Promoting University – Business Long-Term Collaboration through Vocational Education

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Received: 23 September 2022 / Accepted: 28 November 2022 / Published: 20 December 2022
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Doi: 10.56345/ijrdv9n4s222

Abstract

University-business cooperation for many years has been an increasingly important issue raised national policy level, as well as at higher education institutions itself. The fact that the learning environment and the labor market needs are continuously changing makes it challenging for both spheres to be perfectly synchronized. Regarding the public policies on education, vocational education has been a priority for the government in the last years, expressed also in several documents as educational strategy, Higher Education law and Strategy of Employment and Skills. This prioritization aims the creation of a system that at best meets the need of the labor market. The improvement of vocational education is seen as good path to fulfill the gap between university and labor market through improving professional skills, life skills development (soft skill) and an offer focused to business need. From a business standpoint, vocational education receives a great deal of attention and are demonstrated as a profitable long-term investment with a significant contribution to productivity growth. Cooperation with the university can be formal and / or informal. The purpose of this paper is to analyze the cooperation between Universities and Businesses in the business perspective, the methodology used is through descriptive analyze based on primary and secondary data collection. Based on the results we expect to contribute with suggestions for all business to encourage building strategic partnerships with universities. One of the main conclusions of the paper is that, when businesses are connected to universities, they have a ready-made pool of talent filled with exactly the type of people that they need and working with universities, they can guide students to develop the skills that they need to form a partnership.

Keywords: higher education institutions, business, cooperation, partnerships, vocational education

1. Introduction

Sustainable business practices should consider the impact of a product on the world across its entire lifespan - from design to final disposal - and would design services that appeal to ethical customers. This requires environmental awareness and knowledge, as well as specific technical and business knowledge and skills. To create a cohesive society and allow everyone to participate in work processes and the community, certain key and professional competences are necessary. They are typically associated with general education, rather than with VET, and initial education plays a key
role in laying the basis for them. Education and training long remained well outside the EU's ken and firmly under the control of national (or even subnational) governments. It was only from 1974 that 'education', while not in any treaty, became an OK word in the Community, as a small 'Education Division' was established in Directorate General 12. The revised EC Treaty of 1993 underlined its immense importance for the economic and social development of not only national but also supra-national organizations such as the EU and the way has gradually been paved for an acceptance of the desirability of a 'European dimension' in Member States' education and training systems. Nevertheless, European initiatives remain strictly subject to the principle of subsidiarity. Seeing the great importance and impact of education issue in general and vocational education in specific an essential attention is now directed from EU to these matters. European cooperation on vocational education and training dates back to 2002 and the Copenhagen process. It has been further enhanced over the years, for example by the Bruges Communiqué and the Riga Conclusions. Vocational education and training have been identified as a focus area for cooperation under the European Education Area initiative for the period 2021-2030.

The Albanian government, that was formed September 2013, has set as one of its priorities the modernization of the education and vocational training system of Vocational education and training (VET) and the training of jobseekers, to employ people. Training will be provided by public or private schools, Training Centers, Multifunctional Centers, universities, companies, or other providers. During the last 10 years, the VET system has been considered as a priority of the Albanian government, aiming to increase participation and improve its quality. This is clearly reflected in the objectives of the Education Development and Employment Strategy for the period 2007-2013, as well as in the draft Vocational Education and Training Strategy. The gap between school and the labor market can be reduced through increased professional skills, soft skills development, and a focus on companies' needs. Vocational education and training (VET) in Albania have been strongly supported by the government and foreign donors for several years, with the aim of building a more efficient system. It seems that the quality and image of vocational education and training is improving. Various actors such as entrepreneurs, leaders of vocational schools, but also beyond, not only promote vocational education, but also strongly believe in the opportunities it creates.

2. About Vocational Education in Albania

According to (Bunning, 2007), Vocational Education and Training (VET) is the field of human activity that equips young people and adults with specific knowledge and skills, as well as the broad competencies required to be employed in a specific profession, or more broadly, to integrate into the labor market. The structure and operation of the VET System in Albania is based on a very detailed legal and normative framework. Until 2002, Vocational Education was part of the education system and from a legal point of view, it was treated by the Law on Pre-University Education. In 2002, was elaborated the Law no. 8872, "On Vocational Education and Training in the Republic of Albania" which included the organization of both (under the Ministry of Education) and FP (under the Ministry of Labor).

