

2006-61: LEARNING FROM THE ENEMY: EDUCATIONAL METHODS OF PRIVATE, FOR-PROFIT COLLEGES

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Learning From “The Enemy:” Educational Methods of Private, For-Profit Colleges

Abstract

Private, for-profit schools represent the fastest growing segment of higher education. These schools have focused on the education of adults and have developed student services that increase enrollment and graduation of students from underrepresented groups. They have also developed educational methods that are effective with their students and result in student learning. Their training programs for new faculty are often exemplary although faculty have significantly less power than at traditional universities. The missions of for-profit and traditional universities are different, but traditional universities can learn from the successes of for-profit schools in training faculty and educating students.

Introduction

Private, for-profit colleges have been very successful in the US and are rapidly growing, as approximately 2500 for-profit institutions provide post-secondary education to approximately 1.6 million students.¹ Most of these are trade schools that do not compete directly with traditional colleges and universities and do not have regional accreditation; however, the largest private for-profit schools such as the University of Phoenix, Strayer and DeVry University compete with traditional schools and have regional accreditation.²⁻⁴ Only for-profit schools with regional accreditation will be discussed in this paper. Much of the success of for-profit institutions has been due to a focus on working adults, now the largest group of college students^{1, 2, 4, 5} Adults are also a market segment that traditional universities have not served well. For-profit colleges have developed customer service procedures, educational methods, and policies that help them graduate working adults quickly. They claim, and companies paying many of the students' bills and accreditation agencies agree, that their students learn. This paper examines some of their educational methods and discusses which ones might be adopted by non-profit schools. The major focus will be on the largest private university in the US, the University of Phoenix, which currently has more than 200,000 students and over 19,000 faculty⁶, and DeVry University, a private for-profit university heavily involved with engineering and information technology education with over 52,000 students⁷.

Customer Service

First, successful for-profit schools pay particular attention to customer service.²⁻⁹ They direct staff to establish personal relationships with students. Staff are cross-trained so that one person can help students and potential students with a variety of registration, financial aid and advising concerns. Special care is given to ensure that students obtain the maximum amount of government financial aid that is available. For example, more than 70 % of DeVry University students receive some form of government aid,⁴ and 66% of the income on a cash accounting basis of ITT Educational Services, Inc. was from Federal Government financial aid programs.¹⁰ Students can often enroll, register, and fill out federal financial aid forms working with a single person. This “one-stop shopping” is one of the organizational

structures that for-profit schools use that increase graduation rates.⁸ Student Services offices are at convenient locations usually in the same building as classrooms and these offices are open in the evening and weekends when many students come to the building for class. Buildings, which are usually leased, are chosen to be functional instead of collegiate, are in convenient locations (close to where students live or work), and have sufficient parking. For-profit schools tend to have a low student-to-adviser ratio. Getting the students into the right class is a high priority.² Adult learners (the target of for-profit institutions) are interested in earning a degree quickly^{2, 5, 8} and they want to take the right class at the right time, which easy access to an adviser helps to guarantee. Convenient schedules, the ability to graduate quickly, and a low student-to-adviser ratio all help increase graduation rates.⁸

At the undergraduate level, for-profit schools are not highly selective and often have open admissions. These schools generally charge less than private non-profit schools but more than state schools (for in-state residents). The for-profit schools claim that they educate students who can't afford private non-profit schools but are unable to get into less expensive public institutions.² The for-profit schools make it easier to enroll than most non-profit schools. Some critics claim it is too easy to enroll and that the for-profits use pressure tactics.^{2,11} Abuses at for-profit schools in the 1990's eventually led to a federal law outlawing incentive pay, commissions or bonuses for recruiters. There have also been complaints about the web advertising used by for-profits.¹² The for-profit schools claim recruitment abuses no longer occur; however, the University of Phoenix did settle complaints by paying the largest fine ever levied by the U.S. Department of Education.¹³ Also, with more than 5000 "enrollment counselors" at the University of Phoenix¹¹ and more than 500 "undergraduate admissions representatives" at DeVry,⁴ recruitment is clearly important for the for-profit schools.

