

The Gorenje Group:

Driving international expansion and innovation through Slovenia's corporate university

Velenje, Slovenia





General Information

Title	The Gorenje Group										
Pitch	Gorenje driving international expansion and innovation through Slovenia's corporate university										
Organisation	The Gorenje Group										
Country	Slovenia										
Author	Dr. Samo Pavlin (University of Ljubljana)										
Nature of interaction	<table><tr><td><input type="checkbox"/> Collaboration in R&D</td><td><input checked="" type="checkbox"/> Lifelong learning</td></tr><tr><td><input checked="" type="checkbox"/> Commercialisation of R&D results</td><td><input checked="" type="checkbox"/> Joint curriculum design and delivery</td></tr><tr><td><input checked="" type="checkbox"/> Mobility of staff</td><td><input checked="" type="checkbox"/> Mobility of students</td></tr><tr><td><input type="checkbox"/> Academic entrepreneurship</td><td><input type="checkbox"/> Student entrepreneurship</td></tr><tr><td><input type="checkbox"/> Governance</td><td><input type="checkbox"/> Shared resources</td></tr></table>	<input type="checkbox"/> Collaboration in R&D	<input checked="" type="checkbox"/> Lifelong learning	<input checked="" type="checkbox"/> Commercialisation of R&D results	<input checked="" type="checkbox"/> Joint curriculum design and delivery	<input checked="" type="checkbox"/> Mobility of staff	<input checked="" type="checkbox"/> Mobility of students	<input type="checkbox"/> Academic entrepreneurship	<input type="checkbox"/> Student entrepreneurship	<input type="checkbox"/> Governance	<input type="checkbox"/> Shared resources
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Supporting mechanism	<table><tr><td><input type="checkbox"/> Strategic</td></tr><tr><td><input checked="" type="checkbox"/> Structural</td></tr><tr><td><input checked="" type="checkbox"/> Operational</td></tr><tr><td><input type="checkbox"/> Policy</td></tr></table>	<input type="checkbox"/> Strategic	<input checked="" type="checkbox"/> Structural	<input checked="" type="checkbox"/> Operational	<input type="checkbox"/> Policy						
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Summary	<p>The Gorenje Group, one of the leading European manufacturers of white goods, established its first education centre in the '70s. In 1991, they established the first form of management training programme, which in 2013 developed into Corporate University Gorenje (CUG) with five academies: Management, International Business, Executive Business, Digital Business and Create. They educate and train employees to acquire knowledge and develop skills needed to support the strategy implementation and enable them to run corporate business in the demanding international environment. The Create Academy runs its programme in cooperation with three well-established universities in order to achieve the transfer of theoretical and practical knowledge. CUG generates new challenges for cooperating professors and their universities, improves the development of the employees' professional expertise, and constitutes a competitive advantage for the company.</p>										



Introduction & Overview

1. BACKGROUND

The Gorenje Group (Gorenje) is one of the leading European manufacturers of white goods. It has over 10,000 employees; exports 95% of its sales, is present in 90 countries around the world and has its own production facilities in Slovenia, Serbia and the Czech Republic. It also has four competence development centres in Slovenia, Sweden, the Netherlands and the Czech Republic.

However, Gorenje also has a long tradition in providing education. In 1991 when its domestic market (former Yugoslavia) had fallen apart, it needed to promptly restructure the company and establish new job positions to take over the demanding management position in Slovenia and corporate activities in other countries. In response, it established one of the first management educational programmes, which aimed to train and educate its own key personnel, enabling them to operate in the international business arena. At this point, it established the so-called Gorenje Business School, aimed at educating and developing their employees, especially department directors, in line with the company's restructuring and to provide them with knowledge to establish the business in domestic and foreign markets.

This education programme for senior staff was followed by the establishment of a 'manager academy' to develop younger staff to take over more demanding and leading positions in the company. The programme is developed in the form of a 'mini MBA', including an educational programme from the fields of management, human resources, entrepreneurship, leadership, teamwork, sales, marketing and finance.

Following the recent international expansion of Gorenje and the fierce competition in global markets, in 2014, Gorenje established Corporate University Gorenje (CUG) with the purpose of linking its employees to the educational, business and cultural foundation. objectives and motivations.

