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Significance of Universities as Partners for Corporate Further Education

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Companies increasingly see the development of their human resources through corporate further education and personnel development (PD) as a central factor for competitiveness.¹ This development can be observed internationally (see for example the CEDEFOP study from Descy/Tessaring 2002, Brandsma/Kessler/Münch 1996, EIU/IBM 1996, DTI/DFU/FEDA or J., Nyhan 2000) and has also been documented in Austria through a series of surveys (e.g. Kailer et. al. 1995, 2001, Schneeberger/Kastenhuber 1997, Schmid 2001, PEF 2003, Kailer/Stockinger 2007).

This development is also supported in terms of quantity and quality by the corporate personnel development concept submitted by the Federal Ministry of Economics and Labor of the Republic of Austria (BMWA) for the “Knowledge Staatspreis für lebensbegleitendes Lernen im beruflichen Kontext” (Knowledge National Award for Lifelong Learning in a Vocational Context) (Thum-Kraft 2004).²

What is the current significance of universities as cooperation partners for companies?

Company surveys show that cooperation with universities (state universities, private universities, universities of applied sciences, foreign universities that offer programs in Austria) has played a rather minor role up to now in the German-speaking area: 5% of the Austrian companies often cooperate with universities, a further 36% occasionally cooperate with universities, 1% often cooperate with universities of applied sciences / courses of study at universities of applied science and 21% occasionally cooperate with universities of applied sciences (Kailer et. al. 2001, similarly for Germany: Andersen 2001). However, the relatively high percentage of “occasional” cooperation indicates a large future potential.

On the other hand, universities are also increasingly seeing their engagement in the further education sector as a central factor for competitiveness in positioning themselves on the education market (Stauss 1999). Considering the fact that in the future there will be an increased necessity to raise third-party funds, the high and increasing market potential in the area of further education, particularly with regard to the demand for flexible course offerings that allow working individuals to obtain an academic degree or additional academic qualifications, is of great importance for the universities.

Results of the expert survey:

The expert survey included on the provider side education experts from universities (heads of external institutes, career centers, alumni organizations, university experts specialized in further education, university members with experience in cooperating with companies to provide further education or experience in managing university courses of study), and on the demand side experts from companies (in particular heads for further education and project managers for cooperation for further education, as well as management with experience in cooperation projects).

The university experts largely agree that it is becoming increasingly important for universities to offer in-company programs. In doing so, the steps of the development process are virtually the same as for common in-company design. With regard to the cost-benefit ratio, the experiences differ greatly. This is particularly related to the varying amounts of time spent gaining experience in this area and thus the money and effort invested in the “learning curve” during the first positioning attempts. The main competition was universally said to be other universities with similar offers. Nevertheless, private education institutions that offer individual academic courses of study also play a role in the competition.

The company experts also emphasize the increasing importance of tailor-made concepts for further education in cooperation with universities. They see the major ad-

vantage of such a cooperation as being the scientifically based further education and impartment of knowledge in the latest research developments. The general gain in reputation through cooperating with universities and the additional opportunity to enjoy easy access to specialty knowledge, instructors, interns and graduates also plays an important role.

Results of the company survey:

Based on the results of literature research and the expert survey, a *questionnaire* was developed for an online survey. A representative random sample of 4,054 companies was taken from the pool of Austrian businesses listed in the Herold database. After sending two reminder emails, the data from 450 questionnaires (return rate of 11%) was included in the evaluation.

- *Previous contact and cooperation with universities*

Markedly more than half (54.7%) of the companies that responded have already cooperated with some sort of university.

