A STUDY ON INDONESIAN CORPORATE UNIVERSITY TYPES AND ITS CHARACTERISTICS

Suharto,

College of Economics IEU
Surabaya, Indonesia.

ABSTRACT

Indonesian corporations implement corporate university with no regulations in place for the implementation of corporate university. The government has regulations for traditional universities. The corporations establish corporate university by benchmarking to abroad. The purpose of this research is to identify the types of corporate universities in Indonesia and identify its characteristics. Qualitative research methodology is used in this study while the data collected through respondent interviews, online resources, Journal articles and text books. From the results, it is inferred that there are six types of corporate universities implemented in Indonesia and their characteristics are defined. The study also suggests the new and the existing corporations to invite traditional universities set up their own laboratory in the respective organizations so that the R&D and training activities reach the target audience.

Keywords: Corporate University, Indonesia, Traditional university, Corporate training.

INTRODUCTION:

Nowadays, many corporations such as Apple, General Electric, Shell, Mars and IKEA (Centre for Strategy and Leadership, 2017) implemented corporate university to meet their strategic objectives by training employees for company-specific requirements (Indonesianatempocoa, 2016). Several state-owned corporations and private sector corporations from various industries such as telecommunications, electricity, petroleum, aviation, and banking implemented corporate university in Indonesia (Bagyo). However, to author's knowledge, Indonesia has not put forth specific regulations for implementing corporate university while there are regulations defined by the government for establishing traditional universities (Indonesia Government Republic Law, 2012). Since corporate universities are not regulated, each corporation implements its own university that meets their benchmark. Since they use their own benchmark, the style of corporate university functioning differs from one another. Due to such differentiation, the current study would like to identify whether this differentiation makes impact to the higher education. This study is important because the corporations which have not implemented yet their own corporate university, may refer the benchmark set with this study results.

Several researchers previously mentioned about implementation of corporate university. (Pazos & Ruiz, 2013) studied implementation of corporate university in Spain. Corporate universities carry out training for the purpose of knowledge management. Corporate university is not a competitor, but complementary to the traditional university. (Matlay, 2002) also investigated about corporate university, particularly in the United Kingdom. Those universities that seek income are treated as corporate university. They work in collaboration with corporations in Research and Development. (Rademakers, 2005) found that corporate university can drive innovation in corporations. (Dealtry, 2002) found that corporate university can be an engine for change and business development. (Ryan, 2007) mentioned that the corporate university and corporations must help each other in order to successfully develop corporate education program. (Baporikar, 2014) mentioned that corporate university is useful for Human Resources Management, knowledge management, and learning organization.

According to (Holland & Pyman, 2006), a corporate university when developed within an organization develop the Human resources strategically important and aligning with the company's goals. This enhances the competitive advantage of the companies. In (Nixon & Helms, 2002) discussed in their case study about an organization and mentioned in detail about the implications and challenges of both corporations and traditional universities. (O'Connor, 2008) found that corporate university improves the training center in terms of capacity, quality and method. In (Eltannir, 2002) mentioned that corporate professionals do get benefitted through corporate universities through continuous learning. These corporate universities provide tailor-made training to the employees which in turn increases the productivity and their skills with the advanced IT skills. (Miscamble, 2006) mentioned that corporate university is more aggressive that traditional university since it supports the venture making profit.

The studied conducted previously had not defined the differences in the implementation of a corporate university, especially in Indonesian context. The studies conducted so far conducted without such information is included as a baseline for the current study.

OBJECTIVE OF THE STUDY:

The research problem is to identify the number of corporate universities in Indonesia and the research question goes as follows.
- How many types of corporate universities are implemented in Indonesia?
- What is the characteristic that each of these corporate universities possess?

EXPECTED OUTCOME OF THE STUDY:

This research will identify the types of corporate universities implemented so far in Indonesia and its characteristics. The study results will be helpful for the corporations or universities to set up a corporate university in the future. The result of the research can be used by future researchers to study each type of the corporate university.

