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THE GROWING ROLE OF EXECUTIVE EDUCATION IN UNIVERSITY-CORPORATE PARTNERSHIPS

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Introduction

There is growing discussion in the literature on the increasing number of partnerships between corporations, including government organisations, and universities to develop and deliver executive education programs. Unlike training programs, which have an operational focus and can be readily delivered by in-house trainers or competency-based training firms, corporations are recognising the need to provide higher-level executive education programs in partnerships with universities to expand the range of education programs offered and to support the development of managers and future leaders.

The purpose of this paper is to explore factors influencing the growth in university-corporate executive education partnerships and present findings from a qualitative research study involving a sample of senior managers responsible for managing their corporation's executive education partnership with the writer's university. While universities and corporations may have partnerships for a range of activities, including sponsorships, recruiting, student projects and work experience, in this paper, the term partnerships refers to the development and customised delivery of executive education programs for corporations through university-corporate education partnerships.

The Growth of University-Corporate Executive Education Programs

Industry aspires to have a flexible and highly trained workforce, but a major factor impacting on most western economies is workforce skills shortages due to demographic changes and an ageing workforce. Using the United States as an example, a projected 70 million baby boomers are expected to retire from the workforce over the 17 years to 2020, while only 40 million workers are expected to enter the workforce in that period (Gordon, 2003). Gordon recommends corporations based in high wage countries like the United States need to modify their business culture by developing more of their own future leaders so they can provide for future employment requirements. A shortage of skilled workers in some industries increases the level of competition among corporations to attract and retain suitable employees.

Another factor that influences many corporations to establish executive education programs is globalisation, which stimulates demand for standardised products, services and technical infrastructure and necessitates companies to provide consistency in the education and development of their executive and future leaders (Cunningham, Ryan, Stedman, Tapsall, Bagdon, Flew and Coaldrake, 2000). Globalisation also leads to increasing competition among industry and prompts corporations to differentiate themselves from competitors through the knowledge and skills of their employees (Schugurensky, 2000).

Partnerships between corporations and accredited universities to develop and deliver customized executive education programs are increasing. A study by Bedar (1999) finds that more than 50% of corporations worldwide are planning to use existing or future partnerships with accredited universities to deliver executive education programs. Many corporations are seeking partnerships with accredited universities in order to grant degrees in the fields of business/management, engineering/technical, computer science, and finance/accounting, and about two thirds of those surveyed already had some form of alliance with a university. A Corporate University Xchange Benchmarking Report also highlights the growth in university-corporate executive education partnerships, with some 51% of respondents nominating medium or high importance on forming alliances with colleges and universities (Corporate University Xchange, 2004). These findings suggest a need to further investigate university-corporate executive education partnerships in order to develop an understanding of the requirements, implications and issues associated with managing such partnerships. This will be explored in a qualitative research study of six senior managers of corporations involved in the management of their executive education program with the writer's university.

The six organizations participating in this qualitative research represent a diverse range of university-corporate executive education partnerships in terms of industry type and program duration. The organizations are:

- A not-for-profit industry association for managers that has had an executive education partnership with the university for over seven years.
- A public company with an executive education partnership with the university for over three years.
- A quasi-government agency in the finance sector that has been in a continuous executive education partnership with the university for eight years.
- A government agency in the public safety/law and order sector that has been in an executive education partnership with the university for two years.
- A consortium of national and international manufacturing companies that has been in an executive education partnership with the university for three years.
- A government agency in the human services sector that has been in an executive education partnership with the university for just six months.

Research Methodology

Each of the participants in the research had an established relationship with the University and direct involvement with the management of their organisation's executive education program and in managing the relationship with the university. The interviews were undertaken face-to-face with each participant using a structured questionnaire comprising a series of open-ended questions, with the final question inviting participants to make any additional comments or observations of their choice on university-corporate executive education partnerships. The questionnaire was designed to obtain qualitative information that would assist in understanding the reasons for the growth in university-corporate executive education partnerships and factors influencing the successful management of relationships between a university and corporation. The questions used in

the research were derived from literature reviews on corporate universities, executive education, documented case studies and the writer's observations of university-corporate executive education partnerships. Questions from the qualitative research questionnaire are used as the sub-headings to this paper.

Why establish a university-corporate executive education partnership?

The six corporate respondents to the research gave a range of reasons for initiating a university-corporate executive education partnership:

- To partner with an education organisation to obtain a combination of theory and practice drawing on up-to-date education and curriculum.
- To enable the organisation to have a point of difference from other organisations and competitors.
- To bring people with leadership potential from the organisation's offices around the world together to discuss issues in an open forum and achieve a university qualification (MBA) at the same time.
- To deliver a leadership program and develop future leaders from within.
- To be consistent with national trends to professionalize the industry and to recognise the status of people and the study they undertake.
- To facilitate an organisation restructure and provide an accredited process for managers to develop their skills.

