

## Chapter 6

# The Emerging Corporate University System

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### ABSTRACT

*This chapter discusses the role of corporate universities in the field of higher education and the impact of the same on conventional or traditional universities and their corresponding business schools. This chapter also proposes some strategic actions for the traditional universities to pursue in order to maintain competitive advantage over the emerging corporate universities. Some of these strategic actions include promoting and developing strong long-term and multipurpose strategic alliances with the industry, government institutions, and community development groups. Collaborative strategies are better than competitive behavior in terms of long-term benefits and costs associated with each of these strategies. Moreover, being in the forefront of learning innovation and knowledge management combined with the provision of high quality education and trainings through innovative, diverse, and flexible academic and training programs will help the traditional universities to remain the main supplier of knowledge in times to come.*

### INTRODUCTION

For the last several years, the theme of corporate university has occupied a considerable place and status in the field of higher education and in the education industry. This has intensified the degree and pace of competition for the existing academic institutions from their direct competitors (traditional academic institutions) and indirect competitors (the corporate universities). Both in theory and practice there are reasons for this growing influence of corporate universities. Educational

institutions and education managers must search for the reasons behind the skyrocketing growth of corporate university models and need to have close understanding of the corporate university model. As a matter of fact, business organizations need to provide training and development programs to their employees on regular bases and therefore, these business organizations are always looking for quality, practical, convenient and cost-effective education and training and development programs available at the marketplace. It is believed that the corporate university model has the potentials to meet such demands from the industry and thus to grow more rapidly in the near future.

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## **HUMAN DEVELOPMENT IN THE WORKPLACE**

Historically, companies use broader approaches to do the job of training and developing the workforce they have. One approach which is considered the principal one and commonly practiced by almost all organizations—let alone business organizations—is the provision of in-company training and development programs to its employees by the company. These trainings and skill development programs to a greater extent include courses of specialization, operation management and general management. Given the different needs of different trainees and work dynamics inside the company, these courses are prepared and offered in different formats (i.e., workshops, meetings, lectures, demonstrations, field visits etc.). Generally, such training programs are designed and imparted by each department or by the training department or human resource management department of the company. In some cases, depending on the type and nature of a specific training and development program, companies outsource trainers or consultants from other organizations (business to business training and development). In other cases, companies hire trainers and consultants from the traditional universities provided that most of the universities and business schools offer continuing education programs (short and long courses) to their corporate clients. These corporate training programs also include financing employees especially, junior managers, middle managers and top managers to obtain university diplomas and degrees. Companies sometimes hire university services (trainers) to train their workers in certain specific fields which are generally called “in-company” training provided by the universities. There are several purposes behind such training and development programs. For example, a company wants to:

- Improve the existing knowledge and skills of the employees.
- Teach employees new knowledge and skills relating to their job.
- Teach employee social skills such as communication, decision-making, team-work, and work ethics.
- Improve employee managerial knowledge and skills.
- Make them aware of the new trends and tendencies in the market and societies.
- Prepare employees for new managerial jobs in the future.

Moreover, on the awe of booming global knowledge society and learning organizations, business corporations are looking for ways to remain ahead of the competing forces in the industry. Today more than ever, knowledge and the application of knowledge is the most crucial asset an organization can have and business organizations feel the need for a new strategic approach to organizational learning and growth (Jansink, Kwakman & Streumer, 2005). Consequently, the rapid rise of corporate university education model is a clear indication of how business organizations are trying to address this need (Vossen & Jaeshke, 2002) of in-house knowledge acquisition and management. As the value of the corporate universities is obvious for the parent corporations and that the strategic relevance of knowledge increases, the development of a corporate university receives more and more priority in companies (Rademakers, 2001).

## **CORPORATE UNIVERSITY: THE CONCEPT AND SCOPE**

Although there are different definitions and interpretations of the term and concept of a corporate university, actually a corporate university develops and offers learning activities that are connected to the goals and mission of the organization. And

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