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**THE ROLE OF CORPORATE UNIVERSITIES IN THE DEVELOPMENT
OF THE REGION**

Abstract. In this paper the authors examined the role of private corporate universities in the development of social infrastructure of the region through the implementation of its main function - to meet individual human needs. The approaches to the definition of corporate university and its functions were determined. The process of building a corporate university for company, the main stages and actions to them were analyzed. Also the main training methods and approaches used in such educational establishments were named and described. This article lists possible benefits of interaction between the individual, the corporate university and the region in the co-operation based on continuous development and education.

Keywords: corporate university, social infrastructure, individual human needs, university, education, continuous development

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Introduction. During the last 15 years, there is a growing interest in researches and literature toward the interdependence of social infrastructure and economic growth of countries. An economic development is closely linked to the level of achievements in the field of education, professional skills and new technologies. These factors are conditioned by the environment (infrastructure) in which companies and their employees operate.

The social infrastructure development is crucial for economic progress. Thereby, improvements in the education (as a part of the social infrastructure) are investments in human capital and contribute to the economic development as well as investments in production and other resources. A number of theoretical and empirical studies supports these findings related to the influence of social infrastructure objects on economic growth [Wang, 2007].

Literature review and the problem statement. Questions of social infrastructure and its role in the socio-economical development of the region were developed by H. Dźwigoł, A. Govorin, Y. Gorbатовsky, A. Gritsenko, V. Kazakov, M. Komarov, V. Medvedev, J. Toshchenko V. Fedko, B. Homelyansky, Sharipov, S.Yaschenko etc.

Problems of institutional design of the intellectual capital of corporations, providing their competitiveness are presented in works of G. Azoeva, A. Arkhipova, I. Berezin, A. Verbitsky, Y. Dneprova, L. Derevyagin, A. Doolin, N. Klimova, T. Tazhibova, etc.

Issues of development of business education systems were discussed in details in the works of such foreign researchers as J. Walton, D. Adrissen, J. Attali, E. Blass, M. Bonyan, R. Branson, T. Davenport, R. Jacobs, P. Drucker, R. Katz, C. Long, J. Meister., H. Mintzberg, I. Nonaka, Knowles M. Senge, P., Smith, P. Sparrow, X. Takeuchi, P. Feyerabend, M. Heim, G. Schroeder, etc.

Problems of formation and development of human capital, determined in the development of business education are presented in works of L. Andreeva, V. Belolipetskii, A. Berdashkevicha, N. Eletski, Yu. Osipov, V. Chekmareva, R. Chernyaev, B. Pietrykowski, etc.

With the aim of developing the scientific researches on this subject, the purpose of this article is to review the process of creating corporate universities as a way of solving tasks of social infrastructure. The content of the article could be revealed through the following tasks:

- determine the place of education in the region's infrastructure through the concept of the social component of the infrastructure;
- corroborate the importance for the social infrastructure of private sector educational services development;
- consider the process of creating and commercializing corporate university;
- identify the benefits of the region and companies from creating corporate universities.

Research results. The growth of scientific and technological progress required a sharp increase in quality of the workforce through the development of intelligence, health promotion, and change of work motivation factors. All that affected the development of various spheres of infrastructure. Thus, social infrastructure is a complex of objects (enterprises, institutions, organizations and structures), which provide the conditions for the functioning of social production and population, forming physically and intellectually developed, socially active individual. It contains health care, recreational facilities, physical culture and sports, social security, culture and art and, of course, education. The main purpose of the social infrastructure functioning is complete and comprehensive human development by satisfying his domestic, spiritual and cultural needs [Golyakov, Ganina, 2002].

Figure №1 displays interrelation of education (as part of the social infrastructure) and human needs, the satisfaction of which is the aim of the social infrastructure. Taking into consideration that in general meaning education is the process of facilitating learning, or the acquisition of knowledge, skills, values, beliefs, and habits.

