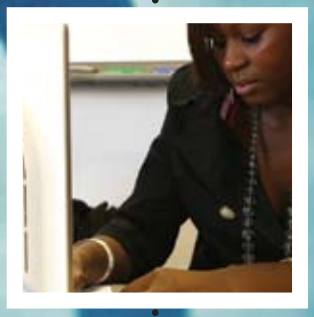
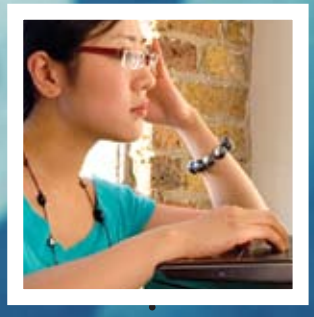
Online Learning as a Strategic Asset

A Survey of Presidents and Chancellors





PREPARED BY
NASULGC-SLOAN NATIONAL COMMISSION ON ONLINE LEARNING

NOVEMBER 2007

NASULGC
A Public University Association

Novermber 2007

DEAR NASULGC MEMBERS:

On behalf of the NASULGC-Sloan National Commission on Online Learning, we are pleased to transmit the enclosed report titled, *Online Learning as a Strategic Asset: A Survey of Presidents and Chancellors.* The report summarizes the results of a survey of all 215 NASULGC presidents and chancellors in spring 2007 designed to better understand the knowledge base and experience of these institutional leaders relative to the strategic use of online learning.

The survey results have helped to guide the Commission in its subsequent efforts to assist and challenge college and university leaders to increasingly view online learning as a strategic tool to achieve broad institutional goals.

We gratefully acknowledge the support of the Alfred P. Sloan Foundation for the survey and the overall work of the Commission. The Sloan Foundation has a long and successful history of not only monitoring but also encouraging the increased utilization of online learning by colleges and universities, and their students. We also thank Jeff Seaman, chief information officer, The Sloan Consortium, for his invaluable assistance in designing and implementing the survey.

We hope you find this report informative and look forward to continuing to work with the NASULGC community on this important initiative.

Sincerely,

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President
University of Massachusetts

Bruce Magid
Dean, International Business School
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NASULGC-Sloan National Commission on Online Learning

Online Learning as a Strategic Asset

A Survey of Presidents and Chancellors

In May 2007, the National Association of State Universities and Land-Grant Colleges (NASULGC, A Public University Association), in cooperation with the Alfred P. Sloan Foundation, appointed the NASULGC-Sloan National Commission on Online Learning. This president-led commission is intended to assist and challenge college and university leadership to increasingly view online learning as a strategic tool to achieve broad institutional goals which, in turn, should lead to substantial benefits for today's post-secondary learners. For the purposes of this initiative, we have defined online learning broadly, from mediated learning (partial online content) to fully online courses and programs.

Data collected by the Sloan Foundation (Allen & Seaman, 2005; Allen & Seaman, 2006) clearly show that online learning continues to emerge in the mainstream of higher education in both size and breadth of course and program offerings. More than 3.1 million U.S. students enrolled in at least one accredited online course in fall 2005, with enrollments increasing at a reported annual rate of approximately 35 percent a year. To put these data into perspective, NASULGC's 215 member institutions currently enroll approximately 3.6 million students in total.

The effects of an increasingly technologically proficient population have generated institutional change in numerous segments of society, such as online banking and the media, which have made dramatic alterations in their operating strategies to meet developing and changing audiences. In these industries, generations-old operating strategies increasingly incorporate a blend of the newer technological opportunities. In a large part, these changes are attributed to institutional leadership and strategic planning. Higher education has begun to make similar changes, but must be equipped with the tools needed to do so on a larger scale. This survey was designed to begin a dialogue among presidents and chancellors about the resources required to continue making progress in this important area.

The Alfred P. Sloan Foundation has a long and successful history of not only monitoring but also encouraging the increased use of online learning. Sloan-supported surveys have polled education-oriented adults and university faculty and staff, including many chief academic officers. However, presidents and chancellors are assuming an increasingly visible and integral role in the integration

of online education into the functions and missions of their institutions. This national commission was appointed, in cooperation with NASULGC, to better understand the knowledge base and experience of these institutional leaders relative to the strategic use of online learning.

The initial effort of the Commission was to survey presidents and chancellors of NASULGC institutions to better understand their views and experiences relative to online learning, and specifically to explore the role of online learning in their strategic thinking. Respondents were also surveyed to determine what they saw as barriers to their strategic use of online education and what role NASULGC might play in the incorporation of online learning into their institutions' strategic planning. The initial results of this survey, summarized in this paper, are insightful and will be utilized over the next 15 months to generate a national dialogue among presidents and chancellors, through a series of president-led discussions at national and regional meetings.

Executive Summary

The NASULGC-Sloan National Commission on Online Learning report *Online Learning as a Strategic Asset*: A *Survey of Presidents and Chancellors* represents one of the first large-scale pollings of university and system CEO's on issues of online learning. Supported by the Alfred P. Sloan Foundation and based on responses from 77 college, university and system heads, this study addresses the following key questions:

What is the role of online education in the strategic thinking of higher education leaders?

BACKGROUND: During the past decade, enrollments in online courses and degrees have been growing at substantial rates, with more than 90 percent of public institutions of higher education reporting online course offerings or degrees in fall 2005. However, the strategic "positioning" of online learning in the formal long-range planning at colleges and universities has received more limited attention and has not been previously polled from the vantage point of presidents and chancellors.

