

Revisiting Higher Education Business Models and Academic Performance Metrics Times

Tony de Souza-Daw¹

¹ Melbourne Polytechnic, Melbourne, Australia

Correspondence: Tony de Souza-Daw, Melbourne Polytechnic, Melbourne, Australia. E-mail: tonydesouza-daw@melbournepolytechnic.edu.au

Received: June 8, 2022

Accepted: July 16, 2022

Online Published: August 2, 2022

doi:10.5539/ijbm.v17n9p1

URL: <https://doi.org/10.5539/ijbm.v17n9p1>

Abstract

Performance metrics for academics in higher education have been changing and becoming more refined; focusing on income generation such as grants, high impact publications or the completion of a higher degree by research that the government awards funding. Government funding is often restrictive and highly competitive. Definitions of research active started to dictate workload models and allocations of teaching duties. The updated Tertiary Education Quality and Standards Agency (TEQSA) threshold standard now requires at least one supervisor of a higher degree by research student to be research active.

However, the entry of private higher education providers into the education sector created many challenges. Private higher education providers in many cases do not receive government funding and focus on popular degrees. This allows for a highly profitable institution. Although, it represents a significant shift between a higher education that strives for research objectives to a sole focus on educating the massive for a profit.

Performance metrics, the employment modern awards, enterprise agreements currently do not reflect a teaching-only (intensive) institute. Restricting employers to classifications with inherent duties and pay scale that are simply not reflective of an employee's value or worth.

This paper examines the disparity between duties, expectations and limitations of employment, the education minimum standards and makes recommendations on how they can co-exist better. One subject model discussed, has full-time staff become business owners of a degree enabling them to share in the profit in a franchise-education model.

Keywords: higher education, organisation structure, employment awards

1. Introduction

Australian Higher Education has seen many changes, a more intense battle of teaching-only, research-only and teaching-research has seen debates on funding, workload models and performance metrics. Combine the rise of privatisation of higher education has seen a focused on education with little to no research goals. Investing in long term investments as traditional research has promised, is not the focus of private providers as they are focus on relative short-term goals which rely heavily on student numbers. Performance metrics and employment agreements are all formed on the traditional teaching-research model. Under this model, the best educators can only be paid at the highest of entry level A with no hope of promotion. This is the unfortunate truth about our higher education sector and the modern awards. Non-traditional higher education providers include not just smaller private operators but also Technical and Further Education (TAFE) which has started offering higher education degrees. There has not been much work in this area in published literature. The lack of research and consulting in non-traditional research providers is discussed in Section 2, followed by complications in the teaching metric before analyzing the employment contractual obligations. This is critical to understanding the managerial and employment differences between traditional and non-traditional education providers. Following the explanation of problems in the non-traditional providers versus the traditional education providers, models are explained and discussed to make the non-traditional education providers more remunerative attractive and rewarding careers.

2. Non-Traditional Providers Research Related Problems

Research definitions for classification are often out-dated. For example, Level B researchers do national research

and Level C researcher do international research. This led to many conferences calling themselves “International” to encourage application, rather than having a national conference knowing that some applications won’t apply because they cannot use it in a promotion application. It is highly debatable whether there is a quality difference between international and national research publishers.

Research Active term has been around for several years. It made it into the Australian Higher Education regulator TEQSA threshold standard in 2021. As it has now (finally) recognized that a supervisor must be currently researching while supervising a research student. Although, perhaps it should also state that a supervisor must be research active in a relevant field.

Research at a traditional university is relatively easier, with establishing resources such as access to millions of dollars in research publications and databases. Many private providers simply don’t and won’t financially justify the expenditure of millions of dollars on something that they cannot see a return on investment. Compounded with challenges in access to equipment, occupation and health related issues and a high teaching load makes research in non-tradition higher education providers very difficult. Hence, it is easy to only desire the bare minimum of research needed for accreditation purposes.

The financial restrictions on research and access to quality publications for a literature survey put a limit on what can be researched in non-tradition higher education providers. There has been a focus on teaching and learning with many producing and publishing innovative assessments and teaching pedagogy. However, a formal assessment requires surveys typical of students. Students survey for research purposes should be avoided as they are an oversampled population and stricter ethical committees will not approve repeated research on the same student population. Moreover, journals often require larger and larger sample sizes. An entire cohort of students in private higher education in one subject at a time could easily not have a sufficient population. Longitudinal studies of students, that is the same assessment under investigation are given to several cohorts again and again to generate meaningful empirical data. Repeating the survey to several cohorts, delays the results and publications for years, so even if the results are promising, the long delay is detrimental to one’s career as the same results could be garnered in one semester at a traditional institution. Promotion based on research instruments derived at a traditional institute can not be used in a teaching-dominated institute.

