

## ORGANIZING OF INTERACTION BETWEEN UNIVERSITIES AND THE BUSINESS-ENVIRONMENT IN TERMS OF STAKEHOLDERS

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**Abstract:** The interaction between universities and business in the field of innovation is practically relatively simple and straightforward, but at the same time requires careful construction of complex processes. All these processes of interaction are directly related to people and the organization. The term "stakeholders" applied only to employees of the enterprise, but due to the current changes, it has acquired a social orientation. The term is now common in many scientific publications. It can be applied to the organization itself and outside the organization in the organization of interaction between universities and business. The purpose of the study was to define and identify the interactions between universities and enterprises, depending on the type of activity. The HElinovate tool was used to get the result among 2 universities in Kazakhstan and Poland. The results of the study show that the identification of internal stakeholders of interaction between universities and business in the field of innovation plays a key role in the joint work of both parties.

**Key words:** stakeholders, university-business collaboration, innovative activity, university, business environment

### 1. INTRODUCTION

Today we are witnessing radical changes in all areas, which also affect the relationship between universities and business, and require new approaches to cooperation between the two sides. According to Ahmed Nasser Alraji and others, the University-Business Partnership (UBC) includes the process of transforming the knowledge acquired at universities into the knowledge that enterprises use in their activities and future strategies. UBC is not a set of goals or results, but different ways of using knowledge in different forms. These relations are supported by key factors of economic prosperity; These include innovation, foreign direct investment, human capital, research infrastructure, intangible assets, education, intellectual property and company building. Cooperation between the two sides always requires a detailed solution to the issues of cooperation, and these solutions will have a positive effect

and will be mutually beneficial in the documents of Victoria Galan-Muros. Todd Davey noted that at all stages of cooperation between universities and business, scientists and employees have found many ways of mutually beneficial cooperation. These results are implemented in the form of business incubators, innovation and entrepreneurship centers, joint research laboratories and research institutes. Experience has shown that all these methods of interaction require a lot of material costs and time, and even if all these issues are resolved, the multilateral activities of universities and enterprises may not use all models of interaction. Lack of specific knowledge about the activities of the other party does not always allow to find direct and long-term ways of cooperation between business and universities. At present, stakeholders play a key role in many research collaborations between universities and business. Because it belongs to different target groups and it is performed by different groups. On the one hand, it is the internal stakeholders that represent the university, and on the other hand, the target group, which can be external groups or stakeholders and stakeholders of the university (internal stakeholders). Thus, the process of interaction with the university can be discussed taking into account different groups of stakeholders (Tomasz, 2018). However, in practice, stakeholder consensus has not been sufficiently studied in practice and requires a lot of research, as the academic environment is unique and each university operates differently, which requires more evidence to be grouped by stakeholders and considered in different ways. The purpose of this article is to consider and identify various stakeholders in cooperation between the university and business. The importance of university-business collaboration (UBC) in innovation and education is widely recognized (Rybníček and Königsguber, 2019) and the economy is becoming increasingly important in the face of competition and innovation and growth competition in global markets (Klaus and Kesting, 2017; Sarpong et al., 2015).

## **2. LITERARY REVIEW**

University-business collaboration (UBC) is still a fragmented and vague area of research, and the concept of UBC remains insufficient, as much research is conducted around certain elements rather than as an overly, concentrated and interconnected system (Galan-Muros and Davey, 2019). According to Freeman (1984), an interested party can be any person or group of people who is influenced by the company or who can influence the achievement of its goals. This is the concept behind stakeholder theory. This theory holds that the final results of any activity should take into account the results for all stakeholders involved, not just the results of the owners or shareholders. Eberendu, A.C. writes that it has long been recognized that stakeholder management increases the propensity for successful project delivery, but the full benefits of stakeholder management have yet to be realized. Previous research has indicated a lack of an integrated stakeholder management process as existing structures in the SEP are either focused on a specific stage or do not take into account vital factors such as active listening, networking, communication and feedback from stakeholders, social and professional relationships between stakeholders, compromises of understanding and conflict resolution. Fran Ackermann and Colin Eden point out that one of the most important tasks in developing a strategy is managing interactions between the multiple requirements of an organization's various stakeholders in relation to its strategic objectives. Chygryn, O and others address stakeholder engagement and collaboration to develop and promote green

enterprise competitiveness, which are currently relevant and important in creating competitive advantage.