LITERATURE REVIEW:

Several authors such as (Allen, 2002), (Grenzer, 2006), and (Wheeler, 2005) defined corporate university. They mentioned that *'A corporate university is any educational entity or university which is designed to assist an organization in achieving its goals by conducting activities that foster individual and organizational learning*

and knowledge'. A corporate university typically limits scope to providing job-specific, indeed company-specific, training for the managerial personnel of a corporation. The corporate universities are established in order to ensure the employees are following the same culture, express loyalty to the organization and bringing the feel of belonging to a company. Being a corporate university, the investment made in education can be retrieved through tasks. Additionally, the corporations can organize training to their specific needs so that the corporation can withstand the competition in the industry. Providing education to the needs, the company can further retain employees as well. Corporate university has three different types of courses:

- Business specific courses
- Organizational learning and communication classes
- Management and executive training

A blend of both online as well as offline classroom sessions can be offered in corporate university setup. Corporate universities offer courses both during working days or during weekends. Some universities do offer it after or before office hours as well. These courses can be of different type such as short-term, certificate-mode, workshops, long-term-traditional courses etc. These entities, being run in a corporate environment requires Return on Investment (ROI) without fail. For this purposes, corporate universities do run with a purpose of delivering 100% results with hands-on training and team building exercises so that the employees are business-ready. Any corporate university for that matter ensure that the lessons taught in the classrooms are applied in daily works (Ponnusamy & Pandurangan, 2014)

METHODOLOGY:

This study explored the phenomenon in each company due to which qualitative methodology is applied and the data was collected through interviews from the employees. The participants are civil servants and private employees of various industries such as Petroleum industry, Banking industry, Telecommunication industry and Ship factories. Some of the respondents belonged to special educational institutions, private educational institutions and private universities of companies' foundations. All the respondents were provided open-ended questions for them to respond. A total of 210 responses were taken for the findings and discussion. The statement submitted a minimum of 3 (three) respondents considered steady (reliable) and further will be tested for the validity by triangulation method namely comparing data from other sources types (Flick, 2009) (Patton, 1999). Validity tests were done by triangulation method. Namely data of interviews were compared to data of companies and management's statement. All test of validity were eligible.

S. No	Type of data	Data compared with
1	Interview data of telecommunication industry	company's data on March 2016 (Corputelkoma, 2016) and management's statement on April 2016 (Corputelkomb, 2016)
2	Interview data of petroleum industry	company's data on August 2016 (Pertamina, 2016) and management's statement on September 2016 (Bisniskompas, 2016)
3	Interview data of banking industry	company's data on October 2016 (Universitybni, 2016) (Infobanknews, 2016) (Danamon, 2016) (Indonesianatempocob, 2016) and management's statement on October 2016 (BNI Corporate University, 2016) (Bisnisliputan6, 2016) (Nasionalkompas, 2016) (Indocorpuwordpress, 2016)
4	Interview data of private universities	data of campus on October 2016 (Listrikindonesia, 2016) and management's statement on October 2016 (Tuaralampung, 2016)
5	Interview data of special educational institution of government	data of campus on October 2016 (Bmkg, 2016) and management's statement on October 2016 (Herizal & Haryanto. d. E., 2016)
6	Interview data of private educational institution	data of campus on November 2016 (Ipccorporateubiversity, 2016) and management's statement on November 2016 (Ppm, 2016)

FINDINGS AND DISCUSSION:

The findings of the results are provided in a detailed manner here. Based on the responses received from the respondents, the data was analysed in accordance to the requirement of Law of the Republic Indonesia number 12 in 2012 about Higher Education and the corporate university handbook (Allen, 2002). The requirements of them for implementation of corporate university are organization, financial, student, lecturer, infrastructure, property, facility, and syllabus. (Allen, 2002) mentioned that the syllabus of corporate university is addressed to development of employees for supporting the learning of individual and organization. Referring to the requirement above, the author analyzed the data of the six respondent groups that have implemented corporate university as follows

Table 1: Data analysis showing types of corporate universities

S. No	Group	Organization Management	Financial	Students	Lecturers	Properties/Facilities/Infrastructures	Syllabus
1	Group 1	One management with the company	A part of company's financial	Employees of the company	Employees of the company	Belong to the company	Development of employees for supporting the learning of individual and organizational
2	Group 2	Department of Corporate University is supported by company's management and uses consultant of the famous universities	A part of company's financial	Employees of the company	Employees of the company are assisted by lecturers of famous universities	Belong to the company	Development of employees for supporting the learning of individual and organizational
3	Group 3	Department of Corporate University (department in the company)	A part of company's financial	Employees of the company	Employees of the company	Belong to the company	Development of employees for supporting the learning of individual and organizational
4	Group 4	Traditional University belongs to foundation of certain company	The company's foundation	Employees and candidates employee of the company	Employees of the company's foundation	Belong to the company's foundation	Development of employees for supporting the learning of individual and organizational
5	Group 5	Government's institution	Government	Employees of certain industry	State's employees	Belong to the government	Development of employees for supporting the learning of individual and organizational (in the certain industry)
6	Group 6	Limited liability company (subsidiary)	Limited liability company (subsidiary)	Employees of the parent company	Limited liability company (subsidiary)	Limited liability company (subsidiary)	Development of employees for supporting the learning of individual and organizational (parent company)

Six groups of respondents stated that their companies have implemented corporate university program. Meanwhile one group of respondents that consist of several companies mentioned that their companies have not implemented corporate university yet.

