Best Practices for the Corporate University

Cognizant Academy adds strategic value with a rigorous training and development program

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In This Case Study

Key to enabling Cognizant's agility in the IT services marketplace and managing the company's growth in staff is the development and support of the individuals and project teams that drive client satisfaction. This case study focuses on Cognizant Academy, the company's centralized corporate university. The academy provides shared training and knowledge management services to all Cognizant business functions and client-facing business units. This organizational profile attests to Cognizant's understanding of the issues that impact the performance of its employees and the academy's commitment to addressing these issues through certification programs, blended delivery of formal training, and knowledge management.

Case Study

Cognizant Overview

Cognizant Technology Solutions (NASDAQ: CTSH) is a leading provider of IT services. Focused on delivering strategic information technology solutions that address the complex business needs of its clients, Cognizant provides applications management, development, integration, re-engineering, infrastructure management, and business process outsourcing. The company also provides related services, including enterprise consulting, technology architecture, program management, and change management through its onsite/offshore outsourcing model.

Cognizant employs more than 23,000 people focused on delivering client projects and programs through a global sourcing model that leverages the company's development centers in India and onsite client teams. Cognizant maintains P-CMM[1] and SEI-CMM[2] Level 5 assessments from an independent third-party assessor (KPMG), was recently named one of Forbes' Best Small Companies in America for the fourth consecutive year, and is ranked among the top information technology companies in BusinessWeek's Hot Growth Companies.

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[1] The People Capability Maturity Model (P-CMM) is a maturity framework that focuses on continuous improvements in organizational performance through employee management and development.

[2] Carnegie Mellon University Software Engineering Institute

Business Environment

Cognizant is recruiting, managing and developing a workforce that will enable it to counter commoditization of its services by developing more strategic client relationships.

With each announcement that a multinational or indigenous Indian IT services firm is expanding its global delivery model, the value of "offshore" is commoditized. IT services firms such as Cognizant must differentiate themselves in ways that go beyond saving customers money.

To that end, Cognizant is recruiting, managing and developing a workforce that will enable it to counter commoditization of its services by developing more strategic client relationships. The company has made investments to establish credibility and core competencies in new areas while managing the growth of its existing business. (The company anticipates that its revenues grew 67 percent between 2004 and 2005.) These investments include:

- Building vertical market solution sets led by associates with extensive industry experience.

- Developing new, replicable processes and methodologies to drive client satisfaction.

- Hiring more than 3,100 employees per quarter to bring its total workforce to more than 23,000.

- Establishing integrated teams with delivery/sales/domain expertise to win new business and serve clients.

- Expanding its India-based Techno-complex capacity in Chennai, Pune, Calcutta, and Bangalore by adding approximately 930,000 square feet of space to house approximately 9,000 employees and additional training facilities.

In this dynamic environment, it has become necessary for Cognizant associates to be in a continuous learning mode, since their individual and team performance for clients provides the foundation for organizational success. This is true for seasoned employees as well as new hires whose time-to-competency is positively correlated with customer satisfaction and company profitability.

Cognizant Academy: An Employee and Project Enabler

Cognizant Academy puts into place training programs and information systems that enable efficient knowledge transfer among associates. As the company's centralized corporate university, it provides shared services to all Cognizant business functions and client-facing business units.

Cognizant Academy controls the employee training budget (approximately 1 percent of company revenue) and holds most of the decision-making responsibility regarding employee development. The academy's staff develops and administers all employee development efforts, from entry-level introduction programs to technical certifications to managing affiliations with university partners. The academy comprises a staff of 114 associates who run its operations and manage 86 classrooms.

Cognizant Academy works with the company's business units to ensure that their geographically dispersed associates are technically and culturally competent. Consequently, it has created four schools aligned with the competencies the company believes are necessary for associates to meet customer requirements. These include:

1. **Technology** School of Learning

2. **[Vertical Industry] Domain** School of Learning

3. **Process & Quality** School of Learning

4. **Project Management** School of Learning

A fifth school, for new hires, will be discussed in the next section.

