



UNIVERSITY-BUSINESS COOPERATION: THE CASE OF ALBANIA

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Abstract

One of the most relevant issues nowadays in the market is to connect theory with practice, this can be achieved only if we create a bridge between University and business. The creation of this relationship is on the interest of both parties but not only. In the last years government also has tried to create a relationship between university and business for the benefit of the market. Market ecosystem changes very fast and in order to fill market needs is important that theory, offered from the university, synchronizes with the practice needed from businesses. The purpose of this paper is to analyze the cooperation between Universities and Businesses in Albania, the methodology used is through descriptive analyze. The data are collected through questionnaires distributed to businesses. First of all we will analyze the current situation of University-Business collaboration, the relationship between parties and the benefits they have from this collaboration. Second we will describe the research and innovation activities in HEIs which attract the business to ask for market solutions. By using this analysis, we expect to understand the main barriers that influence the collaboration between HEIs and businesses. Based on the results we expect to contribute with suggestions for all institutions to encourage building strategic partnerships with industry sector and other external stakeholders,

development of an innovation platform based on cooperation between HEIs and industry sector, promoting the role of the creative economy and contributing to the positive development of society at large.

Keywords: higher education institutions, business, cooperation, partnerships, innovation

INTRODUCTION

In a knowledge-based economy, universities play a crucial role in emerging, releasing and knowledge transfer. Encouraging university–business relationships create added value through common efforts and synergy. Day after day the role of universities is becoming more relevant for all economic sectors.¹ The collaboration between universities, private sector and public sector is now considered as a source of national and international competitiveness. Nowadays market operates in an ecosystem where ‘the multiple actors need to work cooperatively and in a coordinated manner’.² The entrepreneurial approach of universities has encouraged the development of partnerships among HEIs as a tactic that helps institutions to add value to their university products and services, become more competitive and attractive for their interested stakeholders and eventually lead to an increase of market share.³

The potential for universities to contribute positively to business has received much attention in recent years. Current major European policy concerns related to establishing the European Higher Education Area are closely related to supporting graduates’ career success, international mobility, cooperation among higher education institutions and among universities and business. A lack of knowledge in the areas or potential areas of collaboration is another important challenge among HEIs and Private Sector.

University-Business cooperation for many years has been an increasingly important issue raised at European and national policy level, as well as at higher education institutions itself. The fact that the learning environment and the labor market needs are continuously changing makes it challenging for both spheres to be perfectly synchronized. In fact, studies have shown that “employers have a lack of knowledge of what to expect from graduates and higher education institutions have a similarly low level of knowledge concerning employers’ needs.” This gap between the job market and the higher education sector can lead to asymmetric information.

¹ Mina, A. (2015), University-Business Collaboration in Services vis-à-vis Manufacturing Firms, National Center for Universities and Business (NCUB), London.

² Davey T, Meerman A, Allinson R, Muros VG, Baake T, Baaken T (2013a) EU University Business-Collaboration: Country report UK. ISBN 978-90-820668-1-4

³ Hauptman Komotar, M. (2019). Global university rankings and their impact on the internationalization of higher education. European Journal of Education, 54(2), 299–310. <https://doi.org/10.1111/ejed.12332>

As Manuela EPURE⁴ say: Most of the time academic freedom and autonomy are claimed to create a lack of responsiveness to the needs of external stakeholders and unwillingness to collaborate with actors in other forms of organizations. As a consequence of the above-mentioned ideas, academics consider study curriculum as a dynamic processes in which lecturers and students can act as 'co-constructors of knowledge'.

The objective of this study is to introducing the three main component (knowledge, innovation and education) mechanism and principles at the HEIs.

Considering the identified paper objectives (creation and implementation of the knowledge, innovation and education, establishing structured cooperation between the HEIs and industry sector), the paper complies with national and institutional strategies (the national strategy for higher education of the Albanian government, 2014–2020) that emphasize the urgent need for universities to increase their role in social and economic development at local and regional level. Based on EU directions and governmental strategic directions all Albanian HEIs developed their Strategic Plans which emphasis as the most important issue the establishment of strong connections with business/industry sector, improving technical and human capacities, improving research activities in cooperation with industry sector, improving the skills of students based on the market needs and more.