The supervision of research students who publish is instantly research active. Moreover, without research students (Honours, Masters by Research and PhD candidates) whose work is often co-authored by supervisors, educators and researchers, it is a huge challenge for teaching-intensive educators to obtain research-active status.

Even if higher educators can still publish and receive grants which is an extraordinary effort, non-traditional institute still needs to have systems in place to make sure it is high quality research (ranking system), investigate research misconduct (fabrication of data, authors who did not contribute to the work, misappropriation of research funds, misuse of research equipment, etc) and an ethical committee. This is a significant large administration overhead that is only profitable in larger, government funded research institutes.

So, after implementing educators who can teach and research, an entire team who can support research related management, then there are activities that are simply not counted at all such as the act of peer reviewing. Which can take a considerable amount of time but itself doesn’t fall into the category of research or professional development.

The current situation for research in non-tradition higher educator providers has clearly been a complex task filled with little or no return on investment, compounded by the ability for research management to be implemented by education management who could easily have never researched before.

3. Problems with Teaching Metrics

Teaching indicators are another difficult concept to analyse. Good-Teaching scores are easily subjected to bias. Whether a lecturer gives high marks, doesn’t chase on attendance, doesn’t report academic misconduct or is seen to be too hard on these issues all have an impact on students’ evaluation. Then there is deliberate and intentional misconduct (de Souza-Daw & Ross, 2021), threatening students that if you don’t give lecturers high scores they (students) will fail or emotionally blackmail, if you give the lecturer poor results then they’ll be fired and their families will starve. Or intentional bribing the students financially, with food or other questionable behaviour.

Other teaching metrics such as peer review are subjected to biases including friendship, co-authors, co-grant applicants, etc. Internal peer review puts too much pressure on staff to be objective. External peer reviews are the better option but still are highly subjected to individual perceptions and dubious practices (e.g. favouritism, bribes, etc).

Other problems with teaching metrics are the insufficient or no time to develop teaching material. Staff members

can easily perform poorly during times of poor management practices. Some subjects require more technical advanced skills, certifications and hence should not be measured on the same metrics as other subjects.

Moderation of subjects varies from re-marking to checking subject guides for accuracy and results for appropriate distributions. However, except for high failure rates, there is little to no accountability.

Other academic duties include open days, student tours, marketing events and industry projects are counted if you attend but have no performance measures (e.g. how well did you do?). Teaching is a hard metric to quantify, probably the best metric is whether the teaching material is well organised.

4. Employment Agreements

Higher Education traditional providers have long established roles that are implemented in classifications under an enterprise agreement. Under the minimum standard condition of the Modern Awards for the classification are as follows:

Level A – no research, no course coordination, no teaching at Masters or PhD level.

Level B – limited course coordination (only undergraduate or small degrees) can teach at Masters and can research.

Level C – Full course coordination.

Each level classification includes all of the lower classification duties.

The classification of a typical enterprise agreement is as follows:

Level A – no course coordination, can research and teach at Masters.

Level B – limited course coordination, can research and teach at Masters

Level C – full course coordination

Each level classification includes all of the lower classification duties.

The restrictions in research between classification and teaching duties could easily be breached by a simple sudden jump in student numbers, often occurring when immigration changes allow migration via higher education more easily. This could easily see the most appropriate person based on qualification and experience teaching a subject he should not be (e.g. a Masters subject) because he or she is not on the right pay classification or performing overflow of course coordination duties. The time the Chief Executive Officer or a board convenes to appoint the person, a semester has already been completed. In the state of Victoria, it could easily be deemed as wage theft.

In most employment awards there are classifications (sometimes referred to as ranges) and typically six levels within a classification. The promotion from one classification to another is based on additional responsibilities. Most of these responsibilities are hard to measure and become subjective. Clear metrics are almost never specified such as holding a PhD, graduate certificates in Teaching and Learning are binary either you have them or you do not. Rather it is up to an employer to determine or a judge, especially when terms like “small” degrees are used to determine course coordination at Level B.

