



Business in education – does it have a role?

The primary purpose of business is to meet market needs with its production and distribution of goods and services. But as it increasingly produces and distributes knowledge in carrying out this function, it must also accept the social responsibility incumbent on an educator.

Business should be acknowledged for its part in extending learning to life- long learning - I am not suggesting that it is the job of business to run education - but there needs to be a more engaged partnership so that education is a true foundation for life-long learning. There are fundamental lessons to be learnt that do not necessarily require injections of money. For instance, a declining education system can learn much from business which has had to reinvigorate and redefine itself while continuing to work smarter.

Does the ethos of education need to change?

The 1944 Education Act was designed for a workforce output of 80% manual and 20% white collar. The work offerings today are the reverse of these figures. Now 70% of company assets are in the brains of employees, customers, suppliers and communities. But are we any clearer about education and the future? The conventional wisdom in education is faith in the National Curriculum and output-related measures.

Charles Leadbeater writing in *Living on Thin Air* says: 'As educational institutions have extended their scope, central government has extended its power to set a core curriculum, accompanied by a panoply of targets, tests, restrictions and regulations... Tom Bentley points out in *Learning Beyond the Classroom* that two traditions are reflected in this culture: the monasteries, which were closed repositories for knowledge in the form of precious manuscripts, and Taylor's factory, which encouraged standardised, easily replicated knowledge. The result is a prison...'

To the 'prison' image add 'fortress' as schools battle to protect themselves against vandalism – perpetuated by the excluded in education. The view of industry is that output from the education system is high on left-hand brain qualification measures and low on creativity, interpersonal skills, team working and emotional intelligence. Studies on employability support the same conclusions.

Leadbeater asks, 'How can the old and the new educational systems evolve together to mutual benefit? The starting point must be a redefinition of the purpose of education. We must move away from a view of education as a rite of passage involving the acquisition of enough knowledge and qualifications to acquire an adult station in life. The point of education should not be to inculcate a body of knowledge, but to develop capabilities: the basic ones of literacy and numeracy as well as the capability to act responsibly towards others, to take the initiative and to work creatively and collaboratively. The most important capability, and one which traditional education is worst at creating, is the ability and yearning to carry on learning.'



How do we foster creativity?

At last both industry and education are valuing diversity – not just as something to be coped with but because of its links with creativity. Professors Jonas Ridderstråle and Kjell Nordström of Stockholm School of Economics in their best seller, *Funky Business*, write:

Business, write:

' $C = D^2$ where C stands for creativity and D for diversity. Lack of diversity often results in group think and intellectual constipation. We all know what the others think, so what's the use in talking to them. From the point of view of innovation, opposites attract. Novelty is the result of constructive misfits and tension.'

Change in business affecting education

Whether we focus on the 'old economy' or the 'new dotcom economy' industry has had to cope with radical change. The modus operandi has moved from mass production, to decentralised production, to lean production now to agile production – and the networked organisation applies whether it is manufacturing, service industry or, increasingly, the public sector.

Rightly the use of information communications technology (ICT) network skills have accelerated and industry and education have linked in well – after all this is a cognitive skill which education ought to and can provide.

Education and training have been quick to see the user and provider advantages of e-learning – the fact that it can promote distance learning, interactive materials, instant access, unlimited potential for connection; however for many the experience can be more one of isolation.

The challenge that this change brings

But how do we turn the rhetoric of lifelong learning into a reality? Can we get off the hook of 'learning = certification'? Is the individual in control of self-learning? Can we understand and exploit the difference between tacit and explicit learning, the value of life skills and relationships? How can we construct social networks that encourage a climate of open critical review, debate and subsequent conscious learning in our organisations?

Development or discovery: comparisons with Japan

The distinction between development and discovery comes from making comparisons with the Japanese. From my experience of working with them I know they have a totally different starting point from us in most things – particularly in education.

This is not the time to trace the latter philosophical development of the Western concept of knowledge, but suffice to say that Western education is inevitably rooted in these origins which value reason and logic above all else and have an intrinsic aim of fulfilment through the realisation of individual potential towards an eternal unchanging summit (while playing down the role of experience in building knowledge).

Japanese intellectual tradition starts, as we would expect, at a totally different point. Whereas Western roots point to the potential and progress of the individual,



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Japanese traditions, stemming from Buddhism and Confucianism, talk of oneness of humanity and nature; oneness of body and mind; oneness of self and other.

The Japanese see time as a continuous flow of updated 'present' in contrast to Westerners' sequential view of time, grasping the present and forecasting the future in a historical retrospection of the past.

The Japanese also place a high value of being flexible in accordance with the flux and transition of the world in the 'here and now' as the ultimate reality. Samurai education placed a great emphasis on building up character and attached little importance to prudence, intelligence and metaphysics. Being a 'man of action' was considered more important than mastering philosophy and literature. Hence Japanese epistemology values direct personal experience; in contrast Western epistemology values abstract theories and hypotheses.

