBC-B also had the potential to positively impact Campus-A's overall financial situation and reputation. While demonstrating return, the IBC also has the potential to impact the source campus' financial situation and overall reputation.

Implications for Practice

IBC-B was considered to be one of Campus-A's more successful IBCs, yet that success was not without lessons learned. Study participants identified that, during the stakeholder sign-off, there was a misunderstanding related to expectations on behalf of the Campus-A and IBC-B representatives. As a result, the Campus-A's CEO requested a briefing paper and documented steps from the partner-identification stage, through to project-execution stage for IBC-B. Creation of this briefing paper resulted in the identification of two key implications for practice related to (a) the need to document the steps, roles, and accountabilities related to IBC establishment and (b) the importance of understanding the impact of context on the facility-ownership model.

One of the key implications for practice relates to the need to document project development steps up to through to the point of establishment, and the roles and accountabilities for everyone involved with IBC-B establishment. The establishment of IBC-B occurred over a 4-year timeframe, with an evolving project scope as new information was presented and costs were realized. Research-participant feedback identified that at the sign-off step, that there had been insufficient internal and external consultation with stakeholders, and a false understanding

among some participants of the business development's level of approval authority. Although the project team was immersed in the day-to-day evolution of IBC-B, research-participants identified that not all stakeholders had the same understanding and expectations. This inconsistency was largely the result of the significant time involved in deciding whether to establish the IBC-B, and consequently, the result of various stakeholders transitioning in and out of the project throughout that decision-making period. The implications for practice for administrators relate to the need for clarity in both the process and the roles associated with IBC-B development. A recommended practice that was identified as a result of information presented in the case study was for a host organization to document the extended-campus project model in advance of considering the establishment of an extended campus, to better support their understanding of the operational implications and associated risks. The model would outline the steps involved to establish an extended campus, including the consultation process, roles and levels of approval authority associated with the project, and accountability details.

A second implication for practice relates to the importance of understanding the impact of the context on the facility-ownership model. Campus-A had experiences working abroad in various countries, and operating under more conservative facility-ownership models that had limited risk. Yet IBC-B had different operational considerations than those previous experiences as a result of the difference in context—specifically, the Middle Eastern government's requirement that IBC-B use Campus-A's branding. The difference in governance resulted in a change in the type of facility-ownership model, which in turn resulted in a higher degree of engagement in the host country and ultimately a higher degree of risk for Campus-A. The risks were related to the need for increased oversight of IBC-B's operations by Campus-A employees, to ensure quality compliance and to protect both Campus-A's status as an RTO and its

reputation. Because of the issues associated with not understanding the context, Campus-A's departments and schools questioned the project team and their decisions. The implications for practice for administrators in this context relate to the importance of ensuring full investigation into the context. In this case study, that context included the governance structure associated with licensing an IBC in the specific location, which was essential for those involved to fully understand the risk and the impact on the facility-ownership model they were using, and to help them identify strategies for mitigating that risk.

Future Research

General research exists related to the establishment of IBCs, but the research on the decision-making process related to such establishment is limited. Administrators are unwilling to share their successes and failures because of the proprietary nature of the lessons they may have learned. This research represents an individual case study; therefore, the findings are limited to one case and are not generalizable. Access to IBC-B campus operations was limited to administrators at the source organization and did not include the host campus as a result of protection for their partner relations. Therefore, a future area of research might be to explore the perspectives of the host-campus administrators about the decision-making process and measures of success. Another research topic for consideration could be to using a multicase analysis to compare and contrast the decision-making process among different institutions. These research areas would be beneficial to administrators and practitioners when they are deciding whether or not to establish an IBC because the additional research would increase the depth and breadth of their understanding. This additional research might also provide insight into additional characteristics and considerations when organizations are deciding whether to establish an IBC, further contributing to the overall base of information for understanding this process.

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APPENDIX A: EMAIL OF INTRODUCTION

Dear Participant,

My name is Raynie Wood and I am a researcher from Colorado State University in the School of Education department. We are conducting a dissertation research study to explore the decision-making considerations when determining whether to establish an IBC, and to examine the measure(s) that inform the benchmarks for success to assist in better understanding the successes and failures of offshore campuses. The title of our project is *Establishment of an Internationally Based Offshore Branch Campus: An Australian Case Study*. The Principal Investigator is Dr. Marlene Strathe, School of Education and I am the Co-Principal Investigator.

We would like you to participate in an interview over the phone or online using SKYPE. Participation will take approximately an hour and a half, with the possibility of a half hour follow-up for clarification, if required. Your participation in this research is voluntary. If you decide to participate in the study, you may withdraw your consent and stop participation at any time without penalty.

To protect you from identification, all transcribed and audio-recorded files will have identifiers removed. You will receive a pseudo name, which will correspond with the file name(s) that will be stored on a password-protected computer. When we report and share the data to others, we will combine the data from all participants. The Australian site of the case study will also have its identification removed and will be provided a pseudo name. While there are no direct benefits to you, we hope to gain more knowledge on the decision-making process of deciding whether or not to establish an International Branch Campus.