Brem and Radzivon believe that 2017 will show politicians around the world the importance of a strong relationship between business and higher education as a means of boosting economic activity by investing heavily in support of the UBC. Karvowski noted the novelty of the 2017 work and noted that innovation should be considered as a key feature in business models, in particular e-business models, along with the creation of flexibility, transparency and value for stakeholders. Creating a network of connections between universities and other organizations, including business, is a response to capital creation for the emergence of open innovation, an idea that can be found in the writings of Victoria Galan-Muros. Todd Davey. Stakeholders are defined as individuals, as well as groups identified by organizations in relation to the processes, projects, projects or organizational goals that they can influence or are within them (Kozlovska, 2015, p. 75). An organization's internal stakeholders may be in equivalent or more or less hierarchical relationships. As for universities, the traditional teacher-student relationship still exists. In the future, according to some experts, for example, Sahlberg, 2018, the form of interaction in which the parties are suppliers and learners may differ from existing schemes. There can be only one person in the field of education – a professor or teacher, as well as a team of professors or teachers. This type of knowledge sharing may reflect the teacher's need for new competencies. In addition, Czerwińska-Lubszczyk identifies three main themes related to cooperation between universities and business: innovation accelerators, technology transfer offices, high-tech centers, business incubators, science parks, spin-offs, and the second is based on the spiral triple model. and a four-screw partnership, a model of interdepartmental interaction between organizations of fundamentally different nature that can have different goals and adopt very different formats. Freeman (1984: 46) defines a stakeholder as "any group or individual who contributes or can contribute to the achievement of the goals of the organization." The interaction between the university and the business must be reasonable for all participants to benefit. Successful cooperation as a global reward supports industrial progress and scientific achievements. In addition, it is difficult to work on the organization of effective interaction between the academy and pure industrialists (Starov et al., 2014). UBC has traditionally been associated with research and commercialization. The study of forms of cooperation between universities and business revealed that the implementation of commercialization and R & D are only two of the eight types of UBC (Davey et al., 2011). Cooperation is a key factor in the interaction of universities with various counterparties. The level of effectiveness of both the university and the stakeholder depends on their cooperation. Therefore, it is necessary to diagnose the effectiveness of cooperation between the university and stakeholders and between the stakeholders themselves. Therefore, the study of the priority of interaction with one or another stakeholder is an urgent scientific task, the solution of which will allow universities to work more effectively and purposefully (Popadynetsa et al., 2020). To facilitate cooperation between the university and the business sector, it is necessary to clearly understand the goals and motives of both university participants and the business sector. Ankrah and others. (2013) uses a qualitative approach (primarily based on interviews) to study the motivations of universities and industry actors to participate in the exchange of knowledge between universities and industry. Cooperation between universities and

business has become a top priority for many universities, and its importance has attracted the attention of scientists and politicians around the world. However, despite the fruitful research in this area, few have studied the collaboration between the university and the business curriculum or its intermediaries (Pleva et al., 2015). Business incubators seek to develop reliable business and social networks to benefit resident companies in the form of intellectual and material resources. However, there is limited information on what motivates resident companies to engage in networking and barriers to building effective networks (Cooper and Hamel, 2012).

R Ulewicz, M Blaskova in their writings assessed the current state of knowledge of individual groups of stakeholders, and also assessed activities to identify, disseminate and use knowledge to improve the efficiency and effectiveness of stakeholders. Ina Agustini Murwani points out that Good governance in multi-stakeholder partnerships will affect sustainability indicators that include environmental, social and economic measures. Á Delgado Zaperó gives an interesting idea that, nowadays, problems arise in every decision that people or companies make. This is because each part has its own interests, usually different from each other, and they must care about them more than the rest in order to achieve a high level of success in terms of achieving their goal. Research papers by Andreas Tsalas and Nikolaos Pentsas indicate that the Strategic Stakeholder Management Concept, which can be seen as one of the neglected issues in the defense sector, is being studied and therefore some proposals are being made to improve stakeholder management practices in this sector.

A literature review on the role of stakeholders in the interaction of two parties provides an opportunity to consider the following hypotheses:

**H1. Stakeholders are closely linked in cooperation between universities and business**

**H2. The identification of stakeholders in a collaboration in significant relationships affects the effectiveness of the collaboration.**

**H3. Stakeholders positively influence the innovation activities of both parties.**

Additionally, the role of stakeholders in interactions between universities and businesses can be briefly shown in the following diagram:

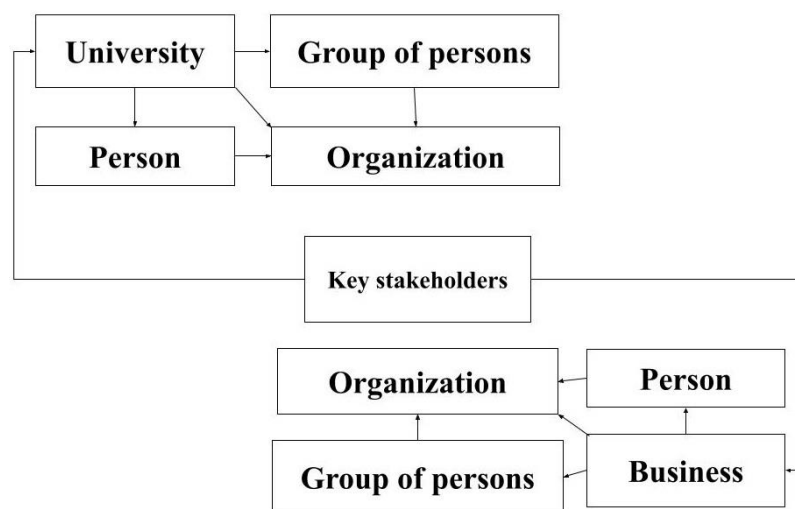


Fig.1. The role of stakeholders in interactions between universities and businesses

### 3. METHODS

A comparative case study compares the identified stakeholders of each of the different initiatives across the three independent academic centers. Benchmarking reflects performance goals and expected outcomes, as well as the relevance of participants in activities that make up target groups or activities, including expansion, that is, activities aimed at specific groups of people. The analysis is based on referral to the EU through the HEInnovate initiative, an initiative of the OECD's Local Economy and Employment Development Program (LEED) (Cusio, 2018).

HEInnovate is a free self-assessment tool for all types of universities. It allows universities to be assessed through a range of statements related to her business, including leadership, staffing and business relationships, continuing education materials, and supporting materials including case studies to support workshops and further development.

To identify the stakeholders of the business university, two initiatives were selected and analyzed by two different universities in Kazakhstan and Poland. These universities are:

1 Turan University, Kazakhstan

2 Kozminsk University, Poland

“Turan” university is about innovative approach to learning, practice oriented courses and a special business environment, created specifically for enthusiastic, developing and self-confident students. Kozminski University (KU) is a Polish private business and law school established in 1993. It has 5,300 students and a leading position in management education in Poland as well as Central and Eastern Europe. To date, the University of Turan is the only university that has evaluated its entrepreneurial activities using the HEInnovate tool. Kozminski University of Poland operates in various regional economic conditions, located in the Mazovian Voivodeship. The Mazovian Voivodeship is the largest region both in terms of area and population, as well as the most economically developed region in Poland.

### 4. RESULTS AND DISCUSSION

The results of the analyzed comparative cases are given in the table. The table provides stakeholders (inside and outside the university) with the name of the university and the goals and expected results of the initiative. In each of the proposed cases, the responsible groups of internal and external stakeholders are indicated.

**Table1.**

Two examples of EU universities initiatives leading to their transformation into more entrepreneurial ones

Name of higher education institution	Objectives and expected outcomes of the initiative	Key stakeholders (inside and outside the HEI)
<b>Turan University, Kazakhstan</b>	Business incubator at the Turan University Turan Start-App LLP is the training of proactive, creatively thinking specialists with an active life position, possessing professional skills for the development and modernization of the economy of the Republic of Kazakhstan, improving the quality of education and competitiveness of a graduate of a modern university.	Students and alumni of Turan University, teaching staff and managers of the university, companies and business investors,

	<p>Key outcomes:</p> <p>Silence Digital - The company is engaged in the creation of high quality computer graphics and visual effects that have no analogues in the territory of the Republic of Kazakhstan.</p> <p>Turan Lingua is engaged in linguistic analysis of texts</p> <p>Sensorium - the sensory room provides unlimited opportunities for the reception of various visual, auditory, tactile stimuli, as well as the long-term use of this stimulus.</p> <p>Usefull Cigarette Butts is a special project for the recycling of tobacco filters. Many useful materials can be obtained from tobacco waste.</p>	<p>project partners, venture capital companies, civil society, government agencies supporting startups and innovations</p> <p><i>If divided into groups</i></p> <p>First: students - organizations, university representatives and enterprise, university organizations and enterprise</p> <p>Second: scientists - organizations, a group of researchers and enterprises, scientific institutions and enterprises</p>
<p><b>Kozminsk University, Poland</b></p>	<p>Center for Entrepreneurship of Kozminsky University - In its activities, the center focuses on supporting ambitious forms of entrepreneurship. Such as development-oriented, creative and innovative projects actively entering international markets. The Center accomplishes this task through scientific research, advanced educational programs, including in the e-learning version, as well as various training and consulting projects addressed to candidates for entrepreneurship. Share their experiences with lecturers across the country through the SEIPA Educational Innovation Academic Entrepreneurship Network.</p> <p><b>Research Center for Innovative Growth Strategies</b></p> <p>- Center's mission is to conduct research on the impact of industry 4.0 on strategic renewal through business model innovation, disseminate this knowledge and facilitate its implementation in business.</p> <p><b>The VAT Research Center</b> - conducts scientific research on the current model of VAT functioning and possible changes to this model. The center is interdisciplinary, combining, among others, law, economy, finance and management. It integrates scientists of Kozminski University dealing with tax law, economy issues and management. It encourages students, including acting in the Students Tax Law Research Group KU to become interested in VAT issues.</p>	<p>-other higher education institutions</p> <p>- entrepreneurship teachers</p> <p>-experts with different experience</p> <p>-a team of entrepreneurs</p> <p>- science parks, technological incubators</p> <p>- scientists from other research centers</p> <p>- judges of the Supreme Administrative Court and tax consultants</p>

