

The New Business of Business is Education
by
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A fundamental shift has occurred in the model in which our society develops and maintains an educated populous. Today, colleges and universities represent a minority sector as a provider of formal postsecondary education. As I speak before you, there are more students, faculty, dollars, and facilities engaged in postsecondary education taking place within corporations, labor unions, and the military than in all of the colleges and universities in this country put together.

Some 15 years ago, I attended a meeting of the American Association for Higher Education. The theme of the annual conference was "The New Learning Society." That conference projected a society where learning, training, and education would be an on-going process without end and with diverse and different providers and practitioners. To slightly paraphrase a now retired football coach, "That future is now."

In 1985, \$55 billion was spent on traditional postsecondary education in this country. That same year, \$80-\$180 billion was spent on postsecondary education in the noncollegiate sector. While higher education in the traditional sense is experiencing a decline in student enrollment, employer-based training and education is currently growing at a rate of 10-20% a year. The new business of business is indeed education!

Through a recent series of national reports and books, various providers of postsecondary education have recently discovered one another, and quite candidly, the revelation has been accompanied by some self-serving discomfort. College faculties are sometimes threatened by the recognition that some of the most effective teaching and research in actuarial science, banking, economics, and taxation, to name a few, is occurring within the insurance and banking industries and not exclusively within our graduate schools of business. Businessmen and women at the same time have been critical of the traditional academy for producing graduates lacking in practical ready-to-use skills as they enter the business arena. Both sectors have been vocal in their shared concern in the erosion of precollegiate public education as described in A Nation at Risk and numerous other books and articles on this subject.

The turf-building taking place between the schoolhouse, the campus, and corporate education seems really artificial, for we are all engaged in different aspects of the same thing.

Colleges and universities do exceptional jobs in the study, description, and analysis of ideas, phenomena, and events. Likewise, we excel in pure and theoretical research associated with such things. However, a significant shift has taken place as to the locus of expertise for practitioners of many of those same things traditionally studied at the academy. More often than not, the world-class experts in the practice of a discipline tend to be concentrated within the business communities which conduct the enterprise. The natural, economic, and professional incentives tend to concentrate experts "in the field" and not on the campuses. For

many corporate executives, the place to learn about the state-of-the-art for a variety of endeavors is where the state-of-the-art is being practiced. It might be at the Wharton School, but it's probably at the Aetna Institute. It might be at Cal Tech or MIT, but it's probably at Bell Labs, IBM, or Wang. This is not an indictment of our best college and university graduate schools; it is rather an understanding that the academy has no monopoly on the transmission and creation of knowledge or learning.

Some major corporations have gone so far as to establish complete degree-granting programs accredited by the same organizations that review traditional colleges and universities and build upon the considerable talent and resources endemic to their business operations. General Motors, Wang Labs, McDonald's, and Arthur D. Little, to name a few, are examples of the formidable "new kids" on the academic block.

Properly understood, the various providers of postsecondary education should complement and not threaten each other. Clearly, the division of labor along a lifelong continuum of education is logical and makes sense. Much of the instruction that takes place away from the college campus is appropriately distant from the mission of the traditional academy. Higher education cannot, nor should not, be all things to all people. Much of what happens in the noncollegiate education sector is specifically focused technical training; yet, at the same time, there is much we have in common and as outcomes.

Over a decade ago, the American Council on Education created the Program on Noncollegiate Sponsored Instruction. This initiative allows for the evaluation of instruction taking place in noncollegiate settings. If the quality of the instruction, the nature of the subject matter, and the level of outcomes is determined to be equivalent to that of a college course, then credit recommendations are promulgated by which college credit can be earned through these instructional experiences. Through this process, currently more than 230 corporations are offering more than 2,000 corporate courses which are college credit-bearing. The evaluation of these courses is academically rigorous, and the credit recommendations are respected and valid statements as to the credit worthiness of corporate training courses.

My first management experience after I graduated from college was with Illinois Bell Telephone Company in Chicago. I was invited to work for the phone company following my experience with them as a coin collector during the summers between academic years. I, therefore, joined corporate America fresh out of college with a baccalaureate degree in Biology, and a minor in Chemistry. While I learned a great deal during my stay at Illinois Bell, I was often puzzled as to what this important corporate entity saw as relevant in my training as a biologist to work in the distinguished position as "District Traffic Supervisor." After several weeks with the company, I had the occasion to lunch with a corporate officer involved with personnel and human resources. I put the question to him as to what relationship the company drew between my laboratory

experience on the campus and my potential in management with telephone calls and operators. The response I received was not only interesting but relevant to this topic .

I was informed essentially that, except for technical areas such as accounting or engineering, Illinois Bell Telephone Company assumed that a college graduate from a major university did not possess any expertise or subject matter competency that was in any way useful to Illinois Bell Telephone Company. They did assume, however, that a college graduate knew how to think, learn, and was, therefore, teachable. If someone were appropriately motivated and understood how to learn, then Illinois Bell would teach them the phone company and anything else useful they needed to know to be effective in corporate management with that organization.

I followed this matter up and found out that a great many of the managers at Illinois Bell, in fact, had degrees or undergraduate training other than in business. The executive with whom I lunched was, in fact, a lawyer by training, but his corporate responsibilities had nothing to do with the practicing of law.

The question, therefore, in understanding our society's important and necessary rededication to the whole notion of teaching, training, learning, and the development of educational capital in its human resources, must begin with some basic reference points which ask the question, "Education for whom, for what purpose, and with what outcomes?"

