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# To Go or Not To Go: The Online Decision for MBA Programs

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## Abstract

This article addresses critical issues for consideration when deciding whether an MBA program should go online. First, background information on various types of distance learning is provided followed by a discussion regarding research on the effectiveness of online courses. Pertinent contextual issues such as alignment of goals, technology, and infrastructure that are important considerations in going online are discussed. Possible costs and benefits involved are discussed with a theoretical example provided. The article concludes with a self-assessment scorecard for programs to use when deciding whether or not to go online.

## Introduction

There are currently at least 95 online MBA programs based in the United States offered by both public and private universities (U.S. News & World Report, 2007). Approximately, 51% of the schools listed in the U.S. News & World Report (2007) are AACSB accredited thus offering considerable legitimacy to online graduate education in business. These statistics make many in higher education anxious as a general sense of urgency appears to be gripping the industry that can be summed up in the question, “are we being left behind if we don’t embrace distance education?” Indeed, distance education can offer significant opportunities to students and to the institutions that teach those students. That, however, does not necessarily make it the right choice for all MBA providers. On what basis should a department, a college, or a university decide to offer distance education programs? This article explores the issues that should be carefully considered when an institution is considering embarking on an online MBA program.

Helping potential students make the decision about whether or not to “go online” with their learning ventures has received attention in the literature and the popular press (c.f. Littlefield, 2007). Further, students have been aided in evaluating their candidacy for online learning by a variety of rating systems<sup>1</sup>. Educational institutions that are attempting to make the same decision, however, have not received much aid in the literature. While numerous individual studies of distance learning (in this article the terms distance education and distance learning are used interchangeably) effectiveness have been undertaken, a reasoned overall assessment of whether an individual institution is ready to embark on the venture and if so, at what level, appears to be lacking.

The purpose of this article is to provide readers with guidelines for assessing the feasibility of developing and offering an online MBA program. It is a mistake to move into distance education primarily because “everyone else is”. Success on this front takes careful consideration and planning. This article begins by providing some background information on distance learning. What does the term actually encompass? Perhaps more importantly, what evidence exists to suggest that desired learning outcomes can be achieved with this mode of delivery? Without evidence of the effectiveness of the effort in an environment consistent with what can be offered, there is little point in further consideration. Pertinent contextual issues such as goals for engaging in distance learning, alignment with college and university goals, available technology, and infrastructure issues are considered as well as the costs and benefits associated with going online. The article concludes by offering a rating system (a scorecard) for programs considering online delivery. That is, the critical success factors that need to be present for a program considering distance education are identified.

## Background

### *Types of Distance Learning*

A reasoned assessment regarding the decision of whether to develop a distance education program begins with an understanding of what distance learning actually entails. Most universities in recent years have moved to course management systems (e.g., Blackboard™, WebCT™) that deliver information online. Further, such course management systems can also allow for online assignments, quizzes and tests, threaded discussions and virtual chats. Are users of such course management systems thus distance learning providers?

Technically yes, and hence it could be argued that few if any schools have yet to embark on distance education. However, a course that meets primarily in a face-to-face format but includes some elements offered online is best described only as web enhanced (Schmidt, 2002) although the course technically engaged in distance education, this clearly still represents a fledgling commitment to the practice. As the web enhanced portion of a course grows, often replacing some but not all face-to-face class meetings, the class is more likely to be described as a hybrid (Northeast Texas Consortium, 2008). Both web enhanced and hybrid courses are considered types of blended learning<sup>2</sup>. Educational delivery may best be thought of in a continuum as portrayed in Figure 1. A fully online course with no face-to-face meetings would represent the most extreme level of the distance learning environment.

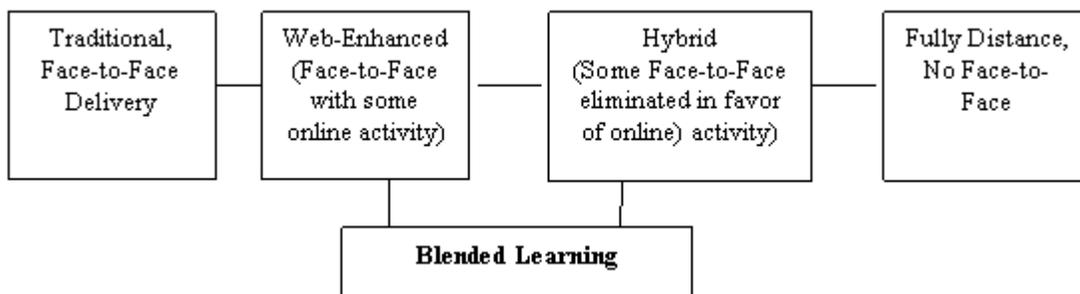


Figure 1. The Learning Environment Continuum

A program, of course, is comprised of multiple courses hence a blended learning program

