

# Magna cum corporate

## Chicago-area corporate universities teach the company line

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"Fats" Domino once observed that lots of people have a B.A., M.D. or Ph.D., but no J.O.B.

The relationship between education and commerce changes when so-called "corporate universities" enter the marketplace of ideas.

The ranks of local corporate universities continues to grow as Mori Seiki University opened last month in Rolling Meadows and the HSBC Leadership Academy started in April in Prospect Heights.

Across the country, corporate universities have increased by 25 percent to 2,000 in recent years.

From McDonald's' Hamburger University to Motorola University, local corporate universities vary in scope but often can mimic traditional universities.

They can feature campuses, hotels/dorms, graduation ceremonies, valedictorians, professors, deans and sometimes tough admission standards.

Some corporate universities believe they can educate their students better than traditional universities.

Professionals within the field credit the growth in corporate university programs to warp-speed changes in technologies and markets.

"To some degree, the academic world has trouble keeping up," said Sue Todd, president of Corporate University Xchange, an association of corporate universities based in Harrisburg, Pa. "The shelf life of knowledge is so short these days."

### Hamburgerology

Local corporate universities aren't interested in producing scholars; they want to educate both customers and employees in a way that boosts their bottom lines.

The hot classes at corporate universities include executive leadership, bookkeeping, machining, restaurant management, ethics and a quality control program called Six Sigma.



Hamburger University is part of McDonald's corporate headquarters, an 80-acre campus in Oak Brook.

Instead of a dorm, The Hyatt Lodge on McDonald's campus accommodates students.

Hamburger University graduates about 5,000 students a year, a fraction of the tens of thousands of eligible candidates.

The comparison continues as Hamburger U., as it is informally known, offers 46 college accredited courses, meaning credits that are transferable to traditional universities.

McDonald's employees study everything from customer satisfaction and operational disciplines to how a kitchen should work. Hamburger U. operates a full working kitchen so students can simulate best practices.

Graduates receive a degree in hamburgerology and the graduation ceremony includes naming the valedictorian.

"We're preparing people to run a \$2.3 million small business," said Lisa Howard, a McDonald's spokeswoman, pointing out that 40 percent of McDonald's top management corps started in a store.

### **Venues and courses**

Corporate universities pride themselves on being able to change curriculums fast.

"Curricula is continuously refreshed based on student and business feedback," Ed Oxford, vice president of Motorola University, wrote in an e-mail.

New technologies, products and strategies drive the need for updated skill sets, Oxford said.

Established in the 1980s, Motorola University teaches engineering, supply chain management, innovation, information technology, sales and high potential pipeline classes.

Even though the Schaumburg-based electronics company cut tens of thousands of workers in recent years, Motorola University did not cut back, according to Oxford.

In Hoffman Estates, Sears University experienced a curriculum sea change.

"The change in our curriculum was tied to our merger," said Chris Brathwaite, Sears Holdings spokesman.

When hedge fund billionaire Edward Lampert engineered Kmart's takeover of Sears in 2004, he wanted to change the corporate culture so he began with Sears University.

Classes include Sears' nine organizational values, financial statements and "How to make money."

Full-day classes called "Sowing the seeds of our culture" are taught to employees of Sears and Kmart at store sites.

Employers often offer on site and online training as part of the university training.

Chicago-based accounting firm Grant Thornton runs its university half face-to-face and half online, according to Jim Mauer, acting chief learning officer at the university.

Grant Thornton's calls its learning formula FIRM, which stands for foundation, immersion, reinforcement and measurement, Mauer said.

Training occurs in classrooms, at desk tops and satellite offices.

“One hundred percent of our professionals go through this training,” Mauer said.

### **Degrees of difficulty**

Creating a corporate curriculum that makes a difference can be a tall order, according to Rita Gunther McGrath, a business book author and associate professor at Columbia Business School in New York.

“What a lot of companies have come to realize is that creating a high quality educational environment for their people is actually a lot of work and requires considerable expertise,” McGrath wrote in an e-mail on the topic.

The standard cost of such programs hovers around 3 percent to 5 percent of payroll costs, according to Corporate University Xchange.

Replicating training worldwide compounds the difficulties.

From Oak Brook, McDonald’s operates universities in Australia, Brazil, England, Germany, Hong Kong and Japan. It also runs 139 regional training centers for managers around the world.

Japan-based Mori Seiki runs its university system from Japan.

The machine tool maker operates a university at its U.S. headquarters in Rolling Meadows, one in Nygoyo City, Japan, and is planning another for Europe.

“What we find is the technology is ahead of the human capital,” said Rod Jones, chief learning officer at Mori Seiki University in Rolling Meadows. “We have to grow these people from scratch.”

Earlier this month, Mori Seiki’s customers attended classes, learning how to operate the company’s high-tech machine tools.

Mori Seiki dedicates 1 percent of its annual sales to training, a custom Jones said more companies will be compelled to follow in the future if they want to stay competitive.

“Investment in human capital will be the wave in business,” Jones said.

### **Not all academic**

Quantifying the effects of such programs may be difficult but Caterpillar Inc., which has a plant in Montgomery, estimates that in the two years after forming Caterpillar University in 2001, it experienced \$40 million in savings.

Consulting firm Accenture conducts corporate learning classes at the 96-acre Q Center in St. Charles, which once housed the training campus of the former Arthur Anderson accounting firm.

An Accenture study found results similar to the Caterpillar study, according to Corporate University Xchange.

Financial services firm HSBC North American Holdings Inc. operates one of the top corporate learning programs in the country.

Based in Prospect Heights, the program tops Training magazine’s list of financial services

firms with corporate learning classes.

Last year, HSBC's 58,000 employees averaged eight days of training. A corps of 300 "learning professionals" teach and administer the programs.

One of its programs, HSBC Leadership Academy, functions as a leadership pipeline program involving online, classroom and mentoring programs.

Every HSBC manager will take courses from the academy, the firm said.

"It is one of those distinguishers for best practices companies," said Anne McIntosh, vice president of training, development and talent management.

### **Nomenclatures**

Continuing education goes under many names at local corporations — university, academy, learning center, institute.

No university exists at Abbott Laboratories in unincorporated Libertyville Township, but it estimates it spent \$2.7 million last year training 6,200 employees.

The core curriculum at the drug development firm include 30 classes, including "Leadership development for scientists."

Chicago-based Boeing Co. runs its Boeing Leadership Center in St. Louis and requires all managers to attend.

Classes teach "how to create one company," said Anne Eisley, Boeing spokeswoman.

Elite business schools such as the Wharton School at the University of Pennsylvania offer doctoral degrees for "Chief Learning Officers" who run corporate universities.

Still, the word "university" can be stretched.

Mario Tricoci's Hair Salons and Day Spas owns Tricoci University of Beauty Culture, which is a highly respected trade school but not a direct feeder to its salon and spa chain.

"We're no Motorola U.," said Lori Brusa, a spokeswoman for Tricoci University.