

The Next Generation of Corporate Universities

By Mark Allen, Ph.D.

Can it be that corporate universities have actually been around long enough for there to be a second generation? The very first corporate universities actually date back at least as far as the 1940s, but the real growth in corporate universities started in the 1990s, so many corporate universities are entering their second decade. As these entities grow in size and sophistication, the answer is yes, it is definitively time to start talking about a new generation of corporate universities, ones that go beyond training and development, ones that go beyond merely calling themselves a corporate university, ones that offer a variety of innovative services that help develop people and expand organizational capabilities. It is those corporate universities and their innovative approaches that are the subject of this book.

The two questions I am most frequently asked about corporate universities are, “Isn’t a corporate university just a fancy name for a training department?” and “What exactly is a corporate university?” A corporate university is not a fancy training department. The best way to distinguish a training department from a corporate university is to look at the span of activities that each offers. A training department does training. A corporate university does training...and many, many other things.

Corporate universities are responsible for developing people and growing organizational capabilities. Lest you think I am discounting training, I believe training is an

excellent way to develop people—possibly the best way. However there are many other ways to do it as well. A little bit later in this chapter I will list those ways (you’ll notice that training is near the top of the list), and you’ll see that it is quite a long list.

So that brings us to the other question: what exactly is a corporate university? In *The Corporate University Handbook*, we offered this definition:

“A corporate university is an educational entity that is a strategic tool designed to assist its parent organization in achieving its mission by conducting activities that cultivate individual and organizational learning, knowledge, and wisdom.” (Allen, 2002, p. 9).

The most important word in that definition is *strategic*. While training departments are important, they are usually tactical and operational, and are often not tied directly to an organization’s strategy. In order to be considered a true corporate university, however, the entity must be mission-driven and tied to strategy.

This leads us to another question that people often ask: Is it appropriate for my organization to have a corporate university? As much as I am an advocate for corporate universities as vehicles for adding tremendous value to organizations, the concept is not right for every organization.

It is not right to create a corporate university when it is viewed merely as a marketing gimmick. If people aren’t coming to your training programs, relabelling them as a corporate university may initially treat the symptom—low attendance—but it won’t cure

the disease (which is usually a bad case of having programs that people perceive as lacking value).

The other reason for not creating a corporate university is not having a clear and compelling reason to do so. I have spoken to literally dozens of people who told me that they were starting a corporate university because their boss read something about corporate universities and said, "I gotta get me one of them." Someone in the organization was then picked to create a corporate university. On the one hand, since the mandate is as nebulous as, "Create a corporate university," it is pretty easy to succeed at reaching that low bar. However, it is virtually impossible to have any real success in terms of adding value to the organization and making a difference when there was no real strategic intent behind the plan. So without any purposeful objectives tied to organizational strategy, it is generally not a good idea to create a corporate university for the sake of having one. In fact, this can be quite damaging to an organization if, sometime down the road, a genuine strategic corporate university is conceived. People will remember the ill-fated marketing gimmick and will not embrace the concept when there is a real need for it.

So when should you have a corporate university? When there is a genuine strategic need for one. If there is a clearly identified need that involves the development of people, then a corporate university can be a valuable strategic tool. Remember, a true corporate university is a strategic tool that is tied directly to helping an organization achieve its mission.

Corporate University Functions

And while *strategic* is the key word in defining a corporate university, this book is devoted to the part of the definition that discusses *activities*. The definition uses some fairly specific words to define a corporate university, but the word *activities* is pretty vague, and deliberately so. The reason such an ambiguous word was used was that there are many, many different ways that a corporate university can fulfill its role of cultivating individual and organizational learning, knowledge and wisdom. At the time the definition was written, I knew I could not possibly name all of those different ways, and that many had not yet even been conceived.

