University satellite campus management models

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Among the 60 or so university satellite campuses in Australia are many that are probably failing to meet the high expectations of their universities and the communities they were designed to serve. While in some cases this may be due to the demand driven system, it may also be attributable in part to the ways in which they are managed. The authors' recent research suggested that the amount of freedom satellite campuses have to direct their affairs needs to be linked to their market locations and profiles. The tendency, therefore, to control everything from the centre may have an adverse effect on satellite campus effectiveness. The authors outline management models currently in use at satellite campuses, along with their advantages and limitations, and argue that universities should pay serious attention to the issue of satellite campus management arrangements.

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Satellite campuses

Australia has 41 public and private universities. Of these, 33 have at least one satellite (or branch) campus. Across the country, there are at least 60 satellite campuses that have full-time academic and administrative staff, and this number is growing. They are a substantial component of the Australian higher education scene, but little has been written about them, their contribution to the communities they serve, and their role in meeting their respective missions.

Some of these satellite campuses report considerable success, with expanding enrolments and satisfied students. Others are ticking over, doing more or less the same thing from year to year, and not encountering any debilitating fluctuations in demand. However, some are on the point of despair, with declining enrolments, programs being withdrawn, and with diminishing confidence placed in them by their communities and among their employees.

Major themes

We have visited many satellite campuses or spoken at length with the key staff. While our interest has been broadly in their effectiveness, their management, and the major challenges they face, the conversations have clustered around common themes. These relate to sustaining demand, building the right program mix, and the relationship with the parent campus. It is not our purpose here to discuss the first two issues, but rather to look at how satellite campuses might best be organised. If they are well organised, we argue that they give themselves the best platform from which to sustain and increase demand, and to develop products that are attractive to the markets they serve.

Our understanding of effectiveness has been formed largely from our discussions with the heads of satellite campuses, with a number of vice-chancellors and other senior personnel, and from our experience as former campus heads. We know that the extent to which a satellite campus is valued in its community is an important success indicator, and so is student satisfaction. Indeed there are many other persuasive measures of effectiveness, including the economic benefits that a campus brings to its community. The focus of discussions, though, tends to be primarily on the ability to acquire and locally manage resources, which translates into student numbers, staffing, funding and equivalent forms of support. Naturally, all these things are linked: if you give students a poor deal, word gets round, and sooner or later the numbers decline. With fewer students, there is less money to run or expand programs, so it is no surprise, therefore, that satellite campuses are, in large part, judged on their ability to attract and manage resources.

Management arrangements

Despite the best possible intentions of a university, from conversations with campus heads, the management arrangements in place are not always designed for success. There are probably far better ways of doing things, but changing from an established 'command and control from the centre' model may never have entered the equation. In some cases, political tensions and forces may make it nigh on impossible to install optimal arrangements. We have encountered such situations frequently.

Fraser's (2014) work in Australia on satellite campus management structures showed that campuses operate in different environments, and their structures need to be aligned to their intentions. The greater the need to engage with the local community, and the greater the level of differentiation of the local market from the parent campus market, then the greater the need for freedom to make important decisions at the local level.

However, relocating power and resources to a different entity can be fraught with difficulty and can lead to fractious power games. This is particularly so in universities in which faculties are powerful and largely autonomous subunits. While the prevailing rhetoric may be about the good of the university and the students, the reality is often about acquiring and protecting resources, and enhancing power bases. That is not problematic in itself, but it can have an adverse impact on the ability of satellite campuses to do the job they were designed for. For example, a campus may have spent years building up trust and support from the local community and the student numbers may have grown slowly but surely. But a decision by a faculty to cut a program because of internal budget priorities or lower enrolment numbers can have a devastating effect on the campus, as the community will now have less confidence in the campus to sustain the rest of its portfolio. For a small campus, in particular, this sort of decision can compromise its viability.

In essence, Fraser's (2014) analysis was about either control from the centre or control devolved to the local campus (which we term 'autonomy'), and a range of variations in between. At one end of the continuum there are campuses that have no say whatsoever in how they operate, with everything arranged by the parent campus; at the other end, there are a few campuses that have almost full control over what they do, including program choices, teaching modes, staffing and campus services. In at least one case, the campus is called a faculty, and it operates as a semi-discrete entity.