2. OBJECTIVES AND MOTIVATIONS

The main reason for setting up CUG was the need to react to the increasingly competitive environment Gorenje faced after the Slovenian transition to a market economy. It symbolises an important mechanism for the implementation of business strategy, change management and strengthening of social capital. This is why CUG has in Gorenje increasingly important role. Its operations are reflected in knowledge creation and synchronisation, transfer of best practices among units, integration of various business cultures and consolidation of the corporate culture. The main purpose of CUG is development of key human resources, which are responsible for implementation of business strategy in all corporate business units.

Gorenje's motivation to develop their system of education stems from an awareness of the great importance of well-educated and highly-skilled experts in order to achieve growth and maintain competitiveness in today's demanding and unpredictable international business world.

A further objective is to identify talent within their organisation, by recognising their employees' different competencies and ways of thinking. Thus, key employees determined to have their appropriate capabilities for the company can be identified and be adequately assigned to certain positions within the company.

A final objective is to foster knowledge exchange between employees as well as developing stronger networking and understanding across organisational departments and share corporate culture among participants.

3. STAKEHOLDERS

The Corporate University with its five academies has three main groups of stakeholders:

1. Key management and employees of Gorenje - who are strategically responsible for the programme;
2. Designated trainers and lecturers at the CUG - which are primarily internal company staff as well as some external experts; and
3. Key university partners - three universities, namely Delft University of Technology (The Netherlands), Chalmers (Sweden) and the University of Ljubljana (Slovenia) as well as other smaller educational institutions like Dadalus or IEDC school of management, which support the development and delivery of the educational programme.

However, each academy targets a specific audience. The Management Academy, for example, is aimed at educating young managers and talented staff; the International Business Academy focuses on employees from sales departments and units; and the Digital Business Academy is directed at employees from different vertical and horizontal levels.

In 2015, over two thirds of employees were included in different forms of education, including corporative educational programmes which are mostly aimed at managers.





Implementation

4. INPUTS

The **coordination and implementation of specific educational programmes** is managed by Gorenje personnel including directors (management), lecturers (also external), and the human resources department. Since CUG is run by the Gorenje company, it uses **own facilities** as well as external conference rooms located outside the company.

CUG is financed by the company's resources without any governmental **financial support**. The Gorenje Group sets aside around €1m each year for educational purposes. It used to apply to the regional development agency for additional funding, but the bureaucratic process was too demanding and time-consuming.

Education in the CUG is based on acquiring practical knowledge which directly benefits the company's goals and aims. Compared with university education generally, the **corporate education curriculum** seeks to bring the current work of the 'student' into the classroom, working with real-life situations and problems. Therefore, the education process includes work on 'real' cases, factual information rather than simulated materials and uses work-related equipment.

Knowledge providers are internal and external experts, especially recruiting in university professors with relevant practical experiences. The internal lecturers include management staff, for example, the Director of Marketing from within Gorenje covers topics related to his professional domain. External lecturers are chosen by their professional reputation and should be good lecturers as well as having practical knowledge and experience.

5. ACTIVITIES

CUG is based on the acquisition and integration of knowledge, transfer of best practices, integration of different business cultures, and consolidation of the common corporate identity. In doing so, CUG undertakes its activities through its five main education and training programmes called academies:

The Management Academy of Gorenje (MAG) maintains the longest tradition of providing education to company employees in CUG. Academy participants include managers, leading field-specific experts and young talent, with the social interaction and knowledge transfer between these groups being highly important for Gorenje Group. Cooperation among managers and experts from different fields is also vital for understanding different work processes and system within the company as well as fostering a stronger company culture.

Enrolment in the academy is by invitation only, based on recommendations of directors. They recommend their employees who have at least these characteristics: higher education, above-

average skills, a sense of innovation, good problem-solving ability and the prospect of becoming a top manager.

The main output of the academy's education programme is a business plan. The programme lasts one year and runs in five modules (five-times three days). Each participant of a 25-member group generates three to five business ideas. Out of these 120 ideas, they select the top ten ideas for the business plan. After a discussion, top management confirms the five ideas that are the foundations for preparation of the business plan. The plan must contain all fields of the business process: business and technology, organisation and human resources, marketing, finances and accounting. The programme also consists of lectures that are provided by external professionals who are generally university professors and lecturers.

The International Business Academy of Gorenje (IBAG) is oriented to sales units and departments, including sales units from abroad. This academy is aimed at younger employees who are included in the international business. It runs in three modules and focuses on sales and marketing activities. Instead of preparing business plans as is the practice in MAG, participants prepare business cases related to actual challenges of the company. These business cases are also put into practice.