might consist of some fully face-to-face courses and some fully online courses or a series of hybrid courses or even a mix of fully face-to-face, hybrid, and fully online courses. Institutions with little or no experience in offering instructional material online (whether in a blended learning scenario or in a fully online scenario) are best advised to gain some experience with a few courses perhaps first moving to hybrid and ultimately to fully online before launching a complete online program. The issues considered in this article have relevance for those assessing the use of distance education at any level – from the first foray into web enhancement in a class, to the development and implementation of fully online programs. As efforts move toward the far end of the distance learning continuum, however, the noted issues for success become increasingly important to consider. Because this is the case, the remainder of this article will focus on the decision to move to a fully online program for the MBA.

### *Effectiveness*

Prior to consideration of whether an individual institution is positioned to develop and launch significant distance education efforts in its MBA offerings, the general question of distance learning effectiveness should be considered. Research on the effectiveness of distance learning spans the spectrum of both hybrid and fully online *programs* as well as hybrid and fully online individual *courses*. Courses with distance learning components have been found to improve learning by increasing student engagement (Dziuban, Hartman, & Moskal, 2004; Popovich & Neel, 2005; Tallent-Runnels, Coor, Lan, Thomas, & Busby, 2005), improving student achievement (Alavi, 1994; Maki, Maki, Patterson, & Whittaker, 2000), improving student/teacher interaction (Hiltz, 1995) and enabling more frequent student assessment (Tallent-Runnels et. al., 2005; Twigg, 2005; Wang, 2006).

The effectiveness of distance learning has been found to vary with the extent of faculty training and preparation. With distance education, faculty members need to relearn how to teach (Dziuban, et. al., 2004). Perreault, Waldman, Alexander, and Zhao (2002) found that out of a sample of 81 professors in accredited business schools, 63% taught themselves how to create and deliver distance learning courses. When training was available at the sampled schools, in-house workshops and mentoring were the most common types. The creation of faculty support services has been found to be critical to effectively preparing faculty to teach in a distance learning setting (Tallent-Runnels et. al., 2005; Twigg, 2005; Wang, 2006). These services include faculty training on the use of technology, course design support, and production support. Design support can help faculty choose more effective online learning activities to supplement or replace activities in classes that are still primarily face-to-face. It can also help faculty avoid a common mistake of creating an online course by closely duplicating the activities in the face-to-face course rather than starting fresh with a set of activities that makes the best use of the available technology (Leidner & Jarvenpaa, 1995).

Like faculty, students require support services as well in order to be effective. For students, these include technical guides, library access, and 24/7 technical support (Perreault et. al., 2002; Tallent-Runnels et. al., 2005; Wang, 2006). Prior to starting distance education, it is important that students be assessed for readiness for distance learning (Wang, 2006). While the need is probably less now than in the past, universities should address students' concerns (and parents) over their ability to succeed in the new environment (Perreault et. al., 2002; Twigg, 2005). This can be accomplished by emphasizing the learning objectives of the programs and not the technology, and ensuring that students know how to communicate online with faculty and other students.

One of the largest and most systematic efforts to study distance learning effectiveness was undertaken by the National Center for Academic Transformation (NCAT)<sup>3</sup>. The purpose of the program was to support the efforts of colleges and universities to redesign their instructional approaches using technology in ways that achieved cost savings and quality enhancements. A fundamental change in instruction was encouraged – to shift from a focus on effective teaching to effective student learning<sup>4</sup>. To impact a large number of students at an early stage of higher education, grants were focused on redesign proposals involving large undergraduate introductory courses with high enrollments. Large introductory courses were also viewed as good candidates for redesign because they have a standardized curriculum, outcomes that can be easily delineated and have content over which faculty members are less possessive.

