

# The Future of Distance Learning in Management Development

Sir John Daniel

Distance learning will have an increasing role in management development. To illustrate this basic message I shall begin with some general observations about management development based on my own experience. Second, I shall comment on the success of the Open University (OU), whose evolution over 20 years suggests that distance learning has a rosy future. Third, I shall describe how the OU's Open Business School has demonstrated the advantages of distance learning in management development. Finally, I shall note some trends and speculate about the future.

## **Professional Development: One Person's Experience**

I am not a specialist in management education. I am a simple university manager in his third career. My earlier careers were as a metallurgist and then as an educational technologist. I am already preparing in a tentative way for a possible fourth career.

The first lesson I have learned is that the professional or management development that I have done while

working has been more significant to my career than my initial higher education. I am proud of my initial full-time schooling but it is my subsequent education and training that has determined the course of my career.

---

*“We British are  
too complacent  
that our  
first degrees have  
prepared us  
for life”*

---

How sad it is, therefore, that there is still little or no manager training in 32 per cent of UK organizations, including some of the largest. We British are too complacent that our first

degrees have prepared us for life. You can summarize the UK's skills problem by observing that our ordinary people are badly under-educated and our extraordinary people, those with a good initial education, are sorely undertrained. The second conclusion I have reached is that you need variety in management and professional training, both in subjects and methods. Let me illustrate with the highlights of my own experience.

I began my career teaching metallurgical engineering at the University of Montreal. Thinking that I needed to know more about education I took evening courses for about five years in a Master's programme in educational technology. The programme included a three-month internship which I did at the Open University because in 1972 the OU was viewed as the world's most exciting project in educational technology. That internship was a conversion experience and I spent the next seven years as an educational technologist helping to get open universities going in Quebec and Alberta. I began distance learning as a student when I enrolled in courses at

the two open universities where I worked – initially just to check that we were serving our students properly. I found the courses both effective and fun. So in the 1980s I embarked on another five years of part-time study, this time for an associate degree in theology by correspondence. The purpose was training for my voluntary work as a lay reader in the Church.

However, the most considerable investment in my professional development, from both my own and the taxpayer's points of view, was a ten-month full-time course in national and global affairs at the Canadian National Defence College in 1989-90. I started the course as president of Laurentian University in Ontario, not knowing that I would be coming to head up the Open University at the end of the year. It proved to be a brilliant preparation for the change. The course took us to 24 countries all over the world in the year that the Berlin Wall came down. I came to my new job thinking globally and ready to act locally.

The point of this summary of my own professional and management development is to warn against thinking of the future of management development and training in a unidimensional way. Good professional development is varied professional development. Over the years I have done a diversity of courses, sometimes simultaneously, with multiple goals in mind. And I have not mentioned all the private reading, the short courses and the conferences that keep us intellectually on the ball and furnish a steady diet of new ideas. Therefore I shall not argue that the future of management development lies in a narrow commitment to distance learning. We must encourage a thousand flowers to bloom and let the market do the harvesting.

But I do argue that distance learning will increasingly supply the baseload of management development, the spinal cord of lifelong training, for most people. Other courses and experiences, taught in a variety of other ways, will be the ribs off this spine. My belief in the future importance of distance learning is derived both from being a distance learner and from having observed the growth of distance learning around the globe in the last 20 years.

## The Open University

This growth is well exemplified by the Open University and it is useful to assess the impact of that institution before addressing directly the provision of management development by distance learning. Having been outside the country for most of the period of the Open University's development I believe that I can bring some objectivity to my assessment that the OU was not only the world pioneer of large-scale, multi-media distance education, but has retained that leadership. However, a prophet is without honour in his own country. In the UK the Open University has been a story of rags to riches.

---

*“We must  
encourage a  
thousand flowers  
to bloom and let  
the market do  
the harvesting”*

---

Britain's educational establishment was at best sceptical and at worst downright hostile when the OU was set up in 1969. “Blithering nonsense” and “an open university is an oxymoron” were two of the epithets that the pundits thundered at it. For 20 years the OU grew and prospered outside the conventional network of universities because it was funded directly by the Government. Although it became well known to the general public the academic community regarded it as something very worthy but not part of their patch.

Meanwhile, in the polytechnics in particular, many of the ideas that the OU had pioneered in the UK, such as a credit system, modular programmes, part-time study, even distance education, began to be adopted more generally. However, many people in other universities were still surprised to find what the OU had become when it

was integrated into the unified higher education system in the 1992 reforms. Those reforms created a national system, with common funding methodologies, for three previously separate systems: the universities (now known as the “old” universities); the polytechnics, (now known as the “new” universities); and three “royal peculiars” funded directly by government, the Open University, the Royal College of Art and the Cranfield Institute of Technology.