Employees who continue at the same employer are to increase on their payscale annually given a satisfactory performance review. The case of prolonged service has the award of small incremental pay increases. This creates loyalty. A large scale with a single or few classifications is preferable over an award with multiple classifications (e.g. Level A, B, C, D). For example, a four level (A to D) classification system creates restrictions on duties and limits the amount of growth. Combining levels B and C reduces this problem and allows staff to do more duties. Duties such as course coordination could be at a certain level rather than a classification. For example, Level 2-6 can course coordinate undergraduate degrees, Level 2-8 can course coordinate graduate degrees and Level 2-10 can coordinate research degrees. Additional requirements such as holding a PhD, being research-active and teaching qualifications are often now the minimum employment conditions but could be on clear levels within one large classification. Only ongoing criteria such as research-active need to be monitored. Removing issues of promotion just so selective staff members can help in coordination activities avoids at worse for a judge to decide on whether the coordination activities meet the higher duties allowance. A level rather than classification also allows a staff member to gain valuable experience before gaining enough experience to perform certain duties. So, it is recommended that level A-C be combined with clear metrics on key level promotion.

Another fundamental problem with the awards and threshold standard is a staff member's ability to keep up-to-date with the field. This is often referred to as professional development under the higher education

threshold standard. How much a staff member is invested in professional development in terms of money and hours of work is often not stated. There is a requirement to stay up-to-date and it should be stated in an employment agreement. For example, an employment award should state a staff member is entitled to 2 days of professional development a year that could include self-learning, self-development or a professional course. Moreover, other fields such as Information Technology which is renowned to be large and complex and changes more rapidly may benefit from a longer minimum professional development stated in the employment agreement. Changes in employment agreements may assist but not completely solve the duties and classification problem.

5. Alternative Income Generation Ideas

Research, external grants and external consultancy are all counted as they represent external funding. In other words, staff who gains external funds, in addition to meeting their performance targets are considered high performers. However, other activities such as Open Days, Student tours, marketing events and industry student projects are all important activities. Higher education providers are always dependent on student numbers. This should be one of the highest priorities of an education provider, simply put, low student numbers create a financial deficient to the institute. A condition of the minimum threshold standard is education providers must be financially viable. Hence, attracting and keeping students should be of paramount concern.

There are many alternative methods of attracting students including social events such as public lectures and public workshops, which in today's terms could easily be a podcast or a Youtube channel. When such channels are reaching tens to hundreds of thousands then it becomes equivalent to a marketing campaign. The effectiveness then needs to be measured, although it may reach hundreds of thousands but how many of those are then enrolling in the provider courses? A more targeted market would be high school reach-out events, for example, year 12 revision lectures. This would work well for traditional subjects such as mathematics, the sciences and business subjects that are better aligned with year 11 and 12 curricula. However, not particularly useful for non-tradition subjects such as computer science and fashion that do not align well with the final years of high school.

Other sources of income streams are boot camps and private training. Boot camps can be tailored and incorporated for high school students, for example, Coding Camps, Engineering competitions and Hackathons. These may occupy classes during the non-teaching periods when rooms are simply underutilized, apart from external renting of rooms and facilities for conferences and external training.

Activities that could lead to students enrolling are often known as lead generation. These include marketing events such as Open Days, Student Tours, Primary and High School reach-out events. These events often require lecturing staff to participate with little to no incentives or recognition. Although, non-traditional institutes could rely on these types of activities for students' enrolment, particularly for domestic students.

6. Organisation Structure

Large organisations have a rigid structure with well-defined roles, often derived from minimum employment conditions. Traditional universities in Australia resemble a large organisation with attempts to complete as many fields as possible. This makes managing a traditional university more complex. However, non-traditional providers are typically much smaller and more flexible and their structure could easily be optimized for the financial benefits of their members.

As previously mentioned one of the most important metrics is the number of student enrolments. Recruiting and attaining students are often the responsibilities of marketing departments, which often need discipline specific lecturers' involvement. Enrolling students often needs discipline specific teaching staff to advise students on the content of different subjects. Alternative income streams and outreach events always need discipline specific lecturers. In almost every area, educators need to be directly involved. Large traditional providers solve this problem by having educators performing some management roles such as associate dean, pro-vice chancellors, etc. However, these roles are simply not feasible in a non-traditional institute.

A current problem with smaller non-traditional education institutes' job roles is that it creates no to limited transferable skills, no promotion or career and little industry involvement. This creates an opportunity for an organisation structure that better supports and encourages their staff. A change in the organisation structure and managing an organisation is needed.

6.1 Organization and Business Structure Models Opportunities

Traditional providers have very well-defined performance metrics embedded in the key areas of teaching, research and the administrative duties associated with teaching such as cross-marking, moderation, etc. However, non-traditional education providers do not have a strong focus on research and focus mainly on students as the

main and in many cases only source of income. This has led to a significant problem of roles and responsibilities of educators being changed into a more fixed, teaching-only position, which as the position indicates is what the educator will only be doing for the rest of their careers. However, as their traditional provider counterpart's position description will inform, higher education educators are highly capable, sophisticated, advanced professionals who are highly capable and their transferable skills can be better utilized in the educational institution and community. This is a growing problem and requires research.