Fourteen out of thirty grant institutions reported one or more measurable impacts on students associated with the institution of the redesigned course. These impacts included the key areas of learning and retention. In the area of learning, students were better able to handle difficult concepts and higher-order thinking, retain key concepts, and synthesize material from basic concepts in web-enhanced courses versus traditional face-to-face courses. Numerous and consistent reports in the study also found improvements in retention and its related aspects. In addition to improvements in learning and retention with web-enhanced courses, the NCAT study found that active engagement in the learning process, an enhanced view of the major, better performance in advanced classes, higher completion rate of homework assignments, better class attendance, and more positive attitudes and satisfaction levels occurred ( NCAT, see footnote 3).

An examination of the effectiveness of using an online medium was also conducted by Bigelow (1999) where he suggests that although student teams may encounter communication problems, the online medium should have positive impact on things such as access to information, self-managed learning, student diversity, and computer interaction. Further, he believed that there are some areas where using an online delivery mode can yield greater learning benefits than the traditional classroom. These areas include: media-specific learning such as basic computer skills/web skills, inquiry skills, diversity and international learning, self-assessment instruments, and interactive cases and situations.

A study by Hollerback and Mims (2007) compared online, televised and face-to-face forms of delivery for a mass communication course. Using both pre- and post-tests, they found that significant student knowledge acquisition occurred through exposure to all three instructional methods and that no particular method was found to be superior to the others.

### *Graduate students*

A few studies of distance learning effectiveness have also been conducted specifically with online MBA programs. While these studies do not offer the large sample size for analyzing effectiveness that the NCAT study had, they do offer interesting insights into the benefits and challenges of developing online MBA programs.

Schrum and Bensen (2000) describe the development of an online MBA program at a large Southeastern University. The program was designed by 10 faculty members to serve a cohort of 46 successful executives, all working for the same corporation that funded the program. A mixed delivery mode was adopted. Each course included a face-to-face component equaling half of the time of a traditional course and a distance component for the remaining half. Two steps were taken to prepare faculty to teach in this program. First,

a month-long seminar was designed for the 10 faculty members. Faculty worked with a consultant on course design and with technical support personnel on specifics of courses. A series of weekly meetings of the faculty team was also established.

Overall, faculty members mentioned that the initial training, equipment training, and ongoing technical support were major factors in their success. Meanwhile students felt that the responsiveness of faculty and administrators to student concerns was a key factor in their own success. Faculty members were split on their approach to developing their courses. Some attempted to convert as much as possible from their campus-based courses to the online program. Others focused on finding new learning opportunities more suited for online learning. Faculty also reported that the time and energy commitment was far greater than what they had anticipated. Similarly, students reported that coursework required more time than anticipated. The expectation of 15 hours per week typically turned into 20 to 30 hours for many students.

Zhai and Liu (2005) in their study describe the development of an online MBA program at a large Midwestern university. The authors gathered input from 26 online instructors and 102 students on their experiences. Instructors felt that online discussion was the key to online interaction. Asking and responding to instructors' questions were the major student activity in the discussion forum in all courses. Online quizzes and exams administered using course management software was used extensively. About half of the instructors used audio/video clips, including self introduction video clips. Overall, students felt the key strengths of the program were its flexibility and that their instructors used various instructional techniques to foster students' critical and reflective thinking. The success seems to be in part due to the variety of tools used in the courses, including e-mail, asynchronous discussion forums, online hand-in systems, interactive quiz tools, and PowerPoint slides. Tools such as audio- and video-based applications that require gaining additional technical skills and were time-intensive to use were employed infrequently. A student team approach was another reason for the program's success so collaborative tools were necessary. Finally, many instructors approached teaching online courses by replicating, as much as possible, their campus-based course. This was generally viewed as not realizing the full potential of distance education because it was felt that online delivery should seek alternative means to educate rather than seeking to precisely duplicate the in-class experience.

Arbaugh (2000) examined the difference between a physical classroom and a virtual classroom for an MBA course. Both class sections used the same text and course readings, were given the same assignments and were taught by the same instructor. A few interesting results were found that largely support the "lack of difference" effect found in some other studies (e.g., Dumont, 1996; Hiltz & Wellman, 1997). First, there were no significant differences between the two delivery formats in terms of student learning. Similarly, no significant differences were found in interaction quality and dynamics between the two classes.

