

UNIVERSITIES AND COMPANIES STRATEGIC PARTNERSHIP: RUSSIAN PRACTICE

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Abstract

One of the main purposes of the educational system is to provide a qualified workforce for the companies of the different industries. And nowadays universities understand that along with the teaching and research activities they should pay attention to the creation positive and effective relationship with the business world. To achieve their goals and to become competitive on the market both universities and companies should create long-term relationships that give them the opportunities for effective development. So, they should think about strategic partnership. Because of the strategic partnership universities can share and exchange knowledge and expertise with the business community. They understand the “outside world” and its needs and requirements better and then they can use this knowledge in their activities. Strategic partnerships can help universities earn extra profit and encourage innovations. But to use all of these advantages universities should learn more about strategic partnerships. They should know about the mechanism and forms of the partnership, such as universities enterprises and technical parks, the using of the universities facilities, professional development courses, business-related events, employing universities graduates, research cooperation.

The paper contains the theoretical as well as the practical aspects of the strategic partnership between universities and companies. The authors have summarized the approaches to the strategic partnership and analyzed the most important forms of the partnership in Russia using the practice of the most developed Russian universities.

Key words: *business, strategic partnership, university.*

Introduction

During the past three decades, cooperation strategies in many industries have gained popularity. There is an overwhelmingly positive view of partnerships in the private sector, and in recent years there has been a rapid expansion in partnership formation. Strategic partnerships are perceived to be an appropriate strategy to deal with such pressures of the modern business world as the need to compete in a globalized economy, the rapid pace of technological change, and rising customer requirements. Between different companies partnership can have several forms. Among them are joint research and ventures, direct investment, technology agreement. Such relationships involve mutual dependence and shared decision-making process between two or more independent firms. Nowadays such relationships become wider. The partnership begins to cross industries, countries and regional boundaries. To achieve their objectives companies try to construct partnership with noncommercial, social or educational organizations. One of the most popular forms of the strategic partnership

today is the university-company partnership that can range from financial sponsorship and single agreement to joint research or small firms. Both universities and companies are really interested in the different forms of the joint activities. But to achieve their goals and to become competitive on the market they should become strategic partners. Today the theoretical concepts of the strategic partnership are frequently discussed within the stakeholders theory, social responsibility, sustainable development concepts, etc. But there is no developed concept of the university-company strategic partnership especially with the reference to the practical situations.

Most Russian universities are not engaged at all in any cooperation with the business industry and only few cooperate with business to a high degree. The reason of the situation is that Russian universities don't have the integrated concept of the strategic partnership. They don't define strategic partners among other stakeholders, that's why the network of their partners is extensive and costs for its support are high. Especially it applies to business partners. For the more effective development of the Russian universities, it's necessary to create the mechanism of the universities and companies strategic partnership with the clear understanding of the partnership goals, forms, stages and the benefits for the partners.

The main purpose of the paper is to clearly define the strategic partnership between universities and companies and to identify the ways of the partnership development between Russian universities and companies. The process of the universities and companies partnership building in Russia is presented along with the practical examples. All important problems in this sphere and the ways of the partnership development are discussed. The results of the study can be important for the universities and other educational organizations in the process of the creation the effective strategic partnership with companies. They are also can be used by companies that want to be the strategic partners for the universities.

Strategic Partnership Meaning

Many different studies exist regarding strategic partnership, most of them dealing with partnerships between companies sharing the same profit goal. The most known theory about the companies relationships with the different companies or groups of people is the Stakeholder Theory which was developed in the 1960-s (Jones, 1995). This theory suggests that the purpose of a business is to create as much value as possible for stakeholders. In order to succeed and be sustainable in the future, companies must consider the interests of customers, suppliers, staff, communities and shareholders. There are numerous definitions of stakeholders in the literature, based in part on the economic salience of these stakeholders (Coombs and Gilley, 2005; Frooman, 1999; Jawahar and McLaughlin, 2001; McWilliams and Siegel, 2001). Stakeholders include shareholders, holders of options, debt holders, banks, employees (human capital), local communities (charities), and environment as "latent" stakeholders, regulatory authorities, the government, inter-organizational alliance partners, customers and suppliers (Donaldson, Preston, 1995). According to the ISO 9004:2009 "Managing for the sustained success of an organization. A quality management approach" (International standard, 2009), to achieve the sustained success company should meet the needs and expectations of interested parties. Among the interested parties there are owners, customers, staff, suppliers, society. The organization and its partners are interdependent. A mutually beneficial relationship between them enhances their capabilities to create value.