7. USA Tenure Model

The Tenure model (Harlow, Lo, Saichaie, & Sato, 2020) is well popularized in the United States of America. An academic is placed on a contract for a fixed number of years to demonstrate an ability to publish, attract grants, teaching and administration excellence. After a fixed time, the contract is rolled into a full-time, ongoing position. This model is meant to protect academic freedom. Although, the workload model of how much time and resources are allocated to research, teaching and administration is left to the institute. This fits with the traditional university of research and teaching. However, in non-traditional higher education such as VET or small institute with a few degrees their teaching-administration duties is much higher. The Boyers model (Boyer, 1990) clarifies the terms of scholarship in discovery, integration, application and teaching; Discovery of new knowledge, integrating new knowledge into research (publication) and applying it to a product and educating people about the new knowledge. Boyer models and models similar to this help connect research to commercialization and education but do not provide a workload model.

The main financial advantage is job security, financial rewards in research is only in terms of promotion to the next classification. Few actually achieve a sellable product from their research that researchers can expect a modest financial award. Excellence in teaching and administration has few rewards or benefits.

8. Producers Model

In the commercial media, televised show hosts can earn more money than the Chief Executive Officer. In this model, a producer pays for the salaries of all employees involved, the filming facilities, and reaps the rewards of selling the content to television stations, advertisement agencies, license of royalties such as toys and games, but also takes the risk if there are no buyers or purchase less than the costs involved. Like academia, there is a shift from traditional to non-traditional revenue sources for the media industry such as crowd-funding (Fanea-Ivanovici & Baber, 2021) (Hennig-Thurau, Ravid, & Sorenson, 2021).

Converting this model into academia; a "producer" pays for the production of course material and sells it to education institutes. This has been seen with many corporations producing their own academic department. Some industry corporations produce material for education institutes either at a fee or free as an encouragement for students to recommend their products when they are employed in the industry, a long-term strategy to obtain more market share. Others like Google are producing their own certificates, valuing their certificates as equivalent to a degree, an entry point to professional employment.

Another model, similar to the producer model for academia is a platform where tutors can find students (typically online) such as tutorprof. Tutors become sole-traders and are not restricted in how many students they can teach. Hence, they can earn more from selling their services to many rather than being restricted to an institution's class size.

The producer model of paying for a good or service and then selling it has not seen any real adoption in mainstream higher education. At the moment, at best, it adds-value to existing degrees with industry partnerships allowing discounted products such as course material and exam vouchers for long term market share. Or earn a little bit more money conducting extra tutorials on the side of a full-time job.

It is argued by the authors that this model would only enter mainstream if there was a general degree to which the examination is held at a government level and massification of teaching of a large population is done at the institution level. Unlikely to occur in Australia as the population is a factor of 10 less than those in America, India and China thus a much smaller market to contend with.

9. Harvey-Norman Model

Harvey-Norman is a retail store that originated in Australia. It has a unique model business model. In a traditional franchise, a corporation licenses its brand and associated intangible property to the franchisee who sells the product to customers. In a Harvey-Norman style department store, each department is its own franchise. One store, therefore, contains 3-4 unique franchises, bringing several home departments together under a broader, central home centre.

Applying this model to academia involves making departments that run under a central brand but as an independent business entity. This enables a successful department to have a larger stake in its profit but a larger risk for poorer performing departments. Departments with limited student population would take a larger risk of not seeing a profitable return.

In this model, the traditional head of school would be a part of the central franchiser but a course coordinator in charge of a degree becomes a business owner. Lecturers can either be a lecturer as with the traditional structure or a director with shared responsibilities of recruiting students and generating income from grants and external consulting. The Australian TEQSA threshold institution enables this type of franchise with separate accreditation for the institute and the degrees. The institute becomes the franchiser and the degree offering business is the franchisee.

There are some clear benefits from this type of model. Decisions are made locally resulting in a faster approval process including decisions such as research areas, research equipment, research funding, developing elective subjects, degrees, etc. Empowering lecturers to take ownership and continually improve the cycle. The income generated goes to an owner corporation (if lecturers are also directors) or to a local business entity. The recruitment process is local hiring casual academics and administration. This model makes the current modern award and enterprise agreement impractical. Potentially, the only part of a modern award that is relevant is for casual staff. Owners simply keep the profits. Financial motivation to keep subject’s quality high, actively recruit students, efficient operations, and make a smaller more highly effective team, etc.

