

# A Campus Tour of Corporate Colleges

From the halls of academe and the corridors of the *Fortune* 500, corporate colleges seem a mixed blessing. Are they a trend or a fad?

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By JOHN WILCOX

I remember my first exposure to corporate colleges. I was a little kid, and we were heading north past Chicago, 10 hours into the second day of a three-day car trip. We passed a brightly lit sign that instantly livened up the boring journey.

"Mom! Dad! Look! What's that?" In giant red neon, it showed the famous arches and... HAMBURGER U!

"It must be where they teach people how to work at McDonald's," my mother said. I turned around to get another look, but we passed it too quickly.

I closed my eyes and saw serious-looking men in white coats working in tiled labs, gazing at test tubes full of catsup and mustard. Others probed pieces of cheese with thermometers, figuring just the moment when the stuff would go limp without running. Smiling old ladies wiped up spills. In classrooms cheery teenagers in blue zip-up outfits and paper hats copied down the formula for special sauce. All the furniture was plastic.

"That's where I want to go to school when I grow up," I said.

Hamburger U. is one of the oldest of what have come to be called corporate col-

leges. Sort of. You see, even though Hamburger U. has a *U* in it that stands for university, Hamburger U. might not really be a corporate college. Now the McDonald's Management Institute *is*. Probably.

Confusing? You bet.

The topic lends itself to confusion because corporate colleges represent a vague hybrid of training and development departments and traditional higher education. The first corporate colleges appeared almost 80 years ago, but their ranks recently have grown, relatively speaking, by leaps and bounds. Even though there are very few of them, corporate colleges have prompted more than a few arguments. Among the sticking points: what they are, what they do, what they should do, how many of them there are, and who attends them. Some even argue that corporate colleges aren't worth arguing about.

What's the deal here? Why all the fuss?

## What's a corporate college?

In a 1985 text called *Corporate Classrooms: The Learning Business*, published by The Carnegie Foundation for the Advancement of Teaching, Nell P. Eurich identified 18 of them but acknowledged

that a firm definition was elusive. Calling them a "motley group," she wrote that corporate colleges are institutions that grant academic degrees and that were "started by incorporated organizations whose first purpose was not education." While this characterization plainly excludes hundreds of higher-education providers from the ranks of corporate colleges, it raises more questions than it answers.

This dilemma seems to plague any inquiry into the phenomenon. The institutions Eurich labelled corporate colleges span a broad range of types and styles, objectives and mandates. Corporate colleges offer a variety of degrees too, from the AA of Watterson College, owned by school ring supplier Jostens Inc., to the PhD granted by the Rand Graduate Institute, but some offer no degrees at all. A few operate independently, much like traditional colleges, but others are so closely tied to their parent companies that they share facilities and administrative staffs.

Indeed except for Eurich's admittedly imprecise definition, corporate colleges have almost nothing in common.

Some are so well established that the corporate college label seems unduly limited. Northrop University in Inglewood, California, begun in 1942 as a training division of Northrop Aircraft, is

now a highly respected, full-fledged college, offering undergraduate and postgraduate degrees in fields ranging from business administration to law. G.M.I. Engineering and Management Institute was once part of automotive colossus General Motors, but it became independent in 1982. The Wang Institute of Graduate Studies, an institution founded by An Wang of Wang Laboratories fame [see *Training & Development Journal*, October 1985], recently merged with Boston University.

Eurich did list some of the attributes of the relatively new institution called the corporate college, and these might be more useful than any definition.

## Corporate colleges span a broad range of types and styles, objectives and mandates

Most are nonprofit and private. They generally admit any qualified applicant—and most have plenty of applicants—but corporate colleges usually aren't geared to teaching 18-year-olds fresh out of high school.

Corporate colleges have comprehensive and well-respected academic programs, and almost all of them are either fully accredited or have accreditation pending. Their organizational structures, complete with deans and boards of trustees, closely resemble the traditional higher education model, but they often emphasize interdisciplinary studies instead of the usual academic departments. They value the flexibility this arrangement offers and believe it allows them to remain responsive to the rapidly changing needs of adult learners.

They also place great emphasis on professors' teaching skills, eschewing the publish-or-perish prestige-building common at some schools. Several corporate colleges use relatively sophisticated instructional methods—satellite teleconferencing and computer-based testing—to augment traditional lecture formats. This reflects the high-tech orientation evident in many of the programs.

