By focusing on commercialisation we fail to recognise the more complex ways universities engage with business

Collaborations between universities and firms are often understood in terms of technology transfer and the creation of innovative products. **Utku Ali Rıza Alpaydın** *and* **Rune Dahl Fitjar***, draw on findings from a survey of university firm interactions in Norway, to suggest that such engagements in fact represent a minority and that good policy in this area should take into account a much broader range of interactions and relationships between firms and universities, especially those in their local regions, than is normally considered.*

As a key part of the current knowledge economy, universities are called upon to play an ever-greater role in local and regional economic development and firms increasingly seek to work with universities as sources of human capital and research-based knowledge. Yet, firms and universities are often imagined as inhabiting different worlds, creating challenges for collaboration between them. They have different worldviews, organizational structures, cultures and motivations for collaborating. Take for example, the way academics are measured on their ability to publish their research openly, while firms often keep their knowledge secret to gain competitive advantage over their rivals.

Despite these differences, collaborations between firms and universities can and do happen. Perhaps most spectacularly in the case of the COVID-19 vaccine produced by the University of Oxford and the pharmaceutical company AstraZeneca. Given the broader societal benefits of successful university-industry collaborations, illustrated by the COVID-19 vaccine case, the question of how firms can bridge the gap to universities and develop successful collaboration becomes pertinent.

In economic geography, the concept of proximity describes how partners can be close or distant in different dimensions. This can help us to understand how firms can develop relationships to universities. Proximity has a geographical dimension, ie. being physically close, but also cognitive, institutional, organizational and social forms. Cognitive proximity refers to the similarity of the ways in which actors perceive and interpret the world. Institutional proximity covers the commonality of norms, rules and regulations of collaborators. Organizational proximity denotes being close within an organization. Finally, social proximity means developing close social relationships, such as friendship. Proximity in all of these dimensions can be important for firms in bridging the gap to universities.

Date originally posted: 2021-03-15

Permalink: https://blogs.lse.ac.uk/impactofsocialsciences/2021/03/15/by-focusing-on-commercialisation-we-fail-to-recognise-the-more-complex-ways-universities-engage-with-business/

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Firms and universities collaborate for different purposes, and different types of proximity might matter for different types of collaboration. Current policies tend to focus on how firms collaborate with universities to *exploit knowledge*, such as for technology transfer in the form of licensing agreements that allow patents and other intellectual property rights generated by universities to be used for commercial purposes. However, firms also collaborate with universities to *develop new knowledge*, e.g. in joint research projects, and to *enhance their competence* through e.g. training programmes. In addition, they may collaborate with universities to *seek advice* – mostly informally – and for *marketing* purposes. This suggests a need to expand the narrow focus on university-industry collaboration to include the hidden majority of such collaborations and to acknowledge the differences between them. It also suggests that different forms of proximity might play different roles in facilitating these types of collaboration.

To explore these different types of engagement further, we drew on a survey of 1,201 Norwegian enterprises, of which 232 of had collaborated with universities between 2015 and 2017. Our research uncovered three significant findings in relation to university firm relations:

Firms collaborate with universities mainly in order to increase their internal capabilities.

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While policy tends to focus on delivering more commercial success stories, such as the Oxford AstraZeneca vaccine, we found that the majority of collaborations are for competence enhancement, through the use of university training programs and recruitment of skilled workers from universities. 90% of firms take part in competence enhancement collaborations of some form, while only four out of ten companies engage in some form of knowledge exploitation collaboration with universities (Fig.1).

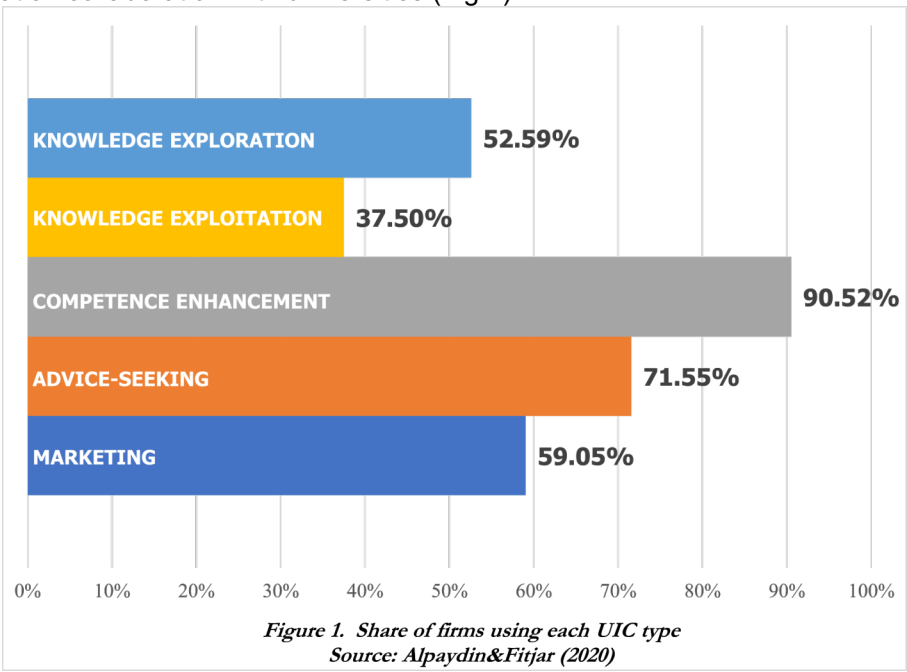

Figure 1. Share of firms using each UIC type
Source: Alpaydin&Fitjar (2020)