There are no known risks for participating in this research. It is not possible to identify all potential risks in research procedures, but the researcher(s) have taken reasonable safeguards to minimize any known and potential (but unknown) risks.

If you would like to participate or have any questions about the research, please contact Dr. Marlene Strathe at marlene.strathe@colostate.edu or call her (970) 491-3848, or me, Raynie Wood at rmconsulting@shaw.ca or call me at (403) 277-8069. I have attached the consent form for this research to give you the information you will need to help you decide whether to be in the study or not. If you decide to participate, I will ask that you sign the attached consent form, scan and email it back to me as your consent to participate. Please feel free to print a copy of the form for your records if you wish.

If you have any questions about your rights as a volunteer in this research, contact Colorado State University Institutional Review Board at RICRO_IRB@mail.colostate.edu; (970) 491-1553.

Dr. Marlene Strathe
Professor, School of Education

Raynie Wood
Graduate Student/Researcher

APPENDIX B: PARTICIPANT CONSENT FORM

Consent to Participate in the Research Study Colorado State University

TITLE OF STUDY: Establishment of an Internationally Based Offshore Branch Campus:
An Australian Case Study

PRINCIPAL INVESTIGATOR: Marlene Strathe, PhD, Professor/Advisor, School of Education, contact information (970) 491-3848

CO-PRINCIPAL INVESTIGATOR AND/OR NAMES OF RESEARCH TEAM: Raynie Wood, graduate student in the School of Education, contact information is (403) 277-8069 or rmconsulting@shaw.ca

WHY AM I BEING INVITED TO TAKE PART IN THIS RESEARCH? You are being contacted based on your experiences as a senior administrator or manager in higher education having been involved in the establishment of an Australian International Branch Campus (IBC). I am asking for your voluntary participation in this dissertation research study. Your participation will consist of contributing to one, SKYPE or phone interview, with the possibility of a follow-up interview for the purposes of clarification, if required. The types of questions that will be asked during the interview will be focused on the process (steps involved) in deciding to establish an IBC, considerations when establishing the IBC, and what data was used to inform your decision-making process. In addition, there will a few questions related to indicators used to measure the success of the IBC.

WHO IS DOING THE STUDY? The graduate student/researcher is completing this dissertation study.

WHAT IS THE PURPOSE OF THIS STUDY? International influences such as economic drivers, political struggles, and global communication systems are influencing the nature and needs of the workforce. Colleges and universities are changing their approach to import and export of educational delivery in response to the global demands, looking to provide education and training to prepare graduates for the international marketplace. A core element of this education and training is the delivery of transnational education at an International Branch Campus (IBC), teaching or learning within a 'host' country being different than the 'source' country of education.

Having a campus separate from the host country has resulted in different operational considerations and not without risk. Offshore campuses are being established and operated through partnerships or joint ventures, to reduce this risk and to assist with navigating the regulatory framework of the host country. While there is increased risk associated with setting up a campus in a different geographical location, the willingness of administrators to establish an IBC continues to grow while understanding of the decision-making process is limited.

The purpose of this case study is to explore the decision-making considerations when determining whether to establish an IBC, and to examine the measure(s) that inform the benchmarks for success to assist in better understanding the successes and failures of offshore campuses.

WHERE IS THE STUDY GOING TO TAKE PLACE AND HOW LONG WILL IT LAST? The interview will either be completed online over SKYPE or over the phone based as a result of the differences in geographical location. If you decide to participate in this study, we will confirm a time that will work for you and meet for the interview. The interview will consist of a list of interview questions, which I will ask for your perspective on.

WHAT WILL I BE ASKED TO DO? Participation will consist of being interviewed. The audio-recorded interview will require a maximum of 1.5 hours in time with the possibility of a follow-up interview of .5 hours, over SKYPE or the phone.

WHAT ARE THE POSSIBLE RISKS AND DISCOMFORTS? There are no known risks for discomforts for participating in this research. It is not possible to identify all potential risks in research procedures, but

the researcher has taken reasonable safeguards to minimize any known and potential (but unknown) risks.

ARE THERE ANY BENEFITS FROM TAKING PART IN THIS STUDY? While there are no direct benefits to you, we hope to gain more knowledge on the decision-making process of deciding whether or not to establish an International Branch Campus.

DO I HAVE TO TAKE PART IN THIS STUDY? Your participation in this research is voluntary. If you decide to participate in the study, you may withdraw your consent and stop participating at any time without penalty or loss.

WHO WILL SEE THE INFORMATION THAT I GIVE: We will keep private all research records that identify you and the Australian organization, to the extent allowed by law. We will keep your data confidential and will not have your identifying information linked to data. Data may consist of unidentifiable quotes from your interview. We may be asked to share the research files for audit purposes with the CSU Institutional Review Board ethics committee, if necessary.

