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Proposal for Online People-Centered Management Executive Education: A Case Study at ESAN University in Peru

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Introduction

This chapter discusses the development of the online program designed to offer executive education (EE) courses in a market confronting increasing demand and limited supply in Peru. The target is to offer programs with the same characteristics and rigor of in-class graduate level courses but using an online education platform to reach learners with a new profile as executives seeking courses that allow them to deploy knowledge fast and effectively to match increasing demands imposed by conducting global business.

On the internal, supply side dimension, the analysis assesses the cultural change process in and around the new office while the program is developed and implemented observing its impact on other academic and administrative areas. On the external dimension, it evaluates the need to create this online program at ESAN after collecting evidence of business and organization executives with new needs and demands willing to pay more for an executive online program than an in-class equivalent alternative. In this case, ESAN considers the effectiveness of online instructors a crucial element to construct a people-centered innovative online program proposal that can effectively match emerging demand among executives with new online executive program supply.

The Graduate School of Business at ESAN University

The Graduate School of Business at ESAN University was the first business school in Latin America to offer exclusively graduate degree programs and the first in Peru to offer a full-time MBA. ESAN University was chartered on July 25, 1963, through an agreement between the governments of Peru and

the US and the school's organization and launching was overseen by the Graduate School of Business of Stanford University in California.

In the sixties, there were deep changes in Peru, political, social, and economic. "It was a favorable context to formulate new ideas and alternatives to improve the Peruvian society. This gave rise to the proposal to create the School of Graduate Business Administration (ESAN is its acronym in Spanish). Respected and bold Peruvian entrepreneurs gathered from the Peruvian Institute of Business Administration (IPAE Spanish acronym) drove this project based on awareness of the need to address problems the country was facing but with a different vision, among others – it was the urgency to train professionals specialized in administration to undertake a sound strategy for the development of Peru in several areas: trade, banking, industries, and public affairs.

With this purpose in mind Peruvian leaders searched and got interviews with the office in Peru of the United States Agency for International Development. Its director, Robert E. Culbertson, enthusiastically welcomed the proposal to establish a first level graduate school that could expedite national development from the academia and the classroom. The School of Business at Stanford University became interested in the project and agreed to participate. Negotiations prospered and in March 1962 Stanford sent a mission of professors to assess the possibility of establishing a school of business administration in Peru. The results were favorable. In a detailed report, teachers provided recommendations for this academic project, which incorporated full-time faculty from the United States.

This cooperation was structured in an agreement of technical assistance between the governments of Peru and the United States sponsored by the Alliance for Progress. The agreement considered within its essential objectives that the school should teach fundamentals of management, economics, and business methodology to exclusively graduate degree students coming from other Peruvian and Latin American universities" (ESAN, 2013, pp. 10–11).

ESAN is recognized internationally and it is first in Peru in rankings of América Economía and the *Financial Times*. The business programs have accreditation by the AACSB[1] of the United States and the European AMBA[2] of the United Kingdom. ESAN is considered a high-quality, non-profit, international institution recognized as leading providers of higher education in Peru and Latin America. ESAN has only one campus in Lima, Peru, since 1970.

In 2014, the Peruvian economy was at a favorable crossroads with 14 years of continuous economic growth and 6.3 percent growth rate reported by the Central Reserve Bank of Peru (Banco Central De Reserva Del PERÚ, 2014). This rate of economic growth has stimulated the creation and entry of new businesses in the market while existing businesses, in order to compete, are increasingly pressed to improve management capacities, thus creating

enormous opportunity for business schools facing increasing demands from business executives.

Profile of global executives seeking online EE

Globalization is demanding a new breed of professionals able to participate and compete in global markets. These individuals work in different parts of the world and are constantly traveling for professional reasons. These are business executives willing to invest money and time to pursue advanced training and commonly prefer options without the limitations on traditional face-to-face classroom programs. These professionals often search executive programs that better synchronize demands of work with lifestyle, where time is a most valuable asset.

