

## Extended Abstract<sup>1</sup>

# **Towards an academic enterprise: Knowledge creation and emerging modes of cooperation between universities and world of work**

Gipson Varghese and Edurne Bartolome Peral

## **Introduction**

To underline the role of local and regional authorities in achieving the objectives of the Europe 2020 Strategy, EU Committee on the Regions (CoR – 2011) outlined the need for renewal of societal and industrial structure and processes and the Committee emphasized that it is time to re-invent the future for Europe, but the gap between latest research knowledge and real life practice is huge'. The committee goes on to say that there is a need to create new and creative platform for change where universities and private sectors have great role to play. In this knowledge-based economy, the solution for sustainable competitive advantage depends on how knowledge is created and shared and how the shared knowledge is implemented in real life practice. But in a world where market, products, technologies, competitors, regulations and even societies change rapidly, continuous innovation and the knowledge that enables such innovation have become important sources of sustainable competitive advantage (Yao, et al., 2011). In this backdrop, one might wonder about the usefulness of exploring the topic of knowledge transfer from an academic enterprise perspective and new modes of collaboration between academics and practitioners.

In spite of several recent pressures and financial support from national and regional level governments, collaboration between academics and practitioners has not gained expected outcomes due to several barriers. A substantial body of evidence suggests that executives (from the business world) typically do not turn to academics or academic research findings in

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developing management strategies and practices (Rynes, et.al, 2011). Moreover, while almost all universities claim that they are reaching-out to their local partners with effect, rarely does this rhetoric translate through implementation into real impact (Powell, 2011). Based on these facts, it is evident that current economic and social situation demands new ways of knowledge creation and implementation process. This paper tries to understand the new trends in the knowledge creation and transfer process and the relevance of academic enterprise.

## **Methods**

The paper is prepared and based on the EU funded project on ‘Emerging Modes of Cooperation between Universities and Private Sector’ (EMCOSU). In addition to the review on existing practices on modes of cooperation, the project has carried out an extensive survey among employers, employers association and higher education practitioners from Hungary, Bulgaria, Poland, Slovenia, Spain and other countries (Melink, et.al, 2014). In order to support the statistically proven data base, an effort is made to elaborate the knowledge creation theory and understand emerging modes of university business collaboration from an ‘academic enterprise’ perspective.

## **Knowledge creation and transfer: the relevance of academic enterprise**

In addition to traditional task of education and research ‘the universities operational environment have expanded and new ways of thinking have emerged’, as explained in Nurmi and Paasio (2007). In response to the fast changing market requirements, the knowledge economy requires its agents to satisfy the needs of the real world situations. New ways of work and thinking is one of the several options to face changes. As universities play leadership role in the knowledge economy, they have the responsibility to equip the future workers with required competences and skills.

Accepting new roles and functions in the academic management (in education and research), universities undertake responsibilities to provide

demanded competences to prospective employees: students. In addition to academic orientations, the roles and functions of universities have widened, to a phase which is named as “academic enterprise”<sup>2</sup> or “enterprising universities”<sup>3</sup> for Powell and Deyson (2011). This envisages that universities are required to share the knowledge creation process with enterprises in a collaborative and cooperative manner. This collaborative process in the creation of intellectual capital<sup>4</sup> (I C) makes universities to expand their functional environments. This form of value creation not only benefits universities but would lay value addition to firm’s intellectual capital rather than its physical and financial capital, as explained in Cuganesan in Bezhani (2010).

It has become evident that the traditional concepts of universities, as centers of education and research, have changed; rather they have become a place of ‘engaged learning’ or ‘engaged institutions’<sup>5</sup> for Leodis (2012). Together with an expansion of academic environment to the global needs, universities also specialize to persuade needs of local social needs. To achieve those needs, ‘academic enterprises’ have their priority to equip students with most important competences with which the future workers would be able to achieve those needs.

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<sup>2</sup> Academic Enterprise is an umbrella term used to address the development of best practice with respect to Reach-out to business, industry, civil and voluntary services and the community. Universities become more enterprising in their ways of Reaching-out/Outreach, where knowledge sharing between all parties in any partnership is virtuous (Powell and Clark, 2012).

<sup>3</sup> Enterprising Universities is also a term used in similar meaning as Academic Enterprise. By Enterprising Universities, Powell and Dayson (2011) means that universities are fully engaged with its locality, and helping transform the lives of its citizens, communities, industry, business and the civil and voluntary services

<sup>4</sup> Intellectual Capital (IC) is considered as an important issue by policy analysts. IC means the knowledge created through research and transmission of knowledge, mainly through universities. For a detailed analysis, refer to Nerdrum and Erikson (2001) and Bezhani (2010). IC is also used to signify human capital, structural capital, intellectual assets and intellectual property (Seetharaman, *et.al*, 2004)

<sup>5</sup> Engaged Learning or Engaged Institutions refers to the term which describes about engagement which has evolved from concerns of "access," "diversity," and "public service" between the academy and communities (Leodis, 2012)

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