Satellite campus models

Fraser's work identified five clearly defined categories of campus management model, based on the extent of autonomy granted to the campus head. At one end of the continuum is a model with no autonomy for the local operation, while at the other end is a unit that is effectively independent of the parent organisation. We summarise these models below.

The Study Centre model is a means of transacting locally with students. It has virtually no autonomy and there may be no local management. It is usually limited to a teaching-only function.

The Administrative model is the most prevalent in Australia. The faculties generally call the shots, and the campus head has little authority for the business operation, although senior personnel based at the campus may have some influence in the local community. There is only limited control over funds and operations, and any business risks are borne by the parent campus or faculties. There is only limited scope for campus-specific marketing, and the campus head may hold a relatively low position in the university hierarchy. In some situations, centrally-made decisions can have a severe and adverse impact on the work of the campus.

There are variations. Some afford greater latitude to the campus head, who may be given a degree of influence over business decisions, and the position may have limited responsibility for academic staff and programs. In some cases, the head of campus may be part of the university's senior management group; for example, at one institution we visited, the head was a deputy vice-chancellor, and at another, a faculty dean. Recently, some universities have elevated the head of campus title to that of associate vice-chancellor. While impressive titles may be symbolically useful, they do not necessarily affect the operation.

The Matrix model places the accountability for campus business outcomes fairly and squarely with the campus head. This has implications for funding and risk management. The campus must have an appropriate level of funding to be able to call the tune in relation to key decisions about programs and other products. In return for this, the campus carries the commercial risks that would normally be borne by faculties. For example, campus funding may be determined in large part by student numbers (at the campus), so it is empowered to make strategic trade-offs about supporting programs with lower enrolments using revenue from high-demand programs. In this model, the campus establishes a set of requirements about program choices, modes of delivery and teaching quality, and then pays for the service. The skills of negotiation, contract-type bargaining and dispute resolution are central to this model. There is usually local marketing in addition to the broader university marketing.

We have called it a matrix unit because staff have an affiliation to both their own organisational units in the broader university and to the campus. Thus, an academic staff member, while answerable to his or her faculty, must also be 'responsive' to the demands and expectations of the campus head. It is true there can be tensions in such a complex relationship, but it seems to work well where the campus head is part of the university's senior management. Each faculty usually has a senior representative based at the campus, and support services are operationally managed locally in order to provide a highly responsive service to students and staff.

The Campus Faculty model is somewhat unusual, although there are distinct similarities with the matrix unit. It operates like an autonomous business unit, but also has responsibility for academic staff. The responsibility for quality rests solely with the campus, leading to the capacity to respond rapidly to issues as they arise. Programs can be developed with the support of faculties, and, in some cases, there may be control over research. The head also looks after administrative staff and possibly support operations, such as student services.

An even more unusual model is the Federal Campus, which has full control of academic programs and research. There is still commercial accountability to the vice-chancellor, and the local operation must be consistent with the corporate brand. While the federal and campus faculty models are very rare in Australia, they are not uncommon in the US, and have historically proven to be successful models and strongly supported by their local communities.

The models are essentially defined by different degrees of autonomy. Probably the most important area of autonomy relates to the satellite campus business. This means the extent to which the campus head can make decisions about the programs to be offered, how they will be delivered, the costs involved, and quality monitoring. The prime indicator of success is inevitably the ability of the campus to attract students and to take them through to successful graduation, so the freedom to formulate a product offer and communicate it with impact to the campus market is a crucial ingredient of campus autonomy. Removing a program from a small campus can cause irreparable damage to reputation and destroy localised cross-program and cross-faculty synergies, but if the campus has a large degree of control of the business, then it can manage low-yield programs in a way that is in the best interests of the campus.

