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Challenges of the Flourishing of the Corporate University to Higher Education Institutions in Ethiopia

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Abstract

As the boundaries between training and education converge and the demand for the services of traditional universities in response to the needs of the workplace increase, the call for the development of the corporate university is increasing worldwide. With this background the paper attempts to review what the corporate university (CU) is, its viability in Ethiopia and the potential challenges it may bring to traditional universities in the country. The review focuses on the assessment of the current situation about CUs and the policy and practice environment for their viability in Ethiopia. It is found that whereas in the West the corporate university has been the domain mainly of the private sector, in Ethiopia it has been that of the public sector. It is concluded that the policy environment in Ethiopia seems to favor the establishment of CUs by private businesses as has been the case in the public sector for decades. Moreover, with the expansion of business and industry in Ethiopia, there is a future for CUs in the private as well as the public sector. Unless private and public higher education institutions address the ever growing and changing training and education needs of organizations, both public and private, CUs will flourish and endanger their future success and market.

INTRODUCTION

Background to the Study

One of the most valuable assets at any company is its employees. Successful companies are recognizing the need to become learning organizations and to retain and develop workers. The question is how could these organizations realize this need? Should they depend solely on traditional universities and training businesses or develop their own learning systems? Or both? All forms have been used to date.

Due to the growing demand for practice –oriented learning, however, the traditional job of the institutions of higher education has changed. Learning has given way to a new model of blending learning and work into one activity. Adults or “non-traditional students” want convenience, accessibility, and 24-hour service from their educational providers. For working adults, busy schedules, inflexible course schedules and the lack of convenient accessible educational offerings are major barriers to continuing their education (AACSB, 1999, p. 22). It was in response to these challenges that organizations opted for the formation of CUs to organize and deliver practice-oriented learning to their employees.

Today’s corporate university is not just a program or a classroom but a symbol of the necessary continuous learning (Flessner, 2000). Along with this positive look toward corporate education, there

has been much debate on the pros and cons of establishing corporate universities versus using local university programs to train employees.

In the Ethiopian context it was in the public sector that the first police training college was established in 1932. This was followed by the establishment of the first polytechnic for the military in 1958. Both have now developed into university colleges offering a variety of courses leading to certificates, diplomas and undergraduate and post graduate degrees . In addition to these, other service providing public enterprises such as the Ethiopian Airlines, Ethiopian Telecommunication Corporation, Ethiopian Electric Power Corporation also developed in-house education and training sections to develop the technical and professional skills of their employees. Some of these institutions share the concept and characteristics of the CU. The private sector seems to lag behind in exploiting the potential of CUs in Ethiopia. The recent introduction of free market economy and the flourishing of big private companies in Ethiopia may require corporations to establish their own colleges or universities to satisfy the ever growing demand for qualified employees and equip their top managers with effective leadership and management skills. This trend may further be accelerated if traditional colleges and universities fail to supply such kind of leaders and employees as would be demanded by private companies.

As a review, this paper attempts to chart the history of the corporate university and the reasons that led to its proliferation in companies with diverse areas of specialization such as information technology, financial institutions, and defence and security sectors. The definitions, functions and organizational structures of CUs found in the world are discussed in a view to help understand the CU concept better. It also reviews the policy environment for CUs and the history and functions of some education and training providing public institutions in Ethiopia over the years. It, moreover, shows the significant differences between traditional and corporate universities, examine their viability in Ethiopia and show the challenges corporate universities pose for traditional universities.

Brief history of the corporate university

Corporate universities emerged as a continuation of a workforce education trend that began as early as 1914. Instead of coping with the perceived slowness and inapplicability of theoretical learning found in traditional colleges and universities, business and industry turned inward and created training and development departments. These business units were designed to provide employees with the skills necessary to perform their duties with precision and efficiency. By 1927 General Motors began the GM Institute¹.

Corporate universities have grown since the late 1950s and by the early 1980s there were 400 corporate universities in the USA. Corporate universities really hit the mainstream in the 1980's as major organizations such as Motorola and GE implemented high profile initiatives with full backing from senior management (ECUANET, 2006). But the real growth occurred in the 1990s when the number of corporate universities increased to 1,600, which included corporate universities at 40 per cent of the *Fortune* 500 companies (Lipin, 2001).

