What Can Traditional Colleges And Online For-profit Universities Learn From Each Other?

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It is my belief that what is emerging in our time is a new kind of university. It will have elements of a traditional brick and mortar university and elements of the digitally sophisticated online for--profits. They both have lessons to teach the other. But often each thinks the other has nothing to offer.

To begin with I would like to caution the reader on the concepts „for-profit" and „non-profit". There are more than 4,000 for-profit higher education institutions in the United States of America ranging from truck repair schools to doctoral institutions. They come in all shapes and sizes and often have little in common. Non-profits include Bible colleges in the Ozarks with a faculty of 6 to the nation's most elite universities. Non-profits include community colleges with a graduation rate of less than 6% to the most prestigious medical schools. Let us keep this diversity in mind when we hear both terms.

Since 1976 I have worked in both non-profit and for-profit higher education. In 2005, after 28 years in non-profit higher education I made the jump to the for-profit world. At my going away party at the non-profit college where I had taught philosophy for many years and then went on to work in online learning, I heard nothing but bad things about the for-profit world. I heard about their unethical behaviors, their lack of quality, their antagonism to true academics and their brutal desire for cash and profit at the expense of their students. They sounded monstrous. One faculty member told me I was going over to „the dark side".

But there was a reason why I was leaving the non-profit world. I had been involved in online learning for many years and I had reached my breaking point in moving it forward in a traditional bricks and mortar college. Deans of schools had the power to veto things I needed. The CIO reported to a different person on the organization chart than the provost who was my boss. The IT

department refused to give me access to data I thought was essential. Powerful elements in the faculty senate could use Robert's Rules of Order to slow things down to a crawl. I was worn out beating my head against a wall and was ready for a change. I was convinced that we could not manage enough consensuses to really take advantage of the online experience. So I left my position as Dean of Online Learning and navigated towards an undiscovered country about which I knew very little.

I arrived in the for-profit world as a provost. I began my college career as a professor of philosophy. I went to graduate school in Greenwich Village. I play rock and roll guitar and sit zazen. I dress like a professor. I am very liberal. In my spare time, I read Proust and the New York Review of Books. I was a volunteer fire chief. I believe in academic quality. So you can imagine that my arrival in the Republican, buttoned-down, for-profit world was an event for everybody.

When I arrived in the for-profit world, I found their disdain for the non-profits was just as pronounced. They saw the non-profits as backward, anti-technological, inefficient organizations where the comfort of the faculty and resistance to change trumped the needs of the learner. Many of the executives in the for-profit university I arrived at came from the world of business. They knew about accountability, computer systems and budgets. They did not speak „academic" and there was some suspicion about academics. The atmosphere was more insurance company than college. They dressed more traditionally and did things more conventionally. I had to take this into account as I assumed my new role as provost. I needed to establish an academic presence inside of this business and make sure academics could stand on its own and not give in to short term business decisions. When I arrived, the team at the for-profit felt under siege from the non-profit sector. For the past two decades, the for-profit sector has often been excluded, ignored, or attacked by the traditional colleges so there was a lack of trust on all sides as I arrived. In the years that followed, both sides learned. I learned to see the university as a whole process that could be managed. They learned more about academics and the things that matter to those of us who have chosen that life.

Both forms of higher education felt that they had nothing to learn from the other. I felt and still feel differently. There are things we can learn from each other, and those things are simple. For-profits have to pay attention to academic quality and pay more attention to it than many have in

the past. Traditional colleges have to realize that the world has changed and become more digital and efficient. A third form will emerge that will combine these two elements.

There have been privately owned colleges, technical schools and trade schools in America for centuries. These are not new phenomena. But in the last two decades a new kind of institution has evolved that is substantially different from anything that came before it. This new institution is the online for-profit higher education university that is in many ways a new creation in this world.

What made this possible? The answer is simple. These universities are creatures of the digital revolution, which is the result of inexpensive smart chips that automate what was formally done by human labor. Just as the robots of Toyota and Honda destroyed the unionized assembly lines of Detroit, the digital revolution has arrived in higher education.

The digital revolution has impacted many different industries at different times and in different ways. Automation hit banks many years ago when ATMs and computers replaced armies of tellers and actuaries. Their jobs went away never to come back. This also happened to toll collectors, ticket takers, assembly line workers, auto mechanics, and train and bus conductors whose jobs fell because machines could do the job faster and cheaper.

