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Education for the Educated: An Administrative Perspective

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Introduction

Executive education provides significant opportunities for colleges and universities as well as significant challenges. Clearly, the educational environment has changed tremendously and will likely continue to change with technological improvements that allow new delivery mechanisms, mobility of the workforce, different educational needs of the workforce, the changing role of universities, and a host of other factors. This constantly changing environment presents not only new challenges, but also new opportunities for colleges and universities to meet the needs of the public and to also generate much needed revenue. The effectiveness of new delivery mechanisms has also opened the door for greater competition from those institutions that may not have been heretofore well positioned to enter this educational marketplace.

This article will present some of the challenges and opportunities from the perspective of administrative leaders in executive education programs. Executive education encompasses degree programs as well as non-degree programs, and there are differences between the two types of programs both organizationally and operationally. The value of the programs may be viewed differently among the various constituencies of administrators, faculty, alumni, and students.

The Broad Role of Executive Education

As the corporate world becomes even more focused on efficiencies and cost savings, providers of educational services are likewise being challenged to deliver high quality academic programs that meet the strategic interests of the business community. Further, public colleges and universities throughout the United States are experiencing a decline in public financial support as state after state has shifted funds away from higher education to K-12 and/or reduced overall educational funding. In some cases, the reduction in funding for higher education has been substantial. The funding situation has provided the catalyst for colleges and universities to move strategically into areas that meet the needs of constituents as

well as provide much needed financial support. This is true for both private as well as public institutions. Business schools, at least theoretically, should be among the strongest academic units in terms of addressing such funding challenges. Revenue enhancing programs have become a more important focus of many business schools faced with declines in state funding. This has led to an increase in what can be called the academic entrepreneurial spirit as business schools have quickly had to view their relevant strengths and weaknesses and then move forward to develop new programs. This new entrepreneurial wave is not always met with enthusiasm by the entire faculty or even the senior administration of universities. While universities are supposed to be leaders of innovation, this concept is relatively new. There remain many entrenched views in many universities that there is something unclean about becoming more “businesslike.”

Fortunately, for those more entrepreneurially focused business schools, this need for new programs has arisen at a time when more and more corporations are seeking to outsource continuing education programs and also to send up and coming management staff for advanced degree programs. There have been many articles over recent years that have addressed the changing environment. Elsaid and Schermerhorn (1991) offer a good view of conditions in the early 90s. A recent article by Margulies and Gregg (2002) offers an excellent discussion of the strategic process for greater development of executive education programs.

The Administrative Perspective

Dollar Signs

The view of such endeavors will obviously vary within the university community. The focus in this paper is from the view of the administration. The senior administration within a business school is charged, in part, with generating the financial resources to insure quality programs of research, instruction, and service/outreach. As was mentioned earlier, with many states shifting and/or reducing funding for higher education, deans of public business schools are seeking new revenue generating programs as a means to offset such reductions. Deans in private universities have always had such incentives, of course. So in the interest of the overall wellbeing of the business school, deans and other administrators are motivated to promote and develop such non-traditional programs to include both degree and non-degree programs. Many administrations provide “seed” money for proposals for new programs as well as for faculty development. In addition, there may be infrastructure costs for video conferencing and other technological requirements for distance education.

The financial motive is a strong one for administrators as they seek alternative sources of funds to enhance other programs. While the marketplace for executive education is becoming increasingly competitive, many business schools still find that they are able to generate sufficient revenue to not only compensate faculty and cover the relevant costs but also to have revenue available to support other

needs such as graduate assistantship support, faculty research grants, etc. So it is clear that the potential for revenue enhancement is a major factor in the pursuit of both degree as well as non-degree executive programs.

