

## EDUCATION GOING ONLINE. BOOM OR BUST?

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*American universities have long set a global standard for higher education. But they are in a big need to change. A year later President Obama voiced his ambitious goal for higher education in a speech to a joint session of Congress. Economic competitiveness and human fulfillment are the reasons behind demanding for visible changes both in quality and quantity of education. Higher education – College Board Members have largely agreed – could be among the next economic sectors, like the banking industry has seen. Among factors accelerating changes several issues are named, i.e. globalization of commerce and culture, demographic changes in developed countries (that concerns adult education) and accessibility of information and communication technologies. Higher education platform should be able to adapt to those changes and help economy with fresh innovation and knowledge. Following this line of argument, some questions inevitably come to mind. What is the connection between higher percentage of college graduates and economic competitiveness? Is quantity given preference to quality? What paths world leader education innovators, colleges, administrators should take and what tools they are supposed to experiment with? Are MOOCs (Massive Open Online Courses) the beginning or the end of the highbrow academic world? The present paper that goes along the findings of The Sloan Consortium and the Babson Survey Groups 2011-2012 raises some controversial issues which European educators and policy makers will also have to come across sooner or later.*

**Keywords:** distance education, ICT, online education

### Meeting the challenges

In order to carry out President Obama's ambitious plan colleges have to increase revenues and have to improve quality of education in an era when they have fewer students, increasing costs and decreasing federal support on research and development. Academic leaders must look for strategies to lower costs. To recruit more students it seems to be evident that universities and colleges turn to new technologies, e.g. cloud computing, mobile computing, networking devices. Investing in new technology for controlling costs is not a popular act, it is rather a hard sell, in part because strong forces

are pushing in the opposite direction. It is also possible that any productivity improvement resulting from online education will be used to "gild the political lily" as it has been the norm for the past decades. The top 10 new and emerging technologies for 2010-12 are listed in Table 1.

Top 10 New and Emerging Technologies for 2010-12

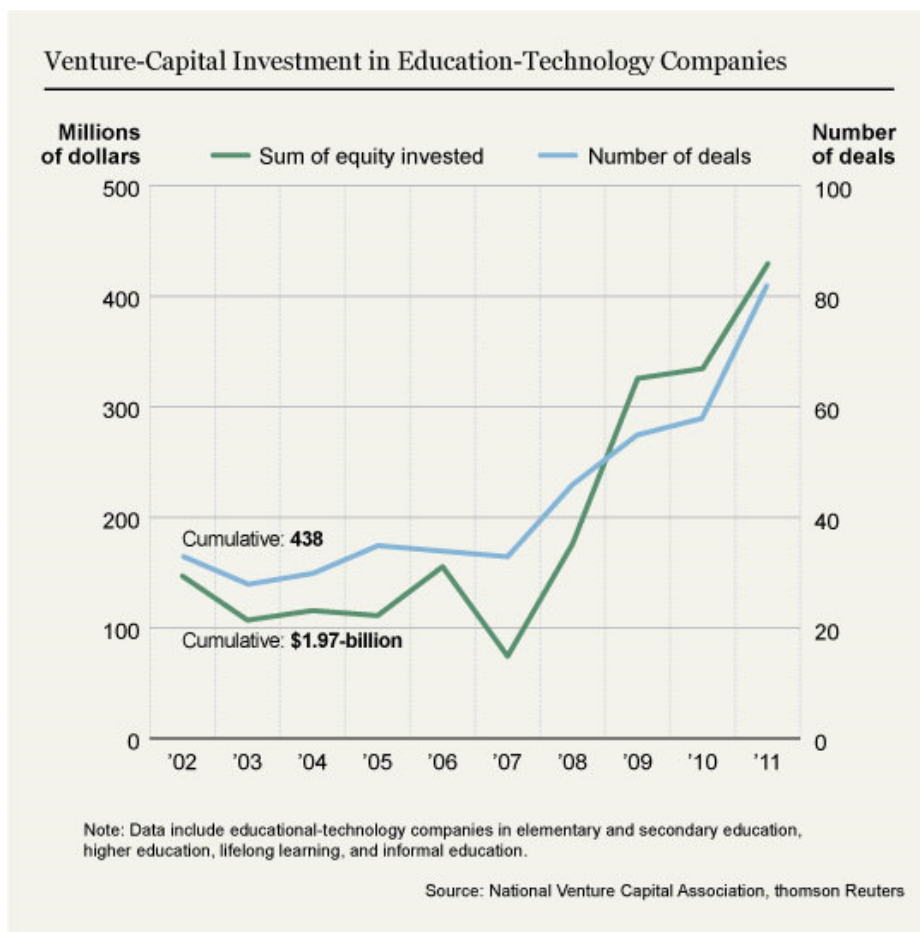
1.	Mobile computing technologies
2.	Virtual-desktop technologies
3.	Cloud computing
4.	Networking technologies
5.	Business-intelligence applications
6.	Web applications, including social networking
7.	Video technologies and applications
8.	Security technologies and applications
9.	Learning-management systems
10.	e-Books

Source: The Chronicle Leadership Board for CIOs <http://chronicle.com/article/Top-10-NewEmerging/123995/>

While college presidents are in trouble due to harsh budget cuts, investors call it „the Internet Moment” and are craving for high profits.

### Boom for Education Start-Ups

Investments in ed-tech companies have tripled in the last decade increasing from \$146 million to \$ 429 million in 2011 according to the National Venture Capital Association.



