In March of 1999, the North Central Association’s (NCA) Commission on Institutions of Higher Learning, one of the six regional accrediting commissions, accredited the first completely virtual online university, Jones International University (JIU). The accreditation was widely publicized as part of the school’s marketing strategy. Within weeks of the accreditation and the surrounding media buzz, the American Association of University Professors questioned the NCA’s decision to accredit the university. Other organizations representing faculty also expressed disappointment in the decision, even questioning the legitimacy of the NCA’s accreditation process. The NCA argued that the accreditation of JIU broke relatively little new ground; rather the decision served as a flashpoint for faculty at traditional universities to express concern about the increase use of “virtual” tools, including online distance learning and computer-based course management systems.

An overview of the Kenan Institute for Ethics’s Institutions in Crisis framework, in which this case was created to illustrate, accompanies these teaching notes.
Target Audience

Courses in:
- Higher Education Administration
- Organizational Behavior
- Public Policy
- Organizational Studies

Learning Objectives

1. Identify structural contributors to a diffuse crisis in higher education.
2. Apply concepts of social contract, identification, accountability, and mission to the case to deepen understanding of higher education dynamics.

Case Brief

In March of 1999, the North Central Association’s (NCA) Commission on Institutions of Higher Learning, one of the six regional accrediting commissions, accredited the first completely virtual online university, Jones International University (JIU). The accreditation was widely publicized as part of the school’s marketing strategy. Within weeks of the accreditation and the surrounding media buzz, the American Association of University Professors questioned the NCA’s decision to accredit the university. Other organizations representing faculty also expressed disappointment in the decision, even questioning the legitimacy of the NCA’s accreditation process. The NCA argued that the accreditation of JIU broke relatively little new ground; rather the decision served as a flashpoint for faculty at traditional universities to express concern about the increase use of “virtual” tools, including online distance learning and computer-based course management systems.

Suggestions for Discussion Questions and Possible Responses

1) Based on the remarks exchanged between James Perley and Steven Crow, do you think that the accreditation of Jones itself was a radical departure from previous accreditations? Or do you think JIU’s accreditation created an opportunity for faculty at traditional universities to publicly articulate concerns about online education? What in the letters leads you to your position?

Yes, the JIU accreditation was a significant departure. Even though National Technological University offered degrees via satellite education and traditional universities were offering some courses online for credit, an entirely online, internet-based university was a new innovation in higher education.

Follow-up Question: Does JIU’s size make the accreditation less significant? Or do you view the accreditation as significant because of its symbolic nature?

In reality, very few students were going to graduate with degrees from JIU. But the event took on a larger symbolic proportion in the eyes of many faculty who saw the growth of on-line education at their traditional institutions and were reacting generally to the move toward digitizing information.
No, the accreditation of JIU served as a flashpoint for relaying other concerns. For example, in Perley’s March 1999 letter to Crow, he wrote that the accreditation “embodies most of our major worries about the denigration of quality that could follow this apparently inexorable march toward on-line education.” In his second letter to Crow from July of 1999, he acknowledges that online courses may have many benefits, but his focus shifts to them being delivered by a traditional university with brick-and-mortar resources such as libraries. So Perley’s concern seems to become more refined over time: At first, it is seems largely about online education and later it becomes more focused on completely online institutions.

2) *How do you characterize the ethos of the free market? What about that of higher education? Do you think the influences and ethos of the market inherently conflict with the ethos of traditional higher education? Do you find that claim from faculty persuasive?*

The market’s ethos might most popularly be characterized as “profit-seeking.” The goal of maximizing profit informs its behavior and values. The ethos of higher education is a bit more difficult to articulate broadly because there are so many differing views of how to define higher education. We are able to make two broad sketches of different ethoi in higher education based on the case. While both have to do with transferring knowledge, one form has a particular focus of preparing students to succeed in a job (p. 11). The other has to do with preparing students for a variety of different tasks, which may or may not be job-related, that require critical thinking and with more broadly expanding what we know about the world.

It isn’t evident from the arguments put forward in the case that the market’s ethos necessarily conflicts with that of higher education. Some faculty believed that the profit motive may lead to conflict with upholding standards of educational quality (p. 17), but others argued that depending on how the organization positions itself in the market, the profit motive might enhance education quality.

Perhaps it is also too simple to assume there is only one higher education ethos. Even in traditional higher education organizations, some members are concerned about what may be popularly referred to as “profit,” for example, staff in development offices, those charged with growing the endowment, or those seeking government grants for research work.

3) *Was this an organizational crisis for the NCA?*

The public controversy that swirled around the accreditation for JIU did lead to a crisis for the NCA. Soon after they convened a panel to evaluate and revise their accreditation procedures. (p. 20)

The accreditation of JIU didn’t seem to be a crisis for any of the organizations involved. The NCA received some negative publicity, and there were concerns about its future credibility, but other universities accredited by the NCA didn’t leave to seek alternative accreditation or demand separate processes for traditional universities compared to online universities.