THE EVIDENCE: Institutional leaders confirm a strong interest in the strategic importance of online learning.

- 66.7 percent of respondents noted that online education was critical to the long-term strategy of their institution.
- only 4 percent responded noting that online learning played no strategic role.

How is online education currently represented in the strategic plans of post-secondary institutions?

BACKGROUND: Whereas leaders at the surveyed institutions of higher education confirmed the strategic importance of online learning, to what degree is this belief represented in their formal, written long-range plans?

THE EVIDENCE: Online learning is present in the strategic plans of the polled institutions, although not yet in a majority of schools responding.

- 40.5 percent of respondents noted that online education was represented in the institution's strategic plan.

Online learning is strategically important in which segments of institutional operation, according to university leaders?

BACKGROUND: Online or distributed education can influence individual sectors of an institution's operations, proving to be a strategic asset in a variety of ways for differing university audiences.

THE EVIDENCE: Strategically, university leaders surveyed link online learning primarily to issues of student access and recruitment.

- 71.4 percent of respondents linked online education to "increasing student access."
- 61.8 percent linked distributed education to "growing professional and continuing education."
- 57.1 percent looked to online learning to "attract students from outside the traditional service area."

What barriers exist to the strategic use of online learning to further institutional goals and mandates?

BACKGROUND: Sloan-supported nationwide surveys have identified a number of areas of concern for the growth of online course and degree offerings, including faculty acceptance of online education and the time and effort required to teach online. Do institutional leaders share these concerns?

THE EVIDENCE: University leaders responding noted the financial and time/effort costs of distributed learning, but do not strongly emphasize lack of faculty acceptance.

- 40.8 percent of respondents noted that "online courses cost more to develop" than traditional offerings.
- 35.5 percent linked distributed education to "greater faculty time and effort" being required.
- Only 22.4 percent noted "a lack of acceptance of online instruction by faculty."

What is the role of NASULGC in developing the resources needed by institution leaders to better enable them to embrace online learning as a strategic asset?

BACKGROUND: As the NASULGC-Sloan National Commission on Online Learning initiates a national dialogue on the strategic role of online education with university leadership, what tools and resources do college and university leaders indicate they most need?

THE EVIDENCE: School leaders responding noted approximately equal preferences for:

- Knowledge of comparable institutions' strategic use of online learning;
- Opportunities for executive-level sharing of models and experiences;
- Information resources applicable to strategic use of online education; and
- Availability of leaders in the field to advise in strategic planning for online education.

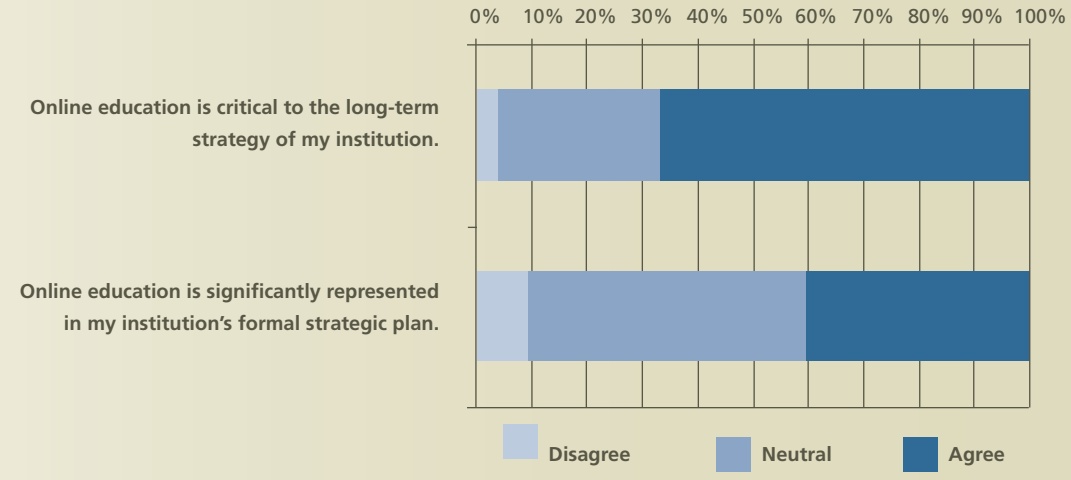
Detailed Survey Findings

What is the role of online education in the strategic thinking of higher education leaders and the strategic planning of their institutions?

In the face of significant, growing enrollment over the past decade, has online learning penetrated into the strategic thinking and planning of university leaders? Over the past decade, enrollments in online courses and degrees have been growing at substantial rates, with more than 90 percent of public institutions of higher education reporting online course offerings or degrees in fall 2005. However, the strategic "positioning" of online education into formal long-range planning at colleges and universities has received more limited attention and has not been previously polled from the vantage point of presidents and chancellors.

A preliminary, interview-based study (Smith & Smith, 2006) indicated a high level of interest by college and university heads in online learning as a strategic asset, with a majority responding that online or asynchronous learning was critical to their long-range planning. The current survey yielded similar results, with 66.7 percent of respondents noting that online education is "critical to the long-term strategy of their institution." Only 4 percent responded that online learning played no strategic planning role.

