

CORPORATE COMMUNICATION MODEL IN HUNGARIAN HIGHER EDUCATION

SZILVIA DEÉS

College for Modern Business Studies, Tatabánya, Hungary

VANDA PAPP

College for Modern Business Studies, Tatabánya, Hungary

ERIKA GARAJ, PhD

College for Modern Business Studies, Tatabánya, Hungary

Abstract: *The article attempts to introduce a communication model used by universities in their knowledge-marketing activity. This activity targets a single group: companies, the actors of the economic life. However, we also examine the social utilization of knowledge, a phenomenon which is gaining importance for universities, economic organizations and, of course, for government and civil organizations. Thus knowledge-marketing provides a unique mixture of business-to-business, non-business and social marketing.*

To develop an effective communication model, the environmental conditions and the actors of the market, the motivation and the attitude of the two main actors should be examined. First it is essential to map the knowledge-receptive behavior of the entrepreneurial and business sector and their operation; secondly, their directions of their development, their openness and willingness to participate in the market should be explored. From the side of the academia, the usability of researches, the entrepreneurial approach of researchers and instructors and their openness must be examined. Having explored these, and considering the conditions of the other market players (state and society) and the immediate micro-environment as well as the macro-environmental conditions that cannot be influenced, we can set up a communication model which supports the most effective flow of knowledge, bearing in mind the new generation aims as well. (The article is based on a series of in-depth-interviews among Hungarian and foreign specialists who are aware of the university-environment, and on a company survey of 432 samples.)

Keywords: *higher education, university marketing, science marketing, communication, knowledge transfer, B2B communication, innovation.*

1. THIRD GENERATION UNIVERSITIES

According to Wissema (2009), 3GUs create new knowledge and education is subjugated to this process. Their main task and mission is to convey the knowledge they generate to the *society*. Thorp (et al 2010) describe 3GUs as institutions that recognize that the trigger of innovation is liberal arts, they thrive on big social problems and claim that without implementation there is no innovation, culture is ahead of structure, and stimulate building relationship between universities and enterprises. The main task, mission and peculiarity at the same time of 3GUs are *to convey the knowledge they generate to the society*.

The most important characteristic of these universities is that their most successful and most profitable areas of their activity are technical innovation and technological development. These areas provide a solid base to utilize the peripheries and to build relationship with industries, and, let us admit, the most spectacular, most rapid and most quantifiable results can be reached here. Still, the definitions given by Thorp and Wissema already indicate that we must advance technical and technological developments, universities must open to society. Both specialists describe a stage in the development process

which, at present, is less popular, mainly US universities follow this strategy. It is mostly a vision, but a well-outlined vision, which leads to a new generation university model by extending the characteristics of the entrepreneurial university. This “new generational” feature of universities is society-orientedness and sustainability.

Even today, but in the future definitely, we will have to face and fight social and environmental (natural) problems which direct attention from technical solutions to developments that are required by society. The 3G process will be complemented by social and economic innovation processes, making the model more and more society-oriented.

To this, a technical development-orientation of the traditional 3G universities is needed because this provides transparency to society. Besides, it makes the future active economic and social innovative role universities wish to play acceptable. At the moment first line Hungarian universities are at the stage of utilizing technical innovations. Technology transfer organizations are to serve this. They are almost exclusively financed by government projects, thus indirectly generated and subsidized by the state.

In this altered and extended model the state and the social organizations should take a larger part - both in financing and representing social problems – to serve the society well. In this process companies are not suppressed either, because applying new technical developments, corporate social responsibility image and the profit-generating effects of these open new perspectives for them in the harsh economic competition.

In the present economic environment the society is undergoing radical changes and these must be reflected in social organizations too. Universities have always showed flexibility: first in developing the mission of education, then in adopting knowledge-generating mission, later in adopting the entrepreneurial attitude. Nowadays a new mission should be accepted: the mission of indirect contribution to social development (Izvercianu et al, 2010). Considering these, 3GUs can be regarded as “sustainable entrepreneurial universities”.

2. OBSTACLES OF BUILDING RELATIONSHIPS BY UNIVERSITIES

The majority of European – and Hungarian – universities follow the Humboldtian traditions: they are dominated by a bureaucratic-oligarchic university model and organization culture. The main disadvantage of which is its rigidity, its resistance to changes and being rather closed to market needs.

