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# Academic Leadership Journal

## Profile of Online Programs in Private Colleges: From College to University with a Click

Private higher education institutions have traditionally relied heavily on tuition revenues for their operation. Historically, these colleges have realized 80-90% of their operating revenue through tuition funding, making them reliant on their ability to attract and retain tuition-paying students (Gansemer-Topf & Schuh, 2006). This means that they are not only more tuition dependent than their public university counterparts (Summers, 2004), but that they must forecast expenditures and revenues with tremendous accuracy.

Higher education has not, however, remained stable in terms of their operations and expenditures. Areas such as energy costs have more than tripled (Blumenstyk, 2006), technology-related expenditures have moved from luxury items to necessities (Lu, 2003), and campus infrastructure, including both traditional capital construction and what has become known as the 'campus arms race' to beautify campuses have dramatically increased operating costs. To some extent these expenses are cyclical, meaning that in order to attract and retain students, more resources must be invested into campus facilities and offerings (both course and co-curricular offerings), thus increasing expenditures while also bringing more students to campus paying tuition.

Many private colleges have struggled with the new financial realities of the higher education operation. They face both greater financial demands and greater competition for students, and the response has been in many institutions to explore revenue growth through non-traditional program offerings. This has been manifest often in areas related to continuing education or off-campus centers (Briscoe & Oliver, 2006), and particularly in the offering of professional education at the masters degree level (Salzer, 2006).

Although institutions have started offering post-baccalaureate degrees for a variety of reasons, including market-need and ability, they also have the potential to generate much needed revenue to help institutions maintain balanced budgets. As most of this discussion of expanding degree offerings has been anecdotal, at best, the current study was designed to develop a baseline of understanding about the growth of graduate degree programs offered by private colleges through technology-mediated instruction. As a descriptive, exploratory study, this is an important first step in understanding the evolution of higher education and the changing markets for and products in postsecondary education. Study findings will be particularly important to private college administrators, trustees, and policy makers who are considering expanding degree programs into non-traditional formats, and might also lead to the identification of best practices among these institutions.

### Background of the Study

#### Nature of Private Liberal Arts Colleges

Private liberal arts colleges have a unique place in the higher education industry. These institutions are

often described as small, enrolling 3,000 students or fewer, and are fully committed to the education of the whole person. This typically takes the form of small faculty-student ratios, a limited number of academic majors to choose from, and reliance on faculty who are willing to commit to the ideal of the liberal arts experience. Additionally, from a business perspective, they rely on a commitment to the liberal arts and a dedication to teaching to compensate for an inability to offer high salaries. Further, these institutions utilize creative human resource packages, such as discounting or waiving tuition at similar institutions as an incentive to lure the talented to their institutions.

The benefits of these purposeful actions to define the private liberal arts college experience are multiple. Students enrolled in these colleges expect and report a greater sense of community (Gaudiani, 1997), a stronger, often personal relationship between students and faculty members (Pascarella, Wolniak, Seifer, Cruce, & Blaich, 2005), faculty who emphasize teaching (Henderson & Buchanan, 2007), an easier access to responsible, senior administrators by faculty and students (Pascarella, et al, 2005), and students find an ability to express their individuality and experience diversity in ways and to a magnitude that is often not found in public universities (Umbach & Kuh, 2006).

Birnbaum (1988) characterized the stereotype of the private liberal arts college in his depiction of Heritage College. In this setting, the administrators are serving in managerial capacities for a limited time before retreating to their teaching duties, students are committed to learning in the liberal arts, and consensus is the hallmark of decision-making. This idyllic portrayal largely lacks the realities associated with financially or legally managing an institution that is reliant on tuition and accurately predicting enrollment for survival. And although there may indeed be a strong cultural differentiation between private and public higher education, there are perhaps more similarities between the two segments than originally come to mind. This is particularly true in the reality of a strong correlation between enrollment and funding.

Many public and private colleges have sought to grow enrollments through the implementation of online or off-campus programs. Anecdotal evidence has suggested that financial reliance in online programs to sustain revenue for an institution is not effective (such as New York e-University venture), although there have been many similar instances where institutions have excelled at online program offerings (such as the University of Arkansas' masters degree in Workforce Development or the University of Nebraska's doctoral program in Higher Education Leadership). Although there are many professional development programs for distance education programs and their operation, there is little clear evidence or documentation beyond case studies about the rationale and methods used to implement online programming. This lack of consistency in case study findings along with the need for institutional leaders to frame in realistic terms the role and expectation of online programming is at the heart of the problem addressed in this study.