DISTRIBUTION OF LEVEL OF AGREEMENT OF NASULGC PRESIDENTS AND CHANCELLORS



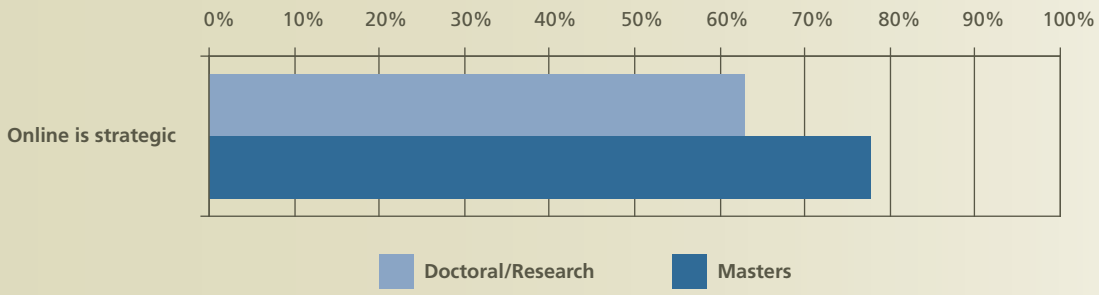
A second survey item focused on the representation of online learning in the institution's strategic plan, where only 40.5 percent of respondents noted that online education was present.

At first analysis, this more limited mention in formal strategic planning documents might be attributed, at least in part, to the lengthy time cycle typically required for the authoring and updating of institutional long-range plans. However, cross-analysis of the two initial survey items revealed, not surprisingly, that institutional leaders who recognized the long-term strategic significance of online education were also more likely to report the presence of this facet in the school or system's strategic plans.

It is worth noting that the incorporation of online learning into an institution's strategic thinking and planning differs significantly by "type" of institution. For example, the chart below indicates that comprehensive (Masters) institutions are more likely to view online as a strategic asset than Research Intensive/Extensive (doctoral) institutions (78% v. 63%). However, the Comprehensives are less likely to incorporate online learning into their strategic plans (43% v. 62%).

PERCENT OF INSTITUTIONS AGREEING ONLINE EDUCATION IS CRITICAL TO THEIR LONG-TERM STRATEGY

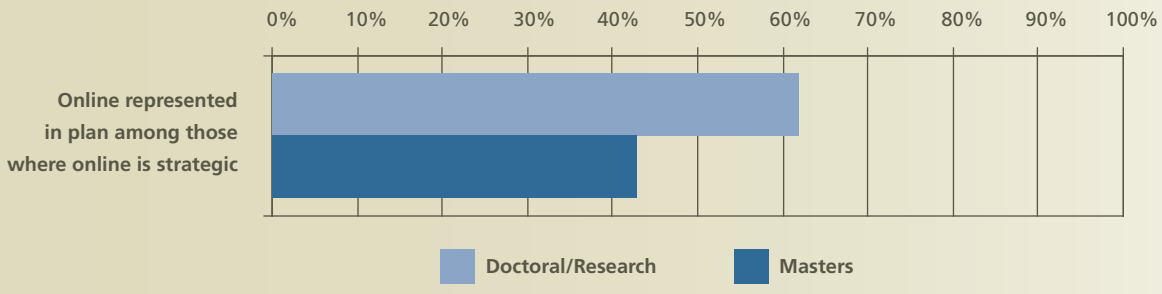
BY TYPE OF INSTITUTION



PERCENT OF INSTITUTIONS WHERE ONLINE IS REPRESENTED IN THEIR PLAN

Among those that believe online education is strategic

BY TYPE OF INSTITUTION



Where in the operations of a college or university can online learning play a strategic role?

Online learning is broadly associated with the offering of for-credit classes and degree programs, a belief clearly visible in responses by the current survey respondents, although a second clear focus in the thinking of university leaders is the growth of continuing and professional education and the recruitment of enrollees from "outside the traditional service area."