This law has undergone several changes and with the last change in 2013, even FP was decided to be under the institutional dependence of the Ministry of Social Welfare and Youth, while in 2017 under the dependence of the Ministry of Economy. Another law which has a significant impact on the functioning of VET is Law No. 10247/2010 "On the Albanian Qualifications Framework", the purpose of which is to establish the Albanian Qualifications Framework (AQF), for the development, recognition and awarding qualifications in the Republic of Albania, based on the standards of knowledge, skills, and competencies that students must achieve. This law was updated with Law no. 23/2018 "On some changes and additions to Law no. 10 247, Date 4.3.2010, "On the Albanian Qualifications Framework". In 2017, Law no. 15/2017 "On Vocational Education and Training in the Republic of Albania", one of the main goals of which is to create and develop a unified VET system to respond to socio-economic and technological changes, in accordance complete with the needs of the domestic and global labor market.

90 VKM Nr. 503, datë 13.9.2017 - Për përcaktimin e fushës së përgjegjësisë shtetërore të Ministrisë së Financave dhe Ekonomisë
Pursuant to these two main laws on VET, but also other laws that impact on specific aspects of VET, have been drafted many be laws (and continue to be drafted) (Decisions of the Council of Ministers, orders, rules, instructions, etc.), which regulate the construction and operation of the VET system in Albania. Under the new reform, undertaken in 2013, Vocational Education and Training (VET) passed into the area of responsibility of the Ministry of Social Welfare and Youth. The aim was to ensure that VET and employment policies were more closely aligned. According to a World Bank report, in 2012, the number of students in vocational high schools accounted for 11% of the total number of students in secondary education, marking a drastic decrease compared to the peak of 62% recorded in 1992.

During the academic year 2016-2017, the number of students in vocational secondary schools reached the figure of about 19% of students in secondary education, but the number of enrolled in technical vocational education remains very low. In 2017, VET was decided to be under the area of responsibility of the Ministry of Finance and Economy, defined as a priority of the governing program, with the aim that the vocational education system should be fully revitalized and play an important role in the Albanian education system and produce qualified students who meet the needs of future economic growth.

Currently, the providers of VET are highly centralized and the whole system is fragmented into two different networks. Vocational education schools and vocational training centers, which makes it almost impossible to orient individual providers towards the demand of the local labor market. Without greater autonomy and without an open-minded management system of vocational schools and training centers, it will be impossible to address and solve many problems, which have paralyzed the current VET system in Albania.

Considering the challenges in terms of economic competition, social inclusion and the need for lifelong learning, the Lisbon Strategy (March 2000) has formulated a thesis to transform Europe into a knowledge-based society. The Vocational Education and Training (VET) has been given a key role, especially in improving quality, expanding access, and opening European Education and Training systems to the world. The Barcelona European Council (2002) decided that European education and training systems should become a global benchmark for quality, placing quality issues at the center of the European political agenda, along with political priorities aimed at promoting employment, workforce, improve training supply and demand alignment, and improve access to education and training.

Vocational education and training (VET) in Albania have been strongly supported by the government and foreign donors for several years, with the aim of building a more efficient system. It seems that the quality and image of vocational education and training is improving. Various actors such as entrepreneurs, leaders of vocational schools, but also beyond, not only promote vocational education, but also strongly believe in the opportunities it creates.

On the table below is evident that the highest unemployment rates belong to the age group 15-29 years, the most vital part of society. From an intuitive point of view, this age group in a high percentage is related to the group of individuals who are in the stage of their education. So, based on analyzing from the facts reflected above, the need for vocational education is evidenced by extending the analysis to several dimensions:

- Significant increase in government attention to vocational education as a good opportunity to gain employment skills.
- In the conditions of globalization, the accessions to the European Union of Albania, the reduction of unemployment by promoting various forms of education, including vocational education, are supported and motivated.
- An unemployment rate in the most vital part of society creates the urgency of finding ways to reduce it.