Expand the Competitive Marketplace

Another factor is the changing marketplace for educational programs. Technology has to a large degree leveled the playing field where geography is no longer a hindrance to the development of executive programs. Many institutions located in urban areas face an intensely competitive market for business education. The ability to deliver a program through distance-based technology allows an institution to redefine their relevant market area. Clearly, if one is operating in a highly competitive market area, then one needs unique programs, unique faculty, or exceptional facilities. Generally, that is not the case for MBA programs, which leaves the remaining strategy of expanding the geographic market for the educational programs. The ability to deliver programs via distance has also allowed those universities located in non-urban areas to enter the market. From the senior administration point of view, this can enhance the reputation of the university far beyond their immediate market area.

Reputational Value

Another motivation from the administrative perspective is that the MBA program may well be the so-called “flagship” program of a particular college. It is the unique institution that is highly ranked for all programs to include its undergraduate, MBA as well as doctoral programs. MBA programs tend to be highly visible in the national press and have the potential to earn positive recognition for an institution. Executive MBA programs also allow a university to produce another set of graduates who all are potential donors to the institution. Additionally, non-degree executive education can also serve to enhance a business school’s reputation among those in the corporate world. The delivery of high quality programs can have complementary effects on the other programs within a university also.

Diploma Mill Perceptions

Another concern of administrators and faculty when offering executive MBA degrees is that some will view their institution as a “diploma mill.” Schibrowsky, Peltier, and Boyt (2002) note that most business schools tend to follow a more liberal arts approach and that a change in culture to a professional approach may well be met with resistance by faculty. However, they suggest that a professional approach is not a vocational approach and academic integrity can indeed be maintained. Without a doubt though, there are examples of diploma mill enterprises in the US as a few of the popular television investigative shows have shown. But for accredited

institutions, the maintenance of high quality instruction and high academic standards is vital. As more mainstream institutions enter the marketplace for executive MBA programs however, the concerns about being tagged a “diploma mill” have abated to a large degree. AACSB accredited institutions must demonstrate that assessment procedures are in place to ensure the quality of their programs. While the new technologies in delivery of programs have allowed more schools to participate, there remain certain barriers to entry in this market. As Hura (2003) notes, a significant barrier can be due to the lack of reputation.

Internal Support and Incentives

Another concern of business school deans and administrators is earning the support of the higher administration within their respective universities. There tends to be a degree of envy within the typical university community toward business school faculty given the relative high salary structure. Some deans find themselves having to defend supplemental pay for faculty participation in executive programs given the already high salaries. Fortunately, business programs do indeed have a market that is willing to pay for these types of educational programs, something that not all academic disciplines can claim. Central administrations, too, are in search of additional funds and many view business schools as a primary source and require a significant return of dollars to cover overhead, etc. for executive education programs. Deans are challenged in terms of finding ways to retain as much of the revenue stream as they can.

Depending upon the type of university, funded research may be a significant factor in how an academic unit is viewed. That is, within a particular university, the ability of a business program to generate revenues via executive education may not be viewed with the appreciation that is shown when another academic unit such as an engineering unit receives a large research grant. Clearly, universities with large medical schools, engineering schools, and science programs generate millions of dollars in research funds. Quite simply business schools do not have the capability to generate the very high levels of dollars for funded research. However, recognition should be given to those units that can generate resources through other means such as executive education.

Impact on Promotion & Tenure

Another administrative concern, and one shared by faculty, is that outreach at many universities does not play a major role in tenure and promotion decisions. Each university is different, but for larger universities, research productivity remains a driving force in successful promotion and tenure. Deans are well aware of this and should make every effort to convey to faculty the need to meet whatever their institution’s standards are. As was stated earlier, when the executive education program is done on an overload basis, which may be a disservice to junior faculty even though it may provide them some extramural funding.

Deans and other senior college administrators must balance the concerns of the various constituencies when pursuing such programs. Among alumni, experience has shown that such outreach efforts, both degree as well as non-degree, are viewed most favorably by alumni. That is, many alumni do not fully appreciate the value of academic research in the field of business, but they do recognize the contributions a business school can make to corporations in their area. Hence, alumni in general, tend to be quite supportive of efforts in distance education since it fits their view that colleges exist to provide educational services. A successful administration can also position such programs so that faculty can derive an appreciation of the benefits of the programs.