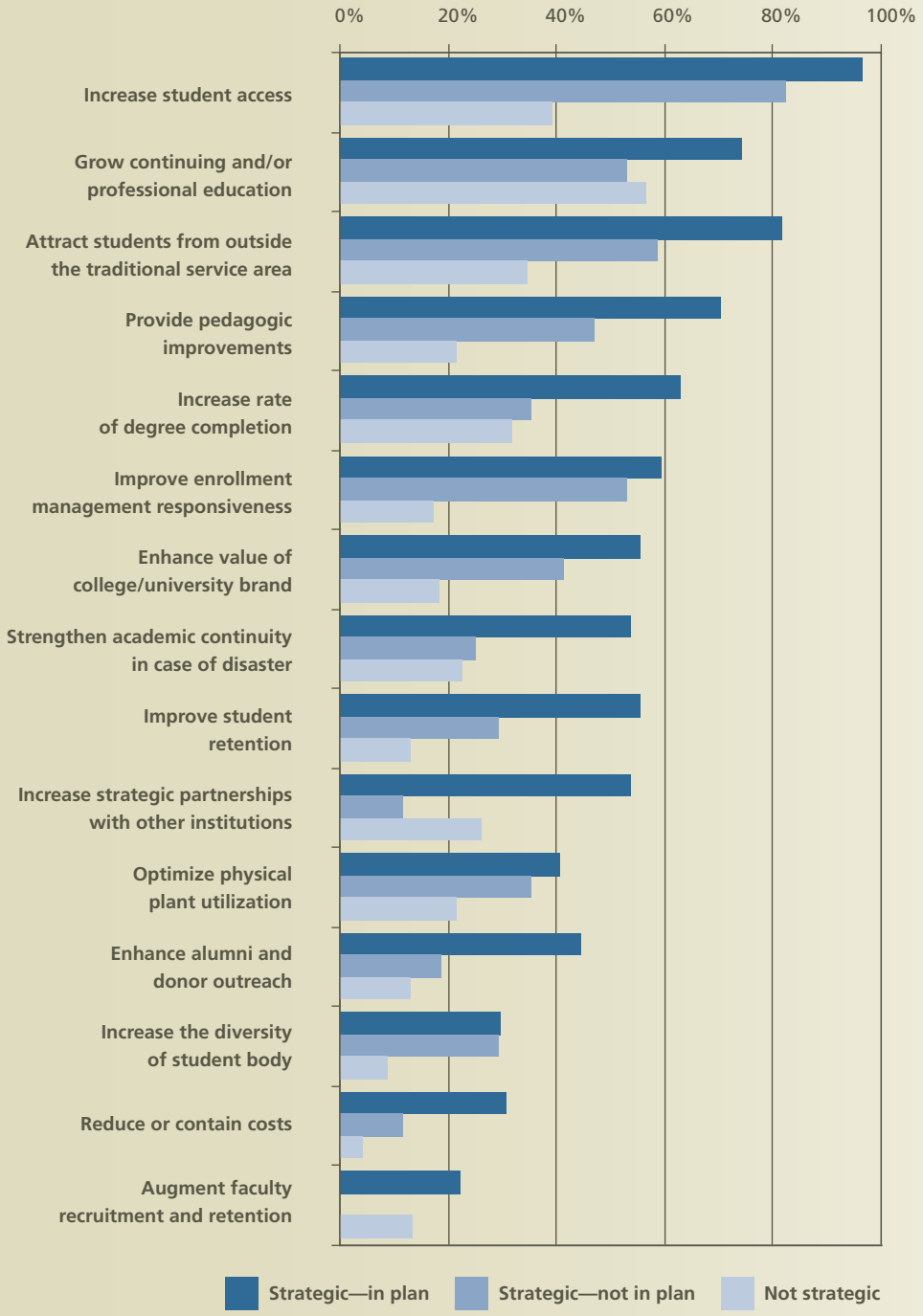
Across respondents, less noted in the strategic planning and thinking of these leaders was the use of online education to: improve student retention or rates of degree completion; provide academic continuity in the event of a disaster; form the basis for strategic partnerships with other institutions; recruit and retain faculty; or enhance the value of the institution's brand.

In particular, post-secondary leaders are under no illusions as to the costs of online learning or its utility in conserving institutional resources, with only 14.5 percent linking this approach with "cost containment or reduction."

Survey responses, when sorted by the importance that the institution places on online learning as "critical to the long-term strategy of the institution," show several notable trends. Not surprisingly, institutions that include online learning in their strategic plans (Strategic –In Plan) were comparatively more likely than their peers to value both the improved student access and recruitment potential that online can offer, as well as the potential pedagogical improvements and increased rates of retention and degree completion. In addition, these campuses indicate a greater recognition of online learning's potential in strategic partnerships, academic continuity in disaster situations, alumni outreach, and as a tool for faculty recruitment and retention.

PERCENT OF INSTITUTIONS CITING PARTICULAR OBJECTIVES FOR ONLINE EDUCATION

BY STRATEGY AND PLANNING STATUS



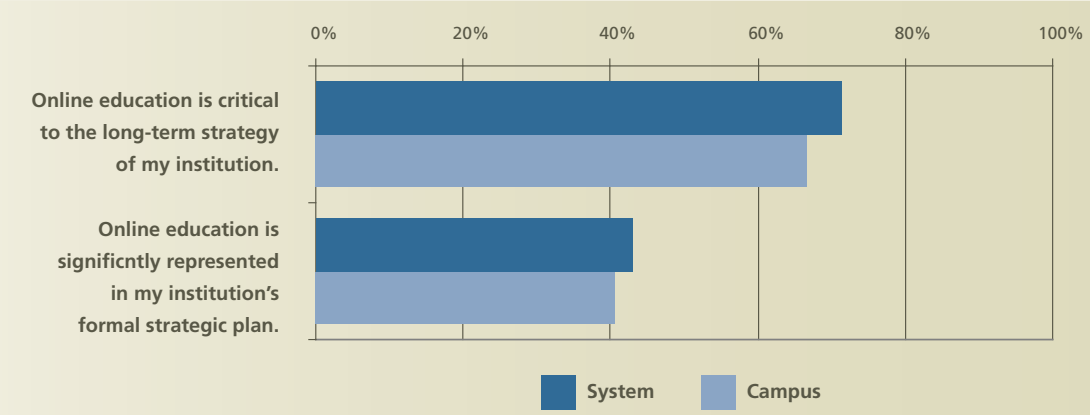
The "system" perspective

At this stage, it is important to note the composition of responding institutions, with a subset of respondents answering on behalf of multi-campus systems (n=7) and the remainder (n=70) providing data primarily for single-campus institutions. The results of this survey indicate that there are specific differences in how online learning is viewed at the system level when compared to single campuses. In Smith & Smith (2006), interviews with university system heads revealed that the emphasis on online learning was not spread evenly across the entire system. Often a single campus or subgroup of campuses within the system placed greater emphasis on the strategic value of online learning than their sister institutions.

