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Broadbent, A. (2016). *University corporatization report: The story of Capella University as told in comments by their employees*. Retrieved from <https://dissertationcoach.net>

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Findings Summary for Capella

The overall picture is one where an online school got many things right. Many students, faculty, and staff have a view of Capella’s potential for excellence. There is also an observance from many that by going corporate, many of the typically associated problems resulted. Still, the school has managed to maintain its reputation better than University of Phoenix, so far. While it spends a lot on marketing, it appears to be currently using

appropriate targeting of potential students. Absent in the comments are issues of administrative bloat and predatory lending that are seen in many for-profit schools. It has a history of questionable practices, as noted in the following quote:

In 2012, Capella received criticism for its expenditures on marketing, profit, and CEO pay rather than instruction, and its use of aggressive recruiting practices. According to a report issued by Senator Tom Harkin for the Senate Education Committee, approximately 79% of the institution's cash flow comes from U.S. government Title IV payments, including Pell grants. The report concluded that Capella's recruiting and student services were better managed than most other for-profit competitors, especially among graduate degree students. ...the over-reliance on part-time instructors, and the high relative marketing budget were cited as potential causes for concern. (Retrieved from https://en.wikipedia.org/wiki/Capella_University, Controversies section, para. 1)

Background

Capella was founded in 1991. It is a publicly traded corporation with a revenue of \$100 to \$500 million per year. In 2009, Capella spent per student approximately \$1262 more in profit than it did on student instruction (p. 327; see http://www.help.senate.gov/imo/media/for_profit_report/PartII/Capella.pdf). The dataset from online sources is organized below in categories. See the Methods section for details. Where numerous comments support the same ideas, unique elements are underlined for emphasis. Comments are in chronological order within the category sections.

Higher Expenditure on Marketing

According to the Government Accountability Office report, Capella spent an usually high percentage of its revenue on marketing. See <http://www.collegeaffordabilityguide.org/choosing-a-program/online-colleges-sanctioned-by-government-organizations/>

Sales-orientation

(student in progress) on September 20, 2013... beware. The most expensive school and so so many end up not being able to finish because during the studies tuition goes up every single year. But here is the absolute most disturbing part to me. They are the friendliest most helpful when they are SIGNING YOU UP! But if anything changes - health, money, anything, and you're not paying their salaries anymore you'll get the kiss of death...when someone is in a Phd program and doing great (3.8) they should be working with you, not seeing you as a number...The "support" assessment alone must have been fabricated because there is none - except when you're handing over your money. (Online Degree Reviews)

Sep 17, 2014. Former Employee – Enrollment. too much sales pressure...I had a very poor experience even though I was a top performer. (Glassdoor.com)

Nov 24, 2014. Former Employee - Enrollment Counselor full-time (More than 5 years). GREAT company before it went public. After it went public...Meh! All of the leads were warm. Never made true "cold calls." ... I received compensation based upon attainment of enrollment quota. (Glassdoor.com)

Jan 9, 2015. Former Employee - Enrollment Counselor. full-time (More than 5 years). The culture has really went down and is now more interested in getting anybody to start classes regardless of if they are ready and able to be successful. (Glassdoor.com)

Aug 19, 2015. Advising has gone downhill... It's a very controlled, micro-managed "call center" environment. Metrics are the focus. (Glassdoor.com)

Mar 15, 2016 full-time employee... management does not treat academic advising as a profession, but instead as a metrics driven call center. (Glassdoor.com)

Mar 17, 2016. Former Program Advisor. Position was too "sales" oriented. (Glassdoor.com)

May 11, 2016. Former Employee (More than 8 years). Very little love is given to academic advising despite the advisers keeping students in the program. All the love is given to enrollment counselors, many of whom are overpaid for the work they do. They tend to get promoted before advisors, as well, for positions they have no business being in (advising, for example). Advising used to be a respected position and something you would strive to be. Now it's just a call center with a bunch of managers looking at numbers. Let's not forget the weird obsession with referrals. The most praise I ever received was for getting a referral. That might tell you a lot. (Glassdoor.com)

Predatory Lending (disregard readiness)

Three year college loan defaults are at .09%, above the .07% national average (see <http://www.collegefactual.com/colleges/capella-university/paying-for-college/student-loan-debt/chart-loan-default-rates.html>), yet there is no clear indication of predatory lending.