<http://chronicle.com/article/A-Boom-Time-for-Education/131229/>

Although the economy sank into recession in 2009, it was boom time for venture capitalists, who pushed \$150 million more into ed-tech firms than they did in the previous year. Online learning start-up companies (e.g. Knewtown, Udacity, UniversityNow, Coursebook, Coursekit, CourseRank, Blackboard, Pearson, EdSurge, etc.) revolutionize online learning with their interactive learning management software. The success of the ed-tech ware is on the one hand based on the euphoria that anything digital would work. On the other, the level of technology – with Silicon Valley’s back-up – that has been added to generation Y,Z’s addiction to digital devices is incredible.

### Chart: Venture Capital Investment in Education-Technology Companies

Still, the biggest challenge to the upstarts and their investors is college bureaucracy. Venture capitalists say that decision making is a long process, and indecision on the colleges management part is investors biggest enemy. Strong institutional leadership and a fresh way of thinking is expected from academic administrators who tend to put off big and hard choices in the hope that the sun will shine tomorrow even if the forecast is for rain. Academics also fear that online instruction diminishes faculty ranks, thus climbing the academic ladder will lose its attraction.

A tougher attitude to change is a prerequisite to progress, according to venture capitalists. Investors are backing ed-tech companies because they can reach institutions and students at the same time, developing both “enterprise” versions and consumer products to individual customers

(DeSantis, 2012). Some venture capitalists choose to get round college bureaucracy, investing in companies manufacturing tutoring services or learning programs to customers (students) directly. The same digital revolution that is changing individual students' day-to-day life offers many new options to faculty for their research and teaching. Professors now have multiple options for the use of digital materials in the classroom, including lecture capture, e-textbooks, etc. There must be a potential for online learning – according to surveys – to help reduce both institutional costs and tuition. It could be applied without adversely affecting education outcomes. What should be done in order to transform “could” into “will”? Firstly, there has to be hard evidence about learning outcomes and potential cost savings, which regarding the subjective factors and conflicts of interest it involves, is relatively difficult to justify.

*Babson Survey Research* in 2012 gives an insight into teaching with new technology examining its advantages together with its disadvantages (Allen et al., 2012). Nationally representative sample of higher education members a total of 4,564 faculty members responded the survey, representing the full range of higher education institutions. The project focuses on staff's attitude toward digital life: what aspects of it they use, like or dislike in the classroom. As the figures show faculty with no or very little online teaching experience is more pessimistic than optimistic about online learning. Professors teaching the traditional way are skeptical about the learning outcomes for online education. They are convinced that the focus should be on producing world-class research and academic innovations with hard work rather than attracting thousands of applicants with proverbial rock-climbing walls and luxurious student centers. Nearly two-thirds say they believe that the learning outcomes for an online course are somewhat inferior to those for a face to face course. Moreover, it is quite a challenge for the educators to follow rapid IT changes and keep pace with the latest gadgets their students comfortably use. Technology development should stop for some years so that professors could take time to learn and catch up. Instructors with online offerings are more positive, and faculty with direct online teaching experience have the most positive views towards online education. Academic administrators, on the other hand, are extremely optimistic about the growth of online learning.

The proportion of students taking at least one online course has increased from 1 in 10 in 2002 to nearly one third by 2010, with the number of online students growing from 1.6 million to over 6.1 million over the same period (Kolowich, 2012).

It is not easy to predict from the survey how effective has online learning been in improving learning outcomes of the students. The students of “bricks and mortar” college are high on small-group conferences with instructors. Even when they go high-tech, the face-to-face component is super effective. Body language, the whole chemistry of being in the room together adds to the attraction of the learning environment. Their instructors add, that their students, especially freshmen need guidance. Although they are demanded to take an active role in their education, it is also assumed that they do not enter the university with definite judgements. Thus, college should be a transformative experience for them.

MOOCs like Coursera, Udacity, or edX advertise their mission to provide open access to those who are disciplined enough to guide themselves, and who already possess the judgement, independence, and discipline to teach themselves. Professor Ezekiel Emanuel has 30,000 students in his virtual course Health Policy, Affordable Care Act through Coursera at the University of Pennsylvania. Higher education is about to be disrupted by

online providers like Coursera and Udacity and their MOOCs. It is noticeable that online mega-course providers invest a dose of Hollywood magic into cybercourse in order to blend education and entertainment just to spice up dry learning material. Students in webinars can also be lured by icons like Noam Chomsky, Stephen Hawking, or Steven Pinker. One can ponder over the dilemma: If students can take courses with Harvard's Michael Sandel for free why will they pay to take it with someone who is "no-name".

It can be concluded from surveys carried out in the past few years that online learning itself is not panacea for all the educational problems, which are rooted in social issues, fiscal dilemmas, national priorities and practices. Nevertheless, there is a real danger that MOOCs will lead some colleges (especially those with business-oriented interest of their boards) to take up MOOCs approach and stuck to it too tightly before it is adequately tested and found appropriate to deliver good learning outcomes for all kinds of students.

## Conclusion

Students look for high-quality online degrees. Top notch universities produce top-quality material in ways that many universities cannot afford to spend on their own budgets. Some online programs –operating today- will not be acceptable to students 10-15 years from now. USC's on-campus MA in teaching program had 81 students. The same online program has more than 2,500 enrolled students.

Living in the center of Europe, we are less capable of judging tsunamis, but we, too, are convinced that online learning could be the qualifying game for higher education institutions, in which we will be either active players or touch-line hollers.

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