

Distance Strategy in the UAS School of Management

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Abstract- Performance of university distance education (DE) programs has been mixed. Some do well, many struggle, and there have been a number of spectacular failures. Often, poor performance results from the failure to think strategically, frequently combined with the misperception that simply acquiring technology is somehow strategy. We illustrate some key strategic issues using distance programs at the University of Alaska Southeast School of Management as a case study. UAS SOM mostly offers DE serving Alaska's widely dispersed adult learners.

Keywords- DE, Distance Education, Online Learning Market

I. INTRODUCTION

Much discussion about DE seems to focus on technology issues, but to succeed, institutions offering DE must think strategically. They must assess demand for their educational programs, demand for the distance format in which the programs are offered, and how they can best meet market needs given resources and competencies. All too often, this strategic thinking is lacking.

For example, already by the 2006-2007 academic year, two-thirds of tertiary institutions in the USA offered online courses. Among public four-year institutions, the percentage was even higher, around 88 percent [1]

“However, most schools have entered this market segment without a clear strategic plan. Most colleges have done

little, if any, planning related to online education” [2, Introduction].

Why does this matter? Lack of coherent strategy can easily lead to underperformance or failure. Poor performance is rarely because of serious inherent quality problems. Success is not usually because courses or technology are inherently better than in many of the programs that struggle.

II. ‘NO STRATEGY’ CONSEQUENCES

For example, the huge UKeU initiative aimed to build a mass online university. However, there was no real assessment of market needs or strategic thinking about what role UKeU would play in the market. After spending £50 million,

“HEFCE decided that the UKeU experiment had failed, and the company was wound up” [3, p. 153].

While more costly than most, such an experience is not unusual. There have been a number of other high profile failures, including initiatives by US universities such as Columbia University, Cornell, University of Pennsylvania, and Temple University [4], [5]. Pratt cites research on 104 projects in 33 Australian universities showing that “online learning had failed to deliver on promises” [6, p. 59]. Asian initiatives such as U21 Global, a consortium of Western and Asian universities, have faced similar problems [4], [7], [8]. Marginson’s observation can be applied to projects in any region:

“e-U initiatives such as U21 Global have been caught in unrealistic business expectations and wound up with broken

ventures and the evaporation of significant investments” [8, p. 4).

Why does this happen so frequently? DE is often driven internally by an incremental process of individuals working on specific courses and/or technological delivery modes. These bits, pieces, and tools, rather than strategy, shape policy by default. For example, research on 176 US higher education institutions implementing DE found that

“72% of these institutions had not carried out a basic cost-benefit analysis of distance / flexible learning initiatives” [6, p. 59].

Eventually, after much time, effort, and resources have been committed

“institutional decision makers become more aware, often with some alarm, that they may not be as relevant and responsive as their competition is to the demands of diverse new market segments seeking access to learning opportunities” [9, p. 140].

III. STRATEGIC ISSUES

Technology issues, rather than coherent strategy, have often driven DE. Strategy is not about technology, but rather, about understanding customers, competition, and competencies to compete in the given market environment. The university’s internal IT support function cannot provide strategic direction for academic DE programs, any more than the Facilities Services Office, responsible for maintaining physical classrooms, can drive educational policy in the traditional classroom setting.

“The failure of the UKeU is unsurprising, presents a classic case of product orientation, and highlights the importance of good market research and intelligence in successful innovation. A technology-driven organization with limited understanding and awareness of what its market really wanted (whether students or collaborating universities)

and an overwhelming desire to “build a better mousetrap”, the UKeU lacked a clear brand and a clear position in the market” [3, p. 155].

Online education is fundamentally about academic content and the nature of interaction with students so that they learn the content. Technology is simply a set of tools for delivery.

“learning outcomes – not the availability of existing technology – determine the technology being used to deliver course content” [10, p. 2].)

Sound strategy must start with careful assessment of market needs and demand. In any service, “focus underlies the search for competitive advantage” [11, p. 58], and “market segmentation forms the basis for focused strategies” [11, p. 59]. In DE, this sort of thinking is sometimes called the “new, demand-driven model of distance education” [12, p. 299 ff]. “The most successful ventures thus far appear to be those that serve very specific needs” [5, p. 66].