Strategy for Success

Given the differing views toward executive programs, observation of successful efforts can provide a basic roadmap toward success. First and foremost, an institution must have a cadre of faculty that is supportive and highly qualified in terms of an executive audience. Not surprisingly, Farris, Haskins, and Yemen (2003) report that two major factors in the selection of executive education programs are the reputation of the faculty and the reputation of the institution. Programs, both degree and non-degree, must likewise be of high quality and relevant to the needs of the working professional. This may require flexibility that breaks down the typical three-semester hour course and many executive MBA programs now offer their program through modules that may be as short as three weeks for a course. Faculty must be committed to continuing their own professional development by remaining current in their field, not just with regard to academic research but also laws, regulations, etc. that affect the business environment.

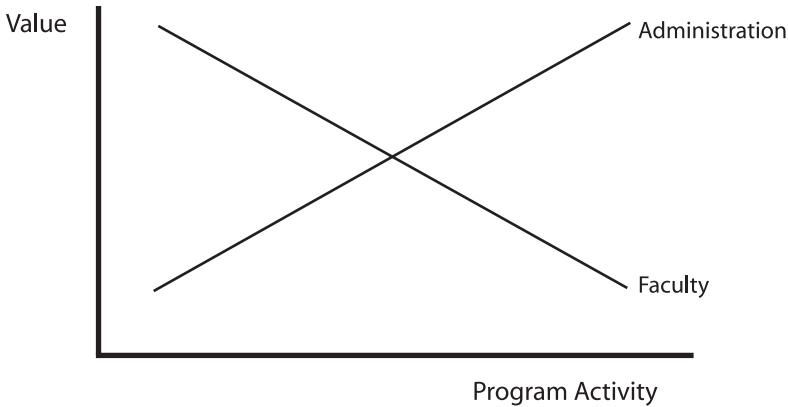
The administrative leadership must likewise be supportive and work to provide the resources needed for proper delivery. The decision to offer distance delivery does require an investment for the necessary video support. Further, the dean must work to ensure the support of the higher administration and also to ensure that there is a reasonable return of revenue to support the program. For programs where such curricula are done on an out-of-load basis, the administration must develop a compensation mechanism that appropriately rewards faculty for their participation. And perhaps the most important factor for a dean is to convince the faculty and the higher administration that the offering of executive programs is the appropriate direction for their school and that it fits within the university's overall mission.

Another key element of strategy is the effective marketing and promotion of the executive education offerings. Colleges and universities are now competing with many for-profit organizations and must therefore be prepared to compete through successful promotion. It is not simply enough to say that the faculty is highly qualified. The so called "Field of Dreams" concept that they will come simply does not work in the highly competitive marketplace for educational programs.

From the perspective of an institution offering executive level educational programs, the senior administrative view may differ from the view of participating

faculty. In general, one can view this graphically with faculty sometimes taking the view that greater executive programs result in significantly greater workloads and hence a declining value. Senior administrators, on the other hand, may well seek to increase the executive level activity as a means of enhancing the reputation as well as the revenue stream to their unit. The optimal solution then is the intersection of the two lines on the following graph:

Figure Example 1.



Conclusions

Clearly, the environment is continuing to change but in a way that can generate significant benefits to a business program. There are a number of keys to successful executive education programming.

- Strong academic leadership
- Competent and reputable faculty
- Innovation in delivery and programming
- Quick response ability
- Effective marketing and promotion of programs
- Willingness to take risks

Overall, as with most initiatives, the key element is people. That is, an institution needs a highly qualified and motivated faculty, an administration committed to and supportive of executive education, a strong market of potential students, and a competent and efficient support staff. The need for executive education, both degree and non-degree is there and will grow. Higher education can either meet that demand or default to for-profit organizations that provide such educational services. Success requires strong and bold leadership from all elements of the university community. As with most opportunities, there is an element of risk but the potential return can more than reward an institution for the risk it may take.

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