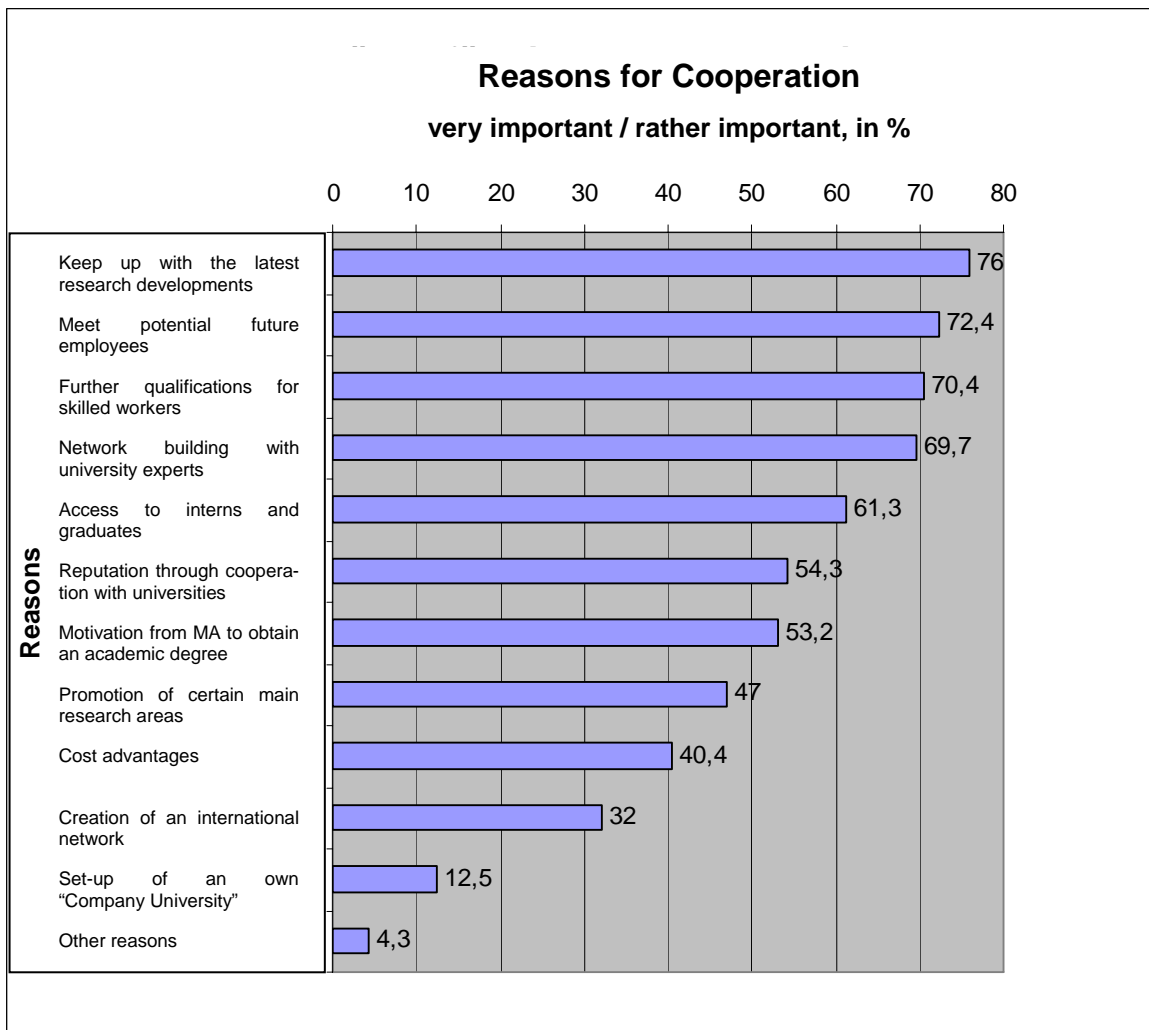
As to be expected, companies that are active internationally cooperate significantly more often with universities than those companies that focus their field of activity in Austria (chi squared = 34.814, sig. = 0.000).³

It was also not surprising to find that companies with more than 100 employees cooperated with universities significantly more often than smaller companies (chi squared = 12.356, sig. = 0.000).

This was supported by the question about the influence of those employees in the company who hold an academic degree: A highly significant correlation exists between the number of employees that hold an academic degree and cooperation with universities (chi squared = 23.029; sig. = 0.000)

- *Reasons for cooperation*

Regardless of whether they had previously cooperated with universities or not, the companies were asked to provide reasons for a (possible) cooperation.



