



# Corporate Universities

Innovators  
in Educating  
the Work Force

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**FORTUNE**®

# Corporate Universities

## Innovators in Educating the Work Force

**T**he education market is undergoing a seismic shift throughout the world. Businesses have pointed to the fact that the “product” coming out of our educational system does not have the requisite skills, knowledge and competencies to be successful in the global marketplace.

Yet, the United States spends 9.8 percent of its gross domestic product on education—a total of \$619 billion, \$60 billion of which is targeted to the corporate education market. Amazingly, this is second only to health care spending, which totals 14 percent of our gross national product.

Just as health care has moved to a market-driven system, the education market is being challenged to better meet the needs of its customers. Leading this movement is a growing segment of corporations that are launching corporate universities as vehicles to remain competitive in the global marketplace.

A corporate university is essentially the “in-house” training and education department of an organization, designed so it can maintain tighter ownership of learning outcomes in order to better meet corporate priorities. The corporate university has evolved into the strategic umbrella for



*The corporate university has evolved into the strategic umbrella for educating employees, customers, suppliers, and even outsiders.*

educating employees, customers, suppliers, and even outsiders, for a fee. In fact, the rapid growth of corporate universities from 400 in 1988 to more than 1,000 today underscores how rapidly the private sector is taking on the role of educator.

While the word “university” conjures up thoughts of an ivy covered building, and tenured faculty, the corporate version is very different. As a group, these 1,000 corporate universities are emerging as innovators in the design and delivery of high-quality

on-demand education. They are using distance learning technologies to bring learning to the workplace, forming collaborations with local, international and virtual universities, and developing tools so employees can share their best practices.

What does the future of learning look like at these corporate universities? Each year Corporate University Xchange, Inc. conducts a survey of 100 corporate university deans, known as the *Annual Survey of Corporate University Future Directions*. We asked this group of university deans to share their best practices with us. Following is a discussion of five of the top-line findings:

### 1. Align the goals of education to the strategies of the business

**A** growing number of organizations have created the job of chief learning officer—the chief strategist of the corporate university responsible for linking education to critical business strategies. Our *Annual Survey of Corporate University Future Directions* found that almost 20 percent of these chief learning officers report directly to the CEO and this trend is expected to grow as more companies view corporate education as a partner in achieving critical business goals.

### 2. Involve leaders as learners and faculty

**A**t companies with corporate universities, top management is becoming increasingly committed to and involved in the learning process. CEOs at companies included in our survey spend an average of one day each month facilitating learning programs. General Motors University,



going one step beyond involving the CEO, is partnering with the Center for Creative Leadership to train 2,000 mid-level executives in General Motors' vision, values and leadership competencies. This type of role modeling demonstrates the commitment leaders have to the learning process.

### 3. Use technology to measure, track and accelerate learning

Learning solutions combine high-tech with high-touch and result in fun, entertaining and engaging programs. Our *Annual Survey of Corporate University Future Directions* found that while less than 20 percent of learning is currently delivered using technology, our 100 corporate university deans predict that by the year 2000 this will grow to more than 50 percent. In addition, the greatest area of growth is seen to be education delivered over

corporate intranets. Our sample indicates that intranets will account for over one-third of all training delivered via technology.

### 4. Develop a range of innovative alliances with institutions of higher education

Corporations are increasingly developing joint degree programs with institutions of higher education. Our survey found that 40 percent of corporate universities plan to grant degrees in partnership with an accredited institution of higher education. These degrees are primarily at the graduate level in business administration, engineering, finance and computer science. The main driver of this interest in offering accredited learning programs is the desire to grant portable credentials as part of the corporate training program. Rather than automatically

fund tuition reimbursement programs, organizations with corporate universities are proactive in specifying the types of skills and knowledge needed for success in an industry.

### 5. Use the corporate university as a branded competitive advantage and a profit center

Finally, our *Annual Survey of Corporate University Future Directions* indicates a strong interest in having the corporate university become a profit center by leveraging its organization's "brand name" and reputation for business excellence. By applying consumer product branding techniques to the corporate education arena, corporate universities are taking the best of their own corporate training programs and marketing them to outsiders.

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## Corporate University Xchange, Inc. Building a Bridge Between Business and Learning

Corporate University Xchange, Inc. is a New York City-based corporate education and research firm committed to sharing knowledge and best practices on corporate universities. Corporate University Xchange is led by Jeanne C. Meister, an internationally recognized expert on corporate universities and author of *Corporate Universities: Lessons In Building a World-Class Work Force*. (McGraw-Hill, 1998).

Corporate University Xchange fulfills its mission of best practices research on corporate universities by:

- Consulting: engagements focusing on how to launch a corporate university
- *The Annual Survey of Corporate University Future Directions*: a research report that examines

the best practices of 100 corporate universities worldwide

- Chief Learning Officer Xchange™: a member-driven research and benchmarking forum for corporate university deans
- *Corporate Universities International*: the only newsletter on corporate universities analyzing leading trends in management, marketing, and alliances with institutions of higher education
- "Designing a Virtual Corporate University" symposium, March 30-April 1, 1998, Cambridge, Mass. – the premier conference for corporate university practitioners, business partners and representatives from institutions of higher education.