Establishing strong cooperation with industry sector will increase the opportunity for bachelor, Master and PhD students to work on collaborative projects, to cooperate with industry representatives and will increase chances to easily find a job in industry sector. Job market is a very sensitive issue for graduated students who do not have any work experience. Through University-Business collaboration students will have the opportunity to improve knowledge and skills and to create contacts with industry representatives.

Moreover, by working on collaborative projects, diverse learning and research environments as well as learning based on research will improve the education system, which will further equip students and researchers for working in an increasingly complex society. Strong cooperation with industry sector can also provide a number of scholarships for students with low income.

LITERATURE REVIEW

Education as a service of general interest in the context of higher education according to the terminology and jargon used by the European Union for so-called "public goods and services" that include education on the principle of being a public good and service, they are

⁴ University-business cooperation: adapting the curriculum and educational package to labor market requirements
Manuela EPURE

classified as services of general interest and services of general economic interest. As a service of general interest should be guided by the principles of equal access, continuity, security, adaptability, quality, efficiency, affordability, transparency, protection of disadvantaged groups, users, consumers and environmental protection and civic participation.⁵ The competitive economy of the European Union, under these principles promotes the offer of higher education studies as a product of university business collaboration. The dynamics of a high technology change and wide access to it, the open access to information, technology or communication facilities, bring into discussion the role of the university in the society.⁶

Higher education and especially universities give a great impact on the social development and economic life of a country. Universities are a resource which supply the economy with ideas, innovations and technology. The university business cooperation refers mainly to three aspects: the relation between science and economy, the interorganizational relations between universities and enterprises, and the inter-personal relations between science people, professors and company employees.⁷ University research on basic and applied fields make a huge contribution to knowledge increase and experience in economics.

In developed countries the university-business interaction is a functioning reality and the results of this interaction have long been felt. The OECD reports that the share of businesses collaborating with HEIs has substantially grown in recent years, with an average share of around 14% in 2016.⁸ (see Fig. 1)

⁵ European Commission; Brussels, 20.12.2011; Com(2011) 900 Final Communication From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions; A Quality Framework For Services Of General Interest In Europe.

⁶ Mihaela-Cornelia Dan (2013) Why Should University and Business Cooperate? A Discussion of Advantages and Disadvantages International Journal of Economic Practices and Theories, Vol. 3, No. 1, 2013 (January), e-ISSN 2247–7225

⁷ Croissant, J.L., Smith-Doerr, L. (2008): Organizational Contexts of Science: Boundaries and Relationships between University and Industry. In: Hackett, Edward J.; Amsterdamska, O., Lynch, M., Wajcman, J. (eds.): The Handbook of Science and Technology Studies, 3rd edition. Cambridge u.a.: The MIT Press, pp. 691-718

⁸ A. Bertolotti, G. Johnes (2021) Efficiency in university-industry collaboration: an analysis of UK higher education institutions. *Scientometrics* (2021) 126:7679–7714 <https://doi.org/10.1007/s11192-021-04076-w>

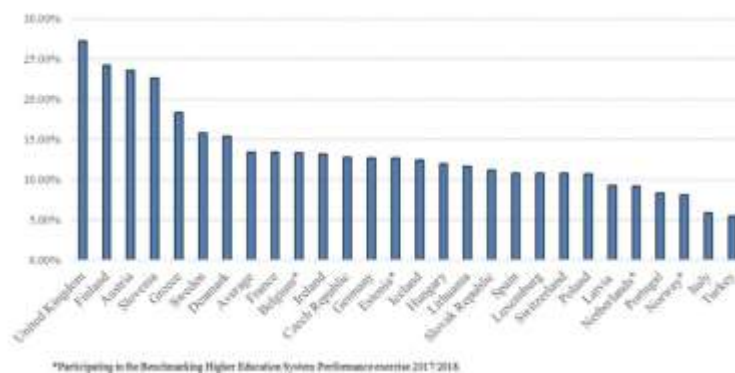


Figure 1 Businesses collaborating on innovation with universities and other HEIs (2016). Note: data are expressed as a percentage of total enterprises with 10 or more employees. Source: OECD (2019)