To protect you from identification, all transcribed and audio-recorded files will have identifiers removed. You will receive a pseudo name, which will correspond with the file name(s) that will be stored on a password-protected computer. The site of the case study will also have identifiers removed and will be provided a pseudo name. The pseudo names (codes) associated with identifiers on a linked list will be stored in a separate locked filing cabinet within the office of the Co-Principal Investigator. The audio recording and the linked list will be destroyed or erased within a two-year timeframe. The transcribed data will be stored for five years and will then be destroyed or erased. When we report and share the data to others, we will combine the data from all participants.

The only exceptions to this are if we are asked to share the research files for audit purposes with the CSU Institutional Review Board ethics committee, if necessary. When we write about the study to share with other researchers, we will write about the combined information we have gathered. You will not be identified in these written materials. We may publish the results of this study; however, we will keep your name and other identifying information private.

WHAT IF I HAVE QUESTIONS? Before you decide whether to accept this invitation to take part in the study, please ask any questions that might come to mind now. Later, if you have questions about the study, you can contact the investigators, Dr. Marlene Strathe at (970)-491-3848 marlene.strathe@colostate.edu or Raynie Wood at (403)-277-8069 or rmconsulting@shaw.ca. If you have any questions about your rights as a volunteer in this research, contact Colorado State University Institutional Review Board (IRB) at RICRO_IRB@mail.colostate.edu; 970-449-1553. We will give you a copy of this consent form to take with you.

Your signature acknowledges that you have read the information stated and willingly sign this consent form. Your signature also acknowledges that you have received, on the date signed, a copy of this document containing 2 pages.

Signature of adult agreeing to participate in the study:

Date reviewed and signed:

With your consent I agree to have the interview audio recorded: (initials) Yes____ **No**____

Print name of adult agreeing to participate in the study:

Name of person providing information to you:

Date:

APPENDIX C: INTERVIEW GUIDE

The following field-study questions are to collect data from the senior administrator, to explore the perceptions of the decision-making process and standards for success when determining whether or not to establish an International Branch Campus (IBC)- offshore branch campus. Initially the questions are semistructured, collecting a broader understanding of the research topic area, and then focusing on more specific details.

1. Give me a brief history of your international experiences as an administrator or manager during this time.
2. What were the perceptions of the decision-making process when considering the establishment of an International Branch Campus (IBC)?
 - Who were the decision-makers involved in approving the decision to establish the IBC?
 - What steps were taken from initial engagement through to the decision to establish and operate the IBC?
 - What were the considerations during the decision-making process?
 - What was the information used to inform the process of establishment?
3. What were the indicators used to measure the success of the IBC?
 - How were the indicators of success established?
 - What were the indicators of success?
 - Who tracked and evaluated the indicators?
 - What were the goals and timelines used to monitor success?

APPENDIX D: INSTITUTIONAL REVIEW BOARD CERTIFICATION



Research Integrity & Compliance Review Office
Office of the Vice President for Research
321 General Services Building - Campus Delivery 2011 Fort Collins,
CO
TEL: (970) 491-1553
FAX: (970) 491-2293

NOTICE OF APPROVAL FOR HUMAN RESEARCH

DATE: April 06, 2015
TO: Strathe, Marlene, Education
Kamberelis, George, Education, Clark, Kelli, Education, Wood, Raynie, Education
FROM: Swiss, Evelyn, Coordinator, CSU IRB 2
PROTOCOL TITLE: Establishment of an Internationally Based Offshore Branch Campus: An Australian Case Study
FUNDING SOURCE: NONE
PROTOCOL NUMBER: 15-5708H
APPROVAL PERIOD: Approval Date: April 06, 2015 Expiration Date: March 13, 2016

The CSU Institutional Review Board (IRB) for the protection of human subjects has reviewed the protocol entitled: Establishment of an Internationally Based Offshore Branch Campus: An Australian Case Study. The project has been approved for the procedures and subjects described in the protocol. This protocol must be reviewed for renewal on a yearly basis for as long as the research remains active. Should the protocol not be renewed before expiration, all activities must cease until the protocol has been re-reviewed.

If approval did not accompany a proposal when it was submitted to a sponsor, it is the PI's responsibility to provide the sponsor with the approval notice.

This approval is issued under Colorado State University's Federal Wide Assurance 00000647 with the Office for Human Research Protections (OHRP). If you have any questions regarding your obligations under CSU's Assurance, please do not hesitate to contact us.

Please direct any questions about the IRB's actions on this project to:

IRB Office - (970) 491-1553; RICRO_IRB@mail.Colostate.edu
Evelyn Swiss, IRB Coordinator - (970) 491-1381; Evelyn.Swiss@Colostate.edu

Swiss, Evelyn

Approval is to recruit up to 6 administrators/managers with the approved recruitment and consent. The above-referenced project was approved by the Institutional Review Board with the condition that the approved consent form is signed by the subjects and each subject is given a copy of the form. NO changes may be made to this document without first obtaining the approval of the IRB.

Approval Period: April 06, 2015 through March 13, 2016
Review Type: EXPEDITED
IRB Number: 00000202