The Executive Business Academy of Gorenje (EBAG) is aimed at directors. Each manager has certain obligations included in their employment contract, which contain an individual development plan based on a 360 degree assessment which reveals in which competency areas they lack certain skills. Thus their individual education programme is oriented to acquiring individual-specific capabilities that can also be obtained through external higher education institutions (e.g., a one-week study visit).

The EBAG has three pillars.

1. *Short programming* - One pillar is short programmes where, for example, a renowned lecturer is invited to give lectures on current issues. Such programmes are therefore more 'situational' and subject-specific than planned in the longer term in a general programme structure.
2. *Knowledge-sharing conference* - The second pillar is annual educational conferences aimed at gathering the company's management group. The conference also provides networking activities, meetings, etc. whilst the conference topics support strategy implementation and include leadership, digitalisation, innovation, consumer insight, etc.
3. *Customised learning* - The third pillar is the above-mentioned individual focus of the programme, which is tailor-made and based on personal needs.

The Gorenje Create Academy (GCA) was established due to the need to revisit the new product creation process to better meet market demands. Following the corporate acquisition of a number of companies (from 2005 to 2011), Gorenje acquired some competence centres with valuable knowledge but with different tools and, at times, outdated approaches to new product creation.

For this reason, a need arose to educate and align the employees of those companies with existing practises. Addressing this need, a common educational framework was created to spread the company's knowledge internally around these new competence centres, and develop a common approach to new product creation processes.

Additionally, it seemed reasonable to also supplement their own practises with state-of-the-art knowledge from the universities, and to establish a qualitative educational form to disseminate the innovation culture and operational knowledge. In order to achieve these goals, the academy invited cooperation from three well-established, leading universities: Delft University of Technology (The Netherlands), Chalmers (Sweden) and the University of Ljubljana (Slovenia).

The participants of this programme are managers and key professionals from all fields involved in the new product creation process, R&D, product management, category management, design, sales, marketing, purchasing department and production. When defining the type of participants, it is very important to include employees who manage the key processes and it is also necessary to balance the participants to reach all fields.

The programme content is divided into four parts following the structure of the innovation funnel, and provides an opportunity to gain the latest knowledge from successfully developed fields and regarding the launch of new products on markets.

The Digital Business Academy of Gorenje (DBAG) – In the Gorenje strategic plan, special attention has been paid to the field of digitisation. In the context of digital transformation the company intends to develop different kinds of services for its customers, employees and suppliers, and develop connectivity appliances as a part of a smart home. To address this emerging field, employees of Gorenje need appropriate knowledge and skills that will be developed within the Digital Business Academy.

6. OUTPUTS

CUG is a key component of the strategic development of the company. Since the education programmes are practically-oriented and based on real company challenges, they often provide solutions to existing issues within Gorenje as well as developing the knowledge of employees. The external engagement with traditional higher education providers, offers the opportunity to supplement the programmes practical relevance with high levels of external expertise as well as providing a global perspective on business operations. This external perspective is crucial for the ongoing competitiveness of Gorenje.

Additionally, the partnership works well for participating universities who benefit from fees but also receive feedback about which knowledge and skills are needed in the labour market. Using this reflection, if they do not already offer these in their study programmes they can easily adjust their curricula to include more practise-relevant educational content. The three cooperating universities also want to present themselves in the best possible light in front of each other. Therefore, there is also positive and creative competition among them.

The Gorenje Create Academy particularly has presented Gorenje with a number of new products and services that are relevant to the business of the company. For instance, the main result of the education are not examinations or certifications, but the development of a new product through new business plans. Examples of these include Piroliza (technology in electric stove), solar cells, project 'Iskrice' (small ideas of innovation), eco kitchen and mini refrigerator amongst others. For this reason, The Gorenje Creative Academy has also enhanced the creativity and motivation of universities.

The development of these new products help to develop new specific and general competencies of Gorenje key employees. The employees get to know and understand each other's work, thereby strengthening the cooperation among them and positively influencing the work processes. The employees learn the development process as well as how to new products can be validated with the market, thus better understanding their customers.

Lastly, an important output of CUG is also the development of new learning approaches of university staff involved in the processes.

7. IMPACTS

A survey among the corporate university's participants shows very **high employee satisfaction** with being included in the academies. The company has developed a **positive culture of learning** in which the employees are aware of the benefits of participating in the academies and acquiring new knowledge.