The European Union has given great importance to this cooperation in recent years. This is confirmed by the Lisbon Strategy where three directions were set for the reform of universities within the EU and specifically: 1. Improving the quality and increasing the "absorption" capacity of universities. 2. Improving the management and relevant structures in universities. 3. Increase and diversify university funding with or without student input.

The purpose of these reforms is not only to face the competition of other universities in the world, but also to mobilize the academic forces for economic growth in the EU, fight unemployment and improve the quality of universities.

A more complete analysis was made in 2009 in the report of the EU Commission and the report of EU 2011 "The state of the European university-business cooperation" (EC, 2011)⁹ which presents the eight forms of cooperation and their actual status in the Member States. The report addressed as its main topic "the new partnership for the modernization of universities". For this purpose, the EU Forum for University-Business Dialogue was established.

There are many investments going through the EU to strengthen university-business cooperation such as: CBHE, HORIZON 2020 and other programs.

Knowledge Alliances must "be a truly two-way process: higher education and business joining forces to design innovative, sustainable ways of increasing human capital"¹⁰.

University-business agreements should be made in the field of:

- *Collaboration in R&D*
- *Commercialization of R&D*

⁹ European Commission (2011): The State of European University-Business Cooperation, Münster: Science-to-Business Marketing Research Center

¹⁰ [NC0214337ENN_002.pdf \(eurashe.eu\)](#)

- *Mobility of academics*
- *Mobility of student*
- *Curriculum development*
- *Lifelong learning*
- *Entrepreneurship*
- *Governance*

As the report itself states the most popular form is collaboration in R&D and includes: joint R&D activities, contract research, R&D consulting, informal and personal networks, joint publications with firm scientists/researchers, joint supervision of theses with firm scientists/researchers (Bachelor, Master, Doctoral Degree) in cooperation with business and student projects in cooperation with business. The other aspect of commercialization of R&D results needs support mechanisms and a proper legislation. The next one refers to the mobility of academics and students.

Many authors have explored the collaboration between universities and business in recent years:

Bramwell and Wolfe, 2008, *University –business cooperation, “entrepreneurship education, staff and student mobility and internships, cooperative education; cooperation in curricula design commercialize knowledge produced by qualified research scientists, as well as generating and attracting talents and providing formal and informal technical support with local industry”*

Boardman & Ponomariov, 2009 *“research partnerships between universities”*

Henard, Leprince-Ringuet, 2009, *“Quality teaching in higher education Impact and Quality Assurance of Quality Teaching”*

Gibney, Copeland and Murie, 2009 *“involvement of business representatives in university board structures or vice versa”*.

Landry, 2010 *“knowledge transfer activities such as collaboration on patents, teaching, publications, informal exchanges and contribution to spinoff formation*

Mars and Rhodes, 2012 *“Existence of student entrepreneurship programs Entrepreneurial teaching methodologies, having role models and reward systems Innovation in Higher Education”*

Yakovleva &Yakovlev 2014 *“Interactive teaching methods, competence-based approach”*

Khalili, 2016, *“Effective teaching methods in higher education Requirements defining curriculum and teaching resources Student-centered learning and problem-based learning EU*

2014 Report on New modes of learning and teaching in higher education Modernization of Higher Education”

Robert Rybnicek & Roland Königsgruber 2018 “What makes industry–university collaboration succeed? A systematic review of the literature”. In this study are presented the results of a systematic review of the literature on the collaboration between industry and universities. Based on the analysis and the literature it is proposed a novel conceptual model, which synthesizes the empirical results, and the use of it to organize and categorize influencing factors and their interrelationship within the collaboration process.

