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Why Higher Education Cannot Resist Disruptive Change

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In the digital age, higher education, willingly or unwillingly, will undergo disruptive change. Existing institutions can lead the change or become its victim. If higher education resists, new digital institutions will be established to meet the needs of the time.

This observation isn't a matter of advocacy; rather, it is a conclusion based on the experience of disruptive change in two industries—the silent film industry, transformed by the advent of sound, and the news media, still being reshaped for the digital age. In each case, the major and highest-status companies resisted the change with dramatically different results.

In news media, the powerhouse companies were slow to respond, and the changes they made were small and inadequate. The rapid emergence of the Internet and cable news spawned an array of popular alternatives and replacements such as Yahoo!, CNN, and Huffington Post, as well as many more that failed. Between 1990 and 2012, daily newspaper circulation dropped by more than 30 percent. Perhaps most telling: In 2011 *The Huffington Post* (as an online-only news outlet) sold for \$315 million. Two years later, *The Washington Post* was purchased for \$250 million and *The Boston Globe* was acquired for \$70 million. Adjusting for inflation, the sale price of the two traditional newspapers, combined, was still less than that of *The Huffington Post*.

But what happened in Hollywood was the reverse. The five major studios grew stronger despite eschewing sound for decades. It was 27 years between the first public exhibition of films with sound and the release of the first major Hollywood “talkie,” *The Jazz Singer*. Even then, senior studio executives scoffed: Harry Warner famously asked, in 1927, “Who the hell wants to hear actors talk?” Jesse Lasky, producer and a founder of Paramount, said patronizingly of his wife’s oil painting of trees blowing in the wind, which hung over his desk, “Do you have to hear the wind to appreciate the artist’s intention?”

Almost universally, the new companies that pioneered in sound failed. One of the few anomalies was Warner Brothers, which made *The Jazz Singer*—ironically, Harry Warner’s company. Its success was dependent upon merging with the weakest of the big five as controlling partner.

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How were the major studios able to thrive in the face of a new technology, while the historic leaders in press were largely undone by new technology? The difference is that the studios controlled —film production, talent (actors, writers and directors), film distribution, and exhibition (theater chains). They had a monopoly on all of the elements required to disrupt the industry. In contrast, news media controlled none of these things in the digital age. Anyone could produce content; talent is mobile; distribution occurs via the Internet, and exhibition requires only a mobile device.

This brings us to the future of higher education. Its situation is much the same as that of the news media. Content, often of high quality, can be produced by a multiplicity of knowledge organizations, including libraries, museums, software makers, think tanks, and media companies, among others. Talent (professors and other knowledge workers) are free agents. Distribution can be face to face, online, or a blended version of the two. Exhibition can occur on a campus owned by a college or on a digital device owned by the consumer.

The lesson for higher education is that, unlike the studios that resisted the arrival of sound and perpetuated a previous technology, it cannot cling to an analog history. Institutions can't wait until they are dragged into the digital world. The greater danger is that they will be pushed out as were newspapers.

In the future, higher education will be a blend of brick, click, and brick-and-click institutions. Every college and university—even those that choose to remain primarily brick—must thoughtfully and comprehensively plan its place on that continuum. Too often the response has been frantic: try this, try a little of that, adopt the flavor du jour. At a recent meeting of liberal arts college board chairs, the first question asked was, “Should we offer MOOCs?” This is a shortsighted question in the face of a shift that demands a broader and longer view.

It's critical that states and their institutions of higher education take this longer view, and make strategic choices now. The future depends upon it.

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