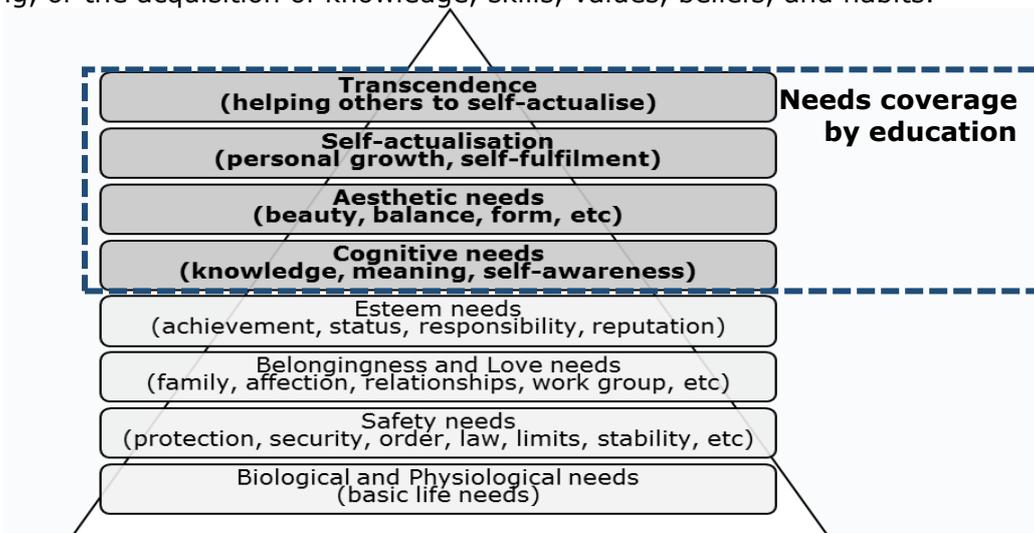


Figure 1 - Interaction of human needs and education

Source: compiled by authors grounded on [Huitt 2007]

As we see from the modified Maslow hierarchy of needs [Huitt 2011], such needs as the self-actualization, cognitive needs, aesthetic understanding of the needs and transcendence (in case of teaching) are covered by the education system and socio-

cultural adaptation, which occurs in the learning process. Thus, we can conclude that education is a critical component of social infrastructure, which plays a significant role in the socialization and person's development.

Today the businesses diversification is a very important factor of social infrastructure development. At the same time, many countries show rather low levels of innovation and high-tech products on the market. Obviously, this task of overcoming the technological gap could be made only in case of ensuring the effective integration of education, science and industry [Sanderatne 2011].

According to McKinsey's research, public entities around the world need more than \$8 trillion to fund social infrastructure projects through 2020. This figure exceeds the capital requirements of the oil and gas and mining industries combined. More than 40% of the \$ 8 trillion is required for the creation of social infrastructure in developing countries. With public finances tighter than ever, expectations for public-private partnerships (PPPs) are growing. While private sector interest in the financing of infrastructure projects has increased in recent years, barriers to private sector involvement remain. Many government agencies do not have the capacity and capabilities for the planning, execution and management of PPP projects. At the same time, the performance of educational processes needs improvement. Managing this complexity can be a hard task even for developed countries.

The integration of scientific, industrial and educational activities could be implemented on a platform of specialized schools. They are designed for intensive people training to work in a specific branch or in a particular company. The requirements of the dynamically developing business are so great that the external market is simply unable to provide the inflow of necessary specialists for each individual company.

Many organizations nowadays have reached a new level of training of qualified personnel and established their own educational institutions (departments) for staff development. International experience in the field of professional education suggests that one of the most effective ways to solve this problem is creating a company's corporate university.

Defining the concept of corporate university, the majority of experts tend to call corporate university as the existing in the company's forms of training, the in-house staff training system. At the same time, there is more than a narrow understanding of the corporate university, as a system of training young professionals in the specialized universities. They are trained by a specially designed training program which takes into account the specifics and the corporate culture of the company. Herewith the supporters of this concept do not exclude the university's function of in-house staff training at various levels.