### Job-oriented

It also reflects what may be corporate colleges' most distinctive and valuable feature—a dedication to delivering skills and information that students can apply right away in their jobs. The crisply stated objectives appearing in course descrip-

tions rival those found in the most results-driven training programs. That's no accident either. Many corporate college administrators freely acknowledge that they exist for one reason only: to give students the skills they need to excel in their current jobs. Theory enjoys little favor at most of these institutions.

"The mission of Hamburger University is very simple," says Ronald Lessnau, dean of McDonald's corporate college in Oak Brook, Illinois. "We help our restaurant managers run better restaurants. We don't get into a lot of theory. We prefer to stick with hands-on applications, focusing on what the needs of the system might be for the restaurant manager. Theory is educa-

tion; we're in training."

Hamburger U. is the capstone of McDonald's formal classroom training, according to Lessnau, an integral part of the fast-food giant's rigidly prescribed management development program. Started in the basement of a Chicago-area McDonald's in 1961, Hamburger U. has grown into an 80-acre campus that all the company's managers and franchise holders must attend. They can earn transfer credits toward associate and bachelor's degrees through an arrangement between a Hamburger U. division called McDonald's Management Institute and The University of the State of New York's Regents College program.

The independent and nonprofit Thunderbird Management Center in Glendale, Arizona, has little in common with Hamburger U., but it too emphasizes a no-nonsense, applications-oriented approach. Its unique students—experienced executives entering the international arena—demand specialized instruction in the linguistic and cultural aspects of doing business in foreign countries. Thunderbird director Bill Kane notes, "Our students vary somewhat, but most of them are in the international departments of multinational corporations; they're generally working on international projects. They want a specific type of training.

"A lot of business schools are case-study schools," Kane continues, "but we take a more pragmatic view. We don't have any off-the-shelf programs. We talk to the client, find out their specific needs, and

then we put a proposal together. It's customized for the client." And who is the client?

"The client is the corporation," says Kane. Thunderbird provides its services to organizations on a contract basis, and in this respect it differs from most corporate colleges. A part of the degree-granting American Graduate School of International Management, it offers no degrees itself. A typical Thunderbird program immerses students in the language and customs of a foreign country's business environment, usually in short—a few days to three months—and extremely intensive courses.

Thunderbird student Daniel Nickel, personnel manager for Monsanto Company's Latin American operations, explains the rigors of the center's Spanish program. "I'm covering in four weeks what a person in a normal college might cover in four years. You don't come here for a vacation. You don't socialize much—there's just no time for it." Thunderbird students spend about 40 hours a week in the classroom, with four or more hours of homework each night, more on weekends. In their spare time they listen to language cassettes on portable tape players.

Nickel thinks the intellectual workout will pay off. "When a company like Monsanto sends you to participate in this sort of program, they expect a certain level of proficiency when you're done," he says. "And to achieve that level, you have to dedicate a lot of time and energy and effort. They give you all the tools here, but it's up to the individual to put forth the effort."

### Flexibility is key

That's a common theme at corporate colleges—students who willingly, even eagerly, push themselves. Their focus, like that of the institutions they attend, is on training and education immediately applicable to their careers. But few would-be students can afford to take year-long sabbaticals; they must attend to their jobs while they attend college. Corporate colleges often specialize in accommodating a mix of work and study.

At Dana Corporation, a multinational, multibillion-dollar manufacturing powerhouse headquartered in Ohio, managers can upgrade their skills by taking advantage of dozens of courses, covering "everything from soup to nuts," according to manager of education Larry Lottier. They can also earn MBAs without interrupting their careers. A cooperative scheme between the company's manage-

ment education department, known as Dana University, and Bowling Green State University provides a flexible program that doesn't shortchange academic excellence.

Lottier says that a now-defunct engineering school collaboration suggested a workable format. "At that time people said we needed to get more engineers in here," he explains. "So rather than having some poor [student] spend two nights a week for the next seven years going to Purdue, we worked it out so he could get his degree more rapidly. We thought we should look at the same thing for an MBA program."

Convenience was an important consideration. "We asked, 'What's going to be the easiest way to do it—for the students and for Dana?' Bowling Green was very open to us," Lottier adds. The MBA program takes three years to complete, but student contact with professors is short and, once again, intense. Bowling Green faculty teach at Dana University in two-week sessions every six months; students work on assignments and research in the interim. So far, more than 200 Dana employees have earned Bowling Green MBAs.

Dana Corporation prizes internal entrepreneurship and wanted to make sure that spirit came through in the MBA curriculum. "Philosophically and operationally we are highly decentralized," comments Lottier. "Our job [at Dana U.] is to convey that through the programs we offer—the Dana style of management."