Ill.: 1 Very important / rather important reasons why companies would cooperate with universities (N = 325 responding companies, multiple answers possible)

The most important reasons for cooperating with universities include:

- to keep up with the state-of-the-art (scientific) knowledge
 - to meet potential future employees
 - the possibility to provide skilled workers with further qualifications
 - network building with university experts⁴
 - access to interns and graduates
- *With which providers do companies cooperate?*

Almost three quarters of the companies that responded generally work together in their in-house personnel development and further education with external trainer- and consultation groups, further education institutions, consultation associations, coaches etc.

Austrian providers were named most often, regardless of whether universities or other education and consultation institutions were concerned.

Further education institutions and training groups were named markedly more often than universities as cooperation partners for further education. However, compared with earlier studies the relative percentage of universities has clearly increased, which is evidence of development potential.

- *Who initiates cooperation?*

Cooperation is predominately initiated by **company employees with special contacts to universities / institutes** and the companies themselves. In most cases this concerns graduates from a certain institute or company employees that in addition to their work also hold a university teaching position or possess project contacts. In-house training departments (with the exception of large companies who engage intensively in further education) only play a minor role. Initiative is rarely taken by the university or their liaison offices.

- *For which target groups are universities seen to be suitable providers?*

The target group is predominately considered to be upper and middle management as well as those employees being groomed for future management.

A second, although significantly smaller, target group is skilled workers (technical and commercial specialists as well as *R&D specialists*). For these people, the emphasis would appear to be a specialist “updating” with *state-of-the-art* scientific knowledge. Preparation for assuming a management function also seems to play a role with technical specialists.

An increasing number of in-house programs are being developed for older skilled workers, part-time employees and employees on maternity/paternity leave. Currently however, universities are hardly ever considered as cooperation partners for such programs. This indicates a future market potential.

- *For which topics are universities seen to be particularly suitable as providers?*

Universities are particularly suitable for *imparting state-of-the-art scientific knowledge* for technical, commercial and legal topics. There is also often requests for project management and instruction in linguistic and intercultural competence.

The topics of management and leadership, as well as the topics of strategy/visioning work, company development/change management, marketing/sales were each mentioned by approximately two thirds of the companies.

Approximately half also mentioned “soft skills” (conflict management, team leadership, personal development and personal presentation).

Companies that are very active in further education once again request specialist topics, strategy and visioning development, and project management more often. In the area of “soft skills” however, the results show no difference. It would therefore require greater efforts in this area to also be seen as a relevant provider.

- *According to which criteria are further education courses from universities chosen?*

