Role of Corporate Universities in Higher Education

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ABSTRACT

Learning and development has become increasingly challenging, critical, sophisticated and vital in knowledge based global economy. This trend is now accelerating in the rest of Asia and the Middle East. Corporations such as Infosys in India, Huawei in China, Singapore Airlines in Singapore and Etisalat in the United Arab Emirates have well-established corporate universities/learning centers. Other Asian and Middle Eastern corporations, both large and small, are following suit and allocating huge resources to strengthen their learning and development function. As corporate universities make new waves, the days of viewing them as training departments with fancy names are gone. Besides, the corporate university movement has become truly global in scope with them becoming sophisticated and highly visible world over. Using published research and the author’s own work, this paper explores the current state of the corporate university and role of corporate university in higher education.

Keywords: Academics, Competencies, Corporate Universities, Development, Higher Education, Learning

1. INTRODUCTION

A corporate university is any educational entity that is a strategic tool designed to assist its parent organization in achieving its goals by conducting activities that foster individual and organizational learning and knowledge (Allen & Mark, 2002). In contrast, the traditional university is an educational institution which grants both undergraduate and postgraduate degrees in a variety of subjects, as well as conducting original scientific research. On the other hand, though, a corporate university typically limits scope to providing job-specific, indeed company-specific, training for the managerial personnel of the parent corporation, they offer not only valuable training and education to employees, but they also help organizations to retain and promote key employees. Today, there is a growing trend for organizations to partner with traditional universities since a traditional university brings organization, structure, and faculty. Universities are often interested in corporate university opportunities because of the economic gain. What an organization supported corporate university decides to offer will depend on their needs (such as sales training, marketing, or soft skills) and business (like manufacturing, consulting, or technology), but most corporate universities offer a blended

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curriculum of online and in person classes. Some organizations offer courses during the workday while other offer them at varying times. Courses can be short workshops or longer, more traditional courses. Unlike traditional universities, corporate universities demand a return on their investment. Many corporate universities provide hands-on and team learning as a more effective alternative to lecture-based courses, but all corporate universities agree that what is learned has to be applied in nature and should be of high utility and applicable to the work environment. One of the important observations here is corporate universities can only be established by big corporate houses and not by small and medium scale corporate organizations. Further there is a view that establishing separate specialized universities does not help in the long run as they tend to restrict the expansion of knowledge by creating artificial boundaries (Balram, 2005; Anandakrishnan, 2008; Yashpal, 2009). It is argued that it is beneficial to integrate corporate education into traditional universities (Narasimharao, 2010). What we may see in this approach is narrowing the border between corporate universities and traditional universities. It also has the advantage of using the ‘whole’ university. Corporate universities are a growing trend world over. In 1993, corporate universities existed in only 400 companies. By 2001, this number had increased to 2,000, including Walt Disney, Boeing, and Motorola (Hearn, Denise R. 2002).

In most cases, corporate universities are not universities in the strict sense of the word. The traditional university is an educational institution which grants both undergraduate and postgraduate degrees in a variety of subjects, as well as conducting original scientific research. In contrast, a corporate university typically limits scope to providing job-specific, indeed company-specific, training for the managerial personnel of the parent corporation. Corporate universities are set up for a variety of reasons, but most organizations have the same basic needs.

According to Hearn and Denise (2005) these are:

- Organize training
- Start and support change in the organization
- Get the most out of the investment in education
- Bring a common culture, loyalty, and belonging to a company
- Remain competitive in today’s economy
- Retain employees

Successful initiatives to establish corporate universities are on clearly recognized and well-grounded needs such as: the need to compete effectively by having a more capable workforce; or the need to retain employees by making them more “mobile” across the corporation’s spectrum of job functions. In a number of cases, corporate universities have been successfully launched and perpetuated in the context of a major, sustained change management exercise. In these cases, the corporate university can serve as a visible, high touch institution that embodies the change program. Although a corporate university may sound attractive, there is a lot of work that goes into the planning and implementation of such a project. Corporate universities can be outsourced to a consulting firm or planned and implemented in house. It is a growing trend for organizations to partner with traditional universities. There are a number of consulting firms that will help to set up corporate university, but that can be expensive and time consuming. Forming a cross functional team of business stakeholders can be used to launch the corporate university (Meister & Jeanne, 1998). J.P. Morgan and Co. is an example of a company with an organized curriculum (Tanner, Lisa (2007)). They have three different types of courses: business specific courses, organizational learning and communication classes, and management and executive training. What an organization decides to offer will depend on their needs (such as sales training, marketing, or soft skills) and business (like manufacturing, consulting, or technology). Many corporate universities offer a blended curriculum of online and in person classes. Some organizations offer courses during the workday while other offer
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