When online learning was in its infancy, many in higher education could already see the impact it would have on the classroom. Colleges were labor-intensive places. Professors gave the same lecture over and over, the registrar's assistants calculated GPAs by hand, librarians patiently helped students find resources and an army of workers moved and stored paper, and kept grade records, the primary method to evaluate student learning.

What the for-profits realized early on was the value of technology and its impact on both cost and the student experience. By automating those things that used to be done by hand, they could improve both the efficiency and costs of the university. Efficiencies in operations generated additional cash to fund more automation. Many of the online for-profits can operate far more efficiently than any of my former non-profit colleagues could envision. The question that must be asked now is how much can be automated before we lose the essence of the university? What must remain for a university to retain its soul?

Here are some ways that for-profits differ from non-profits from my limited experience.

For-profits have a single mission or direction to the organization that support all aspects of the organization. While this mission or direction differs from institution to institution, they have set up their organization in a way to make sure goals are met and objectives achieved. They measure daily, weekly, monthly, and quarterly how they are meeting these goals and make changes on the fly when objectives are not being met. They make changes much quicker than non-profits. This has good and bad consequences as you can imagine. Much has been said about „profit" in the for-profit model. One of the good things about the concept of profit is that it focuses the organization on metrics that drive profit. Recruiting students is expensive. If academic quality is poor and students drop out and tell other students of their poor experience, this is a bad outcome for a for-profit institution. It is in the interest of the for-profit university to have existing students and graduates who will be advocates for the quality of its academics and not critics.

Many non-profits are not as mission driven. The marketing department may have one set of goals, the provost a second, and the faculty senate may work to obstruct both plans. I know of non-profit institutions where the provost and the president are pursuing different agendas. The terms „faculty governance" or „shared governance" ensure there will be conflicts and resistance to change because of the very nature of a faculty. It has been said that the University of Paris is the first real university, although the University of Bologna was founded much earlier in approximately 1088. What is the reason Paris claims to be first? Bologna was set up and run by a student guild while Paris was founded by a faculty guild. Faculty governance was present at the founding of most ancient European institutions of higher education. In an age where popes and kings could have someone put to death for disagreeing, a strong faculty that could protect the truth was essential. Protection of faculty freedom and thus shared governance has been a priority of the profession ever since.

Many for-profits colleges and universities are not very aware of this history of higher education. Many of the managers of the for-profits institutions were schooled not in Aristotle or Matthew Arnold but in corporate ideas about Deming, TQM, Six Sigma, The One Minute Manager, and so on. I can't tell you how little regard most academics I know have for these management theories. MBAs and JDs are as plentiful among the managers of these new universities as PhDs. In my old life, a professor of Dante could rise to become a dean and then eventually a college president.

This is not as easy in the for-profit world. In that world, efficiency and learning outcomes are their goal, and the customer experience is what they focus on, not faculty rights. The student is a customer, and the for-profit institution wants to make sure that each student graduates and tells others about the positive experience they have had. I once made the mistake of referring to the student as our "customer" in my old non-profit university in a faculty meeting and met with such hostility to that term I never mentioned it again.

Many of the for-profits are not easy places to work for someone from a non-profit institution. Let us be honest. Like the banks before them, for-profits are working to eliminate positions by automating functions once done by people. Because of the profit motive, they want to keep costs down. One of the best ways to do this is to digitize manual tasks. The workforce is smaller, and driven harder than in many traditional colleges. For example my old non-profit was closed from December 15th till about January 4th every year. Staff could take off and relax. My for-profit university starts a new freshman class of more than 3,000 students the first Monday of every single month. If that Monday happens to fall on New Years Day, tough. If it falls on the Fourth of July, we have to be staffed and running. There is no spring break or summer in Tuscany for us. It is all business.

Many non-profits have a work force that has been in place for decades to which they are loyal and feel responsibility. I have a friend who works in an advising office at a small liberal arts non-profit college. The employees there call in sick often, the pace is leisurely, and a number of them play instruments in the university orchestra or have fish to fry other than their job at the advising office. Pay is low but they have been there a long time, they know the job and they are there for life. There are a lot of personal relations and institutional knowledge in that office. There is not much chance for advancement and not much of chance of getting fired. The status quo is moving paper and keeping the lines of students moving.These folks have a job for life and there is little incentive to change or improve their processes. Any rapid change could threaten their lifestyle and their world.