Despite all these, we can gladly state that universities recognized the importance of cooperation with market players. Although the reason that trigger the shift towards the 3G model is not the urge to satisfy social needs, to solve social and economic problems or to take up the innovation-generating role which provides the basis for development. Some of the institutions take up the changes due to economic pressure (to provide financial resources or to meet project indicators), some do so to motivate their instructors and researchers, while the most successful ones consider it a straight continuation of the research activities.

At present the flow of knowledge generated at universities is one-way. Universities try to find market for their research results, but there is no demand for theoretical or practical researches which are not sophisticated and do not offer solution to definite problems of companies. However, the disadvantage of company contracts is that the results usually cannot be published, and although they generate profit in short term, in the long run they do not improve the scientific reputation of the university. As market competition is getting more and more fierce, the situation for universities and knowledge-marketing is also getting harder.

2.1. Obstacles generated by outer environment

Even though there are substantial changes in the structure of researches in Hungary, some basic characteristics can be outlined. Basic or discovering researches are long term investments. They are part of a continuous process. These

types of researches have their own institutions worldwide and in Hungary too. These are as follows:

- a group of universities with long term traditions
- academic institutions
- company research institutions

As higher education specialists see it, cooperation is mostly present in areas where applied researches are essential for operating the company – mainly for production. Regional university relationships can be formed with them. The primary areas of cooperation are technical, but medical and pharmaceutical fields can also be mentioned. A new direction in agriculture and food industry can also be detected.

The first conflict between the actors of knowledge-market is generated when the companies expect results that can be applied immediately. According to the academic side, there are no immediately applicable researches, because there is a natural research process with several problems and conflicts during which the results develop. The academic side maintains the right to fail to find a solution for a given problem as it arises or to find a solution for a different problem accidentally.

The society and mainly the economic sector is impatient. They would like to have the solutions to their daily problems promptly. In addition, the fact the world is expanding, and the number of problems to be solved is growing every day, puts increasing pressure on research. There are methods, such as organization structures, financing, and the mobility of research forces which can improve these processes and make them more effective and more intensive. In Hungary, the amount spent on R&D is rather small, both the academic and the university system needs improvement as well as human attitude and culture.

Another reason for the lack of effectiveness is that there is a large amount of “soft” money in the system (e.g. innovation contribution). The companies lose resources without return (it is not important where the money goes) and the universities do not produce any value, they do their best to integrate this money in their operation.

Valueless is given for valueless, thus the output does not produce any added value in the system.

The transition process in Hungary is slowed down by the government policy; there are no years of peace, although effective research requires peace and relatively stable frame conditions.

2.2. Communication obstacles

In the cooperation between universities and companies there are two players and for both we can define the deficiencies and obstacles that hinder the flow of knowledge. Hungarian enterprises in general do not fall into the category of innovative companies. Specialists highlighted the responsibility and potential universities have in developing and strengthening the willingness for innovation. Universities – with state financed background, suitable knowledge, modern devices that can be financed by different projects and the prestige value surrounding

them from the business sector – can build a supportive atmosphere which can involve companies in innovation processes by being able to work for less than the market price, and by resisting the pressure of being profitable.

When mentioning the prestige of the universities we must stop for a second. Even the universities themselves recognized – with respectable self-criticism – that they are surrounded with a mixture of inapproachability and fear from the business sector. (However, they do not do anything about it). This fear is generated by the insecurity of what can be asked and how the questions might be asked and whether they get answers or not. For larger companies this is made even more complicated by the authorization processes and the conflict of interests between the different departments. Universities do not possess customer service systems where they can turn to with their problems, and at the same time, companies do not have a person responsible for university relations whose problems would be to manage problems solvable by universities. Partners do not understand each other. Companies expect universities to behave like a supplier. They do not see what a university think tank can be used for. The main problems companies have to face – in case they are not aware of the market behavior of universities – are the failure of meeting deadlines and the problem of less clear solutions. Universities do not have enough human capacity which can be spent on research activities exclusively. Since education and teaching play outstanding role in universities, instructors will prioritize teaching to company researches. The two sides do not respect each other's needs and their operational and behavioral characteristics.

2.3. Structural obstacles

With the globalization in higher education and by multi-disciplinization of research topics, the departmental approach is phasing out, even becoming harmful. In today's market environment the complexity of problems require cooperation between the departments, there are no questions that can be fully answered based on the knowledge of a single department.

