Institutional Complexity in the Field of Offshore Campuses: Dealing with Competing Institutional Logics in Borderless Higher Education

Abstract

This paper explores the institutional logics in the organizational field of offshore campuses in Singapore. According to the neo-institutional theory, institutional logics provide the organizing principles for guiding behavior of actors in a field. However, more and more organizations are being confronted with competing institutional logics which cause irreconcilable conflicts. Compliance to demands is difficult to realize, since satisfying some demands requires defying others. This paper sets the basis to encounter the remaining question: how are organizations dealing with competing institutional logics? An inductive comparative case study has been conducted in order to grasp the institutional complexity in the context of borderless higher education. As a result, the author identifies six different institutional logics which are predominant in the field. The research findings contribute to institutional literature by proving that competing logics can co-exist in the same field and competition between these logics leads to institutional complexity. The key contribution is a more precise picture of the institutional demands in the field of international branch campuses.
Introduction

In the past two decades, neo-institutional theory had become monopolized by macro-level studies which stressed on consistency and diminished the role of the individual as an unconsidered carrier of institutions (Delbridge & Edwards, 2013). Neo-institutional theorists assumed that one dominant logic was predominant in an organizational field and therefore focused mainly on the transition and replacement of such logics (Thornton & Ocasio, 1999). But recent studies indicate that it is likely that several institutional logics co-exist over time and lead to institutional complexity for organizations in that specific field (Reay & Hinings, 2009; Saz-Carranza & Longo, 2012; Delbridge & Edwards, 2013). These studies shed light on the phenomenon of institutional complexity. Since organizations have to face diverse demands from various constituents that might be contradictory, they have to solve the dilemma of choosing between the fulfillments of different expectations.

The research of institutional complexity turns the focus back on questions of individual perception of logics and expectations within an organization. Still, empirical data is lacking on explaining how organizations manage conflicting institutional logics in a pluralistic environment (Cloutier & Langley, 2013). Research projects now have to examine how institutional logics are perceived by organizations and how competing demands are handled. That is why Thornton et al. (2012) or Delbridge and Edwards (2013) encourage researchers to concentrate on intra-organizational processes and dynamics in coping with institutional complexity. There is a need for case studies that address pluralistic organizations, which work in a highly fragmented field with many different constituents.

In the era of globalization and mutual dependencies, drawing on Friedland and Alford’s (1991) conception of institutional logics is valuable, because it operates on three levels of analysis – the individual, the organizational and the societal. It directs attention towards the multiple societal sectors that carve the cognition and behaviors of actors. Especially in the field of higher education, where various demands are at stake and where many different stakeholders have an impact on the organizational field, the institutional approach offers a strong tool of analysis. By providing a link between existing institutional demands and organizational action, the institutional logic concept contributes to the understanding of the phenomenon of building offshore campuses of universities. Yet, more needs to be achieved before the benefits of a multi-level analysis can be employed.

This article constitutes the first stage of a PhD research project on institutional complexity. The first stage elaborates upon the description of the organizational field and the identification of the co-existing institutional logics causing institutional complexity. A further stage evaluates the handling of institutional complexity by the organizations and the micro-processes that take place. The purpose of this paper is to outline the organizational field of offshore campuses in Singapore and its
corresponding constituents. Furthermore, the research looks into the kinds of competing institutional logics perceived by the members of offshore campuses. Offshore campuses, in the context of the fast altering higher education system, experience conflicting demands, which cause institutional complexity. Offshore campuses represent ideal case studies to investigate institutional logics since they operate in a highly fragmented organizational field with many constituents.

The result of the first stage of this research involves the identification and description of six institutional logics that can be found in the field of offshore campuses in Singapore. By compiling the competing demands and various expectations held by different constituents of the field, the understanding of the rationales for applied strategies is enhanced and insights in motivation and reasoning for establishing offshore campuses is gained. The findings are strengthened by empirical evidence that stems from studies of secondary data, which include books, academic journals, platforms of research consortiums, webpages and publications of universities, blog articles and newspapers.

This paper helps understand how members of offshore campuses perceive institutional logics. In addition, it shows that there are several institutional logics co-existing at the same time. Although the findings are the result of a snapshot of the organizational field, they indicate conflicts between contradicting demands, which are experienced as institutional complexity. So, the study contributes to the literature on institutional complexity as well as to the literature on cross-border higher education.

The article is divided into five sections. After a brief introduction of the institutional theory, the paper continues with a description of the research setting. It portrays the cross-border higher education industry and how it has developed over the last few decades. The third part outlines the research design applied for this study. The fourth section discusses the findings of the six institutional logics. The paper closes with concluding remarks on expectations and motivations of offshore campuses and notes on further research.

**Institutional Theory**

Institutional theory claims that society is constituted by different institutions and that these institutions give sense and consistency to social behavior, influencing and limiting organizations’ actions (Pache & Santos, 2010). According to this theory, an organization is influenced by institutions that stem from its external environment as well as from within the organization itself (Zucker, 1987). Instead of efficient structures, which are the result of the demand of their working activities and arise
from the external and internal tradeoffs, the actual existing structures of organizations reflect the “myths” of their institutional environments (J. W. Meyer & Rowan, 1977, p.342).

