

## Approaches Used by For-Profit Colleges and Universities

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**Examples of for-profit institutions in Washington:** ITT Technical Institute, DeVry U, Argosy U, U of Phoenix (UoP), Kaplan College.

**Examples of online for-profit institutions:** Kaplan U, Excelsior College, Cappella, UoP

Common choices made by for-profit institutions<sup>1</sup>:

- A. **Unbundled faculty functions:** Institutions approach the teaching function with a goal of lowest cost with most effectiveness by unbundling the traditional faculty roles with classroom faculty focused on #3 and #5 below with some contribution to #4:
1. Designing the course or curriculum;
  2. Selecting appropriate instructional methods and course materials, or creating those course materials;
  3. Delivering the subject matter
  4. Helping students understand materials tailored to their individual learning styles/levels of understanding;
  5. Assessing student learning.
- B. **Management:** Clear separation of the teaching function (1-5 above) from organizational management. Project management methodology used (and granular data analysis – business intelligence systems) to implement large scale improvements in curriculum, course design, customer service. Noted for ability to execute changes, projects, innovations quickly.
- C. **Course design:** UoP has a curriculum development manager for each course. That person works with content experts and faculty to develop the online course. Takes about 3 months to develop a new course. UoP, like Kaplan, uses master course templates and allows faculty to “add to” and personalize the course. Kaplan uses standardized course templates and thus mostly uniform

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<sup>1</sup> Sources on for-profit institutional characteristics:

Beaver, William. *For-Profit Higher Education in The United States* Paper presented at the annual meeting of the American Sociological Association, Montreal Convention Center, Montreal, Quebec, Canada, Aug 11, 2006

[http://www.allacademic.com/meta/p95831\\_index.html](http://www.allacademic.com/meta/p95831_index.html)

Berg, Gary A. **Lessons From the Edge: For-Profit and Non-Traditional Higher Education in America**. West Port, CT: Praeger Publishers, 2005.

Kinsler, Kevin. **From Main Street to Wall Street: The Transformation of For-Profit Higher Education** Wiley, 2006.

Offerman, Dana. *Lessons Learned from for-Profit Higher Education Institutions*, Presentation at Middle States Annual Conference, December 2007. [http://74.125.47.132/search?q=cache:5-j-Q66CxnkJ:www.msche.org/documents/A07\\_Handout-](http://74.125.47.132/search?q=cache:5-j-Q66CxnkJ:www.msche.org/documents/A07_Handout-)

[www.msche.org/documents/A07\\_Handout-](http://www.msche.org/documents/A07_Handout-)

[Offerman.ppt+For+Profit+Higher+Education&cd=7&hl=en&ct=clnk&gl=us](http://www.msche.org/documents/A07_Handout-)

Paulson, Karen. *Reconfiguring Faculty Roles for Virtual Settings* **The Journal of Higher Education** 73.1 (2002) 123-140 [http://muse.jhu.edu/journals/journal\\_of\\_higher\\_education/v073/73.1paulson.html#fig01](http://muse.jhu.edu/journals/journal_of_higher_education/v073/73.1paulson.html#fig01)

classroom while having appropriate variety in the different courses. Faculty are permitted to personalize courses.<sup>2</sup>

- D. **Focused student population** – such as working adults only.
- E. **Set course schedule to meet student needs:** Institutional calendars and class schedule are set based on the population served. For example, the UofP focus on working adults lead to a year around offerings in 5 week units with students attending one night per week. UoP offers mostly hybrid courses in which students meet the first and last session but are online the other 3 weeks of the course)<sup>3</sup>. They also require significant work in student groups (facilitated by online discussion)..
- F. **Faculty development:** Kaplan supports its multiple adjunct faculty by encouraging them to participate in department meetings and offers many professional development opportunities. Meetings are held electronically so faculty can join from anywhere which facilitates adjunct faculty filling the spots reserved for them on all major committees. UoP has an academic affairs team that recruits, trains and manages online faculty. The training is 4-weeks online training, 50-60% pass; passing candidates then enter a 2-week mentorship with a senior instructor in their field. Ongoing faculty professional development is offered and an online faculty lounge is open for sharing ideas. The academic affairs team also coordinates with the marketing arm to offer and promote in-demand programs.<sup>4</sup>
- G. **Very focused curriculum** – almost all institutions focus on the applied curriculum – business, education, nursing, human services are common majors. Institutions require the same broad general education required at public colleges (selections of courses in humanities, social science, and natural science) but they offer a limited set of courses options in each area. Courses in the major mirror the major's courses offered at colleges and public universities.
- H. **High demand curriculum only:** Curricular choices limited to fields with substantial student demand. Each section of a course is small (generally under 25 students) but the same course is taught to 100s of students across the region or the country.
- I. **Student as customer:** “Service is king. In the world of online learning, competitors are one mouse click away.” (p.16)<sup>5</sup> The norm is plenty of parking, quality customer service, and quick resolution of customer service issues. UoP provides an example of convenience for students in their policy to site campuses to assure expected students will have 20 minute commute or less.

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<sup>2</sup> Based on interviews with a current UoP faculty and a former Kaplan faculty member.

<sup>3</sup> Rutherford, Gregory Franklin. Academics and economics: the Yin and Yang of for-profit higher education: a case study of the University of Phoenix - U of Texas 2002 dissertation. Available electronically from <http://repositories.lib.utexas.edu/handle/2152/894>

<sup>4</sup> Pirani, J. (2003). Supporting eLearning at the University of Phoenix. Educause ECAR Case Study. Online: <http://net.educause.edu/ir/library/pdf/ers0303/cs/ecs0304.pdf>

<sup>5</sup> ibid

- J. **Customer relationship management tools:** UoP tracks prospective students from the first contact. They assign someone to call the student and keep following up with them with the goal of placing them in a program that meets their needs and make them feel like a valued customer.
- K. **Strong advising** – UoP example: At their 1<sup>st</sup> registration students work with an advisor who is part marketing staff. Once enrolled, the process to apply for financial aid is nearly automatic and gained with minimal student work (a financial aid staff member does the work). If successful in first course, a student is assigned an academic counselor who plans out the student’s entire schedule to completion and works with the student from that point forward.<sup>6</sup>
- L. **Focus on removing barriers to success** - UoP example: Institution identified math as a linchpin course and subsequently put 20K (2005 dollars) into tutoring for every math course. Students who succeed in those courses take more Phoenix courses<sup>7</sup>.
- M. **Driving decisions through academic analytics**<sup>8</sup>: UoP: Adult Learning Outcome System provides the University with a picture of student learning in both the cognitive and affective domains. Academic Quality Management System gathers information on academic processes and provides feedback for continuous improvement. Phoenix also has multiple “Campus Performance Indicators” monitoring monthly: admissions, finance and academic quality.

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<sup>6</sup> Ibid

<sup>7</sup> UoP administrator interview.

<sup>8</sup> Pirani, J. and Albrecht, B. (2005). University of Phoenix: Driving Decisions through Academic Analytics. Educause ECAR Case Study. Online: <http://net.educause.edu/ir/library/pdf/ers0508/cs/ecs0509.pdf>