This section has discussed some available studies on the effectiveness of both undergraduate and graduate online courses. For a more in-depth discussion of the dimensions and antecedents of effectiveness, Piccoli, Ahmad, and Ives (2001) offer a comprehensive study. Overall, the literature on effectiveness suggests that distance learning, when managed carefully, can at a minimum equal the quantity and quality of face-to-face learning and in some instances may actually enhance learning.

## **Contextual Issues**

## *Goals*

There are a myriad of contextual issues that must be pondered when considering whether or not an online program is feasible. Some of these issues include whether the goals of your MBA program, college and university align with the goals of going online, technology choices, and infrastructure issues.

First and foremost, MBA providers need to consider the strategic objectives that distance learning is intended to accomplish for their organization (Watkins, 2007). According to a study by Samarawickrema and Stacey (2007), some common reasons for going online include: student demand, pedagogy issues, communication improvement, reaching a larger student pool or an international student pool, cutting production and delivery costs, and economic imperatives (to increase student numbers). However, the most frequently cited reason was top-down authority innovation directives. Faculty were often forced to adopt distance learning as a directive passed down from administration in an effort to keep pace with technology innovations. However, given the significant investment in going online, a distance MBA program should not move forward simply to keep pace. There needs to be specific goals for the program that are congruent with the college's specific goals.

Consider a college that currently offers an MBA in International Business. The impetus to go online in this case may be an attempt to reach a more international student pool and/or to have more international instructors teaching the international courses. There is synergy in this example between the program's goals and the college's goals. Similarly, it is important for the online MBA program to be in line with the goals of the university. Universities often have the goal of improving student graduation and retention rates or increasing enrollment which might be compatible with the goals of an online MBA program.

Overall, an online program will have more support and consequently be more successful if it is in alignment with the goals of the college and university in which it resides.

## *Technology*

One important contextual issue that must be taken into consideration is the type of technology that will be used. Since this is potentially a big investment, careful analysis should be conducted before making a commitment. A wide variety of software exists to aid in delivering distance education and more is being developed all the time. Software varies in terms of its level of sophistication and with that variation come differences in the extent to which an individual faculty member could be expected to use it by themselves versus the extent to which faculty support from technology specialists would be required.

At the simple end of the spectrum, distance education may be delivered through PowerPoint and a course management system such as Blackboard™ or WebCT™. When more sophisticated delivery tools such as audio or visual and enhanced interactivity requiring flash are desired however, the need for technology development becomes greater. Some distance education providers take on such challenges internally but to do so requires significant financial support and technical expertise. Chinese Polytechnic University, Hong Kong, for example, has internally developed a wide variety of sophisticated technological deliveries for courses through the e3Learning Project (2006). The project, however, spanned three years, was undertaken at the university-wide level, and was supported by a multi-million dollar grant from the government of Hong Kong.

A wide variety of commercial tools are available. They vary in price and in the variety of features offered. Each tool offers different features such as the ability to create interactive games, customized flashcards, quiz and exam generators, image editors, video editors and interactive whiteboards. The appropriate software tool depends on a number of factors including whether there is available technology support on campus, whether there is up-to-date computer equipment to support the new tool, and whether there are high maintenance costs. All these technology issues need to be assessed prior to committing to a particular software platform.

### *Infrastructure Issues*

A number of infrastructure issues need to be considered when going online, they include availability of instructors, instructor interest, instructor expertise, administrative support, staff support, available funds to pay salary stipends, and available funds for course development costs. These kinds of issues can make or break an online MBA venture. Are instructors currently over-extended? Are faculty members interested in teaching online courses? If not, are there other sources of knowledgeable instructors? One important thing to remember with online MBA classes is that they can be taught from anywhere in the world so institutions are not limited to instructors in their own geographic region. Another consideration is whether the current university structure allows online teaching to count as part of an instructor's regular course load or whether it is considered an overload class.

Aside from instructor-related issues, a program needs to have wide-spread support (Groen, Tworek, & Soos-Gonczol, 2008) from administration, not only at the college level but also from the university. This provides the foundation, direction, and scaffold structure for the program. Questions to consider are: is there flexibility in the university policy for determining how the class is delivered? Does the current university policy allow for online courses and if not, is the university senate and other governing bodies willing to make changes to the policy? Is there a widely held belief that online courses are an important addition to university life or are they seen as second-class citizens? Is there a willingness to invest time and money to online endeavors? Is the university willing to provide library support or technology support for this program? Similarly, an online program needs to have substantial support from staff members. In other words, are there staff members available to support such an endeavor and are they technologically savvy? If not, are there funds available to hire additional employees?

