



Findings indicate that the subsidiaries were created to solve a series of complex financial, organizational, and competitive problems. Ultimately, however, these problems remained unsolved. The quantity and quality of attempts by administrators to explain and align the work of the subsidiary with the mission and values of the parent were important indicators of cultural congruity between parent and subsidiary.

The subsidiaries were governance hybrids, revealing characteristics of both academic and corporate governance. However, the governance and operation of these subsidiaries revealed the power of organizational culture. In essence, culture mediated governance. The greater the disparity in culture between the parent and the subsidiary, the more separate and distinct was governance. Where cultural incongruity was most pronounced, the subsidiary was insulated from the parent institution, and especially its faculty. This was meant to lessen the danger of contagion or cultural contamination between the two institutions. Conversely, where cultures aligned, the subsidiary was integrated with the parent institution.

Despite advice to the contrary, it may be unadvisable to attempt to separate a subsidiary created to deliver education because faculty are still at the core of these companies. Rather, careful integration of parent and subsidiary will facilitate relationships with faculty and ultimately benefit the company over the long term.