Meyer and Rowan (1977) distinguished a technical and an institutional environment in their previous empirical work. Whereas organizations in the technical context are exposed to market conditions and are evaluated on the basis of efficiency and profit, organizations in the institutional context are assessed by their ability to conform to social expectations and norms. This differentiation of environments makes clear, that organizations are confronted with different kinds of institutional demands and expectations (Tolbert, 1985). It further allows to classify organizations into different types (Scott, 1998).

Though, institutionalists agree, that it is frequently hard to differentiate empirically between technical and institutional components since one often appears as the other. Institutional logics are usually arranged as technical ones, while many technical rules become institutionalized over time (R. W. Scott & Meyer, 1991). That is why today, only the institutional environment is considered as decisive, since it determines what is technical and efficient as well. Therefore, differentiation is not as important any more, nevertheless, it shows the discrepancies between different institutional demands (Walgenbach, 2006).

Social behavior is organized and controlled through rules or regulations, normative perceptions, and social expectations that are carried through institutional logics (Thornton & Ocasio, 2008). These logics raise institutional demands on organizations (W. R. Scott, 2001) and determine choices as well as provide guidance for appropriate behavior to realize institutionally defined preferences (Friedland & Alford, 1991). But not only do institutional logics guide social actors, they also provide them with vocabularies of motives and senses of self.

Institutional logics determine the coordinating principles for an organizational field (Friedland & Alford, 1991). They create a sense of common purpose and unity (Reay & Hinings, 2009) and “refer to the belief systems and related practices that predominate in an organizational field” (Scott, 2001, p.139). In earlier days, it was assumed that organizational fields were regulated by one dominant institutional logic, although several institutional logics co-existed at the same time (Thornton & Ocasio, 1999). DiMaggio & Powell (1983) define an organizational field as the totality of relevant actors. This includes not only competitors, but also key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products.

Increasingly, organizations are being confronted by conflicting demands from their institutional environments (Pache & Santos, 2011). Organizations are subject to a great amount of regulatory, normative and cognitive forces, which are uncoordinated and involve the implementation of aims or actions that may be contradictory (J. W. Meyer & Rowan, 1977). Pache and Santos (2010,
p.457) describe it as “various pressures for conformity exerted by institutional referents on organizations in a given field”. Competing institutional demands indicate towards friction in the organizational regularization required by institutional referents. These competing institutional demands arise from the underlying competing logics (Thornton & Ocasio, 2008). There are conflicting conceptions about the applicable goals to pursue, as well as the adequate means to achieve them with (Scott, 1987).

Earlier empirical studies researching the existence of competing institutional logics focused mainly on explaining how a dominant logic is replaced by an alternative one (Rao, Monin, & Durand, 2003; Thornton, Jones, & Kury, 2005; Nigam & Ocasio, 2010). This stream of research holds the view that mainly one logic is dominant, although several logics co-exist (Thornton & Ocasio, 1999). Conflicting institutional demands are resolved by the adaption of the preexisting dominant logic to parts of the new logics (Hoffman, 1999). But new studies have shown that unless no logic is really dominating, several conflicting demands will constrain the activities of an organization (Pache & Santos, 2010). Diverse and conflicting demands from an organization’s institutional environment, which are not subordinated by one dominant logic, expose the organization to great challenges.

Although it is largely acknowledged that several logics can co-exist in an organizational field at a point of time, it has not been sufficiently researched as to how organizations respond to these competing logics (Marquis & Lounsbury, 2007; Lounsbury, 2007; Reay & Hinings, 2009). The confrontation between diverse institutional logics is described by the term institutional complexity and it redirects the attention back to actors, structures and institutions within the organization (Delbridge & Edwards, 2013). But a stringent conception connecting the micro and macro lines of the theory is still missing. A clear understanding of how an organization deals with conflicting demands is still absent.

Knowing how organizations react to competing institutional logics first requires explaining when such conflicts occur in an organizational field and how it is affecting organizations (Delbridge & Edwards, 2013). Organizations which are embedded in the same organizational field share the same horizon of meaning and experience equal institutional logics. Thus organizational fields compose the level at which institutional logics operate to shape organizational behaviors (DiMaggio & Powell, 1983). Inside them, mutual interactions take place and common regulation mechanisms are shared (W. R. Scott, 1994).

According to Scott and J. W. Meyer (1991), contradicting institutional demands arise mainly in highly fragmented organizational fields. These fields are characterized by a high number of uncoordinated organizations or social actors on which field members rely. Scott and J. W. Meyer (1991) mention, for instance, the education sector as a key example of a highly fragmented
organizational field, where organizations depend on and are confronted with diverse constituents. This setting stays in contrast to unified fields, such as for example the military field, where organizations face only a few key stakeholders (Pache & Santos, 2010).

The capability of the constituents to impose their demands increases the possibility that they will indeed influence organizations. Scott and J. W. Meyer (1991) call this the degree of the field’s centralization. Centralization describes the distribution of power among the constituents and explains the existence of a dominant actor that is able to enforce one dominant logic. So in a field which is not centralized, various conflicting expectations of different constituents cause ambiguity and an irreconcilable conflict for organizations. Since satisfying some demands requires defying others, compliance to demands is difficult to realize. Powerful actors, which are able to influence a field and compel organizations to behave in a certain way, comprise regulatory authorities (Holm, 1995) and educational organizations that determine conduct of social actors through socialization and accreditation (Greenwood, Suddaby, & Hinings, 2002).