A. UAS SOM Target Market

The UAS School of Management has thoroughly researched its target market. Demographically, the primary target market is non-traditional students, Alaska’s adult-learners. Adult learners, aged 25 and over, account for 38.7 percent of university students nationwide [13, Table 190]. These students are usually working, have their own families, and find it difficult to leave their jobs to pursue full-time traditional study programs which require physical attendance away from their home communities.

In the UA system, 51.7 percent of students by headcount are 25 and over. UAS is even more strongly oriented toward adult learners, who constitute almost two-thirds of students by headcount [14, Table 1.05]. In management programs specifically, three-fourths of students were 25 and older in Fall 2009. The headcount of non-traditional students in BPA grew 19.9 percent over Fall

2008, while headcount of traditional age students grew only 5.3 percent [15, Table 1.04].

Geographically, the target market is defined separately for upper division and graduate programs vs. lower division degrees and certificates. The **bachelors & graduate market** is statewide. Juneau accounts for only 4.9 percent of the Alaska's population [16]. Juneau is isolated from easy transportation access, so it has no broader hinterland from which people might commute for classes. Thus, the local population base is simply too small to support substantial upper division or graduate residential management programs.

On the other hand, about one-third of Alaska's population lives more than about two hours drive from the UAA and UAF main campuses. Many of them do have access to AA / AAS level coursework at branch campuses, but there are no classroom-based upper division (or graduate) programs available to these people without leaving their communities and jobs, which they cannot do.

UAF and UAA provide strong residential programs, but do not provide much for non-traditional students who are unable to attend classroom courses. This strategy makes sense for UAA and UAF, since the majority of Alaska's traditional students are close to these two main campuses, and it is critical to provide programs for as many traditional students as can be served cost-effectively. UAS SOM provides distance programs to Alaska's adult learners who cannot access residential programs easily.

The **lower division market** is primarily local. SOM follows a 2+2 strategy, which encourages students to do their lower division work at their local branch campuses, and then transfer after receiving their associate degree into the upper division online BBA. Lower division programs in management play the same role as branch campuses throughout the state. Thus lower division programs are mainly classroom-

based. However, lower division courses which are also part of the BBA core must also be offered online, because some students enter the BBA directly and do not go through the branch system.

The Department has built strong relationships with several branch campuses in the UA system, working with their advisors so that coursework for the local associate degree transfers seamlessly into the BBA without loss of time. The five branches where SOM has focused most of its attention account for 78 percent of headcount and 83 percent of credit hours in UA branches [17].

B. Curriculum

Adult learners have specific educational goals in mind related to their own lives and careers. Pedagogy is much more oriented toward solving problems, and instructors must make sure the information is readily useable by these students so that they see its value (e.g., [18]). The general approach is usually called constructivism, probably the dominant paradigm in the field of adult education and DE.

“In such an approach, students are given considerable freedom with regard to what to learn and how to learn it, but there is strong emphasis on group work, discussion, and application of learning to the students' personal context” [19, p. 160].

Most students at UAS SOM find it difficult to commit to a full four-year BBA program at once (which could typically take about eight years as a half-time student). Some have difficulty committing to two-year masters program. Further, their employers are usually reluctant to give formal support long term, but are often willing to support smaller chunks of education.

UAS SOM has constructed a coherent package of certificates, diplomas, and degrees organized into stepping stones that are easy for adult learners to move through. Each level merges seamlessly with the next level without the need to backtrack to make

up credits. Students are welcome to enter the full four-year BBA or two-year masters program, and many do, but they are also able to progress without loss of time if they are unable to commit to more than one step at a time.

Nationwide, employers and students want programs focused on specific industries and contexts, and prefer more specialized material to generic, generalist programs [20], [21]. Surveys of UAS SOM students show that most plan to stay in their communities within Alaska. Painstaking work was done to Alaskanize programs. The MBA is strongly oriented toward Alaska's service industries, the MPA is geared toward public administration in Alaska, and the BBA was reorganized to provide five emphasis areas most in demand.

Surveys of the newly admitted MBA students routinely indicate that this Alaska-oriented content is an important factor in their choice of UAS, as representative quotes illustrate:

“What was it about UAS' MBA program that was most important to you in your decision to attend UAS' MBA program?”

- “The program was geared toward Alaskan business ...”
- “... that the program rotated around Alaskans and Alaska Industries ...”

