

# **Between Prestige-Seeking and Profit-Seeking. How to Make the Academic and Business Worlds Meet**

## **Innovative Europe. Fostering Innovation Ecosystem Conference**

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## **Introduction: Sections**

- (1) Introduction
- (2) The university-business dialogues
- (3) Polish academics: their entrepreneurialism
- (4) Why the Kudrycka higher education reforms (2009-2012) are not enough today
- (5) Conclusions

# I. Introduction: Ideas

- Many reasons why Polish universities need further reforms – but **weak university-business links** figure out prominently.
- **Snapshot picture:** Polish universities are
  - **self-centered,**
  - **inward-looking,**
  - **semi-feudal** and hierarchical,
  - too much **collegial** and not **managerial** enough.
- Needed today: to **encourage a good institutional climate** for stronger university-business links, academic entrepreneurialism, and cooperation with the outside (extra-mural...) world.
- Western European university governance and funding models to be applied
  - no more „Polish exceptionalism” – Western European solutions which work – as the key.
  - **More learning needed – no time for a national trial-and-error approach.**
- **Successful Western European models** – with national adaptations.
- More **competition** – for prestige, recognition, and research funding.
- Better **understanding of universities** to bring **science and business closer** (the world of business much better analyzed!).
- The two worlds – **fundamentally different:** academic **prestige** maximization (and prestige-seeking) vs. **profit-maximization** (and profit-seeking).
- Will always be different – understanding differences by all three stakeholders: **universities, businesses, and the state.**
- **Generic differences** between the two worlds vs. differences between **Polish** and **Western European** academics. In the long run – Polish academy cannot be **so** different!

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# I. Introduction: Empirical Background

- Empirical background for this presentation: research into:
  - 3 years: „**academic entrepreneurialism**” in 7 European countries (EUEREK);
  - 2 years: „**university-enterprise partnerships**” in 6 European countries (GOODUEP), and
  - 6 years: the „**changing academic profession**” in 12 European countries (EUROAC/CAP).
- **Dozens** of institutional case studies across Europe; **hundreds** of interviews and interview reports; **thousands** (17,212) of faculty surveys returned (including 3,704 in Poland).
- The „data-rich” environment – leads to **evidence-based research** and strong policy implications!

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# I. Introduction: Brief Macro-Level Picture

- Poland's ranks in "**higher education and training**" and in "**innovation**" have **decreased substantially** in the last five years (*Global Competitiveness Index: 2010 and 2015*).
- Poland moves forward – but others are moving forward **much faster!**
  - Poland has lower ranks in **all 8** indicators of the former – and in **all but one 7** indicators of the latter ranking.
- **Despite** investing additional billions of European **structural funds!**
- Statistical picture:
  - **low** public expenditure on higher education (0.65% of GDP in 2013);
  - **low** public and private expenditure on R&D (0.94% of GDP in 2014);
  - **low** industry-financed public R&D as a percentage of GDP (0.3% of GDP). Heavily disappointing!
- But macro-level picture is only **part** of the picture! I refer to different data!
  - What also matters (complementarily) – is a micro-level picture:
    - **what academics think and how they work** (= the shop-floor level of university-business links; those who actually do the cooperation).

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## II. The university-business dialogues (1)

- University and Business as two fundamentally different spheres:
  - Based on different **institutional (and individual) awards**:
    - academic **recognition** by peer academics, priority of discovery, vs. financial awards and bonuses
  - Different **reward structures**, individual motivations, motivating forces:
    - going up the academic ladder vs. up the corporate ladder; academic **promotion & prestige** vs. increasing company profits
  - Different **timetables for cooperation**:
    - a **long** timetable for both universities and academics; **long-term** (incl. life-time) vs. short-term perspectives. Time goes by differently!
  - Different **languages** (academic recognition vs. profit margins)
  - Different **incentives** for collaboration:
    - **academic** research vs. **corporate** research (linked to different **monetary** and **non-monetary awards**).