It was thirty years ago, when institutional theorists first analyzed education organizations (J. W. Meyer & Rowan, 1978). They chose education as their preferred field of research (Aurini, 2006), because educational organizations truly maneuver within an institutional context. Institutionalists discovered that educational organizations have isomorphic tendencies and act as loosely coupled systems (Weick, 1976). But when these findings were first formulated, the education system was dominated by public organizations. The landscape of education presented itself as a unified organizational field with relatively stronger centralization. As the institutional theory indicates, educational organizations therefore faced firm isomorphic pressure to align to standard organizational forms.

However, since the first research of the education system, things have changed drastically through several periods of reforms. Technical innovations as well as the liberalization of international economic markets are mainly responsible for alterations and have provoked a rationalization of the landscape of education (H.-D. Meyer & Rowan, 2006). The organizational field is highly fragmented and no central constituent holds the power, since global rankings promote competition between universities around the world. This paper tries to shed light on the formation of new institutional logics in the field of borderless higher education and tries to provide reasons for innovative forms of higher education organizations such as offshore campuses.
Global Higher Education Setting

The international activities of universities have radically increased in size, range, and complexity since the late 20th century (Altbach & Knight, 2007). The evolution of higher education is dominated not only by internationalization, understood as interaction between two different national education systems, but also by globalization (Teichler, 2004). The globalization of the higher education sector appears as a supra-regional phenomenon, which is characterized by competition and blurred national borders. Mutual dependencies and the transition into a knowledge society have led to a systematic and institutional change in the field of higher education.

The consequences are emphasized by three distinct waves (Mazzarol, Soutar, & Sim Seng Yaw, 2003). The first is associated with students travelling abroad to study at a preferred university. The second involves the implementation of partner or double degree programmes between alliances of universities to establish a presence in international markets. The third wave has emerged recently and is characterized by the establishment of offshore organizations of universities in foreign countries, involving greater involvement and higher risk.

More and more highly ranked universities are opening offshore campuses abroad. According to Wilkins and Huisman (2012, p.628), an offshore campus or international branch campus may be defined as “an educational facility owned, at least in part, by a foreign institution, which operates under the name of the foreign institution, where students receive face-to-face instruction to achieve a qualification bearing the name of the foreign institution”. Many offshore organizations of universities were founded at the beginning of the 19th century, and the concept of having such campuses is not necessarily a novel one. In spite of this, the number of offshore organizations of universities has grown rapidly from 183 in 2011 to 233 in 2013 (Lane & Kinser, 2013). Besides China and Dubai, Singapore hosts the highest number of offshore campuses.

--- Graph 1: Map of International Branch Campuses Worldwide (p.26) ---

Fast developing technologies, increasing competition and budget constraints force universities to adapt to the altering environments (Horta, 2009). In order to meet the changes, conflicting interests have to be resolved, which stem from various demands on a local, regional, national and international level (Marginson & Rhoades, 2002). It is assumed, that one of the reactions to these developments may have led to the growing number of offshore organizations of universities.

Offshore organizations of universities operate in a truly institutional context with many constituents. The organizational field of offshore campuses is shaped by the regulations and normative pressures of the host country. Already in the host country existing universities outline the curriculum of academic studies. Cultural norms and values assign how teaching and interaction
between students and teachers occur. And the installed law constrains the structure and form of the offshore campuses. All these constituents raise various institutional demands, which stem from different institutional logics. Offshore organizations of universities have to address these demands in order to maintain legitimacy and ensure a sustained flow of resources. Confronted with multiple institutional logics, offshore organizations of universities experience institutional complexity when they have to negotiate incompatible prescriptions from these multiple logics.

However, since the globalization of the higher education system, offshore campuses are also technical organizations since they act under market conditions. While existing state universities of the host countries receive public funding and are well known among the local residence, offshore campuses must advertise their brand. Offshore campuses mostly lack a stable revenue stream and a guaranteed student base. They are exposed to the globalized higher education market. In this market scheme students are considered as consumers that matriculate at the offshore campuses as long as they receive services, which they are willing to pay.

Running an offshore campus in a competitive environment is very different from managing a university with strong reputation and a long history. Usually, offshore campuses operate in a less regulated organizational field since it is not always clear what legal status they have. This sovereignty provides them with more liberty in creating student programs and hiring professors as well as admission practices. Students possess greater choice in the selection of their preferred educational institution in a country, where offshore campuses are established. Market conditions force offshore campuses to address profit imperatives that demand lowering costs, increasing revenue and to maintain a marketing division in order to be more efficient.

Since the environment of universities is getting increasingly technical, institutional theory can no longer assume that universities are shaped exclusively by ceremonial conformity (Aurini, 2006). Indeed, higher education organizations inhabit two worlds. On one side, they have to conform to social institutions since they operate in a context shaped by established institutional models. On the other side, they face the technical requirements, since they are exposed to international competition and have to be efficient in order to survive. Organizations which encounter different environments are often described as hybrid organizations (Pache & Santos, 2011). The dual-environmental state of technical and institutional demands creates institutional complexity on the organizational level and cause managerial challenges for offshore organizations of universities.

