

Trust and Trading: Evolution of Engagement between HEIs and External Organisations and the Co-creation of Innovation

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Background

This work has developed as a number of academic ideas and specific output oriented initiatives have coalesced. The academic ideas centre on issues of Trust in partnership working, specifically the risk/trust balance and the difference between the public and private sectors. The output oriented initiative was HEFCE's 'employer engagement' programme which supported initiatives with employers with the provision of co-funding.

Objectives

The focus presentation of this presentation is to discuss the importance of the co-creation of innovation when HEIs engage with external bodies. Furthermore we consider how co-creation can be developed as the interaction grows between the HEI and the external organisation. Specifically we have developed an approach which moves from a relationship of 'trading' to one based more on 'trust'. We consider how we could move from essential adversarial to shared working and reflect on whether it is beneficial. Specifically we are seeking to identify a mature, high value, approach to engagement which is sustainable in the long term.

Approach and Methodology

Different sectors and, indeed, different large organisations within either the public or private sectors operate at different speeds and within different paradigms. HEIs are classed as public sector organisation and perceived to have the common traits of public bodies which include being slow to react, bureaucratic, hierarchical, process driven and impenetrable. In contrast, the private sector is often perceived to be dynamic, commercial, flexible, entrepreneurial and accessible. It could also be argued that each sector perceives the other as its antithesis and as a consequence there is an inherent lack of understanding, inability to communicate efficiently and a lack of trust between the two sectors.

It can be argued that it requires a specific skill set to build the bridges and therefore if an HEI seeks to engage with the private sector they need staff that can face and understand both the public and private sectors, and have developed an appropriate tool kit that allows them, piece by piece, to build the connectivity, develop trust..

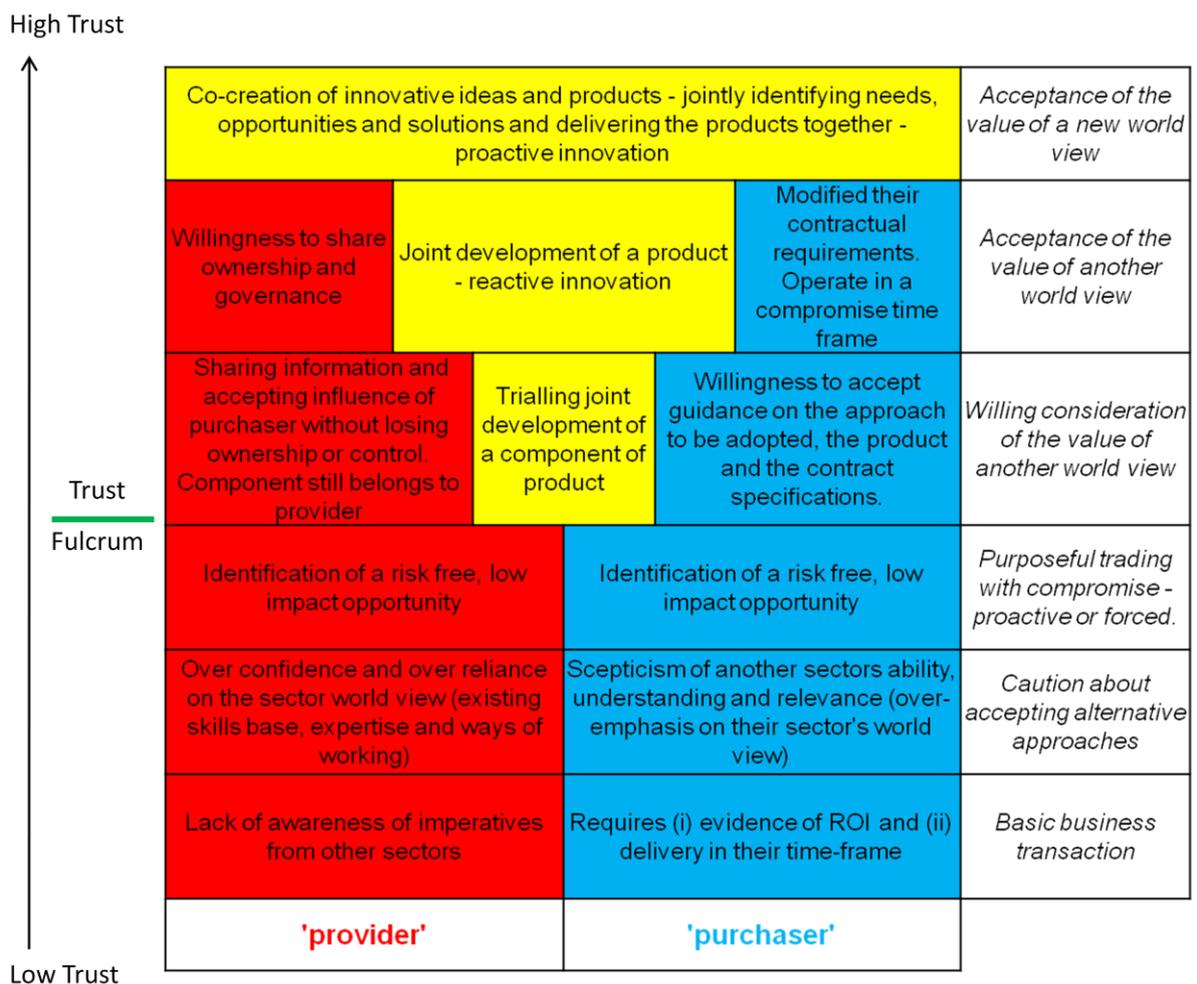
The skills set needed to build these bridges is different to that traditionally required in order to teach open access courses and programmes whether undergraduate or postgraduate, as the emphasis here is not simply on the development of the individual but the development of the external organisation. This requires a clear and deep understanding of the needs, wants, inputs and output requirements. Inevitably, there will also be the requirement to articulate the return on investment that the external organisation will realise from its engagement with an HEI.