Differences are also immediately apparent when university system (multi-campus) respondents were grouped according to their initial strategic classification of online learning's importance to the institution.

PERCENT AGREEING WITH STATEMENT

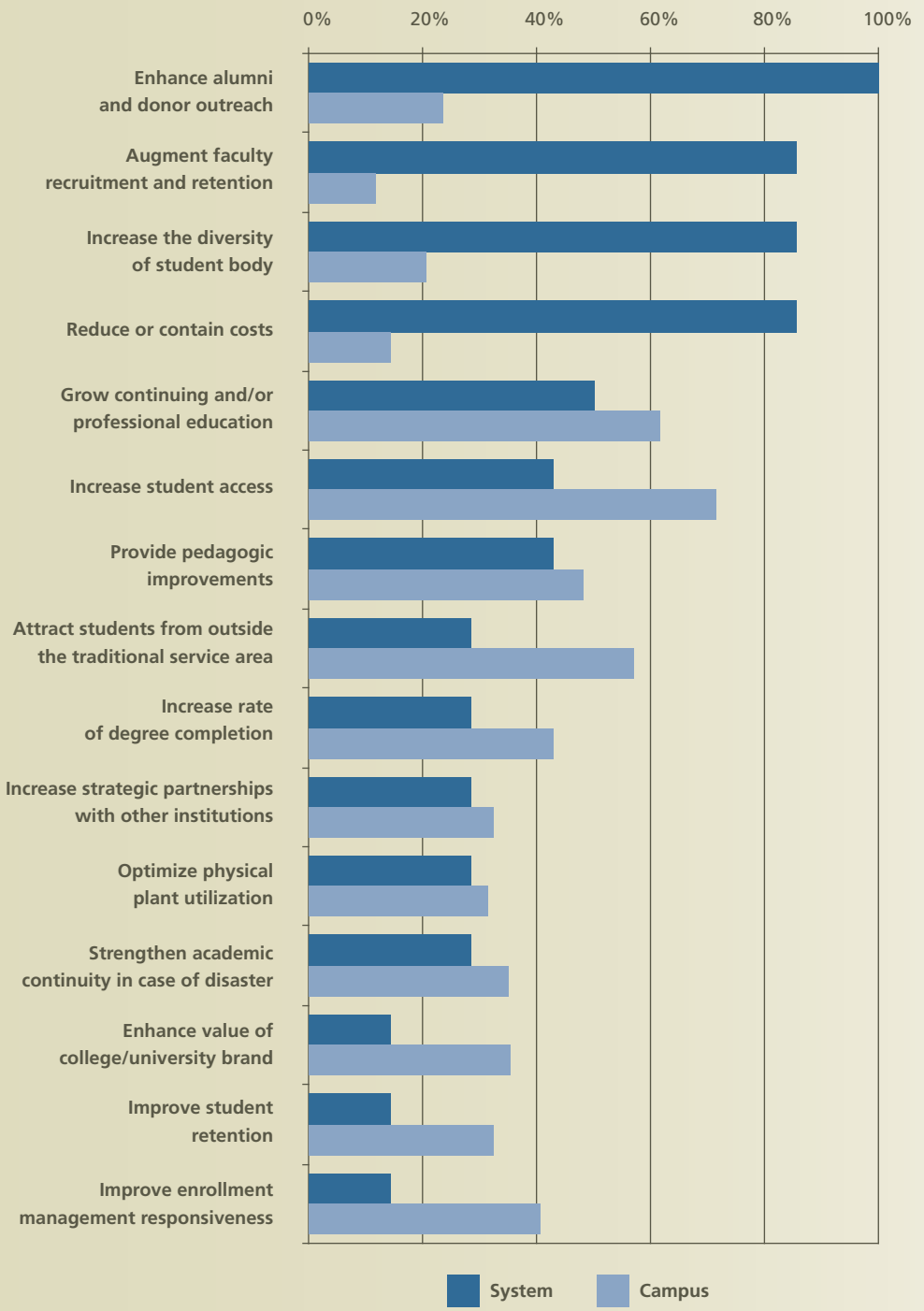
BY CAMPUS AND SYSTEM



Systems and campuses have similar results for the strategic importance of online learning, and whether it is included in plan (above), but extremely different reasons for doing so. In particular, multi-campus system heads unanimously noted the critical role of online education for alumni and donor outreach and, surprisingly, as a means to reduce or contain financial costs. Also comparatively more highly rated by system leaders were: the importance of online approaches in faculty recruitment and retention, and pedagogical improvements, as well as its relationship to access, diversity, and continuing/professional education.