Government Reprobation on Finances

In March 2008, Capella was the subject of an Education Department audit, which revealed that “the school overcharged lenders and this department by over a half million dollars. The inspector general’s audit revealed mistakes in calculation of student eligibility for federal loans, as well as failure to return funds granted on behalf of students who withdrew from their courses.” Retrieved from <http://www.collegeaffordabilityguide.org/choosing-a-program/online-colleges-sanctioned-by-government-organizations/>

“Capella appears to be very good in overall loan repayment rates as measured by 3 year cohort default rates. However, as the HELP report notes, a significant part of the “success” in avoiding defaults come from aggressive outreach to ensure that Capella students are using deferments and forbearances to avoid default. This is better for students than falling into default, but these students are not actually repaying their loans and these loans continue to accumulate interest” (Retrieved from <http://left.mn/2012/07/capella-university-ceo-gets-paid-while-public-money-burns/>).

Above-average Tuition & Fees Total Cost

According to Capella, its EdD will cost an average of \$44,160 (see <http://www.capella.edu/tools/online-degrees/edd-education-leadership-management/planner>).

(student in progress) on April 3, 2012 ...The school is VERY expensive- \$4,500 a quarter. ... (Online Degree Reviews)

Long & Costly Dissertation Process

PhD in Education student (graduated student) on January 11, 2011...I felt sabotaged two years into the program. I suffered through mentor changes each year thereafter, frequent policy changes, and longer response times from faculty, and faculty whose integrity I still question ... Mentor changes during the dissertation period is a death sentence for completing in a timely manner... (Online Degree Reviews)

(student in progress) on June 23, 2012...unprofessional faculty members decide "you" will be the target of their retaliation - you will not pass your comprehensive examination. I was not aware of the business practices at Capella University, and I take full responsibility for not researching their academic standing and reputation in higher education. ... You might just end up like me, no longer in the PhD program!!!! ... my gpa is over 3.5 (Online Degree Reviews)

(student in progress) on March 15, 2013 ...I found the instructors at Capella to be some of the worst I have come in contact with. Their lack of feedback and lack of presence in the classroom was outrageous...I have a friend who is finishing their dissertation now - almost 3 years of back and forth, lack of expertise from advisors, bad advising... They either drag out the process so they get more of your money, or you get frustrated and drop. (Online Degree Reviews)

(student in progress) on January 7, 2015 ...I used to think people were just crazy not to think that Capella offered a great education. ...I completed my courses with a 4.0 GPA and passed my comprehensive exams on the first round (not the first quarter, literally, I wrote them and passed with superior comments). I changed jobs and had some significant delays in my dissertation progress, which I readily admitted to Capella.... Now that I am \$200K in debt with student loans and can only turn to self funding, I am persona-non-grata. I was denied re-enrollment after taking time off. I asked the reasons for my denial and I am waiting for a response. I personally think, now, that Capella was fine with me when I could receive Federal Financial Aid, but I have run out, and they want nothing to do with me. I would think that somebody who has a 4.0 and a successful academic career to date would be worth investing in (even if it is simply letting me pay them full tuition to finish what I started for goodness sake!) for their graduate record. I guess not. Please go to a brick and mortar school until the Capella's of the world have matured enough. We, apparently, aren't there yet and I have the 2nd mortgage to prove it. (Online Degree Reviews)

JLK - February 9, 2015 (graduated student) [gave a very positive review overall]...Some instructors were not present as much as they could have, but I have had similar instructors in my traditional programs as well....The only thing is that the pre-dissertation phase dragged on and I felt I could have gotten feedback sooner (or some of these parts could have been done during the last few classes). They also made changes to this process while I was working on it, which dragged it out as well. The drag-out was also partially my fault, since by the time I got to this point, I was burnt out both academically and in my personal life (move, new job, etc).... (Grad Reports)

Rude or abusive behavior by instructors is not dealt with by administration and students are forced to continue under these conditions without administrative correction....Many student complaints in this regard indicate that the school does not have enough mentors or committee members to provide the services for dissertation and students are forced to continuously reschedule and ask for extensions. That some students have waited over two years for their dissertation to be approved is appalling to say the least. Worse yet, these students must pay \$5,000 in tuition per semester to be part of the dissertation process even though they are not attending any classes (para. 2). Retrieved from <http://www.challengestudentdebt.com/capella-university-complaints/>