¹ <http://www.cuenterprise.com/777about/whatisctu.php> (accessed April 16, 2010)

By 2000, 2,400 corporate universities existed. Some 80 per cent of *Fortune* 500 companies either already have a corporate university or are planning one, according to a recent survey, and the primary reason for establishing the corporate university is to show employees they are valued and to achieve continuous learning (Wagner, 2000). This number will grow to exceed 3,700 by 2010, which is more than the number of private universities in the United States (Hearn, 2002).

ECUNET (2006) lists about 62 CU in North America and Europe. Of these around 42 are from Europe and 20 from USA and Canada. France appears to have the largest number of CUs to date (Alcatel, AXA, Bombardier, EADS, Schneider Electric, Suez, Thales, Vivendi Universal to name just a few).

In outline, we can characterize a number of stages in the evolution of the CU paradigm:

1. First generation – re-labelling of the training and development departments.
2. Second generation – alignment of training and development with organisational goals.
3. Third generation – technology driven – the virtual university concept emerges.
4. The new generation – results-based processes of intellectual equity and intellectual asset management in real-time environments are emphasized. (Dealtry, 2000a:p.4)

The void in training and development and the emergence of the CU

The profile of training in the workplace has been raised by the function becoming more strategic and integrated into the organization's future, much in the same way HRM developed from personnel management. Essentially some elements have changed over time leaving a void between what organizations needed and what the education sector was providing. The elements could be seen from the supply side and the demand side.

On the supply side we see changes in the education sector as a whole and universities in particular and there is increased competition from overseas and private e-learning providers making providers compete increasingly against each other within the market rather than focusing on threats from outside their immediate market place.

Universities themselves are also facing pressures to globalize, particularly through franchising overseas in order to be increasingly competitive as a result of the deregulation of the market (Rooney and Hearn, 2000).

On the demand side, the nature of management and leadership has also changed. Management focus is more on efficiency, effectiveness and performance, and leadership is distinguished from this (see for example Goldsmith, 1996; Clampitt and De Koch, 2001; or Chopra, 2002 all cited in Blass, 2005). Leadership, on the other hand, has developed into a strategic niche of its own, requiring vision, foresight, and the ability to gain followers (see for example Goleman, 2002; or Melendez, 1996 all cited in Blass, 2005). In other words, it is the task of leaders to decide where the organization is going and it is the task of managers to make sure they get there.

The void that has emerged between the supply side of the equation from education providers, and the demand side of the equation from organizations is a need for a combination of self development, career development, management development and leadership development, something that Sanches

(1997 cited in Blass, 2005) argues that MBAs cannot do. Anderson et al. (2001) suggest that academics and practitioners are moving further apart, while Ball and Butler (2000) believe there is a cultural conflict in their relative approaches, particularly to research and practice. It is this emerging gap that corporate universities have developed to fill (Blass, 2005).

In general, the following are a few key principles whose contexts are expanding as the role that learning plays in an organization is changing. These changes are:

- From reacting to noticed workplace problems to proactively staying ahead of the change curve and aligning learning as part of corporate initiatives
- From event-based training to solutions-based approaches to development
- From exclusive ownership of training residing within the training department to shared accountability for learning with executives, managers, and employees
- From fragmented training records to seamless technology integration to support comprehensive tracking
- From pure classroom delivery to learning solutions that focus on providing the right learning to the right person in the right place and at the right time
- From compartmentalized training groups to a common “system” for learning that promotes collaboration and reduction of redundancies
- From evaluation that deals solely with smiley sheets to formal and comprehensive methodologies to demonstrate the value of learning².
- According to Dealtry (2000c) there are a number of important organizational, investor and intellectual supply chain issues that are accelerating the emergence of the CU function, including:
 - The increasingly sophisticated level in the knowledge base in companies and the emerging role of the knowledge worker. The main strands of achieving competitive advantage have at last been properly identified as intellectual focus, new learning and speed of know-how application.
 - The changing decision base for developmental change in organizations.
 - There is concern about the lack of innovation and the dilution of academic rigor by some external providers of management qualification programs both at undergraduate and postgraduate levels.
 - Companies that are engaged in global business often need diverse and timely solutions for different marketplaces and there are limits to single source providers’ ability to meet their needs.

What is a Corporate University (CU)?

Alternatives to the term corporate university include terms such as “institute of learning” and “learning academy” (Meister, 1998). There are many other labels used by organizations for this function: “University”, “Academy”, “Institute”, “College”, “Learning Centre”, “Learning Hub” and “Staff colleges” (the public sector in particular has a history of this sort of initiative) (ECUANET, 2006).