2.1 Unemployment rate

<table>
<thead>
<tr>
<th>Age group</th>
<th>Unemployment rate</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-29</td>
<td></td>
<td>28.9</td>
<td>25.9</td>
<td>23.1</td>
<td>21.5</td>
<td>20.9</td>
</tr>
<tr>
<td>30-64</td>
<td></td>
<td>11.8</td>
<td>10.8</td>
<td>9.2</td>
<td>8.7</td>
<td>9.2</td>
</tr>
<tr>
<td>15-64</td>
<td></td>
<td>15.6</td>
<td>14.1</td>
<td>12.8</td>
<td>12.0</td>
<td>12.2</td>
</tr>
</tbody>
</table>

91 VKM nr. 845, dt.27.09.2013, “Për përcaktimin e fushës së përgjegjësisë shtetërore të Ministrisë së Mirëqenies Sociale dhe Rinisë”
92 VKM Nr. 503, datë 13.9.2017, “Për përcaktimin e fushës së përgjegjësisë shtetërore të Ministrisë së Financave dhe Ekonomisë”
<table>
<thead>
<tr>
<th></th>
<th>15+</th>
<th>15-29</th>
<th>30-64</th>
<th>15-64</th>
<th>15+</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Male</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-29</td>
<td>29.7</td>
<td>27.0</td>
<td>23.1</td>
<td>21.3</td>
<td>20.8</td>
</tr>
<tr>
<td>30-64</td>
<td>12.2</td>
<td>11.3</td>
<td>9.4</td>
<td>8.8</td>
<td>8.8</td>
</tr>
<tr>
<td>15-64</td>
<td>16.4</td>
<td>15.1</td>
<td>13.2</td>
<td>12.2</td>
<td>12.0</td>
</tr>
<tr>
<td>15+</td>
<td>15.9</td>
<td>14.6</td>
<td>12.7</td>
<td>11.6</td>
<td>11.5</td>
</tr>
<tr>
<td><strong>Female</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-29</td>
<td>27.8</td>
<td>24.0</td>
<td>23.1</td>
<td>21.7</td>
<td>21.1</td>
</tr>
<tr>
<td>30-64</td>
<td>11.2</td>
<td>10.1</td>
<td>9.0</td>
<td>8.5</td>
<td>9.6</td>
</tr>
<tr>
<td>15-64</td>
<td>14.6</td>
<td>12.8</td>
<td>12.3</td>
<td>11.8</td>
<td>12.4</td>
</tr>
<tr>
<td>15+</td>
<td>14.4</td>
<td>12.6</td>
<td>11.9</td>
<td>11.4</td>
<td>11.9</td>
</tr>
</tbody>
</table>

**Source of information:** Labor Force Surveys 2016-2020 INSTAT

On the other point, independently of the government effort and repeated call for vocational education it seems that the market of vocational education diplomas it seems that there is no any increased interest form the public and students in frequenting and choosing vocational studies. As we can see in the table below there is a slow decrease of the number of students that choose vocational studies:

### 2.2 Enrolled in Education 2019-2021

**Table:** Enrolled in Education 2017-2021 Source INSTAT

<table>
<thead>
<tr>
<th>School / academic year</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Enrolled in education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total:</td>
<td>677,818</td>
<td>652,592</td>
<td>641,161</td>
<td>612,534</td>
<td>589,604</td>
</tr>
<tr>
<td>In Kindergartens:</td>
<td>81,194</td>
<td>81,026</td>
<td>78,942</td>
<td>77,858</td>
<td>71,332</td>
</tr>
<tr>
<td>In basic education:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In primary</td>
<td>174,836</td>
<td>170,861</td>
<td>167,104</td>
<td>162,170</td>
<td>158,528</td>
</tr>
<tr>
<td>In Lower secondary</td>
<td>153,264</td>
<td>148,810</td>
<td>139,426</td>
<td>132,709</td>
<td>127,958</td>
</tr>
<tr>
<td>In Upper secondary:</td>
<td>127,114</td>
<td>120,062</td>
<td>116,646</td>
<td>109,533</td>
<td>107,989</td>
</tr>
<tr>
<td>Gymnasium &amp; Socio-Cultural</td>
<td>106,133</td>
<td>99,457</td>
<td>95,359</td>
<td>89,869</td>
<td>88,965</td>
</tr>
<tr>
<td>Vocational</td>
<td>20,981</td>
<td>20,605</td>
<td>21,289</td>
<td>19,664</td>
<td>19,024</td>
</tr>
<tr>
<td>In Tertiary*</td>
<td>141,410</td>
<td>131,833</td>
<td>139,043</td>
<td>130,264</td>
<td>123,797</td>
</tr>
</tbody>
</table>