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## General Motors University: Driving the World's Largest Company on the Road to Globalization

**O**ver the past several years General Motors, the largest company in the world, has undergone a major overhaul of its learning infrastructure. This parallels major business developments within the automotive giant, many of which have been aimed at consolidation and globalization. General Motors University (GMU) has recently emerged as a crucial component of GM's drive to be the world leader in transportation products and related services.

In 1994, following a restructuring of the organization, GM took a close look at its education function and found some major weaknesses: Many courses being offered to its employees were redundant and not connected to the company's strategic priorities; there was an inability to quickly share best practices; and a shortage of skills, along with poor distribution of talent, was creating business imbalances—growth in some sectors, stagnation in others.

GMU was conceived to address these imbalances by deploying common processes companywide and ensuring that employees around the world truly understand GM's core values of customer enthusiasm, continuous improvement, integrity, teamwork, and innovation. A curriculum improvement that stems from this new approach is the expanded use of GM case studies. These case studies, while specific to areas such as leadership, quality, or union management, are designed to illustrate the interdependency of business processes. For example, a case study designed as an ethics lesson may also involve issues of quality and leadership, and vice versa.

GMU represents upper management's belief that education contributes to GM's fundamental capability and competitiveness in a significant way. GM has indicated its strong commitment to education by encouraging its leaders to teach and demonstrate genuine enthusiasm in the subjects they are teaching.

During the early phase of GMU several key GM executives, including CEO Jack Smith, met at GM's Global Automotive Leadership Conference of 3,500 executives in Orlando and each did a presentation on a specific core value. According to Richard "Skip" LaFauve, president of GMU, "Our leadership really demonstrated their commitment to those values as a team. They were teaching and communicating through their actions that these values were important, and that is such a powerful thing."

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**General Motors  
University**

GMU has embarked upon an ambitious program of communicating its education commitment to internal and external customers, shareholders, and the community at large. A key strategy behind this communications effort is branding—giving GMU a distinct identity to enhance its global reach. To this end, GMU will soon be employing a brand manager. "The brand manager's job will be to identify who our customers are and what kinds of messages about GMU we need to develop," says LaFauve. "We want our customers to know what General Motors University is all about and what it offers. It's really difficult to draw a line between communications and education."

GMU was designed to help GM grow and become a truly global organization. By employing leaders as teachers and branding the university through a dynamic communications effort, GMU

is unifying their once-fragmented training function and creating a true network of learning opportunities.



## Unisys: Investing in Employees through On-line Career Development

While the "contract" between the employer and the employee has dramatically changed in the last decade, few organizations are as committed to innovation as Unisys Corporation when it comes to investing in their employees. When Lawrence Weinbach accepted the position as chairman, president, and chief executive officer of Unisys in September 1997, he declared that developing the full potential of employees and making Unisys an employer of choice would be major priorities.

The Career Fitness Centre, a Web-based career management tool, is the Unisys answer to helping employees take greater control of their professional development. The Career Fitness Centre, launched in October 1997, is a one-stop source for employees to learn about where the company is going, what the career trends are, and what competencies they'll need for continued professional success.

David Owens, vice president of worldwide professional development, says that brand management techniques were used to develop the Career Fitness Centre. "First," says Owens, "we developed a concept statement of what the Career Fitness Centre could do for employees and then we conducted extensive internal consumer research with potential users to ensure that the Fitness Centre was useful, attractive and easy to use. We found the metaphor of a Fitness Centre to be a powerful and memorable way to communicate the importance of staying in tip-top career shape. Our research showed that Unisys people were frustrated by the challenge of 'tuning up' their careers without adequate career development skills and support."

The Career Fitness Centre, with its Personal Trainer, Job Gym, Skill Shaper, and Feedback and Coaching Corner, is the ultimate resource to develop an employee's competitive skills. As David Aker, senior vice president of Unisys worldwide human resources says, "If you believe, as we do, that people are assets, you invest in them as you would in any asset, and there is a return on that investment."

As the home page of the Unisys Career Fitness Centre shows, there are numerous career management tools available. A Unisys employee starts out with the Personal Trainer to obtain a strategic framework for the company and the specific actions and behaviors needed to apply Unisys Seven Shared Practices—which spell out the responsibilities of employees and managers.

Another segment of the Career Fitness Centre is the Job

Gym. This is a listing of job profiles, current job postings and "hot" jobs that will be in demand three years out so that employees can begin to prepare for them now. Through the Job Gym employees can access personal marketing tools that give pointers on such things as how to create a résumé, market specific skills, and handle interviews effectively.

The Career Fitness Centre lists telephone numbers of many specifically trained coaches who are ready to offer personalized counseling on a variety of career development tools. It is an excellent example of a high-tech, high-touch system.

The Career Fitness Centre provides Unisys employees and their managers with a motivating set of opportunities to build career self-management skills and a renewed sense of employability—all with the click of a mouse. Unisys: Using technology to help employees gain the knowledge and skills required for personal and company success.

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# UNISYS

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