Anderson (2003) finds many large corporations recognise their academic limitations and initiate partnerships with university business schools to access research and teaching experience. University credentials also carry prestige, validate knowledge and stand as a mark of achievement compared to non-accredited in-house corporate education programs (Wells and Barley, 2000).

The interviewees' responses are consistent with those of Blass (2005) who finds the role of executive education in the context of a learning organisation involves a diverse range of functions. These functions include: facilitating an increased rate of learning within a corporation to match the increased rate of change in the business environment, assisting a corporation to respond to the challenges of globalisation, aligning learning strategies with the business goals of a corporation, centrally directing and coordinating the education and training activities of a corporation, maintaining and evolving a corporate culture even when a corporation has diverse cultures across its global operations, and harnessing the learning and knowledge of employees to create and sustain a competitive advantage for the corporation.

Shah, Sterrett, Chesser and Wilmore (2001) investigate the growth of executive education and interpret the trend as a means for corporations to attract and retain employees in a tight labour market. They find people are seeking more meaning in their work and through executive education programs managers and potential future leaders are able to develop their skills, qualifications and employability, both within their organisation and with other organisations should job security decline. Some corporations have their programs accredited by universities so employees receive credit for their in-house courses with university graduate programs.

Cave (2001) suggests the move by corporations to provide tailored executive education and training programs for their staff coincides with a broader shift to outsourcing education as corporations realise they achieve better results by contracting

specialists in their field, usually from university business schools, who spend time keeping up-to-date with business developments better than in-house trainers.

As corporations evolve and expand the role of their training departments, a number of factors prompt corporations to collaborate with universities (Arnone, 1998). These factors include: providing strength and credibility to the delivery of in-house training and executive education programs, the ability to centralise resources, the opportunity to create a strategic alignment of education with a corporation's business goals, and the ability for employees completing the programs to receive recognised university awards. A university award also acts as an external benchmark of the quality of the corporate executive education programs (Prince and Stewart, 2000). While Madden (2005) predicts a significant increase in corporations partnering with universities to deliver customised executive education and degree programs, he advises universities of the need to be more flexible and accommodating to the requirements and learning goals of corporations for this to occur.

While the development of corporate executive education programs in partnerships with universities is likely to involve greater financial investment by corporations than establishing in-house executive education programs, Mavin (1999) finds the commitment provides significant benefits to a corporation. Her study reveals that a corporation's investment in a university-corporate executive education partnership exposes participants to alternative approaches to business and management, provides different perspectives on management and leadership, and allows participants to develop a greater understanding of how management approaches could be applied in different contexts, not just the perspective of their corporation.

How long has the partnership existed?

The duration of the university-corporate executive education partnerships in the interview sample ranges from almost one year through to eight years. The average duration of the partnerships of the six corporations is four years.

To what extent does the partnership directly relate to your organisation's corporate objectives or strategies?

The responses from the corporate interviewees claim their university-corporate executive education partnership is treated seriously and, in each case, the outcomes of the programs are linked to their corporate objectives or strategies. This finding corresponds with Allen's (2002) finding that the most effective university-corporate executive education programs are those that assist a corporation to achieve its corporate goals. Aligning executive education and training to an organisation's corporate objectives promotes greater coordination between the types of programs to ensure consistency in executive education and training, as well as closer monitoring of the link between the investment in executive education and training and corporate strategy and business performance.

As each corporation has its own particular criteria for measuring the value of their university-corporate executive education program and partnership, the investment in corporate executive education programs increasingly needs to be aligned with the future strategic requirements of a corporation and linked to the corporate objectives of a corporation. Each university-corporate executive education partnership is unique, and the

role and structure of each university-corporate executive education program is related to the organisation's level of commitment, the resources allocated, the stated learning objectives and the culture of the organisation involved (Kent, 2005 and Plompen, 2005)

To what extent is senior management involved in the partnership?

Each of the university's partner corporations indicate senior management is involved in their university-corporate executive education program and partnership. One senior manager claims this involvement is the key to the success of their university-corporate executive education partnership and that virtually all senior managers in the corporation are, or have been, involved with the partnership at various times. One interviewee observes that senior management's leadership demonstrates their commitment to the program. Garfoot (2003) and Kent (2005) emphasise the importance of having senior management commitment to a university-corporate executive education program, with that commitment starting at the level of chief executive officer. Rubin and Powers (2005) recommend that not only is senior management support important for the success of a university-corporate executive education program and partnership, but, ideally, senior managers should be directly involved in the delivery of programs so that participants see first hand the level of commitment to the program. Senior management commitment is also important for the sustainability of a university-corporate executive education program, including providing resources and funding, approving employees to participate in the programs and allowing the necessary time for employees to participate in programs.