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Heads of small campuses that operate according to the administrative model often report that their students receive a raw deal with regard to teaching. In order to conserve resources, faculties may choose to broadcast lectures from the parent campus, and students at the satellite campus usually become passive viewers of screens, with less than perfect technology often contributing to their potential woes. Students complain that they are not receiving the sort of teaching they were initially promised and that they are treated inequitably, though having paid the same fees as their counterparts at the parent campus. This can put the campus in a vulnerable position, with poor retention rates and local brand damage. Where a campus is given more control of teaching quality, it is easier to meet student expectations. This is not necessarily a call for face-to-face teaching all the time, but rather for student experiences that are driven by high quality practice and expectations than by economic expedience. Where a university chooses to offer its courses entirely online, a student is not restricted to a local campus, and can indeed choose more or less any online provider. To give genuine service to a local community, a campus has to provide the sort of support and quality engagement that only a local entity can offer.

As we can see, there is considerable potential for conflict. For example, a faculty that has to bear the risk may see its operation at a small campus as a resource drain, whereas the satellite campus sees it as a worthwhile service to its community, its raison d'être. This is where the funding methodology employed is crucially important. If the campus is given sufficient funds to run the programs offered, it is able to balance out the high yield programs with the lower enrolment programs in order to provide a broader service to the local market. In other words, sometimes retaining lower yield products is a vital part of the total product mix, which gives confidence in the campus and its place in the community. Thus, for a small campus, looking at program economic data in isolation can lead to unfortunate decisions.

The message from the above is clear: the greater the level of autonomy for the satellite campus, the more able it is to provide the level of service that meets student expectations and thus to win ongoing support. Under these circumstances, a fair measure of control over programs, staffing, teaching quality and marketing gives the capacity to negotiate priorities and to execute them.

Despite that, some campuses work effectively as simple administrative models, where everything is controlled by the parent campus. This is usually because the respective markets are essentially homogeneous, so there is little differentiation between the parent and satellite campuses. In these conditions, corporate branding is not problematic. Such campuses' operations can be characterised by sameness, and this is particularly so where the campuses are in close proximity, with even some market overlap. However, where the market demographics are fundamentally different, not only is there a clear call for a different management arrangement, but the branding also needs to be varied. This can become quite complex. On the one hand, there is a need to have a consistent overall university message, but there is a commensurate need for a highly focused local identity for the satellite campus. This, then, takes us to the matter of marketing.

Marketing

The marketing of a small campus is often fraught with tension and difficulty. When marketing is dictated from the centre, the messages and priorities can be inappropriate for the campus' market, unless there is a profound understanding of the distinctive nature of that market. For example, the parent campus may be in a fairly affluent location, with relatively high levels of student participation in higher education, whereas the satellite campus market may be characterised by high unemployment and little tradition of higher education involvement: the marketing approaches need to be fundamentally different, while still communicating a singular brand message. The brand problem is often compounded by organisational subunits also doing their own marketing 'thing', which limits the coherence of the brand messages the university may be trying to convey.

Research

A related matter is that of research. It is usually not possible, or desirable, for the campus itself to have full control over all the research conducted by academics at that satellite campus, but there are benefits to be derived from some locally directed research. For instance, research that is relevant to the community increases the university profile and demonstrates a willingness to make a contribution based on a university's unique strength. A campus head with a reasonable degree of autonomy is probably in a better position to allocate at least a modest amount of funding to research that reflects significant priorities in the community, and these may relate to areas such as local economic development, improving the quality of health services, building confidence in the business community, and a range of equally important community concerns.

Finally…

There is no doubt that operating satellite campuses necessitates a fine balancing act. The right model for the right situation does not guarantee success, but it arguably enhances the chances of it. We need to be aware that all this is not a simple rational process of understanding the nature of the relationship between a satellite campus and its market, and then applying an appropriate management model. It helps to do that, but the real challenge for university executives is to manage the complex politics that come into play once power loci are shifted. It is a challenge that is fraught with difficulty, and that may explain why many universities employ a simple administrative unit model even in situations where it is the least effective. Doing that, though, may impede success, and compromise both the university's effectiveness and the capacity of a small campus to provide the sort of experience for its students, staff and local community that is at the core of its mission.

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Reference

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