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## II. The university-business dialogues (2)

- Different **institutional cultures**:
  - A „**cultural divide**“:
    - cross-organizational **cooperation** vs. cross-company **competition**;
    - quasi-markets (at best) vs. real markets
- Different **social norms and institutional policies**
- Different **aims of research**:
  - **Recognition** for publicly-available discovery vs. corporate profits;
  - **Public** goods, **open** access and **public disclosure** of results vs. private goods, applied research and non-disclosure (or delay) of results
- Different approach to **financial profits**:
  - marginal vs. critical role; non-profit vs. for-profit
- **Puzzle** (= curiosity) – **Ribbon** (recognition) – **Gold** (**basic motivation in science**):
  - Curiosity and ribbon **much less** prominent in the biz sector

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## II. The university-business dialogues (3)

- In a word:
  - **academic research** is a multi-billion-euro enterprise embedded in higher education institutions: research results are **publicly** available **public** goods produced in a sophisticated system of academic **awards, recognition** and **prestige**!
- Point 1: only by **understanding** the role of academic research for institutions and academics = can we imagine better university-business links!
- Point 2: The **prestige-based system** of the academy and the **profit-based system** of the corporate sector are incommensurable:
- Point 3: **Prestige** maximization vs. **profit** maximization!
- Point 4: Therefore **the state** (the third player) **intervenes and funds** the uni-biz cooperation across Europe!

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## II. The university-business dialogues (4)

- In most OECD systems university-business links are powerfully supported with **public funds**.
  - The state funds
    - **direct cooperation** between the two sectors,
    - **mobility** between them,
    - **support structures** outside (technology parks) and inside (technology transfer offices) higher education.
- The state also increasingly **supports corporate** research:
  - public funding increasingly goes **directly** to the corporate sector (NCBR, is a perfect example).

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## III. Polish academics (1)

- We know what seems to **work** in Western Europe. I know academic attitudes in Poland and in 10 Western European systems. So I **compare** them.
- What makes the Polish **academy** different – and Polish **academics** different (with reference to university-business links!).
- The differences – **fundamental**; they need close policy attention in the future.
- European **comparative** and **quantitative perspective**.
- The analytical power of my indexes and my data lies in their **relative nature**:
  - the **relative ranking** of the Polish higher education system among other 10 European systems is more important than the **absolute values** of these indexes and values.

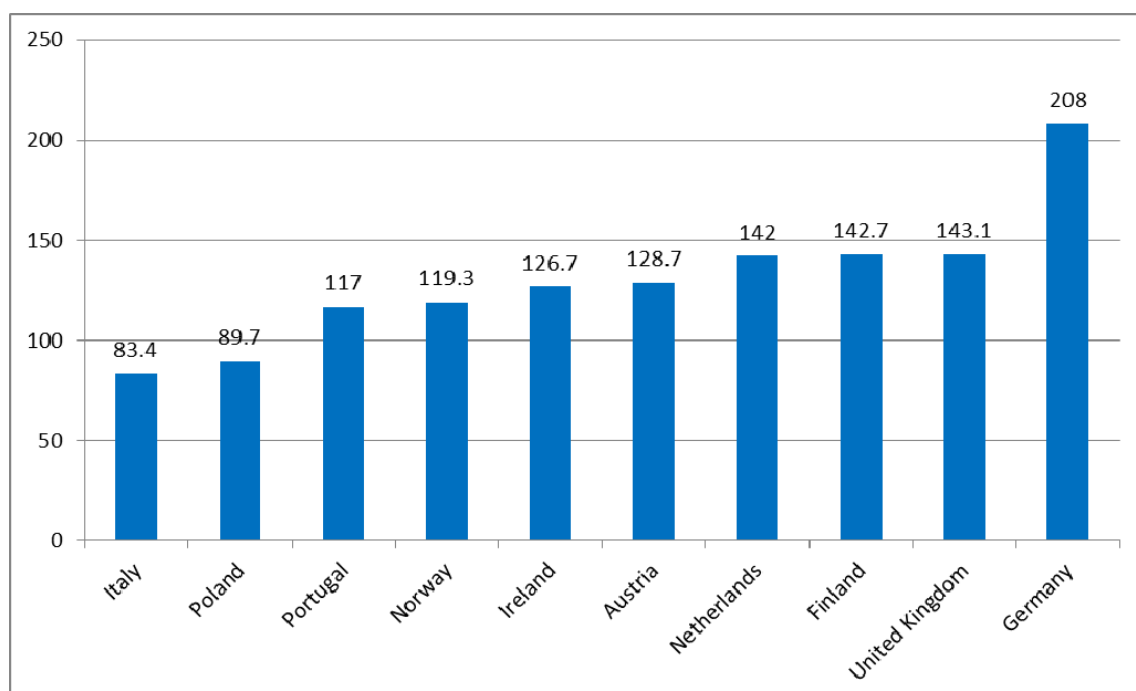
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### III. Polish academics (2): The Index of Academic Entrepreneurialism

- The “**Index of Academic Entrepreneurialism**” (next slide), the five items studied – various dimensions.
  - Question: “**To what extent does your institution emphasize the following practices?**”,
  - The percentages for answers 1 and 2 are combined. A five-point Likert scale is used from 1 = “very much” to 5 = “not at all”), aggregating and averaging answers for the 5 items.