This alignment is fluid (i.e., when a new competency area is deemed strategic by the company, it becomes part of the Academy's service line).
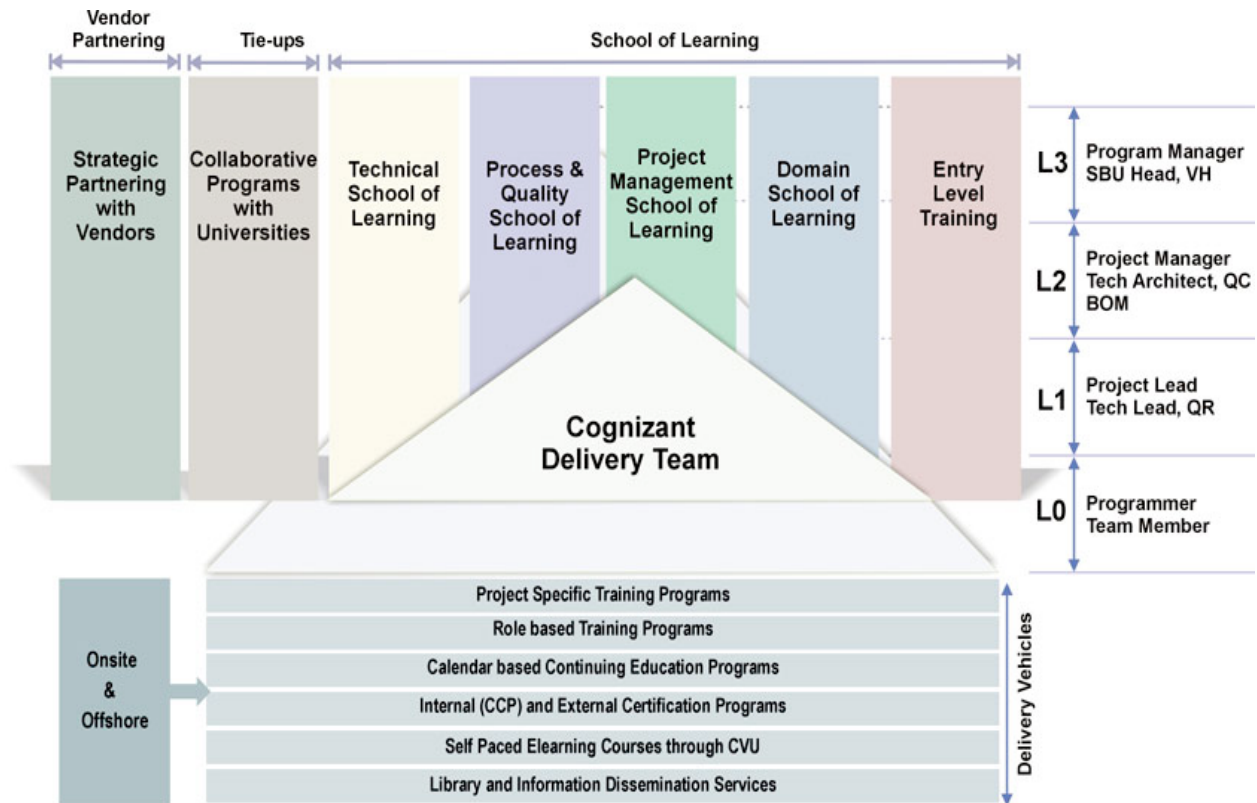
Figure 1 - Cognizant Academy Governance, Source: Cognizant 2005

Figure 1 illustrates that the academy forms partnerships with external organizations to satisfy associates' needs. These partners include:

- **Universities:** These alliances have been established for employees who want to pursue advanced degrees in their fields and who have been deemed qualified through Cognizant's employee appraisal process.

- **Education Vendors:** Cognizant Academy often contracts with content development companies and instructional delivery firms aligned with the company's needs (e.g., sales training, cross-cultural adaptability). The academy uses vendors when their services are more cost-effective than developing and delivering programs in-house.

Making New-Hires 'Project Ready'

In light of Cognizant's growth, the academy has developed a fifth school to address entry-level training for new hires. As many as 50 percent of these new hires come straight from the top academic institutions in India. In 2004 and 2005, the academy piloted its 'In-

While still enrolled in a university, newly hired employees took part in a compulsory, intensive 12-week program focused on transitioning from an academic environment to that of a global corporation.