Another major impact is the development of **social capital** obtained via cooperation at different levels: among employees, between the company and universities etc. It has also enhanced the awareness of achieving common goals.

External lecturers are also invited to the presentations of the business plans, where they can see first-hand the challenges of an international company; thus the **academic world also gains insights** into the company's current problems, best practice, and the biggest challenges being faced in the real world.



Support & Influencing factors

8. SUPPORTING MECHANISMS

Education forms are an important part of the company's strategy and strategic mechanisms where the main element is innovation, recognised by the top management of the organisation. Given this recognition, the company's management subsequently provides strong support for CUG in different ways: finance, human resources, material and facilities, and so on.

The lecturers from the universities are always willing to cooperate and they are usually also engaged in mentorship. Participants of the education programmes have specific profiles and come from different fields, they also provide very direct feedback on the teaching methods, as the teaching must be closely connected to practice, up-to-date, and demanding.

9. BARRIERS AND DRIVERS

The main **driver** is that the CUG educational offering supports the development of the company itself. The mutual exchange of knowledge with universities has also become particularly important.

One of the biggest **barriers** is time; since it is very difficult to bring participants together, taking their busy schedules into account. Additionally, the programmes can also be financially demanding, especially considering that Gorenje finances the corporate university entirely.

One of the cooperating universities that is made up of a large number of faculties had some difficulties defining which faculty members should offer specific education, but the detailed structure of the required knowledge overcame this barrier.

In the running of the educational programmes the company has not experienced any major obstacles from the policy level although as there is not external funding.

10. FUTURE CHALLENGES

CUG requires regular adjustments to respond to the current and future market needs and to offer relevant knowledge. Therefore, it plans to establish a special academy for innovation or to locate it within one of the existing academies. Since the content of the education programmes has to change constantly, some academies might merge or be reformed in the future or potentially some academics will not be needed anymore.

Since the company became more international, it is also an important challenge to understand cultural differences, and develop the capability to work in different cultural environments.

11. KEY SUCCESS FACTORS

The most important success factors is the **absolute commitment of upper level management** and their **willingness to support the development** of their employees to such a degree. The top management supports these educational programmes because they see tangible results, products, services, methodology and good practice that can be implemented in the business processes. The new product and service ideas that are developed also more concretely benefit the company.

An additional success factor is the **external collaboration they have with leading European universities**. This external perspective is crucial for the ongoing competitiveness of Gorenje because it enables them to better integrates global best practice as well as a better cultural understanding for their international market expansion activities. It also given the upper management and key employees an opportunity for reflection about their current operations and opportunities for improvement.

A further success factor is the opportunities for disparate parts of the organisation not only to interact but also work together and thus **build increased trust and respect**. As a result, this helps to development a culture of continuing learning, fostering an innovative environment, and successive involvement in multicultural teams. These factors are related to the development of human resources – during the education process they recognise the qualities of their employees, what their skills, abilities, and competencies are.





Further Information

12. MONITORING AND EVALUATION

One of the most important evaluation mechanisms is the employee evaluations of those who have been through the educational programmes. The education programmes are evaluated by the CUG programme council, and also by each participant individually. The Human Resources Department constantly follows career paths and in addition has established a talent pool.

Furthermore, a subsequent evaluation mechanisms is ability of the firm to develop new products and services as well as the presenting of business plans or business cases in front of top management. Each participant briefly presents his/her part in the project, which is followed by a discussion between management and the project group. The best business plans are also put into effect.

13. TRANSFERABILITY

The corporate university model also serves as a good example of employee education and training and cooperation with universities. Resultantly, the model of corporate academies has already been adopted by some other large Slovenian companies after seeing implementation of this model as a good example.

The model can easily be transferred to other environments. Company representatives have already been invited to other companies to present their good practice.



14. AWARDS AND RECOGNITION

The manager of the CUG received an award from the Human Resources Association for the idea of the corporative university and developing the programmes.

The participants in CUG are given internal certificates and diplomas.

15. LINKS

Gorenje Group <http://www.gorenjegrup.com/en/>

Inputs for Product Creation Academy <http://www.czelo.cz/files/I-VODOPIVEC-Gorenje-Inputs-for-Product-Creation-Academy.pdf>

Gorenje Create Academy News <http://www.gorenjegrup.com/en/media/news/2016/02/7190-Gorenje-Create-Academy-brings-together-businesses-and-universities-to-develop-innovative-products>

16. CONTACT PERSON



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