Some definitions

² <http://www.cuenterprise.com/777about/whatisu.php> (accessed April 16, 2010)

Although the corporate university industry does not enjoy a universally accepted definition, varying degrees of strategy and value appear to be generally attributed to long-lasting corporate university designs. Let us look at some definitions.

For Allen (2002:9) a corporate university is an educational entity that is a strategic tool designed to assist its parent organization in achieving its goals by conducting activities that foster individual and organizational learning and knowledge.

Another definition of a CU is “It is the strategic umbrella for developing and educating employees, customers and suppliers in order to meet an organization’s business strategies [which] is the chief vehicle for disseminating an organization's culture and fostering the development of not only job skills, but also such core workplace skills as learning-to-learn, leadership, creative thinking, and problem solving” (Meister, 1998, p. 29).

A related definition sees corporate universities as initiatives which “are wholly owned by a parent work organization; have as their primary focus the provision of learning opportunities for employees of the parent organization (even though it may also offer learning to suppliers and customers); and utilize symbols and language from the educational sector.” (Allen, 2002)

In a broad final definition, a corporate university is a function or department that is strategically oriented toward integrating the development of people as individuals with their performance as teams and ultimately as an entire organization by linking with suppliers, by conducting wide-ranging research, by facilitating the delivery of content, and by leading the effort to build a superior leadership team (Wheeler, 2003).

These definitions encompass the ideas of “non-employee” development and linkages with suppliers. They also argue a view of corporate universities as not so much physical entities but as a concept concerned with particular approaches to organizing and managing learning within organizations.

The CU and the traditional academic university

The fundamental objectives of providing quality instruction, facilitating research and advanced learning and giving recognition to the level of learning achieved are the same for both the corporate university and a traditional university. However, the management, strategic context, the learning processes used and developmental objectives of the corporate university are very different from those of a traditional university.

The corporate university is a hybrid development that brings together the rapidly changing nature of corporate training and development as previously known with certain elements of the intellectual discipline and rigor that underpin academic processes. The CU is not like any older patterns, academic or business, but is a new entity and culture more in-phase with the modern business landscape (Dealtry, 2001).

In most cases, corporate universities are not universities in the strict sense of the word. The traditional university is an educational institution which grants both undergraduate and postgraduate degrees in a variety of subjects, as well as conducting original scientific research.

In contrast, a corporate university typically limits scope to providing job-specific, indeed company-specific, training for the managerial personnel and employees of the parent corporation (Wikipedia, the free encyclopedia).

Nevertheless, as El-Tannir, Akram (2002) states, CUs fall short of the key characteristics of traditional universities in:

- being proprietary and thus cannot deliver a wide range of learning;
- lacking degree accreditation and thus universal recognition of their programs;
- lacking basic scientific research usually conducted in the academic atmosphere;
- requiring learning delivery in a tight time frame;
- missing out the classroom experiment of person-to-person interaction; and
- Undermining the role of freedom of speech within the walls of the corporation.

Unlike traditional universities, CUs demand a return on their investment. There must be concrete evidence that the classroom is delivering results. Many CUs provide hands-on and team learning as a more effective alternative to lecture-based courses, but all CUs agree that what is learned in the classroom should be directly applicable to the work environment³.

CU's challenges to public/private HEIs

Effective training and development is a crucial weapon in the battle to stay ahead of the pack. Traditionally, the public university has had a key role to play here and most organizations would strive to bolster their managerial ranks by snapping up talented individuals fresh from MBA or similar postgraduate programs.

However, this is no longer automatically the case. Higher education providers face new challenges, increased competition and ever-diminishing budgets and are, consequently, less equipped to fulfill industry's training requirements. Furthermore, business leaders argue that an MBA merely provides an individual with knowledge of how an organization operates, when companies really require a package that incorporates self-development, career development, management development and leadership development. So what is the alternative? Step forward the corporate university (Blass, 2005).

As we saw earlier, there is a mismatch between the supply and demand sides of education and training. Could the supply side of the equation have adapted to meet the needs of the demands of the organizations? The competitive environment in which organisations operate means their needs are

³ Wikipedia, the free encyclopaedia

changing rapidly, and the cumbersome bureaucratic processes of the education sector, founded originally on quality concerns, means that they are unable to respond quickly enough to their customers' needs. These are being heralded as reasons for the development of corporate universities and more private sector providers are getting the vast majority of business expenditure on staff training as they can guarantee consistency, as well as probably a faster response and more flexible delivery capabilities (Tysome, 2004). As a result, the education sector could find the demand for its services diminish further. There appears a trend in establishing public sector corporate universities in the West. For example, the National Health Services University (NHSU) established in 2006 in Britain aims "to become the first fully recognised public sector corporate university in this country, with its own degree-awarding powers" (Blass, 2005: 12).