In the traditional model, the only way a lecturer is promoted to a Director position (unless through natural progression, requiring restructuring or resignation) is through their research, setting up a business entity selling their research product or service and it typically requires mass investment. This Harvey-Normal style requires a company owns the brand and registration at an institute level lowers the venture capital of entering the education market and hence encourages competition.

The downside of this type of model is administrators are usually seen by a large business entity as global resources that can relocate to other areas when one degree becomes less popular and other degrees become more popular. Less job security for a limited amount of administration, although, probably the same job security for casual academics as their skills and expertise are generally harder to transfer to other teaching areas. In a traditional franchise arrangement, they are permitted to serve a large area. This is more complex as online and international agreements make this model compete with other franchisees from different regions. Potentially, this could be solved with a larger area such as city and regional areas. Moreover, related degrees such as Computer Science, Computer Engineering, Networking degrees can all be associated with one franchise, which may only offer one of the degrees until a larger demand in the field and appropriate capabilities are sustainable.

10. Discussion

Each of the aforementioned models are compared in how an income is generated, performance metrics, company structure and income security are presented in Table 1. A Harvey-Normal style business adventure would be highly dependent on market variables such as occupations on the skills migrations and skills shortages which would see a significant influx of students as well as dependent on franchiser performance. This model suits business-minded individuals who are willing to run their own educational business with a smaller start-up fee than with an educational institute and individual degrees.

Table 1. Comparison of education organization models

Models	USA Tenure model	Producers Model	Harvey-Norman Model
How a lecture generates an income?	Contractual employment and considered ongoing after several years of passing key performance metrics.	Selling teaching material Selling tutoring/teaching services to the masses.	A business owner of a degree keeps the profit after expenses.
Performance Metrics	Teaching + Research + Consulting	Teaching	Teaching + Business Operations
Company Structure	Traditional. Lecturers levels A-D, Executives	Sole Trader or Business	Franchise
Income Security	High. Higher performing degrees compensate for under performing degrees.	Variable. Depends on demand.	Depends on market variables.
Educational Material	Created themselves or purchased.	Created themselves	Franchiser

10.1 Limitations and Further Research

Tenure model has been employed for several years. The producer model has started up in the last decade and have seen several wide spread efforts such as tutorprof or LinkedIn (formerly Linda) learning platforms. Alternative implementation is industry academic programs with their own certification program, taught through higher education institutes or as a private entity. The franchise model has not been implemented at the time of writing. This potentially could be a game changer bringing in lots of smaller education providers and distributing the wealth at lower levels. Perhaps be a future model to consider.

Deployment of the Harvey-Norman style could be in countries, particularly developing countries, which are yet to privatise the industry such that entry to market as a franchisee is more affordable with the government being the franchiser.

11. Conclusion

There are no doubt funding models, workloads need to be more flexible for higher degree educators for non-traditional higher education providers. Workload models should also have minimum time to develop a subject and to maintain professional update information on a degree. This can easily differ from departments and services such as information technologies.

Alternative models of higher education providers are presented. Producer-model is unlikely to become mainstream unless government intervention in the minimum standard in what we teach. The Harvey-Normal style of multiple franchises under one roof has potential. An old or underperforming campus could easily be turned into a multiple franchise education facility.

References

- Boyer, E. (1990). *Scholarship Reconsidered: Priorities of the Professoriate*. NY: Wiley and Sons.
- De Souza-Daw, T. A. (2021). Fraud in higher education: a system for detection and prevention. *Journal of Engineering, Design and Technology, ahead-of-print*(ahead-of-print). <https://doi.org/10.1108/JEDT-12-2020-0504>
- Fanea-Ivanovici, M., & Baber, H. (2021). Crowdfunding model for financing movies and web series. *International Journal of Innovation Studies, 5*(2), 99-105. <https://doi.org/10.1016/j.ijis.2021.06.001>
- Harlow, A., Lo, S., Saichaie, K., & Sato, B. (2020). Characterizing the University of California's tenure-track teaching position from the faculty and administrator perspectives. *PLoS ONE, 15*(1). <https://doi.org/10.1371/journal.pone.0227633>
- Hennig-Thurau, T., Ravid, S., & Sorenson, O. (2021). The Economics of Filmed Entertainment in the Digital Era . *J Cult Econ, 45*, 157-170. <https://doi.org/10.1007/s10824-021-09407-6>

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).