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MOOCs and the Future of the University

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Blog: Reality Check [1]

The advent of Internet-enabled mass access to college level educational content offers a number of opportunities to both consumers and providers. Consumers can shop for any number of content items online from a wide array of providers, choosing products based on the subject, the prestige of the provider, and the subsequent value of participation. Providers will have access to large potential markets with low overhead expense and most importantly without an obligation to validate the preparation and capabilities of the consumers or guarantee a level of successful completion.

This element of the MOOC process is of great significance, because the assessment of student preparation and the assumption of responsibility for student success represent major institutional costs, both financial and reputational. For many public universities, struggling to provide access to as many students as possible, to achieve high graduation rates to satisfy often misguided legislative requirements, and to maintain reasonable standards of academic performance, the Internet environment offers an escape.

Students who sign up for MOOC courses represent a market created outside the university, but that requires the university to provide the faculty, the branding, and eventually the certification that will enhance the value of MOOC provided products to consumers. The university can deliver the faculty without risk, although with some cost. Universities take no responsibility for anything related to student success until the student succeeds. Students can present the university with documentation that justifies the inclusion of successfully completed MOOC courses in a portfolio that qualifies for some form of institutional certification or degree. Then, the university can take ownership of the student's success.

The university does not need to admit these students until they are ready, with their portfolios of courses, to have their work reviewed and certified as adequate for degrees. The university may require that some number of those MOOC courses be taught by their own faculty or they may require that some number be courses certified by other accredited institutions or outside agencies, but in the end, the institution can accept the packages of MOOC courses and both admit and graduate these students at the same time.

This ensures that MOOC students will have a 100% graduation rate because the institution will admit only those who have completed the required MOOC courses for a degree. The many thousands of

other students who have engaged with MOOC courses but not followed through with testing never become part of the university's student responsibilities. The university's obligation will be limited to verifying that the courses submitted are of college level, taught by appropriately qualified faculty, and completed in a manner that offers assurances of quality. This renting of academic services offers an opportunity to many institutions, especially those struggling with part-time transient enrollments, with unrealistic government requirements for completion, and with the expense and challenges of remediating large numbers of underprepared students.

Constructing this future will take some time, but not much time. It only requires the adaptation of various existing mechanisms for providing proctored exams worldwide and a revenue and expense model that allows all the providers (university and faculty content providers, MOOC middleware providers, and quality control providers) to establish profitable fee structures. In this model, the risk and cost of student engagement is borne by the students alone. The university assumes no responsibility for student success other than identifying quality courses. The MOOC middleware companies create and offer the content through sophisticated Internet platforms available to everyone but make no representations about the likelihood of student achievement. Indeed, many student participants may seek only participation not completion. The quality control enterprise operates on a fee-for-service basis that operates without much concern for the number of students that pass or fail the various proctored tests of content acquisition, and many participants in MOOC activities may not want to engage the quality control system.

This model will seriously challenge many institutions, but most significantly the elaborately constructed and expensive online educational programs currently run by individual universities or systems that operate as Internet extensions of the individual university campuses. Those systems, complex, bureaucratic, and often quite effective extensions of the physical university, will need to morph quickly into much less structured and much more open MOOC-competitive platforms, and with a much reduced cost structure.

Many detailed issues of substance remain unresolved in these models. Among the most interesting will be the battle over content ownership. Academic content, for the most part, is easily available from non-university sources, either through textbooks or library materials accessible from the Internet or a local library at no or relatively low cost. Faculty participation in MOOCs currently is a free market commodity, purchasable by anyone without university control.

Theoretically, most universities could claim ownership of faculty intellectual property derived from work done on university time and with university funding. However, very few universities actually exercise that right and faculty publish textbooks, journal articles, scholarly works, and popular books without returning revenue to the university or even, in most cases, notifying the university of their participation in these activities. The faculty either keep the copyright themselves or sell it to the publisher. While universities are good at capturing scientific intellectual property that leads to patents, royalties, and licensing arrangements, they are poor at capturing the revenue from other forms of faculty intellectual property.

When faculty translate their existing campus instruction into MOOC courses, the question of ownership will surely arise. Does the course belong to the faculty member or to the university? Faculty will assert that the course is their intellectual property over which the university has traditionally never asserted ownership. Universities may claim that the content of courses delivered by their faculty through a MOOC belongs to the university because the content was prepared by faculty paid by the university. Faculty will assert that they are within their rights to take the traditional 20% of their time available for consulting and other activities to deliver MOOC responsive courses.

