

# Corporate Universities 2010: Globalization and Greater Sophistication

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## ABSTRACT

*This paper examines the current state of the practice of corporate universities around the world. The topics of globalization, utilization of technology, measurement and evaluation, and the use of corporate universities to provide strategic leverage are explored using a review of literature and first-hand research. The paper concludes with a look ahead at the trends that are shaping the future of corporate universities.*

**Keywords:** *Corporate universities, globalization, measurement and evaluation, technology, ethics, corporate social responsibility.*

## INTRODUCTION

As corporate universities enter the new decade, the days of viewing them as training departments with fancy names are gone. Whereas two decades ago the corporate university phenomenon was gaining traction in the United States with many major corporations embracing the concept, today most major corporations in the U.S. (as well as very large numbers of small and medium sized organizations) can boast a corporate university. Moreover, the corporate university movement has become truly global in scope with sophisticated corporate universities becoming highly visible all over the world.

The ubiquity of corporate universities has also raised expectations. It is no longer enough to provide a catalogue of training courses. Corporate university directors and deans are expected to deliver value through a variety of functions aimed at developing people and expanding organizational capabilities (Allen, 2007). Using published research and the author's own work with numerous corporate universities, this paper explores the current state of the corporate university movement around the world. Among the topics to be discussed are globalization, technology, evaluation, and the strategic link between corporate universities and their parent organizations. The final section looks ahead at the next steps in the evolution of corporate universities.

## GLOBALIZATION

Corporate universities have spread to every corner of the globe. While Europe has boasted numerous corporate universities (typically called "academies" or "institutes") for more than a decade, there are increasing numbers appearing in China, many other Asian countries, Australia, South America, and parts of Africa. The advisory board of the Global Council of Corporate Universities consists of members representing corporate universities from the United States, Canada, Argentina, France, Spain, Switzerland, Russia, the United Arab Emirates, China, Singapore, India, Australia, and South Africa.

Moreover, global companies are increasingly opening branch campuses of their universities throughout the world, rather than bringing people to the corporate home. For many years, Motorola has been operating Motorola University in China. More recently, McDonald's opened a branch of its highly successful Hamburger University in China, the seventh worldwide location for the university ([http://www.msnbc.msn.com/id/36095820/ns/business-consumer\\_news](http://www.msnbc.msn.com/id/36095820/ns/business-consumer_news), 2010).

As in any other organization, a multinational corporation can benefit greatly from a well-executed corporate university. A corporate university can assist in developing the skills needed to manage a multinational corporation, while also assisting in creating consistency in organizational culture, focus, strategy, and even a common vocabulary (Shaw, 2005).

It's clear that both domestic organizations throughout the world and global companies have embraced the corporate university concept. But along with the opportunities that come from global learning initiatives are many challenges. Among these are languages, time zones, travel, technology platforms, and differing cultural concepts of management and leadership (Cohen, 2007). Technology can help bridge some of these gaps, but as the next section discusses, technology is not always the panacea that we sometimes hope it will be.

## TECHNOLOGY

One of the greatest challenges for Chief Learning Officers is the question of how to integrate technology into corporate universities. A decade ago, the notion of the virtual corporate university was popular as many corporate universities were experimenting with eliminating classrooms and making all offerings virtual. Several years and millions of dollars later, that notion has been discarded. The question now is how to use technology to enhance, not replace, classroom learning.

While the technology certainly exists to rapidly and widely disseminate information and to connect people asynchronously and in real time, the challenge is how to do it in a way that actually produces learning that is beneficial to the organization. Roger Schank (2007) has written that the challenge in all types of learning is to engage learners. It's typically easier to do by skilled facilitators in classrooms, but the right types of e-learning (simulations, games, etc.) can get the job done when executed well.

There has been much focus recently on the notion of learning networks (Romano & Secundo, 2009). But the focus here is not necessarily on the traditional ideas of networking computers. These are networks of people, and, while they are sometimes connected by technology, the focus of learning network is on learning through human connection.

An example of this type of network which is mediated by technology is the Mindsh@re project within Finmeccanica, an Italian and U.K. industrial group. The Mindsh@re project brings together the group's main technological communities with the mission to:

- “develop and share technological know-how;
- identify and appreciate Company Best Practices;
- promote common goals; and
- manage the R&D networking between organizations within and outside the Finmeccanica Group.” (Grippa, Di Giovanni & Passiante, 2009, p. 139).

While technology is used to help facilitate the sharing of knowledge, the focus of the Mindsh@re Project is squarely on people. The use of technology should not be viewed as the goal; learning is the goal and technology is one of many tools that may or may not be used to facilitate learning.

The emerging trend is the use of technology more strategically. Instead of viewing it as a solution to all problems, it will be used when it can have the most impact in assisting learning. Of course knowing what kind of impact it is having requires the ability to measure success and to evaluate learning, and that brings us to the topic of evaluation.