IV. TECHNOLOGY NEEDS

Technology is certainly an important issue, but not in terms of simply chasing every new DE technology. Rather, technology decisions are about the best tools for implementing a strong competitive strategy. The real issue is matching technologies to the way a course should be taught to best meet student needs, and to meet student preferences for delivery mode. Online students have a range of learning styles [22]. Matching delivery mode to learning style does not seem to affect

learning outcomes much [23], but it can affect student satisfaction [23], [24].

Technology is assessed to determine what delivery format best fits, especially in terms of synchronous vs. asynchronous delivery modes. Most SOM programs are built around asynchronous online delivery, but some specific courses work better with a required synchronous component. As noted, SOM also has a small lower division local classroom presence, replicating the role of the lower division branches in other parts of the state.

Asynchronous web-based delivery is used for the BBA and MBA. The constructivist approaches most appropriate to adult learners are particularly well suited for online education [19], and SOM surveys of incoming BBA and MBA students show that they mostly prefer the maximum flexibility of asynchronous formats. These students seem strongly oriented toward the “verbal / independent” learning style [24]. They want the basics to be in easily printable format, so that they are not tied to their computers to study it. But asynchronous modes, if used well, also allow for extensive student-student interaction in discussion and team projects [25].

Some SOM students do appreciate visual and verbal supplemental materials, as well as synchronous capabilities on the course site. As the generation of ‘internet natives’ comes into SOM programs, demand for more extensive multi-media capabilities is gradually growing. When use of such learning objects and capabilities has been tracked, between one-third to half of the students now use them sometimes, up substantially from the mid-2000s. But even these students do not want synchronous formats to be required.

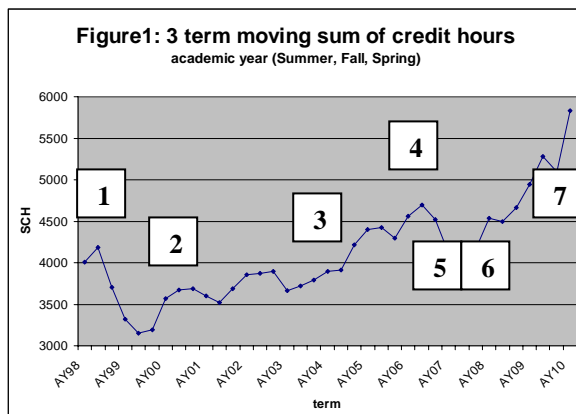
All of the students also prefer simplicity – many of them routinely complain about being required to use complex technologies, which are usually the multimedia and/or synchronous technologies. This is consistent

with the recommendation that “novice students ... should be studying within 20 minutes of logging on” [19, p. 88], and that navigation should allow students to access what they need quickly.

SOM’s MPA students are more oriented toward synchronous modes, even though this requires “attendance” on a specific schedule. Thus, the MPA program has historically used satellite technology, supplemented with audio for call-in discussion. Instant messaging capabilities on the course website are also used for written synchronous interaction. In recent years, the MPA courses have been shifting to internet streaming for synchronous audio-visual class interaction.

V. CONCLUSION

The result of this careful strategic thinking has been a complete turnaround for SOM. At the beginning of the decade, SOM was in danger of closing because of collapsing demand. By the end of the decade, programs are growing strongly. Figure 1 summarizes the performance story.



1. adult learners start moving to internet; classroom demand collapses
2. begin rebuilding by moving into distance
3. shift from course to program focus
4. planned decline; assigned lower division to a UAS branch
5. unplanned decline, branch handled lower division poorly and damaged feeder to upper division
6. Juneau SOM takes back lower division

7. back on solid growth trend

source: UAS Institutional Research data

During the years near the end of the decade, SOM has consistently been among the very top performers among the 32 academic units of the University of Alaska system in terms of credit hour growth. Average year-on-year credit hour growth in the four terms of AY08 and AY09 was 21 percent, which ranked first in the UA system.

Retention is higher than in UAS overall, and retention and graduation rates compare favorably with national figures for part-time adult-learners [26], [27]. SOM has done this while remaining one of the most cost efficient academic units in the UA system. Figures on cost per credit hour, cost per student in program, and cost per degree granted place SOM among the cheapest units in the UA system.

Thus, strategy is about adapting to market demand, focusing on UAS SOM competencies and capabilities to structure programs that meet employer and student needs. DE that has a coherent strategic focus can do very well, as UAS SOM’s experience has shown.

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