



THE IMPLICATIONS OF A NATIONAL HIGH-STAKES MOOC ON THE BUSINESS MODELS OF ACADEMIC INSTITUTIONS, AND ON THEIR FACULTY AND STUDENTS

Yoram Kalman, Ina Blau, The Open University of Israel, Israel

Introduction

Technological innovation in higher education is actively discussed in the research literature and public discourse. Recently this discussion emphasizes the adoption of massive open online courses (MOOCs) and their potential impact on the business models of academic institutions, their faculty and students. Previous publications mostly explored low-stakes MOOCs that do not substitute traditional for-fee academic courses (Sandeep, 2013). This research of a high-stakes MOOC that substitutes an existing fee-based academic course, explores its impact on the institutional business model, faculty and students of academic institutions. The study is currently in its early stages. This paper briefly describes the context, the research questions, the methodology and the expected contributions to theory and practice. The lecture will present preliminary findings of the study.

MOOCs are a pedagogical innovation, but a significant part of the academic and public discourse surrounding them focuses on their impact beyond the classroom. This includes the impact of MOOCs on the “business model of academic institutions”, and their promise to address inequality in higher education and hence to empower disadvantaged populations (Dellarocas & van Alstyne, 2013; Kalman, 2014).

The adoption of innovations and their use influence business models, and in turn, business models influence the adoption and diffusion of innovations (Melville et al., 2004; Tallon, 2007). Most of the MOOCs aired so far are low-stakes and are mainly used for enrichment and for lifelong learning of high socioeconomic participants who already hold at least a bachelor’s degree (Hansen & Reich, 2015). Such low-stakes courses are not likely to replace for-fee academic courses and to alter business models in academia.

Recently, a new high-stakes national MOOC sponsored by The Council for Higher Education, Israel’s top academic authority, was launched. It focuses on reading comprehension of texts in academic English. Undergraduate students in Israel must demonstrate (through an exam) sufficient proficiency in academic English by the end of their first year at the latest. Passing these exams is a significant hurdle for many students, especially for disadvantaged ones. Special units in each university and college offer students preparation courses in academic

The Implications of a National High-Stakes MOOC on the Business Models of Academic Institutions, and on their Faculty and Students

Yoram Kalman, Ina Blau

English. The fees for these courses are significant, and are additional to the regular undergraduate tuition costs.

The MOOC “Academic English” offers participants access to extensive learning materials. These can be used as a self-paced MOOC meant to replace traditional Academic English courses (Sandeem, 2013), or as learning and practice materials to accompany and enrich traditional, campus-based Academic English courses through blended learning methods such as the *flipped classroom* (Milman, 2012).

The launching of the Academic English MOOC led to an immediate significant drop in the number of students enrolling to the costly preparation courses offered by academic institutions. This led to a widespread controversy: Is the MOOC a proper alternative to the traditional courses? What about the instructors and academic units who were financially hurt by the decline in enrolments to the institutional (for-fee) courses? The vast majority of MOOCs offered nowadays do not have a significant impact on the business model of higher education institutions since they can’t replace a “real” credit-bearing academic course (Kalman, 2014). In contrast, in the case of this national Academic English MOOC, it is in direct competition with campus-based courses which are an important source of income for the institutions. These courses are also a significant financial and academic burden for the students. This is especially true for students with low levels of Academic English who are required to take several Academic English courses and are anxious to pass the proficiency tests that impede their academic progress. Thus, this course is high-stakes for both the students and the institutions.

Research questions

The Academic English MOOC offers a unique opportunity to study the business model implications of a high-stakes MOOC that can substitute an existing fee-based academic course. Thus, the overarching research questions of this study are:

1. How does the Academic English MOOC influence the business models of the Academic English units in different Israeli higher education institutions, their faculty and students?
2. How do these business models in turn influence the adoption, use and diffusion of the MOOC among Academic English teachers and learners?

Method

Most current research on MOOCs is quantitative and based on participant logs and questionnaires (e.g. Hansen & Reich, 2015). These methods are less appropriate for deeply understanding the business model implications of the Academic English MOOC. Instead, we will embrace a qualitative research methodology.

The impact of the MOOC on the business model of the higher education institutions, and the impact of the business models on the adoption, use and diffusion of the MOOC will be

studied using Kalman's (2016) business model analysis. In this analysis, the impact of the novel educational technology on each of the components of the business model of the organization is evaluated, with the goal of assessing the extent to which the technology will improve the business model and increase the organization's ability to achieve its goals.

