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## AN INVESTIGATIVE STUDY ON THE VALIDITY & RELIABILITY OF FRANCHISE SCHOOLING SYSTEMS IN KARACHI

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**ABSTRACT**

*The study was to investigate the validity and reliability of Franchise Schooling Systems in context of Karachi. To highlight the key issues, problems and challenges faced by the people of Karachi in the field of education and schooling. This research encompassed to investigate the challenging scenario of schooling system through hegemonization of schooling and educational fields through multiple franchises. The world had shifting to a new era of entrepreneurship and thus every way of life had transformed towards becoming materialistic. The rat race towards capitalism had forgotten the true essence of education. In past few years, Karachi had seen a Tsunami of multiple franchises entering into the stream of education. As whoever found it interesting to have a small scale business, could have opted for any suitable franchise. These systems were suitable for those who did not have basic knowledge of “How to start a new business” or “How to run a school”? The research study used quantitative approach including descriptive and survey based approach. The population of the study had been around 22 prominent franchise schools of Karachi offering matriculation board. Six prominent franchise schools of Karachi were taken as sample. Tools were questionnaire for Principals, NWA, Teachers and Parents. The data was analyzed in a systematic way with simple percentage. Findings were supported in case of the study.*

**KEYWORDS**

*Franchise, Franchiser, Franchisee, Entrepreneurship, Business Model, Validity, Reliability, Schooling System*

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**INTRODUCTION**

The study encompasses on the validity and reliability of franchise schooling systems in Karachi. There are around 42 education franchises out of which 30 school franchises active in Pakistan whereas in Karachi there are around 10 active franchises working. Most of these franchises are Punjab based and are brought to Karachi as a business hub of the country.

Sultan & Saleem (2018) explains that Franchising is an established model for business since the mid of 18th century and now it has become an integral part of a country's economy. It has been known as a central phenomenon in entrepreneurship. Franchising is not an industry, but an opportunity that offers to be master of your own financial fortune, while enjoying the support of an established organization and the resources it commands (Goldberg, 2008). In 2000 and beyond, the Franchising business model continues to change and adapt to demand (Alon, 2020). The concept of multi - unit franchising and multi – brand franchising has changed the way the franchisees operate their businesses. A multi-unit franchise is one in which a franchisee owns more than one unit. The multi-brand franchise concept can have two meanings: one is that it is a planned association of two or more distinct brands owned by the same franchisor (Chernow & et. Al , 2018). Both of the franchise concepts are vast implemented in Karachi by the franchisees.

In Pakistan, according to the constitution Article 25 – A, state was obliged to provide education to all till secondary level. These franchise schools, as offering fee cost according to the franchisee's area and seem to accomplish the constitutional's mission. However, due to the incompetency of the regime, different private business perceptions had entered into the education zone. Among all of these, franchising had been considered one of the most successful. (Warraich, 2017). These models are somehow supporting the government initiative and their efforts to provide education in remote areas cannot be denied. Tikly (2017) stated in his research that Education for All (EFA) as a global regime of educational governance is an international initiative launched by UNESCO and World Bank in 1990 to make education approachable for every citizen of the society. The main aim is to bring about change in third world countries through the coalition of UNESCO, World Bank, National Governments and civil society groups. After the global movement was launched, most of the third world countries took the initiative to launch free of cost education. Franchising is a term swiftly gaining recognition in Pakistan especially in hospitality, education and food service divisions. However, franchising in Karachi is not without challenges.

**LITERATURE REVIEW**

According to Hayes (2021), a franchise is a type of license that grants a franchisee access to a franchisor's proprietary business knowledge, processes and trademarks,

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thus allowing the franchisee to sell a product or service under the franchisor's business name. In exchange for acquiring a franchise, the franchisee usually pays the franchisor an initial start-up fee and annual licensing fees. The recognized types of franchise are product and trade name franchises and business format franchises (Cavaliere & Swerdlow, 1988). A business format strategy is where a franchisor supports the franchisee with a product/service, trademark, methods of operation, and on-going guidance (Bourkheili, 2015). The franchisee gains access to the franchisor's name, goodwill, product and services, etc.

A legally-binding contract between the parties to a franchise relationship (Daszkowski, 2020) is called a franchise agreement. In order to take ownership of a franchise as the franchisee, you sign a franchise agreement. A franchise agreement protects both sides whether it is a franchisee or the franchise brand (Campbell, 2020). When buying a franchise, franchisee made a huge financial investment. A signed agreement gave the rights to help safeguard the investment in business (Campbell, 2020). A signed MOU (Memorandum of Understanding) is an authentication among the two parties to have followed the rules holistically (Kenton, 2021). The primary reason most entrepreneurs turn to franchising is that it allows them to expand without the risk of debt or the cost of equity. First, since the franchisee provides all the capital required to open and operate a unit, it allows companies to grow using the resources of others (Siebert, 2015).