PERCENT CITING PARTICULAR OBJECTIVES FOR ONLINE EDUCATION

BY CAMPUS AND SYSTEM

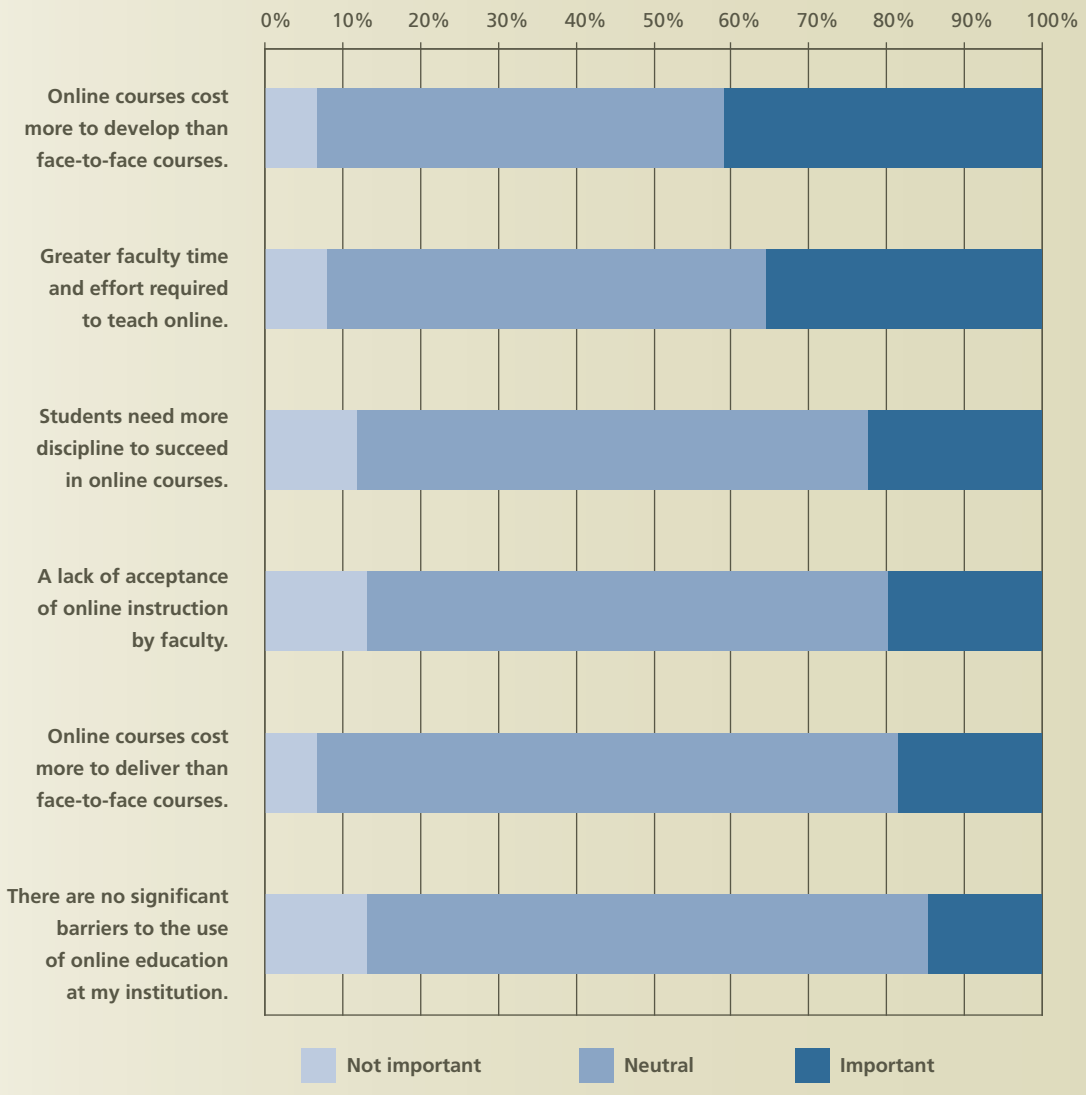


What are the barriers to online learning as a strategic asset?

Previous Sloan-supported survey research has delineated "barriers" to the implementation of online classes and degrees, a list that traditionally includes the high costs of course production and delivery, the costs of faculty/staff time to teach online, the need for higher levels of student discipline prior to independent study, and a lack of acceptance of online instruction by faculty.

Tracking closely with outcome data reported in *Growing by Degrees: Online Education in the United States* (2005) and *Making the Grade: Online Education in the United States* (2006), college and university leaders in the current study also noted the relative importance of these barriers to implementing online learning.

LEVEL OF IMPORTANCE OF SELECTED BARRIERS TO ONLINE LEARNING



Again, presidents and chancellors indicated realistic views relative to the financial and "time and effort" costs of online instruction. Interestingly, respondents in this survey were comparatively less likely to emphasize the barriers of "student discipline" and "faculty acceptance" than their chief academic officers polled in *Making the Grade,* although the passage of time since the earlier study may play a role in the more recent responses.

What role can NASULGC play?