People were surprised that the OU, an odd creation of the 1960s, had now become the UK's biggest university in terms both of student numbers and of public funding from the funding councils. Of the 11 academic subject categories now recognized by the funding councils the OU has the largest student numbers in all but three. Large numbers mean economies of scale. At a time when the public funds available for higher education cannot keep pace with the demand from students the cost-effectiveness of distance learning is an important asset.

A welcome feature of the unified higher education system is that for the first time comparable data is available for all institutions. One can compare, for instance, the public funding for full-time equivalent places in the OU, by subject, to the average for all other institutions. Such an analysis shows that for business studies the cost to the taxpayer of a full-time equivalent place at the OU is about two-thirds of the average in the rest of the system. Much management development is not, of course, funded by the taxpayer at all. I simply want to make the point that the cost structures of distance learning give a cost advantage if operations are carried out on a reasonable scale.

In distance learning big is indeed beautiful because it gives economies of scale. The real key to the success of distance learning at the Open University, however, is that the university is both very big and very small. From the student's point of view the OU is a small organization. With study centres all over the country and a local, personal tutor for each course, the student gets an individual service. The largest gathering of students an OU student will ever see is less than 500 – at the final graduation ceremony. The small-scale nature of the teaching activities makes for learning effectiveness.

## The Open Business School

This brings me to management development and the activities of the Open Business School (OBS). The OBS offers a three-tier programme structure of Certificate, Diploma and MBA. Numbers have grown steadily since the OBS opened in 1983, with cumulative course registration of over 100,000 to date. Some 3,000 certificates and 1,500 diplomas have been awarded.

Growth in the MBA has been even steeper although the OBS has felt the effects of the recession like other business schools. Eight hundred MBAs have been awarded to date and there will be another 1,000 graduating this year so that in 1993 the OU will produce 20 per cent of all UK MBAs. The OBS also has some 2,000 students elsewhere in the European Community studying its courses in English. Finally, there are over 6,000 students in Central and Eastern Europe studying management in local languages: Hungarian, Slovak and Russian.

There are four key characteristics of the OBS approach:

- (1) high quality materials;
- (2) local support all over Europe;
- (3) no academic prerequisites: students can start on the certificate and progress through to the MBA;
- (4) strong central organization and quality control: the OU invests great effort to ensure that the standards are the same everywhere and in every language used.

The programme is a three-tier integrated system starting with the Certificate (see Figure 1). This first step involves about 440 hours of work. Seventy per cent of Certificate students are sponsored by their employers and about one-third are women. Students come from a wide variety of organizations. The Diploma, which is the second tier, is also about 440 hours of work (see Figure 2). This is aimed at middle managers and employer sponsorship is again close to 70 per cent. The Certificate and Diploma can lead, for those who choose that route, to the MBA. Students can, of course, go straight into the MBA if they hold a degree and are over 27. This course is for experienced managers with the potential and the desire to become senior managers. The MBA