While a typical Western individual 'conceptualises' things from an objective vantage point, a Japanese person does so by relating her or himself to other things or persons. In summary, the ultimate reality for the Japanese lies in visible and concrete while for the Western philosopher it lies in an eternal, unchanging, invisible abstract entity.

If you have no perception of eternal, unchanging and perfect ideas, you can argue that human beings can actively create knowledge (that is, develop) to change the world rather than merely discover what is there.

To bring us down to earth, this can provide an explanation of why, in the West, all learning has to lead to a piece of paper, a qualification, a means of personal entry and security where knowledge is not naturally shared and where education doesn't necessarily lead to competence in employment or working with others and where invention is left to the eccentric Nobel prize winner in the back room.

In contrast, the Japanese salaryman has no system of professional qualifications, sees learning as on-the-job related to employer needs, is enthusiastic about continuous improvement (kaizen), shares knowledge with his group of fellow workers and innovates in little and big ways every day (hoshin).

The self-employed mindset

Small wonder that in the UK we have historically 43 times as many Nobel prize winners as Japan - but who develops products in global industry?

A study entitled 'Tomorrow's People' by Professor Amin Rajan and Penny van Eupen (1997), based on data from 350 organisations in the UK's financial, professional and business services sector, points out that by concentrating on new forms of working, the public debate on the flexible labour market has ignored an important requirement from the workforce of today and tomorrow: namely, mind-set flexibility. This the authors describe as the 'self-employment mind-set'.

This self-employment mind-set has to occur whether or not the context is 'permanent' full-time jobs, fixed-term contracts or temporary and part-time arrangements.

Corporate Universities

Companies are already setting up their own 'universities' to train tomorrow's executives. There are now 1,200 corporate universities worldwide covering virtually



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every industry. On the surface these are not institutions over which the denizens of Harvard are likely to lose sleep. McDonald's Hamburger University in Oak Brook, Illinois lacks academic gravitas. But over 35 years it has produced more than 50,000 graduates and has 30 resident professors delivering programmes in 22 languages.

Sceptics may shake their heads at the very idea of Hamburger University or Disney University, but the rate at which corporate universities are opening suggests that major corporations take them very seriously. Perhaps the best known corporate university is that run by Motorola. The Motorola University, 'an instrument of renewal' according to the company, supplies 550,000 student days a year and costs \$170 million. Every single Motorola employee – and there are 139,000 – is expected to receive at least 40 hours of training per year. The company has also developed its own international MBA programme. Motorola calculates that every dollar invested in training reaps \$33.

Corporate universities are not solely an US phenomenon. In April 1998, British Aerospace unveiled plans to create its own virtual university, called the British Aerospace Virtual University, in partnership with outside academic institutions. In the next decade, it pledged to invest more than £1.5 billion in building the company's 'knowledge base'.

Changing educational needs will produce changing educational institutions. 'Universities won't survive. The future is outside the traditional campus, outside the traditional classroom. Distance learning is coming on fast,' says no less a sage than Peter Drucker. While futurists Stan Davis and Jim Botkin predict 'the schoolhouse of the future may be neither school nor house'.

The real challenge for business schools in future is not going to be between those who vie to produce the best MBAs but whether they can collaborate with in-company learning, such as what is termed the 'University of Water' at Anglian Water where a learning business encapsulated and recognised learning by all employees and associates in a programme aimed at individual and corporate growth.

The challenge starts with industry

Industry does not escape criticism. Productivity in the UK is some 30% below the levels in Germany and 40% below the US. Recent events at Ford and Rover highlight the lack of competitiveness and show how fragile our manufacturing base is. Professor Andrew Oswald at Warwick University has concluded from his recent study on job satisfaction in industry that the UK has one of the lowest scores – a staggering 64% of UK workers get no satisfaction from their work. This contrasts with a high proportion of satisfied workers in Denmark (62%), Switzerland (53%), Spain (50%) and the US (49%). Eastern European countries had the most disaffected workers with only 23% contented in Hungary, 27% in Poland and 28% in the Czech Republic.

Beyond World Class sustainability

The challenge is the same for the 'new' knowledge-driven economy as the 'old' asset based economy. The assets for both are in the brains of employees, customers, suppliers and the community. Dotcom companies need satisfied, committed knowledge workers too. The successful company needs the developed individual. The individual cannot develop effectively outside the world of work. The community



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needs the contribution and needs to contribute itself. The implementation is up to us. This is the challenge.

This article is an abridged version of Clive Morton's inaugural lecture 'Learning for the knowledge-driven economy' given to Middlesex University on 14 June 2000.