

POLICY MEMO

1 June 2022

Bridging the Pedagogical and Employment Gap in Azerbaijan

Why Higher Education and the Corporate Sector Need to Find Common Ground

This policy memo results from a roundtable discussion recently held at ADA University under the auspices of the Institute for Development and Diplomacy and the Education and Human Resources and Labor Regulation Working Committees of the Azerbaijan France Chamber of Commerce. Attendees included more than 50 representatives of leading local and international companies as well as senior management officials from 10 Azerbaijani universities.

The discussion focused on challenges related to overcoming existing gaps between the needs of the corporate sector and current pedagogical capacities in higher education. This related specifically to issues like research topics and methodologies, preparation of young cadres, vocational education, organization of international projects, and support for innovation.

The roundtable discussion was preceded by keynote addresses from the Ambassador of France to Azerbaijan and the Chairman of the State Employment Agency under the Ministry of Labor and Social Protection of Azerbaijan. In addition, senior members of the Education and Human Resources and Labor Regulation Working Committees of the Azerbaijan France Chamber of Commerce presented the results of a survey conducted among universities and companies on the aforementioned cluster of issues.

Description of the Problem

In the Soviet period, the education sector was detached from the employment sector due to a variety of factors and reasons. One of them was the absence of a vibrant private sector. Most university graduates would be distributed among state enterprises according to a centralized annual plan that was suboptimally congruent to real (as opposed to planned) market conditions and demands. Moreover, employers would rarely visit universities to discuss curricular innovation and the content of teaching programs.

Whatever research was conducted was rarely applicable to the needs of industry in most sectors and, in turn, neither produced workplace-related innovation nor resulted in the commercialization of new products that were valued in the marketplace.

Most Azerbaijani universities have not fully repudiated this Soviet-era legacy, with complacent strands of continuity being present at least implicitly. For instance, very little interaction exists between higher education and the corporate sector, curricula are often outdated or rigid, and oftentimes the content of education programs do not match the needs of a rapidly-developing corporate sector—especially when it comes to new specializations in rapidly developing sectors of the economy, such as those related to technology and innovation. Universities are led by rectors and managed by senior administrative officials without much involvement of the corporate sector as members of boards of advisors or trustees.

Major Discussion Points

A majority of participants highlighted the existence of a wide gap between the needs of the corporate sector and the aptitudes produced by the education sector. This is further complicated by an expectations gap that in some cases results in mutual recrimination and unintelligibility. For instance, universities expect companies to provide more funding/sponsorship and to recruit more from the pool of graduates, companies expect universities both to produce young talents competently equipped with in-demand skills and professional research of greater relevance to corporate needs.

One specific challenge that arose over the course of the discussion was the absence of mechanisms within both universities and companies to engage with each other in a regularized and mutually-beneficial manner. Most existing contacts and partnerships tend to develop on an ad-hoc basis (e.g., between personal friends or relatives). Neither universities nor companies have identified a standard approach (much less share a common vision) on how to build dedicated units with clearly-defined inter-sectoral engagement policies, yet both recognize the need to do so.

Participants also mentioned the absence of accurate and up-to-date information on each other's needs and competencies (strengths), which could in turn generate fruitful discussions about setting and then meeting congruent objectives at both tactical and strategic levels.

The discussion also focused on the importance for universities to design and offer newer specializations that the market will increasingly need, as Azerbaijan continues to diversify its economy. Those most commonly mentioned included IT, cybersecurity, engineering, finance, social media, Big Data analytics, business analytics, and marketing and HR consulting services. Existing university programs of study fail to meet the growing demands of the market in these sectors.

Moreover, university representatives indicated that the corporate sector is rarely interested in sponsoring the research conducted by its professors: most innovation initiatives still depend on state funding, which is insufficient to meet the needs of the burgeoning higher education sector.

Another criticism vocalized by university representatives was the paucity of corporate sector invitations extended to professors and researchers for participation in industry-commissioned research projects, which means inter alia that faculty often lack current information on corporate needs and requirements. Scientists working in universities and institutes also frequently fail to chart a path towards the commercialization of their own research projects.

The discussion came to an end with the realization that there is also an obvious mismatch in terms of timelines and deadlines with regards to joint projects and the engagement of students therein.

Recommendations

- Establish an online platform where companies and universities can post their own needs and offerings. This “marketplace” could quickly connect “suppliers” and “users” of intellectual knowledge. This platform could also serve as an online calendar of events and help to synchronize relevant activities and research topics.
- Each university should establish a Board of Trustees, composed of 15-20 distinguished representatives of private companies and state agencies, as well as prominent alumni. This would help govern universities in accordance with international standards and enable trustees to advise on strategic planning and curriculum development whilst increasing alumni access to the job market and spearheading universities’ fundraising efforts.
- Enable universities to adopt a more flexible system for the establishment of new degrees in order to be better able to respond to the scope, scale, and speed of marketplace changes and the evolving needs of the corporate sector. In this regard, universities should be granted more decisionmaking and governance autonomy and depend less on a centralized state system that involves the Cabinet of Ministers. As a first step in a more comprehensive transition, a streamlined process of interaction between government and higher education should be instituted.
- Universities should begin to offer shorter-term, flexible certified training, extension, and vocational programs to satisfy the evolving needs of the corporate sector. Such programs would carry certain credit hours, which could be integrated and transferred into various fully-fledged degree curricula offered by universities.

- Universities and the corporate sector should work together to support student and faculty innovative start-up ideas and the commercialization of such projects.
- Improve the current legislative and regulatory framework regarding internships, practicums, and other forms of hands-on student and young alumni engagement in the corporate sector.
- Develop corporate sector tax incentives to stimulate education-sector donations and sponsorships, especially when it comes to financing university-centered research, innovation, and technological projects.
- Establish a prestigious annual award system at the national level to publicly recognize leaders in industry-university cooperation and stimulate others to do so.
- Generate a list of best-practices curricular reform case studies, drawing on both local and foreign experience, consisting of concrete examples of PPP in this area. The Institute for Development and Diplomacy could serve as a focal point to research and then write a series of such cases, which would be updated on a regular basis.