The business model of the unit in charge of teaching academic English in five to seven different higher education institutions will be explored. Semi-structured interviews will be conducted with 10 leaders and decision makers at these Academic English units, with the goal of describing each unit's customer value proposition, infrastructure (resources and processes), and financial model.

The business model and the role of the Academic English MOOC in teaching and learning will be further elaborated based on semi-structured interviews with 10 English instructors at each unit, as well as with 10 students in the traditional classes and 10 students in the Academic English MOOC. Such triangulation of data from different sources strengthens the validity of the findings (Jones et al., 2013) and enables comprehensive examination of the phenomenon. The inclusion in the study of students from both categories enables exploring the differences between students who are exposed to the MOOC in the form of technology-enhanced learning materials incorporated in traditional courses and students who have chosen a self-pathed learning of the Academic English MOOC.

The interviews will be audio-recorded, transcribed, and coded. Initial deductive codes derived from the interview protocols will be supplemented by inductive codes. These codes will be iteratively refined as more granular themes will be identified (Hollands & Tirthali, 2014). The transcriptions will be independently analysed by an additional rater in order to ensure inter-rater reliability of coding. Disagreements in coding will be discussed until a consensus is reached. The results will be analysed and discussed in accordance with the grounded theory approach (Charmaz, 2014; Corbin & Strauss, 2014).

Contributions to theory and practice

This study offers an opportunity to refine our theoretical understanding of the acceptance, use and diffusion of a novel educational technology through the lens of the business model of higher education institutions, teaching faculty and students. This lens facilitates a multi-level analysis of the adoption and diffusion of this novel digital technology, triangulating the strategic organizational perspective with the individual perspectives of different stakeholders: policy-makers, instructors, students in traditional courses and self-pathed students of the MOOC.

The practical question of how to benefit from innovations such as MOOCs, while avoiding the negative consequences, is a significant societal challenge. The findings of this study could assist policy makers in higher education in understanding the complex interdependencies between higher education institutions business models, the acceptance and diffusion of educational technology innovations and their impact of teaching and learning processes.

References

1. Charmaz, K. (2014). *Constructing Grounded Theory* (2nd ed.). Thousand Oaks, CA: SAGE Publications, Inc.
2. Corbin, J., & Strauss, A. (2014). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (4th ed.). Thousand Oaks, CA: SAGE Publications, Inc.
3. Dellarocas, C., & van Alstyne, M. (2013). Money models for MOOCs. *Communications of the ACM*, 56(8), 25-28 doi: 10.1145/2492007.2492017
4. Hansen, J. D., & Reich, J. (2015). Democratizing education? Examining access and usage patterns in massive open online courses. *Science*, 350(6265), 1245–1248.
5. Hollands, F. M., & Tirthali, D. (2014). Why do Institutions Offer MOOCs? *Online Learning*, 18(3). Retrieved from <http://olj.onlinelearningconsortium.org/index.php/olj/article/view/464>
6. Jones, S. R., Torres, V., & Arminio, J. (2013). Negotiating the complexities of qualitative research in higher education: Fundamental elements and issues. Routledge.
7. Kalman, Y. M. (2014). A race to the bottom: MOOCs and higher education business models. *Open Learning: The Journal of Open, Distance and e-Learning*, 29(1), 5-14. doi: 10.1080/02680513.2014.922410
8. Kalman, Y. M. (2016). Cutting through the hype: evaluating the innovative potential of new educational technologies through business model analysis. *Open Learning: The Journal of Open, Distance and e-Learning*, 31(1), 64-75. doi: 10.1080/02680513.2016.1164592
9. Melville, N., Kraemer, K., & Gurbaxani, V. (2004). Review: Information technology and organizational performance: An integrative model of IT business value. *MIS quarterly*, 28(2), 283–322.
10. Milman, N. B. (2012). The flipped classroom strategy: What is it and how can it best be used? *Distance Learning*, 9(3), 85–87.
11. Sandeen, C. (2013). Integrating MOOCs into Traditional Higher Education: The Emerging ‘MOOC 3.0’ Era. *Change: The Magazine of Higher Learning*, 45(6), 34-39. doi: 10.1080/00091383.2013.842103
12. Tallon, P. P. (2007). A Process-Oriented Perspective on the Alignment of Information Technology and Business Strategy. *Journal of Management Information Systems*, 24(3), 227-268. doi: 10.2753/MIS0742-1222240308