Faculty may also assert that MOOC courses are not exactly the same as the university versions and

therefore are different works. Since the content of most college courses is not original (the facts of US History are not subject to copyright), the presentation and expression of those facts through the MOOC platform is the actual work, and the MOOC or faculty member, not the university, will own the copyright. The MOOCs will eventually create a payment system for faculty participation, as the charm of large massive audiences will quickly evolve into a faculty belief in the high economic value of their performances.

The emergence of popular teaching products projected to large Internet audiences will likely expand the value of teaching and performance talent well beyond the relatively low wage rate of current instructional work. High market value teaching has usually required textbook publication to reach audiences large enough to generate significant payments to the faculty. The MOOC environment offers the potential of very large audiences whose members can buy high production value teaching at a low unit cost but in numbers sufficiently large to generate a significant return to the successful faculty participants. Since MOOCs can sell their educational products in small content packages (such as a single course or even a single video), they can be priced at a per encounter basis or a per course basis. Once a MOOC builds market demand through the free provision of content, simple per-encounter or per-course fee structures can generate significant income, and plans that sell course access in bundles for higher prices will surely emerge.

As the market becomes more sophisticated, the production values required for successful courses will also rise. Since much of the content of MOOC courses is generic, key differentiators will include the quality of the performances viewed through videos that are so much a part of the MOOC experience. Boring but expert will not be a successful combination when there are many faculty who are both knowledgeable and visually interesting. Perhaps the best model for this part of our instructional future is the popular music business where quality music and lyrics are not sufficient for economic success without performance talent, production sophistication, and marketing. Whether the marketing is done by the MOOCs on behalf of their product line or by the universities on behalf of their faculty instructional stars remains to be seen.

The universities, however, are likely to have a major influence in all this as they own the certification that validates the content and produces the degrees. It is possible that MOOCS will develop their own degree packaging, but it may be much cheaper and more effective to let the universities manage the issues of accreditation and quality control associated with degrees. Universities may look to their intercollegiate sports models and combine into academic conferences that manage the provision of MOOC content to the marketplace. The college sports enterprise shares a similarity in that its contents, like the facts of an academic course, are entirely standardized (the rules and structure of football games and the requirements of sports programs are virtually uniform for example) but the universities and the conferences ensure high production values and have highly differentiated branding for the events. We might imagine a Big Ten MOOC or an Ivy League MOOC with the attendant opportunities for advertising and the creation of dedicated participants.

In any case, the MOOC process will surely move quickly, leveraged by the continued worldwide expansion of the high bandwidth access required for video products. MOOC tools and techniques will evolve into sophisticated systems for tracking student participation and performance, and universities will find ways to package and validate the existence of thousands of course completions into degree bundles. Today, for example, bar exams for lawyers, the CPA exams, and board certification for medical specialties have already demonstrated mechanisms for externally validating academic achievement acquired at universities, and the expansion of these systems and techniques to college-level work should be relatively straightforward.

The success of the MOOC phenomenon will accelerate the already advanced disaggregation of content and context in American universities. Institutions will need to be clear about the difference

between the academic content (which can be acquired anywhere and presented for validation to the institution), and the institutional context (which includes among other elements student life, intramural and intercollegiate athletics, residential living, personal interactions both academic and extracurricular, and the cohesive academic process of the institution-specific traditional four-year college degree). They may provide and price the content and context elements separately in some cases although they will also continue to package and price the two elements together for more traditional populations of students.

The highly selective institutions (especially the elite residential private colleges) and the major research universities will continue much as before although they will seek ways to extract value from the MOOC environment with some concern about a possible devaluation of the exclusivity of their brand. As the number of individuals with college degrees grows, the value of the graduate certificate or degree will rise. Universities will find growing markets for graduate students, whether for certificates or for masters, professional, or doctoral degrees.

This Internet supported expansion of the academic marketplace will generate opportunities and risks. Many elements of the current academic enterprise will change. Some delivery platforms will decline, others will expand. The intermediaries will prosper and some universities will become much more entrepreneurial as they find niches to exploit within this expanding marketplace for academic content. The purpose of MOOCs, of course, is to create valuable properties that can generate significant financial rewards for their investors and participants. Although there will be major social and societal benefits from the MOOC process, economic reward for the various participants will be among the primary determinants of success.