The developments in information and communications technologies of the last decades have expedited advances on online teaching and learning platforms to deliver education, and primarily EE programs that offer participants alternatives to take advantage of the tools of current technologies.

Different online education methodologies have been developed around the world in the last decades and two are most commonly used to deliver higher education programs. The first is *asynchronous*, where contact between instructors and program participants is done at any time and courses include activities such as video lectures, information videos, presentations, chat rooms, among other emerging set of techniques. The second is *synchronous,* which includes real-time interactions between instructor and learners, such as Skype[3] video conferences.

People-centered online EE

When we talk about online education, it is useful to refer to the definition of Volery and Lord, who mention, "Online delivery is a form of distributed learning enabled by the internet. Uses may include the provision of student access to learning resources, the facilitation of communication and collaborative working among and between students and academic staff, the assessment of individual students or groups of students, and the provision of administrative and student support" (2000, p. 217).

To meet the growing demand for EE described above, ESAN started developing virtual/online programs in 2013 to offer online EE courses adapting same class-based methodologies using direct contact between instructors and participants, so the change of face-to-face classes to the virtual environment would be as soon as possible.

Unlike most online education programs worldwide, ESAN offers exclusively synchronous methodology that allows professors and participants to interact in real time. ESAN chose this methodology to meet the needs of

participants who demand flexible business programs and consider that the synchronous delivery mode with a regular classroom setting minimizes differences and retains the level of academic rigor with professors but online. This alternative also allows maintaining the same characteristics and structure of a regular classroom program. The synchronous decision allowed ESAN to differentiate its program from other virtual executive programs in the local market, which are mostly asynchronous and therefore perceived by executives as falling far below the classroom alternatives in terms of institutional quality standards.

One of the objectives of this delivery mode was to knock down geographic barriers and a cultural paradigm doubting the value of online EE to retain the recognized quality standards and rigor of ESAN. Stefan Hrastinski (2008) argues that attributes of the synchronous method (supported with media, video conferencing, chats) has the potential to support students' and teachers' socialization answering questions and queries in real time as if participating face-to-face in a classroom and not isolated from each other. The sense of isolation may be diminished by continuous contact in the synchronous method.

The market responded favorably as it is evidenced by increasing numbers of participants willing to pay more for synchronous online courses than for regular classroom options. Executives value the new way to receive education and appreciate ESAN's people-centered approach that meets their personal and professional needs. In a recent market research, Futurolabs (2014) assessed that ESAN courses ranked second place at the online level compared with universities offering online education programs in asynchronous mode for many years.

ESAN offered 13 courses in 2013 (see Table 16.1) and 27 in 2014 (see Table 16.2) in the functional areas of business, including management and human resources, operations and information technology, finance and marketing, distributed in 195 class hour programs.

Given the success of the online program, in 2014 ESAN decided to expand the installed capacity of the direction by 400 percent, to provide more courses simultaneously.

The level of participant satisfaction reported in 2013 and 2014 is 92 percent measured with a satisfaction questionnaire. Table 16.3 shows the participant questionnaire and Figure 16.1 shows the level of satisfaction.

The success of the program has helped to attract corporate clients interested in tailored synchronous online EE to train their executives in alignment with the company needs. In some cases, these corporations include ESAN's courses in their corporate universities. The combination of the institution's prestige with the capacity to offer short-term diplomas, instead of long-term graduate degrees, using the online synchronous education alternative, offers attractive benefits to the corporate sector.