So in addition to standard business courses, the MBA students periodically meet with the the company's top executives to link abstract concepts to Dana Corporation's business climate. Bowling Green refused to alter greatly their existing graduate program, and rightly so according to Lottier. But professors enthusiastically support the move to bring top management into the classroom. "They love listening to the chairman of the board when he comes in. The professor gets that much more insight into what big business is really like."

Convenience and scheduling flexibility also created the National Technological University, a revolutionary institution with offices in Fort Collins, Colorado. Lionel Baldwin, NTU's president, says, "The whole notion is that we would enable working engineers, *at their job sites*, to study for master's degrees in selected fields, drawing on the best faculty and the best courses schools have to offer." Although NTU sits just across the street from Colorado State University, it has no campus

of its own. Students "attend" graduate-level engineering and computer courses through a satellite-linked instructional TV network.

NTU students may major in computer engineering, computer science, electrical engineering, engineering management, or manufacturing systems engineering. Admissions standards are tough. Baldwin compares NTU to some of the best engineering programs in the country.

### Sophisticated delivery

That's not surprising, since NTU uses the same courses taught at graduate schools like Georgia Tech, Boston University, and North Carolina State.

NTU represents a marriage of traditional higher education, high-tech wizardry, business, and government. The courses originate in specially equipped classrooms at 24 engineering schools scattered around the United States. Television cameras and sound equipment record professor's lectures. Then broadcast dishes uplink the programs to an orbiting transponder which beams them to receiving dishes located at participating corporate and government organizations' facilities. These organizations' eligible employees make up NTU's student body.

"It's either done in real time, at the time it's being taught," notes Baldwin, "or if the network is busy, we make a tape and put it up on the satellite later in the evening." Sponsoring organizations like IBM, The Travelers Companies, and the U.S. Navy provide learning centers outfitted with videotape recorders so their NTU students can view the courses when schedules permit. "Many students do try to see the course when it's broadcast live," Baldwin says. "But in any given session on any given day, not everyone might make it, what with business trips and so forth." VCRs solve the problem.

Students can interact with instructors via teleconferencing and electronic mail. Baldwin presents a typical situation. Let's say a professor wants to review material for a test. "He can ask for an hour or an hour and a half's time on the network during the day to do a recitation period or a Q-and-A session with the students. We use AT&T Mail, an electronic-mail and voice-mail service, as well as standard phone lines." Most such communications occur through IBM-PCs and compatibles found in almost all sponsoring organizations. Students and professors can exchange hard copy—homework and reading assignments—through facsimile systems too.

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Although its instruction need not span great distances, Hamburger U. has invested heavily in high-tech delivery. Four auditorium-style classrooms feature rear-projection screens and computerized slide systems so sophisticated that instructors "can take a still image and walk it across the screen," according to Hamburger U.'s Lessnau. To help the school's many foreign students understand McDonald's way of doing things, Hamburger U.

simultaneously translates classroom lectures and demonstrations into Cantonese and Mandarin Chinese, Dutch, Parisian and Canadian French, Portuguese, Spanish, and Swedish.

Hamburger U. professors can administer pop quizzes and examinations through a computerized testing system built around the numeric keypads all students have at their desks. Lessnau tells how the procedure works: "If we see puz-

zled looks on our students' faces when we're talking about some very technical issue like equipment, we can stop the class. With an overhead video camera at the podium, we can write a question on a piece of paper and put it onto our 50-foot screen. The professor might ask, 'What part does a condenser play in a refrigeration system?' Then he lists multiple-choice responses A, B, C, or D and students enter their answers on their keypads."

Within five seconds professors know how many people chose which response. If fewer than 90 percent answer correctly, they reteach that topic. "We also use it for testing," says Lessnau. "We can test 232 students and give them the test results the same day. We post the results immediately so we can review the material while it's still fresh in their minds."

Hamburger U. makes extensive use of closed-circuit TV capabilities too. They routinely videotape lectures for later review. Classes on communications skills frequently rely on prerecorded role plays and simulated counseling sessions to reinforce theoretical concepts. An in-house TV network also helps students with their homework. "We use closed-circuit TV in the evenings in the students' rooms," Lessnau notes, "for a program we call 'H.U. Tonight.' Students can see short video segments that repeat some of the critical points of the classes that we teach during the day. They run from 4:30 in the evening to 1:30 in the morning."

