

## **A Synopsis of**

# **CORPORATE COLLEGE: A BUSINESS MODEL FOR CONTRACT TRAINING**

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## **Introduction**

The intent of this study was to create a sustainable business model that can be used by community colleges and other higher education institutions that wish to create sustainable contract training programs. Traditionally, many community college adult and continuing education programs have focused on offering as many noncredit programming options as possible to serve as many people in the community as possible. With little or no competition and various federal and state funding sources, concepts such as efficiency, fiscal sustainability, and adaptability were not major concerns. Using this outdated model, many adult and continuing education programs are now having difficulties maintaining enrollment, relevancy with stakeholders, and profitability from increased competition and loss of traditional funding sources. This makes it increasingly difficult for workforce training programs to provide quality, relevant learning. To accomplish this goal of providing relevant learning, many community colleges are putting more emphasis on contract training programs. Unfortunately, there is little written on sustainable contract training programming that can be readily adopted by other higher education institutions.

The main issues that this research examined were the factors that impact the delivery of community college contract training. There is a shortage of skilled workers in the United States for companies to employ. This shortage prohibits these businesses from competing effectively in a global marketplace (Friedman, 2006; Leigh & Gill, 2007; MacAllum & Yoder, 2004). Community colleges have tried to solve this problem by providing contract training to businesses' current workforce. Although some community colleges have had some success in establishing successful contract training programs, many community colleges have not been able to do this effectively. One of the main reasons for this inability to create successful programming stems from the heritage of community college adult and basic education. Many of the leaders and instructors creating and conducting contract training were trained and employed to provide learning based on the traditional higher education model. This model focuses more on theory rather than on practical usage (Van Noy et al., 2008).

Community colleges have a duty to create sustainable contract training programs. Grubb (1996) stated that "modern community colleges have a major responsibility for preparing the nation's current and mid-skilled workforce, which accounts for three-fourths of all employees in the United States" (p. 24). MacAllum and Yoder (2004) went on to state that "the need for 21st-century community colleges to become flexible, market-responsive providers of post-secondary education, worker retraining and certification, and continuing education stems from the need for ever-evolving job skills in a continually changing work environment. Global competition contributes to the increased pressure on business and industry to be more productive. The demand for skilled labor grows. As a result, the training needs of employers have expanded and accelerated. Communities that prosper are ever more dependent on employers that respond to the need for skilled labor" (pp. 1–2). Community colleges must create sustainable contract training programs in order to solve the problem of creating a competitive, skilled workforce.

## **Nature of the Study**

The nature of this study was to use a multiple case study approach to develop a grounded theory. This approach established a business model for community college contract training programs. One of the missions of community colleges is to train the area workforce for businesses in order for those businesses to remain competitive in their respective markets. The study examined participants from four Iowa

community colleges including executive-level leaders, midlevel managers, and other staff. Empirical records were obtained, a survey was issued, and interviews were conducted to gather data for this study.

This study examined successful contract training programs currently being employed in Iowa and how they relate to concepts of successful businesses identified in the books *Built to Last* (Collins & Porras, 1994) and *Good to Great* (Collins, 2001). During the course of the literature review, certain elements, such as structure, leadership, marketing, personnel, and partnerships, were identified as important to successful programs. Of these elements, one was featured predominantly in the literature as having a significant impact on successful programs. That element is leadership. This study explored in-depth how specific leadership characteristics, using Bolman and Deal's (2003) four-frame model, play a significant role in the ability to create and maintain sustainable programming. MacAllum and Yoder (2004) found there has been little research into successful community college contract training programs. Although the MacAllum and Yoder study is probably the most comprehensive study to date, it was not an experimentally designed study and did not address the issue of sustainability. It is also important to look at successful business models in other industries to identify important elements that community college leaders can utilize to build sustainable contract training programs.