Table 16.1 Courses taught in 2013

Courses 2013

Competence Management
Operations Management*
Workshop of Negotiations
The Effective Leadership
Crisis Management
Project Finance
Marketing and Communication 2.0
NLP and Teamwork
Performance Evaluation Competency
Leading Teams in Changing Environments
Design and Development of Strategic Plans
Development of Business and Virtual Stores

(*) Course delivered twice to meet growing demand
Source: ESAN's Directorate of Distance Education

Table 16.2 Courses taught in 2014

Courses 2014

Process Management*
Project Management in Controlled Environments
Culture Management and Work Climate*
Corporate Social Responsibility
Business Systems for Business Managers
Human Development in Organizations
Business Intelligence for Marketing and Sales
Project Finance*
Management for Brand Positioning
Online Advertisement: Campaign Management on Facebook and Google*
Globalization
Marketing and Communication 2.0
Preparation of Technical and Managerial Reports
Online Stores and E-Commerce
Market Research
The Workshop of Creativity, New Production Factor
Operations Management
Project Management
Distribution and Logistics Management
Personal Brand Management
Integrated Talent Management
Competency Management
Tools Quality Management

(*) Course delivered twice to meet growing demand
Source: ESAN's Directorate of Distance Education

Table 16.3   Participant questionnaire

Assessment of Satisfaction

Before starting the course, the software and hardware requirements are specified properly.

There is information available to participants about who and how to contact in case of technical problems during class sessions.

The participant access to the platforms class is easy (Blackboard Collaborate, ESAN Virtual).

Class participation and exchange of ideas in critical aspects of content are promoted.

The program staff demonstrate commitment and continuous improvement to ensure quality.

I am satisfied with the development of the course, the teacher and the modality used.

Considering your experience in the Online Program. Do you want to comment, either positive or negative?*

(*) This is an open question and has no rating, so it is not part of the analysis.
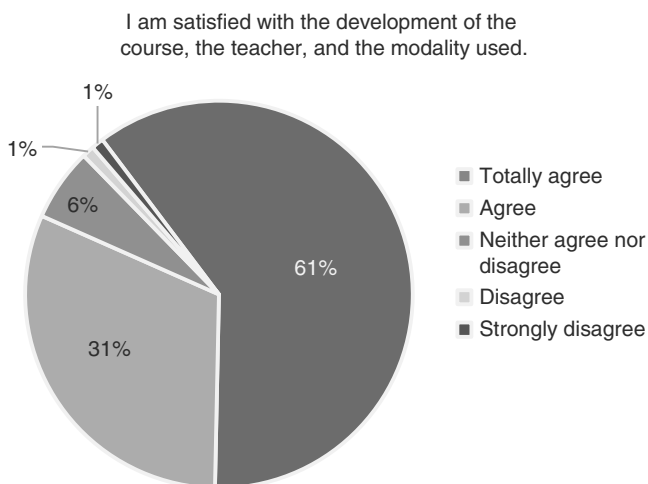*Source*: ESAN's Directorate of Distance Education

Figure 16.1   Participants' level of satisfaction (2013–2014)
Source: ESAN's Directorate of Distance Education.

Methodology and managing online programs in EE courses

ESAN began the online education project with a small team responsible in administering the academic program. ESAN outsources the online technological platform so the team focuses solely on managing the core business of course development and coordination.

The team includes a director, responsible to develop new markets and proposing innovative ideas, and a coordinator in charge of the office's activities and processes to develop courses and train online instructors. Two student interns provide assistance with operations ensuring, along with the coordinator, that professors are receiving adequate support and training.

The team members were trained on how to administer the platform and reply to questions participants may have in the shortest possible time. The team is responsible to train professors to use the online platform and explore new methodologies.

To offer better service to participants and professors, a team member assists all professors during classes to expedite and resolve issues that may arise with tools and the platform.

Online performance standards

To generate an adequate class environment, ESAN built acoustic cubicles designed and equipped with high-performance computers and audiovisual equipment to facilitate professors' teaching in order to improve students' performance. To maintain quality standards and ensure that professors can interact efficiently with learners, class size is limited to 20 participants. ESAN developed manuals and video tutorials to facilitate work of participants and professors. Online classes are offered at night to match participants' schedules. Participants can connect from home or office after work hours. The online program offers two sessions, which run each week on a daily basis for an hour with a 15-minute break between sessions.

In the first stage of the project, after professors received training and felt comfortable with the methodology, the program was launched as a virtual course.