## Graduate Programs Online

Online graduate programs have varied dramatically in virtually every aspect of their design and implementation. There has been a gradual evolution of distributed graduate programs, growing from the physical delivery of programs to the utilization of mail services, radio broadcasts, instructional television, compressed video, intensive winter or summer programs, and increasingly during the past decade, through internet based hosting services. As with many instructional delivery methods, much of the online program development evolved from hybrid to exclusively online programs. These programs

are often, although not entirely, hosted by computer servers owned by the college or university, with coursework designed in consultation between specialists in instructional design and individual faculty members.

Instructional development for online teaching has been controversial. A host of studies have identified that online students learn as much as their counterparts who take part in traditional (sometimes called “live”) classes (Topper, 2007). Others have noted the lack of student culture in online programs, finding that the informal conversations and discussions that take place in traditional class formats provide a value-added experience for graduate students (Kim, Liu, & Bonk, 2005). An additional challenge for online programs is the method in which instruction is delivered, with antagonists noting a movement toward passive learning that is centered on individual reading and responding, to advocates who note the expansive access created with continuous access to learning environments (MacPherson, 2000).

The question of active and passive learning was highlighted in the study of teaching strategies in online versus live classes in Higher Education graduate level programs (Miller & Nelson, 2003). They found, for example, that online programs typically use a read-and-respond format, often including a discussion board or some supplement that can further demonstrate understanding and completion of work. Traditional classes were found to use a wider variety of instructional strategies (guest speakers, case studies, discussion, small group projects, etc.) that were argued to be more responsive to those in the class. The online courses were also found to use more online resources, and although they were seen as more “cutting edge” (p. 80) and up-to-date, they were also questioned more about their validity.

Another element in the graduate education debate centers on the difference between ‘training’ and ‘educating,’ and finding a difference between training specific activities or actions and helping students to learn to think critically in the integration of ideas and concepts and applying them separately or at least indirectly to the curricular experience (Topper, 2007). These discussions are especially prominent in graduate education fields, where skill acquisition is an important element of further education, but it may or may not appropriately be the entire focus of the educational degree program.

Online graduate programs may (or may not) be appropriate for all disciplines and types of degree programs, but they are being offered in a wide variety of areas by many different types of institutions. Traditionally undergraduate liberal arts institutions have found enrollment markets in areas that they have not historically competed in, such as in business administration, leadership, and education. These private institutions have held a distinct advantage in their offering of baccalaureate degrees, but by expanding, they explore and attempt to make profitable their entries into a new, different, and emerging marketplace. Their rationale for doing this and the challenges they face in specifically targeting graduate education further define the problem addressed here.

Specifically, the problem addressed in this study is the motivation and challenges faced by the transition of private liberal arts colleges as they expand their offerings to graduate programs in online formats. This is an increasingly notable challenge for the entire higher education community, yet it is an area that has been addressed in only the most marginal terms by the practitioner community. The study will open an important dialogue for higher education leaders and specifically trustees about the problems and possible highlights associated with expansion to university status through graduate degree program offering.

## Research Methods

As a descriptive study, qualitative research techniques were employed to profile the transition of private liberal arts colleges' decision to move to university status and offer online graduate degrees. Specifically, six private liberal arts colleges who have been re-designated with university status were identified for the current study and invited to participate. As an initial first step, interviews were conducted with the senior academic affairs administrator or individual responsible for the initiation of the online graduate degree program. These interviews were guided by a 10-question interview protocol that was developed based on the literature reviewed for the study. These questions were developed and then sent to a panel of five high ranking academic officers at five different private liberal arts colleges. Input from these five academic leaders resulted in the clarification of the 10 interview questions.

The sample for the study consisted of six private liberal arts colleges, with two coming from the middle-west, two from the south-east, and two from the western United States. The convenience sample was developed based on contacts and information gathered from online searches for information about institutional name changes and degree expansion. Initially a set of 15 institutions were identified to participate in the study, and an invitation to participate was sent to each senior academic affairs officer. Six institutions responded positively and due to the exploratory, descriptive nature of the study, were accepted as the sample.