Clearly, all of us are threatened by the potential collapse of precollegiate public education. I could remind you of the pronouncement of Jefferson and the other founding fathers on the importance of education to a viable democracy and productive society, but you might be interested to think of this issue in more practical and tangible terms.

Of the corporations with more than 10,000 employees, 35% of them offer basic remedial education. Another survey indicates that 29% of all corporate training, in the opinion of corporate executives, covers subject areas which are, in fact, the responsibility of the schools. Current estimates of American corporate investment in the educational remediation of its employees are in the range of \$9 billion annually. Between 1975 and 1982, both unemployment and job vacancies increased simultaneously. Many people out of jobs simply do not have the skills to fill available positions. The formal education system and the employee training system are inextricably intertwined. The same people at different levels pass through both. Success of the former results in success for the latter. It is, in fact, consistent with the self-interest of corporations to participate in the restoration of our entire educational system with special attention to precollegiate public education.

In today's complicated economy, knowledge and information have become central economic resources. If there is one thing that all of us in the new learning society have in common, it is the creation of well-formed human capital. It is consistent with the enlightened self-interest of both the campus and the business community to

specialize in those things we do better separately, to collaborate on those things that would benefit from the collaboration, and to respect those things that we do differently but with equal results and outcomes.

Probably the most significant initiative on the part of higher education in this regard was the creation in 1972 of Thomas A. Edison State College. Of course, you had to know that I would not come before this group without sharing with you my institution's unique contribution to this general topic.

Indeed, Edison State College was created partially in response to the various phenomena I have previously described. Edison State College is special and unique in a variety of ways. We are the only college in New Jersey created exclusively to serve adult learners. We currently have over 5,000 students enrolled in 4 baccalaureate degree programs and 6 associate degree programs. The average age of an Edison State College student is approximately 40. While we are headquartered in downtown Trenton near the State Capitol, we have a statewide mandate and are not campus bound. We have satellite facilities in East Orange in the north and Cherry Hill in the south.

What is particularly important about Edison is the way in which adult learners have the opportunity to pursue their collegiate education incorporating all of the learning resources of the state, which include traditional collegiate instruction; corporate education, with which you are so familiar; and other processes by which adult learners, through various assessment processes and techniques, can earn credit for competencies they have acquired outside of traditional classroom experiences.

Because we are so specific in the clientele we serve, there are many features of our institution which are unique. We admit students every day and we graduate students every day. We have no artificial calendar, and we operate 12 months of the year. There is nothing remarkable about our curricula except that we have no physical education activity requirement, nor do we impose artificial residency requirements which would be patently ridiculous given the clientele that we serve. What is important is the way students matriculate through our diverse curricula and acquire their collegiate degrees. Many students satisfy requirements by taking courses at other colleges and universities and transferring the credit to Edison. We have students currently enrolled in every public and private college within the State of New Jersey. Many students are enrolled in more than one institution and, therefore, package instruction.

Edison accepts credit from corporate courses that have been evaluated by the American Council on Education and found to be equivalent to traditional collegiate courses. Within New Jersey we have permanent relationships established with over 37 major corporations, including AT&T, Kepner-Tregoe, Atlantic Electric, and the American Institute of Banking, where employees are receiving college credit for the appropriate corporate courses that they successfully complete. Through various forms of prior learning assessment, which is our jargon for tests of different kinds, adult learners may earn college credit by demonstrating competencies they already possess. And, finally, through various individual study

options, many of which are assisted by telecourses and computers, our students can study on their own and then earn credit by sitting for examinations.

While we are a New Jersey State College accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, the students we serve are not limited to the boundaries of our state. We, in fact, have currently enrolled students residing in every state in America, including Alaska and Hawaii.

The organizing principle behind our college is embodied in our namesake. As you may know, Thomas Edison, a man of enormous intellect and genius, never attended college. Our college is founded on the principle that college-level learning once acquired is of equal value without regard to the setting in which the learning took place. It is irrelevant to us if our students acquire their learning from a course at Princeton, a county college, from AT&T, the Aetna Institute, or Wang Laboratories. What is important is that the learning has taken place and that the student can demonstrate that he or she possesses the necessary competencies.

The college stands as the centerpiece of a statewide system of higher education for the adult learner wherein colleges, corporations, and the individual initiatives of our students all become learning assets and resources. Our approach makes every resource, public and private, business or academic, available as a learning opportunity. If you will, we serve in many ways as a banker translating the coin of various realms into a common currency and assigning a common value to the adult capital we are all building.

Qualitatively among educators, Edison State College is one of the most respected institutions in America. As one measure of this, approximately one-half of our students go on to graduate and professional schools. Of this group, approximately 90% are admitted to the graduate or professional school of their first choice. I am not aware of any college or university in America possessing a higher success rate by this standard.

I started out by suggesting that the new business of business is education. I would like to conclude by saying that education is business's business: first, because America's business is heavily committed and involved in the education of its own; secondly, business has historically supported traditional higher education.

For the first time in the history of higher education, the single biggest source of philanthropy for colleges and universities is the business community, surpassing gifts from alumni and foundations. And, finally, because education is everybody's business, for the republic cannot survive and certainly cannot prosper if the enlightened populous which has been the unique character of the American experiment is ever allowed to atrophy. Like so many areas of our culture, we engage in an enterprise where it is inappropriate to make choices. We cannot choose to emphasize public education over private education, collegiate education over corporate education, higher education over precollegiate education, for to do so would be like choosing between vital organs, all of which are necessary for the corpus health.

These are exciting times for educators in New Jersey, as they are for the state's business community. We have now the opportunity as we always have had in this country, and that is the ability to build and control our future. I am excited about our present, and proud of our past, I can't wait.