Campus Training' program to prepare these candidates for life at Cognizant. While still enrolled in a university, newly hired employees took part in a compulsory, intensive 12-week program focused on transitioning from an academic environment to that of a global corporation. Figure 2 illustrates this program, which is focused on the formation of technological and client-relation skills.
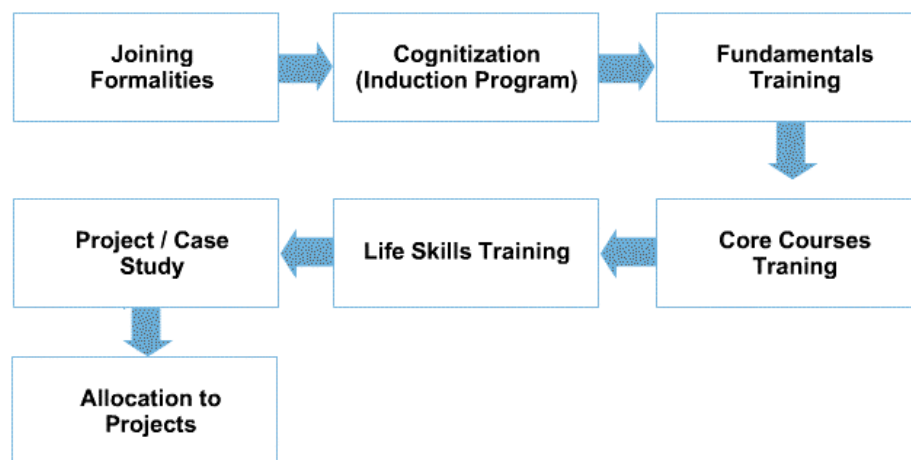

Figure 2 - Transitioning Campus Recruits to Cognizant Work Environment

Students taking part in this program are assessed continuously. Assignments and tests are prepared by faculty members of participating schools in consultation with Cognizant Academy. A monthly stipend is paid to students to cover their incidental expenses.

Approximately 750 students completed In-Campus Training in 2004 and 2005. and 7,500 are expected to complete the program in 2006 when it will cover business skills training as well as technical skills.

The Cognizant Certified Professional (CCP) Program

Associates who have been with the company for at least six months and have fulfilled all necessary prerequisites are eligible to participate in the company's part-time Certified Cognizant Professional (CCP) program, which has been designed exclusively for Cognizant employees.

Cognizant Academy and subject matter experts in Cognizant's competency centers developed the CCP program in 2002. A governance board comprising representatives from Cognizant business units solicits feedback from company management and customers and continually updates the program. Program

The program begins with associates taking part in a common curriculum that focuses on the development of expertise for working in complex IT environments.

participants then move onto specific tracks associated with their jobs (e.g., account manager, implementation consultant) and the vertical sector in which they practice. These courses, which often lead to associates seeking education from external sources such as LOMA in the insurance industry and AICPA in financial services, are deemed important to developing industry fluency. Figure 3 is a screen capture of an online offering developed for associates who need to familiarize themselves with insurance concepts to better understand the issues Cognizant clients in the industry face.

Figure 3 - Online Insurance Industry Knowledge Transfer Screen Capture, Source: Cognizant 2005

Eighty percent of associates who begin the program achieve certification through passage of a proctored examination. All CCP certification recipients who have gone on to seek external IT

certifications (e.g., MCSE) have done so successfully, attesting to the rigor of the Cognizant certification program.

Ensuring the Relevance of Learning Experiences to Associate Development

The company conducts 360-degree assessments, skill set surveys, and project audits

As indicated above, an associate's alignment with the rest of the organization is predicated upon the identification of competency gaps by the organization's project teams, business units, and HR department. Cognizant's HR system includes a matrix that graphically shows associates' competencies and gaps in the knowledge and skills they need to work with their clients.

Cognizant conducts formal competency assessments of project managers and team members to identify their strengths and weaknesses. These assessments take place as part of semiannual performance reviews. These baseline assessments help the academy target specific areas for improving individual and organizational performance, saving the company and its clients time and money.