As stated by Goldberg (2008), "Franchising works by combining the drive and energy of the entrepreneur with the experience and expertise of the franchisor". The 18<sup>th</sup> Amendment of the constitution of Pakistan, which received presidential assent on April 19, 2010 stated that, "The state shall provide free and compulsory education to all the children of the age of five till sixteen years" The basic fact behind it was that one of every ten children not going to school in the world lives in Pakistan.

Farah Naz Ispahani (2011) stated in her article that only 23% of our children under the age of 16 attend secondary school and almost one third of Pakistanis live in extreme educational poverty — having received less than two years of education. It is also upsetting that 50% of school children (aged 6-16 years) in Pakistan can neither read the basics of language and numeracy nor writes as per requirement. Appointing low qualified teachers at the primary level is among the main reasons for falling standards of education that renders this age group illiterate. This alarming average percentage of educational poverty forced the government to take serious initiatives in this regard. However there is no research found that highlights the practice of franchising in the schooling sector for full time study in emerging markets, particularly in Pakistan (Warraich, 2017).

“Education for All” is a global movement led by UNESCO, aiming to meet the learning needs of all children, youth and adults by 2015 (Shuchita, 2013). This programme was first launched in 1990 in Jomtien, Thailand with contribution from five intergovernmental agencies promoting the programme. EFA goals were required to be fast implemented and it was worth to transmit the responsibility through privatization either or handing it over to private sector. Provision of quality education is the major duty of the government. According to Zaka & Munir (2019) Article 25 - A of the constitution: “The state shall provide free and compulsory education to all the children of the age 5 to 16 years in such manner as maybe determined by law” (Waqas, 2016). It is needed by government to provide free education through public sectors schools so that no child will leave behind. These franchise schools doesn't provide free education but makes sure that the system reaches to all the remote areas where education can be provided and the providers are available.

Waqas (2019) stated that the main idea behind running a franchise schools is not much different from stock-market investments. The only true difference is a franchisor keeps promotion and franchisees keep financing. Pakistan's education system which is not as modern and competent as of developed countries, has displayed significant advancements during the last decade (Aziz, 2014). Modern technologies and concepts are entering the market and benefiting the ones in the field. The business model of franchising has gained wide acceptance in Pakistan (Attiq, 2014). Franchising in education in Pakistan has rapidly grown in the past two decades. This rapid growth in franchise schools shows that it is a pro profit business. Many established schools have launched their franchise systems. For example, The Smart School is a franchise system of The City School, The Educators is a franchise system of Beacon house School System, Allied Schools and EFA is a franchise School system of Punjab Group of Colleges etc.

Karachi being the first largest city of Pakistan and sixth largest city of the world (Worldwide cost of living WCOL Index, 2022) has over grown population. It has multiple suburb areas where education can be delivered either through public schools or privately managed franchise schools. In order to keep all children schooled and education being accessible for all, franchise schools is playing their role amazingly. The territory distribution by a franchisee is about 5 km and no other franchisor belong to the same franchise group can open a new school within the territory. This 5 km restriction has immense importance as major part of any area can be covered and students may be able to get schooling closer to their residence. There are various franchise systems in Karachi and parents usually follow the brand name (Perrigot & Warraich, 2016) and see which franchise facilitates them more.

To check the validity and effectiveness of schools should encompass qualitative

variables i.e., climate and environment of school, instructional leadership, high expectations, etc. as well as quantitative variables like public achievement scores (Frederick, 1987). Being a principal of Wareham Public School, Massachusetts, he identifies that effectiveness is a key component of a school. The studies on validity have shown that these methods of defining effectiveness have low correlations with one another and that the same school might be classified as productive or non-productive depending on which method has been chosen (Frederick, 1987). Policy makers and researchers stressed on the need for appraisal of schools that helps in the quality control, monitoring of quality, quality assurance and quality development. School evaluation is an integral part in bringing progression and is based on different purposes including administrative, pedagogical and managerial improvements (Aziz, Mahmood & Rehman, 2018). These frequent improvements and evolution bring the graph of validity and reliability of that very system upwards.

Franchising is based on conformity and uniformity, not freedom (Strauss, 2014). One may technically be the boss of the shop but not the owner. You have to follow the rules and orders of others. There are no fixed criteria of success and failure offered by the franchise but the success of franchise is dependent entirely on the goodwill of the brand. This rapid and sudden growth of franchising has its own implications and repercussions. Many franchisors during that period made misrepresentations in the promises they used to attract franchisees; some based their sales efforts on the use of superstar names and endorsements; many of those franchise systems failed. Some even sold franchises for concepts that didn't exist (Seid, 2019). Success can be gained if the franchisor worked a few years at the backend to have complete knowledge of it (Strauss, 2014). Success is not directly linked with the experience and expertise of franchisor rather franchisee's own willingness to produce does matters.

