

## THE CORPORATE UNIVERSITY

### Employee development with a strategic focus

#### What is a Corporate University?

The first emergence of what we know today as the Corporate University (CU) came about in the late 1980s. The key driver for the CU movement was the desire for organisations to enhance traditional training departments and align their approach closer to the organisational vision and strategy.

The approach has allowed a branded and more structured method to providing the education in line with organisational direction. Many organisations have however taken the ethos a step further.

Since the concept was introduced the attraction of the CU has grown, as have the number of organisations who have opted for this route of employee development. There are three key reasons why CU has become such a rapidly growing area:

- Effectiveness of traditional learning.** Critics of traditional business schools have repeatedly accused them of being too far from the pulse of the real world
- Competitive Advantage through employee development.** The development of employees is increasingly being seen as a key source of competitive advantage.

- Technology.** Through utilising the latest in technology organisations can economically and effectively deliver continuous and immediate 'distance' and 'virtual' learning.

#### The training department and the Corporate University

So, are Corporate Universities just the latest management fad or are there substantial differences between the traditional training department and the CU.

There are four main benefits of the CU over the traditional training functions:

- Learning opportunities.** Traditionally classes are run for employees based upon their popularity and demand. In the CU environment however learning opportunities are strategically aligned with organisational initiatives
- Technology.** Within the CU technology is used strategically in order to support and reinforce learning. E-learning for instance allows learners to be taught in their place of work – illustrating not only the reduction in travel time but in teaching costs also.
- External Support.** In the traditional organisation training may be

outsourced in order to minimise full time head count. In the CU environment however organisations may work in partnership with education and training providers to improve the quality of employee development.

- Perception of training.** Traditionally many executives view training as an expense that should be kept to a reasonable minimum. In the CU environment however senior management is actively involved in the learning process and views a commitment to learning as a Competitive Advantage.

#### Examples of the Corporate University

Throughout the CU world there are numerous examples of good practice. In general these are organisations that have taken employee development to the next level and have gained a reputation as world leaders in the field.

Organisations such as Motorola, Toyota and Macdonald's now operate training centres of such a size that they actually resemble traditional universities, have a resident staff of professors and even in many cases award degrees.

While this is essentially the pinnacle of the CU ethos it should not necessarily be



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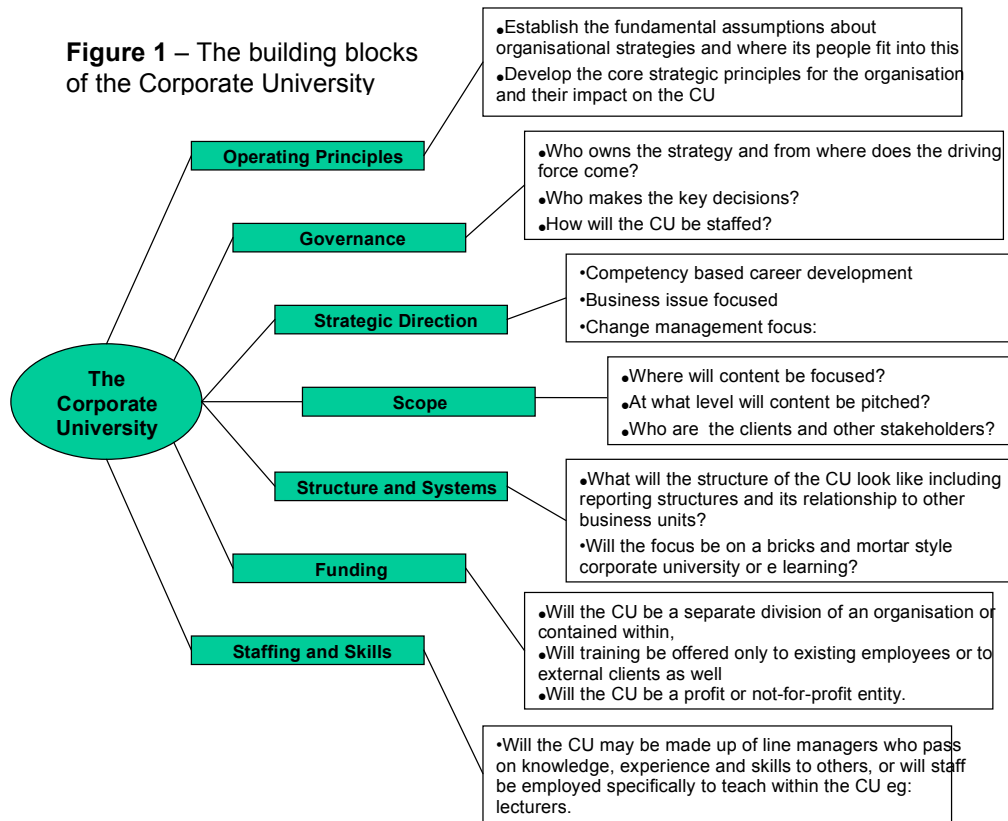
## DMC Become Certified to ISO 9000:2000