Cognizant's ability to continuously improve the management and development of its associates has been validated by an independent auditor, KPMG, through its P-CMM assessment. The P-CMM framework, developed by the SEI Institute, defines organizational maturity of people, processes, and practices. Cognizant has received the highest rating, indicating a "mature, disciplined, and continuously improving development of the knowledge, skills, and motivation of the workforce that enhances strategic business performance."

In other words, Cognizant knows how to attract, motivate, develop and retain talented people that serve its customers well. Figure 4 below depicts the breadth of Cognizant Academy's offerings as they pertain to developing and maintaining core processes and practices at the enterprise level.

Offerings available to associates themselves include:

- **Technological know-how:** Because of Cognizant's global reach and services team infrastructure, one of the company's strategic imperatives is to continue to be the largest service provider for vendor products. The company encourages its associates to earn certifications in key technologies. More than 1,500 of the company's employees have been certified in Microsoft, Oracle, IBM/Lotus, Sun, Cisco, and Novell technologies. Cognizant Academy is a certified Microsoft developer and a Java and Sun Solaris development partner for Sun Microsystems. IBM maintains a developer connection with the academy, serves as a framework partner, and provides free evaluation software, support, and training.
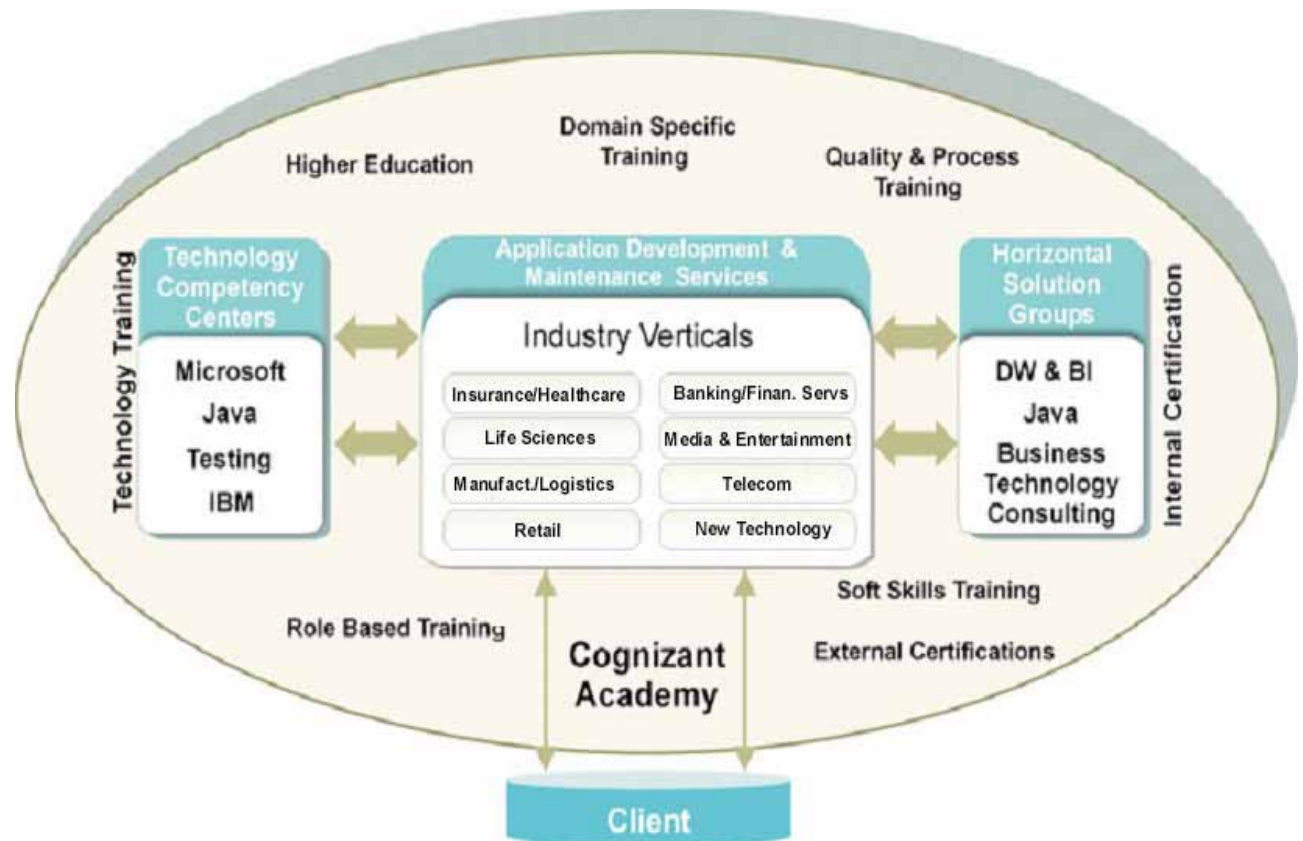
Figure 4- Cognizant Academy's Course of Action, Source: Cognizant, 2005