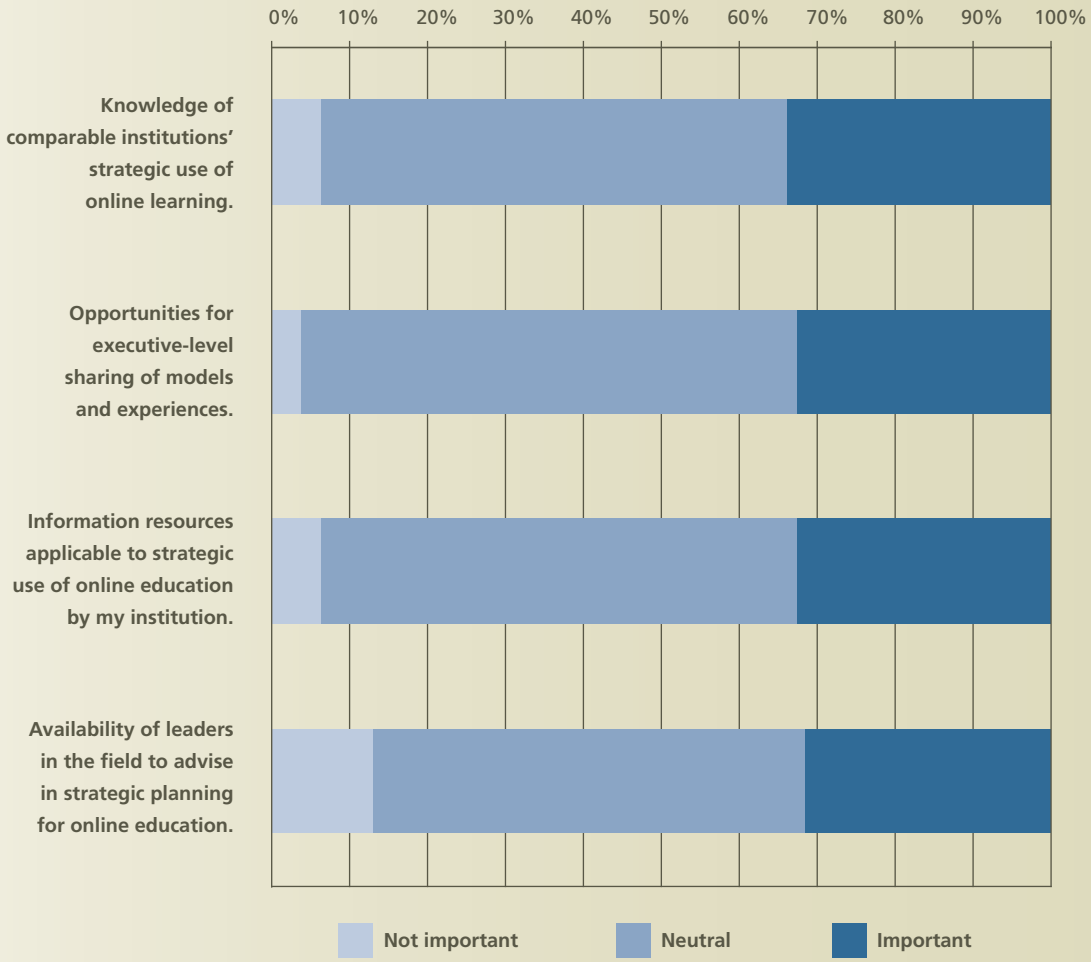
One of the goals of this survey of presidents and chancellors was to learn how NASULGC might assist them as they lead their institutions in a time when online education is emerging as a major strategic asset.

Recognizing that many of these institutions already boast a faculty and staff qualified and experienced in online learning, the Commission initially outlined four areas of assistance that NASULGC could offer during a national dialogue among presidents and chancellors:

- knowledge of best strategic planning best practices in online learning;
- executive-level sharing of models and experiences; information resources applicable to the strategic utilization of online education; and
- the availability of leaders in the field to advise on strategic planning for online education.

Survey respondents generally showed positive interest in each of the four planned Commission themes, with no clear preferences emerging. Interestingly, if any respondent indicated that one of these approaches might be of value, he or she generally indicated that all four would be desirable.

LEVEL OF IMPORTANCE OF SELECTED NASULGC ACTIVITIES

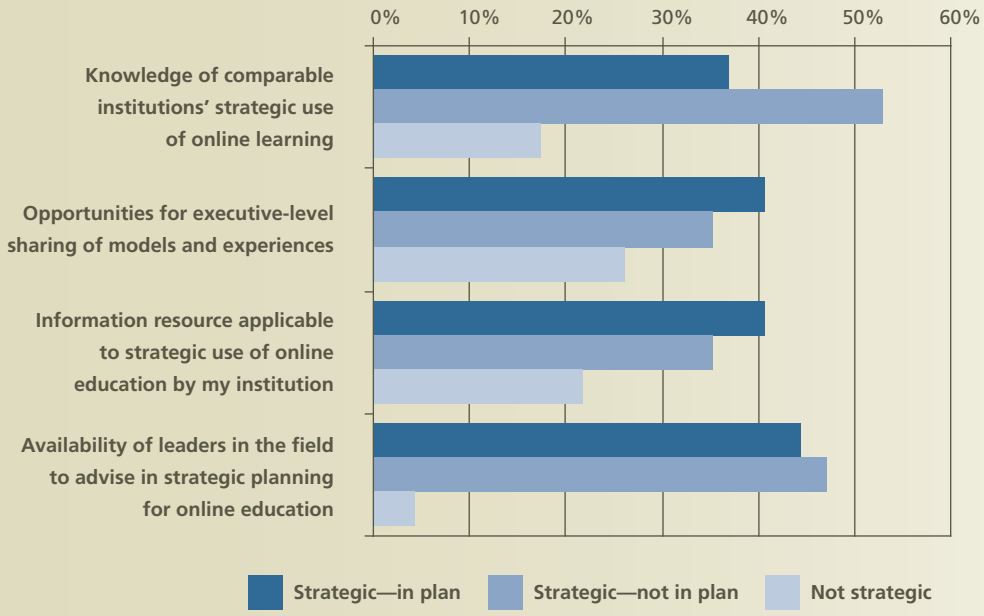


Detailed analysis of this survey item reveals that institutional leaders who recognize the strategic importance of online learning, but have not incorporated it into their strategic planning, expressed a more neutral view of the four topics proposed by the Commission. Institutional leaders who have already incorporated online learning into their strategic thinking felt that, overall, NASULGC could play an important, supportive role in the further development of online as a strategic asset on their campuses.