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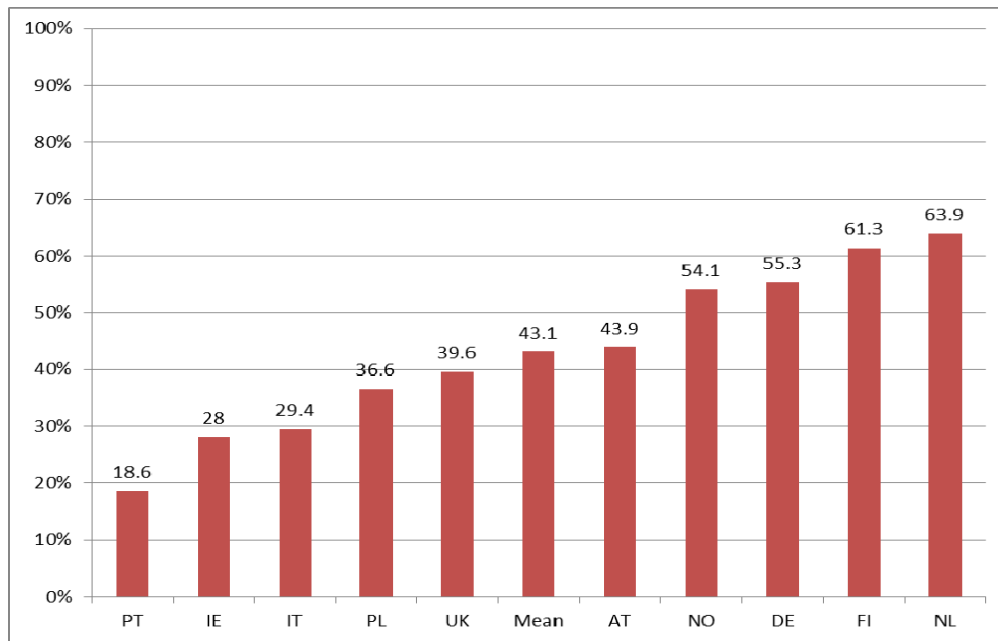
### III. Polish academics (3): The Index of Academic Entrepreneurialism



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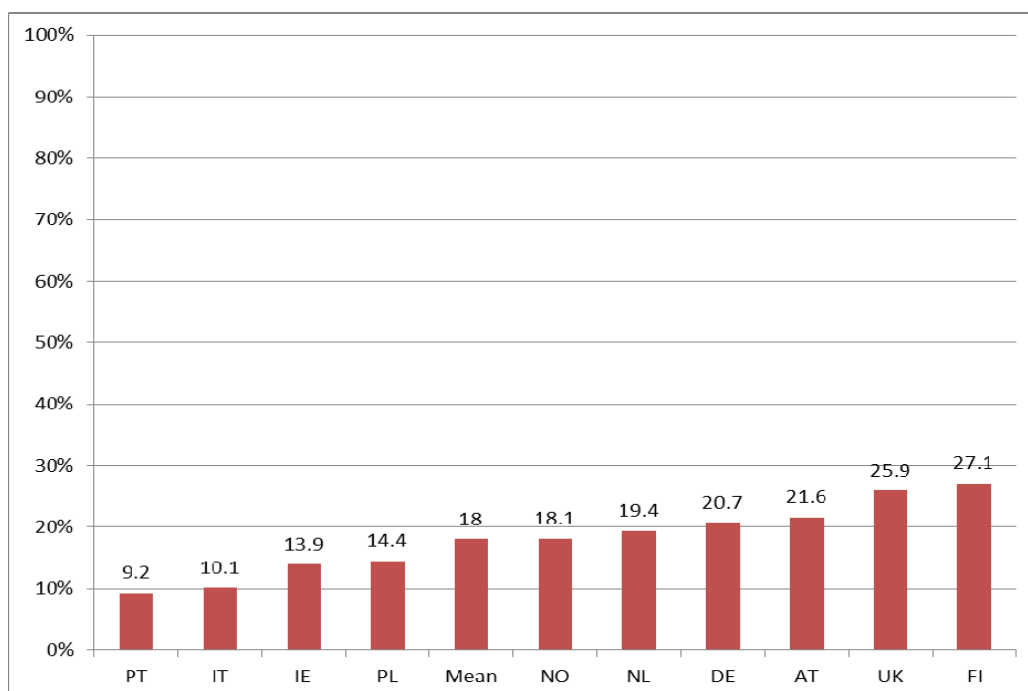
**Figure 1: “Index of Academic Entrepreneurialism”. “To what extent does your institution emphasize the following practices?”, full time faculty only, universities only (Question E1, “from 1-very much, to 5-not at all; responses 1 and 2, “very much” and “a lot”, are combined) (percentages) (percent agreeing).**

