ADDITIONAL REVENUE STREAMS IN HIGHER EDUCATION:

POSITIONING CONTINUING & PROFESSIONAL EDUCATION (CPE) UNITS FOR

GROWTH BY SHIFTING PORTFOLIO MIX

by

BEVERLY SNYDER CORMICAN

(Under the Direction of Erik C. Ness)

ABSTRACT

Continuing and Professional Education (CPE) represents a growing segment of higher education that can be a valuable source of innovation and revenue. Transitioning a non-credit CPE unit to one with for-credit offerings is one way CPE units can generate revenue growth, but making that shift can take much time and be fraught with many challenges at the institutional level. The purpose of this study is to examine how one CPE unit shifted its program portfolio mix to include offering professional master's degrees in a changing and challenging economic environment. A single in-depth case study of a CPE unit at a highly selective institution that has shifted its course portfolio to one that includes authority for granting professional master's degrees was conducted.   Four themes emerged from this exploratory case study: leadership, new markets, governance and processes, and new revenue. The outcome, new professional master's degrees responding to market needs of a new audience of adult learners and producing strong financial results, was the embodiment of a successful transformation.

INDEX WORDS: Continuing and professional education, Professional master's degrees, Academic capitalism, New markets, Revenue streams, Leadership

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DEDICATION

I would like to thank God for the ability to embark on such an all-consuming task of writing a dissertation. This process has been one of the most challenging experiences of my life. There were many days that I couldn't see how I would make it, but God's grace covered me through it all.

This dissertation is dedicated first to my family, whose faithful support has always been instrumental to any accomplishment I have achieved. To John, my husband, "chief research assistant" and staunch supporter, thank you for all your patience, encouragement, and understanding throughout this process. Thank you for loving me through this journey. I love you. To my children, Rachael and Buddy, thank you for your encouragement and your help at home—for understanding when I needed quiet time and for distracting me when I had been focused on my studies too long and you realized that I needed a break! I hope that my experience has made a positive impression on you and that you have developed an appreciation for the value of hard work and the desire for lifelong learning.

Second, I dedicate this dissertation to my mother, Rachael Snyder, and my late father, J. Wesley Snyder. Although they did not have college degrees, they emphasized to me and my siblings the importance of an education and its ability to transform your life in a very positive way. My father challenged me to strive for excellence, and my mother encouraged me in all my pursuits. Mom, you are my hero and have my love, respect, and gratitude.

Last, I thank so many dear friends, too numerous to name here – but you know who you are – for your support, listening ears, laughs, encouragement, love, and above all, your faithful prayers to see me through this process. Your friendship makes a difference!

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CHAPTER 1

INTRODUCTION AND PURPOSE

<u>Background</u>

The rapid expansion of on-line learning in an increasingly competitive market, the surge

of other technology-enabled media in higher education, and the declining economic environment

resulting in a high unemployment rate in recent years, create an opportunity for higher education

to consider these somewhat interdependent issues from an additional revenue stream perspective.

Higher education must change its paradigm – its view of reality – in order to survive and sustain

itself.   In fact, the future of higher education may depend upon how it responds to changes in the

technological and economic environments. The rate of change in higher education since 2000

has been significant, and the competitive market shifts will continue to challenge institutions

trying to maintain their relevance and place in this uncertain market. The convergence of these

issues – increased market competition, global and online education, the speed of change within

higher education, the need to generate additional revenue – and the impact they have on

continuing and professional education (CPE) units require that CPE administrators understand

the impact of for-credit and non-credit programming on revenue streams.

Continuing and professional education has been identified by many names in its long

history and the varied labels under which it has resided are indicative of the changing

marketplace to which CPE must respond and its struggle to maintain relevance and viability

within the larger academy. Whether it is called university extension, lifelong learning,

continuing studies, university college, or simply continuing education, the profession serves the

educational needs of the non-traditional adult learner (Rohfeld & NUCEA, 1990). For the

purpose of this study, the term continuing education refers to the formal or non-formal education for which credit or non-credit is awarded to the non-traditional student for course work completed in a training or workshop atmosphere either on or off campus or through online-learning modalities (Wenzel, 2011).

To remain viable and relevant in changing times, CPE unit leaders need to understand the competitive landscape. The driving force for competition can partly be explained by the "great brain race," which according to Ben Wildavsky (2010) illustrates the increasing global competition for new knowledge and innovation. Wildavsky (2010) begins the great brain race discussion by describing elements in the race for talent. The rapid growth of student mobility, growing trend of faculty mobility, and intense competition among universities to increase market share all link to what is called academic mobility or the "movement of ideas" (p. 9). Technology and the increased speed of communications and transportation have fueled this growing international mobility phenomenon of borderless campuses. Mobility takes many forms, both real and virtual.

While Perkinson (2006) notes that online education is the fastest growing segment of higher education, some in the academy are concerned that online or distance education can tarnish an institutional brand, and still others think the online education format expands that brand. Given the audience that continuing and professional education (CPE) units tend to serve, they may be early adopters of technology-driven learning. The success of CPE units in delivering quality technology-driven learning may facilitate traditional academic units at universities becoming more comfortable with an online delivery format of programming, and thus perhaps reduce the reluctance of its legitimacy.

With annual enrollments in postsecondary education of at least 20 percent of the eligible age cohort, "massification" of enrollment has been the central theme in higher education over the past fifty years (Altbach and Salmi, 2011). According to data from the Organization for Economic Cooperation and Development (OECD), since 2000, post-secondary enrollments have increased from 100 million to well over 1150 million worldwide (Altbach and Salmi, 2011). Part of this growth is in international and online education. The massification of higher education, driven by the intent to improve access to education, leads to further reliance on technology to deliver quality programming resulting in the growth of innovative approaches such as massively open online courses (MOOCs). This access to education is vital for CPE units serving non-traditional adult learners who are the very audience for which access to quality programming can be the most challenging. It opens new markets to CPE units but also complicates the competitive landscape in meeting the needs of diverse student populations.

The definition of a non-traditional student may indeed be changing. Sandeen (2013) discusses the terms "traditional" student and "non-traditional" student, noting that "post-traditional" perhaps "more accurately reflects the growing demographic majority" of students (Paragraph 4). No longer does the 18-22-year-old student population represent the majority of enrollment in higher education. According to Sandeen (2013), nearly 40 percent of the undergraduate student population is over the age of 25. This growing population of students tends to work full-time, have family responsibilities, perhaps serves in the military, or any combination of these. CPE units have typically served the "non-traditional," now "post-traditional" adult student, but as reported above, the new majority of undergraduates now fall into this category, thus blurring the lines of audiences served. That said, most CPE units deliver continuing and professional educational programs to the part-time and working adult student.

CPE units focus on serving segments of the population which tend to be underserved by other non-profit private and public institutions. Many CPE units offer accessible career-oriented programs, such as non-credit and for-credit programs in engineering, education, business, health care fields, hospitality, and information technology, among others. One of the strategies CPE units have implemented for improving access to these programs by this adult student population is to consider an assessment for granting credit for demonstrated knowledge and experience gained outside the classroom, also called experiential learning (Barrineau and ACHE, 2008). Such a strategy may improve a student's commitment to completing a program as well as facilitate student success. Given the stagnant global economy where many are unemployed or underemployed, enrolling in a program that awards credit for prior learning and may facilitate employment opportunities is attractive to many students.

Most CPE units are self-supporting, revenue-generating units with little-to-no-financial support from the parent institution. They offer a programming portfolio that ranges from self-enrichment courses to professional development courses for career changers and career enhancers to degree programs for non-traditional students. The very nature of continuing education is to offer flexible programming that is responsive to market demands for career and workforce development as well as general lifelong learning needs. Operating as a self-supporting unit within an institution requires a CPE unit to carefully select its program offerings in accordance to a competitive market while giving strong consideration to fiscal responsibility in the current economic climate. This concern for financial stability in an otherwise unstable economy is common not only among CPE units, but is also among the leading topics of discussion in higher education and is one of the key drivers for seeking additional revenue streams (Hearn, 2003 & 2006; Kezar, 2008).

From an institutional perspective, Hearn (2003, 2006) examines why and how colleges and universities are pursuing additional revenue streams. One of the eight additional revenue areas he explores includes instructional initiatives. He discusses institutional responses to external threats and cites "new markets" of adult learners as a potential new revenue stream (Hearn, 2003, p. 8). These new markets of adult learners, especially corporate learners and professional enhancement learners are commonly served by CPE units. CPE units are increasingly building strategies to differentiate their program portfolios to address the educational needs of these diverse markets of non-traditional students.

Organizations of the twenty-first century are constantly learning new things, changing what they do, and reinventing themselves. In the words of Kotter (1996) speaking about the world of the twenty-first century, "Economic forces will make 'Grow or Die' the new maxim"– and "In a fast-moving and competitive world, past success does not ensure future success. Just the opposite: Past success often makes it more difficult to succeed in the future. And this fundamental truth applies equally to educational institutions, corporations, and individuals" (Kotter, 1995, p. 29). Given Kotter's emphasis on lifelong learning, it seems that a deeper understanding of CPE units and functions is warranted. Further, this emphasis on the value of lifelong learning complements the need to raise revenue from alternative sources.

Statement of the Problem

Continuing and Professional Education (CPE) represents a growing segment of higher education that can be a valuable source of innovation and revenue. Transitioning a non-credit CPE unit to one with for-credit offerings is one way CPE units can generate revenue growth, but making that shift can take much time and be fraught with many challenges at the institutional level. The purpose of this study is to examine how CPE units shift their program portfolio mix

from a non-credit unit to one with for-credit offerings in a changing and challenging economic environment. Specifically, I want to understand the motivations for and the processes through which a CPE unit in a private, highly selective institution offers professional master's degrees.

Research Questions

Guided by studies related to academic capitalism and CPE units, this study will explore to what extent academic capitalism explains the decision to allow a CPE unit to offer for-credit courses. Motivation, implementation, and descriptive evaluation questions will be the focal points for this inquiry. Through this study I will seek to answer three questions: Why and how did leaders at one institution decide to offer professional master's degrees in the CPE unit? What has been the process and implementation experience of the institution in making this transition? What financial results has the institution realized as a result of making this portfolio shift?

Summary

In this introductory chapter, I have provided background information on the continuing and professional education industry, articulated a problem to explore, and identified three research questions to guide my study. In Chapter 2, I review literature relevant to this study. The main streams of literature reviewed include the continuing and professional education landscape, additional revenue streams, and academic capitalism as a framework for the study. In Chapter 3, I describe the research strategy, including methods, data collection, and data analysis. In Chapter 4, I report the case study findings. These findings include direct quotes and summary data from interviews as well as documents reviewed from the participating institution. From these findings, I identify four key themes from the study: leadership, new markets, governance and process, and new revenue. Finally, in Chapter 5, I provide a discussion of the case findings

and how they relate to the literature. Following this discussion, I share three implications for practice and four potential areas for further research.

CHAPTER 2

LITERATURE REVIEW

This study is informed by several strands of literature that together provide the necessary contextual and theoretical perspectives to guide my analysis of the shift from non-credit to for-credit courses in CPE units. This section provides an overview of the core bodies of literature that will inform the study. CPE literature gives foundational background and contextual information to provide a backdrop for the study. Studies related to alternative revenue streams complement the CPE literature with a broader perspective on the pressures for generating additional revenue in higher education. Finally, academic capitalism theory serves as the framework that explains this phenomenon that influences and shapes the current continuing and professional education landscape.

Continuing and Professional Education

The literature reviewed in this section relate to different aspects of continuing and professional education. To facilitate reading, the literature review is organized into four sub-sections: structure, lifelong learning, content delivery format, and portfolio shifts.

Structure

As mentioned in the introduction, continuing and professional education (CPE) units are known by many names and seem to change over time as units transition their program portfolios, mission, etc., or as units are reorganized within the institution. Some of the most commonly used names today include continuing studies, continuing and professional education, and university college. While most continuing education units are separate divisions within an institution, some are embedded within an academic unit, the most common being a college of

arts and sciences; and the majority of CPE units report to the provost of the institution (EAB, 2012; UPCEA, 2012). A current organizational trend among some of these units is to transition to a college structure with authority for granting degrees. Whatever the name or structure, the profession exists primarily to serve the non-traditional adult learner through credit and non-credit courses (Milam, 2005; Rohfeld & NUCEA, 1990). Again, as mentioned in the introduction, for the purpose of this study, the term "continuing education" refers to the formal or non-formal education for which credit or noncredit is awarded to the non-traditional student for course work completed in a training or workshop atmosphere either on or off campus or through online-learning modalities (Wenzel, 2011).

Continuing and professional education in the United States traces a rich history dating back to the early 1800's when the Cambridge "university extension" model was adapted in this country (Rohfeld & NUCEA, 1990). With the passing of the Morrill Acts of 1862 and 1890, which established and provided support for the land grant university system, provisions were made "to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life" (Morrill Land Grant Act, n.d.). Land grant institutions played an important role in helping not only to educate those who traveled to the university to obtain a formal education, but also to "educate the masses" by providing instruction via a correspondence system to those who could not attend the university as a full-time student (Rohfeld & NUCEA, 1990; Wenzel, 2011). Correspondence courses are considered the beginning of what we reference today as continuing education units (or "CEU's," which is a unit of measurement much like a credit hour in the traditional academic unit) and marked the beginning of distance education (Wenzel, 2011).

Just as the continuing education profession is known by many names, it is also structured in different ways according to the parent institution. Institutions typically organize their continuing education units in a centralized model as self-supporting, standalone units, apart from the other academic units; some organize the unit in a decentralized model by embedding them within another academic unit; but most universities combine the models in some way as a hybrid model (Matkin, 1997; McDougal, 2012; UPCEA, 2012). Another less frequently used model is the buffer-external model whereby continuing education is organized outside the university structure, such as a not-for-profit entity that is somehow linked to the parent institution (Matkin, 1997).

Lifelong Learning

A primary tenet of continuing and professional education is serving the lifelong learner. In the past two decades the world has changed in ways and at such a rapid pace that many would never imagine, and U.S. higher education finds itself clambering to keep up with the changes in the new economy (Walshok, 2012). As noted earlier, John Kotter (1996) in *Leading Change* predicted the increased rate of change and the importance of continual learning and self-development – become a lifelong learner – in order to succeed in one's career and to impact economic success for organizations (Kotter, 1996). In another study, Kotter (1995) analyzed his 20-year study of 115 students from the Harvard Business School class of 1974. In researching these students' successful careers, Kotter found two common themes: competitive drive and lifelong learning. These elements seemed to give people a competitive edge in terms of capacity to change, which in turn helped drive lifelong learning – to unlearn, learn, relearn – making them adaptable and successful in their careers (Kotter, 1995).

Contrary to the common practice of ending one's formal education at age 18, 22, 25, or even 30, Kotter stresses the importance of pushing skill development throughout life (Kotter, 1996). He says, "The whole concept of lifelong learning challenges core ideas about education" (Kotter, 1995, p. 29). Aiken and Keller (2009) also support this lifelong learning view and call it "capability building" (p. 108). They draw attention to two realizations of human behavior for addressing this need. One, "employees are what they think, feel, and believe in" (Aiken & Keller, 2009, p. 108). This awareness targets what drives human behavioral change – appealing to the emotions. The second realization is that "good intentions aren't enough" (Aiken & Keller, 2009, p. 109) when it comes to educating for skill development.