The academy's ASSET Team, which is charged with designing and developing online and classroom learning content, evaluates a project team's competency and capability requirements to define learning objectives and ways to satisfy them.

- **Soft skills:** The academy offers courses to foster collaboration among its employees and customers. Courses cover subjects such as communication, team building and cross cultural adaptability. In addition, the Academy offers executive training to managers. Courses of study include foreign languages, time management, etc. The company also invites Cognizant clients to participate in these programs.

- **Critical thinking:** Cognizant Academy sponsors software professionals across the globe seeking technology and/or management-specific training. Schools providing training include Harvard University; Indian Institute of Management; Indian Institute of Technology; British Open University; Birla Institute of Technology and Science (Pilani); Project Management Institute; Venkateswara College of Engineering; and Mepco Schlenk Engineering College.

Figure 5 illustrates how the academy interfaces with company project teams to develop and deliver role-based and project-specific offerings. Requests come in from all vertical and horizontal business units as formal or ad hoc learning requests. These requests are

evaluated for design, development, and delivery as separate projects.   Each learning project is assigned a team and timeline.

The academy's asset team, which is charged with designing and developing online and classroom learning content, evaluates a project team's competency and capability requirements to define learning objectives and ways to satisfy them. The team then designs and develops the curriculum using the most cost-effective combination of in-house and external subject matter experts.

Gagne's Theory is put into practice by in-house designers. According to the theory, one cannot adequately plan instruction without first identifying a measurable learning outcome and constructing a learning hierarchy for that outcome.   The theory states that learners should have the necessary prerequisite knowledge to achieve that outcome.
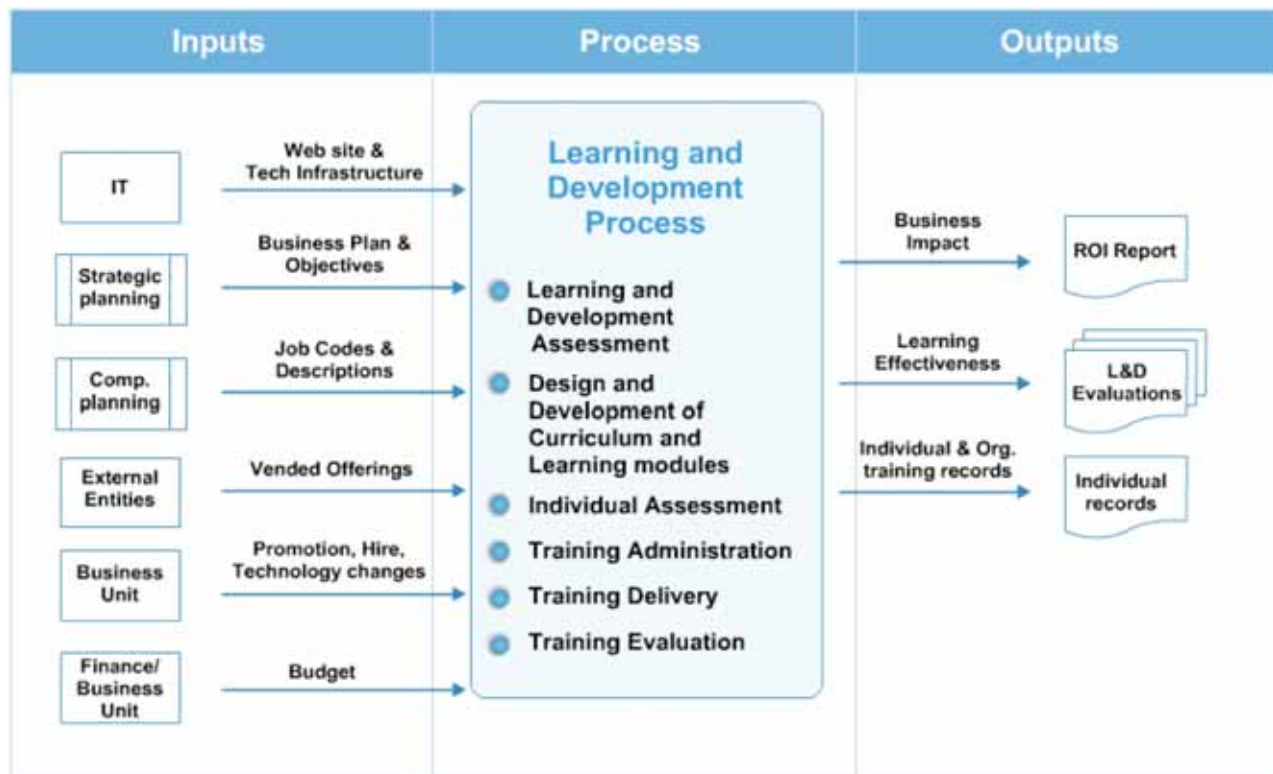