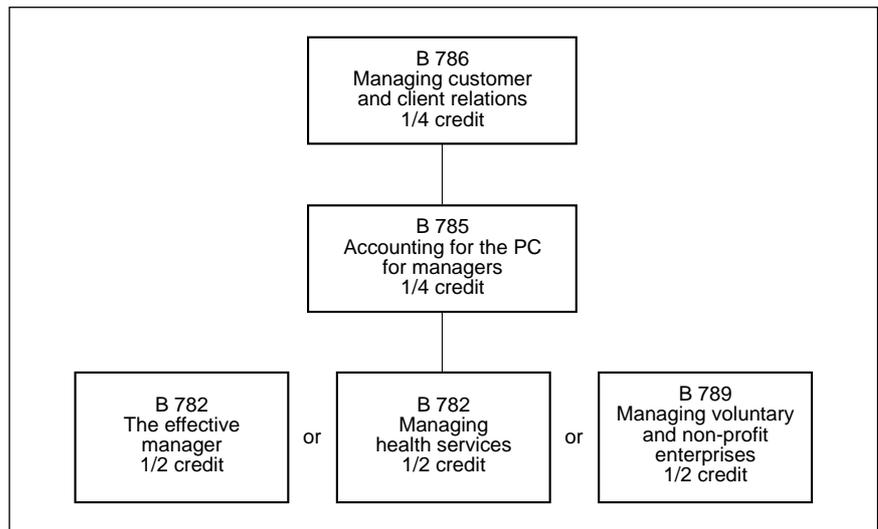


Figure 1. Professional Certificate in Management

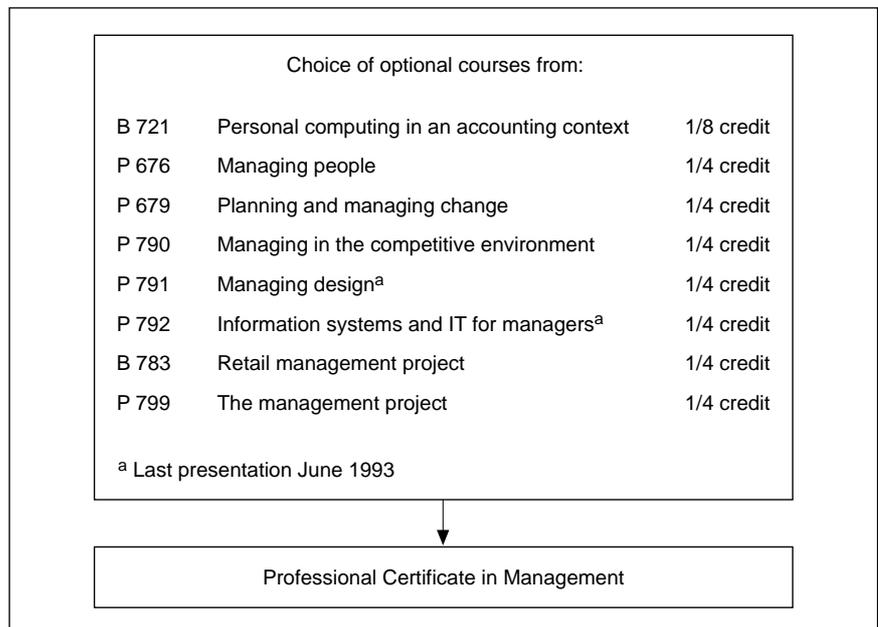


Figure 2. Professional Diploma in Management

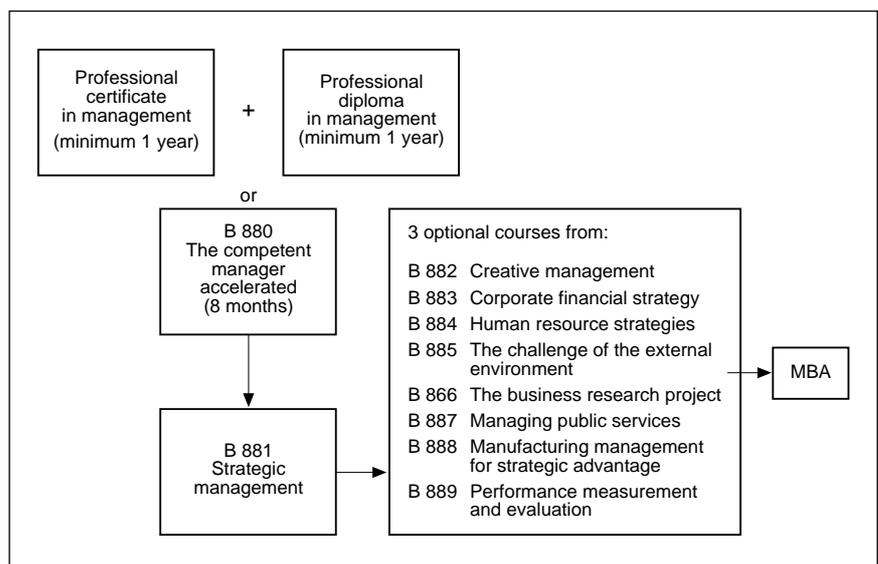


Figure 3. The MBA Structure

programme takes about 1,000 hours. Fifty-five per cent of the students receive sponsorship and 20 per cent are female. About a third are from the public sector (see Figure 3).

Distance learning as practised by the Open Business School therefore offers a number of advantages which are important for the future. First, use of time is flexible. Students must motivate themselves to find the hours but the place, time and pace of study is for them to choose. Most importantly, they can fit study around the demands of their work.

Second, the OBS is very proud of its course materials. The physical production of materials is becoming easier with desk-top publishing, lightweight videos and the like. But what makes the difference is the brainpower, the expertise, the developmental testing and the quality control. It works. It's effective.

Also vital and effective is the third asset, student support. The OU invests a lot of money in training its tutors and counsellors. Indeed, the OU's professional development programme for tutorial and counselling staff is by far the largest professional development programme in UK higher education. It also organizes student support in partnership with employers.

