

Manchester Chamber of Commerce



Lambert Review of Business - University Collaboration

Response Paper 076/2003

INTRODUCTION

Manchester Chamber of Commerce represents over 3000 businesses in the Manchester City Pride area, which includes Manchester, Salford, Trafford and Tameside local authority areas. To ascertain the views of member businesses on the issues identified in the Lambert Review, Manchester Chamber has discussed the review with its Employment and Skills Committee and has circulated a questionnaire to the wider membership.

Manchester Chamber welcomes the opportunity to consult with its members on, and to contribute to, the Lambert Review. A good number of responses have been received indicating a strong interest amongst our membership which includes both businesses and Universities. This response is drawn up from the individual responses of our members and therefore concentrates on the areas identified by them.

The demand side focus of this review has been welcomed by businesses who are pleased to have the opportunity to shape the way ahead. This topic is of particular importance in Manchester due to the imminent creation of the new University, we hope that feedback from this consultation will be considered during the structuring of the new University in Manchester. Encouragingly, from the feedback received, it seems that there is definite enthusiasm on the part of both businesses and Universities to be more involved in collaborative work. All responses indicated that they would like to increase the current level of involvement in partnership work.

Manchester Chamber would like to draw particular attention to the Knowledge Capital Manchester initiative. This aims to develop new and distinctive approaches to collaboration in order to drive forward the collective competitiveness of the Universities themselves and to maximise their contribution to the economy of the City and region.

Manchester Chamber's consultation response is grouped around the four broad themes of the Review. Universities will be referred to using the generic term Higher Education Institutes (HEIs).

For further information on this response and the work of Manchester Chamber around the Lambert Review and in the skills and education arena in general please contact Jane Hillman at the Chamber on (0161) 237 4063 or jane.hillman@mcci.org.uk.

RESPONSE

1a. BEST PRACTICE AS SEEN FROM THE DEMAND SIDE

Many existing initiatives have been flagged up as examples of collaborative best practice. Some are run through formal programmes and arrangements but it seems that the majority are arranged on an informal and ad hoc basis.

The traditional placement concept has been identified repeatedly as an effective means of using HEI resources that are available to business. It may be that this is because it is the most traditional method and so people feel comfortable using it, but it is obviously a formula that works in many different ways on many different levels. Businesses are confident in contacting universities directly especially, where they can easily identify a course from which placements should come and can contact the relevant department.

Placements are seen as a positive way to encourage graduates to stay in the region and contribute to the local economy. One company in the last 18 months has taken on three undergraduates in placement roles and has offered two of them permanent jobs on graduation. This simple form of collaboration can lead to strengthened relationships with and a better understanding of HEIs.

The use of graduates and MBA students to research new markets and products and produce competitive analysis and feasibility studies on new ventures is a commendable use of the expertise coming from HEIs. However it would be beneficial if this could be rolled out and integrated in to the work of undergraduates to introduce aspects of commercial awareness to their course.

A course run by the Leeds Metropolitan University has been mentioned as good practice by several members – the MA in Corporate Direction is a course developed for Directors combining academic aspects with commercial business models. It has been suggested that more courses of this kind should be offered or that modules taken from the course as an indication of good practice should be included in “standard” undergraduate degree courses.

Some members have had experience of running ‘games’ that introduce students to commercial issues giving the students business awareness in the classroom. This type of collaborative work would benefit students if undertaken in schools as well as HEIs. The business and enterprise school model is an example of close working between education and industry and is supported by several members.

1b. HOW HAVE THE RELATIONSHIPS BEEN BUILT UP?

Several agencies were identified by members as being helpful for businesses wanting to establish relationships with HEIs. It was widely accepted that where necessary in the beginning stages of a new business HEI collaboration the partnership would benefit from close monitoring and facilitation by a third party with a better understanding of the two sectors. It would not always be necessary for this involvement to continue throughout the initiative. It was recognised that often relationships are built up between individual students and companies and not developed through formal links which loses possible ongoing collaboration. Students should be made aware of formal channels wherever possible.

Agencies noted in the responses were:

Campus Ventures

Graduate Gateway

Institute of Directors

Manchester Chamber of Commerce and Industry

Manchester Investment and Development Agency Service (MIDAS)

Manchester University Career Service

North West Business Access

The North West Development Agency were recognised for the work they do commissioning work and research projects with HEIs and within the technology transfer arena, but were not noted for their assistance in instigating business HEI collaboration.

The two day workshop for graduate recruiters run by the Manchester University Career Service was highlighted by members. The workshop is run twice a year and enables recruiters to see graduate recruitment from the eye opening career service and graduate perspective.

Sector Skills Councils were not mentioned as facilitators of relationships. Respondee did suggest that it is really too early to tell as many of the SSCs are not set up and are certainly not settled in to their roles. It was suggested that this would be an ideal opportunity to form the SSCs with this function very much in the forefront as it was expressly requested that the sector approach be used more widely allowing for a tailoring of provision.

2. IDENTIFICATION OF BARRIERS

The barriers as seen from the demand side include a diverse range of issues. The primary barrier is identified through a recurring theme of misunderstanding. In general businesses are led on profit and commercial benefit whilst HEIs take on a more altruistic approach to their clients – the student. Understandably HEIs want to offer their students opportunities that will fulfil the curriculum and provide added value as well as being interesting and challenging. Businesses suggest that they feel this will often come ahead of business need or commercial benefit forcing them to source research, project work etc out to commercial outfits. Businesses should approach collaborations more commercially and should assess the merit of a potential academic partnership as if they are selecting a commercial supplier and look closely for the most appropriate proposal. At the same time HEIs must ensure that the academics dealing with industry have an appropriate level of understanding of business in order to make commercially viable and attractive tenders.