While the number of respondents are grouped above in six groups, an individual analysis of the responses based on the type of organizations where they belong. A total of twenty one respondents from telecommunication industry mentioned that before implementation of a corporate university, their company had bureau of training center. Now, their management changed its name as Corporate University which was previously called as 'training center'.

While the training center was chaired by managers of training center themselves, now, the management of corporate university is chaired by the corporation management. The President Director of the company became rector of the corporate university. The Director of a department (which department?) became Dean of faculty. The past management of training center, right now become the academy leader. Academy is sub-department that conducting the programs of corporate university. The lecturers are company's employees that be assigned particularly as lecturers by special requirement. The participant or the students are company's employees who need improvement of skill or knowledge to match the business needs. The activities of corporate university are

- Senate meeting. This meeting is attended by rector, deans, and all academy leaders. They discuss and evaluate the performance of company and corporate university. The problems or some cases in the company are submitted to academy as discussion of students on learning teaching process and also as study materials researchers on corporate university. The result of research or study or discussion of last problems or cases are submitted to company for implementation.

- The process of learning and teaching. These activities train employees whose skills and knowledge need to be enhanced according to the needs of business enterprises.

- Research. These activities study phenomenon, problems, and cases that happen in the corporation.
- Community contribution. Collaboration with its company does community contribution particularly something related to training or learning.

Making close with business field, corporate university has branch academy in business areas. These statements on first point were stated by twenty one respondents of a telecommunication corporation.

1. A total of seventeen respondents from petroleum industry mentioned that, right now, their company implements corporate university. It enhanced the training center to become corporate university. The corporate university is led by vice president of the company. The Advisory Council of corporate university is several education experts of the famous universities. The lecturers are employees of company and are assisted by several lecturers of famous universities. The corporate university implements human resources development program through the training of managerial, leadership, technical, and other skill and knowledge for building human resources having the world class character. The properties of the campus belong to the company such as buildings, laboratories, and other facilities.

2. The twenty six respondents from banking industry mentioned that their company implements corporate university. It enhanced the training center to become corporate university. The corporate university is led by vice president of company. The lecturers are employees of company. The corporate university implements human resources development program. The properties of the campus belong to the company such as buildings, laboratories, and other facilities.

3. The thirty-five respondents of private universities that belong to companies' foundations mentioned that the owner of their campus' foundation said that their campuses are corporate universities because the students are candidates and employees of the company. Actually their campuses are traditional universities. They are registered in state education department. However, all activities and process of learning-teaching are addressed to company's business. The lecturers are employees of the foundation. The properties and facilities belong to foundation.

4. The thirteen respondents of special educational institutions of government mentioned that they thought their institution is similar with corporate university. All activities are addressed to the certain industry. All students and lecturers are employees of companies in one industry. The properties and facilities belong to government. The training material and syllabus also be addressed to certain industry.

5. The five respondents of private educational institution mentioned that their campus' chair said that their institution is corporate university because all of syllabus is addressed to certain company. It is not traditional university and not registered in the national education department. It is the Limited Liability Company. The building, properties, facilities, and infrastructure belong to the company. The lecturers are company's employees. The students are the employees of the certain company.

6. The eighteen respondents of the ship factory company mentioned that their company has not implemented corporate university yet. They are still planning to implement a corporate university.

7. The seventy five respondents of several companies mentioned they didn't recognize what the corporate university is.

Based on the table 1, it is shown that each of group has different characteristic. It means there are six types of corporate universities in Indonesia. The characteristic of each type are:

- Type 1. The corporate university is managed together with the company. Financial management system is part of company's financial system. The students and lecturers are company's employees. Properties/facilities/infrastructures belong to the company.

- Type 2. The corporate university is managed by a department in the company (department corporate university). Financial management system is part of company's financial system. The students and lecturers are company's employees. The properties/facilities/infrastructures belong to the company.