These conclusions go hand in hand with current enhancements in the theory of institutionalism. The so called new institutionalism focuses on studies of organizations that explore overlapping forms of governance. Recent studies acknowledge the possibility that different institutional logics can coexist in one organizational field at the same time, and that these conflicting
demands will restrict the freedom of action of organizations (Pache & Santos, 2010). Subsequently, researchers started analyzing long-term coexistence of multiple institutional logics (Greenwood et al., 2011). Also in the field of education, current research recognize the growing market for educational goods and services, the increased emphasis on accountability and the technologies applied to measure it, the presence of diverse stakeholders as well as the manifold demands that are derived from these perspectives (Aurini, 2006; H.-D. Meyer & Rowan, 2006).

This paper follows this stream of research and analyzes the institutional logics in the field of offshore campuses in Singapore. Offshore campuses differ from ordinary institutional demands or expectations of the functionality and assignments of universities and mediate alternative models of legitimacy. Their fast spread foreshadows a decline of traditional internationalization strategies of universities and enhances opportunities for new forms of collaboration and interdependence in the higher education system. The current state provides offshore campuses with the possibility to create their own intercultural study programs and curriculums, to tap high potential individuals in their home countries, and to generate profit independently from the legislation of the parent university. Accordingly, these offshore organizations vary in the institutional logics by which they operate as well as by which they appeal to their interest groups and provide constituents with other sources of legitimacy. This adaptation is a reaction to isomorphic pressures that stem from both the institutional and technical environments in which they operate.

Despite the developing body of literature in the field of borderless higher education as well as in the field of institutional theory, in-depth results of the function and the impact of institutional logics in the field offshore organizations of universities are still missing. It is still not clear what kind of institutional demands these organizations face during their daily operation. Instead, the fast development of offshore campuses is considered as passing trend caused by the needs of the insufficient education systems of development countries. However, this argumentation certainly holds not true for the case of Singapore since the national universities are world class institutions (Salmi & Liu, 2011). Offshore campuses represent an ideal case study for institutional logics since they operate in an highly fragmented und not centralized field. They have successfully overcome traditional conventions of traditional universities and are growing in popularity with world class universities and higher education leaders.
Research Design

This study started from an interest in the circumstances of institutional complexity and in the complication of co-existing, competing institutional logics. Institutional complexity is a condition when organizations face incompatible prescriptions from multiple institutional logics (Greenwood et al., 2011). According to Thornton and Ocasio (1999, p.804) institutional logics can be defined as “socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence organize time and space, and provide meaning to their social reality”. Institutional logics, in other words, are overarching sets of principles that propose guidelines on how to interpret and function in social situations (Greenwood et al., 2011).

Pache and Santos (2010) argue that institutional complexity appears most likely in organizational fields which are moderately centralized and characterized by the competing influence of various and not well connected actors who do not have the power to dominate but to influence organizations actions. So, a field structure that is highly fragmented and possesses a lot of constituents is probable to provoke conflicting institutional demands on organizations. Under such circumstances differing expectations are likely to emerge due to the multiplicity of institutional referents inherent in the highly splintered field.

Hence, the study sought an organizational field that manifests the characteristics mentioned above. Cross-border higher education contains different jurisdictions, entails manifold actors and involves no central constituent that is able to control the field. It is highly fragmented and only moderately centralized and therefore constitutes an ideal research field for institutional complexity. To narrow down this vide field the phenomenon of offshore campuses was chosen. This procedure allowed the identification of relevant but enumerable amount of constituents and the operationalization of a research design.

Singapore offers a unique opportunity to study the phenomenon of offshore campuses since it hosts roughly thirty of such organizations. Unlike China, which has even more offshore campuses, Singaporean campuses are arranged very closely and form a dense population of cases. This intensifies the exchange of information among them and raises awareness of this phenomenon. In addition it facilitates the practical research since there are no long distance journeys between them. Dubai presents similar conditions since it is also a small country with a lot of offshore campuses. Nevertheless, it does not have own strong national universities. So the field there is less fragmented and highly controlled by the government who is subsidizing most of the offshore campuses in order to provide higher education for the population. Malaysia on the other hand is mainly attracting offshore campuses to stimulate and increase the quality of the national higher education system.
The research project builds upon a comparative case study design facilitating identification of predominant demands and reproduction of institutional logics (Eisenhardt, 1989). It is divided into two stages and therefore allows reviewing and improving of the research strategy. In a first step a view cases were selected to gain primary insights and to evaluate the empirical method. In a second step the study attempts to cover a broad range of the field of offshore campus in Singapore. The cases are perceived as a series of independent research settings that confirm emerging empirical insights. Nevertheless this article is a first step in a broader research project and this is the reason why only offshore campuses and only a small number of those staying in Singapore have been evaluated. Analyses of the parent universities or explorations of national universities which exist in the field as well, were not part of the study yet.

According to Lane and Kinser (2013) nineteen offshore campuses are currently established in Singapore. Own online research detected additional eleven branch campuses. Although the number of institutions varies according to the applied definition there are more than twenty-five branch campuses operating facilities on the island state. The study decided to start with five cases and to conduct research on them. These campuses teach diverse subjects and stem from different home countries. They apply different strategies and possess divergent motives and goals. The sample resembles a wide variety and does not allow for direct comparison. Instead it was selected to depict the whole spectrum of demands and their underlying institutional logics. The organizations were chosen to create diversity in the observations and to generate, as a result, richer and more generalizable findings.