Figure 5 – Academy interface with project teams

Continuous Improvement for Cognizant Academy

To ensure its services continually benefit Cognizant, the academy employs assessment methods to measure its influence on associates.   The academy uses frameworks developed by training industry thought leaders Donald Kirkpatrick and Jack Philips. Formal training programs are rolled out on a pilot basis and are expanded

Cognizant's employees were the most satisfied employees in India's competitive IT service industry according to IDC India's Best Employer Survey a few years ago.

and evolved based on the results of Level 1 surveys in which associates and managers rate the academy program's effect on job performance. They also rate the quality of instructional delivery.

The academy uses Level 2 (testing) and Level 3 (on-the-job impact of knowledge transfer) scores to analyze training effectiveness and suggest ways to improve academy offerings.

Cognizant Academy's efforts have also been validated externally. In addition to the academy's Level 5 P-CMM rating, Cognizant employees were ranked the most satisfied in India's IT service industry in IDC India's Best Employer Survey several years ago. Employee development efforts play a crucial role in this satisfaction. In short, when employees are better prepared for client projects, they are generally happy with their day-to-day work.
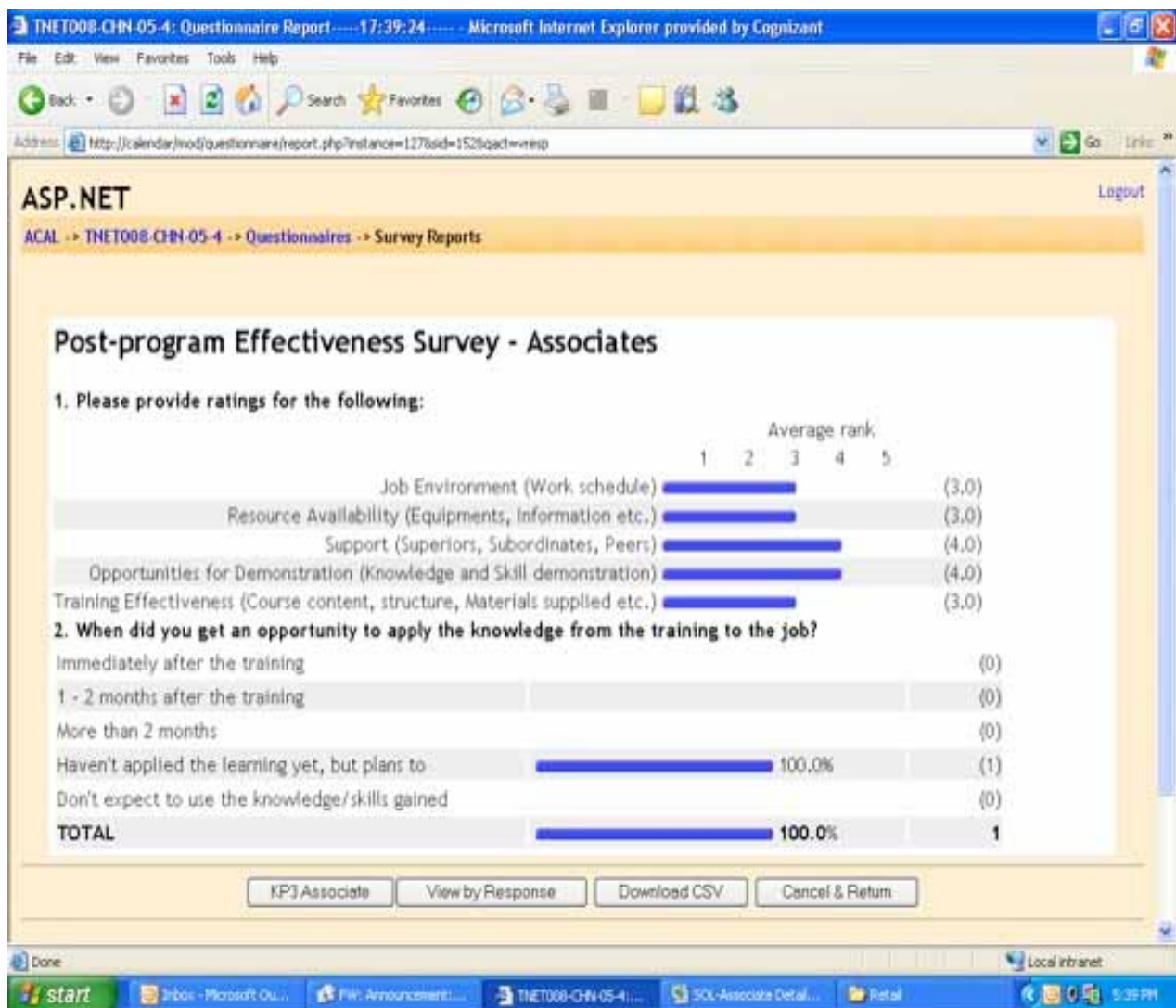