When corporate universities emerged, their offerings were initially largely those of an improved training department, and they did little to warrant the university title. However, this is now changing. Corporate universities have developed to fulfill their own hype allowing them to develop and compete directly with the traditional public university, and many of them might win (Blass, 2005).

There is still a degree of tension between some business schools and corporate universities due to the threat of competition. However, this appears to be unfounded. Most CUs are not seeking to introduce accredited MBA or degree courses; rather they are looking to introduce more action-based approaches. CUs tend to partner with business schools when supplying accredited courses as opposed to competing with them (Blass, 2005).

Some changes in traditional universities

Traditional universities are facing the competition from corporate universities and many are actively joining partnerships with the corporate universities to end revenue losses. Others have been under pressure to "vocationize" their mission and eliminate or shift under-funded programs in favor of introductory, service, and scientific curriculum. Debates on university curriculum are taking place and often commercial interests are at odds with the university curriculum (Aronowitz and Giroux, 2000). Universities are struggling to prevent the liberal arts curricula from being swamped by technology and science (Greenspan, 1999). Colleges and universities have been criticized for selling out to corporate America as training sites for businesses and changing college presidents into full-time fund-raisers who more resemble CEOs than academic leaders (Aronowitz, 2001).

Corporate universities may either threaten or provide opportunities for the traditional universities. Many universities are increasing the number of distance-education programs. Between 1995 and 1998 alone, distance education programs increased 72 per cent (Carnevale, 2000). Business schools inside traditional universities are the key group seeking to become more current and responsive to corporate needs. Universities also are seeking ways to offset the money lost from fewer students seeking traditional degrees. The adult student pool is now larger than the traditional 18-to-24-year-old college market, and is expected to grow. To serve the non-traditional student, universities must now compete with corporate universities, certificate programs, virtual universities and even for-profit education firms (Meister, 1998).

With a corporate partnership, traditional universities meet the needs of adult students who have left university programs. Because universities already have many, if not all, of the facilities needed for distance learning, corporations may rely on those classrooms to save costs and the learning curve associated with establishing and implementing the new distance-learning technology.

Universities will continue to be an excellent source of expertise to corporate universities as more e-commerce and other courses relating to current business issues are added. In addition, corporations will have to partner with establishing colleges to offer transferable college credit toward degrees (Judy and Helms, 2002).

CU's contributions to organizations

What kinds of organizations establish CUs?

If we look at the types of companies getting involved in corporate university development, we find that the initial trend was established by hi-tech businesses, professional services firms, consultancy companies and companies with a strong scientific or technological base. The ethos for continuous innovation and leadership in every aspect of their businesses is well established in such companies and the need to press ahead is ever present.

The trend is now taking hold in more traditional businesses where the combined benefits of properly managed business-led learning, shared knowledge and e-technologies are being put to good use (Dealtry, 2000 b,c).

CU contributions to organizations

Whether their primary purpose is to build competence, drive organizational change, maintain corporate competitiveness, recruit and retain talent, or serve customers, most corporate universities are founded on strategic business practices and a self-conscious awareness of their responsibility to contribute to organizational growth and/or effectiveness⁴.

Taylor and Phillips (2002) propose that a corporate university can provide some or all of the following to an organization:

- The ability to increase the rate of learning within the company to match the increased rate of change in the environment;
- The ability to respond to the challenges of globalization, including the use of technology;
- The ability to align business goals and learning strategies;
- To centrally direct and co-ordinate a locally-owned activity;
- To aid maintenance of a corporate culture even when spread over diverse local cultures; and

⁴ <http://www.cuenterprise.com/777about/whatisuc.php> (accessed April 16, 2010)

- To focus all organisation members on the key role of learning and knowledge in creating and sustaining a competitive advantage.

Moreover, the establishment of a corporate university can facilitate the establishment of a knowledge management system. While it is arguable whether or not knowledge can actually be “managed”, it clearly can be created, shared, developed, enhanced, updated, and so forth. By having courses designed and delivered in-house for in-house participants, a corporate university forms the backbone of the knowledge sharing process. When knowledge is shared, it can be expanded and enhanced. Hollamby (1999) of Shell International Exploration and Production claimed “if we knew what we know, we wouldn't be doing what we do.”