Methodically, the study uses a mix of observation and interviews, triangulated by the analysis of documents and websites of the offshore campus. So, the research embraces both archival and interview data, collected at both the organizational and field level. Firstly, information about the field and offshore campuses in general were gathered. It included the exploration of the history of offshore campuses and their development. Various sources as homepages, books, brochures and newspapers have been consulted and field experts were interviewed. Also other hot spot of offshore campus assemblies were considered, which broadened the perspective on this phenomenon.

Secondly, case data were collected through interviews and complemented by secondary sources. All available published material was compiled and analyzed regarding motivation and strategy of establishing an offshore campus in Singapore before the actual interviews were conducted. The interviews were executed with two to three members of the same organization, depending on the size of the offshore campus. The intention is to get as many perspectives of the tasks and functioning of the campus as possible. The interviewees were usually members of teaching faculty, researchers or directors.
The talks followed a semi structured guideline which is composed of four main topics. The first contained questions about the individual functions and position of the interviewee. The second section treated inquiries of the organizational structure, management, mission, vision and strategy. The fourth part asked changes, obstacles and opportunities in the field of offshore campuses in Singapore. The last part observed the network in the field and interrogated the existing relationships among the offshore campuses. For that purpose a list of all offshore campuses in Singapore was established where the interviewees chart their contacts, intensity and content of exchange. This approach enables to get in touch with additional offshore campuses and to examine the competitor related behavior.

The meetings were held on the actual campus. This physical presence gave additional background information about the culture and functioning of an offshore campus. It was discovered that plenty of the problems offshore campuses encounter in a foreign environment stem from a lack of infrastructure. Research facilities were insufficiently equipped, teaching rooms missing or access to libraries was not been provided. The attendance allowed getting a sense of the life and predominating values and norms within each organization. In total fifteen interviews were held which lasted approximately an hour. All interviews were recorded and transcribed in order to analyze them systematically.

By the combination of the data generated through the interviews and the secondary literature research, a description of the organizational field has been drafted. This portrait mainly consists of the conditions and restrictions that exist for offshore campuses in Singapore. It delivered the essential context and area where the values, norms, beliefs and demands are spread. Furthermore, in a systematic identification of demands, expectations and motivations of offshore campuses, six different institutional logics were distinguished. These were later verified with already published literature in order to check the findings. However, since there is only very limited literature which offer merely general descriptions of rationales in the field of cross-border higher education, this comparison could insufficiently be accomplished.

The analysis began by noting and rendering the motives, goals and missions of the consulted organization. Case reports were written for each offshore campus, unfolding the strategy and profile of the campus. Moreover, structure, managerial practices and decision making processes adopted by each offshore campus were recognized. Then, the outcomes described in each case were assembled, which helped to draw a more precise picture of the different institutional logics. During this comparison differences and similarities were detected that enriched the preliminary results. This process was conducted iteratively and began already before the last interview was finalized.
Discussion of the Field and Six Institutional Logics

Even though Singapore has prioritized education to support its socio-economic development due to a lack of natural resources since its independence in 1965, the transition to the knowledge economy and a rise in labor cost in Singapore has reassessed its economic policies (Gopinathan & Lee, 2011). Over the last decade, Singapore has promoted the education system and highlighted the importance of the university as well as the research sector in order to meet the knowledge challenge. In 2002 an international economic review committee advocated that Singapore should launch a “global schoolhouse” strategy (Waring, 2013). The goal was set to attract 150’000 foreign students to Singapore by 2015 and to raise the education sector’s percentage share in the GDP from 1.9% to 5% in the same period of time (Waring, 2013).

The decision was made to develop Singapore’s society into a regional hub of education and to strengthen its global competitiveness of the higher education system. However, since the national education organizations were unable to fulfill the desired goal, foreign education institutions have been attracted and transnational education has become increasingly accepted by the society here (Mok, 2011). The government invited foreign higher education organizations to set up offshore campuses in order to enrich the diversity of study programs as well as enlarge the enrollment numbers in universities. These measures have allured foreign students and created more educational choice for Singapore citizens. The regulated gathering of foreign education organizations coincides with the worldwide trend of fast dispersal of higher education providers in the last decade and has caused a need for new regulatory frameworks (Mok, 2011).

Trans-nationalization of higher education has created a complex environment, where the government, multinational corporations as well as foreign education providers are becoming increasingly active to impose their own objectives. Many policies have been implemented during this period to position national universities and research institutions in order to meet the local requirements and newly established local competition of mutual education providers (Gopinathan & Lee, 2011). Investments of the state in research and development (R&D) have been increased and emphasis has been laid on specific industry clusters in order to boost knowledge intensive economic development.

Singapore’s national universities (National University of Singapore, Nanyang Technological University and Singapore Management University), including the self-funded Singaporean Institute of Management, profited from these new spends and rapidly strengthened their international reputation. In 2009, the Singapore Institute of Technology was established through an unmatched partnership with overseas university partners to meet the increasing industry demand for polytechnic graduates. A fourth university, the Singapore University of Technology and Design was launched in 2012 in
collaboration with MIT, instantly forming global relationships with foreign education partners. Besides the state universities, Singapore hosts up to thirty offshore campuses, among which are highly prestigious institutions like INSEAD, Yale and MIT.