Who is responsible for managing the partnership/relationship in your organisation? (title/position)

In each of the corporations the interviewees claim responsibility for managing their university-corporate executive education partnership is with a senior or executive manager. In one of the corporations, the responsibility is shared by a team of four senior managers, who are also actively involved as participants in the university-corporate executive education program. This finding indicates the university-corporate education partnerships are treated as significant investments by the corporations, and the activities of the partnerships are recognised as part of the strategic objectives of the corporations in this sample.

Within your partnership arrangement/agreement, to what extent is there flexibility to make changes in programs, content or delivery dates and times once they have been planned and scheduled?

The interviewees from the corporations indicate there is considerable flexibility provided by the university and generally the university listens to their requests. One of the corporate respondents comments that: "It is one of the reasons for the success of the partnership, but the challenge has been developing and defining the flexibility. If there had not been flexibility, the partnership would have probably fallen over." Another corporate respondent advises: "there is flexibility, but there are parameters as it can have further problems with too many changes and flexibility."

These findings on the need for flexibility by universities intending to develop university-corporate executive education partnerships are consistent with similar findings by Plompen (2005), Paton et al (2005), Meister (2006) and Musselwhite (2006). An implication for universities in regard to providing flexibility in university-corporate executive education partnerships is to find out early what their corporate partner's expectations are and to have the corporation define what they mean by the term flexibility. The earlier a university understands what their corporate education partner expects in regard to flexibility, the better equipped they are to manage the partnership and university-corporate executive education program, or advise up-front of any limitations to be able to meet their corporate partner's expectations for flexibility.

To what extent does your organisation recognise and support the partnership?

All the corporation interviewees state the university-corporate executive education partnership has strong support in their corporations, particularly at the senior and executive management level. Although this support varies among the corporations, examples of this support include: managers providing their time as guest speakers in the programs; the corporation paying all the fees for participants studying in programs and giving them time for attendance and study; the university-corporate executive education program being part of a structured program for the corporation, and the partnership recognised as part of the corporation's business plan, with its own budget line. This finding is consistent with Rademakers (2005) claim that it is vital for a university-corporate executive education partnership to have the direct endorsement of senior management for a program and partnership to be recognised as strategically important for the organisation and to ensure appropriate support and resources are made available.

How would you rate the value of this partnership to your organisation?

The corporations all rate the value of the partnership highly, using such terms as "Very valuable – the partnership, not just the program", "On a scale of 0-10, around 8-9 on importance as a strategic mechanism." One interviewee comments the partnership has had a huge impact on the corporation: "At a time of a threat to the corporation, the program assisted people to embrace innovation and change and evolved the culture of the corporation." Another corporation respondent observes that the partnership is not as good as it could be, although this is not a reflection on the university but on the corporation as it is not drawing from student assignments and applying the knowledge back into the corporation. This is regarded as a wasted opportunity by management to utilise the skills and knowledge generated by participants in the program to assist in advancing the corporation. This comment reinforces the previously stated finding by Allen (2002) that the most effective university-corporate executive education programs are those that assist a corporation to achieve its corporate goals.

Do you have any quantitative measures in place for determining the value of the partnership to your organisation?

Half the corporation respondents state there are no quantitative measures to determine the value of the university-corporate executive education partnership to their corporation. While the remaining respondents do not have any quantitative measures, one

interviewee indicates they would like to explore a range of aspects, such as the value of industry based project assignments, the opportunity cost of not doing a project or later, after implementation of a project, the value generated from the project. Of those corporations with quantitative measures to determine the value of the university-corporate education partnership, the main measures include: competency assessment of individual participants against outcomes of the program on a scale of zero-to-five; the budget and number of enquiries for the program; a Key Performance Indicator relating to training as a percentage of payroll, currently 4.2 percent, and six monthly culture surveys of the corporation.

Do you have any qualitative measures in place for determining the value of the partnership to your organisation?

Over eighty percent of the interviewees from the corporations indicate there are qualitative measures for determining the value of the university-corporate executive education programs and partnerships. The corporations have a diverse range of qualitative measures for determining the value of their university-corporate education partnerships, including: a big “happy family” of students as measured by internal surveys; anecdotal information from senior managers to executive; staff feedback processes and surveys; learning and development incentives with milestones celebrated throughout the corporation.