... „Performance based allocation of resources to academic units”.



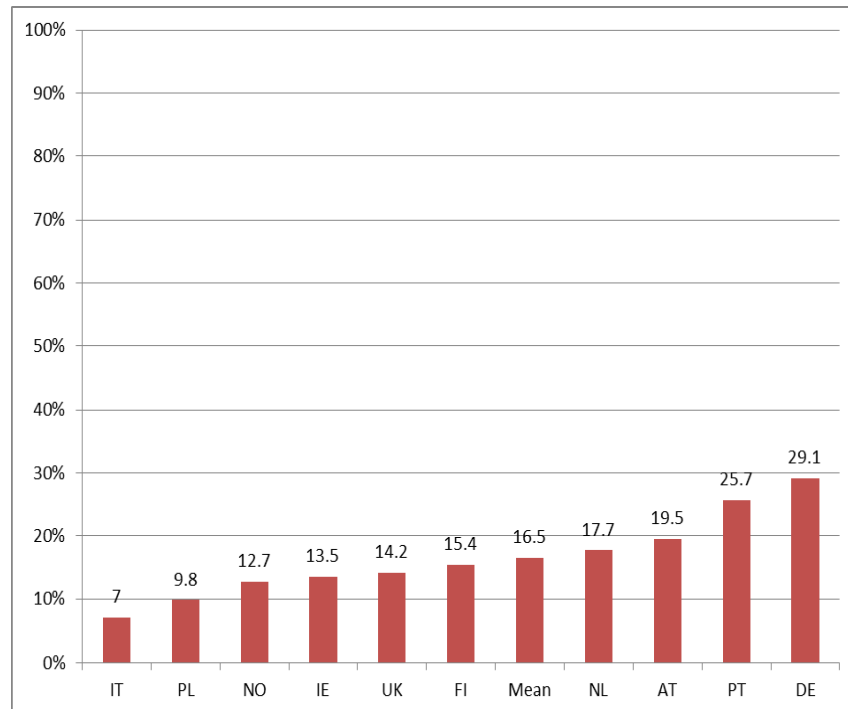
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**Figure 2. ....” Considering the practical relevance/applicability of the work of colleagues when making personnel decisions”.**



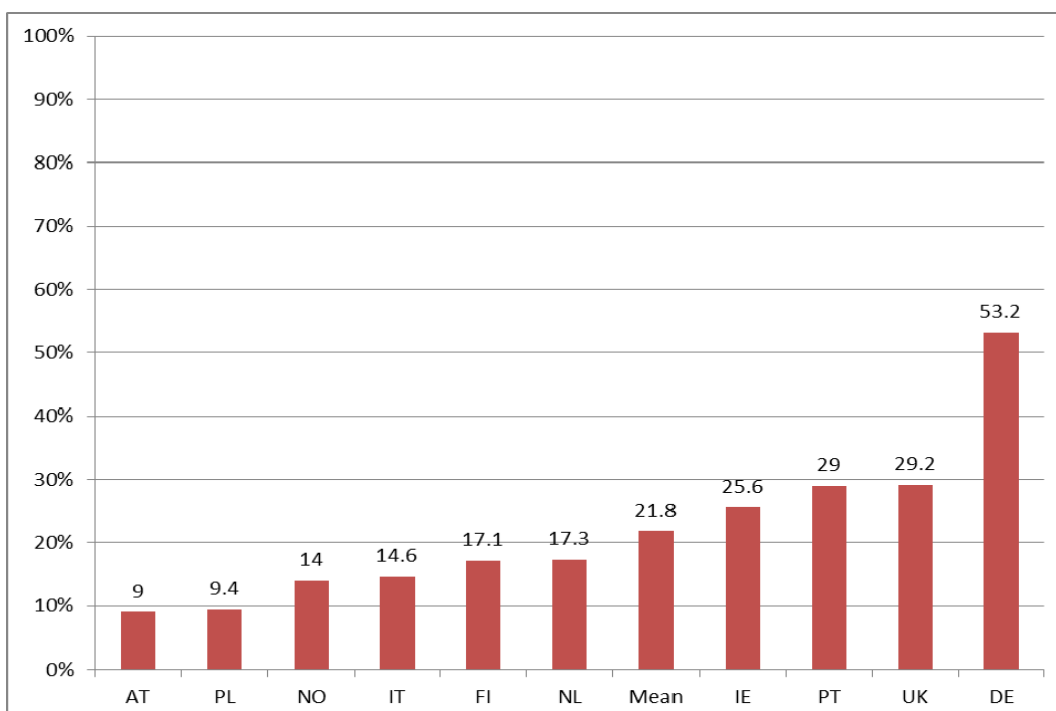
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**Figure 3 ... „Recruiting faculty who have work experience outside of academia”**