Several corporate colleges use computer-based simulations. Dana University's Lottier thinks they help connect principle to reality. "We have a whole business simulation that's been developed here," he says. The computer models typical business scenarios and problems. Students form into teams and apply what they've learned in class to managing companies' assets and products. "It's a real-time kind of thing where you live—and you make it or break it—on the decisions that the people on your team make."

### Excellent instructors

One would think that the Thunderbird Management Center's specialized international business orientation would lend itself to extensive computerized training, but spokesperson Nelda Crowell says that's not the case. "We use computer simulations in several of the courses, but it's not an intense sort of thing," she explains. "We're not one of the number-crunching institutions. What we do best is

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- "Productivity's way down."
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- "We need coaching skills."
- "We don't want jargon."
- "Our managers need feedback."
- "What's its track record?"
- "Will it work on the job?"
- "Has this been tested?"

teach people how to get along with other people."

To do that Thunderbird depends on experienced professors who put presentation skills ahead of research and academic publishing. "A faculty member who cannot teach well will not last at Thunderbird, prestigious though he may be," says Crowell. "For one thing the students won't let him. The students are very, very demanding—they've paid a big tuition, or their company has, and they just won't stand for it."

Thunderbird director Kane echoes that sentiment, but adds that firsthand subject-matter expertise is equally important. "We try to get faculty that have practical business experience. Most of our faculty have international business sense."

NTU's Baldwin doesn't worry about the abilities of the seasoned professors who teach on the satellite network. Student surveys generally reveal high praise for the long-distance faculty. "The idea was for all the schools to put their best foot forward," he says, "in terms of providing their best faculty—the ones that had proven to be the most effective with off-campus students."

Dana U's Lottier says his school wants instructors who haven't learned their course materials from a book. He maintains that in order to teach there, "a person has to understand manufacturing—Dana's manufacturing, Dana's customers, Dana's cost-control procedures." For a course called Excellence in Manufacturing, Dana U. administrators looked for streetwise teachers who had in-plant experience. Why? "When a student says, 'Hey, wait a second. That's not how we do that,' the [instructor] can say, 'Hey, wait a second yourself. I worked that machine for four years.'"

Lottier initially believed that teaching skill could overcome a lack of subject-matter expertise. "You could get in a hell of an argument over a lot of beers about which way is the best way to go," he comments. Now he is convinced that, at least for Dana, content wins out. "Somebody coming in from the outside might be a good teacher," he observes, "but it would take him a hell of a long time to learn the company." Dana U. teaches its instructors how to teach.

Hamburger U. takes the same approach. "Our professors have come up through the ranks of restaurant management," Lessnau reports. "I select professors who were the best *operations* people in the field." Since restaurant managers train their stores' employees, most professors-to-be have

some teaching ability before they get to Oak Brook.

Lessnau says the school's 30 instructors, who serve three-year stints at Hamburger U., receive additional training in adult learning theory and instructional methods. "We give them the theory and they get to practice right there in class. We teach them presentation skills—how to deliver, how to speak, how to manage a classroom, how to answer questions—everything they need to know to feel comfortable in front of a class." McDonald's professors also

### **"Our professors have come up through the ranks of restaurant management. I select professors who were the best *operations* people in the field"**

learn how to design curricula and course materials.

These skills serve them well even after they have left the campus. Teaching at Hamburger U. is, according to Lessnau, a "very big star to put on your resume. Here they will teach 20 different classes, cover everything." By the time they return to duty in the field, he says, "They are the best-equipped people in the company."

### **Why a corporate college?**

But even if Hamburger U. professors, and their students, make better managers, going the corporate college route seems a very costly proposition. Surely corporate training and development departments and the hundreds of community colleges and undergraduate and postgraduate institutions that dot the landscape can provide many of the same benefits. The corporate college phenomenon has triggered debate within business and education circles.

The American Council on Education (ACE) establishes transferability standards for many of the corporate colleges' credit courses. Henry Spille, director of ACE's Center for Adult Learning and Educational Credentials, notes that many of the corporate colleges travel uncharted waters. "Many of their degrees are very specific and quite narrow," he says. As an example, he cites the Master of Software Engineering degree that the Wang Institute of Graduate Studies grants. "In that regard, they may be somewhat different than the regular college or university."

That specificity sometimes can't be found outside corporate settings. "The

feeling is," says Dana U's Lottier, "that the university world still operates on esoterica and theoretical cloud nine.

"That's good," he adds, "but that's not really what we need."