---Graph 2: Map of Higher Education Organizations in Singapore, (p.27)---

Establishing an offshore campus is not simply a strategic decision or a marketing strategy, since higher education providers are complex organizations by themselves, possessing many constituents with different demands and expectations (Baldrige, 1971). To provide sustainable higher education is difficult to manage as the services are not replicable in any country, in terms of study programs, hiring regulations, infrastructure, resources and societal norms and values (Wilkins & Huisman, 2012). Moreover, offshore campuses have ambiguous ambitions and serve different purposes. They do not form one unity, but consist of many members with divergent professional interests. Entangled in a network of dependencies between the parent university, host country obligations, host country universities and other offshore campuses, offshore campuses have to obtain both internal and external legitimacy in order to survive. This conglomeration of foreign and domestic education organizations creates an environment that is characterized by competition as well as collaboration.

The launch of an offshore campus goes far beyond the normal decision making process of a higher education organization and involves the mediation of different institutional demands. In contrast to the country of origin, offshore campuses first have to build an image to attract foreign students and evolve rather slowly. The development of an overseas branch campus is an adventurous and hazardous strategy because disastrous undertakings may end with a financial debacle and a loss of reputation (Wilkins & Huisman, 2012). For instance, in 2007 the Australian University of New South Wales had to withdraw from Singapore after only two months, which caused a damage of US$38 million (Becker, 2009). Despite these risks, there are many reasons why universities are going global and found an offshore campus.

(A) The Desire for New Revenue Streams

The institutional logic, which is mentioned first, is the logic of profit. According to this logic, offshore campuses are built in order to increase revenue and to fund the home university. Economically speaking, since the rise in demand for higher education, advanced research capacity and world class universities rises worldwide, the consequent shortage of study programs, qualified researchers and scholars as well as reputable education providers leads to the increase in the price of the supply that is offered by higher education organizations (Edelstein & Douglass, 2012). This commercial view is shared not only by economics and business experts, but also by politicians and university directors. Due to the fact that higher education providers are accountable for their
spending, they are embracing profit logics to meet the expectations of their economically inclined constituents.

Tapping new sources of income has become a major reason for establishing international ventures and to enlarge student capacity. The imperative for searching for alternatives forms of income and for building an offshore campus comes from the circumstance that universities are often publicly funded. As countries which finance higher education organizations fail to meet the needs of universities due to financial crises and budget constraints, it becomes inevitable for those organizations to raise funding in a different way (Welch, 2011). Universities are more often aligning their traditional functions and tasks as educational providers and research institutions to a more complex entrepreneurial university model that includes the additional task of generating revenue and securing resources (Guerrero & Urbano, 2012). So it is not surprising, that many of the foreign universities located in Singapore are from Australia or the United Kingdom, where the government is financing the higher education system.

Singapore, which tries to attract foreign education providers, creates particularly favorable conditions for launching offshore campuses (Becker, 2009). Since Singapore wants to establish an education hub in Asia, they offer excellent infrastructure, financial aid and advantageous policies for foreign education providers. In contrast to India or the Incheon Free Economic Zone in South Korea, where it is forbidden for offshore campuses to generate profit (Edelstein & Douglass, 2012), Singapore builds a lucrative environment for university investments. The increasing market of international students paired with the decreasing of state funding for higher education in several countries stimulates the founding trend of offshore campuses. Nevertheless, not every university is able to establish a profitable offshore campus, as the case of the University of New South Wales has proven (Becker, 2009).

(B) The Assurance of Access to Data, Field of Research and Science Networks

Another institutional logic implies the protection of future resources of the university. Universities are not only dependent on a stable financial basis but also on talented researchers, scholars and students. To assure access to a pool of qualified academics, to upcoming research fields and to data sets is therefore an important task of policy makers within a higher education organization. The inability to assure the inflow of resources is closely linked to the organizational incompetence to establish legitimacy (George, et al., 2006). In addition, an organization runs the risk of losing legitimacy if it is not behaving according to the socially acknowledged demands and expectations. Since there are, on the one hand, increasing budget restrictions stipulated by government, and on the other hand, the spreading trend of establishing overseas branches, university
leaders are willing to attempt profit-generating strategies, including founding an offshore campus (Wilkins & Huisman, 2012).

However, the accumulation and exploration of new knowledge is a primary function of the university (Edelstein & Douglass, 2012). Higher education organizations with a focus on research try to overcome whatever restrictions or obstacles there may exist, in order to study natural, physical, human, social or cultural phenomena. Most scientists depend on data in their field of research and that is why they need access to collect information, specimens and samples in their areas of study. Meanwhile, not only the collection of data is of utmost importance, but also the sharing of knowledge and being integrated in a network of leading researchers. Building cross-border relationships between scientists and research institutions to conduct research projects and collect data together is getting more vital.

The institutional logic of securing access to data, science networks and talented researchers, is rooted in the very heart of science and demands crossing borders as well as launching internationalization initiatives such as building a university campus abroad. Moreover, spreading knowledge is a fundamental objective of a university. At many higher education institutions it is already an expected norm that researchers and scholars establish their own international networks and commit efforts in internationalization activities, which embrace creating exchange programs, attracting foreign students and engaging in the global scientist community. The logic of internationalization is thus a compelling rationale because it supports the fundamental mission of higher education to accumulate and spread knowledge.