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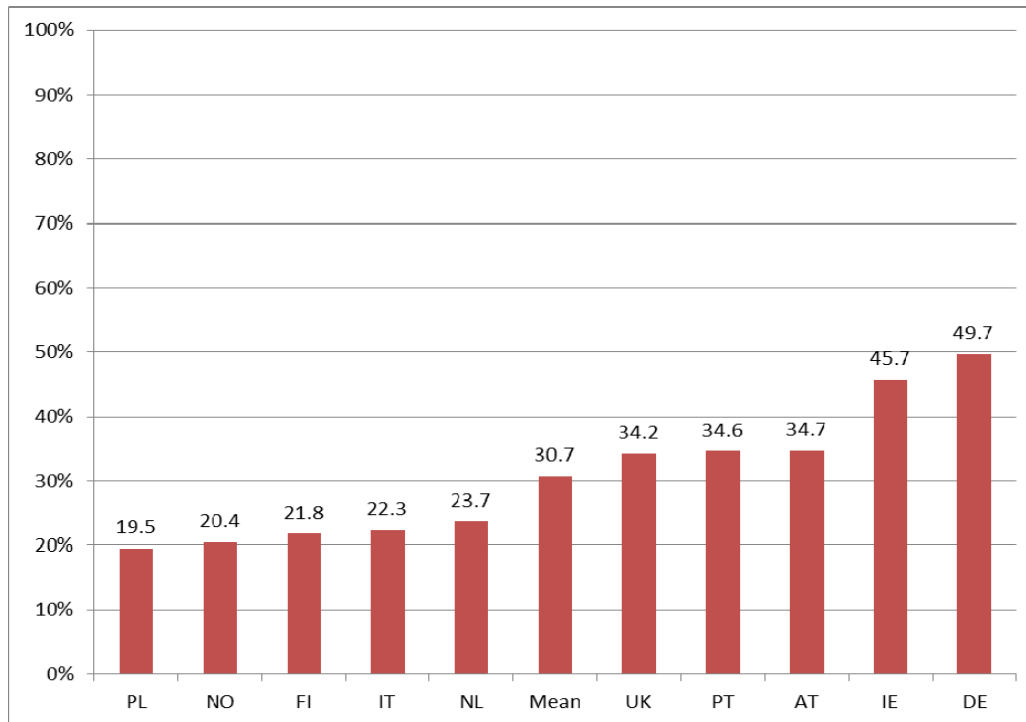
**Figure 4. ... „Encouraging academics to adopt service activities/ entrepreneurial activities outside the institution”**



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**Figure 5. ... „Encouraging individuals, businesses, foundations etc. to contribute more to higher education”.**



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### III. Polish academics (4): The power of the Ivory Tower ideal?

