Emerging HRD issues: A Conceptual Framework for Corporate University in the Context of Chinese Organizations

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The authors suggest a conceptual framework for developing CU’s in the Chinese organizational context. We reviewed literature on existing conceptual frameworks and chose the CU wheel as proposed by Prince and Stewart. Four core processes identified in the CU wheel were realigned and readjusted in developing our framework of Corporate University in the Chinese organizational context. A discussion emphasizing formal and informal networks and the learning processes in the Chinese organizational context is provided.

Keywords: Corporate University, China, Conceptual Framework

Introduction

There has been a growing trend for organizations in corporate America to establish a Corporate University (CU), or the equivalent, in an effort to develop a systemic learning and development process for its human resources. The CU phenomena has taken an important role in developing human resources within the context of contemporary corporate settings (Blass, 2000; Holland & Pyman, 2006; Prince & Beaver, 2001) and is clearly not a passing fad. Therefore, it is important to examine this emerging phenomenon, in terms of scholarly inquiry and practical application (Homan & Macpherson, 2005). As CUs are formed with the explicit goal of developing and strengthening learning processes, it is obvious that the study of CU resides very much within the field of HRD (Stewart & McGoldrick, 1996; Walton, as cited in Prince & Stewart, 2002).

Research Context

A review of literature by Li & Alagaraja (2006) revealed seventeen definitions for the term Corporate University, suggesting that the concept of a CU has been freely defined by both scholars and practitioners. In this paper, rather than focus on definitions or debates surrounding the definition of a CU, we intend to represent corporate learning efforts that go beyond the scope of traditional training departments. More specifically, a CU as defined in this paper, focuses on creating and facilitating a corporate learning culture and strategically developing the capability of the organization and its employees to meet current and future demands.

The emergence of corporate universities can be attributed to several factors. Several authors claimed that the failure of traditional universities to provide a qualified and skilled workforce to match industry needs is one of the contributing factors towards the phenomenal growth of corporate universities (Meister, 1994; 1998; Blass, 2001; 2005). When supply does not meet demand, newer sources will meet these challenges and emerge as the new providers (Jarvis, 2001). Businesses became increasingly dissatisfied with higher education (Meister, 1998), contributing to the growth of corporate universities.

Prince and Stewart (2000) discussed factors contributing to the growth of the corporate education market, primarily in the UK, based on 30 interviews conducted with HR managers and academics from both traditional and new universities. Their work offered a number of case studies to support the development of change initiatives: strategic orientation, performance-driven education, in terms of accreditation and qualifications for development initiatives, and individual needs-driven education via distance learning and part-time educational programs. Even though this study predominantly presented a western perspective, it confirmed the growing needs of the industry.

Beaver and Prince (2001) provided a brief history of the growth and development of CUs. A timeline of the economic forces: growth of high tech companies, increasing emphasis on research and development, breakdown of the hierarchical organization, growth of team work, and rise of the networked organization have significantly contributed to CU growth, emphasizing knowledge innovation.

The role of knowledge workers’ focus on results-based learning also accelerated the development of CUs and promoted convenience, quality and value thus emphasizing innovative approaches to learning (Dealtry, 2000). Blass (2001) provided a comparison of Traditional Universities (TUs) and corporate universities and succeeded in bringing out inherent contrasts between them.

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TU's seek to enhance intellect and preserve values of democracy for the benefit of the society as a whole. These values contrast with those of corporate universities, which are to enhance productivity and workplace performance. This practical focus of the corporate learning and training initiative has stimulated the desire for businesses to create their own learning function in the form of corporate universities.

Establishing CUs was one visible sign that companies were meeting the challenge for creating a ‘center’ that championed individual and organizational learning and development activities (Walton, 1999). The goals were to increase the visibility and utilization of learning products and service offerings, provide a categorizing framework for enterprise learning offerings, and create a brand through which to promote enterprise learning offerings and the evolution of these offerings, thus emphasizing organizational branding.