Many studies (e.g., Barrineau & ACHE, 2008; Fenwick, 2008; Fritz, 2000; Goolnik, 2006; Merriam, 2008; Sandeen, 2008) indicate that the most effective adult-learner education programs are formatted in multiple modes to accommodate the diverse generations and learning styles of workplace learners. Given the wide age range of nontraditional students served by continuing and professional education, developing some understanding of generational differences is important to the field.

Content Delivery

In serving lifelong learners, consideration should be given to generational learning styles and preferences, program content and delivery formats, as well as who teaches in these programs. Sandeen (2008) conducted such a study focused on generational differences among Boomers, Xers, and Millennials. The study had some expected and unexpected results based upon a survey sent to approximately 14,950 people (Sandeen, 2008). Summary findings reported that all three generational groups indicated a high interest level in career-related programs. Boomers preferred classroom-based and blended formats. Xers indicated an interest in online

programs, but not as much as the Boomers. Surprisingly, Millennials showed a weaker preference for online programs, despite their technology-filled lives, and they showed a strong interest in enrichment programming. They were also interested in graduate education. These noted similarities and differences across the three generational groups can guide CPE units on programming and delivery format.

Additional considerations for multi-generational learning were addressed and recorded at a meeting of the Association of Continuing Higher Education (Barrineau & ACHE, 2008).   The discussion focused on understanding the main motivators and influences of students making learning choices. For instance, in addition to the three generational learners mentioned above, a fourth group, the Silent Generation (also called Veteran / Traditionalist students), prefer to work alone rather than in groups and prefer organized learning experiences (Barrineau & ACHE, 2008). On the opposite end of the spectrum are the Millennials, who prefer group work and tend to require more attention than some of the other generational groups of students.   While educators cannot please everyone, developing some knowledge and understanding about what typically motivates and influences a particular segment of students can inform flexible program development and facilitate one-on-one student advisement.

One popular learning format for working adults is the accelerated cohort model, which allows the adult learner to complete a program of study in less time than a traditional program format (Spaid & Duff, 2009). This model provides students with "stability and continuity that the traditional college format cannot provide" (Spaid & Duff, 2009, p. 104). It creates a type of learning community with the same small group of adult learners throughout a program. The key element of the successful cohort model is "the participants taking responsibility for creating and

enhancing the learning experience for themselves as well as for the other cohort members" (p. 105).

Another learning format that is gaining popularity is online education (Gallagher, 2004). Aslanian and Clinefelter (2013) report the demands and preferences of online education based on a survey of 1,500 students nationwide. Of particular note is the data point that approximately one-third of the online students pursue graduate degrees, followed by one-quarter of students pursuing bachelor's degrees. One of several key findings of the study was that institutional reputation and price are important when selecting an online program. "Reputation most often is based on accreditation, quality of faculty, and personal acquaintance with other attendees. Other important selection factors include freedom from specific class meeting times, liberal credit-transfer policies, and streamlined admission processes" (Aslanian & Clinefelter, 2013, p. 5).

According to several scholars (Andrich, 2012; Gearon, 2013; Glazer-Raymo, 2005; Ho, 2011; Tobias, 2002), a major shift in the higher education landscape in general and certainly within the continuing and professional education landscape over the past two decades has been in the area of professional master's degrees. In their comparative study of professional master's degree programs that prepare lifelong learning adult educators, Kasworm and Hemmingsen (2007) examine recent trends in the United States graduate programs, noting the significant growth in graduate education as well as new program areas and new partnerships with business and industry. They also cite a study by Haworth and Conrad (1995) that noted more than half of earned master's degrees in the history of American higher education were awarded between 1970-1990. Further discussing the growing trend towards master's programs in professional fields, LaPidus (2000) reported that as of 2000, 85% of all master's programs were in such fields.

According to Theodosiou et al. (2012), what distinguishes the professional master's degree from other graduate degree programs is the "combination of courses and hands-on experience" (p. 368). These degrees are built to respond to market demands and incorporate a multidisciplinary approach that "broadens the knowledge of students and gives them the flexibility to choose a career that is suited to them, making them more attractive to employers…." (p. 368). According to Vanderford (2011) and Gearon (2013), another feature of these growing programs is many of them require capstone projects or internships, which give graduates hands-on experience that will be valuable to employers.

The question of who teaches in these programs causes much debate and controversy for many institutions where faculty oversight and governance process are considered paramount in legitimizing an academic credential. Non-tenure track faculty (also called contract, adjunct, or contingent faculty) or credentialed practitioners as "Subject Matter Experts" typically teach in these professional master's degree programs and bring their real-world experience to the classroom (Glazer-Raymo, 2005). Kezar and Sam (2010) cite several studies that report non-tenure-track faculty are the most common appointments within institutions today with "three out of every four being off the tenure track" (p. 3). Further, according to Kezar and Sam (2010) as well as Slaughter and Rhoades (2004), two primary economic reasons for hiring non-tenure-track faculty are cost effectiveness and flexibility, reasons that resonate strongly with continuing and professional education units.

Related to the cost factor, a common example given is the price comparison of one tenure-track faculty member versus a non-tenure-track faculty member and the realization that the university could afford more non-tenure-track faculty who would be able to teach more classes, thereby meeting the market demand and resulting increased enrollment (Kezar & Sam,

2010). Closely aligned with the cost factor is flexibility.   The ability to add or remove instructors based upon market demand for a course and based upon the budget position of the unit facilitates the unit's management of its teaching resources.

Although Kezar and Sam (2010, 2011) highlight the financial benefits and justification for increasing non-tenure-track faculty, they also discuss the challenges related to this trend, especially as they relate to shared governance. Their concern is that non-tenure-track faculty rarely are included in governance activities, although this trend may be changing. Kezar and Sam (2010) reported that while both full-time and part-time contingent faculty expressed concern "about not having input on decisions that directly affect them" (p. 69), there seems to be a shift towards more inclusion in faculty senate and departmental activities, particularly among full-time non-tenure-track faculty.   Some of the other areas of concern they explored relate to salary and job security, teaching restrictions, performance evaluation, contract renewal, promotion opportunities, and policies restricting the movement between non-tenure-track positions and tenure-track positions (Kezar & Sam, 2010).

Portfolio Shifts

Part of responding to competitive market demands of adult learners requires CPE units to ensure their program portfolios are current and relevant.   While the literature is plentiful on specific topics and content areas of non-credit and for-credit continuing and professional education (Cantor, 2006; Milam, 2005; Pusser et al., 2005; Pusser et al., 2007; Spaid & Duff, 2009; UCEA, 2006; Young et al., 2009), there are surprisingly few studies focused specifically on shifting a non-credit CPE program portfolio to a degree-granting portfolio. One such case study by Whitaker (2001) tells the story of how The George Washington University repositioned its CPE unit. Recalled Whitaker (2001), "The underlying theme of my institution's experience is

simply this: societal change and institutional hardship are favorable conditions for continuing education" (pp. 38-39). Leveraging opportunities from a changing, competitive marketplace and emerging new technologies to help generate much-needed resources for the institution became the catalyst for "repositioning and restructuring" the CPE unit. The institution took two ambitious steps. The Faculty Senate and the Board of Trustees approved the creation of a new degree-granting academic unit, the College of Professional Studies "with authority to award Associate, Bachelor's and Master's degrees of Professional Studies" and the flexibility to "move concentrations in and out according to market demand" (p. 42).

The second step, considered more controversial, was the creation of an "independent for-profit company – GW Solutions," which would handle all non-academic functions that the new College otherwise would have assumed. Functions such as marketing of off-campus programs, business development, customer service, consulting, the development of distance education courses, etc., became the responsibility of the new company. These two units, the new College and the new GW Solutions, had the same leader for both "to ensure singular vision, to keep the two units from unnecessarily competing, and to keep both focused on rapid responses to organizational learning needs, whether credit or noncredit in format" (p. 43). This unique model combines an academic unit and a business venture to address new needs for continuing and professional education.

Another more recent study chronicles a similar shift at the University of Massachusetts Boston Division of Continuing, Corporate and Distance Education. DiSalvio (2012) described the leadership challenges and organizational opportunities associated with shifting the University of Massachusetts Boston Division of Continuing, Corporate and Distance Education to University College, a degree-granting unit of the institution. In making the case for a

"realignment" within the institution that created a new college, University College, and authorized the CPE unit to grant degrees, DiSalvio (2012) noted that "it was crucial to address concerns related to program redundancy, 'poaching,' and academic quality" (p. 144).

DiSalvio (2012) recounted the nearly ten-year evolutionary process for making this shift and the lessons learned. He specifically addresses this shift from an organizational restructuring perspective and discusses the ensuing governance challenges. He categorized four broad lessons learned and several specific tactics for each one: "Overcome the trauma of birth"; "move forward as a partner"; "establish the college as an academic unit"; and "build an external identity" (p. 148). Some of the practical, instructional tactics included: articulating strategic direction and role of the new college; obtaining support from the highest levels of the institution; building relationships with the deans; following the academic chain of command; providing incentives to faculty for new program development; clarifying priorities related to strategic plan; and, developing an ongoing external strategic communication plan (DiSalvio, 2012). These lessons are important because as he notes, a new academic unit "inevitably presents a perceived threat to the existing discipline-based silos that control the means of production" (p. 148). The experiences he and others have shared are echoed by other professional association studies (Andrich, 2012; EAB, 2012; Ho, 2011) that I review below.

Many CPE units offer for-credit programming, and the industry professional associations are a good source of possible studies that might inform and provide some basis for this particular study. Specifically, research professionals at the University Professional and Continuing Education Association (UPCEA), Eduventures, Inc., and The Education Advisory Board (EAB) were all able to provide recent studies related to work their organizations had completed in the area of launching for-credit programming within a CPE unit. A 2008 Eduventures survey of 77

CPE units reports that for-credit courses account for more than two-thirds of the total course portfolio at most CPE units (Gallagher, 2008). According to UPCEA (2012), its 2011 survey of 178 CPE units reports that for those CPE units that offer for-credit programming, most of their revenue comes from their for-credit enrollment rather than their non-credit enrollment. The survey findings show that for those units that offer for-credit programming, 63% of their gross revenues come from credit programming sources and approximately 27% comes from non-credit sources (UPCEA, 2012).

Additionally, a 2012 EAB organizational alignment survey of 106 CPE unit leaders indicates that approximately 80% of the units reported 50% or more of their course enrollments were credit as opposed to non-credit, and approximately 53% reported a wide range of gross revenue between $6 million - $50 million from credit-related activities (EAB, 2012). Interestingly, approximately 40% reported gross revenue of $5 million or less from credit-related activities (EAB, 2012).   Understanding this wide gap between $5 million and $50 million in credit program revenue could be instructional for institutions looking to offer for-credit programming.

In addition to these professional association survey results indicating that revenue increases with for-credit programming, other targeted studies make the case for CPE units offering for-credit courses. In a report for EAB, Ho (2011) profiles seven institutions, six private and one public, to discuss the approval process by which these institutions grant authority to CPE units for conferring degrees. The rationale for CPE conferred degrees (with a focus on professional master's degrees), the degree approval process, faculty composition, program launch cycle, flexible pricing structure, and metrics are all reviewed in the context of demonstrating value and impacting industry.

Similarly, Andrich (2012), in "Launching For-Credit Offerings within a Continuing Education Unit," profiles two highly selective private research institutions and their quest to enter the for-credit professional master's degree market as a result of the national-turned-global financial crisis. Another Eduventures (2012) report, "The Adult Higher Education Consumer 2012: Which Way Now?" further explores the evolution of market fundamentals over time as well as emerging trends in the adult higher education market. These studies all point to the interwoven elements of technology, diversified non-credit and for-credit portfolio mix, flexible delivery formats in building a sustainable CPE unit.

The governance process for approving new programs can be very tedious and time consuming. Unlike the traditional academic unit, CPE units need to be able to respond quickly by launching new programs to the market. Matt Morrill (2011) examines the new degree program approval processes at six institutions and identifies key observations and factors that influence the speed with which a CPE unit can implement a new degree program. According to Morrill (2011), these factors include advanced preparation of curriculum by new program directors, alignment of marketing process with the new degree implementation timeline, agreement on revenue and cost sharing between participating units, quality of student applicant pool, and steps in the approval process. The more steps in the approval process, the more chance for internal conflicts that can lead to delayed program launches. Given the need for CPE units to respond quickly to market demands for new programming, the findings of the project support the case for a separate approval process.

What becomes apparent in reading these articles and studies is that the higher education landscape has changed and continues to change at a fast pace; that CPE units are typically better positioned than the traditional academic units to respond to market changes; and that CPE units

with a flexible, mixed program portfolio and mixed delivery modalities are better equipped to weather the financial turbulence seen in recent years (Andrich, 2012; DiSalvio, 2012; Ho, 2011; Tyksinski, 2009; Whitaker, 2001).

Alternative Revenue Streams

Even before the 2007-2009 economic decline commonly referred to as the Great Recession, higher education was experiencing financial pressures brought on by increased competition, declining state appropriations, reduced or redirected research funding, as well as the "commodification and commercialization" of higher education as examined by many scholars (Bok, 2003; Cantor, 2006; Geiger, 2004; Goral, 2004; Kirp, 2003a, 2003b; Powers & Campbell, 2009; Slaughter & Rhoades, 2004; Zemsky et al., 2001 & 2005). These external pressures drove a shift of focus in higher education from a traditionally valued "knowledge as a public good" role to a new "knowledge as a commodity" role to be marketed for financial gain (Slaughter & Rhoades, 2004). This shift forced higher education leaders to consider additional revenue streams to retain its competitive position in the market and still remain financially stable.

Hearn (2003, 2006) in "Diversifying Campus Revenue Streams: Opportunities and Risks" as well as in his essay "Enhancing Institutional Revenues: Constraints, Possibilities, and the Question of Values" examines why and how colleges and universities are pursuing additional revenue streams. Of the eight additional revenue areas he investigates, the first two he mentions are technology transfer activities and instructional initiatives. According to Powers and Campbell (2009) and Slaughter and Rhoades (2004), technology transfer activities are often cited as an example of an additional revenue stream for institutions. Institutions engaging and investing in these programs usually do so with the expectation that these activities will generate revenue that can then be reinvested in research (Powers & Campbell, 2009).

In their longitudinal study, Powers and Campbell (2009) examined the likelihood of financial success for institutions engaged in technology transfer pursuits as an additional revenue source. They conducted a comprehensive 10-year study (1996-2005) of 101 research institutions and calculated several odds-ratio analyses to determine if and at what point an institution's investment in these initiatives is successful when considering the costs of additional staff and infrastructure to generate the additional revenue. One of the elements they examined was how long it took an institution that was experiencing financial losses in 1996 to become profitable with the technology transfer programs. The data suggested that it usually took at least five years on average for these institutions to realize a turnaround, and those that did not experience a turnaround within five years usually never did (Powers & Campbell, 2009). This finding suggests a caution to institutions looking for additional revenue streams in a difficult economic environment: generating real net revenue takes time.

