

---

# Higher Education: Still Valuable, But Changing



By Benjamin Kessler , INSEAD Knowledge

## **In an age of university-dropout billionaires and digital lectures, is higher education worth the sacrifice? panellists at the World Economic Forum in Davos weigh in.**

What's a university degree worth? Tackling that question requires weighing the social value of higher education – widely considered a given good – against the market value of the degree. And nowadays, the scales seem wildly off-balance to some. In the United States, critics of conventional academe point to the US\$1 trillion “student loan bubble”, as well as the fact that nearly 300,000 university graduates were toiling for minimum wage last year—70 percent more than a decade ago.

The rising popularity of MOOCs or Massive Open Online Courses has served as further ammunition for higher-education sceptics in the USA and elsewhere. Some argue MOOCs, which make knowledge delivered by star professors available to the entire globe for free, are the antidote to the bureaucracy and elitism driving up university tuition. Many MOOC proponents predict that digital alternatives will force academia to change in order to prove its value in the 21<sup>st</sup> century economy.

The only thing that seems certain at this stage is that higher education faces an uncertain destiny. Case in point: Just days after announcing its first foray into online learning, the World Economic Forum held a [panel discussion](#) entitled “Higher Education – Investment or Waste?” as part of the Open Forum in Davos, Switzerland. One of the panelists, INSEAD Associate Professor of Organisational Behaviour Gianpiero Petriglieri, had already questioned some core pro-MOOC assumptions in an [October 2013 post](#) at Harvard Business Review.

## **Disrupting the “Disrupters”**

Comparing the “disruptive” MOOC revolution to the kind of disruption colonialism brought to many communities and their cultures in the past, Petriglieri wrote, “MOOCs do their fair share to affirm and promulgate broader cultural trends, like the rise of trust in celebrities’ authority, the cult of technology as a surrogate for leadership, and the exchange of digital convenience for personal privacy.”

At the WEF panel, he elaborated on the colonialism comparison. “I am a bit concerned about this optimistic idea of, ‘Let’s go to a country that doesn’t have educational capacity and give them ours.’... This business of exporting culture is one that we’ve tried in other domains. Sometimes it works and sometimes it doesn’t. The question that may help us to distinguish inadvertent colonialism from genuine capacity building is, ‘does online education accelerate the development of a skilled, respected and reasonably paid class of educators in those countries or does it slow it down?’”

Petriglieri said he didn’t view online education as necessarily destructive. Since the current MOOC providers operate in alliance with established universities, the word ‘disruption’ may be used as a euphemism for ‘value capture’ in this case. And yet, he recognised the potential of online education, stressing the need for a “blended model” involving both traditional and online teaching. “Any institution not preparing itself for some sort of blended model is dooming itself to extinction,” he said.

## **Higher Education Goes Digital**

The panellists agreed with Petriglieri that a hybrid of traditional and digital experiences constituted academia’s future. So what might this “blended model” look like? panellist Daphne Koller, a professor of computer science at Stanford University and co-founder of online university course provider

Coursera, hypothesised, “I think the delivery of content is going to be relegated to the online format, [so] people can do it on their own time...interacting with the material rather than just sitting there and taking notes.”

“The part in class is going to be the more cognitively challenging part where you really need a human there who understands what’s going on and can help guide the students through it,” Koller said.

Sean Rush, president and CEO of youth-focused NGO JA Worldwide, emphasised that “there are multiple models, multiple ways of doing things.” After all, he said, “I wouldn’t want to have heart surgery from a doctor who told me, ‘Well, I’ve done this on my Xbox and I’m pretty skilled at this.’ So I think there is something to be said for the rigours of the academy around certain disciplines.”

### **The Bottom Line of Higher Learning**

But what of the contention that higher education is failing to position its graduates to snag the plum jobs that, in many cases, they’ll need to pay off their student loan debt? panellist Ángel Gurria, secretary-general of the Organisation for Economic Co-operation and Development (OECD), acknowledged that “unemployment among youth with diplomas has increased because unemployment has increased generally.” However, Gurria said, “To those of you who have diplomas, I can tell you: The chance of losing your job is much lower than if you don’t have one.”

Petriglieri concurred, “In almost every country you can look at, unemployment of people with higher education is about half the percentage of people without college degrees.”

But as the discussion drew to a close, Petriglieri admonished against setting up a ‘false dichotomy’ in the public debate. He argued that higher education – whether it is delivered online or face-to-face – needs to keep honouring its higher aim, to give graduates both work-related skills and means for self expression: “One of the great things about education, when it works, is that it combines instrumental and humanistic aims. That it helps you get something done and it helps you become the person you want to be...And when we lose that tension, I think we lose something.”

*Gianpiero Petriglieri (@gpetriglieri) is Associate Professor of Organisational Behaviour at INSEAD. He directs the [Management Acceleration](#)*

**Programme**, the school's flagship executive programme for emerging leaders, and the **INSEAD initiative for Learning Innovation and Teaching Excellence**. He is also vice-chair of the World Economic Forum's Global Agenda Council on New Models of Leadership.

**Find article at**

<https://knowledge.insead.edu/economics-finance/higher-education-still-valuable-changing>

---

**About the author(s)**

**Benjamin Kessler** is a research communications and outreach officer at George Mason University School of Business. He was the managing editor of INSEAD Knowledge.