In addition to this, universities do not know their system completely, there parallels and lack of trust on each level. To the solution, first a survey of potential, data bases. knowledge maps should be created. To do so, the younger generation of researchers seems to be open.

A central, coordination unit is needed, which organizes and manages internal research activities and is able to embrace the different university areas (mainly in thinking, not necessarily in directing), knows the operation processes and behavior of the university. It also should be able to “translate” the company questions to the language of the academia, can delegate tasks, and set deadlines. With this new organization, the university can enter the market as a market player. It is rather characteristic to universities that these organizations are set up from project resources, but they do not fulfill their role completely. Their task should be to build the image of the university, and besides marketing activities – either

parallelly or independently or even competing with them. However, in many cases they choose the easier way: they fulfill research requests in existing units or by inviting external specialists.

2.4. Obstacles deriving from university autonomy

Coordination and strategy-formulating are hindered by the traditional attempts for autonomy of the academia (the autonomy of instructors, researchers, departments, etc.) or its one-sided approach. The member of the academia who requires autonomy as a researcher, contacts companies as an individual or in the best case as a member of a research team, and offers their individual knowledge, pushing the all-university interests behind. If a company is approached by many autonomous researchers, they do not strengthen each other in a synergy, but can destroy their own and the university's reputation as well.

Autonomy raises another problem too: the problem of grey economy, or in other words, that of the black spin-off enterprises that surrounds universities and their negative effects. A set of private spin-off enterprises operate at universities, institutions run by individuals or research groups which can accept company orders well below the price universities can offer. Everybody is aware of this, it is taken granted. University researchers can offer lower prices because they do their researches during their working hours using the university's equipments and capacity (in many cases students also contribute to it to gain experience). This is similar to the socialist phenomenon of Company Economic Work-teams, with the only negative difference that CEWs could only operate after work.

To solve this mainly changes in culture, approach, value judgment are necessary as well as new rules, structures and systems of interests. (Lately due to the new taxation system, the decrease in personal income tax makes people be interested in doing researches through the university, because they will get more income after tax if they do not pay taxes as a company. In addition, organizing research is more convenient and they can use the equipment of the university legally.)

On the one hand, this creates income for the university, on the other hand, the maintenance of the equipments is still a problem, causing an increasing budget deficit. Maintenance costs are covered by the central budget of the university (in optimal cases these equipments should serve students' needs), but this way – although unintentionally – government resources are restructured to the private sector.

Realistic pricing is difficult for universities, because they do not know real costs, hourly prices of machines, laboratories and human work, nor do they know the costs of amortization or maintenance. Prices for measurement, teaching or researching are not set. Knowing all these might make prices for university services higher, but this could be offset if higher educational institutions would not charge for amortization, and would not resell the

results of researches sponsored from government resources to a new target group, now at market prices. The academia has more advantageous conditions in applying for resources. Systems for re-financing researches do not work, amortization is not calculated in the price, the infrastructure cannot renew.

New systems of interests should be developed, which use the extra resources for precompetitive researches and investing in new equipments instead of spending the whole amount on autonomous researchers. While the opinion of the surveyed companies stated that giving an order to a university instead of a private enterprise of a researcher means 30-35% extra costs in general, universities claim that they deduct 5-10% from the price. The researcher benefits from it anyway: if the order goes to the university, since pricing is made by the researcher and they calculate with prices from which they get the same amount as if they had done it as private entrepreneurs. Centralized pricing is essential from this respect too. The reason for the company to give the order to a university and to pay higher prices is its reputation and prestige. But competition is getting stronger from this respect too: successful private enterprises operating on the market for a long time, providing quality work are gaining higher and higher reputation on the market.

2.5. Possible solutions

Insisting to the above mentioned autonomies, R&D activities operated by nepotism are deeply rooted in university culture, so to institutionalize them takes a lot of time and can only be implemented in small steps.

The first step is to create a unit that is under central direction and whose task is to survey and understand the processes inside the university, to arrange the research results and competencies into an order. It also should attempt to introduce them to the public and build the image of the institution. The most effective method to this is the so-called "blue ocean" strategy that builds on strong PR activities and highlights those news, information and positive affiliations that stress the USPs of the institution in question.

In case of corporate communication small and large enterprises must be separated. With the small one communication should be maintained at a lower level, in cooperation with SMEs and individual inventors (this is served by the classical technology transfer activities).