In examining instructional initiatives Hearn (2003) notes that "Many institutions have been responding to external threats aggressively, targeting such new markets as corporate learners, professional enhancement learners, degree-completion adult learners" (p. 8). As referenced in the introductory chapter, these new markets of adult learners, especially corporate learners and career enhancement learners are commonly served by CPE units. Just as traditional academic units seek new revenue streams, CPE units are increasingly building strategies to differentiate their program portfolios to address the educational needs of these growing and diverse markets of non-traditional students.

Hearn (2006) further examines institutional responses to the increased financial complexities of higher education and the intensifying need to identify new funding sources. He analyzes several possible "answers" as well as potential mistakes and dangers of implementing

various new revenue strategies.   In the area of instructional initiatives, he cites mistakes such as

"failure to identify wants and needs of customers, failure to establish guidelines for program

development, remaining committed to old-style pedagogy and curricular organization, ignoring

or downplaying faculty and staff resistance, and assuming that simply providing the program will

be enough, absent efforts to market it" (p. 16). CPE units are accustomed to developing and

modifying course portfolios in response to market demand; and Hearn's cautions about possible

mistakes are instructive as CPE units follow a trend to partner with the traditional academic

department on program offerings.

Cantor (2006) explores how technological advancements have impacted new student and

employer educational demands as well as new opportunities for professional continuing

education to generate new revenue from meeting the educational needs of the adult learner. The

twenty-first century adult learner needs flexible, "anytime-anywhere" learning opportunities in

multiple delivery formats. Cantor (2006) views these new market demands against a backdrop

of the changing U.S and world economies, changing adult learner demographics, and resulting

competition to deliver programs and services to this new market. "Once viewed as an appendage

to the institution, continuing higher education today plays a pivotal role in connecting the

academy with the lifelong learning needs of its many customer cohorts and external community

constituencies," notes Cantor (2006, p. 10). Institutional leaders increasingly depend on CPE

units to generate significant revenue from these professional continuing education programs as

well as technical and professional skills development courses.

In addition to the literature reviewed above, CPE-specific data from an Education

Advisory Board survey (EAB, 2012) also provides information related to additional revenue

streams within CPE units that are relevant to this study. Aside from running programs, CPE

units, like other academic units, increasingly need to consider ways to diversify their funding streams to sustain themselves.   While tuition from credit and non-credit programming will almost always be the primary revenue stream for CPE units (EAB, 2012; UPCEA, 2012), other revenue may be generated through development and fundraising efforts as well as grant-writing activities to support the unit. Obtaining dedicated resources to help develop these additional revenue streams can be challenging.

According to the EAB (2012) survey of 106 CPE leaders, only 15% reported having dedicated development staff to facilitate fundraising efforts and fewer than 10% reported having dedicated grant-writing staff to support the unit. Another source of expanded program revenue is through contracts with corporate partners (similar to business-to-business sales) for delivering educational programs (EAB, 2012). In the same survey, only 20% of the CPE leaders reported having dedicated staff spending more than 20% of their time on this activity to generate additional revenue for the unit (EAB, 2012).   This data suggest that generating new net revenue requires resources (financial and human) that some CPE units either cannot afford or do not have access to within the institution.   If pursuing these avenues of possible funding streams is important to the unit, leaders may need to consider creative alternatives to leverage existing resources.

The complementary strand of literature on diversifying revenue streams informs this study by providing insight into why and how institutions seek additional revenue sources as well as lessons learned by those who have engaged in new revenue-producing activities.   It also reflects the academic capitalism theoretical framework discussed below.

Academic Capitalism

Academic capitalism theory as coined and defined by Sheila Slaughter and Larry Leslie (1997) and further examined by Sheila Slaughter and Gary Rhoades (2004) seeks to explain how institutions adapt and "integrate" into the new economy. It views "groups of actors – faculty, students, administrators, and academic professionals – as using a variety of state resources to create new circuits of knowledge that link higher education institutions to the new economy" (Slaughter & Rhoades, 2004, p. 1). It emphasizes the role of competition in the marketplace and the capitalist behavior of higher education institutions. Academic capitalism points to how university faculty and leaders react to external pressures by actively seeking to profit from their entrepreneurial endeavors such as patents, copyrights, technology transfer options, and other alternative revenue streams.

Academic capitalism describes and explains many of the more recent developments in higher education (Slaughter & Rhoades, 2004). For example, the advancement of technologies has enabled the proliferation of massive open online courses (MOOCs) and other online-education products and services in recent years. These online-education courses and services "offer the promise of new student markets, increased tuition revenues, revenues from educational products, and enhanced efficiencies in the delivery of educational services" (p. 317). They are examples of how institutions create and move new circuits of knowledge to the marketplace. They respond to new market demands in the new global economy by delivering content in a new format. Some of them are delivered in partnership with corporations or industry as intermediary organizations, and some are delivered through new interstitial organizations within the institution (Slaughter & Rhoades, 2004).

For instance, ten years ago it would have been uncommon to find an office of online or distance education at an institution. Today, it would be uncommon *not* to find such a unit that manages online education for the institution. Other examples of professionals that have emerged interstitially to support online education as well as other educational endeavors include marketing and enrollment management, as well as patenting and copyright professionals.

Related to online education is the issue of who creates, who teaches, and who owns the content that is delivered online. Answers to these important issues vary by institution, and intellectual property rights and policies generate opposing views by faculty in higher education (Slaughter & Rhoades, 2004). For instance, some faculty may receive additional pay for creating or teaching online content, but may not own the content. In other instances, the faculty member who creates the online content may have an agreement with the institution that stipulates content ownership and royalty payments for using the content.

Zheng (2010) examines the original concept of academic capitalism as distinguishing colleges and universities from the state and corporations in a "push and pull" model towards academic capitalism (Slaughter & Leslie, 1997, p. 211). In this earlier academic capitalism model, the institution is a "passive" actor and has difficulty maintaining autonomy. The conceptual focus shifts in their 2004 book when Slaughter and Rhoades claim that institutions are now entrepreneurs that "initiate" academic capitalism (p. 12). In this 2004 academic capitalism model, the institutional push to generate external resources comes from within, and the academy actually invites the external sector inside (Zheng, 2010).

Slaughter and Rhoades (2004) further explain "these mechanisms and behaviors constitute an academic capitalist knowledge / learning regime" (p. 15). With regard to the "new economy," academic capitalism is concerned with repercussions of the new economy on

academic institutions in terms of its "global scope, its treatment of knowledge as raw material, its non-Fordist production processes, and its need for educated workers and consumers" (p. 16). It represents a shift from knowledge as public good to knowledge as a commodity that is marketized for the global economy, including an educated global workforce. One example that illustrates this concept is the "unbundling" of faculty work related to curricula development, particularly with the increased demand for online education (p. 18). In the new model, "curricula are written by specialists and delivered by adjuncts" (p. 18).

The theory of academic capitalism has been applied to several educational activities. In his review of *Academic Capitalism and the New Economy*, Charles Pekow (2005) highlights several of the examples of academic capitalism on campuses today, including basic student services that used to be "free," such as parking, recreation centers, and computers. He reviews academic capitalism through the lens of a community college and asks the rhetorical question regarding what will be the future role of community colleges in the academic-capitalism world. He suggests that with their increasing role in information technology, perhaps community colleges will begin working with computer firms to develop ESL programs for immigrants (Pekow, 2005).

Zemsky (2005) compliments Slaughter and Rhoades for their work and important contribution of documenting the changing rules regarding the use of intellectual property as another evidence of academic capitalism in higher education. Intellectual property examples highlighted include patents, copyrights, and student roles in the production of scientific knowledge. Citing several early and more recent academic patent examples, Powers and Campbell (2009) discuss how universities have shifted their motivation for conducting technology transfer activities from one of knowledge production to one driven by the pressure to

generate new revenue, by commercializing the intellectual "products" of their faculty. "In the current economic climate, federal and state policymakers are desperate to get the economy going again, and see universities, with their innovative capacities, as key drivers of economic transformation" (pp. 43-44).

Lane (2012) further extends this idea about economic transformation with an acknowledgment that the new global competition is a race for talent in areas that can spawn economic growth, since higher education is now viewed as an economic driver for nations. He discusses the increased interest among policymakers and academic leaders about the role of higher education in the new economy, both domestically and globally. One implicated role for higher education relates to technology innovation and transfer, and another role relates to educating a competitive global workforce (Lane, 2012). CPE units could be positioned to respond to this educational need by collaborating with business and government leaders to identify knowledge gap areas in the new economy.

While this technology transfer example seems to be informed by academic capitalism tenets, it is interesting to note that Powers and Campbell (2009) call for university leaders as well as policy makers to reconsider the purpose of technology transfer and reverse this preoccupation with revenue generation and instead develop mutually beneficial university-industry relationships. They contend that the preoccupation and pressure to produce revenues has led to "increasingly contentious and drawn-out license negotiations and one reason that industry is increasingly looking overseas for new sources of innovation" (p. 44) and that these conditions prevent the achievement of the Bayh-Dole Act's two main objectives: increase the number of technologies developed with public funds and to speed their movement into the marketplace (Powers & Campbell, 2009). This example of how university technology transfer activity has

shifted over the past century towards more active commercialization and "marketizing" (Slaughter & Rhoades, 2004, p. 305) of the academy seems to illustrate some of the themes of academic capitalism, and as such, informs this study on shifts within the continuing and professional education market.

Among the many facets of academic capitalism thoroughly outlined and discussed in *Academic Capitalism and the New Economy* (2004), educational entrepreneurism in the form of creating new programs to generate additional revenue streams – in response to the new economy – serves as the framework for this proposed study. Slaughter and Rhoades (2004) view new program development as a key element of academic capitalism and cite graduate "professional master's degree" programs as an example of educational entrepreneurism (p. 191). "The development of new master's degrees is a dramatic break from the past and reflects a significant reorientation at the graduate level to the external employment market and to revenue generation" (Slaughter & Rhoades, 2004, p. 191). A distinctive feature of these new degrees is the motivation that they were created "not to prepare people for new employment but to target people already employed in business for a new kind of degree program" (p. 191).

Glazer-Raymo's monograph (2005) on the evolution of the master's degree into professional degree programs cites academic capitalism as a reflection of recent entrepreneurial activities leading to the developments of these new programs. Her work represents a thorough overview and analysis of master's degrees that traces the history and trends of the graduate degree over time, including its current status in the "academic 'marketplace'" (p. ix). Further, she takes the position that the "master's degree has become a pivotal force in the economic growth of the university" (p. x). Like Slaughter and Rhoades (2004), Glazer-Raymo (2005) recognizes the entrepreneurship of continuing and professional education units and their success

in tapping new markets for professional master's degree programs. This new market is the growing population of non-traditional adult students.   These students view one or two years for a master's degree as a short-term commitment that can yield opportunities for better jobs and higher pay (Glazer-Raymo, 2005).

While Slaughter and Rhoades (2004) illustrate educational entrepreneurism within their work, and a study of continuing education indicates that entrepreneurial activity is rising and "entrepreneurial continuing education programs are likely to grow in importance" (Pusser et al., 2005), surprisingly, no one has used academic capitalism as a basis to study programmatic shifts in continuing education portfolios. It is within this context that I plan to explore and explain how a non-credit CPE unit shifts its program portfolio to include professional master's degrees as a way to increase revenue in a challenging economic environment.

CHAPTER 3

RESEARCH STRATEGY: METHODOLOGY AND DESIGN

Method

For purposes of studying how CPE units restructure non-credit course portfolios to ones that include for-credit offerings, the case study method seems to be an appropriate strategy. Case studies, according to Creswell (2009), are a qualitative strategy in which "the researcher explores in depth a program, event, activity, process, or one or more individuals. The case(s) are bounded by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period of time" (p. 227).   Following Yin's model for exploratory research case study (2009), "in which a topic is the subject of 'exploration'…the design for an exploratory study should state this purpose, as well as the criteria by which an exploration will be judged successful" (p. 28).   The purpose of this study was to "explore" how CPE units shift their program portfolio mix from a non-credit unit to one with for-credit offerings in a changing and challenging economic environment. The desired outcome is a type of documented "how to" resource that informs readers – explains – of required, necessary steps for undertaking such a change.

Case Selection

A single in-depth case study of a CPE unit of a highly selective institution that has shifted its course portfolio to one that includes authority for granting professional master's degrees was implemented. Yin (2009) discusses the single versus the multiple-case study design and considers both designs to be "variants within the same methodological framework – and no broad distinction is made between the so-called classic (that is, single) case study and multiple-

case studies. Further, Yin (2009) details five rationales for a single-case design: critical case in testing a well-formulated theory; extreme or unique case; representative or typical case; revelatory case; and a longitudinal case (pp. 47-50). This study is guided by the rationale that the subject institution embodies a unique case, and the transformative nature of the case makes it "rare… [and]… worth documenting and analyzing" (p. 47). Based upon consistent findings of other CPE portfolio studies found in the literature review, I selected an institution that by most accounts seems to be a unique case in terms of how it changed and expanded its portfolio to include professional master's degrees, how it addressed governance challenges, and how fast it implemented strategies to meet market demand. While the case itself is unique and the experience would be nearly impossible to replicate, the lessons learned can inform other CPE units contemplating similar changes.

Merriam (2009) suggests that the question of how many people to interview, how many sites to visit, how many documents to review for case study research "always depends on the questions being asked, the data being gathered, the analysis in progress, the resources you have to support the study" (p. 80). A case is a single unit, a bounded system. As Stake (1995) points out, sometimes selecting a case turns out "to be no 'choice' at all….The case is given" (p. 3). Likewise, according to Merriam (2009), we have "a general question, an issue, a problem that we are interested in, and we feel that an in-depth study of a particular instance or case will illuminate that interest" (p. 90).

This case study of a single CPE unit provided rich insight into the processes by which CPE units are granted authority to offer professional master's degrees and graduate programming. Based upon recent studies by Eduventures and the Education Advisory Board of several CPE units in highly selective research institutions, I selected one self-contained CPE unit

for this qualitative study. While it is generally not uncommon for CPE units to offer for-credit programming, developing an understanding of and an exemplar for how such a self-contained unit within a private, highly selective institution is granted permission to shift its program portfolio in challenging economic times can inform other aspiring CPE units. One institution that within the past decade has transformed its CPE unit and whose experience can provide meaning to this study is an institution in the northeast that requested to remain unnamed in this study.

After decades of providing part-time degree completion and professional continuing education opportunities to adult learners, the CPE unit began to see declining enrollments in its adult part-time undergraduate degree programs and its associated revenue. In 2003, the institution hired a dynamic leader to revolutionize the unit. This new dean immediately identified professional master's degrees and online education as a strategy for reversing the downward enrollment and revenue trends in the unit. Within months he obtained approval to grant professional master's degrees through the CPE unit. The experience of this CPE unit and its pathway to this degree-granting status just before the Great Recession and its success during a significant national financial downturn imparted rich instruction and lessons learned to others in the continuing education industry, and as such, seemed to be an appropriate case study subject. My contacts within several of the CPE professional organizations as well as my professional connection to the dean of the CPE unit facilitated access to the institution for this study.