As we can see from two universities, the list of stakeholders is the same, as universities and business activities are carried out in the field of innovation. Stakeholders of the University: University graduates, graduates, university students, teachers, scientists and young inventors, business stakeholders, university partners, investors, venture funds, government decision-makers, as well as government support for business development bodies. Within the individual groups identified in accordance with the project and the target groups and groups that disseminate the results of the project, they are representatives of the university and business community, as well as society and government agencies.

One of the most important tasks in strategy development is managing the relationship between the numerous and usually competing demands of different stakeholders in relation to their strategic goals (Ackermann and Eden, 2011). The current research has some limitations. First of all, it is the data used, which can reduce the forecasting accuracy. Secondly, we - the number of participants - students only, which makes it difficult to generalize the results. Further research can overcome this gap by using longitudinal data to improve the accuracy of predicting employee behavior towards stakeholders in university-business collaboration. One of the most important tasks in strategy development is managing the relationship between the numerous and usually competing demands of different stakeholders in relation to their strategic goals (Ackermann and Eden, 2011). The current research has some limitations. First of all, it is the data used, which can reduce the forecasting accuracy. Secondly, we - the number of participants - students only, which makes it difficult to generalize the results. Further research can overcome this gap by using longitudinal data to improve the accuracy of predicting employee behavior towards stakeholders in university-business collaboration. The first hypothesis: the stakeholders are closely related in cooperation between universities and business proves that the activities of the two parties are supported by representatives from the university and from the business side, and any form of interaction requires detailed decisions from both parties. The second hypothesis is getting positive results about how the identification of stakeholders in cooperation in significant relationships affects the effectiveness of the interaction. The experience of two universities, especially Kozminsky University, shows a specialized approach to the activities of the university and close interaction between business representatives to perform specific tasks and resolve issues, these methods show the effective work of both parties and receive continued cooperation. The third hypothesis, about how the stakeholders have a positive effect on the innovation activities of the two parties, gets a positive result, since more than 35 projects have been implemented in the business incubator of Turan University and more than 20 are now in implementation despite the short period of work. All business incubator projects were implemented using innovative approaches together with business representatives.

## **5. CONCLUSION**

The interaction between universities and business has been developing for several decades, one of the most recognizable model of the triple helix, but today the scientific works of this field, the role of stakeholders in cooperation between the two parties is taking on great momentum, since the types of cooperation are of different nature. The effectiveness and sustainability of cooperation between the two parties

directly depends on the stakeholders who contribute to the implementation of the interaction.

In the research papers of (Kozłowska, 2015), academic activity, which means the orientation of the university towards the problems of its environment, means the orientation of the university towards the affairs of representatives of this environment. Thus, university involvement turns into management of relationships with current stakeholders and with those who, as a result of interaction, become university stakeholders. A stakeholder-centered approach is recognized as an employee learning culture that is promoted throughout the organization to ensure the satisfaction of all parties who interact with the organization.

According to stakeholder theory, an organization operates on the basis of relationships, among other things: with customers, suppliers and suppliers of new ideas and ideas. In turn, in the conditions of the now more and more demanded necessity of the wider opening of universities to the environment, attention is paid to the third mission of the university, social responsibility or social sensitivity of the university. As noted by Iryna Popadynets and other authors Achieving goals and stakeholder collaboration with universities are two important components of a stakeholder diagnostic protocol in education: stakeholder relationships with each other, the degree of stakeholder engagement with each other, the ratio of each stakeholder to the stakeholder group parties. These indicators have a general form of collaborators, which will help to separately consider in the future as a new research topic.

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