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PROBLEMS OF INTERACTION: UNIVERSITIES – BUSINESS

In Ukraine various types of cooperation between universities and business on a regular basis are very important for the development of human capital and the growth of the world economy. Although cooperation between universities and business is not yet widespread, it has deepened from 10 years ago and is at the same level as in countries with comparable levels of economic development.

Business cooperates with universities in different ways:

- based on personal contacts of scientists of one university department and representatives of the company and provides for the implementation of employment programs;
- defining areas of activity or areas of cooperation
 for example, signing a formal agreement to develop a specific curriculum or provide entrepreneurship education.

Deep involvement of business in each stage of the educational process – for example, a system of dual education, which combines learning in an educational institution and in the workplace.

The system of dual education is mostly implemented in vocational education institutions, where education in applied STEM specialties, such as bioengineering, computer science, geology, astrophysics, strategic management, etc. is concentrated. The reasons that hinder the development of the dual system are: underdeveloped legal framework, distrust of business representatives in Ukrainian education and low risk appetite, low salaries for teachers; business is not interested in the official employment of graduates; a small number of relevant professional associations in Ukraine, etc.

The following factors are incentives for universities to cooperate:

- the need to attract a well-trained workforce by providing practical experience training skills in demand in the labor market, career guidance (activities aimed at familiarizing a person with his abilities and capabilities in order to choose the most suitable profession for the company);
- attracting more talented students by declaring to potential entrants existing areas of cooperation with business:
- understanding the importance of research as a prerequisite for the emergence of different types of innovation that can be implemented;
- access to finance, as investing in education is a public benefit.

Important factors for business are:

- demand for productive employees as training programs become more tailored to market needs;

- personal relationships that can contribute to the company's development in the future;
- improving the corporate image, as the awareness of the company among students increases.

As a rule, cooperation between universities and business takes place in research and education. Research is a more common form of cooperation, as their results can be clearly seen, commercialized for market use.

Cooperation in education is becoming increasingly popular and is largely associated with the development of curricula, increasing the mobility of students and teachers, encouraging entrepreneurship education and lifelong learning.

Complicating cooperation between business and universities is an excellent understanding of work culture. If the business is primarily profit-oriented, then universities pursue goals such as generating and disseminating new knowledge. Universities want to provide a comprehensive education and cover a wide range of subjects, and business prefers to focus on a narrow range of directly required applied skills. Universities often implement programs based on the skills of lecturers rather than the skills needed by business, and therefore the skills acquired by students in these programs are sometimes irrelevant to business. At the same time, universities are often unable to stimulate better teacher performance, as salaries in public universities are based on a tariff grid rather than on the performance of a particular teacher. Such differences in fundamental motivation lead to differences in all aspects of work culture - communication style, levels of bureaucracy, time horizons used in planning.

Small enterprises, which have social capital and a solid research base, but suffer from a lack of highly qualified staff, usually work with Ukrainian universities. At the same time, large enterprises, which are exportoriented, have highly qualified staff, but do not give priority to domestic research, usually cooperate with foreign universities. There are relatively few large enterprises that are able to allocate significant resources for cooperation with Ukrainian universities, but most of them lack motivation and staff. Such heterogeneities underscore the fact that there is no "universal solution" to foster collaboration between the university and business.

In Ukraine, low-level cooperation is most common, such as financial assistance, inviting business representatives to give lectures, assistance in organizing job fairs, research forums, schools, conferences, challenges or competitions for students, providing financial and / or PR support and developing business tasks for students to solve.

For example, Samsung Electronics Ukraine has launched several initiatives to support the training of Ukrainian youth "Samsung towards knowledge" for students and teachers in the country, "Samsung Fresh Graduate Recruitment" is a program for employment of graduates of higher educational institutions. Among the companies that actively cooperate with universities in the field of interaction with students of economics, we should mention the following: "Ernst & Young", "Procter & Gamble", "Philip Morris Ukraine".

Samsung Electronics Ukraine's joint projects with Ukrainian universities cover the categories of computer science, telecommunications, mathematics and physics. They are focused on comprehensive support of skills and competencies:

- employment of young Ukrainian IT specialists;
- implementation of projects aimed at promoting technical specialties among young people and improving the quality of education;
- increasing the level of technical support of educational institutions and universities of Ukraine.

Currently, Samsung Electronics Ukraine is actively cooperating with the Kharkiv National University of Radio Electronics, creating joint research and commercial projects, developing new disciplines.

Another common type of cooperation is the provision of business consulting services. For example, when a company has problems related to the development or implementation of a new business or production direction.

Science parks as a type of cooperation between business and universities are legal entities initiated by universities or other organizations to conduct research in cooperation with the state and business. According to the Ministry of Education and Science, 32 science parks have been established in Ukraine.

Despite the potential, research collaboration is not widespread, for several reasons. First, there is a lack of funds and access to credit to finance long-term projects. Second, there is a lack of interest in funding theoretical research projects that do not provide them with immediate benefits. Moreover, universities often lack the modern equipment to conduct qualitative research. Competitors of universities to order from business are think tanks, non-governmental organizations and private research companies. In addition, companies may be concerned about copyright protection for research results.

However, cooperation that requires deeper involvement is rarer. Employment can be one of the most useful forms of collaboration, as it allows students to develop skills that can be applied in the future, provided that the internship is properly organized and not just a formal requirement. Thus, despite the fact that each educational program provides for mandatory, usually unpaid, internship for all students, the number of students is greater than the number of companies that qualitatively organize opportunities for internships, so the business selects only the best students.

Although cooperation between universities and business has many advantages, it is important to note that

there are some disadvantages. First, sometimes companies are too active in attracting students who start working full time before graduating from university and sacrifice the quality of the acquired knowledge to keep the job. Second, teachers and researchers can also move into business, gaining new skills through collaboration and seeing much higher salaries. Third, there may be some form of informal collaboration where businesses pay university administrations to promote products or use their resources to conduct research.

Thus, we will formulate constructive recommendations for stimulating and improving the conditions of cooperation between universities and business:

- 1. Granting tax credits or reducing the tax burden to those companies that cooperate, provide financing or hire recent graduates, etc.
- 2. Deregulation and reduction of bureaucracy, especially in public universities, as a way to increase the attractiveness of cooperation for business, as opposed to ordering research from private companies.
- 3. Stimulation of cooperation at the expense of monetary encouragement of teachers for quality teaching, research or cooperation with business. This is possible without expanding the financial autonomy of universities, which can motivate them to raise funds and increase efficiency.
- 4. Increasing the rule of law and addressing property protection issues companies are afraid to cooperate with universities in the field of research because they are not sure that they will be able to obtain ownership of the product. Therefore, deepening the rule of law and protecting property rights can help expand research cooperation.
- 5. An effective system for ensuring a high level of quality of education, which can be acquired only by those universities that demonstrate interaction with business. Companies distinguish between universities of low and high quality education.
- 6. Government investment in equipment and theoretical research, without which it is impossible to conduct applied research, in which business is primarily interested. An important caveat is that public funding should be distributed transparently.
- 7. Creating endowments (target capital). Participants of university endowments are grateful successful graduates. The prospect of using endowments is that the business transfers the funds to the university, which invests them in stocks or securities and spends the interest on its own needs. The successful operation of university endowments requires the creation of an appropriate infrastructure that provides effective communication with Participants.

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