Interviews were conducted via the telephone and two were conducted in person during the fall 2007 academic semester. Notes and transcriptions were utilized for data analysis, using primarily a constant-comparison analysis strategy. This allowed for natural, authentic themes to arise from the statements made by those being interviewed. Further, the process allows themes to be identified that resonate with other comments, and that similarly can fade from primary themes to secondary themes.

## Findings

All respondents held the position of senior academic affairs officer, and these titles included "provost," (n=3) "vice president for academic affairs," (n=2) and "dean of the college" (n=1). Participating institutions were located in California (n=2), Colorado (n=1), Nebraska (n=1), Maryland (n=1), and New York (n=1). Throughout all of the interviews, respondents stressed that program expansion was based in part on the need for revenue expansion, but none indicated that this was the sole issue. One provost commented "we certainly considered graduate program expansion as a mechanism for increasing enrollment, and yes, that does have significant implications for growing revenue." Another was more direct saying

we needed a tool that could increase enrollments so that our traditional campus operations could continue in the manner to which everyone has become accustomed, that is to say, a very traditional liberal arts experience at a somewhat affordable tuition.

Comments typically suggested that the decision to expand liberal arts programs to the graduate level, focusing primarily in applied areas such as business and education, was made collectively by faculty and administrators. The dean of the college expressed this as "we made the decision to offer graduate

programs online by consensus” and “we actually held a town hall meeting with all of the faculty and voted. It was a necessity to have their buy in to grow enrollments and to offer degrees online.” A vice president for academic affairs added “we held several open meetings as this was a very different direction for us as a campus. But ultimately, I approved the online degree.”

Aside from these broad themes, three distinct issues arose with all six of the participants. These included a belief in access to postsecondary education, having an enrollment large enough for the campus and academic program to survive, and searching for alternative revenue.

### Belief in Access

Five of the six senior academic affairs officers made comments during the interview about the importance of expanding postsecondary access, particularly at the graduate level. The idea they conveyed in different ways was that graduate degree programs can be delivered in flexible formats, and in so doing, allow those with demanding responsibilities to be able to earn their degrees without disrupting their working or professional lives. Comments such as “our online degree is really unique because it allows working professionals to go to school part time whenever its convenient for them,” and “our students aren’t bound by time or place, and that’s what they both want and need in order to earn a masters degree.” The vice president said

You have to understand that we are in a relatively rural area, and its just not easy to get a graduate degree around here, so that’s our real audience.

But, of course, we probably don’t have the critical mass to make it all go just from [this area], so we need to cast a wide net from all over the region.

Another respondent had a similar view of access at the graduate level, commenting “the only way students can really grow and developed at an advanced level is if they have access to meaningful graduate study, and that’s precisely what we are doing.”

This question of access did allude to some tension between undergraduate and graduate programs, as illustrated by one provost’s comment “we don’t mean for the graduate programs to take attention away from our undergraduate programs, despite what many faculty might think.” The ending of the sentence suggested that there might be some faculty members who think exactly that the desire to have graduate programs comes at the expense of undergraduate students and academic programs.

Overall, comments did suggest that there was an empirical, real need to make graduate programs accessible to a wide variety of populations.

### Program Survival

All but one respondent indirectly indicated that there was a need for enrollment growth to protect programs. These comments included statements such as “our school counseling program, on campus, just couldn’t get people to come to it, but once we got it out there online, it really took off.” Another said

“no aspiring principal was going to drive over here to [campus], and we couldn’t get classes to make, but once we made it available through an online and weekend format, we saw a real enrollment growth.” One respondent, a vice president for academic affairs, was blunt and open about the need to enhance enrollment. She said

You know we always want to talk about academic integrity and the need to let programs expand and restrict as students express interest in us, but the reality is something quite different. In fact, its pretty basic. You need to have a critical mass of students show up in class, in the program. And if you don’t have a critical mass, two things can happen. First, you can shut down the program, and in a private setting like this, that’s a real fear. Second, you can get your program out there to where the students are. We’ve done that mostly with graduate programs in education and business, and those programs are now thriving. They were really in a live or die situation, and they, with a lot of help, decided to live.