The initiative to use "university" the term for the name of the department for personnel training and development is owned by US companies. In Europe, "university", the term is used with restraint, only in relation to higher education. Among the 30 corporate universities, performed in Europe, only 14 are known as "university", 5 are called the "center", 4 use the name "institute", 3 - "academy" and one is called "business school". European companies using the term "university" explain it in their own way. For example, Daimler Chrysler (Germany), presents a corporate university as "the place for the exchange of knowledge and competence". Heineken (Netherlands) describes a corporate university as a "link between knowledge transfer and creation." The term "university" in this case is using quite carefully as it implies a certain institutional and functional addictiveness.

According to the Ukrainian legislation "University is a multidisciplinary higher education institution of the fourth accreditation level, which carries out educational activities related to obtaining certain higher education and wide range qualification in natural, human, technical, technology, culture art, economic and other areas of science. It carries out fundamental and applied researches, is the leading scientific and methodical center with a developed infrastructure of educational, scientific and industrial divisions, and appropriate level of staffing and logistical support, contributing to the spread of scientific knowledge and carrying out cultural and educational activities" [The

Law of Ukraine "On Higher education" 2014]. According to the analysis of legislation, the existing legal framework does not provide such type of educational institution as a corporate university.

The experts pay attention to the specific characteristics of education in the corporate university. First of all, it refers to the fact that education (its content and form) aimed at a specific target group - employees of the company or the industry. Another essential feature is the presence of a single company's development strategy and the corresponding concept of staff development of the company.

A further feature is that the corporate university is a system that allows people to improve their skills constantly through training, coaching and traineeship. Thus, the corporate university provides continuous professional education in lifelong learning concept. Finally, the function of the corporate university is the intellectual component, which allows you to be engaged in strategic researches, to determine the company's strategy.

Therefore, despite some differences in the definition of the corporate university, almost all experts agree that the corporate university is a system of in-firm training, combined in single concept within the strategy of the organization's development and applied for all staff levels.

From the determined meaning of corporate university education there is an interesting consequence: the current system of professional higher education cannot and doesn't have to reproduce in full the corporate university functions. The higher professional education system should prepare graduates which are oriented to work in any corporation. On the other hand, the existence of competition leads to constant appearance of new forms and methods for solving practical problems, knowledge of which would be very useful for future graduates. Thus, there is a mutual influence of corporate education on the system of higher education and vice versa. This effect manifests itself in the formation of professional and other requirements for graduates by employers (corporations).

Today, the real requirements for graduates will not be able to identify any corporation, as the goals and objectives of corporate entities will differ from each other by different organizations, even in the same industry. Thus, to entrust the formation of professional and other requirements for college graduates by companies, means to consider only private interests that will prevail over the general. It is necessary to develop employees' specific skills on the basis of private educational institutions or the company itself.

Corporate education is an integral part of the business, so it should make real direct/indirect economic effects. Corporate education should be cost-effective, and, therefore, use easily replicable educational technologies, with minimum disruption of staff from production responsibilities and minimizing the costs for the implementation of educational programs.

In the modern understanding, the corporate university (CU) is the system of staff training and development within the company, basing its principles on the strategy of the organization's development. Of course, each industry has its own specifics; however, the majority of learning centers and CU use similar forms and methods of training:

- thematic trainings, master classes, and workshops;
- professional development courses;
- projects, lectures, group work, case studies solution, etc.
- "gamification";
- "electronic learning» (e-learning), allowing to cover all levels of employees or wide geography.

The main reason that encourages companies to invest millions into the creation a corporate university is ensuring the sustainable development of employees at a single training standard.

