

For-profit and traditional institutions: A comparison

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At the heart of the University of Phoenix's success are a sharp, narrow definition of objectives and a highly systematic educational and business plan, characteristics not often associated with nonprofit higher education. I thought it would be interesting to ask how Phoenix, and by extension for-profit institutions generally, differ from traditional colleges. I realize that colleges and universities worldwide fall along numerous points on the traditional college spectrum and that the comparison for a particular institution would need to be adjusted accordingly.

Colleges are both educational corporations and communities of scholars.

Focus

The University of Phoenix concentrates on one slice of the higher education pie: adults working full time, at least 27 years of age, who have established career goals. To serve this population, Phoenix course goals are tactical rather than strategic, focusing on the knowledge and skills that have immediate payoff—the competencies their customers need right now for their next career move.

The traditional college usually targets a younger age group, encourages full-time study, discourages full-time employment, and offers a college experience that includes myriad educational, extracurricular, artistic, social, and athletic programs to stimulate growth both inside and outside the classroom. The broad goal is a liberal education, an experience that seeks to free the students from prejudice and ignorance by confronting them with fundamental human questions, exploring differing responses to these questions, insisting that students develop their own positions, and challenging them to figure out how to live “the good life.” Both the students and their anxious parents trust that this broad education will eventually lead to gainful employment.

Metaphors

Colleges are both educational corporations and communities of scholars. As corporate entities, they depend on expertise in finance, higher education law, accreditation, marketing, customer relations, and other areas, to survive in an increasingly competitive environment. The concepts of higher education as an “industry” and students as “customers” are relatively recent developments. The University of Phoenix *modus operandi* fits easily into this concept—as a corporate member of the over \$200 billion industry that delivers education and training services to consumers at an affordable price. In con-

For-Profit and Traditional Institutions: A Comparison

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The fastest-growing sector among the 3,500-plus U.S. institutions of higher education is for-profit education. Three years ago, the *Chronicle of Higher Education* reported that in the previous five years for-profit education had “been transformed from a sleepy sector of the economy, best-known for mom-and-pop trade schools, to a \$3.5 billion-a-year business that is increasingly dominated by companies building regional and even national franchises.”

In summer 2000 the highly publicized University of Phoenix had 68,000 working professionals enrolled in undergraduate, graduate, and certificate programs around the world, 85 campuses and learning centers in the United States, Puerto Rico, and British Columbia, and was exploring campuses in the Netherlands, Germany, and elsewhere in Europe and Asia.

trast, the traditional college avoids thinking and talking about itself as a corporate entity and emphasizes the community of scholars metaphor. In this traditional view, the university is a “sacred” institution with a special societal mission; and students are not customers but colearners with or apprentices to faculty in the communication and discovery of knowledge.

In the Phoenix model, the classroom instructors are individual contractors, technicians implementing and supplementing a preset instructional design, with a focus on delivery rather than the discovery of new knowledge.

Faculty

One of the most interesting facets of the Phoenix model is its “unbundling” of the teaching role. In the traditional college, the faculty member, like a craftsman in a cottage industry, is the knowledge expert, the course designer, the presenter, and the evaluator. The unique talents and creativity of individual faculty members are prized. On the reverse side of this same coin, the traditional college may produce inconsistent results or quality variations precisely because of the uneven talents of individual teachers. Phoenix avoids or dramatically reduces this variability by separating faculty functions: content and curriculum experts design the course objectives and materials; practitioners deliver the course, adding their real world insights; and evaluation experts, rather than the instructors, design course assessments. The Phoenix model emphasizes rational design, consistency, and continuous improvement, and minimizes the input of individual faculty members, except in the delivery phase.

Traditional college faculty members are members of departmental, school, and university communities that provide a professional context not only for their own growth but also for the development of their disciplines. In the Phoenix model, the classroom instructors are individual contractors, technicians implementing and supplementing a preset instructional design, with a focus on delivery rather than the discovery of new knowledge.

Students

As noted above, the Phoenix model views the student as a consumer seeking a business-like relationship that will deliver the skills and competencies he or she wants. The connotations that come with the word *consumer* or *customer* are quite different from those of *student*. The

student-faculty relationship is viewed as a helping relationship in which the student feels that the faculty member has his or her best interest at heart. Teaching has traditionally been regarded as a vocation not unlike the that of a doctor or clergyman. The concept of customer or consumer, on the other hand, symbolizes a relationship in which the provider’s ultimate concern is the bottom line. This is not to suggest that Phoenix does not aim at first-rate service and consumer satisfaction, but that the ultimate motivation for these intermediary goals is the profitable growth of the corporation.

Knowledge

Phoenix views the traditional college as providing a “just in case” education—a broad liberal education described above in which most student learning is not related to an immediate objective or application. Statements like preparation for life or citizenship or development of the whole person symbolize the often intuitive but rather vague goals of the traditional institution. A Phoenix education, on the other hand, is a “just in time” experience: the student learns just what he or she needs and can apply immediately, predominately in a career setting.

Investments/Organization

The for-profit college invests in the development of a content, pedagogy, delivery, and assessment system that produces efficiently career-oriented competencies. The traditional college makes major infrastructure investments in libraries, classrooms, athletic facilities, theaters, laboratories, dining facilities, residences, student unions, and infirmaries, among other things.

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Traditional academe, with its varied goals and multiple constituencies, is notorious for its glacial pace of change and decision making. Phoenix, on the other hand, sharply focused on a narrow set of objectives and having to satisfy only its corporate leadership and consumers, can adapt much more quickly to changes in the environment.

Educational Model

The traditional college operates on a scholarly discipline model where the disciplines are the context for conveying the cultural heritage, for posing the questions that have perplexed humankind over the ages, for engendering new questions, and for teaching the methods of disciplinary inquiry. Students interact with the best ideas and minds, both historical and contemporary. The Phoenix model, on the other hand, has a more behaviorist starting point focusing on the competencies that the student needs and the most efficient and effective ways to develop these outcomes in the student. These different starting points, perhaps more than any of the other differences noted above, illustrate the contrast between the goals of the University of Phoenix and a traditional institution.

Conclusion

I proposed that by comparing the University of Phoenix to a traditional college, we could learn something about both. The sharp focus and efficient organization of the Phoenix plan are impressive. The intent is not to displace traditional colleges but to target its systems-oriented, highly efficient approach to a narrowly defined segment of the population that it regards as underserved. By providing good service in its just-in-time mode, it helps its consumers in their careers and simultaneously makes a profit.

For-profits do not want to emulate traditional colleges.

This narrow, pragmatic focus is in sharp contrast to the world of traditional higher education with its lofty and expansive mission statements, its complex sense of obligation and service to society, and its commitment, albeit often vague, to a liberally educated populace. As the analysis above suggests, the for-profit approach is a very different model, not only in its exclusive focus on career-oriented students, but also in its instructional design, in its unbundling of the traditional faculty role, in its education industry orientation, in its emphasis on students as consumers, and in its corporate rather than academic organizational structure. For-profits do not want to emulate traditional colleges and, except for some institutions with profit-making adult career education as part of their portfolios, likely pose little threat. But by implementing a model that proposes to be higher education while at the same time leaving out most of the assumptions and goals that traditional higher education holds dear, they challenge traditional colleges and universities to reexamine how committed and effective they are in maintaining those assumptions and achieving those goals. ■