## MEASUREMENT AND EVALUATION

Ever since Kirkpatrick brought forth his four level evaluation model more than five decades ago, organizations have struggled with the question of how to best evaluate learning. As corporate universities have grown in sophistication, the challenges have become greater as organizations wrestle not only with how to measure individual learning and the efficacy of a given class, but with how to measure the contributions and even the return on investment of an entire corporate university.

In fact, Donald Kirkpatrick himself is still writing how-to books on evaluation and Jack Phillips, among others, has added to the literature, especially about how to calculate ROI (Kirkpatrick, 1994; Kirkpatrick & Kirkpatrick, 2005; Kirkpatrick & Kirkpatrick, 2007; Phillips, 1997; Phillips & Phillips, 2005; Phillips & Phillips, 2007).

The focus of both the literature and the practice today is much more on organizational contribution (what Kirkpatrick labeled Level 4 evaluation) than on individual learning. The University of Farmers at Farmers Insurance

Group has embraced Kirkpatrick's four levels and measures virtually everything it does across all four levels. However, the focus of the measurements is on the level 4 evaluation, how the offerings of the University are contributing to overall success of Farmers. The University has developed some sophisticated methods for measuring how its training and development efforts directly contribute to sales, claims accuracy, customer service, and other important organizational metrics of success. The focus for the University of Farmers is not on learning itself, but on the organization's specific business objectives.

The key to success in measurement and evaluation is to emphasize mission-based metrics (Allen & McGee, 2004). Rather than measure everything that moves, the focus should be on measuring the important outcomes. In order to do this, there needs to be a clear vision in advance about what the corporate university is trying to accomplish. By starting with clearly articulated goals and objectives about specific organizational outcomes, you can not only focus measurement around these outcomes, but the training itself is likely to be more focused. Thus by knowing in advance what you are trying to achieve and what you are going to measure, you are not only more likely to be able to successfully evaluate, you are also more likely to achieve the desired result.

In fact, some authors (Barney, 2002; Kiely, 2002) have attempted to move beyond the traditional Kirkpatrick levels and tailor evaluation to other areas of interest. Barney's approach was directed toward human capital. Kiely included traditional business based metrics, but also added other organizational priorities. Among her levels of measurement included attitude and perception change and culture change. The focus on measuring the outcomes of these different types of organizational initiatives flows from the shift in orientation of corporate universities from traditional training and development types of activities into newer, more strategic areas of organizational change. These next generation strategic priorities for corporate universities are explored in the next section.

## **A MORE STRATEGIC ROLE FOR CORPORATE UNIVERSITIES**

The primary differentiator between a traditional training department and a corporate university is that while training departments are important, they are typically tactical and operational in focus, while a corporate university is strategic and relates to organizational mission. Put another way, training departments do training, and corporate universities do training and many, many other functions (which will be addressed below) that develop people and enhance organizational capabilities.

A corporate university can be defined as, "*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 this definition is "strategic." Also critical is the notion of mission—corporate universities typically exist to help the organization achieve its organizational goals and mission. The more things they can do that can contribute at this level, the more valuable they can be. One veteran of Motorola University described corporate universities as "strategic levers" (McCarty, 2002).

In my consulting with corporate universities, I have seen numerous valuable functions that corporate universities are responsible for or contribute to. Some (like training and development) are fairly obvious choices for corporate universities. Others are functions that are traditionally handled by other parts of the organization. And some others are new functions that corporate universities have innovated. The following is a list of functions and activities that corporate universities can perform:

### Corporate University Functions

- 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  
Brand the corporate university  
Evaluate programs  
Evaluate the corporate university  
Strategic hiring  
New employee orientation  
Succession planning  
Culture change  
Strategic change  
University partnerships  
Foster an ethical environment  
Corporate social responsibility  
Career planning  
Mentoring  
Executive coaching  
Research and development  
Library  
Heritage center  
Performance management  
Knowledge management  
Wisdom management

While it is not necessary for every corporate university to perform each of these functions (as a matter of fact, I know of no corporate university that is involved in all of these), each organization can analyze which functions the corporate university will be responsible for, which ones the corporate university will assist with, which ones will be handled by another part of the organization, and which ones will not be done at all. These decisions will largely be based on the organization's strategy, and by performing this analysis, the organization can ensure that its corporate university contributes at a strategic level.

To illustrate some of these non-traditional functions, Kiely (2007) details a nine-step process for how corporate universities can shape culture. Since organizational culture derives from the people within the organization, culture change, by its very definition, involves changing the attitudes, perceptions, and behaviors of people. Facilitating these types of changes in people, of course, is the province of corporate universities. Among the most relevant of the nine steps are numbers six, seven, and eight: develop the educational programs, vary the methods of delivery or access to learning, and build the desired cultural changes into all of the corporate university's educational activities.