But nowadays it is not enough for the company to have a good relationship with its stakeholders. It is more important to become the strategic partners with them. Strategic partnership has become an increasingly popular term, but it does not have standard definition because it is still developing and there are many similar terms which are usually used in the studies about relationships between different organizations. Among them there are cooperation and collaboration. But in the objective of the paper it is necessary to separate and define them. Cooperation is the simplest form of the companies' relationships. It is the process of working or acting together during the certain period of time (Cooperation, 2013). Collaboration is a recursive process where two or more organizations work together to realize shared goals (Marinez-Moyano, 2006). Such process does not mean the long-term relationships. The goal of the companies' collaboration is to achieve their common aims.

According to the business dictionary, collaboration is the cooperative arrangement in which two or more parties work jointly towards a common goal.

Partnership is the relationship between individuals or groups that is characterized by mutual cooperation and responsibility, as for the achievement of a specified goal (Partnership, 2013). There are three main approaches to the strategic partnership definition. According to the first approach, partnership is only the signing the contracts between the different and independent companies. The second approach based on the joint activity of the two or several companies aimed to the economic or strategic goals achieving. The third approach supposes that companies collaborate more intensively. They have access to each other resources and try to create joint competitive advantages that can give them the opportunities to increase market share or enter the new market.

So, strategic partnership is wider than cooperation and collaboration. For the goal of the paper strategic partnership can be defined as a formal long-term alliance between two or more organizations, usually formalized by one or more contracts and by which they agree to work together to achieve a strategic goals. The main features of the strategic partnership are trust, common goals and strategic interests, joint activities in the different fields, sharing the risks, long-term and close cooperation.

Partnership between Universities and Companies

Each university has to cooperate with the different stakeholders. Among such groups are university employees, schools and colleges, companies, governance, other universities and educational unions. Nowadays many universities understand the necessity to create the strategic partnership with their partners, especially with business partners. The benefits for the universities from such positive relationships are: substantial streams of external funding, enhanced opportunities for teachers, students and graduates to work on practical research, they can check and proof theoretical instruments in practice. Most industry-university partnerships generate income for the academic institutions. On the other hand companies receive support from researchers; they can hire talented young people and develop their staff via different university programs. According to the existing theories (AISBL, 2012) there are three different types of possible partnerships between universities and companies – strategic, operational or transactional. These forms can be presented in the next scheme (Figure 1):

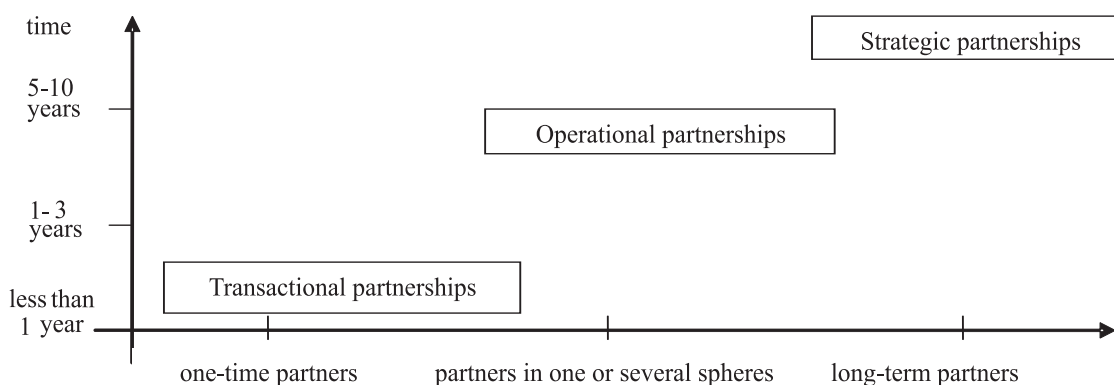


Figure 1: Types of the possible partnership between universities and companies.