Either in spite of or because of these tactics, for-profit schools have been very good at recruiting adults, particularly women and minorities. They not only recruit, they also enroll, graduate and educate adults, particularly women and minorities at high rates. "For-profit institutions enroll only about 8 percent of postsecondary students, but they enroll 16 percent of all black students, 14 percent of Hispanic student, and 4 percent of Native American students." (ref 2, p. 36) Among degree-granting institutions for-profits enroll 2.4 percent of the students.¹³ "In fact, the top producers of minority baccalaureates in engineering-related technologies were ITT Technical Institutes in California, and the number two and three institutions conferring bachelor's degrees in computer and information science on African Americans were Strayer College and DeVry Institute of Technology." (ref 2, p. 36) The two main reasons for-profits have done so well with minorities is that their mission has been to provide a practical instead of a liberal arts education and, as noted, they pay attention to services, which is particularly important when nobody in the student's family is familiar with college.⁸

Student placement after graduation is also a major concern of the for-profits.^{4,9,10} Extensive service is again the norm and reasonably high placement rates are reported. For example, DeVry University reported that for the 7,538 graduates for the classes of 2002, 2003, and 2004, 84.7 % "were employed in positions related to their program of study within six months of graduation." (ref 4, pp. 30-31) ITT Educational Services reported that

approximately 69% of their graduates were employed “in positions that required the direct or indirect use of skills taught in their programs of study.” (ref 10, p. C-10) On the other hand, there have been recent complaints that some for-profit colleges inflate their job claims.^{14, 15}

Some of the negative aspects of the student services of for-profit schools have been emphasized to serve as a counterweight for my mainly laudatory comments about the educational practices of the regionally accredited for-profit schools. The negative aspects of the for-profits in student services should also be balanced with the problems they don't have: student athletic scandals, misuse of donor funds, excessive student drinking, rowdy fraternities, and overhead scandals on government research contracts.

Student Learning

The mission of the University of Phoenix “is to service the educational needs of working adult students.” (ref 2, p. 61) Since working adults want accessibility and flexibility, campuses are in cities and most classes are in the evening and on weekends. Because of open admissions, classes start at the students' educational level. Since about 30 % of University of Phoenix students are supported by their companies, the education is practical. A practical education is also motivational since students, who are mainly working adults, can see immediate applications in their jobs. As part of the focus on serving the customer, the pedagogical approach is learner-centered. For-profit schools believe in customer service, but the customer is not always right. John Sperling, the founder of the University of Phoenix, stated that customers “are entitled to timely, accurate responses delivered in a courteous manner. It does not mean the answer is always “yes.”” (quoted in ref 2, p. 77) The University of Phoenix and many of the non-profits have a class attendance policy, “And we run it like the Marines. Attendance is mandatory.” (John Sperling quoted in ref 2, p. 83)

At the University of Phoenix the teaching-learning model is based on Malcolm Knowles' principles of adult learning.² Students all receive clear learning objectives, which are identical throughout the University of Phoenix system. Student groups and active learning are extensively employed.^{2, 3, 5, 16} Faculty serve mainly as facilitators not lecturers. They lead discussions, relate the material to the students' personal experiences, use case studies and collaborative learning. The transmission of knowledge is considered to be more appropriate for younger students, not adult students who have considerable work and life experience.² At DeVry, which teaches both younger students and adults, the curriculum is very hands-on with extensive laboratory work.⁴ In addition to weekly class meetings (typical class size for the University of Phoenix is 15^{2, 6}), students meet weekly with their 3 to 5 person learning groups. Students practice applying principles and concepts over-and-over in a safe environment. All writing is done following business formats. Instructors use a course management system and take attendance to help enforce the mandatory attendance policy. Students who are in danger of failing have mandatory, free tutoring.

At the University of Phoenix most students take only one course at a time in a concentrated format (classes typically last 5 to 6 weeks). ITT Educational Services uses four 12 week quarters per year, which allows a full-time student to earn a bachelor's degree in three years.¹⁰ DeVry has both traditional age, full-time students taking classes in normal semesters and adult students who take graduate classes in six 8-week terms per year.^{4, 7} The adult

learning programs have grown much faster and are more profitable than DeVry's programs for traditional age students.