Bajer (1999) used the template “what, so what, now what?” as the basis for corporate university activity. The “what” is the knowledge that needs to be disseminated. The “so what” is the reason why the knowledge is important and how it should or could be used. The “now what” looks at the next dimension, taking the knowledge forward by looking for what should or could come next. This activity forces a form of reflection which can accelerate learning and drive the organization forwards.

According to Fenn (1999) companies with in-house universities report several benefits, including:

Improved recruitment: Some companies use training as a key recruitment lure as well as to be more competitive. Organizations are finding that compensation is less of an issue for employees and that growth and career development are more important.

Increased revenues: A company called CoreTech estimates that it spends approximately \$4,500 per employee each year on training but says that it's ultimately money is well spent. Employees can use CoreTech University's training to become officially certified as, say, a project manager or a Microsoft Certified Systems Engineer. Every employee is required to attend, primarily on company time, technical and "soft skills" training courses that are linked to the company's overall mission. For instance, a course in project management is tied directly to the company's quality goals. On the revenue side, the company used the curriculum to create CoreTech Institute, a separate for-profit training organization that offers courses to the general public. It has generated \$325,000 in revenues so far and will break even in a year.

Reduced turnover: One company measures the success of its university called Unitel University through the significant drop in turnover at Unitel, a call-center company in Canada. Since it started Unitel University two years ago, average monthly turnover has dropped from 12% to 6%--a dramatic change for a company staffed primarily by low-wage employees.

Better employee advancement: After 90 days at Unitel, newcomers are eligible to become "freshmen" at the university and can take several more hours of classes beyond their initial orientation courses. If they pass, they receive a raise of up to 8% of their pay. Then every 90 days, employees can take more in-depth courses in telephone sales, customer service, and computer skills. The program

isn't mandatory, but employees know that training is the quickest path to increased pay and responsibility.

A wider talent pool: i-Cube, a US information-technology consulting-services company, has eased the heavy burden of recruiting 155 people in two years, thanks to its internal university. A five-week program called i-Altitude, staffed primarily by senior managers, allowed the company to hire workers with little experience and then give them the technical training they needed to serve clients.

How do CU organize their programs?

There are many ways corporations organize their CUs' teaching and training programs. Among these only some are discussed below.

A. Dealtry's formats

Currently there are many CU applications in a wide variety of formats.

In some applications, companies have simply resurrected the training and development function under this new cachet, others have made company-inspired initiatives of best management practice the central feature of their "corporate campus". While others have taken on board the idea of the CU as a process for total developmental integration – a totally inclusive people, learning and business and process idea (Dealtry, 2000a)

B. ECUANET's Models

This model lists two extreme models of a CU that show how many initiatives can fall under this term. These are

1. **Wide-focused CUs** – These initiatives take in all types of training and cater for all levels of the business. They have many programs, not just for strategic reasons but also to demonstrate commitment to employees. Lufthansa is a good example of a wide-focused CU.
2. **Lean CUs** – These schemes have a much narrower focus. They tend to be for top management teams only and have a limited selection of programs (e.g. leadership development only) (ECUANET, 2006).

C. Kevin Wheeler's model

As corporate universities have evolved over the past several years, successful ones have adopted a primary strategic focus loosely as described below. While every corporate university may have elements of more than one of these directions, those who are most successful are easy to identify because of their clear reason for existing (Wheeler, 2003). Let's look at some of the ways that a corporate university can be organized.

Initiative-driven

One type of corporate university is recognized because its primary public activity is driving a corporate-wide initiative or business plan or project. This is often an initiative that the CEO is passionate about and which is being cascaded throughout the company.

This is an appropriate and excellent model when there are ‘great things afoot’. Motorola University very successfully drove the quality initiative throughout Motorola. At the same time, Motorola U was also involved in strategic planning and in helping the company cope with expansion into China and other parts of the world. It pioneered bringing focus to one or two issues and putting a structure in place to facilitate delivering the content, coaching the implementation and building understanding and acceptance of the issues with management and the employees. Examples of initiatives include such things as globalization, productivity, process improvement, and empowerment.