On Complaints Board, a consumer complaint website, there are over 60 comments by persons who similarly believe the Capella comprehensive exam or dissertation process was unethical in its length, process, and cost. Retrieved from <http://www.complaintsboard.com/complaints/capella-university-c395418.html>

Lawsuits Regarding Financial Issues

“The Police Pension Fund of Peoria has filed suit in U.S. District Court for Minnesota, claiming that the company misled investors about its business practices in order to inflate the price of its stock” Retrieved from m

<https://www.minnpost.com/learning-curve/2010/11/suits-against-profit-universities-including-capella-raise-question-do-shareho>

Plaintiff Sibeto: “Capella intended to mislead plaintiff into believing that if she continued to pay tuition and follow the instruction of Capella personnel, she would soon successfully complete her dissertation and earn a doctoral degree,” the lawsuit says. Her lawyer seeks to use the state's unfair-trade practices law as a new tool for students like Sibeto to recover tuition. Retrieved from <http://triblive.com/news/adminpage/5126131-74/university-capella-says>

Low Perception of Student Support

The following are comments from students who perceive a “sink-or-swim” attitude by faculty and staff:

April 3, 2012 (student in progress) ... Teachers are very inflexible...(Online Degree Reviews)

Aug 6, 2014. Current Employee - Financial Aid Representative . . .students are often angry with you... Other departments are hit-or-miss, in terms of their responsiveness, which can be frustrating when you have an angry caller on the line. Some days you spend 5-6 hours just being yelled at by students. (Glassdoor.com)

Oct 1, 2014. Current Employee - Program Advisor. Advising department. . .held accountable for the call and your skill in taking the call. Despite the fact that it's a program very different from what you really know! But hey, who cares?! Why would students need to speak with someone genuinely knowledgeable about their program?... (Glassdoor.com)

Nov 19, 2014. Former Contractor - Adjunct Faculty. . . Admission criteria absent yet they do not help the at risk student. Allows students to take too many courses during one session... (Glassdoor.com)

Nov 20, 2014. Former Employee - Guidance Counselor. Takes 7 years + to complete degree. They will not allow you to continue after 7 years and you get withdrawn. (Glassdoor.com)

Jul 12, 2015. Current Employee full-time (More than 10 years). Way too many students in a single course. (Glassdoor.com)

plaintiff lost when he “sued Capella claiming discrimination under the Americans with Disabilities Act. That lawsuit arose out of difficulties La Marca claimed he encountered when Capella converted its courseroom to a new learning platform” (para. 1). Retrieved from <http://www.capellanazis.com>

October 13, 2015 (Graduated)...Capella will max out your financial aid. They held me back and would not let me go through the process in which I enrolled. . .I had to repeat components that I had already done. Capella is after money. There is no one to talk to when you are having a problem.It is the longest process that I have ever seen to obtain a degree... (Grad Reports)

Low Graduation Rate (student retention)

According to the Government Accountability Office (n.d.) report, Capella had a high withdrawal rate among students in bachelor’s degree programs.

Low Academic Rigor & Utility of the Degree

Aug 9, 2015. Former Employee. ... Students who graduate from Capella have complained they can't find work because their degree is a joke, and they are buried in high debt because the Capella price tag is higher than regular, more reputable universities. (Glassdoor.com)

Nov 19, 2014. Former Contractor - Adjunct Faculty. ... Allows students to take too many courses during one session. Standards are low once student is accepted. Expects uncompensated faculty training and that faculty will engage in grade inflation. (Glassdoor.com)

Nov 20, 2014. Former Employee - Guidance Counselor. Degree is worthless. Costs \$80,000 + for a worthless PHD. (Glassdoor.com)

High Faculty & Student-support-staff Workload

Jan 14, 2014. Former Contractor - Instructional Designer (Less than a year). ... Workload excessive for new contractors; inadequate onboarding. Project deadlines for a new contractor were too aggressive. Resource loading was out of whack. ... Onboarding instructional designers was, to be charitable, very weak and needs major revamping. Unfortunately, I felt blamed by the organization for its own failure to train me well in Capella's way of doing things, and in a timely manner. It was a mess. ... I was also given contradictory information from multiple sources regarding how to implement certain tasks. The result: a chaotic, inefficient work setting. (Glassdoor.com)

Mar 20, 2014. Current Lead Enrollment Counselor. full-time (More than 8 years). Advice to management: hire twice as many advisors to provide courtesy calls regularly for learners. (Glassdoor.com)

Iterative review process helps ensure timely assistance of advisors and prevents substantial re-working that could happen with an advisor late or cursory review. There is no face-to-face examination of the student's

understanding of the study, but instead a final conference call (Capella Dissertation Manual, p. 19, see campustools.capella.edu/bbcourse.../dissertation.../all_diss_manual.docx).