Ultimately, one of the most important infrastructure issues is whether there are sufficient funds to start such a program. There are significant costs associated with starting an online program. Funds for starting an online program can be generated from a number of different avenues to include state, federal and private grants, foundation grants, university fundraising efforts, loans, and so on. Overall, these kinds of contextual issues need to be carefully thought through before making the decision to go online.

### **Cost and Benefit Analysis**

Consideration of the contextual issues discussed in the previous section is likely to raise the question, "what is this going to cost and will the benefits outweigh those costs?"

Undoubtedly, the costs of developing fully online courses and programs are significant. Whether the benefits realized from the efforts outweigh these costs is ultimately a program-by-program decision.

Although studies in the literature differ on cost dimensions and taxonomy schemes, they are in general agreement as to the list of significant cost items incurred in distance learning. Table 1 summarizes the main cost items a typical MBA program would incur with a distance learning program (Morgan, 2000). One key decision is whether course development would be done in-house or outsourced.

Table 1

*General Distance Learning Cost Items*

<b>COST CATEGORY</b>	<b>COMMENTS</b>
<b>DEVELOPMENTAL COSTS</b>	
Content creation & content update	<b>Options:</b> stipend per course, release time, or part of teaching load
Course Development	<b>Options:</b> stipend per course, release time, or part of teaching load
Instructional Design & Tech Support	Estimated: 42 Hours
Faculty Training	Estimated: 10 Hours
<b>STAFFING COSTS</b>	
Faculty Pay	Part of regular course load or overload
Graduate Assistant or Teaching Assistant Pay	# of G.A./T.A.s per course depends on # of students enrolled in course (Recommended student/instructor ratio is 25:1)
Help Desk/Student Support Pay	Estimated: 15 Hours (Morgan, 2000)
<b>TECHNOLOGY &amp; INFRASTRUCTURE COSTS</b>	Includes server and server administration costs, backup costs, and data communication costs

Morgan, B., (2000) Is Distance Learning Worth It? Helping to Determine the Costs of Online Courses. Working Paper, Marshall University. Available: <http://www.Marshall.edu/distance/distancelearning.pdf>.

In considering the cost structure of distance learning courses (either hybrid or fully online), course development, both initial and recurring, should be expected to be the most significant cost item. Development costs include direct compensation or release time to faculty involved in taking an existing core course online. In addition to the first time development cost, courses need to be updated on a regular basis and, hence, an additional “renewal” cost is incurred.

Class size may become a factor influencing costs of online courses. According to Dibiasi and Rademacher (2005), an increase in class size necessitates an increase in the course-related workload of the faculty member. In general, they found that an increase in class size by a factor of 2.7 (18 to 49 students) translated to an increase in workload by a factor of about 2.5 (from 47.5 hours to 116.7 hours). However, this could be offset by delegating the grading of individual assignments to graduate teaching assistants. These results are in line

with evidence provided by Kingma and Keefe (2006) who found that student satisfaction is maximized at a class size of 23 – 25 for a fully online course having a significant amount of online interactivity and communication (i.e., class participation or discussion). Because courses larger than this need adequate graduate or student assistant support at a ratio of 25:1, additional staffing costs may result.

### **Hypothetical Example: Expected Revenue and Cost of 30-unit Program**

The following is a scenario-based analysis that compares financial cost and revenue based on input from an outside vendor for a fully online program. It compares total cost and total revenue based on 25 students completing 30 credits. Due to inherent uncertainties, several assumptions had to be made and are listed in Table 2.

Table 2

#### *List of Assumptions for Hypothetical Example*

1. Number of online courses to be offered: (Assumption that all course content is developed in-house by faculty)	10 classes (30 credits)
2. Number of registered students in each class: (Total credit hours for 10 classes = 25*30 = 750 credit hours)	25 students
3. Total cost for new development/course:	\$26,500-29,000/course
a. Faculty stipend for content development per course	\$10,000/course
b. Technical development & infrastructure cost (outsourced)	\$16,500-19,000/course
4. Type of instructor payment for delivery:	\$10,000/course (SPC)
Options:	
-- Stipend per course (SPC)	
-- Stipend per student enrolled (SPS)	
5. Course re-offering or re-deployment cost (for the 2nd and subsequent times a course is taught) Redeployment activities include cloning of the previous course, population of class rosters, grade books and listservs, cleaning out and reactivation of discussion boards, addition of new or changing instructional staff, updating of dates, links, etc.	\$3,200
6. Total cost for updating multimedia, activities, or curriculum (for the 2nd and subsequent times a course is taught)	\$30,000
7. Tuition rate per unit	\$515
8. Charging students a technology fee for online courses?	No