- The power of the **traditional Ivory Tower ideal** in Poland: **What academics think?**
- Four statements directly related to the Ivory Tower ideal (viewed here as **the low connectedness of universities to the outside social and economic world**)
  - (percent “agreeing”; we refer to percentages of answers 1 and 2 combined, on a five-point Lickert scale: from 1= strongly agree to 5= strongly disagree and from 1= very much to 5 = not at all, depending on the question; full-time academics, universities only):
  - • **“Scholarship includes the application of academic knowledge in real-life settings”:**  
Poland, together with Austria, ranks the **lowest**  
(59 percent agreeing vs. the European average of 74 percent).
  - • **“Faculty in my discipline have a professional obligation to apply their knowledge to problems in society”:**  
Poland ranks the **lowest**  
(40 percent agreeing vs. the European average of 57.3 percent).
  - • **“Emphasis of your primary research: applied/practically oriented”:**  
Poland ranks the **lowest**  
(45.5 percent very much vs. the European average of 60.9 percent).
  - • **“Emphasis of your primary research: commercially oriented/ intended for technology transfer”:**  
Poland ranks the **lowest**  
(9.8 percent very much vs. the European average of 15.4 percent).

Conclusion: very low index of entrepreneurialism (**institutional practices**) and the lowest ranks in **academic attitudes** linked to entrepreneurialism.

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### III. Polish academics: a summary of micro-level findings

- Polish universities - institutions **isolated** from both the needs of **society** and the needs of **economy**.
- Closer to the ideal of **the Ivory Tower** than any other European system studied.
- Results based on **academics' beliefs** - which are crucial to academic **performance** (similar criticism: reports by the World Bank and the OECD).
- A picture shown in a **relative and contextual manner**: Poland compared with the other ten European systems.
- An uncommonly high level of interiorization of **traditional academic norms** (associated with the Ivory Tower ideal) - goes hand in hand with an uncommonly low level of **readiness to professionally connect** with the outside world.
- Today (2015) the picture may be **slightly** different – but not **vastly** different! Powerful ongoing changes – effects of the Kudrycka reforms!

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### IV. Why the Kudrycka reforms are not enough (1)

- The **2009-2012 reforms** an important **first step only** (little awareness – data no available; anecdotal evidence; aggregated data).
- The changes in Poland are **very late** and **very slow** – in the EU comparator countries are one-two decades old and faster.
- The **European context matters**: if all competitors are **running** fast, we cannot be satisfied with running slow (only because we were **walking** before)! The context is the increased relevance of HE reforms, long-term strategic thinking, changing university and funding modes, and huge public funding.
- The **distance** between Poland and Western Europe in two sectors (higher education and innovation) is still **increasing**.
- Accumulating disadvantages means **ever more efforts and ever less results** – because a **critical mass** of institutional reforms and public funding have **not** been reached.
- **Others** are moving forward **much faster** than Poland because their reforms were conducted **earlier**, and public investments have been much **higher**.
- While „**budget airlines**” can work – „**budget universities**” will surely fail!

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## IV. Why the Kudrycka reforms are not enough (2)

- Poland needs **reformed institutions** (and possibly **new** institutions, like MABs – „intern’ research agendas”), more (both competitive and core) **public funding** – and more reliance on high **performance**. Condition not met!
- The participation in the **global production of research and innovation** requires Polish academics to play by **the global rules**. Condition not met!
- Research-intensive universities (possibly world-class) require three components: concentration of **talent**, abundant **resources**, and appropriate **governance**. Condition not met!

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## V. Conclusions

- (1) A university-business **dialogue** requires a **better understanding of universities** (and their reward structures).
- (2) Universities need **changes** towards more **managerialism** and business orientation – but not structural changes towards becoming fully-fledged **business organizations**.
- (3) Both organizational types cooperate based on the cooperation of **people** (business people and academics). **Understanding academics** needed!
- (4) Universities should not become **purely profit-driven** organizations. They have **different missions!** Mixing missions of the **two worlds** will fail!
- (5) There are **three** (not two) major stakeholders in university-business links: **universities, companies... and the (old good) state (with public funding)!**
- (6) **Changes** in academic attitudes **take time** (not overnight)! A **decade** is a realistic minimum period for changes (given that realistic policy **incentives** and ample public **funding** are made available).
- (7) Further university **reforms** are a **must**: we are now **running**, not walking any more (as in pre-2009) – but still running very slow from a European comparative perspective...
- (8) More **competition** in the university sector is a **must!** Then more **resources**, indispensable to concentrate talents... Otherwise „budget universities”, unable to cooperate with the outside world.

Understanding points (1) through (8) will **powerfully facilitate university business links** in the future!

Disregarding them – will lead to another lost decade!

- *Thank you for your attention! [kwiekm@amu.edu.pl](mailto:kwiekm@amu.edu.pl)*

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