So, as it can be analyzed from the above quantitative and qualitative information there is a discordance between the decreasing number of students for vocational education and the urge from different sources to strengthen and to promote vocational education as the most important way to get involved in the job market the most energetic age range and in this way to lower the unemployment rate. The main aim of this paper is to study the ways to reduce this gap and to fix this discordance through orienting the vocational education by fostering the collaboration between university and business as the main way of being near business needs and prosperities. In different ways, vocational education can be seen as being either narrowly or broadly educative, and having a focus on individual needs or on the capacity to perform socially and culturally generated practices in sustaining communities. So, when evaluating the worth of the impact of business on vocational education, it is necessary to account for its potential contribution to the needs of individuals, employers and communities. These comprise some of the key interests to whom its purposes might be directed.

### 3. Literature Review: Vocational Education – University and Business

In a knowledge-based economy, universities play a crucial role in the emerging, releasing and transferring of knowledge.

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93 http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/pun%C3%ABsimi-dhe-papun%C3%ABsia/#tab2
94 http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/arsimi/#tab2
Encouraging university–business relationships create and added value through common efforts and synergy, the role of universities is becoming even more relevant for all economic sectors. The collaboration of universities with private sector and public sector system is now seen as a major source of national competitiveness, there is also a trend to view it as an ecosystem where ‘the multiple actors need to work cooperatively and in a coordinated manner’. The entrepreneurial approach of universities has encouraged the development of partnerships among HEIs as a tactic that helps institutions to add value to their university products and services, become more competitive and attractive for their interested stakeholders and eventually lead to an increase of market share.

The potential for universities to contribute positively to business has received much attention in recent years. Current major European policy concerns related to establishing the European Higher Education Area are closely related to supporting graduates’ career success, international mobility, cooperation among higher education institutions and among universities and business.

A lack of knowledge in the areas or potential areas of collaboration is another important challenge among HEIs and Private Sector.

The intensity of the academic curriculum has often been argued as a determinant of success in higher education. VET is generally viewed as low-intensity education because a high percentage of hours are devoted to work-oriented training (which is understood to be more of the manual type of work). According to Arum and Shavit (1995), however, it is not only the lower academic demands of this type of study that affect the skills of its graduates, but a number of other factors as well. Among these factors are less motivated and prepared teachers, peers with lower motivation and skill levels (i.e., negative peer effects), stigma, and low expectations, both in the environment and in the students themselves.

Education as a service of general interest in the context of higher education according to the terminology and jargon used by the European Union for so-called “public goods and services” that include education on the principle of being a public good and service, they are classified as services of general interest and services of general economic interest. As a service of general interest should be guided by the principles of equal access, continuity, security, adaptability, quality, efficiency, affordability, transparency, protection of disadvantaged groups, users, consumers and environmental protection and civic participation. The competitive economy of the European Union, under these principles promotes the offer of higher education studies as a product of university business collaboration. The dynamics of a high technology change and wide access to it, the open access to information, technology, or communication facilities, bring into discussion the role of the university in the society.

Regarding the subsequent performance of VET graduates entering higher education, some studies revealed positive findings. Plank et al. (2008) suggest that vocational education provides the technical skills necessary for occupational fields that students may be interested in, thereby motivating them to set career goals. Higher vocational maturity improves student self-confidence, which in turn has a positive influence on student commitment in studies. Beattie (2002) suggested that some groups of students might be more optimistic about the real possibilities of

completing VET in higher education, so VET offered by Higher Education Institutions, universities, is more likely to be chosen by students because it’s seen as the bachelor’s degree is the logical next step.