To summarize, five primary factors were identified that led to the emergence of the CU (Li & Alagaraja, 2006): failure of the traditional university to provide qualified and skilled workforce to match industrial needs; secondly, scholars and practitioners differed in their approaches to learning and education. Narrow focus of existing training departments on employee skill development was yet another factor. Fourthly, branding learning and development activities under the CU label was useful to demonstrate organizational priorities for developing human resources. The knowledge economy’s requirement for knowledge innovation rather than just knowledge distribution (or accumulation) was another factor that contributed to the growth of CUs.

According to recent studies (Blass, 2000; Holland & Pyman, 2006; Prince & Beaver, 2001), the growth of corporate universities is still on the rise. Its influence on developing countries, specifically China is an important but under-explored area of scholarship. As China continues to build its own global corporations, its search for successful strategies may include developing corporate universities to compete in global markets (Huang, 2006). Some prominent Chinese corporations, such as Future Wave, Haier, Lenovo China, and TCL have self-declared corporate universities (Focus on Corporate Universities, 2006). However, there has been a paucity of scholarly publications examining the development of corporate universities in Chinese organizational settings. This presents a question: are Chinese corporations experiencing similar influencing factors for establishing CUs? If the answer is yes, what will be an appropriate theoretical framework that can inform CU development in China? These two research questions guide the study.

To answer the first research question, we examine the influence globalization has had on Chinese corporations. Globalization has brought much discussion on the convergence or divergence of business and human resource practices cross national and organizational boundaries. These emerging factors are studied in the present of Chinese organizational context. In addition, we also review conceptual frameworks from the west that have contributed to the development and success of corporate universities. Key conceptual frameworks are identified from the literature to aid in the development of a conceptual framework to guide the adaptation of CU practices to serve the Chinese interest.

The research method for this study utilized an integrative literature review process. We examined both scholarly and practitioner literature listed in electronic databases: Academic Premier, Business Premier, and Google Scholar. All scholarly studies professing to examine any of the different aspects of CU functioning were included. CU’s can be described as functioning across a wide range of industries, countries, and cultural differences. Thus, a study with a focus on any one of the activities of a CU was included in this review.

Review of Literature

The Influence of Globalization

There are three distinct waves of globalization, spanning both hemispheres, which have impacted international higher education (Mazzarol, Soutar, & Seng, 2003). The first wave involved students traveling to a host country to study at a chosen institution. The second wave, termed a process of “forward integration,” involved institutions establishing a presence in international markets. The emerging third wave involved the creation of branch campuses in foreign markets and the development of on-line delivery of courses for an audience that was geographically dispersed.

There are several reasons for this change in the pace of internationalization of higher education, including: increased levels of competition, expanding global markets, and application of new technologies. The Asia-Pacific region is currently riding the third wave of globalization in the higher education sector.

The economic crisis of 1997 was a key driver for accelerating change in the higher education sector in Asian markets. Malaysia and Singapore currently have three branch campuses of international universities. India is also cited as riding the third wave successfully. The intellectual property and brand name are held by the foreign partner in such alliances. China and Vietnam have taken more time to move in this direction. Given China’s interest in enhancing educational infrastructure, it seems likely that it would also support the third wave of internationalization. Overall, it would appear that a development of a regional “hub and spoke” network of educational partnerships is emerging in the Asian Pacific region. Specifically, the characteristics that define a third wave of internalization of the higher education sector are (Mazzarol, Soutar, & Seng, 2003):
1. Opening of branch campuses in conjunction with joint venture partnerships
2. Partnership with private sector delivering CU model type programs
3. Creation of virtual universities

It is useful to note that the private education sector in the West, including CUs, is leading the forefront of change in education and the role of industry, educational institutions, and governmental support in the design and delivery of learning. The spectrum of economic realities and technological advancements has transformed the landscape of education and learning. It is evident that these forces are pushing towards the search for more practice-related dimensions of knowledge. The search is to create and own a knowledge space whereby gains related to newer dimensions of knowledge can be secured. CUs can occupy this knowledge space, but in order to be successful, they have to continuously recreate knowledge and make it appropriately meaningful to learners over a period of time.