When evaluating the effectiveness of a university-corporate executive education partnership, both the corporation and its university partner should use a balanced measurement approach of quantitative and qualitative criteria, in order to identify cultural benefits arising from the partnership, as well as financial and other tangible performance measures (Morin and Renaud, 2004). The quantitative measures used by corporations to determine the value of their corporate executive education programs include: the amount of money spent on corporate executive education and training, the number of programs delivered, the number of people in each program, the number of people successfully completing each program, and staff retention among participants completing the programs. While qualitative measures are by nature more subjective than quantitative measures, there should be some mechanisms for identifying the value of the university-corporate executive education programs in such areas as: improvements in staff morale, effective teamwork and cooperation across the corporation, the development of confidence amongst program participants, the contribution to the development and retention of corporate knowledge and the number of innovative ideas generated in such learning environments (Ryan, 2007).

To what extent does the university name add strength and credibility to your executive education programs?

The corporation respondents are unanimous the university name adds strength and credibility to their corporate executive education programs. One interviewee comments the academic credibility of their corporate executive education program is linked to the university brand. Being associated with a university creates an expectation amongst participants of academic rigor, credibility and quality and gives recognition to participants and their ability, to the market and themselves. Todeva and Knoke (2005) suggest the motivation for corporations to establish strategic education partnerships with

universities is not driven by any expected direct impact on costs, profits and other tangible benefits, but by indirect positive outcomes in the form of corporate prestige, reputation, status and brand name recognition.

To what extent do the university programs add strength and credibility to your executive education programs?

Responses by the corporation managers to this question are diverse, including:

- It provides a framework to feedback to the university to ensure evolution and relevance to changing issues confronting the corporation and industry.
- It adds a lot of credibility. People look for credible programs that they could learn from and take back into the workplace.
- The programs are offered to assist the corporation to be an employer of choice.
- The program, linked with the university, is for people in management and to develop management skills.

Morrison and Mezentseff (1997) claim the future success of corporations depends on their ability to learn, create knowledge and develop new opportunities. They suggest a partnership with a university could facilitate the learning process, so that learning within a corporation shifts from being reactive to change to anticipating change. While management education has long been utilised as a method for implementing change in corporations, Prince (2000) identifies in his research it is only since the late 1980s that the importance of education is more widely recognised by both private and public sector corporations. According to Prince, the increasing growth in the number of partnerships between corporations and universities is driven by the necessity of corporations to provide incentives to managers to undertake and complete corporate executive education programs. The association with a university provides external recognition of the quality of the corporate executive education program and the commitment a corporation has to its employees.

What would be the key achievements for your organisation as a result of having this partnership arrangement?

Although the corporations have a range of responses in regard to their main achievements, the primary responses are:

- It provides the corporation with a pool of leadership talent that enhances succession planning and professionalism.
- It provides a context to test the caliber of certain people through a leadership development program at a tertiary level.
- The University brand adds value and credibility to existing in-house programs.
- Comradeship – getting a group of people together to share knowledge and develop a strategic direction.
- It provides participants with a pathway of study and assists the corporation to be seen as an employer of choice.

- Employee satisfaction, as measured by reduced staff turnover, higher results in staff surveys and the trade-off between salary increases and education opportunity.
- Culture – establishing and reinforcing a culture that supports change and innovation.

The key achievements noted above by the corporate interviewees are consistent with the findings of Allen (2004) that university-corporate executive education programs assist with career and succession planning of employees, knowledge management within an organisation, facilitating corporate culture change, and assisting with strategic change in a corporation. Gallagher (2000) also finds university-corporate executive education programs encourage employee loyalty in a tight labour market while also reducing employee turnover and labour costs. While Paton, Peters, Storey and Taylor (2005) concur that university-corporate executive education programs reinforce corporate culture and values, they suggest those corporations that harness the collective skills and knowledge of their employees to assist in developing new ideas, products and processes, are better placed to develop an edge over competitors, particularly with the emergence of the knowledge economy.

Conclusion

University-corporate executive education partnerships present opportunities of mutual benefit for universities and corporations. For universities, there is the opportunity to engage with and build stronger links with the business community, while also generating additional income. For corporations, there is the opportunity to broaden the knowledge and capability of the participants in their executive education programs, particularly managers and future leaders, through a combination of theory and practice, drawing on up-to-date education and curriculum provided by a university, combined with the knowledge and experience of the participants to discuss issues relevant to the corporation. The research also finds that a university name adds strength and credibility to corporate executive education programs. A further benefit for participants is the possibility of receiving credit towards a university qualification as a result of the executive education program being delivered through a university-corporate executive education partnership.

Each of the corporation interviewees participating in the research emphasise the importance of senior management involvement in their university-corporate executive education programs and that senior management involvement demonstrates the importance of the program to a corporation. The commitment senior management has to a university-corporate executive education program, ideally, should start at the level of chief executive officer.

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