It has been our experience that it is not sufficient for HEIs to seek to employ staff with the appropriate skill set. Staff with experience of the commercial sector can have difficulties working with the culture of an HEI. They may be able to generate business potential but then find difficulty in engaging academic staff. We therefore explored a specific approach:

- Move from a purely transaction based approach, with the external organisation as the 'purchaser' and the HEI as the 'provider' to a joint approach. This relied less on staff in the HEI possessing specific skills and encourages academic engagement.
- Emphasis on the importance of the co-creation of innovative solutions as the key to high value engagement
- The development of a staged approach, which moves from a position of low trust to high trust, which can be implemented in an HEI.

Results

The figure below illustrates the model we have developed which demonstrates the evolution from purely transactional interactions between 'purchaser' and 'provider' at the base to the co-creation of innovations in an environment of trust at the top.



The approach has been implemented in two CPD higher skills initiatives, one with a large private sector company and one with a group of public sector organisations. These will be

described in detail in the presentation. The co-creation of the different products meant that the price for the final innovative product could be set at a level which was sustainable.

Implications and recommendations

The implication of this work is important if HEIs are to develop effective engagement and long term financially beneficial relationships with external organisations in a competitive environment. Our model does not seek to change the culture of either of the two organisations but adopts a pragmatic approach which utilises strategies to develop trust and therefore facilitate co-creation of a product. We recommend that this may be a more effective approach than seeking cultural change within HEIs; an approach often proposed.

Areas for development / further research

Trust is time consuming to develop as there is an expensive incubation period required to generate trust between external organisations and HEIs. Further development of HEI business models is required which would support this approach and rely less on the trading paradigm, with the short term costing and pricing implications. Lessons could be learnt from international models, which have an inherently stronger emphasis on trust, though this is often not made explicit. Finally we suggest further research into the relationship between Trust and Trading and the transition point, which we have called the 'Trust Fulcrum', when the co-creation on innovation commences.