

Chapter 9

How Is It Different From Conventional Learning? The Growing Trend of Corporate Universities in Indonesia

Hary Febriansyah

 <https://orcid.org/0000-0002-6578-7735>

School of Business and Management, Institut Teknologi Bandung, Indonesia

Haifa Labdhagati

School of Business and Management, Institut Teknologi Bandung, Indonesia

Widi Galih Anggara

Ministry of Finance, Indonesia

ABSTRACT

In the current Indonesian business scene, corporate universities have become fashionable. Since their first emergence in the 2010s, Indonesian corporate universities have shown that they are more than just dressed-up learning centers operating under a new name. As prominent organizations in Indonesia start to build their own learning initiatives adopting the model of the corporate university, success stories of the new approach radiate. Bringing an example of a developing country of Indonesia, this chapter attempts to discuss the trends, challenges, and practices of corporate university. This chapter also examines best practices from Indonesian corporate universities and how they differ from the conventional university and their learning techniques differ from traditional learning methods.

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INTRODUCTION

“For training to be effective, it has to maintain a reliable, consistent presence. Employees should be able to count on something systematic, not a rescue effort summoned to solve the problem of the moment. In other words, training should be a continuous process rather than a one-time event.” –Andrew S. Grove, former chairman and CEO of Intel Corporation

It is not an exaggeration to say that corporate learning today should all have the perspective that was brought by Andrew S. Grove, the former chairperson of Intel Corporation. The conventional training and development function in companies was typically aimed to develop specific sets of information, skills, or knowledge needed by the employees. The early training and development programs in companies tended to be reactive, decentralized, tactical, focused on the individual job skills, and often operated as a function within the human resource department (Meister, 1998). However, the conventional approach is not robust or versatile enough to survive in the current competition.

The world is changing at a pace never seen before in the history of humankind. This kind of rapid change has happened because knowledge is now produced faster than ever before. In some cases, knowledge is valued more than tangible assets, as it is essential to survive under these volatile conditions. Knowledge workers are now considered to be important assets for a corporation (Drucker, 1999). Consequently, training and education have come to be regarded as valid long-term investments rather than a simple operating cost. As time has passed, the conventional training and education approach evolved into a new approach called the corporate university. This new approach is intended to engage the employees in a continuous learning process, where the employees are regarded as learners (El-Tannir, 2002).

The term corporate university refers to “an educational entity that is a strategic tool designed to assist parent organizations in realizing its mission by engaging in activities that foster individual, organizational learning, knowledge and wisdom” (Allen, 2002). Although “corporate university” is often considered as simply a new term to replace the corporate training and education department, it is actually a major transformation from the old approach. Unlike the conventional training and education department, the corporate university possesses a strategic dimension (Abel, 2008; Rademakers, 2005). The learning process in a corporate university is driven by the company’s strategy and goals and aligned to its business needs (Andresen & Lichtenberger, 2007; Ben-Hur, Jaworski, & Gray, 2015). Some corporate universities are not limited to supporting learning within the corporation but also attempt to educate other components within the company’s value chain.

Although the concept originated in the Western world, the corporate university has been warmly welcomed in other parts of the world too. Over the past decade, there has been a blooming trend of corporate universities in Indonesia. A large number of companies, ranging across state-owned, private-owned, or even government institutions in Indonesia, have established their own corporate university. The concept of the corporate university is so popular in the country that it is considered trendy enough for a notable business press agency to hold a yearly competition for corporate universities. Questions that this trend raises include Why are all these companies so eager to establish their own corporate university?, Why is it called a ‘university’?, and How is it different from the conventional university or the traditional corporate learning department we all knew?

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