However, this lower level communication does not mean negligence. Even though these small companies divide the capacity of the university and in many cases it is hard to identify or articulate the problem, there is innovative potential in them and long term cooperation can be flourishing for both partners.

Table 1: *Activities important for university knowledge transfer, as specialists see it (on the scale of 1-5, 5 being the best)*

Activities	Average
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	mark
supporting new student enterprises	4,82
maintaining alumni relationships	4,73
dealing with distinguished company partners (identifying strategic markets, state and research institutions, handling contracts and keeping contacts)	4,64
promoting technology transfer services (services connected to innovation, patents, counseling)	4,64
general marketing (websites, brochures, events, etc.)	4,36
getting the best researchers	4,36
managing university infrastructure	4,09
getting the best students	3,73
incubator services for newly established enterprises	3,64
promoting not knowledge-intensive university services (conference-organizing, leasing rooms, language courses, etc)	3,09
providing different forms of company financing	3,00
increasing the number of students admitted	2,73

Source: own collection

According to specialists, there are two other target groups that should not be neglected. One is the former students of the institution who mean important but unexploited resources; still, they do not receive enough attention. Hungarian graduates do not have the necessary sense of community, the feeling of "let's support our alma mater", something that can be observed in the USA. The other is the encouragement of spin-out enterprises. In the background of this we can detect the lack of product-oriented approach, that creative ideas should be sold and utilized. It is the university's task to support this and to create the necessary conditions.

3. FORMS OF COMPANY COMMUNICATION

In this new market situation when universities should enter the knowledge-provider market as a new player, the size of companies, their openness and willingness for innovation determine the methods of communication. The basis of long term relationship in each case is personal contact and finding the relevant interests (financial, ethical or scientific). Relationship based on personal contact can be based on

- *bottom-to-top* – e.g. company-university or company-alumni – relationships (former students, interns can sell the services)
- *top-to-bottom* – top-management level relationships (definite, usable offers, especially tailored to companies, or with offers developed together with the company, but not with already existing services or training courses)
- *mid-level*, relationship between instructors/researchers and the company (involving companies into education, e.g. consultation for and evaluating theses, guest instructors, and selling services, offering research activities)
- *the multi-dimensional mixture* of all these (e.g. at top-management level, but supported from the bottom)
- *indirectly*, through trade and civil organizations. 3GUs, due to their mission, should involve one target group into relationship-building: civil organizations. Next to each university different foundations and civil organizations operate to enhance competitiveness and improve the level of services at the university. These foundations can bring strategic relations to universities.
- these ways of relationship-building are complemented by “cold” contacts, through professionals whose job is to find the relevant contact person and to map demand as well as to handle any unexpected company orders.

Since the whole team of instructors-researchers-employees-students of the university is involved in relationship-building, a single, unified institutional image is fundamental. It is also essential to establish an internal information-providing and coordinating unit. For this role the technology transfer office would be the most suitable.

Its task is to collect and single-channel all company contacts through a massive sales system (CRM). For the most important clients a key account manager position might be established. By this, a key player could be integrated into the system, someone who is aware of all activities, coordinates and even supports relationship-building at lower levels.

However, it must be noted that the unit responsible for communication can only operate effectively if it is backed

by service and research teams, competencies and networks of partners.

This kind of network provides stability for the university in the field of finance, research and education. By entering new members (researchers, managers) this network expands, which makes the system sustainable.

The main aims of relationship-building should be supported by a general, extensive marketing communication activity, which includes operating the website, harmonizing brochures, building press contacts, generating news and their coordination and timing as well as handling the most important partners, image-building coordinating roles and participation in micro-regional events. This coordination activity should be able to utilize the synergy of institutional news for PR purposes.

This extensive general communication can only be a success if it gets support from every area involved. This means the content of the website, the brochures, the flow of information, etc. that can only be based on excellent internal communication.

Recruitment campaigns play a significant role in the communication of Hungarian universities, but as a result of long term relationship building they will lose their strategic importance and will merge into general marketing. However, for survival there is a need for short term campaigns at present.

This new form of university communication which is based on a relationship with already existing companies that are present on the market and committed to the university, combined with a general function and backed by effective internal communication complemented with a new approach from the employees’ side will be able to improve the reputation of the institution. This will result in increasing the value of company orders, the quality and knowledge-content of company contacts, thus the number and quality of students applying for the institution and the quality and level of commitment of instructors and researchers will also increase. All these will lead to increasing income, decreasing government influence, thus to increasing independence and growing stakeholder satisfaction.