Change-management focused

Another form of corporate university concentrates its efforts on driving change or on facilitating a complete transformation process for a company. This is often a transitory role as a company embarks on a new strategy or is in the process of merger or acquisition. The university may then go through a metamorphosis from this type to being an initiative-driven or skill provider type.

National Semiconductor used National Semiconductor University to drive a Leading Change program through the company which helped lead to a financial turnaround in the mid-nineties. Today, the university is more focused on leadership and skill development, but retains its ability to respond whenever needed to bringing about change.

Leadership development-driven

The prototype for this strategic focus is General Electric’s Management Development Institute. This institute has focused on developing managers and leaders for GE for decades. It was almost exclusively the tool for orienting and assimilating new managers to the company.

It has also been the tool for driving change and initiatives. Corporate universities with CEO-level support and a single primary focus on leadership development are usually very successful and produce great internal management strength.

Business development-driven

A few universities are chartered to help develop business opportunities or to guide an exploration process to what is possible. When an organization decides to embark on a particular business strategy, for example, opening several international offices, the corporate university can prepare employees for their role; help educate about the new country, do research on competition and on recruiting and development and generally support the process in a way that adds a great deal of value.

Some companies make this the function of the marketing department, but by putting it into a corporate university that also does other things (e.g. leadership development); they get a more synergistic result.

Customer/supplier relationship management orientation

A strategic orientation that is closely allied to the business development orientation described above focuses on educating and managing the customer and supplier relationship. Universities engaged in this activity focus on educating employees in negotiating skills and in relationship management. They may offer skills training to suppliers and even set or educate to standards. This is a practice common among manufacturing companies such as Ford or Motorola.

Competency-based, career development focus

The final strategic orientation is characterized by the organization that focuses on individual skill development and on managing the process of career development in a company. This may also include assisting in developing a performance management system and working through the career development activities and aggressive education strategies to help retention. All corporate universities need to provide this (or make sure it is being done somewhere and somehow), as it is the underpinning of all the other orientations.

Current status, future trends and criticisms of the CU

As companies globalize, they want to spread a common culture and values and drive change simultaneously across the whole organization (Wagner, 2000). Several European companies are well-advanced in the CU stage and there are also a number of start ups. Overall it is estimated that in Europe about two thirds of companies which are engaged in learning activities could be considered to have CU initiatives. Another important point is that a CU does not necessarily have to be a physical entity it is more about the process than the place.

Even professional societies have launched corporate universities. Using internet-based courses they control costs and hone the skills of their professionals. E-learning is a common way to conduct corporate training, either alone or with a partner. Deutsche Bank University developed a learning portal with Docent, Inc., a provider of e-Learning solutions.

Like everything else, CUs are riding the waves of development:

- IT development and technology (e-learning)
- Contexts – styles and preferences of learners (blended)
- Assimilation and embedding of technologically-enabled learning (just in time) (Meister, 1998).

According to Meister (1998) (author of one of the most referenced CU books, “Corporate Universities: Lessons in Building a World-Class Work Force”) there are 4 key learning trends to look out for in the future:

1. Delivery for the Next generation (who will soon be entering the workplace).
2. Continuing education for Chief Learning Officers.
3. Outsourcing learning activities will become strategic rather than a short-term cost-saving exercise.
4. Partnerships with Universities.

Another development is the question of accreditation. Traditionally, corporate universities only offered internal accreditation and were used as a means of channelling employee development toward meeting corporate goals, sharing corporate information or knowledge, and disseminating corporate culture. More recently, some corporate universities have established links with academic institutions in order to offer formal degrees.

Because the future of corporate universities will include more web-based learning as well as a challenge to keep current with advancing technology, accreditation and evaluation of programs will become more important to ensure the credibility and legitimacy of corporate universities. Both employees and employers will find it necessary to identify credentialed programs that are effective as degree programs continue to proliferate throughout corporate universities and within the corporate and the traditional university partnerships. Accreditation agencies will wrestle with quality and student learning as more corporate universities seek equivalent university and professional credentials.

Areas for research on corporate universities will go hand-in-hand with the future directions of corporate universities. Evaluations of student learning, objectives of programs, and cost-effectiveness will be all important as will the ability to meet organization's strategic objectives (Judy and Helms, 2002).

In fact, pioneers have now moved their 'full time faculty' into internal consultant roles where they help to deliver results rather than content. This happened to FIAT IVOR and SHELL earlier this decade. Similarly, SIEMENS have introduced a program to train internal coaches who can then assist first time managers. It is anticipated that this bundling of tools and techniques (e-learning, consulting, coaching, traditional training) will continue, as will the move towards the action learning approach. Changes in early 2000 also took place at Lufthansa, ABB and Ericsson where the CUs have almost disappeared (Blass, 2005).