At the same time, it is imperative to understand the role that national context plays in influencing the work of organizations. Corporate universities are no exceptions to nationally-binding contextual influences. We believe that the role of the CU has gained prominence in this context. Under the influence of globalization, HRD operations and practices are moderated based on both country and company influences. These practices span broad international contexts in the US, Europe, and Asia-Pacific (Shaw, 2005). Addressing the role of national context in Motorola’s CU operations in China, Shaw (2005) refers to the CU wheel (Prince & Stewart, 2002) as an “ideal type” and a “blue print of a world class organization.” Motorola’s CU operations in China are placed at the center of the CU wheel and examined within the national context of Chinese operations. Motorola University is often cited as an ideal prototype and has elicited the attention of practitioners and scholars alike because of its spectacular growth and subsequent challenges the parent company had to undergo to sustain CU efforts around the world. Motorola’s CU operations directed its efforts toward the company’s “ecosystem,” signifying the range of multiple stakeholders that are involved in generating knowledge. We believe that these stakeholders must be willing to exchange all kinds of needs and preferences as well as to articulate demands that fundamentally affect the business in order to sustain CU efforts.

Several international corporations, predominantly from the US, reveal impressive investment figures in geographic regions that house their markets. It is apparent that corporations structure their operations based on the location of their markets. Establishment of CUs are also influenced by the location of markets outside of the parent company. For such global corporations, China is a top international market outside the US. Given the political, historical, cultural, and economic influences of these global operations, a distinctive CU strategy needs to be developed. The establishment of Motorola University (MU) was the first successful CU initiative outside the US, in Beijing. Shaw (2005) offered a rationale for CU establishment in China developed for “economic and market driven” reasons (i.e., education initiatives in exchange for business privileges) (p.29). Motorola University’s services in China extended beyond company employees to include those working with State-owned enterprises, and the company created external partnerships with the Chinese government, as well.

However, the question remains whether globalization causes HRD practices within organizations to converge or diverge within national boundaries. Rowley and Bea (2002) challenged five inter-linked and over-lapping propositions regarding globalization. These were: (a) globalization causes convergence in HRD, (b) convergence occurs via adoption of best practices, (c) transfer is possible as national systems are less resistant to change, (d) shifts are towards more Westernized flexible systems and, as a result, (e) human resource (HR) systems are transformed. They argued that the reality is not as straightforward as these propositions. Globalization is more constrained and dependent on the specific situation of the national culture and shared mindsets. A direct transference of human resource practices might become a force that is “competence destroying” rather than “competence enhancing.” Baruch (1995) also recommended in his push/pull model of global HR to consider forces from both sides, when formalizing global HR approaches to recruitment, training, socialization, career development process, performance appraisal process, industrial relations processes, and other aspects and questions relating to global HR concepts. HR practices were more specific to the country concerned and its historical and economic development. The degree of closeness in HR practices across geographical boundaries is determined by a complex mix of socio-cultural, economic, contextual and organizational variables. Many researchers believe that certain levels of convergence would happen due to benchmarking the best practices of the west. However, it is important for HRD professionals to understand that all HRD practices need to be socially accepted by the local culture and fit with the country’s value systems (Rowley et al 2002, Warner, 2004, & Baruch, 1995).

The Chinese organizational context should be explored to gain an understanding of people management, and training and development practices. The moderating of Chinese cultural values, the economic context given the shift from a communist to a capitalist form of economy (socialist market economy), and the role of government as an institutional stakeholder in business ventures has shifted HRD practice. The training and development environment faces several challenges. There is an urgent demand for a skilled workforce. The pedagogy of instruction needs to be different from the past which emphasized general and theoretical knowledge over vocational and technical knowledge. The influence of state and politics of the socialist economy needs to
be carefully considered as well. Finally, the after-effects of the “cultural revolution” brought about a severe management crisis, thereby creating a shortage of competent managers and a skill mismatch in the existing managerial cadre.