E. Elezi (2021) Role of knowledge management in developing higher education partnerships: Towards a conceptual framework. This research study discusses the role of knowledge management (KM) in facilitating the composition and development of higher education (HE) partnerships.

Based on the data analysis of the literature we have reached some conclusions which are important for our study:

- HEI-Business cooperation is very important for business

Universities are engaged in various activities with business, from the commercialization of research results to the transfer of knowledge and the teaching of entrepreneurial skills.

-Higher education should be oriented towards modernization, integration of new technologies in teaching and learning.

It plays an important role in achieving the objectives and strategies of EU2020, and therefore system innovation is needed.

-Continuous curriculum improvement is needed to adapt to market demands, design and development of course materials to ensure that graduates' skills and competencies

METHODOLOGY

The study adopted a descriptive research design. For the purpose of this study we have distributed 150 questionnaires in the city of Tirana and Durres, we chose this cities because the biggest number of businesses in Albania is concentrated in this area. 85 % of the questionnaires were distributed in the private sector while the other 15% were distributed to the public sector. For the sample size we have used Yamane’s Formula.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- e = precision level
- N = population size.

The questionnaires is self-designet and were distributed in Higher education institutions, industry sector, including private and public companies, as well as relevant associations, e.g. technical chambers, chambers of commerce, consumer associations, etc.

During the analysis (interviews with academic staff, researchers, professionals from the industry sector), it was realized that all institutions in country face similar problems and needs that reflect the needs for creating an cooperatin between university and bussines.

ANALYSIS AND RESULTS

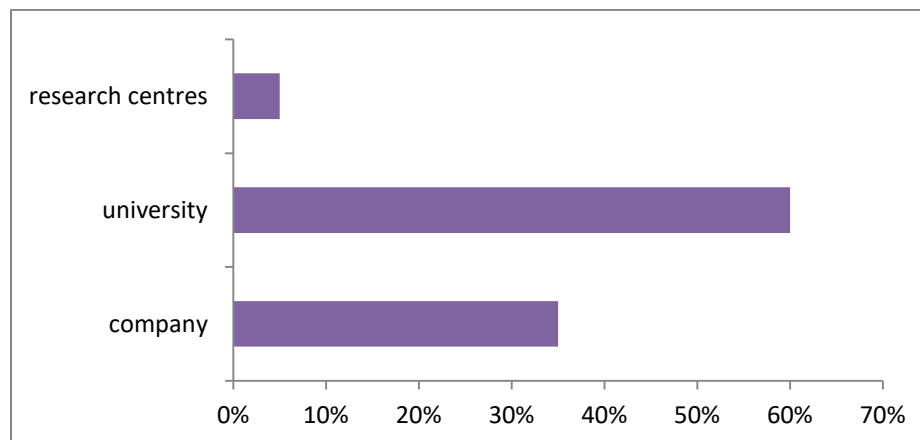
The purpose of the paper was to evaluate the collaboration between higher education with the labor-market.

In Albania, employees develop their profession within the same company and there is not much movement between companies. This can be explained by the fact that companies professionally increase employees by treating them in exchange for their long-term contribution to the company. We see this in the positive correlative correlation between years in the same company and profession ($r=0.71$, $p\text{-value}=0.00$).

There is a positive correlation between the question "Is there cooperation between your company and higher education institutions?" and with the question "Are there policies to promote business-HEI cooperation" with a correlation coefficient of (0.68 , $p\text{-value}=0.00$)