Operational partners can be useful in the future as a possible strategic partner. They can cooperate in different fields: teaching, research, students recruitment. Transactional partnership means one-time projects, but they may lead to close cooperation in the future. These, too, can give rise to a strategic partnership. Strategic partnerships run for five to 10 years and mean a broad, flexible agreement. The knowledge produced by the collaboration is likely to influence the university’s future research and teaching and a company’s strategy.

The Forms of the Partnership in Russia

Russian universities construct the partnership with different companies according to the scheme presented in the figure 1. Before the 90-s there were the strong and long-term relationship with the enterprises and organizations but the most popular forms of partnership were only students recruitment and research collaborations. Nowadays there are different types of relationships. The most popular forms of the partnership are presented in the Table 1. These forms were chosen after the study of the most effective Russian universities. These are the universities that received in 2010 the “National-research” status which means the effectiveness of such universities and their importance for the Russian economy.

Table 1. The most popular forms of the partnership between universities and companies in Russia.

Partnership forms	Benefits for the university	Benefits for the company
Industrial Research Chairs	Teachers and students can proof developed models on practice	Companies can decide their problems with the help of the university staff
Graduates and students recruitment	Students and graduates can be hired by the leading companies and then they will help to develop strategic partnership between university and company in the different fields.	It allows for the companies to choose best and necessary employees.
Staff and management training	University receives direct financing from companies for the companies' staff training. It allows developing further cooperation between university teachers and employees.	Companies can develop their personnel via different training long or short courses, seminars and postgraduate or MBA programs. Such courses can be tailored to meet organizations' needs.
Consultancy and analytical services	Universities can realize and check developed models and theoretical instruments on practice.	Universities offer a range of business improvement schemes and analytical tools which can be useful for the companies.
Research collaboration	University receives practical base and financial support for the research and the opportunity to approve new models and innovations.	Companies can achieve their own goals with the help of the universities specialist ideas and improve their activities.
Giving the bases for the students' practical work	Students have the opportunity to receive the practical experience and to know more about companies and their different activities.	Companies can see young specialists during their practical work and then recruit them for the different jobs.
Scholarships and grants for the students and young specialists	Scholarships and grants for the students and young specialists from companies can increase school leavers' interests to the university and give the students further reasons for the studying and research activities.	Companies can attract young talented students and participate in their research projects.
Invitations companies staff for the teaching	Teachers from real companies can give students theoretical as well as practical skills and share their own experiences in business and practical situations.	Companies' specialists can give practical knowledge for the students.
The using of the university facilities	It can be the extra source for the financing and can increase the number of potential partners in the future.	Universities can be venues for training, meetings, conferences and other companies' events.

Types of the relationships presented in the Table 1 are only the forms of the partnership. Each form taken separately cannot be called as the strategic partnership.

On the base of the existing approaches to the strategic partnership and the main partnership

forms in Russia, Russian universities and companies strategic partnership can be presented as the consecutive process (Figure 2).

