The MOOCs phenomenon – Massive Open Online Courses – comes with either the threat or promise of disruptive innovation in one of the fundamental pillars of society: higher education. How should business schools deal with this phenomenon?

MOOCs are networked higher education courses delivered on the net to anyone with a thick internet connection, anywhere. The first MOOC was offered in 2008 – and was a result of the convergence of distance (“e-“) learning and the accelerating bandwidth of the internet. The acronym speaks to the promises that MOOCs offer:

- **Massive.** The technology enables thousands of students to enroll and participate at any time in courses about anything taught by talented professors from any institution in the world.
- **Open.** They are open in several respects. Anyone can enroll. Students may pay a symbolic fee to get the formal credit from the host institution, but they do not pay for participation in the course. The material produced by faculty is open and shared openly.
Online. Participants network openly with faculty, among themselves, and with others who are online. Content is always available on the net and can take many forms, like articles, books, videos, tweets and tags.

Courses. MOOCs can cover just about any course taught in a traditional university setting, from humanities to social sciences, to even the hard sciences. Almost no type of course is MOOC ineligible.

The arguments between MOOCs proponents and skeptics are filling newspaper articles, blog posts, tweets and conferences. Will MOOCs fundamentally transform higher education, or is it just hype playing on the emotional appeal of “bringing inexpensive higher education to millions?” No matter what it is, it seems clear that university leaders need to start paying greater attention.

Learnings from Two Conferences: Over the last weeks, I attended two meetings for business school leaders where the MOOCs theme surfaced center stage: the 2014 EFMD Conference for Deans & Directors General in Gothenburg and the 2014 AACSB Deans Conference in San Francisco. These meetings attracted respectively more than 300 and 600 business school leaders from all over the world. During the sessions, I learned about the leading providers of MOOCs:

1. A few Stanford science and engineering professors began offering their courses online and founded the for-profit MOOCs providers Udacity and Coursera.
2. The MOOCs landscape today includes a range of for- and non-profit providers with their own twist, including KhanAcademy, Udemy, and CodeAcademy.
3. MIT and Harvard formed a new approach, the edX consortium, which currently includes many Ivy League quality universities in the world. In July 2013, edX went open-source and shared the software needed to develop MOOCs.
4. In September 2013, Google signed up with edX to create a portal website that will go live in a few months – mooc.org – which they hope will soon become a YouTube for MOOCs. (Google is already a member of the Udacity initiated Open Education Alliance.)

Understanding the debate: At the two gatherings, we heard from both MOOCs proponents and
skeptics. Simon Nelson, CEO of FutureLearn (“Learn anytime, anywhere”), gave a sobering view of the possibilities of MOOCs, reminding us they are a merely an extension of the Open University approach already in place for 40 years. His message: Forget the hype about the end of universities. Higher ed just needs to learn how to augment their content with crowd interaction and great online user-experiences. Some claimed MOOCs have already gone from good to great. Paul Stacey of Creative Common praised one of the first MOOCs, ds106.us for its fundamental social learning, open pedagogy and underlying “constructivism” philosophy of education. His message: don’t let these fundamentals slip.

Coursera co-founder Daphny Koller (“Take the World's Best Courses, On-Line, for Free”) and Ben Nelson, founder of Minerva (“Only the world’s brightest, most motivated students will be invited to attend”) represented the contrast between Massively & Open-oriented vs. Small & Elite-oriented.

Their overall message was that MOOCs will help teaching reclaim prominence in today’s research-biased higher education world.

From the debate, Q&As, and informal talk during these gatherings, it became clear to me that in MOOCs lie both opportunities and threats for all higher education institutions, including business schools. Some will find natural strengths to integrate MOOCs into their strategy, like the renowned universities that have already signed up with big MOOC providers. But others will have faculty members who adamantly oppose MOOCs, and some institutions will assert their territorialism.

We are seeing this already. On 2 May 2013, professors in the philosophy department at San Jose State University, CA wrote a letter to Michael Sandel, a Harvard professor whose MOOC
on Justice they felt infringed on their own curriculum. The letter urged Sandel to “not produce products that will replace professors, dismantle departments, and provide a diminished education for students in public universities.” But one of the commentaries on this letter countermanded, “…we also need to face the fact that professors can be expendable and replaceable, especially when real financial constraints are considered.

That is tough on egos.” Similarly, 58 Harvard professors voiced their frustration that Harvard had become so deeply involved with edX without consulting them. In a letter to the dean they called for a new committee and greater oversight of MOOCs. The dean didn’t comply.

So What’s Next? Personally, I see potential for symbiosis from the interaction of traditional higher education and MOOCs. On one hand, even the skeptics can’t ignore the gross enrolment numbers MOOCs can generate. In January 2014, one of the earliest MOOC providers signed up students at a daily rate of 10,000, totaling some 7 million participants. Skeptics point to low completion rates though, only 4 to 10%. But, even with completion rate of just 7%, the number of Coursera “graduates” equals all students currently enrolled in three Harvard Universities and one MIT combined. Such an achievement calls for celebration, IMO!

I also agree with the criticisms about traditional lectures and often ask faculty why any student should spend time listening to one in an auditorium. Students tell me they rather get an App or go to an online site where they can watch a video of the lecture whenever and wherever they like. They also want to be able to choose the video of a more talented professor—and we are seeing this happen—celebrity professors who are becoming like rockstars.

But questions remain: Will students and employers value a MOOC diploma as much as the one from a “real” university? What is the perceived value of an “accreditation” of a course made by a Nobel Laureate compared to an international accreditation agency? A few days ago 110,000 people had signed up for the first such MOOC, offered by Laureate Robert Schiller, who gained the prize in 2013. Can MOOC providers continue to operate with a viable business model? And who will pay for the professorial time devoted to develop and run MOOCs,
especially in institutions already stretched financially?

What will evolve next is an open question for all of us. If MOOCs represent the tsunami some people claim they are, it is difficult to see how resistance to them will prevail. The next step would at least be for universities to open up to substituting MOOCs for some their own courses in programs delivered on campus. I am sure the MOOCs providers are exploring viable business models that could let this happen, and quality ensured licensing looks like the natural choice.

In my business school, JIBS, I want us to be ready for this possibility. That is why we recently launched a strategic project with a dual purpose: 1) to explore how we could encourage some faculty members to develop MOOCs and learn from this; and 2) how we can integrate others’ MOOCs into our degree programs. At least, we’re taking a first step.