All professors must prepare and present a model of their classes to be evaluated by the Academic Quality Unit, which approves the professor's incorporation into the program. The second level of approval is the head of the academic area of the teaching professor. Next, the professor proposes a syllabus to the head office, which provides feedback until the course is approved and scheduled. Other departments, including marketing, sales, and logistics, participate in the process to offer experience gained over the years with supply and demand of several courses at the business school level.

To sign up for online courses, applicants must have a bachelor degree or meet minimum requirements of work experience. Online courses follow the

same assistance regulations as regular classroom courses. Course participants can miss up to 20 percent of the total number of classes, equivalent to two sessions, to complete the program, otherwise they fail. To pass a course, participants must achieve a minimum grade of 12 (on a scale from one to 20) as per the evaluation system described in each course.

Managing online education services and the platform

There is a variety of platforms to develop online programs. Open source platforms are available free of charge to use and can be downloaded and installed on external servers, but these platforms require resources for continuous maintenance and updating. The systems are quite flexible and in most cases can be adapted to the needs of the institution. Closed source platforms, on the other hand, are systems that require a license to use it including accommodations, maintenance, and updating but are less flexible than open source platforms.

ESAN outsources platform servicing for its synchronous online system and can independently upload classes to the cloud and participants can connect from any point with internet connection. Geographic location is no longer a barrier to further education. In addition to computers, participants can log on to classes from smartphones or tablets.

Managing cultural change

The creation of the Direction of Distance Education led the Graduate School of Business of ESAN to experience cultural changes and internal challenges. Generating courses for executives in a synchronous format meant breaking the traditional teaching paradigms of professors accustomed to teach using lectures in face-to-face interactions with participants.

For professors who have been teaching in regular classrooms for a long time, when they were invited to deliver courses using the new online mode they, naturally, felt uncomfortable about this unknown terrain considering a high opportunity cost, because on the occasions that choose the virtual option they would have to put aside the traditional way. Other professors thought that online methodology does not provide a course with the same quality standards as a traditional classroom.

In a pilot program professors were recorded for an assessment team to evaluate class performance in play backs. In one particular case, a professor felt so uncomfortable in cubicles that he asked to have a few people sitting nearby, even if they were not paying attention, in order to feel that he was "not so alone". In many instances, the administrative support staff have had to go through surmounting challenges to break and change traditional teaching habits, course development, and delivery forms that have been in place for half a century.

Instructors: Key people in online EE

For many professors participating in this program this was their first time teaching online courses. A few had experience of using information technology to give classes in a synchronous mode. The Distance Education Office offered training sessions on platform use and how to develop effective teaching methods to deliver contents online. ESAN trained 129 teachers between 2013 and 2014.

As with any kind of cultural change, at the beginning there is resistance to change until people become familiar with the new system and feel more comfortable to begin breaking old paradigms and accept new methods and technology. ESAN professors were no exception, so the program sought support from a faculty group that was not afraid of technology and understood the new system as an opportunity to develop and deliver new courses.

Various strategies were proposed to assist professors in the transition and adjustment to the online program. For example, the program provided advisory services after office hours to an invited group of professors to help familiarize them in using the online platform. The operating team collected feedback among professors and participants to improve operations and many expressed interest in receiving additional training online.

In one instance, the program had the opportunity to support a professor in developing and offering courses in Chinese language for participants in China. ESAN invited its regular participants to participate in the course and after several test runs the program decided to incorporate this course, offering it on a trial basis. This professor decided to use this platform to bring international speakers to his classes without the need to incur travel costs. This professor moved forward and benefited from the ESAN's online education effort.

The online platform generated offered additional possibilities providing support to other programs in ESAN's Graduate School of Business, including training courses for local companies. All of these activities combined expedited change in ESAN's culture and stimulated professors' interests to join the project. They are the key to success for the online people oriented format.

Assessment of participant satisfaction

Over time, the program expanded course offerings in administration, finance, marketing, operations, and information technologies. The option to deliver executive courses in synchronous mode has allowed ESAN to increase course offerings and include innovative proposals that meet the needs of participants without requiring physical presence on campus.

