

More companies turning to universities to educate workforce, study shows

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(Phys.org) -- The partnership of Wal-Mart Stores Inc. with American Public University to provide online college degree programs to Walmart's U.S. workforce has generated skepticism among some in academia.

The arrangement, however, reflects growing trends in employee development as organizations struggle to remain competitive in a global marketplace and adapt to rapid-fire technological change with several generations of workers on board that have wide disparities in skills, said Jessica Li, a faculty member in the College of Education at the University of Illinois.

Li and Amy Lui Abel, a researcher with Silk Road Learning in New York, recently completed a study in which they examined the operations, functions and structures of 210 corporate universities across North America.

Corporate universities – defined as organizations that instill the parent company's values, processes and strategic goals in its workforce and may also train clients, suppliers and other external constituents – have doubled in number in the U.S. over the past two decades and now number more than 4,000.

Corporate training and employee development is familiar territory for the researchers, both of whom worked in the field – Li at Motorola and Nokia, and Abel at Morgan Stanley.

Half of the corporate universities in the study – which spanned an array of industries, including health care/pharmaceuticals, banking/financial and manufacturing/engineering – were less than 5 years old. More than 20 percent of them were just starting when the survey was conducted in 2007.

Employee development is taking on strategic significance within organizations, as reflected in high-level titles such as “chief learning officer” that are appearing on more company rosters, the researchers wrote.

“The chief learning officer title is a growing trend in employee development,” Li said. “The title symbolizes the importance of learning within the organization. It’s a branding effort, as is the title ‘corporate university.’ These companies are saying that employee development is much more important than the traditional personnel or training department. It’s all about how you position yourself.”

While partnering with a business unit or the human resources department within the company is more common, corporate universities increasingly are pairing with academic institutions to design and deliver customized content, including noncredit courses and degree programs, the researchers found.

Walmart isn’t the only corporate titan to develop programs that align college curricula with its workforce needs. General Motors offers a customized master’s of business administration degree program through Indiana University, and Motorola’s corporate university in China collaborated with 21 higher education institutions to provide specialized technology training and MBA-type programs for executives.

Increased collaboration between higher education and the private sector is a good thing, since one supplies the needs of the other, Li said.

However, the Walmart-American Public University arrangement has raised concerns about programmatic quality and the blurring of vocational training and baccalaureate education.

“The goals should be clear: Do they want to have skilled workers or are they simply wanting to look good by having more people with college degrees?” Li said. “Walmart may be attempting to rebrand its corporate image – improve its corporate citizenship – by investing in the employees’ future, which may or may not be with [Walmart](#), and showing that it cares about employees’ development beyond minimal training.”

Under pressure to keep costs and headcounts to a minimum, many corporate universities are outsourcing training and partnering to external entities that develop content and deliver classroom-based programs. Half the organizations in the study had fewer than 25 full-time employees in their corporate universities.

“Cost-cutting has become a priority in the current economic environment,” Li said. “But companies that focus on saving money at the expense of employee development will suffer in the long run. When the economy recovers, they will experience a shortage of talent and won’t be able to strengthen their management or technology sectors. They’ll be involved in talent wars with competitors.”

The study was published in the spring edition of *Human Resource Development Quarterly*.

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