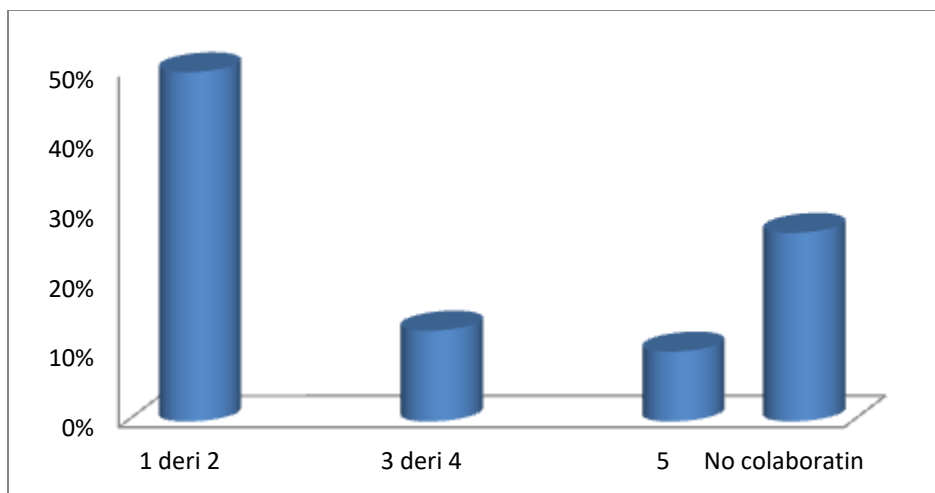
This study shows that companies are motivated to cooperate but 60% think that the university should be the initiator to start cooperation, 35% think that it should be business and 5% of respondents think that it should be Research Centers.

Figure 2: Who should be the initiators to start the cooperation between companies and universities?



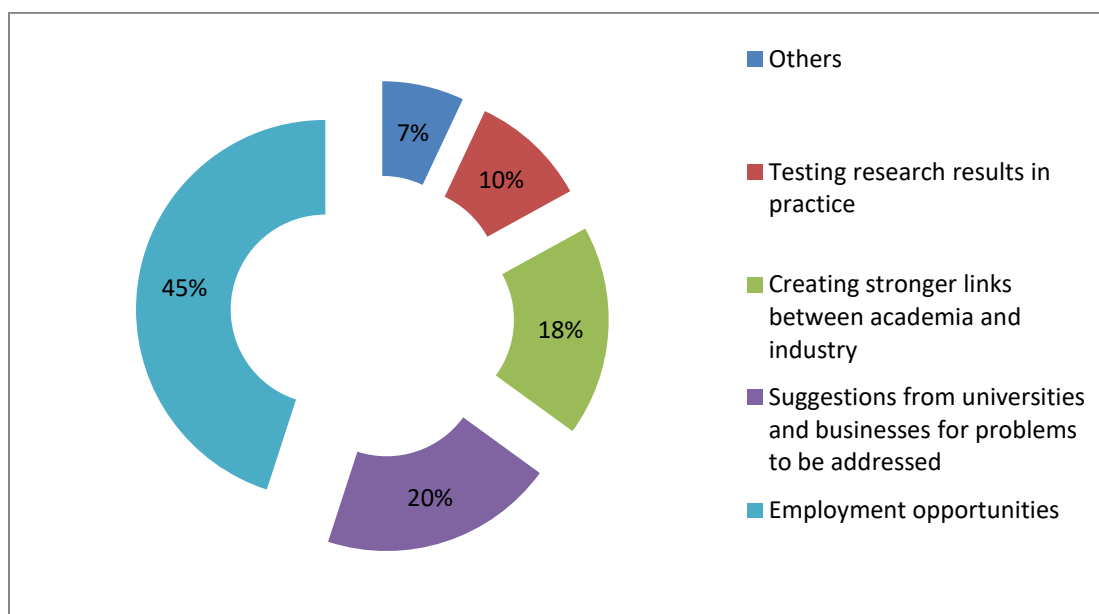
Also 50% of companies have 1 to 2 collaborations with HEIs, 13% of companies have 3 to 4 collaborations, 10% of companies have more than 5 collaborations and only 27% of companies do not have collaborations.

Figure 3: How many universities or research centers does your company cooperate with?