When these issues are recognized and accordingly addressed, it is clear that China as a player in the global economy is experiencing tremendous pressure from the globalization of education and business practices. The “branding” of the CU becomes significant, since education is highly valued in Asia-Pacific. The maze of cultural values that are deeply embedded in Chinese culture, pedagogical concerns, and issues related to online delivery of content can be challenging. There is no doubt that the factors contributing to the emerging growth of CUs are also present in the Chinese organizational context. CU as broadly defined in the paper does present strategic importance in developing human resources in Chinese organizational settings.

Conceptual Frameworks for Corporate Universities

Walton (1999) identified three generations of CU development: first as corporate training centers, then as employee development and work-based learning facilities, and finally as processes, moving beyond the physical campus to virtual universities. Prince and Stewart (2002) identified three predominant orientations towards management education in companies: strategic, performance-driven, and individual needs-driven. Strategic orientation is further divided into three types: activities involving the development of key staff, implanting board policy, and driving change initiatives. All three orientations simultaneously exist within an organization. Of these, strategic orientation has gained prominence for sustaining and developing a competitive advantage.

There is increasing sophistication in the demand for understanding and articulating the needs and requirements of organizations in management education (Stewart, 1999; Walton, 1999). Prince and Stewart (2002) pointed out the importance of partnerships of universities with industry, focus on learning in a move to develop deeper intellectual skills, education as a lifelong process, customized management development curriculum, international orientation, experiential learning, and team work. Dealtry (2000) offered a perspective of CUs as a ‘strategic development paradigm’, as a direct reflection of the escalating intellectual challenges they face in today’s world. CUs are company-driven initiatives that combine personal and group level processes to produce top notch management professionals for organizations.

Taylor and Phillips (2002) framed CU development along two dimensions: spatial organization and learning continuum. The first axis defines the CU based on the location of its physical entity. The second axis of learning ranges from a narrow training focus of firm specific and vocational training) to broader developmental programs (professional development and research). This approach provides a dynamic framework and permits an analysis of CUs to determine their focus as strategic and functional. In this framework, organizations can move, change, and develop their position in the matrix to reflect the transformation in the focus of their CU. Their typology is a useful template to analyze the development and role of CUs.

Thomas (1999) had a broader view suggesting that partnerships, employee learning and development, knowledge management, as well as centers for excellence are contributing factors to the creation of CUs. Each corporation has its vision and model of what a CU would look like. Blass (2005) integrated views of Thomas (1999) and Ball (1999) to provide a set of factors that form the ends of a continuum to define future trends in development of corporate universities. Based on the frameworks discussed, we present the following schematic representation that expresses the change continuum in the growth and evolution of corporate universities.

<table>
<thead>
<tr>
<th>Bricks and Mortar</th>
<th>Virtual</th>
</tr>
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<tbody>
<tr>
<td>Some Employees</td>
<td>All employees</td>
</tr>
<tr>
<td>Feel Good factor</td>
<td>ROI/link to business objectives</td>
</tr>
<tr>
<td>Corporate T&amp;D</td>
<td>KM/Organizational Learning</td>
</tr>
<tr>
<td>Self Contained</td>
<td>Partnerships/Outsourcing</td>
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Developing a Conceptual Framework of CU

In this section, we draw a conceptual framework that provides connections and relationships around significant CU conceptual issues. The CU wheel developed by Prince and Stewart (2002) adopted a processual analysis of viewing CUs as an emergent strategy and not necessarily a result of systematic planning and development. The processual analysis permits consideration of the role of power and politics in the organization. On the basis of knowledge management, organizational learning, and learning organization theories, Prince and Stewart developed the CU wheel by applying Schwandt and Marquardt’s (1999) four organizational learning subsystems to the CU context. It is especially viable, given the Chinese context, to use this model because Schwandt and Marquardt grounded their research in Parson’s (1951) theory of social interaction which incorporates both the technical and social perspectives of organizational learning.