The lone dean of the college responded with a similar but more indirect message. He indicated that individual classes needed a minimum number of students to be offered, and if the courses were not offered, then faculty would not be paid or would have to find other activities to engage in. The exploration of technologically mediated program offerings, then, emerged at his college out of a fear on the part of the faculty that they would be unable to sustain enrollment coming to campus in for traditional course offerings. He punctuated his response by saying “I don’t think they liked it to start, but every single member of our business faculty has now gotten on board!”

Another provost had the same message with a somewhat different perspective on the decision to offer courses. He indicated that it was his pushing the online programs to provide an adequate enrollment to help programs have a viable enrollment. “A lot of folks didn’t like it at first,” he commented, “but once they saw that teaching online was not dumbing down the class, they to a person were supportive of it because they knew it meant their jobs.”

### Question of Money

Although there were obvious allusions to financial compensation and rewards based on the direct enrollment of students in class, there were also broad comments reflective of institutional concerns that related to program expansion in the hope of increasing institutional revenue. The dean of the college responded, “we’re just not that big, and when [state university] competes with us with financial aid packages and honors programs, we’ve got to do something different.” He went on to indicate that expanding programs were a necessity to keep enrollment levels high, and that by doing that, existing personnel would be assured of their employment. He also said “I don’t know if expanding programs through online ventures is a great long-term solution to operating a private liberal arts college, but it

sure is a lucrative stop-gap.” One of the two vice presidents for academic affairs concurred, noting “we needed to do two things, improve our visibility and increase our enrollment, and yes, the reason for that is to make sure we can balance the books.” He commented that energy costs and health insurance benefits were increasing the cost of operating the campus, and that expansion rather than reduction was seen as the best current possible response.

One of the provosts took a longer term vision of the movement to university status and the offering of graduate degrees. “Sure, we get a bump right now,” he commented, “but its really about the long-term effect of educating school counselors who in turn send students to us. That’s true for principals, too.” In that situation, the offering of graduate degree programs was intended to provide some immediate financial relief or stability, but also, it was seen as a marketing strategy to infuse undergraduates to the traditional liberal arts offering at the institution.

One of the other provosts commented that small private institutions are facing a dramatic financial struggle. She said

If we had three or four thousand students it would be different, but we have 700. If one or two of those kids leave, that’s a big blow to our budget. We are so tied into each student, we’re almost scared to come back from the fall break thinking somebody wants to stay home or transfer. There has to be some cushion built into this, something to alleviate the tightness of being tuition dependent on traditional students wanting to spend time on our five acres. Quite frankly, I’m not sure anybody in the under 1,000 student enrollment range is doing well right now.

## Discussion

The comments presented here were done so to address issues of implementation and emerged from consistent voices throughout the interviews. There were many comments as well that talked of the excitement of offering the first masters degree in the 100+ year history of the college and the revitalizing of faculty who after decades of teaching in the same building or classroom were enabled to try something radically different. Those comments, though, did not permeate each interview and were sparsely interlaced with the dominant business concerns of money and program survival. Institutions are changing their mindset and resulting culture, no longer satisfied or practical in their basing knowledge and teaching in sometimes remote locations in solitude.

These comments begin an important dialogue in higher education about the rationale for program development and growth. The comments depict a segment of the higher education industry that is struggling to maintain its identity and place in an increasingly competitive environment. The conversation goes beyond offering degrees in alternatively mediated formats, and alludes to the need



for consortia and strategic academic program planning. Pedagogy is uniquely different in an online environment and faculty members have to be trained and given time to acculturate to this new format. Additionally, technology investment and the ability to respond appropriately to intellectual and workforce needs must be done with care and in alignment with the values of the institution.

The senior academic affairs administrators interviewed here open a doorway to the larger conversation of how traditionally liberal arts environments are grappling with the technologically mediated world around them. Private higher education is a highly competitive environment that is faced with the realities of a major paradigm shift. These institutions can no longer afford not to have programs that are financially stable and capable of generating revenue to support them (of course balance is equally important and some programs may in fact be considered overly profitable to support the more idealistic and perhaps less fiscally responsible programs). Institutions can adapt, as these six institutions appeared to be attempting to do, or they must find alternative ways to integrate change into their operations. As noted in the background of the study, small private liberal arts colleges have distinct values, norms, and advantages, and in a world that is increasingly seamless in education, they must find unique ways to demonstrate their value-added benefits.

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