(C) The Operation on-site Close to Emerging Markets

The economy today consists of a network of mutual dependencies around the world and includes emerging markets such as Brazil, Russia, India, China and Southeast Asia. Since the economic power is shifting towards the emerging markets, these economies will more and more play an influential role in world affairs. The developing economies often are unable to educate the demanded work force and therefore are reliant on foreign higher education providers. Simultaneously, they invest a lot in the higher education system and show an abundant demand for student enrollment. It does not astonish to know that many universities from Australia, Europe and the United States are aiming for these regions to develop exchange programs, to start partnerships or to launch offshore campuses. The rationale appears to be that building relationships with local universities and companies will secure long-term assistance for attracting foreign students and faculty as well as conducting research and fundraising.

Similar to the European counterpart, the Bologna agreement, the ASEAN University Network (AUN) functions as an instrument for facilitating cooperation among universities and for integrating
regional higher education. Developing shared quality measures, accreditation standards and professional qualifications and licensing foster greater mobility among students, scholars and the workforce. The rationale of transnational integration of higher education assumes that this policy will enable market access and benefit every constituent that is part of this regulation. The logic of being close to emerging economies and creating higher education networks in these regions underpins the establishment of international branch campuses.

The Bocconi University of Italy, for example, tied relationships to partner institutions in India in order to develop an early presence (Ramsay & Li, 2011). Only recently they built a subsidiary after having acquired substantial knowledge and experience after a period of eleven years. Also Australian universities are among the most active higher education organizations to attract Asian students and in building offshore campuses in Southeast Asia and Singapore specifically. However, not every country, e.g. India, legally recognizes the awarded diploma by a foreign higher education provider (Jayaram, 2004). That makes it difficult for an offshore institution to attract local students and to gain legitimacy.

(D) The Pursuit of Increased Institutional Prestige and Handling Competition

The logic of institutional prestige is closely linked with the increasing competition among world class universities. Competition is visible at different layers but university rankings show the most straightforward rivalry among higher education institutions. These rankings of universities rate the performance and quality of education providers and rank them accordingly. Students, research funds as well as private investors use these ratings as the primary reference in their decision making process. It goes without saying that the classification plays an important feature of securing the inflow of new resources.

University leaders observe closely what their competitors or peer groups are doing and what strategies they apply to improve their performance. Especially in an environment of uncertainty, decision makers implement isomorphic actions of adapting strategies of their rivals. So if the leading organizations are developing new approaches this will affect the behavior of other universities and even provoke a trend of followers. Thus isomorphic coercion provides a coherent explanation for the fast spread of offshore campuses.

Moreover, one group of indicators of these classifying systems consists of internationalization measures. It is assumed that more internationalized universities display a better performance and conduct superior research. Since this rationale is predominant, universities try to get more internationalized by intensifying their cross-border activities and establishing offshore campuses. Sometimes, the arrangement of an internationalization project does little matter and it is more valuable to talk about it. That is why international initiatives such as offshore campuses occasionally
do not touch the core function of a higher education institution and are mostly caused due to competitive logics.

However, higher education organizations compete with one another in different ways. They contend for talented students, young scientists, research funding as well as prestige. To establish prestige is another form of achieving legitimacy. Commonly, universities stress their founding year to refer to their long history and prove their ability as an organization to have survived over a long period of time. This certainly holds true for foreign actors in the Singaporean higher education market, where most of the national universities are not more than twenty years old. Being an unknown university, its branding and marketing divisions play a vital part in order to create publicity and awareness of the organization within the academic world.

(E) The Belief That International Engagements Will Improve the Educational Quality of the Institution

There is an institutional logic that the education quality of a higher education organization will improve due to their international activities. Many study subjects require the knowledge of a foreign culture, language or history. Normally these topics are researched best on-site or at least with profound knowledge of the context, which has to be acquired outside the usual class room or research office. This means, to set up the best conditions for research and learning a higher education provider has to assure unaltered and pure access to data in the field of research.

However, not only the subject itself is studied best on-site, but also cultural competence is solely learned through experience. The individual’s ability to experience a foreign culture and to learn to interact with a different society is a managerial skill which cannot be taught through lectures. Offering a stay in a country abroad is an important feature of an international university in order to ensure top quality learning experience of a high class curriculum. Exchange programs, double degree curriculums or sabbatical leaves abroad are common modes of pedagogical and curricular logics that contain international experience as a key element of learning (Edelstein & Douglass, 2012). That is why cross-border activities that embrace study programs in cooperation with international partners usually have curricular or pedagogical logics.

Nonetheless, offshore campuses seem to be only loosely linked to the parent university, with little influence on the core activities of teaching and learning. Since branch campuses are smaller in size, they are able to accommodate only a limited number of students from the parent campus. Or even worse, many students of an offshore campus never visit the actual home campus. In addition, many scholars avoid teaching at a branch campus since they lose close connection to the home university where promotion and appointment decisions are made. (Wilkins & Huisman, 2012). So the interactions between members of the mother campus and the offshore campus are very limited and the impact on teaching is often overestimated.
(F) The Spread of Liberal Art Education

A lot of universities launch international programs aiming to help and to support the higher education systems of developing countries. Normally, these projects involve capacity building and include exchange programs, joint research and training activities. Previously, places like Africa, Latin America and Southeast Asia suffered from a brain drain and required adequate investments to endure activities over time (Edelstein & Douglass, 2012). It is not clear, whether these countries really profited from the engagement of international universities since a lot of students left the country after they successfully completed their education. Nevertheless, transnational higher education usually circulates from more developed to less developed countries. So, founding offshore campuses can be considered to be the new manner of colonialism (Welch, 2011).