Although the majority of their students are in face-to-face classes, for-profit schools are leaders in distance education and on-line courses are the fastest growing segment.^{2, 5, 16} Nationally, over one-third of all students studying on-line are taking their on-line course from a for-profit school.¹³ The University of Phoenix often mixes face-to-face and on-line modes in the same course.⁶ For-profits have focused on wide accessibility and generally avoided the use of high-end technology that many students' computers would not be able to handle.² Current computer requirements to take an on-line class at the University of Phoenix are "a Pentium-class personal computer, a 56.6 K modem, and an Internet service provider." (ref 3, p.13) Extensive technical support is provided and computer difficulties are rapidly fixed. Another reason the for-profits tend to be successful with on-line courses is that they require the students to form learning communities.² On-line classes require students and faculty to be involved in discussions on a regular basis. Students are required to work with their learning groups on a regular basis. Students who don't log in are called by an adviser. The University of Phoenix extends its mandatory attendance policy to on-line courses and expects students to be logged in 5 days out of 7.²

Faculty and Curriculum

At both the University of Phoenix and DeVry a standardized curriculum for each course is developed by a development team of content experts, curriculum development experts, and a few experienced faculty, usually with input from industry advisory committees.² The standard curriculum is then taught at all branch campuses or in all on-line offerings. This standardization has advantages for scale-up, quality control and transfer of courses from one branch to the next. In addition, since many students will not follow a straight path to graduation, it is useful to know that the students cover the same material regardless of the year they take it.

At traditional universities many professors would consider such standardization of content to be both an insult and infringement of their academic freedom; however, many undergraduate courses at traditional schools follow standard textbooks. The standardization at for-profits is also less lock-step than it appears at first.² At the University of Phoenix, faculty, most of whom are part-time (adjunct) practitioner faculty who have jobs in their fields, receive an approximately 20 page syllabus that contains learning objectives, sample activities and assignments, the assigned textbook, and readings. The learning objectives for the course must be covered, but instructors are required to write their own lectures and are encouraged to create their own activities. Faculty are encouraged to enhance the material from their own experience and talk to the students about how they can use the material in their jobs. This unbundling of faculty from content has the advantage that they can focus on reaching the learners instead of preparing the content.²

The University of Phoenix hires most faculty on a course-by-course basis and none have tenure. In addition to a master's degree the University of Phoenix expects faculty to have a minimum of five years experience in their field.^{3, 16} Although students are admitted by open admissions, the university is very picky in hiring faculty.^{2, 6} Regardless of background, all

new faculty must attend and pass a four week training course. In this course they learn adult learning theory and are trained in grading and teaching methods. They also have considerable hands-on practice with facilitation methods and using technological tools. Equally important, potential hires are socialized into the university's philosophy and techniques. Those who don't pass this screening are not hired and don't teach at the University of Phoenix.

Passing the training course is only the first step. New faculty are assigned an experienced faculty mentor who helps them prepare for their first course.² Two weeks before the course starts they work together on personalizing the course based on the standard curriculum packet. The mentor attends the new instructor's classes, discusses performance, and reads the new faculty member's reflections and self critiques on teaching performance. Once past this rigorous training, the work load to teach a course drops significantly; however, all faculty receive performance evaluations that are used to help develop improvement plans. Since part-time faculty are hired on a course-by-course basis, under-performing faculty are usually not retained.

Gary Berg, the author of reference 2, participated in the training program and taught a course for the University of Phoenix. He stated, "While many traditional universities have a process for faculty orientation, required presentations for evaluation, and other ways of judging and training new faculty, few are as systematic and thorough as the University of Phoenix's." (ref 2, p. 157) And, "There is no doubt in my mind that the for-profits are better at training, recruiting, and effectively using part-time faculty than are most traditional institutions." (ref 2, p. 160)