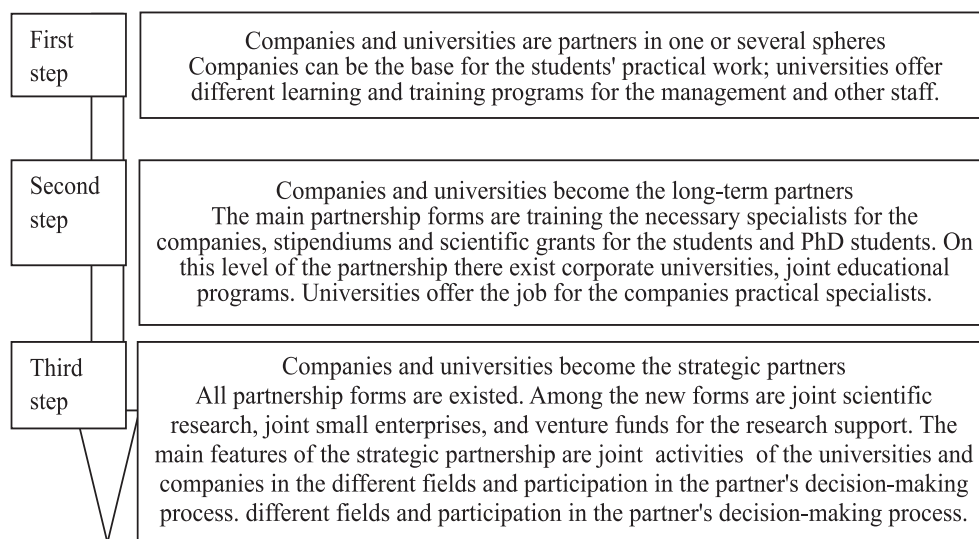


Figure 2: The process of the universities and companies partnership building in Russia.

Russia has many examples of the successful strategic partnership between universities and companies that was developed according to this scheme. One of the examples is the Moscow Aviation Institute. It's the only university in Russia that graduates specialists for all Russian cosmodromes and the only university in the world that has its own aerodrome where students can receive practical skills. The institute also trains specialists for 51 companies in Russia. 11 enterprises have the special university chair in their structures. One of the leading universities in Russia is the Higher School of Economics. With the collaboration with the big Russian companies it carries out many research programs. The consumers of the research results are more than 100 Russian companies from the different industries. The university also offers MBA, DBA, EMBA and Master in European Business programs. Bauman Moscow State Technical University has 7 Research-Educational Complexes that carry out research in the most important for the Russian economy fields. Nowadays 32 Russian companies include the university into their innovative development programs. The strategic partnership programs are realized within scientific-educational centers, laboratories of the collective use, small venture enterprises. This university is the one of the creator of the Skolkovo Innovation Center, the example of the cooperation between science and technology companies.

The Perspective of the Universities and Companies Partnership in Russia

Today Russian universities try to build long-term and productive collaborations with the different companies. But it's difficult to define the most forms of the relationships between the universities and companies as the strategic partnership.

There are several problems that disturb effective relationships. Russian companies continue to eliminate the financial crisis consequences. That's why they reduce their costs for the research and staff training. Some of the new students and teachers ideas are not competitive for the companies because of the lack of the presentation skills and commercialization knowledge. The knowledge and skills of the some universities graduates are not corresponding to the companies' requirements. The most successful examples of the strategic partnership are given from National-Research universities in Russia. The reasons of the other universities problems lay in the lack of the trusted and close cooperation between companies and universities. They do not understand their benefits from strategic partnership activities. To achieve their goals universities should move from one-time cooperation to the strategic partnership.

The possible directions of the universities and companies partnership development in Russia are:

1. The creation of the special system for cooperation with business partners. It can be one or several department in the university that will search, formalize and develop the relationship with companies in the different forms. It can be group of commercialization, department for the students and graduates recruitment, business research department. Some of such structures already exist in the Russian universities, but they should be united by the common idea of the strategic partnership.
2. The setting up small business firms on the base of the university but with the help of the companies.
3. The creation the different Funds that will support young and talented students and teachers. That can be different scientific competitions, such as Umic, Start, Temp that already exist but with the business support.

Conclusions

The most productive relationships between different organizations are strategic and long-term. They are called strategic partnership. The most popular types of the partnership today are partnership between companies and universities, because they bring many benefits for all partners.

The benefits for the universities are: substantial streams of external funding enhanced opportunities for teachers and graduates to work on practical research. Working with a educational strategic partner allows a company to innovate and share technology, helping companies bring product to market faster, with broad market appeal. Businesses often explore strategic partnerships for reasons of risk management. Such alliances can preserve and extend limited resources, as well as become the backbone of market-share protection strategy.

Russian universities have many opportunities to build strong relationship with the companies. But they will be able to do that only if they will try to develop strategic partnership. Unless they are based on trust and reliance, partnership risks to be temporary and not successful. Unsuccessful partnerships waste time and damage relationships and partners can lose money, reputation and people.

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