It is important to note that identifying an institution that would approve this study of its CPE unit proved to be a major challenge. I researched and interviewed multiple deans and colleagues in the profession over a six-month period, and while many reasons were cited for disallowing the study at various private institutions, the overarching reason related to the

increasingly competitive nature of the industry. One institution's CPE unit kept surfacing as a possible subject, mainly due to its transformative turnaround story, and after my face-to-face preliminary interview with the current dean, permission was granted for the study. With that permission restrictions were placed on my project.

These restrictions included boundaries regarding whom I interviewed at the institution, required that I not use the name of the institution or the exact name of the CPE unit in my study, and prohibited me from asking specific budget detail questions. Regarding interviewing informants, the dean facilitated access to an initial six informants at the institution who could provide meaningful input from different perspectives. An additional three individuals were identified as a result of the first set of interviews, and the dean approved those additional informants for the study. The limitation seemed to be more about who was still at the institution who could add value to the study rather than purely limiting access to talking with potential informants. These boundaries, which also included that I could not identify respondents nor directly cite documents reviewed, meant far less contextual information than is typical of case studies, but these strong measures to protect anonymity may have led to an increased willingness of respondents to discuss their experiences more openly than perhaps they would have otherwise.

Data Collection

Interviews, observations, and documents serve as the primary data sources for a qualitative study. Yin (2009) describes in detail six most commonly used sources of evidence in case studies: documentation; archival records; interviews; direct observations; participant-observation; and physical artifacts. For purposes of this study, I collected data via targeted interviews of key informants, as well as from available documentation and archival records.

Identification of Informants / Interviewees

Upon an in-depth review of previous relevant studies of CPE units as described earlier, I selected one institution to focus my dissertation study. Part of the criteria for selecting this institution as the subject for the case study was access to the dean as the key informant. Other key interviewees included representatives of the dean's leadership team, former consultants, former dean, faculty member – all of whom had a role in the decision-making process or the implementation process for changing the CPE program portfolio. The information gleaned from the interviews provided key case study data in the form of people's opinions, experience, and knowledge. While the current CPE dean was the key informant and involved in several discussions throughout the study, he facilitated access to another eight informants for this study. Based upon the suggested interview questions, I estimated each interview would take an average of 45-60 minutes, and most did take 60 minutes, and some a little longer.

Interview Protocol

Yin (2009) identifies interviews as an essential source of evidence "because most case studies are about human affairs or behavioral events" (p. 108). Following interview suggestions discussed by both Merriam (2009) and Yin (2009), I followed a semi-structured interview protocol with questions related to the motivation, implementation, and evaluation of offering professional master's degrees at this CPE unit (see Appendix A). The content of these questions were guided by academic capitalism as well as other CPE studies and included motivation, implementation, and descriptive evaluation questions that may help explain trends. Following Merriam's (2009) advice on conducting effective interviews, I developed an interview guide that included a list of broad questions and follow-up questions, conducted the interviews using the

respondents' natural language, audio-recorded and fully transcribed the interviews. Appendix A provides the interview guide used in the data collection phase of the study.

Documents

Governance documents such as minutes from Faculty Senate, Deans Council, and Board of Trustees meetings can also serve as rich, descriptive data for the study. In addition to conducting interviews, I reviewed and analyzed relevant documents to supplement and complement the interview data. It was both interesting and disappointing to learn that not many documents were available for me to review; however, I was provided with online links to relevant Faculty Senate minutes, news articles, reports, dissertation, books, among several documents. Another source of electronic documentation to review for relevant data was the CPE website. Website data such as the CPE mission and vision statements, goals and objectives, catalog of for-credit and non-credit courses, as well as media reports and press releases were reviewed for pertinent elements to inform my study. Appendix B provides a table that describes the types of documents reviewed. Due to the agreement with the institution to maintain confidentiality, full citations for the documents are not used.

Data Analysis

Analytical Framework

Both Merriam (2009) and Yin (2009) describe data analysis as the most difficult part of the entire research process. In helping a novice researcher understand the data analysis stage, Merriam (2009) states that, "This is the point at which a tolerance for ambiguity is most critical…." (p. 175). The goal of data analysis is to make sense out of the data collected. And "making sense out of data involves consolidating, reducing, and interpreting what people have

said what the researcher has seen and read – it is the process of making meaning" (Merriam, 2009, p. 176).

Analyzing case studies can be challenging just by the sheer volume of information to be sorted, categorized, and synthesized. Following Merriam's (2009) suggestions, I organized the information gathered from the case – the interview logs and notes, field notes, documents, records, etc. – into a manageable number of categories that could be easily coded and retrieved to perform a more detailed analysis of the case database. Based on the literature review, the interview transcript logs, and my own experience, my coding strategy followed inductive and deductive strategies. I began with a priori codes drawn from broad categories related to academic capitalism concepts, additional revenue streams, CPE organization, CPE portfolio mix, and CPE governance process.

Another important inductive strategy that Merriam (2009) discusses that proved useful in this study is the constant comparative method of data analysis. Simply stated, this form of analysis involves "comparing one segment of data with another to determine similarities and differences" (p. 30). Using this method the researcher analyzes data as it is collected rather than being overwhelmed with analyzing data at the end of the study. Under the constant comparative method, researchers constantly compares notes, reflections, themes, ideas from one set of interviews or observations to inform what they want to ask, observe, or identify in the next phase of data collection, and so on. This simultaneous data collection and data analysis is a way of organizing and filtering data and facilitates the development of categories or themes – the eventual answers to one's research questions (Merriam, 2009). Given that interviews were a primary data source for this case study, using the constant comparative method for organizing,

coding, and analyzing data accelerated the analysis phase and ultimately facilitated composing the findings of the study.

Narrowing the data from a priori codes to four key themes followed a structured process that included open coding and axial, or analytical, coding (Merriam, 2009). As I read each interview transcript while concurrently listening to the audio file, I jotted down notes and questions in the margins, highlighted key words in the transcript, and listened for speech patterns that added meaning to the data I was reading and hearing. As part of the constant comparative method of analysis, I began to see certain key words, phrases, or ideas repeated as I progressed through each interview reading.

After I concluded a complete round of reading and listening to each interview and making initial sets of notes, I created a spreadsheet to record these approximately 150 lines of code words and phrases and organized these lines of data according to my research questions. From the long list of codes, I identified connection points among the different words and phrases in an attempt to narrow the categories. After several iterations of analyzing and interpreting the data for meaning, I was able to narrow the data to approximately 12 codes with several sub-codes. As I grouped and re-grouped these codes based upon how they were interrelated or linked to similar concepts, four key themes surfaced. Three themes were related to a priori concepts (new markets, governance process, and new revenue stream); and one theme, leadership, was an emergent theme. These themes became the basis for my findings in Chapter 4 that answered my research questions.

Validity and Reliability

To address possible validity and reliability concerns, I used triangulation of data sources as well as member checks to ensure internal validity of the study. Both Merriam (2009) and Yin

(2009) suggest peer review and case study informant review as strategies for validating a study. Peer review can include peers who are knowledgeable about the topic or peers who are new to the topic. Merriam (2009) acknowledges there are benefits to both types of peer review and emphasizes the need of requesting that a colleague review the research data and "assess whether the findings are plausible based on the data" (p. 220). A review by case study informants is considered not only a professional courtesy, but such a review can also often produce additional evidence as the participants may recall new information that can increase the accuracy or "construct validity" of the study (Yin, 2009, p. 183). Given my stated bias and assumptions below, incorporating both peer review and case study informant review was important to maximize trustworthiness of the study.

Researcher Bias and Assumptions

I approached this study from the perspective of a leader of a self-contained, non-credit based CPE unit at a highly selective private institution, who is charged with repositioning the unit for growth and sustainability. I understand from reading about the topic as well as from many discussions with colleagues in the field that changing the portfolio mix of a CPE unit to include for-credit program offerings and especially granting professional master's degrees is particularly challenging and time consuming, especially with regard to governance processes. My purpose in exploring this subject was to understand from other CPE unit leaders that have experienced this transition what those specific challenges were as well as learn how those leaders made the case for their CPE units to be granted authority to offer professional master's degrees and how they ultimately implemented these new programs as a strategy for growing revenue.

CHAPTER 4

FINDINGS

The purpose of this exploratory qualitative research case study was to examine why and how CPE units shift their program portfolio mix from a non-credit unit to one with for-credit offerings in a changing and challenging economic environment. Specifically, my goal was to understand the motivations for and the processes through which a CPE unit in a private, highly selective institution offers professional master's degrees.

Guided by studies related to academic capitalism and continuing and professional education units, this study explored to what extent academic capitalism explains the decision to allow a CPE unit to offer professional master's degrees. Motivation, implementation, and descriptive evaluation questions were the focal points for this inquiry. Throughout this study I sought to answer three questions: (1) Why and how did leaders at one institution decide to offer professional master's degrees within the CPE unit? (2) What has been the process and implementation experience of the institution in making this transition? (3) What financial results has the institution realized as a result of making this portfolio shift? Data were gathered to answer these questions, and the findings are presented and discussed in this chapter.

The literature provided historical and current insight into how CPE units operate over time and how they are more market driven than their traditional academic unit counterparts that are more discipline driven. This distinction is key in understanding the portfolio shifts within the continuing education field and the findings of this case study in particular. Academic capitalism theory helps frame this study and explains how groups of actors responded to new markets of

students that resulted in new net revenue (resources) that helped advance the mission and goals of the institution.

For the purpose of this study, an analysis was completed on the data collected through the interviews of nine key informants and a review of documents that included books, articles, Faculty Senate meeting minutes, presentation documents, as well as multiple web pages. An abbreviated list of documents is included as Appendix B. Due to the agreement with the institution to maintain confidentiality, full citations are not used for the documents reviewed. Four key themes emerged from the interview and document data and are presented below following a discussion of the landscape of the CPE unit.

Overview of CPE Unit and Host Institution

The subject for this case study is a private, highly selective research institution in the northeast. According to the institutional website, books about the history of the institution, and the informants, the institution has a long history dating back to the 1800s when it got its start with a youth non-profit organization and operated first as an evening school for auto mechanics. From that standpoint, its roots were in adult continuing education. As the institution grew and added schools and divisions, it separated the day and evening programs, and as a former dean recalled, the institution literally referred to the programs as the "Day and Evening Division." The evening division was considered an extension of the day school.

A hallmark of the institution is its relationship with local businesses to provide work experiences while the students are enrolled at the institution. But this relationship had not always been viewed in high regard. In recalling some of the history of the unit the current dean provided some context by saying:

> Remember that [this student work program] historically had been a brand-tarnishing agent for the institution. It was associated with a vocation program. Just about the time

that I came in…in 2008…[during the] recession…students, both the traditional and the graduate populations all the way up through the adult spectrum…came to understand that job placements was number one.

According to the institution's website, today this program provides students with local and international experiences related to their academic or professional area of interest. Further, more than 7,000 students participate in the program at some point during the year. This program is integral to the curriculum, scheduling, and student advisement. For the CPE unit, this strong tie to the business community (local, national, and even global) strengthens its value proposition to potential students and perhaps encourages faculty participation and support for new professional master's degrees targeted at adult learners.

In 1960, the university created University College, which is one of the common names for continuing and professional education units. It operated as a "regional model where they ran classes in about nineteen neighborhoods within sixty to eighty miles of [the city]," as told by a former dean. He further explained that, "it was the original correspondence distance learning program. And so [the institution] grew to be one of the largest universities in the country and the largest private university in the United States." The unit primarily served working adults returning to school for their undergraduate degrees. One source estimated that 90 percent of the continuing education programs were targeted to that population. The unit had experienced steady growth from 4,000 students in 1960 to a high of 14,000 students in 1980 before dipping to nearly 7,000 in the late 1990s. This decline in enrollment came at a time when continuing education units were thriving nationwide by providing work-related courses to adult learners.

A demographic shift had occurred and the continuing education unit was not prepared for it. While the unit focused its curriculum almost entirely on undergraduate degrees for working adults, the adult learner market had shifted to graduate degrees and graduate certificate

programs. Commenting on the condition of the continuing education unit, the then president

remarked in a national trade publication that the unit had become stagnant while the rest of the

world was changing very quickly. The CPE unit and the institution were out of alignment, and

both had to change.

Leadership

Central to this case study was leadership and the key actor was a newly hired vice

president and dean who had a vision for how to transform the CPE unit and in so doing,

advanced the mission of the institution. Shortly after the then new vice president and dean for

the continuing education unit was hired, he recalled one of his first blunt recommendations to the

president:

> 'Listen, you've got two choices. Either shut this damn thing down because it's losing
> money and it's not going to help you or basically get the hell out of the way and let me
> change it,' and so what that meant was is that I laid out kind of a strategic plan for the
> trustees.

The dean was establishing a sense of urgency, which Kotter (1996) asserts is the most important

precursor of real change. Seventy percent of change efforts fail or never launch at all, and one

reason is that leaders do not create *a sense of urgency* around what they are doing (Kotter, 1996).

The school newspaper quoted the president at the time in an article that recognized the

leadership and vision of the newly appointed dean:

> [The institution] is re-inventing our role in adult and continuing education — a field
> we helped invent. The new degree programs, and especially the graduate degrees,
> are a critical part of that process, as we move to give greatly heightened emphasis to
> continuing the professional education for college-educated working adults.

In making this statement, the president was in effect reinforcing the dean's vision and

empowering him to implement the strategies required for directing the change effort.

Part of the dean's strategy for "re-inventing" the CPE unit included offering professional master's degrees *and* online degrees. The newly hired dean learned the "power of graduate programming" at his former Ivy-league institution. The current dean, who had known the former dean professionally for a number of years, remarked how the former dean built new graduate programs:

> …I suspect that [he] learned [at his former institution] the power of graduate programming. He was the vice dean of [a school of education], no undergraduate programs and I think he came to understand the beauty of graduate programming in their simplicity. You don't have much of the student life issue, you dealt with adults, they're just not the undergraduate student population. University College had only been at the undergraduate level and was in the process of shrinking because the price point at [the institution] had gotten to the point where it couldn't compete with the public's community colleges who were all in the first two-year associate degree business which had been the bread and butter of University College historically. And the intellectual academic model of how University College had been organized was starting to crumble. So, [the dean]…whether it was an explicit strategy or plan on the front end or not, I don't really know, but I think he intuitively understood that graduate programs…you could use professional adjuncts…well, professionals who were adjuncts, professionals who were part-time instructors, people who were embedded in business or in a particular sector.

> You could …build a low-cost degree program that served…the profession because they were embedded…the phase that was used was, 'the Scholarly Practitioner'…somebody who was embedded within industry or embedded within education that came and whose credential was at the doctoral level usually, although many of them were also credentialed at the masters level. And he just saw that model as a great way…[to] go into the market and capture the lion's share of the market without the huge overhead of full-time, tenured- lined research faculty. And that's how he built his programs.