At the same time, considerable differences exist as to what schools desire from NASULGC depending upon where they are along the adoption process. Those in the middle group (Strategic–Not in Plan) have the greatest interest in learning about their peer institutions' strategic use of online learning.

PERCENT RATING ACTIVITY AS IMPORTANT

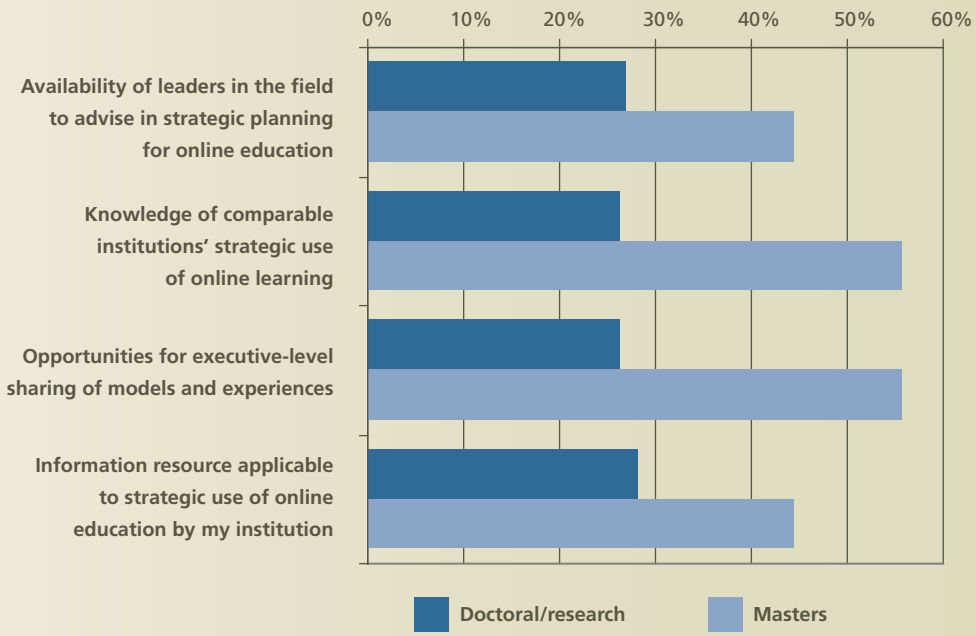
BY STRATEGY AND PLANNING STATUS



In the same vein, leaders of different types of institutions were most interested in different types of assistance. For example, leaders at Comprehensive institutions indicated far more interest in the different types of resources NASULGC could make available than their counterparts at Research Intensive/Extensive institutions.

PERCENT RATING ACTIVITY AS IMPORTANT

BY TYPE OF INSTITUTION



As the NASULGC-Sloan National Commission on Online Learning prepares for a series of meetings with presidents and chancellors in the year ahead, the survey data summarized in this report indicates several potential points of discussion depending on the particular audience. The Commission will continue to work closely with NASULGC presidents and chancellors to further define the areas requiring in-depth examination and the resources that should be developed to assist institutional leaders in maximizing the strategic potential of online learning.

Survey Methodology

The survey and analysis of NASULGC presidents and chancellors is based on the methods used to produce the annual Sloan surveys of online learning (Allen & Seaman, 2005; Allen & Seaman, 2006). Like the Sloan surveys, the study was conducted by the Babson Survey Research Group using the same software and methods as in the annual Sloan surveys. Unlike the Sloan survey, however, the target respondent was the president or chancellor of the institution rather than the chief academic officer of the institution.

The sample for the analysis is composed of all presidents and chancellors of NASULGC member institutions. All presidents and chancellors were sent an invitation email and two reminders, inviting their participation and assuring them that no individual responses would be released. The email invitation included a link to a web-based survey form, modeled after those used for the annual Sloan survey of online learning (Allen & Seaman, 2005; Allen & Seaman, 2006). Respondents were also offered the option of responding by fax or email.

Contact information for the sample of 215 institutions was provided by NASULGC; valid email addresses were provided for a total of 200 of the 215 institutions. A total of 77 responses were received, representing a 38.5 percent overall response rate. Institutional descriptive data come from the College Board Annual Survey of Colleges and from the Nation Center for Educational Statistics' IPEDS database (http://nces.ed.gov/ipeds/); this information was merged with the president and chancellor responses for analysis.

Citations

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Allen, I.E. & Seaman, J. (2006). *Making the Grade: Online Education in the United States, 2006.* Needham, MA: Sloan Consortium.

Smith, S.H. & Smith, S. H. (2006). "Positioning Online Learning as a Strategic Asset in the Thinking of University Presidents and Chancellors." Paper presented to the 12th Sloan-C International Conference on Online Learning and to the 2006 NASULGC Annual Meeting.

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