Franchisor's and franchisee's performance are interdependent (Davies et al., 2011). Franchisees are not consumers, whereas they are considered as entrepreneur or business investors (Strauss, 2014). So success and failures are linked with somehow their entrepreneurial skills and professional relationship with the franchisor. It is believed that services and support provided by the franchisor have a noteworthy role in a franchisee's success and performance (Michael and Combs, 2008), and a franchisor with well-developed start-up support services is more likely to have a successful franchised opening (Frazer, 2001). The franchisor is considered as a key dimension of the context for a franchisee (Falbe et al., 1999), and the greatest impact on franchisee performance relates to the on-going support services provided by the franchisor (Minguela-Rata et al., 2010). The financial compensation by the franchisee is the key to get the benefits from franchisor in order to have an established business soon.

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**RESEARCH OBJECTIVES**

1. To study the history of franchising system.
2. To investigate the validity and reliability of Franchise Schooling System
3. To identify the need of Franchise Schooling System in a metropolitan city of Karachi.
4. To study the standard operating procedures (SOPs) and to identify the similarities and differences.
5. To study the economical, moral and social impacts of these Franchises in society.
6. To analyse the successes and failures of Franchises in the education market.

**RESEARCH QUESTIONS/ HYPOTHESES**

1. How to find out the validity and reliability of franchise schooling system?
2. What is the need of Franchise schools in Karachi city?
3. What are the standard operating procedures and how can them made it possible to identify similarities and differences in several franchise schools in Karachi?
4. What impacts will these franchises leave on the society economically, morally and socially?
5. What successes and failures do these franchises offer?

**RESEARCH METHODOLOGY**

The purpose of the study was to examine and investigate the validity and reliability of franchise schooling systems in Karachi. The study was descriptive and survey based in knowledge. Quantitative design which had been adopted within the research had proven to be objective and unbiased. The study encompassed on the validity and reliability of such FSS in Karachi. There were currently 22 school franchise chains in Pakistan, including 4,127 franchise schools with approximately 1,310,200 full-time students (Warraich, 2017). These franchise schools promised to deliver greater accessibility by having schools in remote areas and a higher quality product for pre-primary, primary, middle, secondary and higher secondary school education in Pakistan. After a franchise had been purchased, it was run according to the expertise by the franchisee himself. The target population was the staff including Network Associates or Principals and Teachers and Parents from ten prominent Franchise Schooling systems offering matriculation in Karachi from where the online samples had been taken. Two Questionnaires were designed to investigate from 14 Principals and 12 Network Associates of different franchise schools of Karachi about the topic. A similar questionnaire survey form was shared through social media with Franchise Schools personnel which were attempted by 105 Teachers and 19 Educationists connected with Franchise Schools, based on Stuffle beam's Model of CIPP to investigate the validity and reliability of FSS. Whereas a separate questionnaire was shared with the parents of similar franchise schools to have had first-hand knowledge about how parents perceived a Franchise School System in Karachi. The researcher

had reached the audience through social media sites and personal contacts. Survey questionnaire had been sent and result was accumulated.

### DATA ANALYSIS AND DISCUSSION

The data was collected from the following franchise related personnel who either works in the system or keeps the knowledge about this. Around 90% people who were the residents of Karachi and 10% who doesn't belong to Karachi but linked to franchise schools have filled the form.

Respondents of Questionnaire # 1	Total # of Respondents	Total %
Principals	14	9.3
Network Associate	12	08
Teachers	105	70
Educationists having knowledge of FSS	19	12.7
Grand Total	150	100

Age bracket of the respondents were 26% of age from 18 to 25, 32% of age from 26 to 35, 22.7% of age from 36 to 45 and around 19.3% were from the age group of 45 and above. Respondents were mostly females with 76.7% whereas around 23.3% were males.

### FINDINGS

It was summarized that franchise schools are playing a vital role in the society and especially in context of Karachi. There are many Pros and Cons in franchise system. On one side purchasing a recognized business without much effort and getting support of marketing, services and trainings on how to run a business then on the other side of it could be a heavy start-up cost as well as on-going cost of the royalty. The biggest benefit of franchising is the lower risk of failure. Through these a new person in Education industry may able to get organized Standard Operating Procedures on how to run a school efficiently. It is important to oversee the validity and reliability of franchise schooling systems in Karachi in realism paradigm. The whole new phenomena is relied on the new term initiated by UNESCO, named EFA i.e. Education for all. Franchise school systems are serving the cause being cost friendly and due to multiple campuses around the city and the country. It offers free transfer facility as well as multiple job opportunities being opened in multiple vicinities. As public sector schools are not competent enough to satisfy the needs of parents and students, franchise schools are a good source of providing education as per parent's requirement. The study aimed for highlighting some of the specific goals:

- It provided benefits for the society as a whole
- It created interaction between franchisors of various stations

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- Through the use of media, marketing motivated parents to get convinced of their name
  - It was economically acceptable for middle class and lower middle class parents
  - It establishes a free migration / transfer service for parents of government jobs or for parents who have their relatives in other cities
  - Well established areas have large number of admission cum transfer found
  - Parents feel safer for their children in well-established areas regarding high quality staff and facilities.