As I've spoken to numerous corporate university professionals over the years, I have compiled a list of these various activities. The list is long, but it is not meant to be comprehensive. First of all, I am sure I have overlooked some viable developmental methods. More importantly, I am even more certain that by the time you read this, several innovative corporate university professionals will have created new and exciting ways for corporate universities to develop people and add value.

So here is the list of activities and functions that corporate universities can engage in:

Needs assessments

Design training programs

Deliver training programs

Design managerial/executive development programs

Deliver managerial/executive development programs

Assess technology options

Deliver e-learning or blended learning programs

Hire vendors

Manage vendor relationships

Market programs internally

Market programs externally

Evaluate programs

Evaluate the corporate university

Manage university partnerships

Executive coaching

Mentoring

Career planning

Strategic hiring

New employee orientation

Succession planning

Culture change

Strategic change

Knowledge management

Wisdom management

Library and electronic collections of information

Research and development

While not intended to be exhaustive, this list is nonetheless instructive. The first lesson it demonstrates is that there are many ways to develop people in addition to training.

Beyond that, you'll notice that many of the functions listed—knowledge management, succession planning, coaching, mentoring—are not new ideas. What is a recent development, however, is the notion that these functions could be managed as part of a corporate university. Not only could they be part of a corporate university, I would argue that they **should** be managed by a corporate university, or at least have some degree of corporate university involvement.

When I work with people charged with creating new corporate universities, I give them this list and ask them to create four columns: responsible for, involved with, outsource, and won't do. For each item on the list, I ask them to think about whether their corporate university will be responsible for this function, involved with it, outsource it (which still might involve oversight by the corporate university), or just won't do it at all.

The last column is perfectly acceptable because although every function on the list could be managed by a corporate university, I know of no corporate university that would do everything on the list, nor would it need to. Depending on the size of the organization, its goals, and a number of other variables, some of the functions on the list might not be

necessary.

However, what every function on the list does have in common is that they all relate to people and their development. And while some items on the list are traditionally the responsibility of other departments (for example, Human Resources usually is involved with strategic hiring and new employee orientation), all of these are development opportunities and therefore corporate university involvement makes sense.

Take the example of new employee orientation. At one end of the spectrum are the companies that do half-day orientation sessions that describe the benefits plan and tell you how many holidays you get. At the other end are the strategic efforts to accelerate the acculturation and engagement of new employees, vital components of new employee success. When I speak to groups of corporate university professionals, I ask how many are involved with the various functions on the list. Five years ago, I only saw a few hands go up as I asked this question about new employee orientation. Now I routinely see more than half the hands in the room get raised. What was formerly a standard Human Resources function has become a strategic corporate university function. And this is true of most of the activities on the list.

It is also interesting to note some things that are not on the list. Nowhere do we mention degree programs. Programs leading to associates, bachelors, masters, or doctoral degrees remain the exclusive province of traditional universities. A study in 2000 went in search of degree-granting corporate universities and discovered fewer than ten in all of the

United States and Canada (Thompson, 2000). The trend for corporate universities to stay out of the degree-granting business has not changed since that study. Due to the complexities of degree programs and the barriers to entry (primarily accreditation), corporate universities that wish to provide degree programs (sometimes customized) for their employees have found it much more efficient to form a partnership with a local traditional university. That's why you'll find "Manage university partnerships" on the list, but not "Offer degree programs."

Also missing is academic research, the kind that traditional research universities undertake. A corporate university publishing articles in academic journals would not help develop people or expand organizational capabilities, so it is generally avoided. However, research and development is on the list. While most large companies have a separate research and development department, some have embraced the idea of having the corporate university administer the process of employees conducting research that will benefit the company. One of these, Enclos Corp., is profiled in Chapter Ten. Enclos University administers innovation grants which offer money and/or time away from other tasks in order to create a new product, service, or process that the company will be able to use.