Higher education organizations usually try to maximize both profit and reputation (Slaughter & Leslie, 1997). But they stress their achievements on transnational education and social development, as well as economic development. Often, education providers fulfill a greater purpose than actually solely teaching. They are used by politicians as instruments to achieve other superior goals. Since universities still depend on state funding, governments can influence norms and expectations. When Tony Blair was Prime Minister in the United Kingdom, he wanted British universities to exercise a larger role in the international market for foreign students (Wilkins & Huisman, 2012).

Moreover, higher education in the form of universities as they exist today is a western concept. It entails the belief that it is worth accumulating knowledge and challenging common understandings. Usually, research and teaching is combined in one organization because students should learn of the latest findings. Spreading liberal arts worldwide has become very much a part of the normative frame. It is supported by the neoliberal thinking that fosters free trade and encourages globalization on a scientific, societal and economic level. Establishing offshore campuses contains therefore also a soft power logic through which western norms, values and beliefs are transported into other cultures.
Conclusion

This study ascertained that the concept of institutional logics provides a valuable theoretical framework with which to research the organizational field of offshore campuses in Singapore, with regards to existing demands and expectations. The predominant demands and expectations in the field are carried through institutional logics and build the underlying rationale for decision makers and members of offshore campuses. They co-exist at the same time and no one is dominating the current field. In addition, the analysis showed not only that there are various logics, but also that the logics are contradictory, and therefore, cause institutional complexity on the level of organizations. Nevertheless, most of the members of the offshore campuses are not completely aware of the competing logics. Instead, they are busier with daily operations.

The paper identified six institutional logics. One of these is the logic of creating new revenue streams by establishing an offshore campus. Profit is generated through investments or subsidies by the host country as well as tuition fees paid by foreign students. Another logic linked to the profit rationale is the logic of assuring resources for a university by maintaining an offshore campus in a student abundant country. Being present in a country where the demand for student enrollment is high guarantees the inflow of the required resources for a university. Since the demand for enrollment programs is usually high in emerging markets where the local education system is rather week, an additional logic implies that offshore campuses should be built in emerging economies. The underlying thinking here is that the economic power is shifting towards these developing countries and that it is important for world class universities to build early relationships with such nations.

Besides these economically driven rationales, there is the institutional logic of increasing the teaching quality of the parent university by providing intercultural experiences to their students. Many study programs profit from research on-site since they secure unfiltered access to data, which in the end helps to improve education quality. Nevertheless, it is obvious that most of the established offshore campuses are branches of world class universities that are looking for proliferating their reach and prestige. Founding an offshore campus abroad triggers internationalization measures which are important components of frequently consulted higher education rankings. Finally, some governments believe that offshore campuses are the ideal instrument to spread liberal art education over the world. Since mostly foreign academics teach at the offshore campuses, they bring along their culture and weltanschauung.

The article illustrates that on the field level, decision makers’ considerations can be explained by these underlying institutional logics. The diagnosed logics summarize the various demands and expectations and thus offer a useful tool to analyze the strategies of higher education providers trying to meet expectations by building offshore campuses. The logics help to understand why some
universities establish branches and others are withdrawing or relocating their subsidiaries. The concept of institutional logics provides a useful point of departure to analyze considerations and motivations of offshore campuses as well as problems and obstacles caused by contradictory demands. The contribution therefore adds to the literature on cross-border education as well as on institutional complexity.

However, the analysis has some limitations and weaknesses. The article researched various co-existing institutional logics in the field of offshore campuses in Singapore. Yet, there was not much attention paid to specific contextual aspects of the particular universities that may have played important roles as well. Since universities are embedded in mutual dependencies, which influence and limit their actions, they elaborate varying actions accordingly. Each offshore campus is confronted with different regulations from its home country and therefore usually develops its own unique strategy in dealing with them. Therefore, although they are actors in the same field, they try to accomplish different missions with diverse approaches and external preconditions. Another drawback of the article is its focus on field level institutional logics and that it has not been analyzed as to how institutional complexity is handled by members of an offshore campus.

The phenomenon of the increasing number of offshore campuses is much too complex to be explained by a single theoretical approach. Nevertheless, the neo-institutional theory offers a systematic approach to categorize various demands and to fix them on different levels. But in order to deliver a more comprehensive picture of the motives and challenges of offshore campuses, further research needs to be carried out with a special focus on the specific contexts of these campuses. In addition, closer attention has to be paid to the internal processes of dealing with institutional complexity. This emphasis will help to understand the reactions of universities to their various demands. Therefore, in-depth case studies in the organizational field of cross-border education could help to enhance the knowledge of the functioning of offshore campuses and to further develop the understanding of handling institutional complexity.
References


Graph 1: Map of International Branch Campuses Worldwide

Source: Authors' own illustration based on data of Lane & Kinser, 2013.
Graph 2: Map of Higher Education Organizations in Singapore

Source: Authors' own illustration.