The CU wheel mapped out four core processes and placed a number of CU competencies at the center. These competencies “support business goals by raising expectations, information sharing; creating enabling
structures; partnership; and co-ordination/metrics” (Prince & Stewart, 2002, p. 805). Prince and Stewart argued that most of these processes exist in one form or the other in all organizations and that the essential success factor for CUs is in the integration and co-ordination of these core processes. The four organizational learning subsystems and the four core CU processes are listed in Table 1. CUs must move beyond the level of focusing primarily on course development and delivery. CUs must facilitate and manage their core processes and their outputs. While course development and delivery is the most visible aspect of CU processes and outcomes, it does not reflect the true scope and role of CUs (Prince & Stewart).

Knowledge systems and processes are about the utilization of technologies and managing knowledge creation in the organization. An “ideal type” of CU is likely to be involved in the development and ongoing support and exploitation of cutting-edge learning technologies. Network and partnership processes suggest how CUs can work with communities of internal and external stakeholders. The network and partnership processes allow CUs to leverage best-in-class learning partners to accomplish some if not all of the learning interventions, such as, learning management systems, performance support systems, and e-learning solutions. People processes refer to the processes that build and reinforce shared meaning and facilitate and support learning within an organization. These processes are about the development of employees’ job-related skills and also the processes that create a shared understanding of organizational culture (Prince and Stewart, 2002). People processes are often driven by HRD practices (Stewart, 1999; Walton, 1999). Learning processes are essentially the cultures organizations create and reinforce through training and education programs.

### Table 1. Organizational Learning Subsystems vs. CU Core Processes

<table>
<thead>
<tr>
<th>Schwandt and Marquardt (1999)’s Environmental Interface</th>
<th>Knowledge systems and processes</th>
<th>Prince and Stewart (2002)’s Action &amp; reflection</th>
<th>Network and partnership processes</th>
<th>Dissemination &amp; Diffusion</th>
<th>People processes</th>
<th>Meaning &amp; Memory</th>
<th>Learning processes</th>
</tr>
</thead>
</table>

In the Chinese organizational context, we found that CUs could play a leading role in creating most of these processes. A number of HRD scholars (Shaw, 2005; Wang, Wang, Ruona, & Rojewski, 2005; Warner, 2000) have suggested that a HRD framework in Chinese organizations would emerge in time. Whether it is convergence, divergence, or a customization process of the western practices is yet unclear. Knowledge management (KM) and technical infrastructure, that support knowledge transfer, are still in their infancy in many Chinese organizations. This is largely due to the Chinese traditional culture of favoring informal and implicit forms of communication and status-based hierarchies in Chinese organizations. It is difficult to capture the core element of KM (explicit knowledge) and identify the necessary information systems to capture reusable and transferable knowledge (Burrows, Drummond & Martinsons, 2005). The core process of networks and partnerships could represent a particular challenge because of the phenomenon of Guanxi—personal connections. It is the network of social and business connections upon which Chinese corporations operate (Arias, 1998). According to Guanxi, networks and partnerships are selected on the basis of personal connections rather than qualifications. This custom prohibits Chinese organizations from partnering with the best of world-class learning organizations. Instead, Chinese organizations may prefer to partner with firms that have successfully “created” Guanxi with them. Learning processes, on the other hand, may be the best accepted processes because China has a long history of meritocracy, which is built on self-achievement through learning and memorization. That learning culture, if well supported by education and training programs, could be well received in the Chinese organizational context and serve as the foundation of all other core processes.

Keeping in mind the cultural characteristics of a typical Chinese organization, information flows from top to bottom because of a vertical hierarchy in the power structure. Therefore, CUs should gain strong support and directives from organizations’ executive leadership teams. Networks and partnerships that are heavily dependent on Guanxi are critical to the success of CU initiatives. External and internal relationships create a contextual career development opportunity for Chinese managers. These factors contribute to the CU strategy, structure, and culture. CUs must facilitate the design, development, and implementation of formal and informal networks that bring external expertise from the best world-class organizations. The framework presented in Figure 1 illustrates these considerations, and places CUs within a typical Chinese social and economical context. The framework suggests that CUs must strive for balance and integrate all of the four core processes. Within the Chinese context, establishment of internal and external networks, formal and informal networks (both within and outside the organization), and partnerships are essential for the success of CUs, with learning processes forming the core foundation.