### **Potential Significance to Workforce Education**

The purpose of this study was to positively influence workforce education by creating a sustainable business model that can be used by community colleges and other higher education institutions that wish to improve the efficiency, the effectiveness, and the impact of their contract training programs. This study is important because currently there seem to be few sustainable, adoptable contract training business models readily available other than those offered by paid consultants. Those community colleges that do not have the fiscal means to hire these groups have few resources to support their efforts to adapt to changes in contract training programming.

This study aimed to develop a theory regarding the practices that contribute to the successful development of a business model for a sustainable contract training program. The researcher examined statistical data as well as the perceptions of a diverse group of stakeholders including senior leadership, administrators, and instructors. In order to develop a successful business model, this research was directed by the following questions:

- What are the primary, or essential, elements that contract training programs need in order to create a sustainable business model?
- What variables affect these elements and to what extent?
- What leadership characteristics are common in successful contract training programs?

The significance of this study was to assist community colleges and other institutions of higher education to construct sustainable business models for their contract training programs. This study provides a grounded theory that focuses on the essential criteria needed to create and maintain a successful program. The goal of this study was to go beyond just helping the community colleges develop sustainable programs. The ultimate goal was to help communities grow on a socioeconomic level by providing relevant workforce training. Miller and Tuttle (2008) demonstrated an understanding of this concept when they asserted that community colleges certainly play a distinct role in their communities.

The general significance of this study is that, by identifying the leadership characteristics and creating an appropriate business model, community colleges can help with the overall health of their communities and stakeholders. The mission of community colleges to provide training to the area workforce is a critical factor in order for area businesses to compete effectively in the marketplace.

### **Methodology**

This study employed a mixed methodology approach (Conrad, 1982; Corbin & Strauss, 1990; Creswell, 2003; Gall, Borg, & Gall, 2003) to identify essential components needed for an institution of higher education to create a successful contract training business model. The researcher obtained both

quantitative and qualitative information. The quantitative data for this study came from empirical data and surveys. The qualitative data was obtained through interviews collected from participants from four different Iowa community colleges. This study employed the use of a multiple case study, utilizing an interpretive approach, to develop a grounded theory.

Using a mixed methodology helped answer the core questions that were the focus of this research. The empirical data allowed for a comparison of the colleges' contract training program's contact hours and revenue relative to the growth of the market over a 3-year period. This analysis of the empirical data showed trends not visible with a one-time snapshot of data gained from a single year. This approach added to the validity of the research. The surveys helped in the exploration of the individual elements and leadership characteristics that make up the framework of a contract training program. The interviews created a narrative about how the individual elements affect the growth of individual programs and participant perceptions of the factors impacting that growth. Using this approach, the researcher developed a formal grounded theory through the use of a constant comparative method (Conrad, 1982; Creswell, 2003) to analyze the data.

### **Conclusion**

The study was able to answer two of the three research questions and develop a successful contract business model based on an interpretive approach to creating a grounded theory. The study identified 16 essential elements that were grouped into three common themes. The importance of these elements was verified through intensive interviews with participants from community colleges. These participants included presidents who had strategic and visionary responsibilities to coordinators who taught classes and managed day-to-day operations.

The interview findings were not able to provide answers as to what extent variables have an impact on determining essential elements, but they were valuable in determining that leadership characteristics play the key role in creating a successful contract training program. Using a mixed methodology approach to study the research questions helped create an iterative analysis and examination process that led to the development of a sustainable business model that other colleges and organizations can use to improve contract training performance.

The findings indicate that several objectives should be explored if other institutions adopt and adapt this model. First, leadership needs to create a strategic vision for the contract training department. Leadership then needs to provide support and direction to ensure the department operates in a fiscally positive manner. Second, the contract training departments need to have adaptable, engaging education. All participants agreed that contract training should not be built on the credit model. Curriculum should be competency based and delivered in a customized fashion. Trainers need to be both engaging and knowledgeable. The ability to teach is just as important as the skills knowledge. Third, contract training departments need a focused business-to-business marketing plan based on long-term partnerships. Training cannot be delivered without knowing intimately what clients need and in what manner they need it. To develop those strong partnerships, contract training programs need to be willing to spend time and effort to understand the desired goals of their clients.

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