Figure 6 - Cognizant Sample Level 1 Survey, Source Cognizant 2005

Ensuring Access to Knowledge

The Academy manages libraries at all of Cognizant's physical locations and maintains a library information management system for all employees to access and search from their desktops.

Only a portion of the training that the academy offers takes place in its 86 classrooms. For example, employees outside India take part in entry level training through self-paced e-learning and Click2Start, a virtual classroom. Each is supported through moderated discussion boards.

Associates who are onsite with clients have access to the academy's virtual classes. The academy has an initiative underway to personalize each learner's home page to ensure that relevant offerings are easy to access. To make hands-on training more ubiquitous, the academy's R&D team is rolling out 'LabAnyWhere@Cognizant.' This virtual lab technology allows trainees to apply the concepts they are taught right from their desktops via Cognizant's intranet or the Internet.

In addition, the CCP program is delivered via blended modalities to minimize disruptions to employees on the job. The actual mix of media for a given training situation is driven by the students' locations and their learning needs. Cognizant provides web-based access to training enrollment, assigned mentors, and all certification material through Cognizant Virtual University, its dedicated learning server. Figure 8 shows an associate's learning plan accessed from the Virtual University.

Cognizant Academy also plays a role in knowledge management. It manages libraries at all of Cognizant's physical locations and maintains a library information management system for all employees to access and search from their desktops. These libraries are arranged by both vertical (e.g., healthcare) and horizontal (e.g., data warehousing) competency areas. The libraries provide access to internally published files as well as third party-published textbooks, presentations, and articles. In addition, important broadcast emails will be captured by the academy next year in a portal.

Figure 7- Learning Plan Accessed through Cognizant Virtual University

Conclusion

Cognizant Academy is singularly focused on supporting its associates who drive the performance of this IT services firm. Its operations demonstrate the company's efforts to compete by:

- Helping to attract young talent and cultivate it as quickly as possible to deliver client and shareholder value.

- Supporting associates who need them to successfully execute projects and further their careers.

- Continuously improving Cognizant's institutional learning by soliciting feedback from project teams and clients as well as leveraging new delivery media for knowledge transfer.

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