The absence of degree programs and academic research demonstrates that despite the similarity in names, corporate universities and traditional universities do not really have overlapping functions. They certainly cannot be viewed as competitors, except possibly for the very narrow space of executive development programs. These programs are typically

not a core part of a traditional university's mission, but many do perform this function. So in some cases, internal corporate universities can be viewed as competitors to university-based executive development programs. However, in other cases, savvy university-based business schools collaborate with corporate universities to create customized degree and non-degree programs.

How This Book is Organized

If you look at the Table of Contents for this book, you will notice that there are chapters dedicated to many of the functions listed previously in this chapter. In fact, this book is devoted to telling stories about how corporate universities have successfully integrated these functions into their responsibilities for developing people and growing organizational capabilities. So a Next Generation Corporate University is one that goes beyond training to integrate numerous methods for the strategic development of people.

Part One of this book focuses on the strategic role of corporate universities. In Chapter Two, Aimee George-Leary and Ed Cohen describe how to build a holistic development framework, which they define as one that is linked to all people processes through the organization, and they use their experience at Booz Allen Hamilton as a case study. They begin their chapter with the words, "Development is more than training." These five words very effectively capture the spirit of this book.

In Chapter Three, Karen Barley, the President of the consulting firm Corporate University Enterprise, gives us, "Learning as a Competitive Business Variable." This

chapter explores the notion of learning as a strategic business process.

Part Two is devoted to some internal functions of corporate universities. As corporate university professionals look over the menu of possible functions of a corporate university, they need to decide what they are going to do. The next question is equally important: how are they going to do it?

One solution that many organizations have decided on is e-learning. They cite the potential cost savings and the ability to widely distribute learning products as major benefits. What they fail to see is that e-learning has frequently not lived up to its potential of helping people actually learn and helping organizations achieve better results.

In 2001, I attended a conference called, “Virtual Corporate University Week.” Hundreds of people descended on San Francisco to talk about how they were going to get rid of all of their classrooms and have a completely virtual corporate university. (I wondered at the time why they all needed to descend when we could, theoretically, have held the conference virtually). Within three years, I knew of no corporate university that was completely virtual. This one-size-fits-all approach didn’t work. First of all, different subjects lend themselves more readily to e-learning than others. For example, how to use a certain software program might be a better e-learning subject than how to conduct better face-to-face conversations. Also, not every employee in your organization has the same learning style. Some people might take very well to an online learning environment, but it just won’t work for others. There is no single solution that will effectively engage everyone

in an organization. The notion of a completely virtual corporate university has faded away.

Hybrid programs and blended learning then became the buzzwords. The idea was that you could blend together classroom sessions with electronic programs and presto, you've got a learning smoothie. What organizations in fact discovered was that while they could generally get people to show up in classrooms, the e-learning piece was more problematical. People would start these programs, but never quite finish.

I knew this part of the business was in trouble when I heard someone bragging that he had developed an e-learning program that was so good that it had a 60% completion rate. People looked at him with envy. I tried to imagine a traditional university bragging that its programs were so good that only 40% of its students dropped out.

It's not that e-learning didn't hold a lot of potential. It always did and it still does. The problem was that focus was always on the technology (the "e"), not the learning. It is very difficult to truly engage people using technology (I'm not saying it's impossible, but it is very difficult). Organizations discovered that most (not all, but most) e-learning programs and blended learning programs did not deliver on their promise.

So the question remained: To e or not to e? Enter Roger Schank to provide some answers in Chapter Four. Rather than focus on classroom learning vs. e-learning vs. blended learning, Roger asserts that we should focus on Splendid Learning. As the subtitle of chapter tells us, the technology doesn't matter. First focus on ensuring that people are learning and are learning the right things, then determine how to deliver that learning. Roger

was supposed to write a chapter on technology, but he cheated—he gave us a chapter about learning (imagine that in a book on corporate education!). But inside he gives us examples of how to use technology to deliver learning that is splendid.

An important, but often overlooked corporate university function is branding. Annick Renaud-Coulon is the President of the Global Council of Corporate Universities and one of the leading experts on corporate universities in Europe and around the globe. In Chapter Five, she presents the case for corporate university branding as a vital function that directly impacts corporate university success.