The majority of the interactions take place in close geographical proximity.

Firms collaborate much more with universities within the same region than with universities located elsewhere. Nearly two-thirds of the collaborations occur at the regional scale. However, some types of collaboration are more sensitive to geographical distance (Fig.2). Notably, knowledge exploration collaborations take place with extra-regional universities more frequently than other UICs.

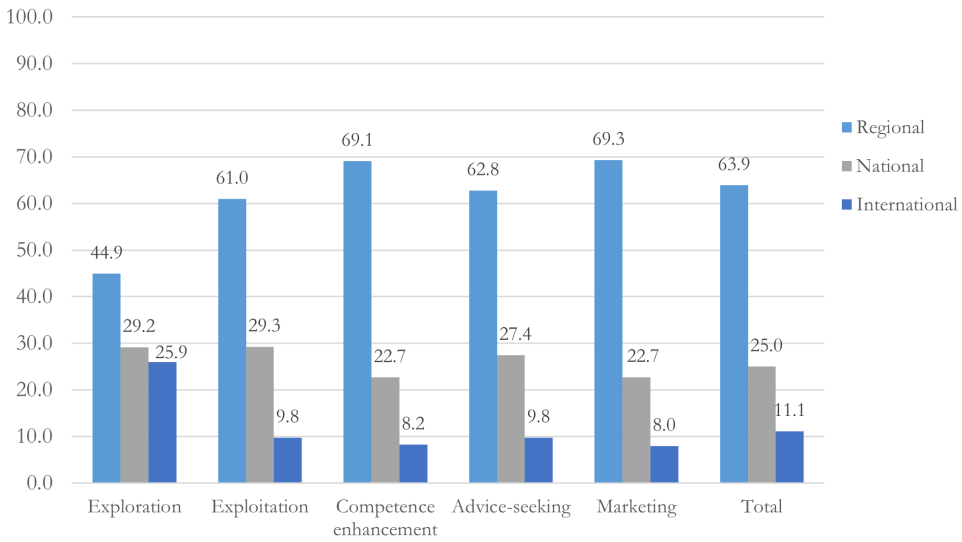

Figure 2. Distribution of All UICs across Geographical Scales.
Source: Alpaydin&Fitjar (2020)

Different types of proximity are important for different types of collaboration

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More than two-thirds of the firms consider proximity – in the cognitive, institutional, social and geographical dimensions – to be important for their decision to interact with their university partner. Fewer firms (less than 30%) see organizational proximity as important. However, different types of proximity are important for different types of collaboration. Cognitive proximity is most important for knowledge exploration, while social and geographical proximity is considered most important by firms engaging in knowledge exploitation. Firms that interact with universities for marketing purposes regard institutional proximity as the most important.

Based on these findings, we have three main policy recommendations for policy-makers wishing to increase both the volume and effectiveness of university-industry collaborations to generate wider societal benefits:

1. ***Develop*** *overarching and inclusive policies that recognize the variety of collaboration types and that also target more common types of interaction. For instance, policies that engage students in regional firms through internships.*
2. ***Support*** *the capabilities of universities to nurture local partnerships, while enabling the establishment of extra-regional linkages, e.g. through international mobility schemes to promote external knowledge flows.*
3. ***Design*** *policy interventions that help firms get closer to the university. For instance, funding programmes for university-industry collaboration can be differentiated depending on the underlying motivations of the firms. Firms that want to collaborate for knowledge exploration may need help to develop their human capital to ensure sufficient cognitive proximity, while longer time horizons can be allowed for knowledge exploitation UICs to allow time for social proximity to develop.*

The analysis highlights that proximity is important for university-industry collaborations. However, this relationship is complex, depending on why firms collaborate with universities and on the type of proximity involved. Policy-makers should consider that different types of collaboration might require different types of relationships between firms and universities when they design policy interventions to help firms tap into the potential of universities.

This post draws on the authors' article, Proximity across the distant worlds of university–industry collaborations, published in Papers in Regional Science. The underlying research received funding from the European Commission's Horizon 2020 research and innovation programme under Marie Skłodowska-Curie action grant agreement No. 722295, RUNIN (The Role of Universities in Innovation and Regional Development) Project

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