From a leadership perspective and consistent with Kotter's model (1996), the dean understood the market and competitive realities, which included identifying potential barriers as well as opportunities. From a resource perspective, he understood how using adjunct faculty, also called "subject matter experts" or "scholarly practitioners" in the industry, could facilitate staffing the programs in a financially feasible manner. These actions, creating new markets and creating new

knowledge in the form of online education and professional master's degrees, reinforced

characteristics of academic capitalism.

This new dean was quite the change agent. In his own words, he recalled how some

described him before *and* after the changes he made:

> 'He's a bull in china shop'; 'He's crazy, he's a maniac'; 'He's going to destroy [the institution]'; and then it was….'Oh, my God, look at that' and then it was, 'This stuff is really good, we really need that,' and it took a seven year process and once I accomplished that, I left.

While his actions may have seemed somewhat extreme or irrational at the outset, he remained

very passionate and focused on his goal. Other leaders at the college shared their impressions of

this entrepreneurial leader. One administrative officer said,

> [The dean] was very entrepreneurial and … was the type of individual…[who] thrived on chaos and so there were a whole bunch of reorgs that occurred….Some of them may have not been related to the fact that we were now offering graduate degrees as opposed to [the dean] trying to shake up the place a little bit.

Thriving on chaos and shaking up the place signaled change was afoot, as would be expected

with new leadership. Another leader in the division highlighted the new dean's academic

credentials, credibility, and his drive for change:

> He had both an undergraduate and a graduate master's degree from [the institution]… so he had that kind of credibility plus the Ivy kind of credibility plus he kind of pushed the issue early on…'Well, if I only had this job for a year then no harm, no foul, I'll find something else to do'…so, he felt empowered to do this after the meeting with the Trustees when the Trustees basically said to the president, 'Whatever he needs give it to him and let's see what can happen'…and so he was the driving force behind the change in the university college.

Garnering the support of institutional leadership, including trustees, was an important factor for

this new dean as it reinforced his vision and strategy for change.

One former consultant to the dean shared his thoughts about the dean's leadership and his

ability to anticipate changes in the market – and embrace it:

> [He] is an extremely entrepreneurial guy and a creative thinker and a change agent. And [he] was certainly one of the folks in the industry that I would regard as being able to see where the industry is going. And in some respects that doesn't actually...that's almost a backhanded compliment because almost anyone could see where the industry is going but most people prefer not to admit it. And he was one to embrace it. There is the saying that futurists are people who explain the present to the ninety-eight percent of the people within the past. So, in that respect maybe he's a futurist.

The new dean articulated a vision that aligned the University College with the institution's mission and goals as well viewed University College as a vehicle to move the institution towards its "reputational objectives." Further, not only did he verbally communicate his vision, his actions also demonstrated commitment to the vision. Consistent with Kotter's framework on leading change, frequent verbal and non-verbal communication is critical in leading change (Kotter, 1996), and the dean demonstrated both.

Another former consultant shared his thoughts about how University College improved its reputation and its alignment with the university:

> Even broader than reputational objectives, that's a major, major theme…this college became…a vehicle to advance a wide range of institutional objectives, not really to fulfill anything in the graduate realm nor to purely to generate revenue. But its revenue, its prestige, its community engagement, all of these different things [the dean] articulated and designed, this put it fully in service and he was given the resources, the standing, the authority for the college, etc.…to have that alignment. And that's very rare…usually you have a unit for a college department that's kind of marginalized or…it's fully on its own or it's fully integrated and it really takes its orders from some other body. But he put [the school] in service of University's objectives.

The reputation this CPE unit earned and enjoyed is rare at most institutions. The comment that these units tend to be marginalized is not uncommon. This CPE unit increased its standing among the institutional stakeholders and produced significant financial resources as a result of its programming shifts, and in so doing, facilitated its alignment with the institution.

Continuing the thread of observations, one of the associate deans likened the work that the dean had to do to a general:

But some of these things…was much more like you're the general and you're hacking down all of these things with a machete and just trying to clear a field….I mean, he had a terrifically difficult job and…he is amazing for what he was able to do.

Executing a strategy that includes directional and major programmatic changes is difficult work and many times results in losing team members along the way. A couple respondents referenced the fact that there was nearly a 100 percent changeover of staff during this ambitious transition period.

Recapping the main themes of transformation that the new dean was to lead, a former consultant articulated it this way:

So, if you think about the word 'transformation' and the idea that you can go back to [the president's goal of] really wanting to change the institution…you bring in change agents to do that and what change agents do is they create processes that can accommodate change. And so I would say those are really sort of the three streams as I think about it on a simple level…it was around this sort of reputational enhancement, it was around revenue generation but it was also around competency development so that [the institution] could continue to be a learning organization.

His assessment was consistent with a key point of Kotter's model – as evidenced in the title of the book – *Leading Change* – that successful transformation is 70 to 90 percent leadership and only 10 to 30 percent management (Kotter, 1996). Assembling a team of leaders, including faculty, who shared the same vision and worked together with the management teams to implement the necessary portfolio changes was critical to the success of this transformation.

Reflecting on the success and accomplishments of the CPE unit during his tenure, the former dean commented on some of the key elements of the change:

[It was] very out of the box and I think other schools are trying to figure out how we did it. I'm not sure you could replicate it….I think it was unique, I think it was a moment in time, I think it had just the right leadership from the right people….The key is always to take advantage of the opportunities in front of you and that's what I do here….Leadership is not about being in charge….It's about leveraging the opportunities in front of you and kind of move the institution in the right direction.

His summary comments help support why this case is unique. What he did for the CPE unit was "out of the box" and not taken from some text book plan or template. It would be difficult to replicate. That said, all of these observations helped paint a picture of a leader who understood leading change the way author John Kotter (1996) envisioned in *Leading Change*. Exhibiting a sense of urgency, creating a group to work together to lead the change, creating a vision to help direct the change efforts, leveraging opportunities in front of you, communicating the strategies in multiple ways, etc. – all were qualities that this dean demonstrated in leading the transformation of what was described as a "dying dinosaur" of a continuing education unit.

New Markets

With declining part-time undergraduate enrollment, flat revenue, and a challenging economic environment where people were losing jobs or afraid of losing their jobs – and perhaps needing to re-tool for the "new" economy – the CPE unit had an opportunity to meet the needs of a new market of adult learners who were looking for educational credentials in the form of applied or professional master's degrees. Under a new dynamic leader who arrived in 2003, this "sleepy" CPE unit would begin its transformation to meet new market challenges.

One administrator relayed his recollection regarding some of the thinking around this new market of adult learners that led to identifying the new dean:

> I think in the mid to late '90s there was a recognition of the college needed to shift to graduate programming to try to tap into the market. And I think the major selling point if you will with the rest of the university was the fact that we were targeting a different audience. We were targeting the professional. We weren't targeting somebody that was going to drop everything, come to school full time and then take the theoretical, hypothetical type of degree. We were looking at someone that was coming in that was actually looking for a professional degree program that was actually, while they were working would actually allow them to excel in their career.

Once the new dean was on board and authority was given for University College to grant

degrees, this same administrator recalled an experience that illustrates how the market-driven

CPE unit approached launching a new degree compared to a sister college on campus:

> What fascinated me over the years and particularly the early years that I was
> here…somebody within the college would come up with an idea for a
> program…something in criminal justice as an example…we'd have to go to the College
> of Criminal Justice and say 'Well, we're thinking about launching this degree program'
> and they'd say, 'Well, that sounds really interesting but we really don't want you to do
> that because we're thinking that we might do something like that', 'Oh, really? When do
> you think?' 'Well…we're probably going to discuss this and maybe in a couple of years
> we may decide to begin developing that program' and so there was *no sense of market
> urgency.* And so that's again, why I think folks in this type of business…in the
> professional continuing education business is more market driven. It needs to be more
> market driven because there aren't the same barriers to entering and there are the same
> barriers to exit that exist in the traditional graduate school. People get into a degree
> program, obviously, there are admissions requirements both here as well as across the
> way but…I think in our type of business people are more mobile. If they're not happy
> with the program…they're going to go elsewhere. They're part-time students, to them to
> transfer to another program isn't a big deal.

Part of the mantra for a market-driven business is to deliver a product or service quickly,

while the demand is there. The same is true for a CPE unit that is trying to meet the educational

demand for a new market. These new markets of part-time and working adult students are a key

characteristic of academic capitalism. With declining enrollments in the part-time undergraduate

program, the unit had to find a way to redirect its portfolio for growth. The finance administrator

talked about how quickly the college would get programs to market:

> We were doing it kind of quickly. We were being…the college was being rather
> unorthodox in terms how quickly we would get programs to market. The whole
> thing…we were running on the idea that we needed to be nimble. So, we would
> be in the process of within a year or two years max developing a program and then
> launching it, and we would get approval to launch a program that would go
> through faculty senate. Let's say we got approval in May, the idea was that we
> were launching that programs in Fall, late September and so it was minimal time.

Others also concurred that in the early years of the new dean's tenure, the expectation was to

launch programs very quickly. Depending upon the type of program being proposed, the CPE

unit could launch a program within six months, including the required shared governance review

process, which was very quick in the industry. Many CPE units are pleased when they can

launch a new program within twelve to eighteen months. Most programs that require

institutional governance approval can take two or more years to get approved and launched to the

market.

Noting that the economic downtrend was feeding some of the significant growth in

graduate programs and recognizing that professional master's degrees "tend to be cyclical to

employment," an administrator noted the importance of the "value proposition" being offered by

the college for its new programs. He noted: "We had professional master's degree programs

that you could complete in two years part-time. It would cost you about twenty-three, twenty-

four thousand dollars." Continuing his thought, he concluded:

> So, I think we were able to take advantage of the fact that the economy had turned down and people were coming back to school. And we offered a quality product at a reasonable price, so I think that played a lot into some of the growth over the last couple of years.

The new dean had outlined a strategy that required that the CPE unit to offer professional

master's degrees as well as online degrees. An online education administrator recalls,

> Okay, all of these degree programs that we have, have been campus based, they've been designed for campus based delivery. But what we're going to do is offer them online or campus based and let the market vote with their feet and so they did. They voted with their feet. They all went to online not because everybody suddenly became an online learner, not because they wanted it or thought it was better, but for most people it was the only way they could take the courses because of the outside pressures. A lot of people take one campus based course and one online course because they still like the face to face aspect or maybe a course they know they're going to be challenged with and they just feel they do better face to face. So, basically now our course mix is fifty percent of all our course enrollments are online, twenty-five percent are in a blended or hybrid fashion and twenty-five percent are campus based.

The unit developed degrees that could be delivered both on campus and online using the same

faculty to teach both formats. With the market shift, most of the students shifted to online. Here

marks another element of academic capitalism, the formation of an interstitial organization in an office of online education. According to the CPE unit website, some examples of professional master's degrees offered include programs in Informatics, Digital Media, Non-Profit Management, Project Management, Corporate Justice Leadership, Homeland Security, Global Studies and International Affairs, among many others. Many of these are also offered in an online format. Additionally, 25 online graduate certificates were created to respond to market needs.

Some of those program titles overlap with professional master's degrees offered. Certificate program titles include 3D Animation, Interactive Design, Distance Learning, Adult and Organizational Learning, Health Management, among many others. While they were adding these new programs, they also cut 34 programs that were not performing well. The former dean cautioned that cutting non-performing programs is an important recognition that programs have life spans. Not cutting low performing programs can actually hurt other growing programs because both require resources.

Another element of the strategy was to begin international pipeline programs. The current dean recalled that "this school became the first school of its kind to really do international pipeline programs for international students for directed admission into the institution through a pipeline program." This international element was a natural fit to the strategy and another marker for academic capitalism. As the current dean continued the discussion, he said:

> So, there was kind of a very robust kind of development around international programs, especially around international pipelines. There was the graduate strategy which came into play with the change of the charter of the college and then [the dean] jumped into the online space with both feet and had worked with a number of consultants.

So, all of those changes happened within that five or six year period that he was dean. By the time I arrived, I was very aware that the college had gone through a substantial transformation.

The new dean understood what it was going to take to reinvent the CPE unit, and the new graduate and online degree programs were the key. The current dean recalls:

> The degree programs that [he] had brought to the table were very much professionally aligned with some very hot career areas and were the right mix of graduate programs …and the institution also had quality, you know, as a mantra that was pervasive throughout the institution and it was starting to resonate at least to us who were outside of the institution at the time. Looking at it, it was clear that something was happening at [the institution] that was different than what was happening at other institutions. [This institution] wasn't barking about the recession. It was boldly going forward with a massive faculty hiring plan that I looked at and went, 'What is going on over there?'

This growth in graduate student enrollment also impacted the academic and student services team, who advised and provided support services to the CPE students. Not only was this team supporting undergraduate students, they were now also supporting graduate students for campus-based and online-based programs offered both domestically *and* internationally. The advisor case load was one advisor per one-thousand students, and the assistant dean reported that she had twelve advisors at the time. In speaking about supporting the shift in student population, the assistant dean recalled:

> So, prior to the launch of the graduate programs we were primarily undergrad and obviously now that we're in the graduate world, we're tapping into a whole different population. With the advances of technology we're that much more global in terms of the marketing, in terms of where we're physically located, and what institutions we're partnering with, and internationally, we really have a global reach now.

> And it's easier, if you will, to market an online graduate program to someone who is overseas or to an international population than an undergrad because an undergrad international student would probably actually would want to physically come to the U.S. to study so the online doesn't really work for them. It's not as much as an incentive for the undergraduate student to pursue that. At the graduate level it's different because the expectation is that that person already is an adult, mostly likely working or has a life established wherever he or she is physically. So, an online education makes a lot more sense for that individual. So, with the boom of the technology and just having more graduate programs, our enrollment has improved significantly.

Several of the study informants shared that the new dean hired consultants to help him understand what was needed to implement the strategy he outlined. He used them in a number of ways. He brought in nationally known scholars from other institutions to promote his strategy with faculty, deans, institutional leaders, and board members. He used professional consultants from industry to conduct market assessments with regard to his online strategy, to assess whether he should buy or build online curriculum for various programs, and he used them to understand how peer institutions were performing – all of which were critical elements of his implementation plan, and again, reinforces academic capitalism. As two of the former consultants were discussing their experience in helping the CPE unit, one said,

> [The dean] came in day one, wanted to triple the revenue and had a sense for how graduate programs could play a key part in that as well as …not just domestically, not just here [locally], but online domestically and even potentially through international efforts. And so some of the work that we did was to look at international opportunities. So, I think that the vision piece is really key, and there was someone really driving towards that kind of scale of growth…. And while…[the president] was already transforming the institution… what was taking place within University College…was consistent with that transformation. Under a different leader the growth objectives might have been more modest.

As the dean was implementing his plan for reinventing the CPE unit, the numbers of students enrolling increased dramatically. Recalled the current dean:

> …When the recession hit, people who lost their jobs in 2008-2009 absolutely needed to find a place to park themselves until they found another job. The recession that started in 2008 really lasted through what…most of 2011, it was unusual in its duration. And there was this massive inflow of students who were out there getting re-credentialed to reposition themselves in the market. They didn't want certificates, they wanted graduate degrees and the online facility allowed them to do that…. And we stopped marketing certificate programs and focused more exclusively on graduate programs. Interestingly enough, certificates seemed to be in some areas of the country making a resurgence, much to my surprise.

