These are strange times for higher education. Enrollments are generally strong; the baby boomer, “Generation Y,” fills dormitories even as adult learners assume a greater presence on campuses. State governments, beneficiaries of the sustained economic boom and tobacco settlement monies, are increasing higher education budgets. Philanthropic giving to higher education is at or near an all-time high. Yet colleges and universities are filled with disquiet. New providers, the emergence of the “education industry,” the acceleration of online learning, the seemingly unquenchable demands of technology, “corporate universities,” growing numbers of new certificates and degrees—all seem to signify that we are in a moment of transformational change.

The sense of dramatic change places enormous strains on higher education and its leadership. Fearful of falling behind or of missing an opportunity that may actually be a harbinger of something more fundamental, colleges and universities too often spring at the new audience or new technology without recognizing the consequences for an institution as a whole. Worse yet, institutions may seek to cope with change by containing responses within “administrative ghettos” inside the university. The hope is that new audiences (e.g., adult students) can be addressed without necessarily attending to core questions about how a college or university rethinks its educational services in the face of such audiences. These institutions also expect that new technologies (e.g., distance learning) can be connected to the institution’s teaching function without engaging in fundamental reflection on the implications for faculty management, intellectual property, and the like. In short, in an eagerness to address new markets, or to embrace new partners, or to adapt to new technologies, many institutions do so with the overt agenda of addressing such markets, partners, and technologies without having to change “too much.” Innovation is often embraced at the margins in the hope of leaving the institutional center undisturbed. For example, despite the fact that adult students are today one of the fastest-growing segments of many institutions’ enrollments, these students often remain remarkably invisible and marginalized.

Institutions and their leaders need to be particularly reflective in times of change; innovation requires “organizational learning” by colleges and universities. Though American higher education has room for incredible diversity, too often institutions and leaders of higher learning have been reluctant or, worse, evasive learners. “Learned leadership,” on the other hand, recognize that change brought about by embracing new opportunities is likely to be more far-reaching than ever envisioned.

My institution, University of Maryland University College (UMUC), is uniquely entrepreneurial. Since 1947, when it was established, the university has cultivated a niche in the market of adult education and has remained on the vanguard of the wants and needs—indeed the demands—of adult learners. Ours are truly lifelong learners, with some beginning their pursuit of a college degree after retiring from professional careers.

To assist them, the university has excelled at distributed education, establishing traditional classroom environments in more than twenty locations throughout Maryland, northern Virginia, and the nation’s capital. In 1949, UMUC began providing educational programs around the world under contract to the U.S. military, our largest client. Today, UMUC delivers courses to students in more than thirty countries on seven continents.

Because delivering courses in unconventional ways has been a specialty for more than fifty years, UMUC anticipated higher education’s recent fascination with distance learning—specifically online education, both inside and outside the academy. UMUC has kept pace with the beginning of distance learning, evolving management systems and in-
that can feverishly foray the global
structure to direct global complexity.

As a result, the arrival of the World
Wide Web did not require a paradigm
shift at UMUC but rather overlaid an al-
ready culturally sympathetic institution
by enabling the university to reach even
more students—even local ones—
through distance learning.

Since 1994, when the university
began offering courses electronically,
online enrollments have doubled or
tripled in each succeeding year. Of over
21,000 online enrollments last academic
year, approximately 65 percent were
Maryland based. (We expect to surpass
40,000 online enrollments this year.)

With the largest online enrollment
worldwide, including ten complete
graduate degrees, UMUC has been
ranked by Forbes magazine as one of the
“Top 20 Cyber-Universities.”

Of course, with the impact of
information technologies on higher
education, thereby aggrandizing
distance learning, comes the expansion
of traditional education markets and
the accessibility of new, previously
underserved ones. This requires even
greater investments of capital and staff
resources. UMUC, for example, has
systematically reengineered its busi-
ness, management, and organizational
practices to ensure continued quality
delivery. At a cost of $17 million, one
of the most advanced integrated software
systems available is being employed to
create a single, worldwide UMUC with
one academic “face” (e.g., admissions
requirements, hiring practices), admin-
istrative infrastructure, and set of
university policies. Still, we have come
to realize that this is not enough. To
compete with well-heeled companies
and other universities vying for market
position, the university needs to effect
even more fundamental change and
adopt “best practices” from the
business community.

Online education, developed and
delivered properly, is exceptionally
expensive, demanding a complete institu-
tional commitment and a deep infra-
structure to be successful in the long
term. Add to that the increasing com-
petition from hundreds of new competi-
tors that can feverishly foray the global
online education market with enor-
mous injections of private capital and
marketing investments, and one can
understand why online providers, in
order to compete successfully, need to
think outside the higher education box. Most public universities cannot
devote such fiscal resources to uncon-
ventional endeavors.

UMUC has arrived at the conclusion
that within the range of our budget, we
cannot afford to take on a challenge of
this magnitude without pushing change
even further. New strategies, in other
words, are a necessity for us, and those
strategies, in turn, are pressing us fur-
ther. They have led us, for example, to
create a “for-profit” company to assist
the university in its strategic goals for
growth in online enrollment. Now we
are using the commercial enterprise to
measure effective delivery of services to
our students.

My intention is not to dwell on
UMUC’s experience. My point is that
leaders in higher education must em-
brace change, direct it, and recognize
that it has positive, negative, and always,
unanticipated consequences. They
must address change as they would any
other managerial challenge, and they
must recognize that new markets and
the appeal to new money require com-
pletely new organizational—and busi-
ness—models. I spent the early part of
my academic career in South Asia. It is
the pattern in some countries on that
territoty to “encyst” modernizing in-
fluences in ways that prevent these in-
fluences from transforming the larger
society and economy. Universities fre-
cently behave similarly, but no longer.
Change will be systemic in the higher
education institution. The only ques-
tion is: will it be managed?

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