

## Secondary Publication



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### Corporate universities in Germany : Implementing and developing the organization's strategy through learning

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## **Corporate universities in Germany Implementing and developing the organization's strategy through learning**

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*‘‘A corporate university is a company-owned learning institution ensuring an education that is directly relevant to the business.’’*

The first purpose of corporate universities is not general education. Corporate universities build up specific knowledge relevant to the business. They create a workforce that suits the corporate strategy of the company. In a globalizing environment superior skills can bring sustainable competitive advantage. The development of corporate universities has been a direct consequence of increasingly strategic human resources. They offer a flexible concept that can adapt to the nature of the organization's business environment, react to market changes and competitive pressure.

In Germany, the term ‘‘corporate university’’ was first used in 1998. The authors of this article based their study on empirical data of the largest corporate universities in the USA and Germany gathered since 1999 through interviews with heads of the corporate universities and evaluations of data such as homepages, brochures, and presentations by the company. All the companies surveyed operate on an international scale. Although, the learning is driven by the organization's strategy in both countries, German corporate universities differ slightly from American ones.

### **Target groups**

Companies invest in learning programs to build up company specific knowledge relevant to the corporate strategy. Ideally, they aim at ‘‘synegoism’’ whereby both employees and the organization gain from the learning. On the one hand, job-specific qualifications are more beneficial to companies than to employees whereas, on the other hand, general qualifications are more relevant to individuals, raising their profile on the external job market.

The main focus of corporate universities in Germany is on upper and middle management-level employees. Only one third of companies offer programs to other employees. Access is limited to internal employees and, usually, participants need to be nominated by a board member or a superior.

By contrast, the target groups of US-American corporate universities are typically less limited and include workers other than managers, customers and suppliers to externals. More corporate universities open their programs to members of their customer-supply chain and involve outsiders.

### **Business and learning strategies**

There are four learning strategies that represent increasing learning levels. Each focuses on the organization's business and is relevant to the corporate strategy. The first two serve to implement the corporate strategy and the last two support the strategy finding process. Each higher level includes the lower:

1. *Learning strategy I.* Learning strategy I addresses company specific skills, abilities and knowledge that serve the strategic goals of the organization. It focuses on improving employees' performance and aims at a consistent, company-wide approach to problem solving.
2. *Learning strategy II.* This strategy is focused on supporting changes or driving initiatives at organizational and strategic levels. Learning activities are situated in real work and general measurable impact. Projects are based on real business challenges to which the company has no known solution. The learners in every part of the organization research their assignment, collect information from a variety of sources and reflect on it critically to provide solutions, unlike learning strategy I where answers are sought from experts.
3. *Learning strategy III.* At this level, learning is understood as a means to reset the boundaries of the business. Learners have to look ahead, working out concepts for the future development of the company, predicting new markets. These learning activities provide the company with a new framework of

understanding for making sense of rapidly changing markets. To achieve this level, the company must develop a critical set of new competencies within the organization.

4. *Learning strategy IV*. The focus of learning strategy IV is the external environment. Influencing factors can be political, economic, social and ecological dynamic forces. Learning with and from partners in the external environment, raise levels of inquiry about its future and get a broader and better understanding of the process and their effect on the business by analyzing future developments under multiple perspectives.

On the basis of the results achieved in learning strategy IV, employees determine strategic goals for the company (level III) that are made operational and analyzed with respect of necessary actions for their implementation (level II). Finally, in learning strategy I, the actions of the employees are made systematic.

Compared to American corporate universities, Germany deals more with strategic and organizational change, hence higher learning strategies. The choice of learning strategy depends on the industry. Healthcare companies facing slow pace of change tend to choose learning strategies I and II. Company in highly competitive markets such as Finance Services will implement learning strategies III to IV.

### **Contextual strategies**

In addition to learning strategies, some companies pursue contextual strategies such as enhancement of communication, the development, dissemination and/or change of corporate culture, knowledge management and more:

*Communication*. Formal organizational structures and communication channels may not work effectively for globally spread companies with different cultures. The corporate university aims at adding informal and flexible communication structures.

*Corporate culture*. The corporate university can be the ideal vehicle to establish, change or disseminate corporate culture. A total of 75 percent of companies use the corporate university in that way in Germany.

*Corporate vision, mission, and strategy*. In Germany, all corporate universities pursue the communication of the organization's vision, mission, and strategic objectives to their employees so they understand how their work is related to the overall strategy. In 1999, only 25 percent of American corporate universities pursued that goal.

*“Knowledge” management*. Managing the knowledge gained from learning processes is essential across business units. The corporate university holds a key position in knowledge management. A total of 80 per cent of German corporate universities lay emphasis on knowledge management.

German corporate universities focus both on learning and contextual strategies whereas learning strategies are predominant in the USA.

### **Partnerships and alliances**

The majority of German corporate universities co-operate with higher education institutions. They offer similar education programs to universities and business schools. Those programs are usually designed or delivered by higher education institutions. Partnerships with those institutions are broader, deeper and more numerous today in Germany.

By contrast, only 14 percent of American corporate universities outsource the design, development and delivery of education programs.

German corporate universities use a mix of American experiences with European perspective. They value the teaching and customized short-term development programs more than complete MBA programs. In the USA, partnerships are made with the intention to gain access to accredited programs and degrees such as bachelors, masters or MBAs.

### **Accreditation**

Although it is becoming more important, the accreditation of corporate universities is still an exception in Germany. Because programs are strategically anchored their accreditation is not likely to become a

general trend. In the majority of German corporate universities, certificates delivered are internal. American corporate universities, however, focus more on accredited degrees.

**Comments**

This is a review of “The corporate university landscape in Germany” by Maike Andresen, Bianka Lichtenberger. This paper details an empirical study of the development of corporate universities in Germany and compares them to corporate universities in the USA. It offers clear findings and essential information to any organization running a corporate university or seeking to develop one.

Andresen, M. and Lichtenberger, B. (2007), “The corporate university landscape in Germany”, Journal of Workplace Learning, Vol. 19 No. 2, pp. 109-23, ISSN 1366-5626.

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