As ethical scandals permeate the headlines, companies are wrestling with the problem of how to promote ethical behaviors. In Chapter Six, Phil McGee and John Duncan suggest that corporate universities could take responsibility not only for delivering classes that ensure compliance with ethical requirements, but also genuinely promote an ethical culture throughout the organization. They use three very different organizations as illustrative examples.

Jack Phillips, the guru of ROI (return on investment) measures for training programs and corporate universities discusses Next Generation Evaluation: Searching for Value in Chapter Seven. He discusses the challenges of evaluation and offers suggestions for how evaluation can help both determine as well as add value.

If you remember our definition of corporate university from earlier in the chapter, you'll notice one word that was missing: corporation. A corporate university does not have

to be housed in a corporation—many of the finest specimens are located in non-profit organizations, governments, and other non-traditional places. In Part Three, we explore these distinctive settings.

Global companies face extra challenges in implementing corporate universities. Different languages, cultures, and time zones are among the issues that global corporate universities face. In Chapter Eight, Ed Cohen, the former Booz Allen Hamilton executive who collaborated on Chapter Two and who now heads up the corporate university for Satyam Computer Services, LTD, a global company based in India, shares his insights on running a global corporate university and tells the story of what Satyam has done.

Another frequently asked question about corporate universities is how big does an organization need to be for the corporate university model to make sense. This is a case where size clearly doesn't matter. I have worked with organizations with as few as 400 employees that have very effectively implemented a corporate university. One such organization is Enclos Corp. In Chapter Nine, Lee Steffens and Shannon Novotne tell the Enclos story and offer advice on how small companies with small budgets can still create corporate universities with large impacts.

The for-profit sector is not the exclusive province of corporate universities. The next two chapters are devoted to the stories of successful corporate universities in non-profit organizations. First, Deborah Grayson Riegel offers insight into how a non-profit can effectively implement a corporate university. Then Kevin Bruny, who started and runs

the corporate university for Chesterfield County, Virginia, gives us a blow-by-blow account of a government-based corporate university.

In Part Four, we examine the various functions and activities (beyond traditional training) that corporate universities can and do engage in. One of the most important and often overlooked aspects of organizational change is culture change. Even when organizations attempt to travel down this difficult path, they usually do not look to the corporate university as the enabler. But since cultures are a product of people, and corporate universities are devoted to developing people, Laree Kiely contends in Chapter Twelve that the corporate university should lead the culture change charge. As a bonus, she offers step-by-step guidelines for how this might be accomplished.

Countless organizations are employing mentoring and executive coaching, occasionally as part of formalized programs, but frequently in less structured arrangements. Yet these are exactly the types of functions that can add tremendous value to both individuals and organizations if they are managed properly. And if you've been paying attention, you can probably guess which part of an organization I think should manage these processes. In Chapter Thirteen, Lynn Slavenski describes how her organization, Equifax, has put in place a formal process managed by the corporate university to implement mentoring on a widespread basis throughout the organization. Then Merrill Anderson offers his perspective on The Strategic Contribution of Corporate Universities to Leadership Coaching in Chapter Fourteen.

Jack Gregg, the Dean of Space University at Northrop Grumman, explores the idea of career path management in Chapter Fifteen. This is another concept that can provide tremendous value to both the individual and the organization if managed properly and is another function that is not normally thought of as residing in a corporate university.

I have long been mystified by organizations that have a corporate university, but conduct succession planning activities without involving corporate university personnel. Succession planning goes beyond identifying candidates—it also entails developing people. I don't see how you can do succession planning divorced from the corporate university. Fortunately, thanks to Lynn Schmidt and Chapter Sixteen, we don't have to. She goes beyond the old notion of succession planning and discusses succession management, a much more comprehensive process that goes beyond planning and into implementation and management.