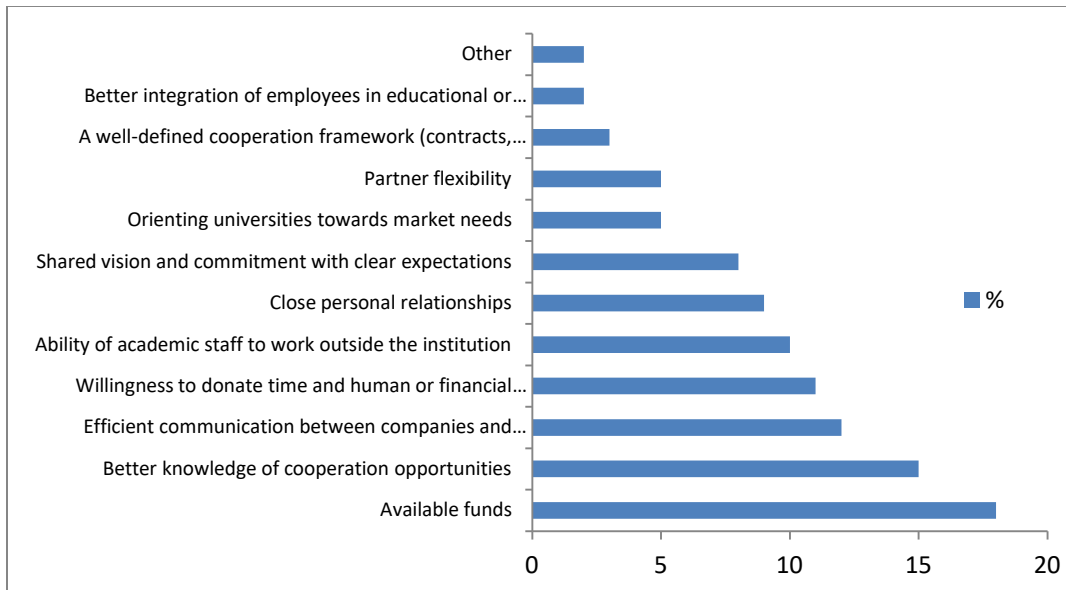
To the question "What have been the results of cooperation with universities or scientific research institutions currently or in the last three years?" Most of the respondents, among other things, listed the possibility of employment.

Figure 4: The results of cooperation with universities or scientific research institutions.



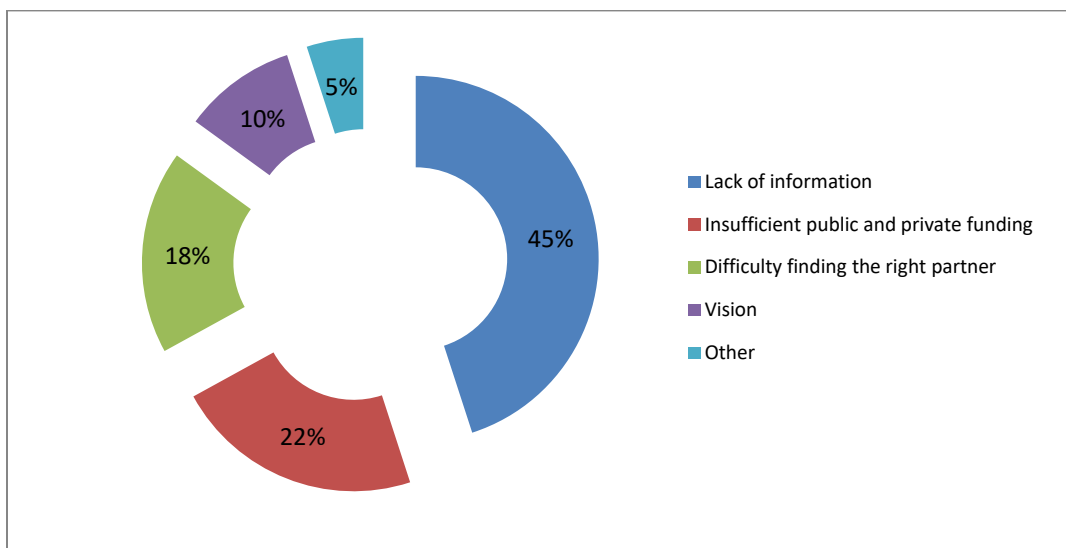
Three main factors that most influence the increase of cooperation with educational institutions and research centers prevail: 1. Available funds; 2. Better knowledge of cooperation opportunities; 3. Efficient IAL-Business communication;

Figure 5: Factors that influence the increase of cooperation Business-University



Lack of information is the main factor affecting cooperation between universities and business followed by insufficient public and private funding, difficulty finding the right partner and lack of shared vision.