The new online courses offered include how to manage social networks for business purposes that goes hand-in-hand with the growing use of new technologies. This course has become one of the favorites.

Table 16.4 Assessment questionnaire regarding courses and professors (scale from 1 lowest to 5 highest)

Item	Question
Academic Preparation	Relevance of course contents Domain course by professor Balance between theory and practice of the course
Methodology	Course structure Effectiveness of applied methodology Reading material and delivery Audiovisual aids and professor support
Interaction Professor–Student	Promotion of class participation Interactions between professor and participants Professor accessibility (out of class, in person, by phone, by email or by chat)
Accomplishment	Perception of course accomplishment Helpful comments on participant's work and timely delivery of grades Compliance schedule of classes Timely class start
Others*	Teacher score Course score Learning course score
Reviews*	Positive aspects Negative aspects Recommendations

(*) The items "Others" and "Reviews" are open questions and have no rating, so are not part of the analysis.
Source: ESAN Graduate School of Business

To assess participants' level of satisfaction, and evaluate effectiveness of instructors and the online courses offered, participants have to complete an online questionnaire at the end of each course. A survey measures academic preparation, methodology, professor-student interaction, and accomplishment, among other areas (see Table 16.4).

Additionally, the participants provide feedback on positive aspects of the course and recommendations in areas that need improvement. Survey results are evaluated by the online office coordinator and the head of area to maintain quality of teaching standards so that the staff can ensure a high level of participants' satisfaction. See Tables 16.5 and 16.6.

The program set an average score (range: 1 lowest to 5 highest) of 4 as the minimum acceptable satisfaction rate to maintain a high performance standard, student satisfaction, and professor performance. It shows the importance ESAN assigns to quality standards in terms of participant's level of satisfaction. In this context, the online platform used must provide

Table 16.5   Average of participants' satisfaction in all courses in 2013 (scale from 1 lowest to 5 highest)

Aspect to Evaluate	Weighted Average (1 to 5)
Methodology	4.13
Interaction Professor-Student	4.53
Encouraging Participation in Class	4.55
Professor's Score	4.48
Course Score	4.38
Score of How Much Was Learned	4.29

Source: Directorate of Distance Education – ESAN

Table 16.6   Average of participants' satisfaction in all courses in 2014

Aspect to Evaluate	Weighted Average
Methodology	4.14
Interaction Professor-Student	4.52
Encouraging Participation in Class	4.58
Professor's Score	4.44
Course Score	4.35
Score of How Much Was Learned	4.32

Source: Directorate of Distance Education – ESAN

easy access as an important element and must be continuously assessed and improved.

Assessments of professors' performance are consolidated with historic information from other courses and teaching periods. If the professor has received a consecutive score that is equal to or higher than four over a period of three years, he or she is recognized for good academic performance.

The online program coordinates with the Academic Quality Unit and the heads of the business disciplines the assessment system that includes evaluation of applicants for teaching positions and professors' class models. Professors who obtain a grade higher than or equal to 16 in a scale from zero to 20 are accepted to teach courses. When professors need to strengthen teaching methods, courses are available through the online unit.

Academic Quality is in charge of developing a methodology for the teaching and learning standard for the whole school to ensure approval and quality of education across the institution and that online education for executives has the same quality requirements as the in-class counterpart. In Table 16.7 the aspects evaluated are presented.

Table 16.7 Evaluation system of model class for aspiring professor position

ASPECTS TO EVALUATE

PROFESSIONAL
    Demonstrates academic standing
    Answers questions correctly
    Combines theory with examples related to the business environment
    Provides career guidance aligned with school profile

METHODOLOGY
    Expresses ideas clearly and coherently
    Manages space properly, maintains eye contact, and changes intonation to strengthen relevant aspects
    Motivates audience with different resources to generate interest in the subject
    Presents issues in organized manner and partially summarizes significant contents of the session
    Makes good use of time