Services are available throughout the European Union organized from our 13 regional centres in the UK. In recent years the OBS has greatly strengthened its corporate customer service. This means a single point of contact and a personal account manager for individual corporate clients. There are also local country co-ordinators so that the OU can answer the needs of businesses across Europe, and a team of management development advisers. The organization across Europe is such that students can continue studying without a break if they are transferred to another country.

I gave figures earlier for the comparative costs of the OU generally. Coopers and Lybrand[1] have studied the use of distance learning for company training and found that it has a 40 per cent cost advantage over conventional forms. Even more importantly, training was found to be more effective because it was carried out while the manager was working and could therefore be applied

immediately. In this context I was interested to read some months ago that a well-known business school in the south of England is proposing to send its MBA students into industry for as long as two weeks to get work experience. The message is getting across.

---

*“There is  
a healthy  
degree of  
competition  
between business  
schools”*

---

Distance learning has, not surprisingly, won high employer recognition. Over 8,000 businesses sponsor students on OU distance learning courses and they continued coming back during the recession. The growth of distance learning has happened very fast, especially at the MBA level. I presented the first of the OU's MBA graduates with her degree only in 1992 and already by 1993 the OU accounted for one in five of UK MBAs. Those who compare and contrast MBAs around the world cannot be expected to evaluate a new programme until it has actually produced some graduates. They must now come to terms with this phenomenon.

Fortunately, the quality and impact of distance learning is relatively easy to assess, as its other name “open learning” implies. The whole system is more open to evaluation than smaller programmes on campus. If you are the Open University there is nowhere to hide! I think that is fine because it helps the market to operate. There is now a healthy degree of competition between business schools so the market can decide between distance learning and other modes and between different suppliers of distance learning. We are

very happy to be judged on the quality of our graduates.

There is, of course, a large market to service. Surveys of business and industry commonly show there is still no manager training in one-third of UK enterprises. It also reports that training using an individual's own time is highly valued and that open learning is more highly valued than other forms. Charles Handy[2] says that the Japanese explain their success by their combination of on-the-job training and what they call “self-enlightenment”, which I would translate as open learning.

### **The Future**

Looking to the future I expect that developments in home entertainment technology will strengthen the comparative advantage of distance learning. Guessing what electronic wizardry the market will place in people's homes in ten years time – and being prepared to take advantage of it – is an important challenge for the OU.

From my own experience as a student I think people will still want to have some part of their course materials that they can drop on their toes. But it will be nice not to have to get the letter-box enlarged! You can get plenty of multi-media course material on a CD-ROM; indeed you can have it delivered down the wire. Our students already communicate with each other and their tutors using modems from home.

Thanks to desktop publishing, small video cameras, etc. the physical production of distance learning courses is now much easier although, as I pointed out, there are no short cuts to high-quality content. The bigger obstacle to entry into the distance learning market is to set up the logistics and systems required to support students over a wide area. That obstacle creates the possibility of strategic alliances. Some business schools have specialist courses that deserve to reach a much wider audience. Why should they not, therefore, use well-established student support networks, like those of the OU, as “common carriers” for their distance learning courses? That would increase the choice available to students and be to everyone's benefit. There will always be new needs in the market.

There are, for example, iconoclasts who claim that the traditional MBA, with its emphasis on soft subjects like finance and human resources, is not what high-technology companies need. To respond to what it is claimed they do need the Open University will be offering an MBA (Technology) from its technology faculty in 1994. Another development is that with the growth of award validation and credit rating services, such as the OU Validation Services unit that grew out of the Council for National Academic Awards (CNAA), in-company training can become part of a degree programme.

My final comment is that management development will increasingly become a three-way partnership between suppliers, students

and sponsors. However, students (and probably sponsors) will want the resulting qualifications to have national currency. There are lots of interesting issues for us to grapple with in this one. Therefore I end where I began. Managers require now, and will require in the future, long-term job-related development processes. Distance learning is ideally suited to supply the core of those needs because of its inherent flexibility and its independence of time and space. This core can be enriched by a great variety of other management development experiences. I believe that we are only just beginning to see the complementarity between the Open University and others in the management development business. OU materials can enrich the courses

others teach on campus or within an enterprise. The expertise and materials of other providers could enrich the OU's pan-European delivery system and give working managers a wider range of training opportunities.

#### References

1. Coopers & Lybrand/Open University, *A Report on the Relative Costs of Open Learning*, Coopers & Lybrand, London, 1991, 40pp.
2. Handy, C., Video Presentation to the CBI Conference on open learning, 1991.

---

Sir John Daniel is Vice-Chancellor of the Open University.

---