In a similar vein, McGee and Duncan wrote about corporate universities as "the new keepers of the ethical flame" (2007, p. 109). Using examples from three real-world corporate universities, the authors concluded that the best way to foster an ethical organization is not through teaching ethics classes, but by creating a culture in which ethical behaviors are respected and rewarded and unethical behaviors are not tolerated. The educational piece involves making sure people know what is expected. Ultimately the conclusion is similar to Kiely's—the key to success is culture and the corporate university is a wonderful tool for creating, growing, nurturing, and possibly even repairing the desired culture.

Renaud-Coulon (2008) carried this notion one step further. She viewed corporate universities as a lever of social responsibility. As corporate social responsibility and sustainable development become increasingly relevant in organizations all over the world, corporations are seeking new ways to become responsible citizens of the world. Renaud-Coulon envisions the corporate university as a "tool to forge the corporate identity and soul of the corporation (2008, p. 157). This notion of the corporate university being involved in or possibly even responsible for corporate social responsibility was unheard of ten years ago. It highlights how well corporate universities have evolved to meet new organizational challenges. The following section examines some ways in which this evolution is likely to continue.

## A LOOK AHEAD

The preceding sections not only describe best practices in corporate universities, they also serve to presage the trends that will shape the future of the corporate university movement. This section takes a glimpse at the future of corporate universities over the next decade.

Over the past two decades, we have witnessed corporate universities evolve from training departments to robust educational partners to sophisticated entities that develop people and organizations utilizing numerous innovative methods. Over the next decade, we will see their continued evolution into new types of structures that reach deeply into organizations.

One structure that has been posited is the stakeholder university. Romano (2009, p. xv) defines the stakeholder university as

“(1) developing social capital by addressing all relevant stakeholders;

(2) creating value, beyond financial performance, which includes relationships, knowledge creation, and innovations processes; and

(3) human capital development and corporate learning processes.”

While some of this definition (such as the third part) looks like the current notion of corporate universities, what really distinguishes Romano’s notion of the stakeholder university is the prominence of such concepts as social capital and relationships.

Margherita & Secundo (2009) carried the concept of the stakeholder university a little further. Using case studies from Cisco’s Networking Academy, General Motors’ GM University, and Motorola University, they proposed a definition of the stakeholder university as, “a new learning archetype which promotes and develops innovative learning and capability-building processes among globally distributed and integrated networks of employees, customers, suppliers, partners, as well as of academics, professionals, independent learners, and other institutions” (p. 199).

The key differentiator between this concept and the current view of corporate universities is the idea of integrated networks of employees and the many other stakeholders of the organization.

The concepts of the stakeholder university have led many corporate universities to embrace the ideas of learning networks. Just as the information technology industry has learned that there is much greater value from connecting networks of computers rather than from individually powerful computers, the learning community is finding great benefit to networked learning. As defined by Romano and Secundo (2009, p. 6), learning networks are “formally or informally set up for the primary purpose of enabling any kind of learning to take place over time for building capabilities, managing change, gaining competitive advantage in the perspective of the learning organization...”

To explore the notion of how learning networks work, a group of diverse organizations came together to study and share best practices in what they termed “hastily formed networks” (Clanon, 2009). The organizations, Ford Motor Company, Boeing, Detroit Energy Company, the United States Department of Defense, Tufts University, Feinstein International Center, and the Society for Organizational Learning, reached a number of interesting conclusions. Among these is the finding that having less structure works best, i.e. keeping the networks informal. Also important was that the people who come together in these informal networks share a common sense of urgency or crisis, that is, that there is a compelling organizational reason to create the network, not just networking for a general sense of learning.

A similar emerging model is the multiversity. Mindrum (2009, p. 27) defines a multiversity as “a learning organization built on a series of multiples: serving multiple needs and goals, offering multiple curricula, serving multiple career paths, and using multiple delivery methods and technologies.” As another way of viewing the corporate university in its progression from training department to strategic lever, this model focuses on the delivery of value in multiple ways to multiple constituencies. Like the learning networks approach, the emphasis is on collaboration. Similar to the stakeholder university concept, there is a focus on a variety of learners and beneficiaries.

These emerging models have many similarities and a few differences, however they all have one common link: they are all designed to expand organizational capabilities by using learning as a strategic lever. Since most organizations profess that their most valuable asset is their people, there will always be great competitive advantage in finding innovative and effective ways to increase the value of human capital.

Despite the significant proliferation and growth in sophistication of corporate universities in recent years, there is still considerable room for continued evolution. As long as organizations face new problems and seek new ways of learning, there will be innovations in the structures of corporate universities and in the very nature of learning itself.

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