Low Faculty & student-support-staff Pay

This category includes high workload, because low funding of faculty and staff as a general category can result in both low salaries, disallowance of overtime work, and failure to hire adequate numbers to create a reasonable workload.

Jan 14, 2014. Former Contractor - Instructional Designer (Less than a year). ... Moreover, learning only after being hired that the instructional designer and the curriculum specialist roles were combined--with no adjustment to workload--was a surprise that transcended the bounds of strong business ethics. It was perceived as a "bait and switch" deception.... (Glassdoor.com)

Aug 6, 2014. Employee - Financial Aid Representative. lowballed... In this position your time is parceled out minute by minute. Because it is a call center environment for this job, you take breaks when it is time to take a break, not when you'd like to/need to. When I was brought on full-time, after being a temp, I was initially offered a minimal raise, told it was not negotiable, and it was FAR less than what colleagues were making. This left a very bad taste in my mouth, and led me to accept a position elsewhere even after my supervisors stepped in to ensure the final offer was a much better one... (Glassdoor.com)

Nov 19, 2014. Former Contractor - Adjunct Faculty. Salary is the worst of all online faculty positions. ... (Glassdoor.com)

Jun 16, 2015. Former Employee - Senior Business Analyst. over work employee, lay off employees to give upper management their bonuses. (Glassdoor.com)

Aug 9, 2015. Former Employee. ... the technology is archaic. The computers are all nearly a decade old and freeze often—Capella is super cheap and doesn't provide modern resources for employees to function most efficiently. Their "employee benefits" are sub par in the industry —also if there's a required offsite work event, you must pay for your own ticket, meals, and parking even though the organization has millions of dollars to spare.... (Glassdoor.com)

Mar 6, 2016. Former Employee - IT. Annual raises below cost of living. (Glassdoor.com)

Mar 15, 2016. full-time employee. Health insurance is OK, less so with each year, as each time the company has a chance to, it shifts costs to employees. Capella is a cheap company. They like to frame it as "doing more with less," which is just how they window dress workplace austerity. They say they have to be responsible in this competitive market...and yet executives continue to receive enormous year end bonuses. Capella always seeks new ways to cut costs. They have a healthy bottom line but they do not invest in their employees. ...Expect a very top-down non-transparent work culture. People tend to not stick around for long ...Management is also not at all interested in hearing what ideas you have. ...Advisors get zero professional development funds and are expected to work holidays, late night hours and weekends. ...Let this sink in. As seasoned professionals, leaders reward the good job we do by handing out granola bars and gummy candies and construction paper cut outs. But come time for raises, forget anything fair, despite praise received all year ... hope for at most a cost-of-living wage increase. (Glassdoor.com)

High Faculty & Student-support-staff Turnover

Oct 1, 2014. Current Employee - Program Advisor...Same ol' corporate mindset that is the Achilles heel of so many companies - squeeze every ounce of productivity and then some from your employees. Don't worry if they burn out because they are DISPOSABLE. (Glassdoor.com)

Feb 1, 2015. Current Employee full-time (More than 5 years). Talented people leave for better paying companies. (Glassdoor.com)

Mar 18, 2016. Current Employee. "Everyone is replaceable" culture. (Glassdoor.com)

Inadequate IT & Other Resources

Jan 14, 2014. Former Contractor - Instructional Designer (Less than a year). ...It was perceived as a "bait and switch" deception. The same applied to the physical work environment. ...a small table out in the open... I was also given contradictory information from multiple sources regarding how to implement certain tasks. The result: a chaotic, inefficient work setting. (Glassdoor.com)

Aug 6, 2014. Current Employee - Financial Aid Representativethere tend to be a lot of system glitches... (Glassdoor.com)