According to the CPE unit's website and discussion with informants, the CPE unit currently offers 21 graduate degrees and 25 graduate certificates. While graduate degrees are a newer

development in the CPE landscape, certificates have been more common. Some of the certificates the subject CPE unit dropped due to decreased demand were Paralegal and Emergency Management Technician (EMT) programs. As is common with most CPE programs, programs are added or dropped based upon market demand. While many CPE units offer non-credit certificates, most offer credit graduate certificates, again in response to market demand and in consideration of who pays for the programs. Part of the rationale for offering graduate certificates over non-credit certificates relates to the higher tuition that can be charged for credit certificates and the fact that many employers, particularly health-care employers, will provide tuition reimbursement only for credit certificates.

When asked to what extent market research played a role in what degrees were created, the study informants provided many responses. One responded,

> So, some of these things were created on the whim and in the tidal wave of degree creation. So, some of them had some thought behind them, some of them had some good market research behind them but some of them were just, 'let's do this because we can and let's see what sticks.'

This response was typical of many of the respondents. The push was to get as many programs launched as possible. Some programs had good market research behind them; others did not. This path to the market also reflected the dean's willingness to try new things to see what worked. In doing so, some on his team became frustrated with what appeared to be a lack of discipline to create new programs. One consultant shared his perspective this way:

> …the culture of [the CPE unit] was very market driven, and market research was woven into the much of the program development. But again, not all. And we've heard from others…that there were actually two very opposite ends of the spectrum that were kind of embraced. One was the 'throw the spaghetti up against the wall' ideation and experimentation…very little just on instinct…but very little or no market data. On the other hand, very rigorous use of market research to make decisions…in fact, both were used although I think the main narrative that people are most familiar with is that 'oh, everything was market researched.' And the thing is they both worked, both ways worked.

This behavior to roll out programs quickly was indicative of the leadership in place at the time.

A sense of urgency combined with a sense of market demand drove some of this "unorthodox"

behavior as one described it. The one distinction about this approach is the unit had the financial

resources available to be able to try new programs, with or without good market research. Most

CPE units would not be able to survive operating in that mode.

As the CPE unit has matured under the new paradigm, the unit has become more

disciplined in its processes for market research and launching new programs. The enrollment

management director recounted the evolution of growth with regard to processes:

> It certainly has changed quite a bit over the years and so there has been an evolution from the 'put out the finger, see which way is the wind blowing, I think this is a good idea,' and we used to joke when [the dean] was here that he was of the mindset you sort of would throw a bunch of stuff on the wall…and one or two things stuck…and they were really good ones, then great. And so, that was the culture that we grew up in initially when we started launching the graduate programs into the portfolio. We're far more mature of an organization now to continue to operate that way. So, we have now a far more deliberate and nuanced and informed degree creation process.

Continuing the discussion, he provided a recent example of how the "mature" CPE unit follows

more disciplined processes for launching new degree programs:

> So, we just went through a process of bringing in two new degree programs into the portfolio. They just got approved by faculty senate within the last month or two. And that was this six, nine, twelve month process of heavy market research on the front end from both external vendors, like a Eduventures or the Advisory Board…we now have market research capabilities built in-house, not only within the college but within the university centrally where we have these business development officers and market researchers that are going out and conducting this research for the academic areas, coming back and saying, 'There seems to be a demand for this type of program. Here are the competitors. Here is where this particular niche that we could fit in, here's what the job demands are going to be, here are the key geographic areas that this particular program could have' and so all of that is now going into developing these particular programs.

This behavior demonstrated more of the preferred, safe way to develop and launch new

programs, with good market research.

Governance and Process

        As was clearly articulated by the new dean shortly after he was hired to reposition the

CPE unit, the unit must be granted authority to award professional master's degrees as well as

online degrees. This shift was very significant and required approval through the institution's

shared governance process including the Faculty Senate and the Board of Trustees. One of the

consultants who advised the new dean shared this thought:

> [This] is one key juncture in there that is the most major, significant thing and everything
> is before or after that…and that's [the CPE unit] having the authority to award master's
> degrees and doctoral degrees for that matter. I mean, graduate education. And again,
> that was somewhat incremental in that it was okay, maybe they did a graduate certificate
> and then a Masters of Professional Studies and then a Master's of Science but more or
> less it's zero graduate versus lots of graduate [programming].

The new dean came in 2003, and by March 2004, he was in front of the Faculty Senate

presenting his case and gaining approval to proceed with his strategy, which included a name

change for the unit as well as authority to grant professional master's degrees. A review of one

set of Faculty Senate meeting minutes from 2004 reports some of the discussion at one of the

meetings:

> The floor was yielded to [the] Vice President [and Dean] who explained that the change
> of name and restructuring were designed to reposition UC to be competitive in the…
> marketplace, to have greater faculty oversight and involvement, which are crucial to its
> success, to attract quality students by offering a rich curriculum, and to generate revenue.

Other Faculty Senate meeting minutes recorded the discussion points and approved resolutions

regarding the two name changes of the CPE unit between 2004 and 2008 as well as the authority

to grant degrees. Four significant resolutions passed at a 2004 Faculty Senate meeting included a

name change "to better reflect its primary role as [the institution's] continuing education college

for adults and working professionals seeking part-time education"; the establishment and

authorization of "the Academic Council…to serve as the academic approval and oversight board

for all undergraduate and graduate degree credit activities of the [continuing and professional education unit]"; the authorization " as an independent college, to grant [its own] lifelong learning degrees"; and the authorization "as an independent college, to offer degrees" in conjunction with another college at the institution.

According to multiple sources, the Academic Council was a 13-member governing body that the new dean created and chaired for the purpose of vetting new degrees and conducting the academic business of the unit. According to the Faculty Senate meeting minutes, the membership of the council included administrators and faculty. Permanent *ex officio* members included four administrators. Additionally, the council membership included three associate deans (each from a different college and selected by the Provost) and seven tenured faculty members appointed by the Faculty Senate. The associate deans and the faculty served staggered terms. They would help ensure academic quality, anticipate potential "turf wars" as one administrator relayed, as well as gain buy-in within their own colleges before the degree was formally presented for approval through the governance structures of the university. This formal structure included consideration and approval by the Faculty Senate as well as the Board of Trustees.

In addition to creating this Academic Council to provide academic oversight for the programs, the new dean also engaged faculty in other leadership roles within the unit. For example, the new dean shared that he hired one of the unit's biggest critics, a former department chair in the humanities, to serve as associate dean of academic affairs in the CPE unit. This associate dean's role was to help build and ensure academic quality and rigor with the new degree programs. This strategy to include faculty in the creation of new programs helped to build advocates for the CPE unit and its new programs while at the same time ensured quality,

because those who were concerned about academic quality (the faculty) were now part of the program creation and development process. According to several sources, new degree programs either were entirely developed and launched by the CPE unit or sometimes these programs were developed in partnership with another school at the main institution. Either model was acceptable and subject to the approval of the Academic Council and other steps in the governance process. A process that used to take as long as five or more years for approval now could be approved in as little as six months.

Two informants, for example, pointed to the creation of a new professional master's program in criminal justice as an example of a partnership for program development and faculty oversight. The CPE unit approached the dean and faculty of the school of criminal justice about the idea. Although the school had plans for developing such a program in the future, the CPE unit could develop and launch much more quickly than the traditional unit. The two units collaborated together with the criminal justice faculty and subject matter experts to create and launch the new master's program.

An important aspect of governing any degree program is *who* is teaching the courses in the program. Hiring adjunct or contract faculty, also known in the industry as subject matter experts (SMEs), is a common practice within CPE units and hiring full-time faculty for such a unit is a rare occurrence. According to Kezar and Sam (2010 & 2011), this practice of hiring adjunct or non-tenure-track faculty over tenure-track faculty has been a trend among institutions in recent history. Their studies examine the benefits and the concerns with this growing sector of faculty. While my study points to the financial benefit to the institution of employing adjunct faculty, Kezar and Sam (2010 & 2011) discuss in detail other benefits and valid concerns with the rise of non-tenure-track faculty among institutions, as alluded to in Chapter 2. Hiring part-

time adjunct faculty was the practice with the subject CPE unit until it began its shift towards professional master's degrees and online education. At that point, it began hiring full-time non-tenure-track faculty. Faculty were required to be credentialed with a terminal degree or master's prepared, depending upon the content area.

In discussing how the CPE unit create and develop courses, the administrator for online education explained:

> We would create the degree and then we'd say, 'Hey, we'd really like you to teach in our graduate program. Here's the course outline, can you create the course and teach it?' and they were usually thrilled to do it given enough time. So, there were certain courses where you might pay them to develop where it was a real specialty or high demand or something, but there was not a lot of course development fees that we paid.

Online education became a concurrent focus for the CPE unit and required a strategy for how instruction would be done. Faculty or adjuncts would be paid a differential to teach online, but they were required to go through a certification process developed by the CPE unit. The administrator for online education described the process they followed:

> We created an online instructor-led certification process so they experienced what it was like be an online learner as well as an online faculty member, and their project within that certification were the first two modules of the course that they were assigned to teach. So, the project was relevant to them, [and] they were producing something that was going to be of value to them in the future. And so far we've certified roughly fourteen hundred individuals.

One of the big challenges with shifting to an online format for many of the courses was resistance or lack of experience from existing campus faculty. Adjunct faculty, those who were hired on a contractual basis to deliver courses in a specific mode, were more amenable to the online delivery requirements of the CPE unit. Faculty from the academic units were less knowledgeable about the online pedagogy and were more resistant at first. The online education administrator explained that many of them "were brought in as research faculty, and teaching is part of it, but so was service, so was research, so was publishing…." What we had to

communicate was, "Okay, teaching is your main focus when you're talking about developing an online course." The online education administrator further clarified:

> …when we said to them [faculty members], 'Okay, as we're developing your course, what are your course objectives?' 'What are you talking about, the objectives are for them to learn this stuff'; they had no idea about educational pedagogy. Again, even if they're campus-based full-time faculty, they've spent their lives in a narrower, and narrower, and narrower environment. Many have never been exposed to teaching…I mean, they've been given a cursory overview of what teaching should be, but they've never been told about behavior outcomes, objectives, the tools you need. Create a lesson plan for this particular unit, you know? And what's very telling is when you're taking their campus-based course and you're going to put that course online and you say, 'Well, bring us all of your materials' and they've got nothing, some of them don't even like whiteboards, they like chalkboards.

Developing coursework and teaching in an online environment requires much work. The online education administrator explained that "anybody who says to any instructor, faculty…that online means it's going to be easier for them is being disingenuous. It's a lot of work." And, while certain courses are very challenging to deliver online, most of the online courses produce a better learning experience for the student. Further, what is gained in flexibility and scalability makes the front-end work worth the effort.

In addition to the "who teaches" aspect of offering new graduate and online degree programs is the important consideration of "who supports" these programs. Most of the informants reported that when the new dean arrived, the unit employed approximately 65 people. During his seven-year tenure, the staff population had grown to over 300 employees. Part of creating and implementing these new professional master's programs required infrastructure in terms of systems and people. New departments of professional staff were created. Examples included enrollment coaching, marketing, institutional research, and online education to name a few.

What is important to recognize from this institution's experience is the time and political effort required to build relationships with faculty and academic leaders across academic silos to gain support for the CPE unit to grant professional master's degrees. As a former consultant acknowledged,

> You can't do that if you're reliant on or have poor incentives connecting you to the rest of the academic institution. And that's the model that most colleges or divisions find themselves in is they don't have their faculty or ownership in many cases of the programs or there is some other governor or constraint put on them.

Most of the respondents commented how the dean's role as politician was very important in achieving graduate degree granting approval. It took time, but as the dean quipped, "I just worked it faster."

New Revenue

At the time the new dean was hired in 2003, the institution was "desperate for cash," said the current dean. The institution had borrowed money through loans and bonds on a low interest rate to build out a portion of its campus, and then when the financial crisis of 2008 hit, the rates started rising and were restructured, creating an inflation point and a concern that the institution needed as much cash as it could get. Further discussing the financial concerns at the university level and how the new dean had a vision for improving its financial position, the current dean said:

> …The finances of the institution were such that you either regrow your revenue so that your percentage on the finance side looked better so you'd go from a revenue stream of seven hundred million to a billion dollars in gross revenue even if you don't change the borrowed allocations your ratios look a lot better. And so [the dean], again, was very smart and understood that the institution was really starved for resources and these graduate programs became...a great source of revenue. Even when they weren't generating a ton of excess revenue they were growing the pie and protecting the institution by growing that pie. And they generated extra revenue but the price point on that in some cases were very low.

Important to the context of how the finances worked at the institution is the knowledge

that any excess revenue the CPE unit generated was returned to the parent institution. The effect

of this practice was the CPE unit never had financial resources to reinvest in its programs or

operations. The current dean provided a better context:

> And so the growth financially, I think, has been impressive. Historically, what had happened with University College…the university would take whatever was leftover at the end of the year…and then eventually went to a defined university contribution so in the budget process…the university would say, 'We're expecting University College to give the university X dollars this year'…ten million, fifteen million, whatever the number was. And then it used all of the university's resources that it needed or that it was allowed to use, space, basic infrastructure...offices, classrooms, that sort of thing, didn't pay for that…that was all considered to be part of the university contribution.

Continuing the discussion with the current dean, he reiterated the problem with the former

budget model:

> Keep in mind that a hundred percent of all excess revenue that came out of University College went back to the House. The University College never had reinvestment dollars. That was a problem because University College kept getting starved on an annual basis even though it was always profitable, even though it always brought in what it needed to bring in, it never had enough money to reinvest in full time faculty…program upgrades, quality…it was being starved. It's the classic mistake that's done repeatedly all over the place.

With the hire of the new dean (now former dean), that method changed. He negotiated

with the university the ability to keep some of the surplus margin generated by the CPE unit so

that they would create an internal funding source for reinvestment purposes. The finance

administrator recalled the former dean's tactic with the university administration:

> 'Listen, our contribution is set at ten million dollars every year. What I'd like to do for the next three years is reduce that contribution to eight million…so two million dollars…that two million dollars is going to be used to invest in new programming. And by year three, the ten-million-dollar contribution is going to be fourteen-million dollars. So, this will be an investment that will have a two- to three-year pay off.' And again, [he] was able to make a compelling argument to the university and we were able to reduce our dollar contribution to increase our operating budget to invest in new programs.

As the CPE unit began generating sizable net revenue, the university benefited from its success. The current dean explained:

> The other thing that the university has benefitted from financially is…in the excess contributions that the college has been able to make. Things like our graduate campus infrastructure…our online development that is happening across the university and a couple of smaller initiatives and a bunch of classroom infrastructure and other office infrastructure [have] all been funded through reserves built up by the college. So, in the last three years that I've been dean…I'll give you an exact figure on this one…there's been some twenty-eight million dollars in reserves that have been diverted to special projects within the institution outside of the college.