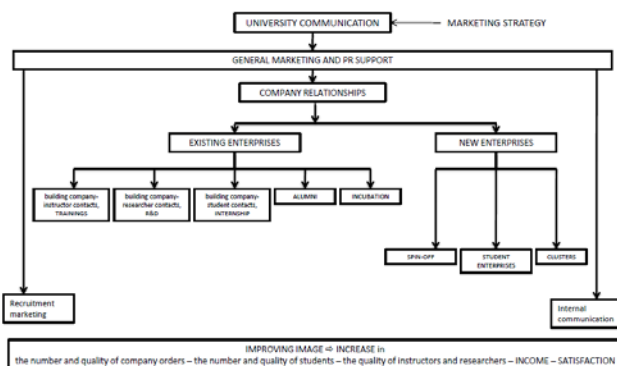


Figure 1: Third Generation University Communication model

Source: own collection

4. IMPLEMENTATION OF THE MODEL

The first step towards conscientious university communication is to build a marketing information system. The formulation of a marketing strategy, making strategic decisions depends on the knowledge-offer (quality and quantity) and the willingness of companies to receive it. Complex marketing strategy should be created at all-university level, which would provide a solid base for general PR and communication activities and image-building, but also stresses well-planned recruitment activities and improves internal communication.

Later the answers to WHAT, WHO, HOW, WHEN (and from what budget) questions lead to the formulation and implementation of institutional communication with companies.

Table 2: *Implementation of 3GUs communication model to companies*

Implementation tasks	Sub-tasks
Analysis of environmental effects	Analysis of external environmental factors: legal, political, economic background, global effects, regional peculiarities, corporate behavior
	Analysis of internal factors: competitors, partners, networks, resources
Strategy-formulating	Strategic decisions concerning communication with companies: offers, university portfolio, STDP, USP, ESP managerial commitment, approach
Organization development	Establishing a responsible unit, inserting it into the structure, under the supervision of a manager (technology transfer) <ul style="list-style-type: none"> - defining tasks, effects and responsibilities <ul style="list-style-type: none"> o general image-building (promoting science, innovation and university image – pr) o increase the number of orders (sales, key account manager) - connecting to and cooperation with the university marketing unit, sharing tasks, internal coordination (university marketing, career, alumni, service units, faculties/institutions) - providing specialists, internal training, remuneration
Infrastructure development	<ul style="list-style-type: none"> - physical: buildings, laboratories, incubations - human service: IT, think tanks, administration, mobility, technology transfer services
Relationship and network building	Establishing a company data base <ul style="list-style-type: none"> - integrating the relationship network of individual partners (instructors, researchers, management, students) - involving outsiders (building a hub)

Financial resources	Finding resources for each activity, project financing <ul style="list-style-type: none"> - receiving money from the university communication budget - establishing an innovation fund - student grants - sources of income: innovational contribution, training contribution, project resources, sponsorship)
Evaluation and feedback	Controlling system, defining indicators

Source: own collection

Obviously, the process is affected by external factors of the knowledge-market: regulations, company expectations and behavior, social demands, and the behavior and interests of the other participants of the market.

The result of the process will be realized in company orders, co-operations and in the innovative solutions themselves. As a feedback, the controlling of the communication activity will verify the effectiveness of the work, its long- and short term results.

5. CONCLUSION

If a strong organizational frame and a relatively stable network of relations are established, this means stability, reliability for university researchers, it does not split the energy of the university. Researchers will be willing to give up their own, risky researches which are of different intensity for university orders which are also profitable in the long run but require less energy. For the university it is also worth applying this model, because it can accumulate more and more knowledge and can improve the university's image.

In higher education a flexible structure should be formed which is suitable for receiving economic, technological and social innovations. In Europe those higher educational institutions are successful which enhanced rapid technological changes in close cooperation and communication with regional economies (Rechnitzer, 2010).

The improvement of the effectiveness of the connection between industries and universities, the successful integration of the third mission cannot be imagined in the present structure. This long term marketing activity relies on relationships with companies. Technology transfer Organization could be responsible for developing relationships with companies and for increasing orders (in quality, quantity and value). The university can get into close contact with companies through its knowledge-transfer activities, creating a bridge between the two sectors.

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