Dec 6, 2014. Former Employee - Senior Systems Developer full-time (More than a year). Business treats IT like

order takers. Poor investment in IT. Systems use old technologies. No product or technology roadmaps exist...
Poor computers. (Glassdoor.com)

Dec 2, 2015. Current Employee. The CMO doesn't understand digital and IT support is weak. (Glassdoor.com)

Dec 11, 2015. Current Recovery Specialist - Business Office. Peoplesoft-based software slow and breaks down on semi-regular basis. (Glassdoor.com)

Mar 6, 2016 Current Employee. Lack of technology for an online college...Understaffed, underpaid, under appreciated. Upper management considers the technology personnel expendable as such the turn over is the highest I have ever seen at any company I've worked for. Burn out is a huge issue on the development side, they loose a developer every month. Which isn't great but even managers leave the company, they have managed to loose a manager every other month for 16 months this is a very bad sign....This promotes the rotating door effect for the company. (Glassdoor.com)

“Dissertation learners must save drafts, assignments and other artifacts to their ePortfolio to verify successful completion of their dissertation milestones. The ePortfolio travels with a learner from quarter to quarter, and can be updated at any time” (Dissertation Manual, p. 7). Milestones designate the sequence of main tasks. A CompsDiss database is maintained to help track the dissertation process, to facilitate progress for all involved.” (Dissertation Manual, p. 19)

Administrative Bloat (lower workload for managers)

No comments reflected this.

Top Administrative Salaries & Benefits

president total compensation: \$3.85 million in 2010, \$2.5 million in 2011, \$890,850 in 2014
<http://left.mn/2012/07/capella-university-ceo-gets-paid-while-public-money-burns/>
<http://www1.salary.com/Scott-L-Kinney-Salary-Bonus-Stock-Options-for-CAPELLA-EDUCATION-CO.html>

Corporatization in General

A collection of quotes that did not fit into the prior categories collectively show a picture of corporatization:

“paid for degree but did not get one” was the title of this post. The plaintiff lost the legal case, so this is not useful for the category of “Lawsuits Lost Regarding Financial Issues,” but rather it highlights the consumerist attitude of this student. Further, the consumerist response of the university is shocking: This past student reports that the settlement offer included “ (some cash, a Masters Degree, a PhD in General Psychology, and a PhD in Industrial Psychology). I turned all of these down saying that I only a Ph.D. in Clinical Psychology” (para. 2). “A lawsuit ensued, and CAPELLA had the best attorneys in Minnesota (supposedly Top 5 attorneys of Minneapolis). They spent over \$100,000 compared to my \$10,000 (spent for lawyers)” (para. 2).
<http://www.degreeinfo.com/general-distance-learning-discussions/32289-capella-university-paid-degree-but-did-not-get-one.html>

May 16, 2014. Former Employee - Financial Aid Representative. The company is not about education but about generating income. (Glassdoor.com)

Apr 1, 2015. Employee. as a publicly traded company I worry about too much short-term focus for the sake of pleasing investors getting in the way of plans that would be longer term prosperous. (Glassdoor.com)

Jul 17, 2015. Current Employee. "A poisonous culture in a highly unethical industry" An exciting startup has morphed into a greedy, highly unethical company under current executive leadership. Having worked there many years I saw the change first hand and it was dramatic and hugely disappointed. Their "learners" are never more than dollar signs to them." (Glassdoor.com)

Aug 9, 2015. Former Employee. I've been in meetings where people openly disrespected one another and talked down to coworkers in a room full of colleagues. It was sad to see how people are allowed to humiliate people lower on the totem pole, in the full awareness of other employees, and no one stands up. (Glassdoor.com)

Aug 19, 2015. Yearly ethics training is conducted, yet when serious issues come up, HR sweeps them under the rug. (Glassdoor.com)

Sep 6, 2015. the company as a whole is not particularly pro-employee. Benefits keep getting worse and worse. The HR department is terrible. The company as a whole gives lip service to innovation, but they don't really mean it. We are not given the time and the freedom to make courses as fantastic as they could be -- because of monetary concerns. (Glassdoor.com)

Dec 2, 2015. Current Employee. Not nimble - for a digital company they move like a traditional corporation... (Glassdoor.com)

Jan 26, 2016 Former Employee – IT full-time (More than 8 years). working there is much like any business. It's not a university-type environment. (Glassdoor.com)

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