RELATIONSHIP WITH PARTICIPANTS
    Shows an open attitude

Source: Academic Quality Unit – ESAN

In-class executive education comparison with online executive education

ESAN offers an in-classroom EE program, named in Spanish "Programa de Especialización para Ejecutivos" (PEE), where participants take courses distributed in 15 sessions and each session lasts 90 minutes. Completing five courses in the same area offers a certificate of specialization. This program is open to executives with a bachelor degree or proven expertise in the area of the course. This program has more participants (5,000 on average per year) than any other offered by the school and generates significant income due to the high demand for its courses. This program was initially concerned that the online option, which offered many of the same characteristics as the in-class alternative, would lead to market cannibalization and generate an internal struggle for the pool of executives.

In-Company Programs are tailor-made programs for companies, which have a different structure to the PEE.

As time passed the program's results became evident. Demand for the in-class program remained stable and a new demand was generated by other kinds of executives who, due to their professional activities or personal reasons, preferred to take online courses.

Future: Increasing people-centered online EE offer

The future trend in online EE in ESAN will be to offer training alternatives that meet the needs of professionals in the global business environment. Information technologies and communications are constantly evolving and to comply with demand it is necessary to meet the need of global executives with the online alternatives. ESAN offers online courses in Spanish, aimed at the Latin American market, and in 2015 ESAN started delivery of courses in English for a global market.

There is a group of people interested in executive programs tailored to individual needs creating a demand. With this evolution, new professions have been created, to include "Community Managers", who are in charge of managing social networks at companies and helping clients find further education that adapts to their needs and ways to conduct business.

Global changes also affect the way institutions offer education. Several years ago, professionals were unable to attend in-class programs due to time constraints and responsibilities conflicting with professional demands. Today, information technologies have ended these barriers and the university can reach out to participants on their own grounds. Online EE alternatives make it possible to use a people-centered approach that is not limited to traditional teaching models requiring the physical presence of participants.

Conclusions

This chapter presents a case of innovation in a Graduate Business School in Peru showing significant capacity to expand the offer of EE programs online that may serve as an example for Latin America and worldwide.

The analysis is focused on important issues that affect program development and it emphasizes the need for continuous assessment of participants' needs to meet institutional standards of client satisfaction.

Online education based on synchronous or asynchronous methodology is increasingly appreciated by digitally oriented students and professors and, in addition, it generates a new source of income and profitability to ESAN, and other Peruvian and foreign educational institutions.

Between 2012 and 2015, online courses at ESAN have increased enrollment by 30 percent largely through participants' referrals to co-workers and friends. This reflects a captive audience that prefers course in online mode.

Synchronous methodology has proved to be one of ESAN's main strengths to facilitate participants and teachers interactions in real time to discuss inquiries, questions, debates, and ideas, generating significant academic value compared with asynchronous online programs.

Each year the technology gap is reduced as the information age expands around the world. Increasing global connectivity helps expansion of online education and expedites cultural change. Training in physical classrooms will give way to "digital classrooms" where "digital" teachers and students will interact online without traveling long distances or missing work.

Watson and Sutton (2012) make a comparison between online education and classroom alternatives, stating that neither method is better nor worse. A great deal depends on individual preferences. Regardless of the alternative participants choose, all get the benefit of acquiring knowledge that they can apply to improve themselves and the organizations where they work. Executive programs offer participants alternatives to spend more time with the family and have more independence managing study time.

With regard to the cultural change from traditional classroom to online setting, ESAN's most successful strategy to help professors advance from the known classroom setting to the online environment was to train them and provide them assistance using the online platform until they assume that the "new" method is more of a new global trend, and education is no exception. And still online education can be people-centered as this chapter demonstrates.

For half a century, ESAN has been a facilitator of progress in technological and educational modernization in Peru and a leading institution on business in South America. Currently, its online EE programs provide new alternatives to educate present and future executives for businesses and organizations in Peru, which can indeed reach worldwide.

Notes

1. http://www.aacsb.edu/
2. http://www.mbaworld.com/
3. www.skype.com

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