In Chapter Seventeen, my eponymous colleague Mark W. Allen (who shares my name and interest in corporate universities, but is not related to me) discusses an important but often maligned function: knowledge management. If you ask corporate executives if they agree with the statement, “The most valuable asset in your organization is the knowledge in the heads of the workers,” most would agree that it's true. Then ask, “Do you do a good job managing the acquisition, sharing, and use of that knowledge?” and most would say they don't. (This is not mere speculation on my part—I have asked these questions to hundreds of managers and executives. Almost all agree with

the first statement, and the vast majority concede that the second statement is a problem.)

Thus the case for knowledge management.

Many dismiss knowledge management as a fad or the latest flavor of the month. Yet unless you expect the value of workers' knowledge to decrease in importance, it is unlikely that the concept of knowledge management will fade away.

Part of the reason for the dismissal of knowledge management is that many organizations misfired when they first tried to implement it. Recognizing that there was a need for knowledge to be shared among large numbers of people across great geographic distances, knowledge management promoters decided that a database was necessary. They summoned the Information Technology department and put them in charge of building the knowledge management database. The IT folks did what they always do—they did a good job of doing exactly what we asked them to do. The problem is, that we asked them to do the wrong thing. They built it, but no one came.

It turns out that we made two mistakes. First, we confused knowledge with data. Computers are real good at storing data, but knowledge resides in people's brains. Knowledge comes in two flavors: declarative and procedural. Declarative knowledge is facts—the kind that can be written down and stored in a database. Procedural knowledge refers to how to do something. People know how to do stuff, but it's a lot harder to capture that in a database. And guess which type of knowledge is more important to an organization? At the risk of being a heretic, I think Peter Drucker got it wrong (slightly).

We don't value workers for what they know, we value people for what they can *do*. And that, simply, is harder to capture in a database.

The other problem is that one of the major issues in knowledge management is the sharing of knowledge. The organization gets much better value out of my knowledge if I share it with others rather than hoarding it to myself. Unfortunately, for decades our organizations have rewarded hoarding knowledge instead of sharing it. Remember, knowledge is power! Whether intentional or not, there are typically organizational rewards and benefits for being the only person in an organization who knows something. Build all the databases you want, but if you're going to reward me for being the only guy who knows something, I'm not going to share it with strangers just because we now have a database.

So as it turns out, knowledge management is not at all an IT issue, it is a people issue (one that can be aided by electronic tools provided to us by the IT department). This often involves a change in the reward system and frequently necessitates a major shift in culture (as discussed in Chapter Twelve). Since it is a people issue, it is a corporate university issue. Chapter Seventeen delves into the ways that a corporate university can successfully manage an organization's knowledge management function.

And while knowledge management usually focuses on acquiring, storing, and sharing knowledge, the missing link is often applying the knowledge. In Chapter Seven, Jack Phillips shares some research that shows that between 60 and 90% of all of

job-related skills and knowledge acquired in a program are still not being implemented on the job. So while we might be doing a good job of getting knowledge into the heads of our workers, we have not been doing as good of a job of getting them to use it in a way that benefits the organization.

The solution to this is presented in Chapter Eighteen with a topic I call *Wisdom Management*. This coda to the book serves as a reminder that all of the good ideas in this book are just that—good ideas—unless they are applied in the workplace in ways that benefit the organization. Fortunately, *Wisdom Management* describes an organized process of ensuring that all of our fine development efforts are put to good use.

The book is intended as a practical, hands-on, how-to book for corporate university professionals. Just as *Wisdom Management* proscribes that we use our knowledge to improve personal or organizational performance, those of us who put this book together know you are reading it out of a desire to improve your performance, not understand more theory. The theory is at a minimum here, and the professionals who contributed chapters to this book did so out of a desire to help you by sharing their experience, successes, failures, knowledge, and even wisdom. We hope you enjoy reading about our journeys as much as we enjoyed traveling them.

References

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