There is much to enjoy about the world of the slow moving traditional colleges. Like the difference between home cooking and fast food, there is often real attention to detail. You can work in a traditional college and be a human being. There is often time for the arts and conversations about great books. There is caring and a safe environment for students. It is hand

crafted like a quilt made by a favorite aunt. But just as hand weaving gave way to the looms of the industrial revolution, changes are happening with college records and administration. When one thinks of the animosity many non-profit faculty feel towards the for-profits, I think of Dickens' view of what the machine had done to the poor of London or Blake's revulsion at the „Dark Satanic Mills".

Some of the for-profits have historically not been as sentimental and loyal about their employees. In my years in the for-profit world, our aim has been to automate everything we can. This has allowed us to become more efficient every year. Because we have grown our enrollment, we have not had to eliminate positions, instead we have not had to hire as many people in some of the administrative offices. Let me give some examples from my own institution of some innovations we have done.

The admissions process is fully automated and the applicant can complete everything without any human intervention in the process. This means our admissions staff is small but can handle a large volume of incoming students very quickly and efficiently. We have automated our registration process, so students cannot take the wrong course by accident. A computer program attached to their degree plan locks them in. If they want to take a course outside their degree plan and the electives allowed within that plan, they have to speak with someone and make sure they understand this course will not contribute towards their degree. The result of this is that at graduation few of our students are surprised by missing credits or a course they missed. These events were frequent occurrences at graduation in my old world of the non-profit.

Enrolling at many of the large for-profit online universities is as easy as buying a book at Amazon.com. In many non-profits, students are still standing in line at the registrar's office for an hour before they find out they must first go to the bursar's office across campus. The frustration students sometimes feel at traditional colleges has helped make online for-profit universities a success. At the same time there is not usually the one-on-one guidance and attention that students might receive at a traditional college. Something is gained and something is lost.

What has been the payoff for automating things that used to be done by people and digitalizing data that was once held on sheets of paper? I can give one example with which I am familiar. The

American Public University System did not raise its undergraduate tuition one cent, not one red cent from 2001 to 2012. While other colleges were often raising tuition by double digits every single year, we held our costs down and made college affordable. This meant we were sometimes not generous with raises and would automate what armies of clerics did at traditional colleges. The benefit, we thought, was in the cost to the student. The digital revolution has brought down the price of computers, televisions, and phones so why not higher education?

What was most amazing to me was the attention the for-profit world paid to data and analytics. In my old world we had end-of-course student evaluations but they were sent to the dean of that school. We often never heard anything about those evaluations again. As provost of a large for-profit, I wasnow empowered to see how each class, program, professor, and school stacked up in terms of drops, withdrawals and failures. This data was widely shared and not hidden to protect the faculty. Now it was totally transparent to our institutional research team where students were succeeding and where they were being shipwrecked. Upon my arrival, I found that in one of our largest majors there was a professor teaching a large number of students in an upper division course who had a combined drop, withdrawal, and failure rate of 94%. This meant that 6% of the students who signed up for his class passed. I then looked at the student end-of-course surveys where students talked about the professor's opaqueness and lack of interaction with the students. When I had a conversation with this professor he defended his methods and in the end accused me of „dumbing down" the course. In my old non-profit world it would have been all but impossible to curb the behavior of this professor. But in the for-profit realm there was more accountability. Colleges should add value, colleges should educate the students but they should not let the actions of a single professor make it all but impossible to pass. When I was an undergraduate, all the students knew professors who had been there forever and flunked almost everyone. By admitting us to the school, they had either made a mistake in letting us in or he was too tough. One way or the other, something was wrong. When I returned to my college two decades later, the same professor was still there doing the same thing in an empty classroom. Students avoided him like the plague but he still collected his check and continued to be a terrible teacher immune from any improvement. While there must be room for strong, academically demanding courses, it is wrong to wait till a student's senior year and have them face a course that nobody can get out of. I want to say to any school where this kind of behavior is tolerated, shame on you.

Every year at our for-profit university, we send a data sheet to the department chairs and deans on each full time faculty showing all of their stats, student evaluations and match them against the course, program, school and university averages. While we have multi-year contracts for professors with a solid track record, there is no tenure. In the non-profit world this data was really protected so one faculty member could not see the data on another or a dean from one school could not see the data from another school. There are no such silos in most for-profit universities. We want transparency in banking and government, so why not academia?