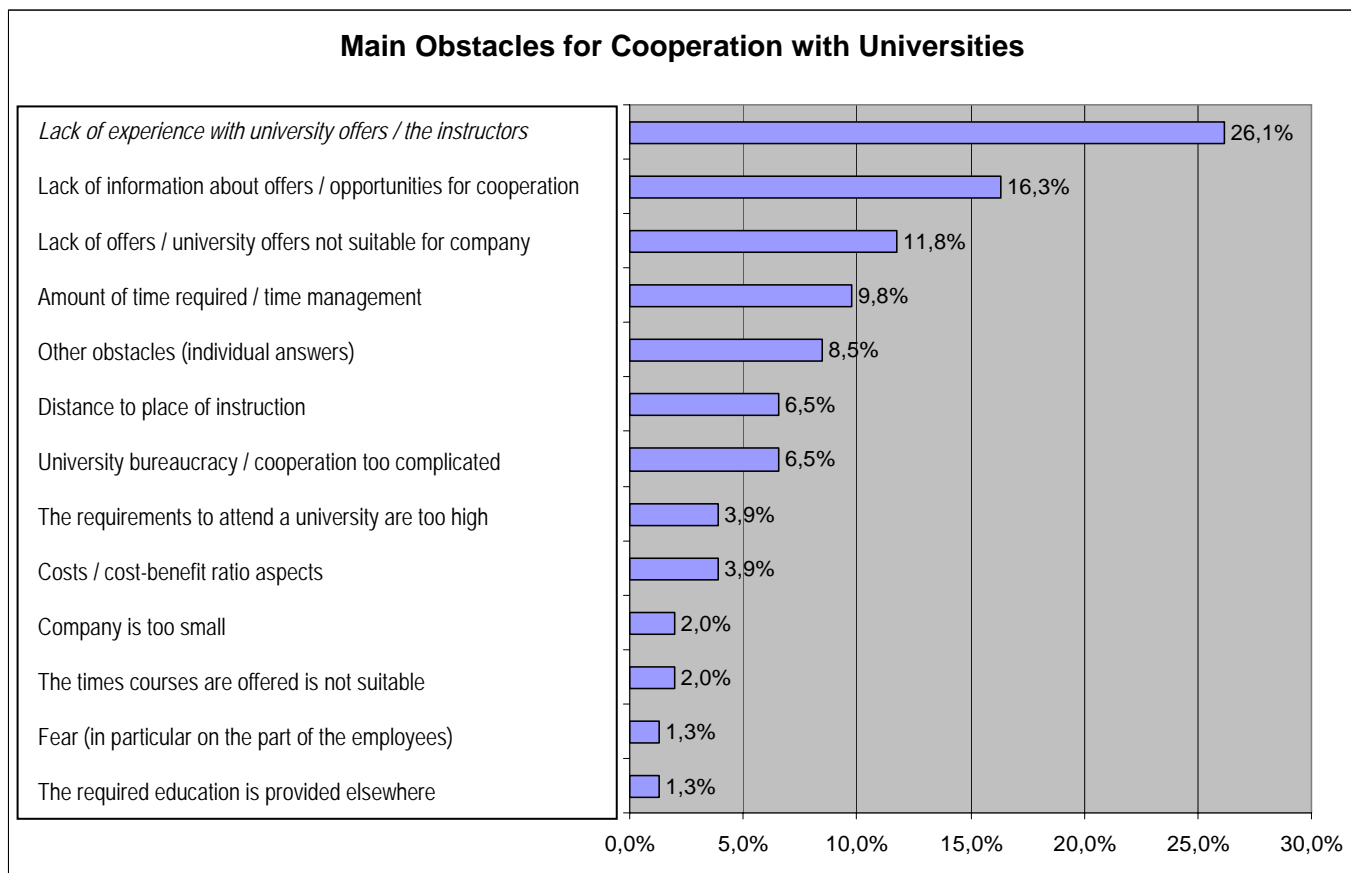
The most important selection criteria are by far *the high degree of practical experience and practical orientation of the instructors*.

Mentioned much less often, but also considered important are the *methodological and didactic qualifications of the instructors as well as the possibility for those to attend who do not have an academic degree*.

One third of those surveyed felt that a modularization of the program in conjunction with the possibility to attend only individual course components was also important. In this relation, the accreditation of relevant practical or management experience or completion of pertinent courses also plays an important role. Almost one quarter see the inclusion of soft skills as an important selection criterion.

In comparison, international aspects (accreditation, participant composition, lecture team) are only rarely named.

• *Main Obstacles for Cooperation:*



Ill.: 2 Main obstacles for cooperation with universities (N = 325 responding companies, multiple answers possible, categorization of open answers)

If these answers are categorized, a clear *emphasis on the question of experience with the university offers and respectively the instructors* becomes evident. A quarter of all the answers fall under this category. 16.3% fall under insufficient information (lack of information about what is offered and opportunities for cooperation). 11.8% of the answers refer to a lack of a university course that meets the company needs. In comparison however, only 6.5% of all the cooperation obstacles given fell under the category “university bureaucracy” and cooperation with universities is too complicated. Distance to the place of instruction was also only mentioned as a problem in 6.5% of the answers. The cost-benefit ratio was only an obstacle for 3.9%. Almost no reports were made of fear on the part of the employees. The aspect that the company is too small for a cooperation was also only given in one explicit case.

¹ Thus, this is associated with an increased willingness to engage in further education on a private initiative (see Schneeberger/Kastenhuber 1998), whereby this correlates with the education level.

² See www.knowledge.at. Since 1999, hundreds of PD concepts from Austrian companies have been submitted, assessed and evaluated.

³ This is also due to the fact that of the companies that responded, the larger companies tend to be more active internationally. In general, larger companies also cooperate with external providers of further education significantly more often.

⁴ Thereby however, approximately only 30% of those companies that responded specifically seek to create an (international) research network with universities.

This research brief is a summary of the soon to be published research report “Stellenwert von Hochschulen als Partner betrieblicher Weiterbildungsarbeit” (Significance of Universities as Partners for Corporate Further Education).