The creation of course content, technical development and infrastructure costs, stipends for teaching, and faculty development (including training) are expected to be the most significant items for starting an online MBA program. Similarly, there are also costs associated with re-offering courses such as updating multimedia, updating links, cleaning out grade books, etc.

The analysis indicates significant start-up cost for the first group of students (Table 3), which results in financial loss with an initial group of 25 students. That loss, however, is more than offset from the second and subsequent groups (Table 4).

Table 3

*Cost/Benefit Analysis: First MBA Group*

Total stipend for content development (10 courses):	\$10,000 * 10 = \$100,000
Total stipend for delivery of course (10 courses):	\$10,000 * 10 = \$100,000
Total cost from outside vendor for:	
Administrative overhead	
Help desk support	
Server Cost	
Server Administration	
Backup Cost	
Data Communication Charges	
Software Cost	\$19,000 * 10 = \$190,000
Total Cost for DL MBA with 25 students	\$390,000
Total Tuition Revenue: \$515 * 750 credit hours	\$386,000
Overheads (35% of total revenue)	\$135,000
Balance	- \$139,000

Table 4

*Cost/Benefit Analysis: Second and Subsequent Groups*

Total cost for updating of multimedia, activities, or curriculum	\$30,000
Total stipend for teaching (10 courses):	\$10,000 * 10 = \$100,000
Total cost from outside vendor for:	
Administrative overhead	
Help desk support	
Server Cost	
Server Administration	
Backup Cost	
Data Communication Charges	
Software Cost	\$3,200 * 10 = \$32,000
Other re-deployment or re-offering costs	
Total Cost for DL MBA with 25 students	\$162,000
Total Tuition Revenue: \$515 * 750 credit hours	\$386,000
Overheads (35% of total revenue)	\$135,000
Balance	+\$89,000

Financial gain is only one possible desired outcome derived from having an online MBA program; however, even programs that do not cite financial gain as a desired outcome will most likely feel the need to have the program at least cover its cost if it is to remain as an ongoing effort. Other gains, beyond financial, should be determined based on your goals for initiating the program. Assessment of the program should be ongoing (at least annually) and the evaluation criteria should be based on the stated goals for starting the program.

**The Online Readiness Scorecard**

Following analysis of the myriad of issues and factors discussed in this article, a decision

regarding entry into the online MBA arena can be considered. In an effort to help faculty and administrators make this decision, an online readiness scorecard is presented in Table 5. This scorecard is patterned after the scorecards created by learning centers including Oregon Network for Education and Center for Independent Learning (see footnote 1) that are used for assessing students' readiness to enroll in an online course. The scorecard found in Table 5 helps faculty members and administrators assess a program's readiness to go online.

Table 5

Online Readiness Scorecard

<b>Instructions: Please circle yes or no to the following questions in order to determine your program's readiness to provide an online MBA program. Answer according to your current situation.</b>	
<b>Goals</b>	
1. Are the goals of your online MBA program congruent with the college's goals?	<b>YES NO</b>
2. Are the goals of your online MBA program congruent with the university's goals?	<b>YES NO</b>
<b>Technology</b>	
3. Is there in-house technology support or the ability to contract technology support from outside vendors?	<b>YES NO</b>
4. Do you have updated hardware (e.g., computers, laptops) that can support an online program?	<b>YES NO</b>
5. Are there sufficient funds to purchase needed software or hardware?	<b>YES NO</b>
<b>Infrastructure Issues</b>	
6. Are there sufficient interested faculty available to teach in an online program as either part of their regular course load or in an overload capacity?	<b>YES NO</b>
7. Are there faculty in other institutions that would be willing to teach in this program?	<b>YES NO</b>
8. Are faculty willing to put in the time and effort required to learn a new delivery method?	<b>YES NO</b>
9. Are there sufficient funds to provide faculty and graduate assistants with training?	<b>YES NO</b>
10. Is there strong administrative support for offering an online MBA program?	<b>YES NO</b>
11. Is there sufficient staff support for implementing an online MBA program?	<b>YES NO</b>
12. Are there sufficient funds available or the ability to obtain funds to support initial start-up costs (to include course development, administrative overhead, marketing expenses, etc.)	<b>YES NO</b>
<b>Scoring Guide:</b>	