A pioneer in corporate training center creation was McDonalds. Its famous Hamburgers University was opened in 1961, but it took six years more to realize the important thing: ensuring the same quality of service the city center, as well as on the

outskirts of small towns, is possible only if all employees are trained at the same standard. For other countries it took another 30 years to come up to this conclusion. The "boom" of creating CU came in the 1990s [Hearn 2002; Meister 1998]. Such companies as General Electric, Motorola, Coca-Cola, Procter & Gamble still continue to set trends in the corporate training development.

Thus, creating an internal corporate university the company solves its needs to increase business efficiency and development of its employees. However, this is not the only option of functioning CU. It could have an open form and provide training services and expertise to external clients, companies and businesses.

The economic crises of the mid-1990s forced experts of corporate training centers to search the ways to survive. One of the most fruitful ideas turned out to be a transition to self-sufficiency. One of the first companies gave their CU a status of separate business unit was Motorola company. Moreover, Motorola U (university) began to teach not only the internal customers (employees) but external individuals as well.

Eventually leaders in the commercialization of corporate training was IT companies. Providing customers with IT products, they offered to train their employees, so that corporate users in future would be able to self-serve and modify complex IT products.

Transformation CU in open mode of training and consulting center is a serious project that requires significant investment at the initial stage. Such an important decision requires a balanced risk analysis and calculation of remote consequences.

Today the market offers a very different CU models range: based on the objectives, directions, budgets and organizational forms (non-profit educational institution and its subsidiaries, company's branches or its structural subdivisions, department or division and so on).

Creating an effective learning center is a costly project, which may account 15-60% of staff budget. Therefore, it is necessary to assess whether CU is required at this stage of the company's development. In addition, proceeding with such project, you need to understand that the return of investments will start with considerable delay of about one year after the CU launching.

The first step in creating a corporate university is conducting an audit of system of existing personnel training. Auditing can be performed using the following analytical procedures:

- training purposes evaluation;
- assessment of implemented learning concepts;
- assessment of the current organizational structure of training;
- teaching methods evaluation;
- evaluation of the quality control systems of learning;
- evaluation the effectiveness of training;
- evaluation of existing corporate training and development budget.

Carrying out such an audit is necessary to obtain a comprehensive understanding of the processes related to the training and development of staff implemented in the company.

Business objectives can change and therefore the CU activity should be able to change its direction. Therefore, the work of CU has to be mobile, flexible and responsive to business objectives. All this brings us to the necessity of the concept of Corporate Training and Development staff creation. The purpose of this step is the formation of relevant principles and elements of the corporate system of training and staff development.

At this stage it is important to develop not only a target concepts of goal but also the stages, principles of the learning system reorganization in the path of the current format to the format defined in the concept. It is important to identify the resources needed for carrying out the changes, namely the budget of the project and the project team.

The next step in creating a corporate training center is to develop competency profiles of key positions and levels. It is very important to integrate the competence

assessment procedure to the staff development program. Only then the company can form and choose teaching methods that would satisfy the need for the development of key competencies.

There are many formats of training and development. To improve the efficiency of the CU there should be used the entire arsenal of existing formats of learning. Selection of the teaching format has to be applied to a particular module and goals. It is needed to create and approve the schedule of the training activities implementation.

Finally, one of the most important stage for the success CU creation is the development of methodology for assessing its effectiveness. The evaluation criteria may, for example, be the following:

- an increase in sales and revenue;
- reducing costs by unifying management processes (management of knowledge, staff, changes, etc.);
- improved customer satisfaction;
- improving the quality of products and services;
- optimization of the cycle of order execution;
- reduction of waste;
- improved safety performance;
- increasing employee satisfaction;
- reducing staff turnover, etc.

The implementation of the above analysis of indicators will help to understand what positive effects brings corporate training: what kind of results for any money and how the company will soon receive.

Typically, the steps for creating a CU are similar to each other (Table 1).