How to accredit and ensure the quality of online education seems to be an ongoing debate in higher education that calls into question larger issues about the role of accreditation agencies in relation to government agencies (both the U.S. Department of Education and, perhaps more importantly, legislators) and universities.
4) How would you describe the social contract and accountability for the regional accreditation agencies?

The NCA’s social contract is about ensuring the quality of higher education institutions in its region. It has a relatively public face interacting with the U.S. Department of Education regularly, but receives its funding from dues collected by the institutions that it accredited. The NCA also partners with foundations to test innovative approaches to increasing quality standards among higher education institutions.

There is no clear organization to which the NCA is accountable. It is possible, but very unlikely, that if its credibility was damaged enough, the U.S. Department of Education could stop recognizing it as a valid accrediting agency. Similarly, the higher education institutions that are accredited by and that fund the NCA have an imbalanced relationship, with the NCA being the arbiter of their accreditation status.

Follow-up Question: How does this loose accountability structure and relatively informal social contract inform the crisis that surrounded JIU’s accreditation?

There was no swift resolution to the NCA’s crisis. The crisis was very diffuse in nature and called into question the mission and purpose of higher education, which no single agency or organization can decide and decree. There also doesn’t seem to be a single mechanism through which various constituencies in higher education can gain consensus.

5) Had JIU not promoted and marketed its accreditation, would the crisis have emerged?

The publicity surrounding JIU’s accreditation may have led to a weak organizational crisis for the NCA, but the underlying issues surrounding the NCA’s decision (the role of faculty, the tension between varying goals of post-secondary education institutions, defining and upholding standards for organizational legitimacy) would have remained simmering. Perhaps ironically the negative publicity surrounding JIU led the NCA to revise its standards in order to take into account, and then more easily legitimize, online education.

Additional Reading and References


Overview of Institutions in Crisis Framework

In response to a series of notable public scandals – accounting fraud at Enron, plagiarism at The New York Times, torture at Abu Ghraib, sexual abuse in the Catholic Church, and steroid use in baseball – the Kenan Institute for Ethics organized an interdisciplinary group of two dozen faculty and graduate students from across Duke University and the United States to examine ethical crisis and change. Based on interdisciplinary scholarship, we have developed a set of hypotheses about what makes institutions more susceptible to crisis and amenable to redress. We’ve identified five key attributes of institutional ethos: accountability, organizational structure, social contract, identity, and mission.

Accountability refers to how explicitly or implicitly expectations are communicated and enforced within an institution’s hierarchy. Militaries with their strict, clearly defined chains of command have explicit accountability regimes while universities, which foster considerable organizational autonomy among professional spheres, tend toward more implicit accountability regimes.

Organizational Structure ranges from hierarchical to horizontal. The Catholic Church, for example, is a hierarchical organization, while Islam often assumes a more horizontal or network form. Dissent – political or ideological – is more routine in network forms and may help diffuse crises before they reach a critical stage. In contrast, a crisis anywhere in a hierarchical organization represents a more systemic crisis. Hierarchical organizations, like organizations with explicit accountability regimes are, however, more amenable to speedy intervention following a crisis.

Social Contract refers to the formal or informal relationship an institution has with its stakeholders. Military and business institutions, for instance, have formal social contracts with their stakeholders while higher education institutions have more informal social contracts with their stakeholders. Ethical crises – understood in part as violations of the social contract – are more readily observed in military and business institutions, and there are formal (if difficult to negotiate) channels for efforts to address such violations. In higher education, the social contract is loosely held amongst a variety of constituencies – students, faculty, parents, alumni, government regulators, civil society – which makes swift identification and remediation of an ethical crisis more difficult.

Identity refers to an affective sense of belonging that institutions generate and perpetuate. Identity can be a more or less salient component of institutional culture and can span the spectrum from strong to weak. Business organizations typically have weaker affective identities than religious organizations. Islamic institutions in the United States, for example, represent a strong sense of communal belonging that is coupled with a decentralized and diffused organizational structure. This combination of strong identity and weak structure has enabled Islamic institutions to respond well to the tensions and strains of a post-9/11 America.

Mission refers to the implicit and diffuse or explicit and detailed statement of being and purpose. What does an institution actually say it does? Business organizations tend to have explicit and detailed mission statements and deviations from the mission are more quickly observed and addressed. Higher education institutions, by contrast, tend to have implicit and diffuse mission statements such that while crises may arise less frequently they may also be far more difficult to confront and remediate.

While moments of ethical crises offer opportunities for reflection, there is little consensus about the best strategies to create effective change in these moments. Indeed, organizations often do the very things that we know don’t work in moments of crisis. So, how do institutions learn to prepare for, respond to, or recover from ethical crises? Our cases seek to answer this question by illuminating how structural conditions make institutions both more or less susceptible to ethical crisis and more or less able to respond once an ethical crisis occurs.