Now this is a not a simple calculation. Good teaching is not something that can be determined by quantitative measures alone. For example, we teach Calculus, Anatomy and Physiology, and Arabic II. The failure rates in these classes are higher than the university average but that is to be expected. It takes not only technical expertise but also some wisdom and age to know the subjects where students stumble. Another for-profit university even has a metric to show the difficulty of instruction in various majors. For example, teaching English Composition where there are numerous rewrites of student papers may take more work than my favorite class, Introduction to Philosophy. These metrics are a place where the conversation can begin. At my own for-profit, we have had teachers with high dropout and withdrawal rates who we support for reasons beyond simple metrics. But to do that we had to educate the rest of management about what it means to be a university. As I was fond of saying „We are a university that happens to be a business not a business that happens to be a university." That simple distinction is the difference between a good for-profit university and bad one.

In addition to this internal data, for-profits like external nationally benchmarked measures. Our institution uses the Proficiency Profile and the Major Field Tests both by Princeton's Educational Testing Service (ETS). This allows us to measure our student's knowledge of their major, literacy, analytic skills, and quantitative skills against national and sector averages. In addition, we use the National Survey of Student Engagement (NSSE) from the University of Indiana. Again, this allows us to measure our students' engagement against a national average. Finally, for our end of course survey we first used an in-house survey that most colleges have developed. Eventually, we migrated to a scientifically validated instrument called the Community of Inquiry Survey (COI). This is a survey that has had more than a million students complete it.

When we combine our internal metrics, nationally benchmarked tests, progression and graduation rates we get a good picture of where we are successful and where we need to improve.

When I was in the non-profit world, the classroom was a private and sacred space belonging to the professor. A dean could only come in once a year and this was only allowed with a 30-day written notice that they were coming. This ensured faculty freedom. Data was not shared and there were black holes that no one could view. As Dean of Online Learning at my non-profit, I was forbidden by the faculty senate rules to observe classes. I was told this would violate the academic freedom of the faculty. If I received student complaints, I would forward them on to the school dean for that faculty member and sometimes something was done and sometimes nothing was done. In the for-profit world, all is transparent and on the table. This means the learning experience is transparent to all and is subject to a group analysis. It is no longer the private property of a single professor, but part of the data that the institution needs to learn. This is a fundamental change in the university.

We have now seen some of the things for-profits have done well, what they done poorly at?

All of these metrics and systems have weakened the faculty at these institutions. For-profits often get by with a large number of adjuncts and where there are full-time faculty, they do not usually have a strong voice. In a number of the larger online for-profits, there is little or no faculty input. This means that the business could be running the curriculum as well as the balance sheet and this is clearly a bad idea for which they have rightly been criticized.

This is a lesson the for-profits need to take from the traditional colleges. They need to empower faculty more without giving them veto power over things that could hurt the university or the students.

Faculty must be paid a living wage so they do not have to slave at other part time jobs (which I did for my first two decades in traditional academia) to pay the rent. Student complaints must be looked at in a careful and factual way before deciding on either the side of the faculty or the student in the dispute. The lesson the for-profits need to learn is to create a wall between the business and the academics where both can do what they do best.

What is in store for the future of the university? It should be a combination of the best of the digital revolution without losing the heart of what it means to be a university. Traditional colleges have to embrace technology, and this means they must breakdown the silos that have characterized the university since its founding. Online for-profits have to pay much more attention to academic quality and this can only be done by giving the faculty a voice within their expertise and lanes.

This means that the rubber band has to snap back to the center. For-profits need to make sure academics have a strong voice that ensures academic quality and a solid learning environment. They must protect the academic side of the house from the pressures of profit, quarterly reports, and micromanaging. This is easier said than done. The non-profits need to come into the digital age, get rid of silos, get rid of fiefdoms that don't communicate with each other and begin to see the student experience as a whole.

In his seminal work, *The Idea of the University*, published in 1852, John Cardinal Newman saw that the university was not simply a place to prepare one for a job but for a life. He thought the edification of a true university education would prepare someone as a moral and analytical human being who could cope with change. In his own day the management theories were not Six Sigma but Bentham and Mill's Utilitarianism, which equated what was good with what was useful. We have not progressed too far from that debate.

A friend of mine, Professor Schwartz, puts it simply: a bad school is where either the academics run the business or the business tries to run the academics. Too often the non-profits have erred on one side and the for-profits on the other. We must learn to put together the best of both worlds and truly become learning organizations.

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