Table 1 - The process of creating a corporate university

Steps	Tasks
1. Assessment of existing training and development system	To understand: <ul style="list-style-type: none"> – whether the need for training staff cannot be satisfied by the existing educational institutions; – do employees need specific skills that require regular training.
2. Development of the concept and the corporate university strategy	<ul style="list-style-type: none"> – to create a mission, vision of the future knowledge center (based on analysis of the information obtained in the first stage); – to form a project team; – to develop and justify the business plan for the CU.
3. Development of the methodology of training, trainers education	<ul style="list-style-type: none"> – to create training programs (in line with the company's strategy, key positions profiles and competencies); – to standardize learning processes.
4. Development and implementation of performance criteria	<ul style="list-style-type: none"> – to define the success criteria, key performance indicators; – to provide the continuous monitoring of performance and effectiveness of CU.

Source: compiled by authors grounded on [Allen 2002; Heckscher, Adler 2006; Udovichenko 2006]

The delivery of CU on the external market as an independent educational services provider requires a lot of effort. It is necessary to consider all pros and cons carefully. It is advisable to launch training for external clients when:

1. The main goal of CU is achieved (staff training and development at all levels is established, unified and standardized).
2. All processes are digitized, KPI's are set.
3. The effectiveness of the staff training is proved in practice.
4. Corporate training programs provide the necessary knowledge and skills relevant to the needs of individual departments and the whole company.

To summarize everything that has been already mentioned, as well as highlight the feasibility of operation of a CU, it is reasonable to combine and compare benefits of the region, company (which open a CU), as well as a specific individual who is potentially

trained in the corporate university (Table 2).

Table 2 - The benefits of creating corporate universities in the region

Opening a private CU unit		
Region interests	Company's interests	Individual interests
<ul style="list-style-type: none"> - development of scientific and technical progress; - improving the quality of educational services; - private investments in social infrastructure. 	<ul style="list-style-type: none"> - solution of the conflict between quality of education and business requirements; - targeted training of employees at the same standards; - increasing the efficiency of employees, and the business efficiency therefore. 	<ul style="list-style-type: none"> - satisfying the needs in education and spiritual development; - the possibility of sustainable development; - socialization in a possible new circles; - an opportunity to show yourself as a trainer.

Source: compiled by authors grounded on [Blass 2001; Walton, Martin 2004]

It is worth to emphasize the trends in corporate education development within the social infrastructure of region. The main trend in the corporate universities performance nowadays is there quantity growth and going mass. On the day, there are more than 3000 corporate universities and their rapid growth continues.

Through cooperation of CU with leading universities in the region, a system of staff creating appears. The forms of such cooperation may be different from the participation of students in the internships at companies to establishment the specialized educational and research departments at universities, financed by corporations. At the same time it is possible for CU to select talented students by corporate grants, attraction to interesting and promising work etc.

The next trend in cooperation of educational institutions of the social infrastructure is the participation of CU in development of the professional and educational standards for different specialties. Leading companies are already involved in this process, working with the government to develop such standards.

Another trend is related to the need for more dynamic content update of educational programs. Experience shows that the dynamics of corporate universities renovation of teaching materials is much higher than in traditional universities. It should be noted that this trend sharply tightens the requirements for teaching staff of CU and traditional educational institutions.

It should be counted another feature of the development of corporate universities, namely the development both professional and "soft" skills. The range could be presented by trainings of personal growth, self-development, leadership and team building, performance and organization, systematization, creativity and skill of public speaking etc. It is necessary to build enterprise knowledge accumulation system.

Finally, the latest trend is cooperation between CU in questions of educational methods development. This is especially important for the leading industries of region. Today it is important for CU's to express a united opinion on the teaching and staff development. This cooperation will enable to improve the system of training in companies, to solve common systemic issues, to create conditions for the free experience exchange.

Conclusions. A higher level of economic development could be achieved through the development of social infrastructure. On the other hand, this requires a significant investment in the development of education of the region. Stimulation the creation of private corporate universities is one of the possible ways to get continuing education for people. This satisfies two important needs: skilled workers for the enterprises and companies, as well as the spiritual and cultural development for individuals. This means that the establishment of corporate universities contributes to the solution of the main task of region's social infrastructure.

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