- Type 3. The corporate university is managed by a department in the company (department corporate university) and be supported by company's management and also be assisted by consultant of the famous traditional universities. Financial management system is part of company's financial system. The students are company's employees. The lecturers are company's employees and are assisted by the lecturers of famous universities. The properties/facilities/infrastructure belongs to the company.

- Type 4. The corporate university is in form of traditional university. It is managed by company's foundation. Financial management system is managed by foundation. The students are employees and candidate employees of the company. The lecturers are foundation's employees. The properties/facilities/infrastructure belongs to the foundation.

- Type 5. The corporate university is government educational institution. It is managed by government institution. Financial management system is managed by government institution. The students are employees of certain industry. The lecturers are state employees. The properties/facilities/infrastructures belong to the government.
- Type 6. The corporate university is in form the limited liability company (subsidiary). It is managed by the limited liability company (subsidiary). Financial management system is managed by the limited liability company (subsidiary). The students are employees of the parent company. The lecturers are the employees of the limited liability company (subsidiary). The properties/facilities/infrastructure belongs to the limited liability company (subsidiary).

CONCLUSION :

From the study, it is inferred that there are totally six types of corporate universities in Indonesia and their characteristics are discussed in the earlier sections. Though corporate universities are referred as threat to the business schools since they only look at the specific-employer's needs, the predicted growth of corporate universities in the growing countries is tremendous. The corporate universities are trend-setting in sharing the facilities of infrastructural, knowledge, human resources and technology. Corporations which wanted to enter into Memorandum of Understanding with universities to set up R&D center for research activities are suggested to prefer corporate universities since it not only act as R&D centre, but also a training center for the budding employees. It is not easy to develop a corporate university due to its huge fund requirements. Hence, the current study recommends new and small companies to invite traditional universities to cooperate and develop a corporate-based curriculum that aids in developing human resource with industry-ready skills. The author would also like to recommend to the future researchers to study each of the findings deeply about its advantages and disadvantages.

REFERENCES:

Allen, M. (2002). *The Corporate University Handbook: Designing, Managing, and Growing a Successful Program.* Amazon Publisher.

Bagyo, Y. M. (n.d.). *Higher Education Sector in Indonesia.* Retrieved from 13th February 2017: https://www.britishcouncil.in/sites/default/files/indonesian_higher_education_system.pdf

Baporikar, N. (2014). Corporate University Edification in Knowledge Society. *International Journal of Strategic Change Management, 5*(2), 125-139.

Bisniskompas. (2016). *Pertamina Mendirikan Corporate University.* Retrieved from 05th September 2016:

http://bisniskeuangan.kompas.com/read/2012/12/07/17073326/Pertamina.Mendirikan.Corporate.University

Bisnisliputan6. (2016). *Ciptakan SDM Mahir Perbankan, BRI Dirikan Kampus di 7 Kota*. Retrieved from 09th October 2016: http://bisnis.liputan6.com/read/2494471/ciptakan-sdm-mahir-perbankan-bri-dirikan-kampus-di-7-kota

Bmkg. (2016). Retrieved from October 3, 2016: http://web.bmkg.go.id/BMKG_Pusat/Publikasi/Artikel/ArtikelDetail.bmkg?id=2vef05321076dm3v3339

BNI Corporate University. (2016). Retrieved from 08th October 2016: https://www.youtube.com/watch?v=2vCfrTnvA9g

Centre for Strategy and Leadership. (2017). *Why Winning Organizations have Corporate Universities*. Retrieved from 15th February 2017: http://www.c4sl.eu/why-winning-organizations-have-corporate-universities/

Corputelkomb. (2016). *Account Manager, Telkom Corporate University*. Retrieved from 04th April 2016: https://corpu.telkom.co.id/index.php?r=site/slideshare&id=16

Danamon. (2016). *DCU*. Retrieved from 04th October 2016: http://www.danamon.co.id/Home/AboutDanamon/DanamonCorporateUniversity/tabid/450/language/id-ID/Default.aspx

Dealtry, R. (2002). Managing the Corporate University Learning Curve. *Journal of Workplace Learning, 14*(2), 76-81.

Eltannir, A. (2002). The Corporate University Model for Continuous Learning, Training and Development. *Education & Training, 44*(2/3), 76.

Flick, U. (2009). *An Introduction to Qualitative Research*. New Delhi: Sage Publication India Pvt Ltd.

Grenzer, J. (2006). *Developing and Implementing a Corporate University*. Amazon Publishing.