Some critics of the CU claim that the situation in which corporate universities could award their own degrees is undesirable; that it is the exploitation of education for industry; and that it is moving the public university away from its liberal roots to a commercial, utility framework.

This may well be the case, but there has always been an economic imperative to education and there always will be. Antonacopoulou (2002:194) suggests "the language of leadership, cultural uniformity, performance and profitability reflect a central assumption upon which recent changes in education and training policy are being built: namely the belief that training and development are linked to economic performance."

Schaub (2002) argues that education should provide an awakening rather than a career-minded, goal-oriented, accomplishment-driven, electronic time minder. Again, this may be the case, however the fact remains that the majority of students (undergraduate and postgraduate) are primarily studying to improve their career prospects, and they are the major source of income for most traditional

universities. It is time the universities realized this and start to respond to their needs; otherwise the corporate universities will keep rising (Blass, 2005).

Some cynics also argue that the CU is little more than a glorified in-house training department that hardly merits such a grandiose title. But since training is now widely considered as a strategic function that is crucial to an organization's future development, such claims are firmly refuted. This counter argument is further illustrated by the fact that corporate universities usually report direct to their CEO (Blass, 2005).

Policy conditions and practice of CU in Ethiopia

Policy

The 1994 Education and Training Policy states that governmental and non-governmental organizations can establish training programme according to their needs. If by non-governmental organizations is meant an independent organization that is not run or controlled by a government, this policy indicates that any business or industry can establish and run education and training institution or a corporate university.

Moreover, the new Higher Education Proclamation of 2009 states that the objectives of higher education are, among others, to design and provide community and consultancy services that shall cater to the developmental needs of the country (Article 4). It also states that a private institution shall be established in accordance with the law governing associations, business organizations, cooperatives or any other relevant law (Article 5.3) and that 'any institution shall be established,... on the basis of a project which shall: a)set socially acceptable aims for the proposed institution' (Article 5.4). Thus, the policy and the new Higher Education Proclamation of 2009 do not contain provisions that prohibit the establishment of HEIs by private corporations.

Practice: Public sector corporate universities in Ethiopia

The CU in Ethiopia seems to have developed in the early 1950s with the establishment of the Police University College. Currently, there are public colleges and university colleges in Ethiopia that are funded and run by public ministries. Here only some CUs in the public sector will be discussed. These are the Ethiopian Police University College, Ethiopian Defence University College and the Graduate School of Telecommunications and Information Technology (GSTIT).

Ethiopian Police University College

Established in 1946 as a police college, it was reorganized as a university college in 2008. It provides academic and police science education, training, research and consultancy services. Its programs include Certificate in Policing, Diploma in Policing and first degrees in Policing Law and Policing and Public Service Management. It has four institutes: Police Staff College, Institute of Health Sciences, Institute of Criminal Investigation and Forensics, and Institute of Research.

Ethiopian Defence University College

Defence University College was established in 2001 incorporating four colleges, namely, Defence Engineering College, Health Sciences College, Major General Mulugeta Buli Technical College and Resource Management Faculty / College. DUC envisions of being a centre of academic excellence in defence focused education and research and producing problem solving graduates in meeting the expectations of the Ministry of National Defence (MoND). Its mission is to provide defence focused education and training, conduct defence focused research, and provide consultancy services and support the different units of MoND. (Source: DUC Educational Quality Assurance Manual, 2010)

The Graduate School of Telecommunications and Information Technology (GSTIT)

The Graduate School of Telecommunications and Information Technology (GSTIT) is sponsored by the Ethiopian Telecommunication Corporation (ETC). It envisions to be a centre of training in information and communication technology and telecom management in Ethiopia and in East/Horn of Africa, and a centre for advancement of ICT, through research, innovation, transfer, adoption, diffusion, adaptation, integration and dissemination in Ethiopia in particular and in East/Horn of Africa in general.

The Graduate School of Telecommunications and Information Technology (GSTIT) provides three postgraduate programs: Telecom Engineering, Information Technology and Telecom Management. The training areas are Telecom Engineering Training, Information Technology Training and Management Training⁵.