Higher education and especially universities give a great impact on the social development and economic life of a country. Universities are a resource to supply the economy with ideas, innovations, and technology. The university-business cooperation refers mainly to three aspects: the relation between science and economy, the interorganizational relations between universities and enterprises, and the inter-personal relations between science people and professors and company employees. Research at universities in both basic and applied fields make a huge contribution to increasing the baggage of knowledge and experience in economics.

In developed countries the university-business interaction is a functioning reality and the results of this interaction have long been felt. The OECD reports that the share of businesses collaborating with HEIs has substantially grown in recent years, with an average share of around 14% in 2016. (see Fig. 1)

Fig. 1: Businesses collaborating on innovation with universities and other HEIs (2016). Note: data are expressed as a percentage of total enterprises with 10 or more employees.
Source: OECD (2019)

University-Business cooperation for many years has been an increasingly important issue raised at European and national policy level, as well as at higher education institutions itself. The fact that the learning environment and the labor market needs are continuously changing makes it challenging for both spheres to be perfectly synchronized. In fact, studies have shown that “employers have a lack of knowledge of what to expect from graduates and higher education institutions have a similarly low level of knowledge concerning employers’ needs.” This gap between the job market and the higher education sector can lead to asymmetric information.

As Manuela Epure say: Most of the time academic freedom and autonomy are claimed to create a lack of responsiveness to the needs of external stakeholders and unwillingness to collaborate with actors in other forms of organizations. Because of the above-mentioned ideas, academics consider curricula to be dynamic processes in which the teacher and student can act as co-components and constructors of knowledge. Vocational Education and training have to increase emphasis on addressing enterprise needs. In particular, businesses want curriculum solutions that are flexible and address particular enterprise needs, training packages have now been permitted to include 'non-endorsed' components tailored to meet the needs of particular enterprises an businesses, while still maintaining an adherence to

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national competency standards as reflected in their endorsed components and which comprise the basis for national certification.¹⁰⁹ Throughout, there have been refinements to the national regulatory frameworks that continue to shape vocational education. The marketisation of vocational education should be the main issue for universities. Yet, enterprises remain reluctant to sponsor employees’ participation in ongoing vocational education and at levels comparable to many other Western countries, or to guarantee job evolvement and employment for vocational education students.¹¹⁰ A current focus of business is to make schools more responsive to business needs. There is a ‘worrying level of discontent among employers about the readiness for work of some young people exiting post-compulsory education’.¹¹¹ Here, the focus has been on attempts to vocationalise the general curriculum (e.g. through the application of employment related competencies to all areas of the schooling curriculum) and also for a greater emphasis on specific vocational preparation. High-school students can now participate in apprenticeships and traineeships part-time, or in the practice program of the university developed to business entities.

4. Conclusion

Collaboration between the University and Business in the context of vocational education should be encouraged and supported by the actors. Curricula developed should be built in consultation with the business to suit their requirements. The lack of information is a huge problem for the realization of cooperation between actors, therefore, must create a information system to help the cooperation. One of the main problems that businesses have is the costs for training new employees just graduated, this came due to the poor cooperation that these actors have in between, this problem can be solved through vocational education that can be ‘tailored’ according to the business need and the need for knowledge and competencies and skills of the work place. Throughout, there have been refinements to the national regulatory frameworks that continue to shape vocational education. The marketisation of vocational education should be the main issue for universities, government and business itself. The collaboration thorough university and business should provide the transforming role and impact of business upon vocational education. In order to reduce selection costs and training costs of new employees, business should be more involved in the collaboration with universities for vocational education and training in order to suit the process to its needs.

In conclusion, vocational education needs to address the requirements of the workplace and business; otherwise, it would be quite pointless. The evidence suggests that at an important point in the development of the vocational education system, despite its legitimation and authorization by government, the confidence of business in its capacity is not matched by its competence in decision-making. Government should do more in the direction of fostering the collaboration through business and universities in order to succeed in its politics and objective to empower vocational education.

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Published by: Springer.


VKM Nr. 503, datë 13.9.2017 - Për përcaktimin e fushës së përgjegjësisë shtetërore të Ministrisë së Financave dhe Ekonomisë

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http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/arsimi/#tab2

http://www.instat.gov.al/al/temat/tregu-i-pun%C3%ABs-dhe-arsimi/pun%C3%ABsimi-dhe-papun%C3%ABsia/#tab2