Now that the CPE unit generates millions of dollars in excess revenue each year, the current dean can plan for strategic growth and know he can self-fund his initiatives. When asked who makes the decision on how financial reserves are used, the dean explained that he typically has a plan for reinvesting net revenue into the CPE unit and is allowed to retain the revenue. But he also shares his financial resources with the parent institution for resource development purposes. For instance, some of the net revenue generated by the CPE unit could be used to renovate classrooms or to upgrade technology for the main campus academic units. His argument has been, "as long as you don't starve the college [the CPE unit] like you starved University College…."

The success of the CPE unit's programs and resulting net revenue has elevated it in the eyes of other university units, sometimes to a point of jealousy as one respondent mentioned. The finance administrator talked about a common response he gets from time to time:

> Yes, people look at the [CPE unit] and they say, 'You are the guys with all of the money' and you bring folks over here and you look at the facilities…and we've done some renovations here and yes, from a financial standpoint we've done well, but we've also reinvested in the business and I think that's the critical difference."

The CPE unit shares the majority of its net revenue with the parent institution in support of its strategic mission to advance as a top research institution.

In thinking about how the success of the unit impacts its reputation with the rest of the institution, a former consultant provided opposing views based upon where one sits at the university:

> Oh, it's very high and again, interesting about [the institution] to this moment and time…again, over the last three or four years in particular, the university has made professional graduate education one of the three anchors of its strategic focus and largely as a result of the momentum that was built that was driven by the [CPE unit]. So, the board, the president, now the provost and others are fully onboard with the growth of [the CPE unit]. And so its standing within the university in terms of all the ways you might measure acceptance or power or influence, it's very high, it's perhaps the highest among any university I'm aware of.

That said, as might be predicted, there are others that the consultant referred to as "the traditionalists" who are unaware of adult education and the success that the CPE unit has experienced in terms of outcomes, "its assessment measures or its quality or accreditation or the degrees it offers." Part of this perception perhaps is created by what the CPE unit had been before. The former advising consultant surmises:

> I mean, there are people who are just in the dark and assume, 'Oh, [continuing education] is this thing on the fringe.' I have found that is, on a large part, is due to the fact that it was something very different just a short time ago. It was arguably, although I can't speak to it personally, what appears to be a poorly run, low quality atrophying organization when it was University College. The data and people who have memory of this explained speak to that, and so that's hard to reverse that brand into something that's high quality and so on.

Over a ten-year period, between 2003 and 2013, the finance administrator reported that "the college has essentially quadrupled in size from a revenue standpoint." And speaking about growth in expenses over the same period, he reported: "I'd say probably the expense budget is probably three times as much as what it was so I think it probably is still at seventy-five percent of the gross revenue."

The former dean summed it up this way: "At the end of the day…money matters and how much money you have…[it's] what gets you back the respect that you lose on the academic side." Financial resources are the vehicle to help others be successful.

In summary, four key themes emerged from this study. Change leadership was an overarching theme on which the other three themes depended. What drove the need for change leadership at the institution was declining enrollment in existing CPE programs (declining revenue) and new markets of post-traditional students in non-traditional graduate programs (opportunity to serve the educational need of a new audience and generate revenue). For a CPE unit that did not have authority to grant such degrees, governance and process that included faculty oversight emerged as a key factor for moving the unit forward. The outcome, new professional master's degrees responding to a market need of a new audience of adult learners and producing strong financial results, was the embodiment of a successful transformation.

CHAPTER 5

DISCUSSION AND RECOMMENDATIONS

The purpose of this single case study was to examine through interviews and document review the motivations for and the processes through which a CPE unit in a private, highly selective institution offers professional master's degrees. This study was guided by the following three research questions: (1) Why and how did leaders at one institution decide to offer professional master's degrees in the CPE unit? (2) What has been the process and implementation experience of the institution in making this transition? (3) What financial results has the institution realized as a result of making this portfolio shift?

In seeking to meet the purpose of the study and answer the research questions, I conducted a qualitative study and analyzed the data collected from a private highly selective research institution in the northeast that stipulated anonymity in the study. This institution was selected because of the unique transformation of their CPE unit and because their experience was relevant in addressing the research questions in this study.

Research findings from this case study were discussed in Chapter 4 and the themes identified were (a) leadership; (b) new markets; (c) governance and process; and (d) new revenue generation. The discussion in this chapter integrates the study findings and themes with some of the literature in Chapter 2 to answer the research questions and demonstrate how academic capitalism explains the case findings. The chapter then concludes with implications for practice and recommendations for future research.

<u>Motivation</u>

Why and how did leaders at one institution decide to offer professional master's degrees in the CPE unit?

Reflecting on the literature review and tenets of academic capitalism in Chapter 2, one can connect the key findings of this study to the key facets of academic capitalism where "groups of actors – faculty, students, administrators, and academic professionals…link higher education institutions to the new economy" (Slaughter & Rhoades, 2004, p. 1). The new economy creates pressures on higher educational institutions to actively seek alternative revenue streams to help sustain them in a growing competitive market. Slaughter and Rhoades (2004) view new program development as one example of academic capitalism and cite graduate "professional master's degree" programs as an example of educational entrepreneurism (p. 191). Glazer-Raymo (2005) also discusses the success of CPE units in offering professional master's degrees to a growing market of non-traditional adult students.

The "groups of actors" in this study included key administrators (president, provost, deans, among others), faculty, trustees, and consultants who responded to declining enrollment and revenue in the CPE unit and the market demand of a new audience of students (part-time graduate students) by offering professional master's degree and online degree programs to prepare these adult students for the workforce of the new economy. This shift to serve new markets of adult learners required visionary leadership and the support of the institutional leadership and governance structures to drive major change in the organization.

What are the forces for driving major change in organizations? According to Kotter (1996), among other factors, the forces for driving major change in organizations include technological change (especially in communications, transportation, and information network

connectivity); international economic integration; and maturation of markets in developed countries, resulting in slower domestic growth and more deregulation, for example. One key theme emerging from this research study was leadership in the new dean who was hired in 2003 to transform the CPE unit. Recognizing that market demographics had shifted and technological advancements had dramatically changed education delivery, the dean articulated a vision and strategic plan that included offering professional master's degrees and online programs as a way to compete in and serve new markets of adult learners and grow revenue. In fact, he felt so strongly about this strategy that he presented a challenge to the president stipulating either they move in this direction or close down the CPE unit.

Consistent with Kotter's studies of organizational change leadership (1996), the new dean's strategy was designed to prevent threats of increased competition and to take advantage of new global market opportunities for revenue growth. Also consistent with Kotter's framework, the dean established a sense of urgency in implementing his new strategy by quickly launching several new professional master's degree programs to the market within the first couple years of his tenure. Such urgency required frequent verbal and non-verbal communication, critical behaviors in leading change (Kotter, 1996). The dean demonstrated these communication behaviors by establishing relationships with academic deans and faculty and by creating committee structures and processes that required coordination and interaction to achieve his goals for the CPE unit.

Similar to the subject CPE unit's experience, two other institutions that repositioned their CPE units for revenue growth by offering graduate or professional master's degrees and serve as examples of the organizational change leadership that Kotter (1996) describes are The George Washington University (GWU) College of Continuing Studies (Whitaker, 2001) and the

University of Massachusetts – Boston (UMB) University College (DiSalvio, 2012). GWU was one of the first private institutions to make this portfolio shift in 2001, and UMB was a more recent example of this shift in 2012. Just as the subject CPE unit went through a transformation, both GWU and UBM took bold steps in repositioning and restructuring their units to allow them to offer professional master's degrees. One unique feature of the GWU model was the formation of an independent for-profit company called GW Solutions, which handled all non-academic functions that the new College would have assumed otherwise. The model combined an academic unit with a business venture unit to address needs for continuing and professional education and reflects academic capitalism within the CPE sector.

While all three institutions reported comparable experiences with regard to a leadership strategy to shift the program portfolio of their respective CPE units, the GWU strategy tracks more closely with the subject CPE study whereby a dynamic CPE leader articulated a vision and strategy and was empowered by top leadership to execute change within the organization to achieve the stated goals. The UMB strategy was different in that it was a Provost-led strategy that included a task force to explore the viability of, and ultimately to recommend shifting the CPE unit to a degree-granting college. These CPE unit examples demonstrate that different leadership approaches can be effective in strategic restructuring efforts.

Process

What has been the process and implementation experience of the institution in making this portfolio transition?

Process follows strategy. The strategy articulated by the new dean included shifting the portfolio to include professional master's degrees, adding online programs, and extending the student population reach to include international students. As referenced in the previous section,

transforming a unit within higher education requires a leader with a vision and a strategy to drive significant change. The processes that led to the transformation of the subject CPE unit were many, but two key process areas related to governance and implementation.

The process for securing initial authority to grant professional master's degrees required political capital in terms of the dean creating good working relationships with deans and faculty prior to presenting the proposal to the Faculty Senate for a vote. From his perspective, he worked every vote and was confident of how the vote would turn out before the proposal was even presented to and approved by the Faculty Senate.

This experience was also similar to the GWU experience as told by its previous dean (Whitaker, 2001). Communicating the strategy to academic leaders and faculty and creating buy-in from within the academy was critical to achieving the authority required to grant master's degrees (DiSalvio, 2012; Whitaker, 2001). Another similarity among the three units was the selection of innovative, early-to-market program areas designed to meet market needs.

Once authority was granted for the unit to offer these new degrees, the CPE unit structured a ten-step process that it follows for new program approval. These steps included vetting the new program idea with a newly created advisory board, a review by a curriculum review committee, the office of the provost, a CPE academic council, and other internal committees before being submitted to the university graduate council, faculty senate, and ultimately to the board of trustees for final approval. This process ensured appropriate input and oversight by faculty, including a review of who was teaching in the programs, and respected the established shared governance process at the institution. While some of the exact steps and committee names may differ, both GWU (Whitaker, 2001) and UMB (DiSalvio, 2012) reported comparable structures.

In comparing the subject CPE unit's governance process with EAB (2012) organizational alignment survey data, an interesting observation is that of those few CPE units that have their own dedicated governance body, most of them achieve governance approval in one to five months. Of those who followed the more traditional governance approval process, many reported one to two years for approval and some even reported three to five years for approval. The CPE-dedicated governance model, while less common, helps CPE units be more nimble and get to the market more quickly. The subject CPE unit did not have this dedicated structure, but the dean was successful in achieving new program approvals in shorter time frames.

Related to governance is the issue of who teaches in these degree programs. For the CPE unit, faculty were required to be credentialed with a terminal degree or master's prepared, depending upon the content area. As is common in the CPE industry, most programs are taught by "Subject Matter Experts," and hired as contract instructors or adjunct faculty (Glazer-Raymo, 2005). Instructors or faculty with subject matter practitioner experience and knowledgeable about trends in their subject area are preferred for teaching in these professional master's degree programs.

While this study focuses on the financial benefit of employing adjunct faculty, another perspective to consider is the rise of contingent faculty in higher education. In addition to the potential positive financial impact of hiring adjunct faculty, Kezar and Sam (2010 & 2011) also discuss several concerns of potential negative impact with the rise of this faculty group. One area of concern relates to shared governance. Non-tenure-track faculty rarely are included in shared governance activities, although Kezar and Sam (2010) report this tendency may be changing for the better. Other areas of concern to be considered when hiring adjunct faculty include salary and job security issues, promotion opportunities, teaching restrictions,

performance evaluation, and other policies governing faculty hiring practices (Kezar & Sam, 2010 & 2011). While hiring adjunct faculty seems to be a clear benefit to the CPE strategies examined in this study, the long-term effect of such practices on the faculty profession and the institution remain unclear.

Because online education was a new strategy for the CPE unit, faculty were required to go through a certification process to teach online. One CPE unit administrator reported that they certified 1,400 individuals to teach online. As the unit has grown its programs, approximately 100 full-time contract faculty have been hired. A formal annual evaluation process helps in retaining quality instructors and removing poor performers.

As mentioned in Chapter 4, the CPE unit has grown from approximately 65 employees in 2003 to over 300 employees in 2013. While the topic of human resources seemingly overlaps with the resource discussion in the following section, its placement here emphasizes the importance of new resource staff in the implementation of new professional master's degree programs. Most of these employees are professional staff that oversee or support critical areas for the program areas. For instance, noting that the resource needs for graduate students are different than undergraduate students, the unit had to add professional staff functions and create its own infrastructure to support the shift to grant degrees.

Examples of these new functions included human resources, information technology, enrollment management, enrollment coaching, marketing, institutional research, etc. They even had to maintain a different iteration of the learning management system from the institution's because the central university could not keep up with the more advanced system needs of the CPE unit. These staff, many of whom were managerial professionals (Slaughter & Rhoades, 2004), represented resources that were essential to the implementation process for the new

professional master's degree programs. The additions of these professional staff that support new markets of students underscore academic capitalism in the CPE unit.

Resources

What financial results (or resources) has the institution realized as a result of making this portfolio shift?

As a result of entrepreneurial leadership, proactive market research, and political prowess within the institution, the subject CPE unit experienced success with these new professional master's degree programs, resulting in significant new revenue growth within a relatively short period of time. One administrator reported that the revenue quadrupled over nine-to-ten years and attributed the growth to the graduate programs. This revenue growth experience is consistent with the EAB (2012) survey results of 103 CPE leaders that report degrees, credit certificates, and online programs are "critical to climbing [the] revenue curve" (p. 15). This "new revenue" created additional financial resources in the tens of millions of dollars that allowed the CPE unit to reinvest in itself as well as the parent institution. Part of this reinvestment included developing new professional master's degree programs, hiring full-time faculty at the CPE college to teach in these new programs, funding costly infrastructure for its online programs, creating student support services for its new audience of adult learners, as well as enhancing its physical spaces both on campus as well as at out-of-state satellite locations.

Prior to this programmatic shift, all net revenue went back to the parent institution and no reserves were kept for reinvestment in the CPE unit. As one dean shared, the unit was always profitable, but it was being starved for resources. The new dean negotiated with the leadership of the institution to create a new model that allowed the CPE unit to keep as reserves a portion of its net revenue for the purpose of reinvesting in the unit. As long as he met the required

contribution to the institution, he had flexibility to use the reserves in strategic ways. EAB (2012) survey data suggest while no single revenue share model stands out for CPE units and their central university, about a third of respondents who offer credit programs in all modalities reported all net revenue goes back to the central university fund.

Without this newly negotiated funding mechanism, much of what was accomplished at the subject CPE unit would not have been possible. The "excess" financial resources generated by the unit allowed the parent institution to promote and achieve its goals as well. The financial success of the CPE unit also became the vehicle to fund initiatives that moved the institution forward in terms of its rankings and prominence in higher education.

While tuition revenue is almost always the primary revenue stream for a CPE unit, other revenue streams could be created through development and philanthropic efforts as well as grant-writing activities to support the unit (EAB, 2012; UPCEA, 2012). These particular alternative revenue streams require dedicated resources, which can be challenging to obtain. Few CPE units report having dedicated staff or even access to institutional staff to help with these activities in support of the CPE unit (EAB, 2012). Not until recently did the subject CPE unit add a dedicated staff member to promote fundraising among the alumni base it had created to increase educational scholarship opportunities for its students.