- **Answered YES to 10 or more of the above questions:** your program seems poised to go online.
- **Answered YES to 8-9 of the above questions:** proceed with implementing an online program but with caution.
- **Answered YES to 7 or fewer of the above questions:** this is probably not the ideal time to implement an online program. It is best to wait for a more opportune time or when additional resources are available.

There are 12 yes/no questions used to assess readiness. The questions address the areas that are critical in achieving a successful online experience. Financial resources are one of the most important issues since the absence of such funds can render further consideration irrelevant. Hence, three items on funding issues are included in the scorecard. The scorecard is a self-assessment that is based on answering each question carefully after due consideration. The scoring guide is modeled after the student scorecards in that the decision to go forward with an online program is supported only if the assessment yields a score that is similar to a passing grade.

## **Conclusions**

The decision to develop an online MBA program should be the result of a thoughtful process based on careful consideration of a number of important factors rather than a hasty call to action emanating out of a sense of urgency in a competitive marketplace. When the decision is made in haste or to “jump on the bandwagon” rather than because it is the right decision for a given institution at a given point in time, it is likely to be an unwise move.

While the literature does support that distance education developed and implemented carefully and thoughtfully can provide highly effective learning, whether it is the right move for a particular program is subject to a number of key contextual issues. First and foremost, a distance education format must be consistent with the goals and learning outcomes previously identified for the institution at all relevant levels including university and college. Further, because distance learning programs require significant amounts of support in order to thrive, the presence of that support is a key factor in making a decision regarding whether to proceed. Support is needed not only in terms of money (although that is critical) but also in terms of technology, the administration, and staff. Finally, an institution considering the move to an online MBA must also look to its faculty. Are faculty members excited about the opportunity to explore and develop a new and different delivery mode or are they skeptical and reluctant to embrace approaches that see as outside their comfort zone? Without clear faculty support even strong financial backing is unlikely to produce a successful program.

The considerations raised in this article and summarized above must ultimately be viewed in light of a cost and benefit analysis by the institution. It is important to keep in mind, however that benefits are not all going to be concrete. While most institutions are not in a position to lose money, benefits beyond revenues such as contribution to the school’s strategic mission can be key. Likewise, while financial costs loom large in any cost/benefit consideration, non-monetary costs such as lowered faculty morale if they feel they were not sufficiently consulted must be considered.

Successfully navigating the myriad of considerations involved in developing an online MBA program takes time. Obtaining faculty buy-in can be a lengthy process – a full

academic year to accomplish this task alone is not unusual. Often these programs require formal curriculum action which can potentially take longer than a single academic year.

Once these hurdles are cleared, program and course development including the technical aspects of the process and faculty training can easily take another year. Hence any institution embarking on an online MBA must recognize that it is unlikely to happen quickly. It is critical to keep in mind, however, that an abortive attempt is worse than a postponed decision or no action at all in that such a move is likely to make future attempts more difficult. Hence, hasty action may actually lengthen the ultimate timeline.

The scorecard offered in this article does not eliminate the need for thorough vetting nor hasten the process. It does, however, offer an aid to consideration of some difficult questions that should clearly be addressed prior to devoting significant time, cost, and effort to program development.

### Footnotes

1. See for example, "scorecards" from the Oregon Network for Education (<http://www.oregonone.org/DEquiz.htm>) and the Center for Independent Learning (<http://www.cod.edu/cil/distancelearn.pdf>), which provide assessments allowing students to evaluate whether they are likely to be good candidates for online learning.
2. For an in-depth discussion of blended learning, please refer to Bonk, C.J. & Graham, C.R. (2006). *The Handbook of Blended Learning: Global perspectives, local designs*. San Francisco: Pfeiffer.
3. The Program in Course Redesign is described in detail at the NCAT website: <http://www.center.rpi.edu/PCR.htm>
4. See Leidner, D. E., & Jarvenpaa, S. L (1995) for a review on difference learning paradigms.

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