Such franchises are a shelter to all cadres of people living in the vicinity. The investigation was guided by research questions which were about validity and reliability of franchise schooling systems in context of Karachi. The selected population was 150 teachers and principals belong to the franchise schools whereas 150 parents whose children are studying in different franchise schools. The population was six prominent franchise schools of Karachi. The tools were questionnaire from Teachers and Principals of Franchise schools as well as Parents. The results were also confirmed through frequency distribution, percentage and presented in form of tables and pie charts.

Franchise Schooling system, like other business models, can be beneficial for most of the franchisees but the major element is know whether the custodian of the business is the right person. If the franchisor is well aware about the SOPs of the Franchise than there is no invalid and unreliable aspect to this business. To keep the government's motto "education for all" in mind, these franchises are playing their roles in bringing literacy rate up in Karachi and the adjacent and remote areas. If challenges are faced appropriately and mission of spreading education is monitored accurately than franchises will be an effective supporting agent to the field of education.

It has been observed that the history of franchise have had deep roots since its inception that is why the franchise system is established up till now. Franchise schools were initially established on the fact that "Education" should be made compulsory for all from the age of 5 years till 16 years. With low cost budgeting and multiple campuses idea this system was made recognized. It was investigated in the study through Principal's, teacher's and parent's responses through the questionnaire that the system keeps the validity and reliability. It has been recognized as a trustworthy model of schooling system and was accepted in the metropolitan city of Karachi. With a pocket friendly fee structure and a better – than – government school's education set up it had become a choice of the parents in town. Standard Operating Procedures are more or less same and all FSS worked on a similar layout to enable this system get recognized at earliest. Like any other school in Karachi, these schools also tried hard to prove

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themselves and have helped students to groom socially and morally. In most of the cases FSS are a success. No failure can be added to their status as all FSS worked day and night to flourishing themselves keeping the main agenda of government of Pakistan in mind stated in Article 25 – A. To measure the validity of FSS, it was concluded that franchise schools having skilful, trained Principals have showed up with better responses from community. The study encompasses on the fact that the more expenses are made by franchisee, the more effective that franchise could be.

### **RECOMMENDATIONS**

It is recommended to authorities to open franchise school campuses where needed most instead of areas where already a big number of schools are available to serve the cause of Article 25 – A.

To maintain the standard of FSS, it is advised to keep strict inspection policies and to ensure the implementations of SOPs. Standard Operating Procedures are not followed holistically, rather expertise of the business custodian matters more. It was advised to the franchiser to make strict policies implemented.

Franchisers should chart out plans to ensure character building and life skills implementation programs in each franchise school.

Education should be standard free. If education is provided at low cost parents should culminate the barrier of standardization.

Success of a FSS is directly linked to the expertise of the principal. Principals and teachers should be offered a good package so that long services may bring improvement in the system.

Failure of a FSS has several reasons for e.g. lack of capital, educational expertise, market knowledge, untrained staff, lack of financial management and distribution of franchises among non-deserving and out of field people etc.

Franchising can be an aid in increasing literacy rate in small towns of Karachi where education is most needed. Reshaping of educational scenario through FSS is recommended by high authority.

Frequent training workshops for teachers may increase the level of teaching in each franchise school. Learning of teachers will make a difference and bring improvising teaching methodologies to the system.

It is recommended not to allow every other person to open a franchise school but to ensure an educational background of the franchisor for far reaching results.

There is a close link between education and development and the services that are being provided by franchise systems are irreplaceable. In Karachi, the developmental indicators are not showing positive results. The participation rate at higher education is low comparatively to other countries of the region. There are problems of quality of staff, students, library and laboratory. Relevance with society needs, staff development programs, financial crisis, weaknesses of examination, ineffective governance and academic results are not at par with international standards. If Franchise schools move

further in the field of education and start opening colleges and universities at a very affordable cost then it will be more effective for the society. Karachi has the biggest population than any other city of Pakistan and the targets in education sector should be higher in context of any other city. More franchisors should be given chances and the layout should exceed from private sector franchising to government level franchising. This participation from government level may bring better and far reaching results in the coming future. Proverb elucidates: “The deeper the well the colder the water”. So this is the case of franchise schools.

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