At Thunderbird Management Center, director Kane acknowledges that few institutions offer to business the kinds of programs his does. "At the end of World War II there were no schools training international managers to go abroad.

"People were going overseas with absolutely no idea about other cultures; they

thought everybody should be Americanized," he says. "[Thunderbird's] founders thought we really needed an institution in the United States that would train businessmen for representing the United States in a way that wouldn't be offensive. It was different from the traditional MBA program."

National Technological University differs from the traditional graduate engineering school too. It acts as a central educational resource for engineers who require convenient and comprehensive instruction. Whether in-house or in partnership with local colleges, most sponsoring organizations have extensive technical education programs already in place before they sign on with NTU. "The typical sponsoring organization simply adds NTU as a complement," Baldwin says. "I don't think it displaces much of what was already going on. It just enables people to do things they weren't able to do before.

"Maybe the local school doesn't do computer science very well," he continues, "or maybe they're weak in optics, or maybe they don't do engineering management." Baldwin notes that only 40 to 45 percent of NTU enrollees plan on working toward one of the university's degrees.

Is NTU a corporate college? "No, not really," according to Baldwin. "The money, overwhelmingly, to start the program came from industry. And the governing board of the school [comprises] people who work in industry. So the ties and roots are industrial." But he feels NTU is no more a corporate school than any of the universities that participate in the network.

Is Dana U. a corporate college? Lottier says it isn't because Dana employees must



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transfer ACE-approved Dana U. credits to other institutions to earn a degree.

He thinks that Dana U. does fill a void though. "We're providing things for our people that they otherwise would not have an opportunity to get." He mentions that the company's decentralized management style and entrepreneurial emphasis created a need for Dana U. Having an organizational training standard helps "get all our supervisors and managers singing out of the same hymnal," in Lottier's words.

Hamburger U. also emphasizes corporate culture. Lessnau asserts, "It's partly *esprit de corps* and it's additional motivation." Students appreciate the effort McDonald's puts into their career development and training programs. Plus, he says, "They get a chance to really relate, to see that the problems we have in Bangkok are the same ones we have in Boston, and that the solutions to the problems are the same. Team building is extremely important."

### The road ahead

Despite these justifications, the question still remains: Are corporate colleges destined to become a commonplace way of meeting the educational needs of organizations and their employees?

In *Corporate Classrooms: The Learning Business* Eurich wrote that "it may not be too fanciful to foresee 100—if not hundreds—of corporate degree programs in the next 50 years." Several higher education and corporate training authorities disagree.

Lottier notes that Dana Corporation "kicked around the idea" of forming a self-contained college of its own, but rejected that plan in favor of cultivating cooperative arrangements with traditional schools like Bowling Green State University. "It's more cost-effective for us," he explains. "We sit down with these guys and say, 'I know you've got your curriculum, and we'll meet all of *your* needs. But in addition to that, we'd like some of this or that cranked in [to the program].'" The resulting collaboration serves Dana well, Lottier says.

ACE's Spille agrees that business-education partnerships hold more promise than widespread creation of corporate colleges. "Colleges and universities right now are very receptive to meeting the needs of business and industry," he says. This is true for several reasons, chief among them the declining pool of 18-to-22-year-olds that form the biggest portion of traditional higher education's market. Serving adult workers' needs fills an enrollment and income gap.

But colleges see other benefits as well. "There are tremendous opportunities for faculty to learn what's going on in business and industry," Spille maintains. "You have shared facilities, shared equipment, the kinds of things that a campus operating in isolation would never have."

But what payoffs can corporations expect from partnerships with established colleges? For one thing they can tend to the business of providing products or services rather than running their own colleges. Some organizations explore the corporate college concept but quickly abandon the effort when reality sets in. "They start finding out what's involved in a degree program," Spille explains, "and realize they need a general education component and they need to teach some communications skills. They start saying, 'Gee, do we really want to get into that business?'"

Asked if he would consider creating a corporate college if he were in charge of an organization's training and development program, Spille said this: "I would form a college only if my attempts to establish linkages and working relationships with existing colleges and universities were rebuffed."

The rise of the corporate college is, according to Spille, "a phenomenon worthy of note, but I don't see it as a major threat to colleges and universities. Any growth will be along the lines of growth in the past. Where a corporation has a specific need in a specialized area, and there are no colleges and universities that can meet that need, then they will go ahead and meet it on their own."

That attitude represents an emerging consensus. Corporate colleges will probably continue to flourish in those organizations that identify educational needs that can't be met elsewhere, but they most likely will remain rare solutions to rare problems.