As we can see from their visions and programs, these public sector colleges and schools mainly cater for the training and education needs of their respective organizations. However, the Police University College offers courses beyond the members of the police force to community members, and the GSTIT aims to serve Ethiopia and countries in East / Horn of Africa. Thus, we can safely conclude that these institutions deserve the name public sector corporate universities.

Summary of CU's challenges to Public/Private HEIs in Ethiopia

As we saw earlier, the mismatch between the supply and demand sides of education and training has prompted the establishment of CUs in the west. This could also be the case in Ethiopia. Can the supply side of the equation adjust it self to meet the needs of the demands of the organizations?

The competitive environment in which organizations operate means their needs are changing rapidly and the cumbersome bureaucratic processes of the public education sector means that they are unable to respond quickly enough to their customers' needs. Corporate universities and more private sector providers may, however, get the vast majority of business expenditure on staff training as they can

⁵ <http://www.gstit.edu.et> (accessed on June 23, 2010).

guarantee consistency, as well as probably a faster response and more flexible delivery capabilities (Tysome, 2004).

As a result, the education sector could find the demand for its services diminish further. As has been done by the police, defence, ETC, for example, other public sectors such as health and private companies such as MIDROC or Sunshine Construction may follow suit and establish their own corporate universities. There seems to be trend established in the West as well. For example, the National Health Services University (NHSU) established in 2006 in Britain aims “to become the first fully recognised public sector corporate university in this country, with its own degree-awarding powers” (Blass, 2005).

Though corporate universities in Ethiopia may not set out with the aim of competing with or replacing traditional public universities, this may change in time. In the West, CUs have developed to fulfill their own hype allowing them to develop and compete directly with the traditional public university, and many of them are winning (Blass, 2005). The same could be true in Ethiopia when public and private HEIs fail to satisfy the demands of companies and thereby allowing CUs to flourish.

CONCLUSIONS AND IMPLICATIONS

Some conclusions

- The profile of education and training in the workplace has been raised by the function becoming more strategic and integrated into the organization’s future.
- A void has been left between what organizations needed and what the education sector was providing. This has resulted in the introduction and flourishing of CUs worldwide.
- While there will always be demand for higher education and qualifications, there is a growing possibility that it will not be for the higher education and qualifications provided by the traditional players in the market. Nowadays, there is a growing realization that value is defined in terms of the customer, and that providing the wrong goods or service the right way is a waste (Womack and Jones, 1996). The traditional university sector is in danger of doing just that. It is a question of the right change, at the right pace, for the right customer. So far, the traditional public university sector has failed to get this right (Blass, 2005).

The following conclusions could be arrived regarding CUs in Ethiopia:

- As we have seen one of the reasons for the expansion of CU was the gap in the supply of and the demand for education and training between the traditional university and corporations. This seems to be the case in Ethiopia as well. However, unlike their western counterparts, CUs in Ethiopia are still mainly confined to the public sector. With the expansion of business and industry in Ethiopia, however, there is a future for CUs in the private sector in Ethiopia.
- The education policy environment in Ethiopia does not seem to prohibit public organizations and private companies from establishing their own CUs. Despite this, however, the CU seems to be confined only to some public organizations.

- Recent definitions and functions of the CU seem to include the provision of education and training services not only to employees of organizations but also to their customers and other stakeholders. In this regard, most CUs in Ethiopia seem to only serve company employees and leaders.
- Though some public organizations such as the police and defense have well established CU traditions, there seems a long way to go for CUs in Ethiopia in satisfying the demands even from their parent companies. This seems the case because many corporations that have their own CUs are still dependent on other public and private educational institutions for the provision of education and training programs. This may be good news for public and private providers. The question is for how long this will continue.

IMPLICATIONS FOR FURTHER RESEARCH

As a preliminary survey of such nature in Ethiopia, this paper has limited itself mainly to the discussion of the CU from its historical and functional perspectives. Further questions could be asked and studied that would help better understand CUs and employ their exploits in Ethiopia. These include:

- What could traditional universities learn from CUs?
- How could public and private universities deal with the possible challenges of the expansion of CUs in Ethiopia?
- Are there any lessons public and private universities could learn from CUs?
- What possible collaborations could exist between HEIs and businesses to address the ever changing needs in practice –oriented education and training of the latter?
- Why has the CU been used by only the public sector in Ethiopia?
- Do the current corporate colleges and university colleges qualify as CUs?
- What could the current CU practitioners in Ethiopia learn from well developed similar sector CUs in the world?

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