The entrepreneurial educational activities undertaken by this CPE unit align with responses of other institutions seeking to remain competitive by creating alternative revenue streams through programmatic shifts (Andrich, 2012; DiSalvio, 2012; Eduventures, 2012; Ho, 2011; Whitaker, 2001). These decisions also highlight the academic capitalism elements of new knowledge circuits, new markets, and new resources for the institution as defined by Slaughter and Rhoades (2004) and support the discussion Hearn (2003 & 2006) offers in his work on

diversifying revenue streams. Consistent with the views shared by Hearn (2003) in his examination of instructional initiatives (2003), this successful CPE unit responded to external threats "aggressively" (p. 8) by responding to the needs of these diverse new markets of adult learners with new programming in flexible delivery formats.

Implications for Practice

When asked about lessons learned from making the pivotal shift to professional master's degrees, several of the informants shared insightful, practical perspectives that serve as possible implications for practice as well as for aspiring CPE leaders. Based on this study, I have identified three main implications that align well with what the respondents shared as well as my own observations and experience in the field.

First, continuing and professional education is perhaps one of the most entrepreneurial segments of higher education and perhaps one of the least understood. Post-traditional, market responsiveness, flexibility, program delivery options, technological advancements, competitive environment are all characteristics of this realm of higher education. To stay abreast of what the market needs are for employers as well as the post-traditional student, my study suggests CPE units should be willing to take educated risks with their programming by trying new things. Such risk-taking implies that failure may be an outcome – and that recognition needs to be acceptable as a potential outcome.

Sometimes the fear of failure and the criticism for failure holds some people back from trying something new or different, particularly in an academic culture. Building a culture that acknowledges failure as an acceptable outcome as part of a strategy for building success is important. It allows people to not be afraid to try new ideas. They will be free to generate good ideas, perhaps even innovative ideas, when they are encouraged to start thinking differently.

This lesson is particularly important and relevant to new programming and delivery mode choices in the highly competitive CPE environment. CPE units that do not develop new programs or revise and replace existing program curricula on a fairly regular basis – and with flexible delivery modes – likely will have difficulty surviving in the new economy.

Second, another lesson relates to the value proposition of the degree offered. Why would someone pursue the degree at a particular institution? As my study emphasized, the reason for offering a particular degree must be more than just "everybody else is offering it." Identifying niche programs that have market demand and little competition is the ultimate goal. Consideration must be given to what is the employability factor of such degrees as well as how the degree will be marketed. Further, as the literature indicates, the adult learner is looking at course delivery flexibility as well as ease of logistics to complete the degree.

Course delivery options such as asynchronous versus synchronous online delivery, on-ground (also called classroom-based or face-to-face) delivery, or a combination of the two (also called hybrid or blended format) are important considerations for this population. Similarly important are access to and interaction with the course faculty or instructor(s). Related to course delivery options and faculty accessibility is the availability of both outside the traditional 8am to 5pm timeframe. In fact, this study shows how CPE units can attract students who work full-time by offering the option to take a course or to interact with a faculty member in the evening or on weekends. Such options can become the deciding factor for selecting one program over another.

Based on adult learners desire to know how the degree will help advance their careers, institutional responses, such as the CPE unit in my study, suggest that the alignment between the marketing of new degree programs and the various needs of the individual student is essential. Attending to these types of programmatic and logistical issues reflects an understanding of the

adult learner audience and how they select programs, and ultimately will help in producing a quality student experience.

Third, an important lesson is related to governance issues for offering graduate degrees. My study suggests that leaders must ensure that the CPE unit's goals are in alignment with the university's goals, that the graduate degrees are consistent with the university's quality; demonstrate how the unit will meet the academic standards of the university; and prove how the other academic units and the university as a whole benefit from the activities of the CPE unit. Inherent with these suggestions is the application of admissions standards as well as engaging faculty for oversight and the governance process, consistent with the university's practice.

The subject CPE unit perhaps had a nearly ideal situation where it had its own faculty, owned the programs offered, hired full-time practitioner faculty as subject matter experts to design the curriculum, launch and teach the courses, and to arrange their faculty teaching assets flexibly based on market demand – but this new model took time to build. As mentioned in Chapter 4, one of the former consultants acknowledged, this model is not always the case:

> You can't do that if you're reliant on or have poor incentives connecting you to the rest of the academic institution. And that's the model that most colleges or divisions find themselves in is they don't have their faculty or ownership in many cases of the programs or there is some other governor or constraint put on them.

Building alliances with the deans and faculty of the various academic units and alleviating concerns they voice at the outset will go a long way in garnering support for the strategy to reposition the CPE unit. At the same time, CPE leaders need to educate their academic colleagues and institutional leaders about how CPE units function best. Inviting deans of successful CPE units and leaders of professional associations who can share data, trends, and practices about the industry can be an effective strategy to help reinforce one's goal to reposition a CPE unit for growth and revenue generation. According to this study and the literature on this

subject, articulating alignment with the university's mission and goals, including the oversight of those elements through the governance process is imperative.

Recommendations for Future Research

As I progressed through the research process for this somewhat narrowly focused study, I found myself wanting to know more about particular aspects of how CPE units thrive in increasingly competitive markets in financially challenging times. The literature review and case study provided a solid foundation for exploring research topics beyond the scope of my study, and I have identified four topic areas for further research in the following paragraphs.

First, this study provided rich insight into the motivation, implementation strategies, and financial results of one formerly languishing CPE unit and through the efforts of a dynamic leader was transformed into one of the most successful in the country. While limited access to informants, documents, budget data, and the required anonymity of the specific CPE unit and institution bounded this study and perhaps restricted some of the findings, a more in-depth study of a CPE unit where broader access to informants, relevant documents, and financial data is granted would further illuminate why and how these CPE units shift program portfolios with market dynamics.

One approach to this research topic is to study a CPE unit in another context. Because of the highly competitive nature of CPE units, an in-depth study of a CPE unit at a public institution, where information is more publicly accessible, and comparing the findings to this study would provide further insight into how and why CPE units shift portfolios to keep pace with market demand. Another approach that could be equally instructive is a multi-site study that uses a survey instrument to collect data related to portfolio shifts and net revenue and compares the data among the institutions, both public and private.

Second, particularly impressive in this study was the effectiveness of a single leader in steering the change required to turn around a dying CPE unit and his ability to do so in a way that aligned the unit with the university's mission and at the same time leveraging the success of the unit to help bolster the institution's goal of attaining higher national reputation and rankings as a research institution. While the focus of this study was not on the topic of leadership, leadership among various "actors" – and one actor-leader in particular – emerged as a central theme as this study unfolded. Further research focused on how leadership styles play a role in transformational change of troubled revenue-generating units is recommended and would add value to the literature.

One possible approach to this study is to select CPE units that have undergone recent transformative change and compare their leaders' approaches to the organizational change using Kotter's framework described in *Leading Change.* Such a study of change leadership would be particularly useful in identifying positive and negative models for leading a CPE unit through a dynamic portfolio change.

Another consideration to understand the characteristics of the leaders in such transitions would be to use a leadership assessment instrument such as the Multifactor Leadership Questionnaire (MLQ) by Bass and Avolio. Looking at the scores of the leaders who have participated in such a transition could indicate which characteristics drove to successful outcomes.

Third, another area for meaningful research is the topic of "what's the next big programming shift for CPE units?" How do you anticipate the next trend so that you can move the business to meet the market, or do you predict the market in advance to stay ahead of the market? As has been affirmed throughout the study, CPE units are market driven and must be

quick to respond to market needs and demands. The shift to granting professional master's degrees within the CPE unit has been the big shift over the past ten or so years, but how long will that portfolio platform be sustainable?

One approach to this type of study is to create a survey of employers about knowledge gaps among their employees as a way to identify potential new programming needs to help predict potential trends. Such a survey could be administered nationally or regionally depending upon areas of interest. Working with local workforce development agencies to identify labor gaps and needs is another way to identify knowledge gaps.

Another qualitative method to consider for this research topic is to interview leaders of several successful CPE units to learn and to compare what new programs they plan to develop in the upcoming one to two years and how they decided to develop those particular programs.

Finally, a fourth study might examine the influence of CPE activities on the rise of contingent faculty and its effect on institution-level shared governance. Whereas my study emphasized the financial motivations and benefits for hiring adjunct faculty within the CPE unit, another possible qualitative study could examine organizational and cultural changes as a result of this new majority of faculty. Such a study could further extend or complement Kezar's work in this area of understanding non-tenure-track faculty.

Conclusion

This study explored how continuing and professional education (CPE) represents a growing segment of higher education and can be a valuable source of innovation and revenue. In examining how one CPE unit changed to align with institutional goals and repositioned itself for growth by shifting its portfolio to include relevant professional master's degrees, the findings demonstrated that entrepreneurial leadership, institutional support and governance, and

implementation processes were vital elements to transforming the unit and generating new revenue. The outcome, new professional master's degrees responding to the educational needs of a new market of adult learners and producing strong financial results and resources as well as enhancing the reputation of the institution, was the mark of a successful transformation.

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APPENDIX A

Interview Protocol

A. Authority to Award Professional Master's Degrees and Offer Credit Courses

1. In what year was authority to award professional master's degrees initially granted?

2. Could you provide an overview of your role in the CPE shift to include offering professional master's degrees?   How did you get involved?
   - Decision making process?
   - Implementation process?
   - Other?

3. What was the <u>primary motivation</u> to grant authority to award degrees (professional master's)?
   - Financial
   - University/College Mission
   - Competition
   - Student demand
   - Other

   ** What does the professional master's degree offer that other items in your portfolio do not?

4. What resources, if any, played a role in getting the new programs off the ground? (Please rate which ones are/were most critical.
   - Industry resources?
   - Alumni resources?
   - External funding sources?
   - Institutional funding sources?
   - Other resources?
   - Any surprises – any resources you didn't anticipate needing or having and vice versa?

5. Who or what office was the champion (e.g. Provost?) to initiate the move to grant professional master's degrees?

6. What were their primary arguments for the change?

7. What challenges did you face in diversifying your course portfolio to include professional master's? And how did you overcome the challenges?
   - Making the business case?

➢ Faculty challenges?
➢ Resource issues? (financial, space, technology)

8. What level degree can the unit award?
   ➢ BA
   ➢ MA/MSc
   ➢ PhD

9. At the graduate level (MA or PhD), in what subject areas or disciplines are the awards?
   ➢ Are these delivered face-to-face? Fully online? Hybrid?

B. Degree Development / Implementation Process

1. What is the decision process for identifying the content areas of professional master's degrees?
   ➢ Market Research
   ➢ Faculty Consultation
   ➢ Other

2. What is the decision process for determining delivery method (face-to-face; online; hybrid) of new professional master's degrees?

3. Do you use an advisory board to identify competencies?   Yes   No
   ➢ If yes, what is the makeup of the advisory board?

4. What are the steps and who are the actors involved in getting professional master's degree courses / programs approved?
   ➢ What is the role of the dean?
   ➢ Faculty?
   ➢ Provost or other administrators?
   ➢ Governing boards?
   ➢ Others?

5. Is this process similar to the approval process for a new master's program at the institutional level?
   ➢ Or, do you have an expedited approval process for CPE professional master's degrees?
   ➢ How are the processes different?
   ➢ Is there a body within your unit that approves programs?
     • If yes, what is that body (or bodies)?
     • If no, would you support one?   Why or why not?

6. What is role, if any, of other degree-granting units on campus?

➢ Administration support
➢ Co-development
➢ Revenue sharing
➢ None

7. What is the role of the regional accrediting body in approving new professional master's degrees in your CPE unit?

8. What are the processes used to launch a new professional master's degree program?
➢ Who are the players who launch the new degree program?

9. How long does it usually take from idea to implementation to launch a new professional master's
degree program?
➢ 1-6 months
➢ 6-12 months
➢ 12-18 months
➢ Longer

10. What were the "lessons learned" in making the shift to offering professional master's degrees?
➢ What would you do differently?

C. **Outcomes / Evaluation Questions: As a result of offering professional master's degrees,**

1. How has the <u>structure</u> of the CPE unit changed?
➢ Standalone unit?   School?
➢ Reporting structure change?

2. How have enrollments changed?
Enrollment:
➢ Student enrollments?
➢ Credit to Non-credit enrollment ratio?
➢ Has adding the professional master's degree allowed you tap into a new or different part of the market (demographics, motivations for returning to school, etc.) – and thereby minimizing fears that the offering is cannibalizing enrollments from other unit offerings?

3. How has staffing changed?
Faculty / Staff:
➢ FT Staff?
➢ FT Faculty?   Tenured?   Non-tenured?   Adjunct?
➢ Types of positions added (or deleted)?
   - Administrative
   - Faculty

- Finance
- Marketing
- Academic Advising
- IT Support / Classroom Technology Support
- Student Services: Admissions / Financial Aid / Registrar

4. How has the need for facilities changed?
   ➢ Increased square footage?
   ➢ Additional classrooms?
   ➢ Technology-enabled classrooms / Smart Classrooms?
   ➢ For online courses, how has infrastructure space changed / been accommodated? (instructional design space, marketing, teaching theater)

5. What general financial outcomes have you realized?
   ➢ How is revenue split (non-credit revenue / credit revenue) impacted with the shift?
   ➢ How does your non-credit revenue stream compare to your credit revenue?

6. Within the university as a whole, what is your sense of the status and stature of the CPE professional master's degree programs?
   ➢ Are they widely regarded as a success, or a model for other programs to emulate?
   ➢ Do they capture the attention of university administrators, trustees, or public affairs personnel who trumpet success stories to various audiences, or are they more understated, or under-appreciated?
   ➢ Can you give me some examples?

D. Concluding Questions:

1. Are there others you recommend I speak with, or other reports or materials that you think would be helpful for my study?
2. Is there anything else that you would like to add that perhaps I didn't ask you about, but that you feel is relevant?

APPENDIX B

List of Paper, Electronic Documents, and Media Reviewed

(NOTE: Due to the agreement with the subject institution to maintain confidentiality, citations are not used.)

6 books written between 1961 and 2000 about the history of the institution at different stages of its existence

4 articles in the institution's newspaper between 2003 and 2005

2 reports (one in 2004 and one in 2008) from a consulting firm that provided data on the CPE industry and market trends

1 unpublished paper from 2010 providing a case history on the CPE unit

1 dissertation (2008) that provided descriptive information about the institution and CPE unit

4 sets of Faculty Senate Minutes between 2004 and 2008

1 article (2006) from the *Chronicle of Higher Education* that featured the transformation of the CPE unit

2 articles (2013) from *Inside Higher Ed* that featured one of the senior administrators of the CPE unit

Website - multiple pages of the institution and CPE unit:

- Mission, Vision, Core Values
- History of the CPE unit
- Faculty who teach in the CPE unit
- Course and Program offerings (several pages related to graduate degrees, graduate certificates, online programs, etc.)
- Administrative Staff of the CPE unit
- Admissions Requirements

CPE unit documents related to process:

- Online Programs – presentation made to professional organization
- New Program Proposal Form