The CU framework in China is different from the CU model developed by Prince and Stewart (2002), who suggested that CUs were an emerging strategy. The CU framework is a process of proactively designing and establishing a CU as part of a corporate competitive strategy. The advantage for Chinese CUs is that they need
not go through the generational experiences of US-based CUs (Walton, 1999) to learn and build upon. Chinese CUs can start fresh by positioning themselves right from the inception. Chinese corporations can build corporate universities that are future oriented, virtual, inclusive of all employees, linked to business operations, and supportive of the right networks and partnerships.

**Figure 1.** The relationship of CU core process within a Chinese organizational context

**Conclusion and Implications for HRD**

We believe that the rise of the CU in China is an indication of the growing needs of corporations that are currently not being met by traditional universities or training departments. The emergence of CUs has created an emphasis in knowledge innovation, new approaches to learning, and organizational branding. CUs have been able to “increasingly [create a] visible connection between a company’s market value and the quality of its intellectual equity represented by its management” (Dealtry, 2000, p. 171). Therefore, corporate universities will continue to grow if they are able to demonstrate a value add, in terms of promoting an organization learning culture, providing cost effective solutions through partnerships and outsourcing, utilizing available technologies to offer virtual solutions to all employees of the organization, and supporting organizational strategies by developing innovative and competitive competencies for the organization. More importantly, corporate universities are creating and facilitating a learning culture that will develop the capability of the organization and its employees.

It is clear that corporate universities are on the rise in developed countries. It has been demonstrated that there is a clear value of CUs to the corporations in the contemporary knowledge-driven economy. Chinese organizations have to compete in the same knowledge-driven global economy and are facing the same demand, if not moreso, in developing their human resources. There is a strong need to manage learning activities within the organization if China wants to compete in the global market. CU, as defined in this paper, appears to be the right approach. It is certain that in the midst of globalization processes, Chinese organizations are influenced by international education and business practices. At the same time the CU will maintain certain accepted Chinese characteristics. Using learning processes as a foundation to introduce and build other core processes will allow a gradual adaptation of the concept of knowledge management, effective people management process, and selectivity in building networks and partnerships. As a result, such change will increase the learning and capability of the workforce and the organization.

Due to the different development stages in organizations and CU core processes, it is suggested that Chinese organizations may need to develop many new processes without the benefit of prior experience. However, the examples from the CUs from other parts of the world offer an advantage to Chinese organizations.
in their endeavor to build a successful a CU.

HRD provides learning and development to both the individual and the organization. Many business and management scholars (Stewart & McGoldrick, 1996; Walton, 1999) have contended that because of the focus on learning processes at the individual, team, and organizational level, CUs constitute another form of HRD delivery (Bober & Bartlett, 2004). The notion of the CU has helped, in many cases, to appropriately create the strategic C-level leadership roles of Chief Learning Officer and Chief Knowledge Officer. We would like to reiterate that further inquiry in this area is needed, given that the CU may become a visible and influential aspect of HRD within corporations. The emergence of CUs in Chinese organizations calls for the attention of HRD scholars with a research interest in developing human resources within the Chinese organizational context. Research is needed in the following areas to gain an understanding of how to:

1) Develop an organizational culture that creates and reinforces learning and education programs within the Chinese culture.
2) Develop a knowledge management process that captures both explicit and implicit knowledge.
3) Create a system that would utilize both ‘guanxi’ and best-in-class providers and practices.
4) Build people processes that will build and reinforce shared meaning and facilitate and support learning within a hierarchical organization.

There is no doubt that research in any of these areas will contribute dramatically to the growth of the field of HRD in China.

References