Other for-profit universities use different procedures for hiring faculty and some employ a much larger percentage of full-time faculty than the University of Phoenix; however, full-time faculty are not paid to manage, which is done by professional managers, or to do research. Faculty are expected to teach. For example, at Strayer University full-time faculty typically teach four courses per quarter for each of three quarters.¹⁷ Also, they do not have tenure although full-time faculty may have long-term contracts. The faculty have some say in academic matters and their participation on curriculum committees is encouraged. Of course, they do not have any say in the management of the company – they are hired hands. Berg notes, "The traditional professor would be appalled by the faculty's lack of power." (ref 2, p. 147) At the same time, the hierarchical faculty structure of most traditional universities does not exist in most of the for-profit schools, and adjunct faculty are listened to and are not second-class citizens.² It is also appropriate in practical and professional courses to have a significant number of instructors who are practicing in their disciplines.

Some private, for-profit schools have been accredited by the same regional accreditation and professional accreditation agencies as non-profit schools. For example, DeVry is a member of the North Central Association and DeVry's Electronics Engineering and Computer Engineering programs are accredited by the Technology Accreditation Commission of ABET.^{4,7} Since they generally do not have extensive physical plants, numbers of full-time professors with Ph.D.s, or large endowments, for-profit schools have pushed accreditation agencies to look at results. This is essentially what ABET is now doing. Generally speaking,

the non-profits have benefited from accreditation procedures that require extensive assessment. In most cases they have been able to show significant student learning.² Of course, there have been exceptions where accredited for-profit colleges have had difficulties with their accreditation agency,¹⁸ which has also happened to some non-profits.

Learning From For-Profit Schools

There are a number of aspects of for-profit programs that are laudatory and that I believe it would be profitable (no pun intended) and feasible for traditional programs to adopt.

1. Training faculty how-to-teach. There are current efforts to train faculty how-to-teach and they are effective,¹⁹ but the efforts of even those traditional schools that have relatively extensive training programs are significantly less than those of the University of Phoenix. Often, faculty are lucky to attend a one to three day workshop on teaching such as the National Effective Teaching Institutes conducted by ASEE. These programs are effective, but much more should be done. Schools should not let current faculty who will not attend stop them from training interested current faculty, new faculty, and graduate students who are potential faculty.

2. Focusing the program's mission and align pedagogy with the mission.² The for-profits have the advantage of more-focused missions, and they align their pedagogy with their missions. Although many traditional universities would benefit from more focused missions, engineering and engineering technology programs can focus their missions without waiting for their university to change. For example, programs with the mission of educating engineers and engineering technologists for industry should have a different curriculum and use somewhat different educational procedures than programs whose mission is to educate students to matriculate in graduate and professional schools.

3. Developing procedures to use the skills and experience of more practitioner faculty. Practitioner faculty can be professors returning from industry²⁰ or adjunct faculty who continue to work in industry or government. Practitioner faculty need to be treated with respect. The ties between engineering education and industry used to be much closer.²¹

4. Strongly encouraging faculty to use best educational practices. This will rarely, if ever, be exclusive use of lecture in teaching a course. More use of active learning and hands-on techniques (both with equipment and with computers) will increase student learning.²² For-profits require use of best practices, but requiring faculty to use best practices is not feasible at most traditional universities.

5. Requiring class attendance in lower division courses. Students who attend learn more. If required attendance is not feasible, points can be docked for not attending or points or extra credit provided for attendance.

6. Encouraging faculty to make extensive use of learning teams, particularly in on-line courses.

7. Supporting any efforts by the university to make student services more student-oriented and more accessible. Faculty tend to ignore the importance of helping students through the red-tape of enrollment and becoming comfortable within an academic setting, but these aspects affect retention.⁸

Closure

For-profit schools move into areas where they perceive significant unmet demand. Currently, this includes information technology and engineering technology. There are now more adult students than traditional age students, and for-profit schools have made significant in-roads in the adult market. Traditional programs will increasingly see students transferring in credits for humanities, mathematics, science, and technology courses from for-profit schools. For-profits have excelled at training faculty, particularly part-time faculty, in active teaching methods. For-profits have shown that their educational methods result in student learning, and some observers believe the approaches developed by the for-profits represent the wave of the future.² Thus, it makes sense for faculty in traditional engineering and engineering technology programs to know more about the for-profits and to learn from them.

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