The 23 June was a big day for the DMC team as they received their initial ISO 9000 audit from certification body SGS. The audit lasted a full day at the Holmfirth office and, needless to say, the DMC quality management system passed with flying colours.

Certification to the international standard for quality management is seen as a big feather in the cap for organisations when tendering for work and the team are overjoyed at having achieved this internationally recognised status.

**Figure 1 – The building blocks of the Corporate University**



the goal of all organisations.

The test of the employee development is in its fitness for purpose. The 130,000 square foot state of the art Macdonald's Hamburger University is suitable for one of the world's largest organisations, but this would however be too expensive and inappropriate for many organisations.

A CU does not necessarily have to physically resemble a learning institution and may be simply the strategic aligning of employee development provision with organisational goals. It should be noted however that if this is done effectively then the dedicated training facilities and increased investment in employee development might well come in turn

**Stakeholder benefits of the Corporate University**

Figure 2 below details some of the benefits that can be derived for key CU stakeholders from adopting the CU ethos.

These benefits are by no means extensive and the list is perhaps endless depending on the motivations of the organisation.

It is also important to note that these benefits are not just theoretical. In the UK organisations such as Unipart, Anglian Water and BAE Systems are taking the lead in CU development and have realised these benefits in practice.

These organisations are reaping the benefits of placing organisational learning and knowledge management at the core of their operations. These organisations

however are not alone. In the UK today recent estimates suggest that over 200 organisations have or are in the process of developing Corporate Universities. The questions should be therefore not should we develop one but when.

**How to build your Corporate University**

When the decision has been taken to invest in the Corporate University approach to organisational development the hard work really begins. Figure 1 offers some considerations when developing the idea.

**Corporate Universities – Which way now?**

Should every organisation strive to develop a Corporate University based methodology for employee development? Yes. A CU does not necessarily need to be a multi million pound investment in a purpose built training facility, although it can lead to this. The underlying principle of the CU is the aligning of employee development with the organisations strategic direction, which need not necessarily be expensive.

In conclusion therefore the theories that underpin the CU are essential for any organisation that wishes to achieve a Competitive Advantage through employee development. The CU can be as expensive as desired and the barriers to its initial development are very few.

Most organisations already provide employee development in some form or another but using the principles and guidance suggested here then this employee development can be aligned with the organisations strategies and objectives to provide optimal organisational performance.

**Figure 2 – Stakeholder benefits of the Corporate University**

The Corporate University Mission and Objectives		
The Organisation	The Employee	Education and Training Providers
Employee development is aligned with the organisations strategic focus	A transferable portfolio of training and education recognised throughout industry	Education provision is better aligned to the needs of the community which ties in with key provider targets
More efficient and effective use of scarce training resources	A practical, vocationally based education more applicable to the workplace	Increased revenue from the private sector
Better management of knowledge as a basis for continuous improvement	More efficient learning through knowledge sharing amongst employees	Improvements in the efficiency and effectiveness of employer engagement
Competitive Advantage derived through a better and more appropriately educated workforce	Increased efficiency and effectiveness in the workplace leading to increased job satisfaction	Experiences gained through the provision of more vocationally focused education to the private sector can be beneficial to 'traditional' learners and their experiences
Distribution of best practice that can lead to improved product and service quality	Empowerment of the employee builds self confidence and boosts morale	

For further information on this and other areas of our work please contact [Richard@davidmasonconsultancy.co.uk](mailto:Richard@davidmasonconsultancy.co.uk) or 01484 689993