Misunderstanding between the two parties, it is claimed, leads in particular to problems with time constraints on achieving results and budgeting requirements. Although a generalisation, many academics have never entered the world of work and, especially in fields where knowledge transfer and research are most common, it was suggested that academics should be encouraged by the Universities to take secondments into industry. There is a definite conflict recognised between academic and commercial needs and the ability to reconcile this would be the job of a third party intermediary as discussed above.

In the same way that the HEIs need to be more aware of their business partners, industry recognises that the HEIs are an unknown to them. The diversity of the universities is hard to infiltrate and businesses are not aware of what is on offer to them. Communication links where they are formed, are often with individuals the personal contacts, although beneficial in some ways, mean that a different contact must be built up in each HEI separately absorbing valuable resources. In addition it is not helpful to business when there is seemingly a lack of willingness and honesty in exchanging information between some HEIs. When an activity is so resource intensive it can often be harder to justify on an added value basis especially amongst SMEs.

Issues surrounding intellectual property can be off putting to businesses especially SMEs. The whole concept should be demystified and made as simple to understand as possible. This would allow smaller companies to get involved more readily in this kind of work on an ad hoc basis.

Incubators are very popular arenas for new business growth and facilitate strong collaborative work but there was some concern expressed regarding the funding and continued sustainability of their support.

It was suggested in responses that some universities do not demonstrate an interest in finding employment for their graduates but simply present them unprepared to the job market at the end of their courses. Lecturers should complete work experience visits so that they can realistically inform students about the market place. It would be better if the students had a basic knowledge of industry perhaps through sponsorship or holiday work supported by the University. Some employers expressed the wish to take on an employee who would “hit the shop floor running” and make a valuable contribution to the company instantly. This may encourage retention especially of ethnic minority students for some period after graduation.

The idea of sponsorship was raised several times by our members especially at this time with the expected increase of course fees. Companies could offer sponsorships to students where the student is obliged to work for the company for a stipulated period following graduation. It was suggested that this initiative would enhance business and HEI collaboration and could lead to specially designed modules. The North West Development Agency or Central Government funding may help businesses instigate these initiatives.

Members have made several recommendations in response to the Review

- An HEI Yellow Pages would provide an accessible means of business penetrating the HEIs
- Training for academics in project management and communication skills
- Events run for businesses who are not currently involved in university collaboration to make them aware of the opportunities that are available to them within the University network and vice versa
- Further business involvement in shaping education policy

- Greater interface between University Careers Services and businesses co-ordinated by a sectoral approach – reliant on HEIs working together
- Formal recognition of any work experience carried out outside of the sandwich degree course, to encourage work experience prior to graduation

DEMAND AND SUPPLY OF SKILLS

The demand and supply of skills has generated much interest from members, in general businesses seem dissatisfied with the skills a student is equipped with at graduation. Businesses felt that students often have an unrealistic view of the marketplace that needs to be addressed. This problem is highlighted in the innovation field where graduates are entering the workplace with skills that do not match the requirements, particularly with SME's – students require a greater industrial input in the shaping of the courses – the course content could be more beneficial than including more and more placements. Graduates often face disappointment when entering the workplace because they have been insufficiently prepared for the reality – one employer has recognised that graduates are now competing for jobs that were traditionally for school leavers because they have insufficient experience for graduate positions. Another explains that in certain fields the number of graduates far out weighs the demand, those graduates left to find employment outside their initial field would be better prepared had they had a strong industrial input at the HEI. Businesses however must recognise that they should be competing for the best graduates and need to develop a strategy which identifies them as the employer of choice.

Employers identify that the provision of graduates tailored exactly to the companies requirements is almost impossible as these requirements are so diverse. Instead students need transferable, personal and learning skills that will help them to adapt to the role they are in. There are skills gaps identified in the higher and lower ends of the skill market. A training company in membership has worked alongside a local University to provide basic engineering skills to engineering graduates. This is the kind of collaboration that works to provide the employer with a well rounded graduate who has both the technical expertise and the hands on knowledge.

Another option identified as a possible means of providing students with a more diverse knowledge base is to move away from generic programmes and let the student tailor his experience like the American model of credits. Alternatively as discussed above the introduction of commercial/business modules into 'traditional' degrees would provide graduates with a commercial awareness. It was identified that it is not necessarily the best idea to introduce more and more placements during which students gather experience but to look at cleverer ways of involving students through industry led projects controlled in the classroom.

GOVERNMENT FINANCIAL INCENTIVES

Announcements in the budget proposing to maintain the R&D Tax Credits and to introduce tax credits for plant machinery were warmly welcomed by business but more needs to be done to raise awareness of these incentives. The awareness of Government incentives such as the R&D Tax Credits and other schemes is very low. None of the responses made a comprehensive analysis of the funding available but several made observations and suggestions for possible initiatives. It was felt that whatever incentives are available they do not do enough to effectively encourage businesses to engage in HEI collaboration. Instead businesses are led to seek commercial provider solutions because they are perceived to produce more reliable results or solutions through better communication.

It is important that the power of selection and financial control lies with the businesses in order to stimulate competition between HEI proposals. Any financial support should be provided with as few caveats as possible to ensure that activity is not hindered and the money can be used as most appropriate. If financial incentives could be put in place in a simple and effective way it may encourage more SMEs to engage with HEIs.

Other suggestions included, tax breaks for individuals to finance training, funded or supported placements in industry for academic staff and funding streams available for the early forging of links at a strategic level.