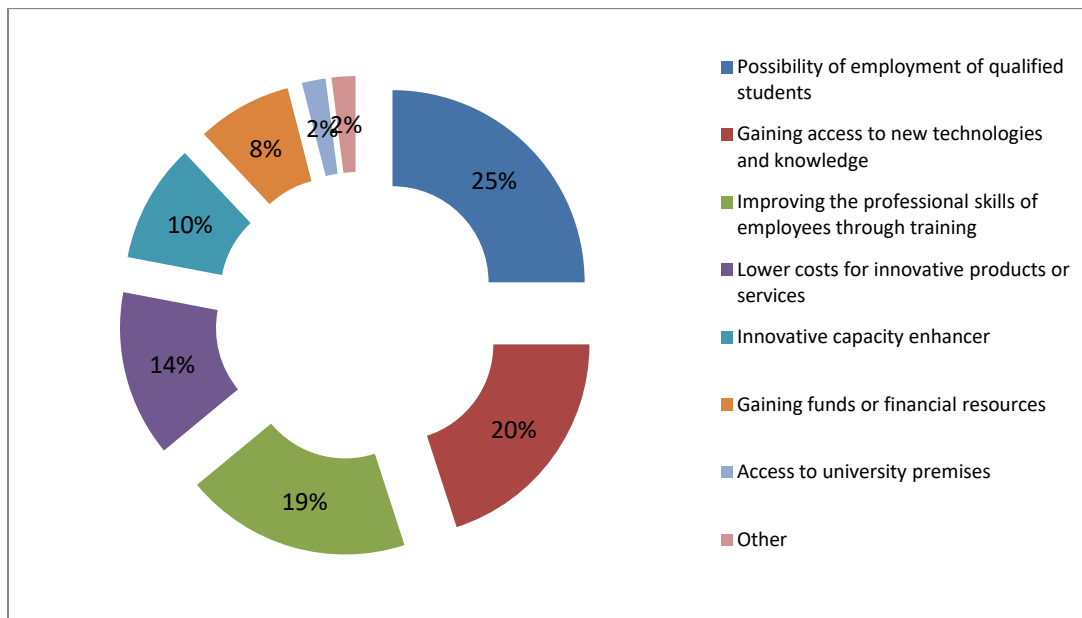
Figure 6: Factors that affect in cooperation between universities and business



The three most motivating factors for companies to collaborate with universities or research centers are:

1. Possibility of employment of qualified students;
2. Gaining access to new technologies and knowledge;
3. Improving business reputation;

Figure 7: What motivates companies to collaborate with universities or research centers?



As we saw in the analysis of the results, the companies are motivated for cooperation but they think that this cooperation should come from the university, this explains the fact why there is not a high percentage of cooperation between them.

Most of the collaborations that have been made between the university and business in the last 10 years in Albania have consisted only in the employment of students. One of the factors that most influence the stimulation of this cooperation are the accessibility of public and private funds and the provision of information on the existence of these funds.

CONCLUSION

Collaboration between the University, Research Centers and Business should be encouraged and supported by the actors. There needs to be more funding in the university to make the latter pay attention to curriculum improvement, research and innovation in line with market demands. Curricula developed should be built in consultation with the business in order to suit their requirements. The lack of information is a huge problem for the realization of

cooperation between actors, therefore, must create a information system to help the cooperation. One of the main problems that businesses have is the costs for training new employees just graduated, this came due to the poor cooperation that these actors have in between.

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