Herizal, D. O., & Haryanto. d. E. (2016). *Sebuah Pemikiran PUSDIKLAT BMKG Corporate University, Kenapa Tidak?* Retrieved from 10th October 2016: http://eoffice.bmkg.go.id/Dokumen/Artikel/Artikel_201607292223339_uyz46v_Sebuah-Pemikiran-PUSDIKLAT-BMKG-Corporate-University--Kenapa-Tidak-.pdf

Holland, P., & Pyman, A. (2006). Corporate Universities: a Catalyst for Strategic Human Resource Development. *Journal of European Industrial Training, 30*(1), 19-31.

Indocorpuwordpress. (2016). *Bank Mandiri Corporate University. Bank Mandiri Establish Independent University*. Retrieved from 13th October 2016: https://indocorpu.wordpress.com/bank-mandiricorporate-university/

Indonesia Government Republic Law. (2012). *Law of the Republic of Indonesia Number 12 Year 2012 on Higher Education. Jakarta: Secretariat of the Republic of Indonesia*. Retrieved from 15th February 2017 : https://wiki.creativecommons.org/images/f/f4/Indonesia_Higher_Ed_Law_(2012).pdf

Indonesianatempocoa. (2016). *Corporate University # 2: Not Just Employees Added Smart, well Add Business Blooms*. Retrieved from 18th July 2016: https://indonesiana.tempo.co/read/21142/2014/08/27/Corporate-University-

Indonesianatempocob. (2016). *Ramai-ramai Membentuk Corporate University*. Retrieved from 05th October 2016: https://indonesiana.tempo.co/read/20782/2014/08/17/desibelku.1/nasional

Infobanknews. (2016). *Bank BRI Develop Corporate University*. Retrieved from 02nd October 2016: http://infobanknews.com/bank-bri-kembangkan-corporate-university/

Ipccorporateubiversity. (2016). Retrieved from 07th November 2016: http://www.ipc-corporateuniversity.com

Listrikindonesia. (2016). *Corporate University Ala STT PLN*. Retrieved from 07th October 2016: http://listrikindonesia.com/corporate_university_ala_stt_pln_707.htm

Matlay, H. (2002). Universities and Corporate Universities: The Higher Learning Industry in Global Society. *Education & Training, 44*(4/5), 239.

Miscamble, W. (2006). *The Corporate University* (Vol. 195). America.

Nasionalkompas. (2016). *Prepare Bankers, Danamon Open University*. Retrieved from 11th October 2016: http://nasional.kompas.com/read/2008/07/17/13305422/siapkan.bankir.danamon.buka.universitas

Nixon, J., & Helms, M. (2002). Corporate Universities versus Higher Education Institutions. *Industrial and Commercial Training, 34*(4), 144-150.

O'Connor, B. (2008). The Development of a Conceptual Framework and Taxonomy for Defining and Classifying Corporate Universities. *Dissertation Abstracts International, 69*(3), 197.

Patton, M. (1999). Enhancing the Quality and Credibility of Qualitative Analysis. *Health Services Research, 34*(5), II.

Pazos, A. J., & Ruiz, B. C. (2013). Corporate University: an Emerging Actor in Higher in Spain. *RUSC, 10*(2), 269-284.

Pertamina. (2016). *Positive Impact Corporate University for the Company*. Retrieved from 08th August 2016: http://www.pertamina.com/news-room/seputar-energi/corporate-university-berdampak-positif-bagi-perusahaan/

Ponnusamy, R., & Pandurangan, J. (2014). *A Hand Book on UNIVERSITY SYSTEM ISBN: 978-81-8424-904-0*. Allied Publishers Pvt Ltd.

Ppm. (2016). *Corporate University*. Retrieved from 14th November 2016: http://www.ppm-manajemen.ac.id/blog/acara-22/post/corporate-university-257

Rademakers, M. (2005). Corporate Universities: Driving Force of Knowledge Innovation. *of Workplace Learning, 17*(1/2), 130-136.

Ryan, L. (2007). Developing a Qualitative Understanding of University-Corporate Education Partnerships. *Management Decision, 45*(2), 153-160.

Tuaralampung. (2016). *STT-PLN Menuju Corporate University*. Retrieved from 15th October 2016: http://www.tuaralampung.id/2011/11/stt-pln-menuju-corporate-university.html

Universitybni. (2016). Retrieved from 01st October 2016: https://university.bni.co.id

Wheeler, K. (2005). *The Corporate University Workbook: Launching the 21st Century Learning Organization*. Amazon Publisher.