

Finding Funding for Executive Education and Research: Ten Key Principles

Dr Dorothy Wardale

Curtin Graduate School of Business, Perth, Australia

Associate Professor Linley Lord

Curtin Graduate School of Business, Perth, Australia

Email: d.wardale@curtin.edu.au

Abstract

There is increasing pressure on universities in Australia, as elsewhere, to seek alternative funding sources. There is also a growing expectation that academic staff will be actively involved in the revenue raising process. This paper looks specifically at two areas of activity, contract research and executive education and discusses ten principles we have found useful in generating funding for these activities. In examining our practice we draw on social capital theory, and in particular relational social capital to illustrate how the principles we have identified are embedded in theory. We conclude with recommendations particularly for early career academics building their careers who wish to leverage from such funding opportunities.

Key words: Adapting to change, planning, flexibility, organisational learning

INTRODUCTION

“University administrators are facing increasingly difficult times as public funds are contracting and accountability for the use of such moneys is increasing. With these financial exigencies, universities must seek alternative means of generating revenues to support their mission.” (Liu and Dubinsky 2000:1315)

As the pressure on Universities to seek alternative funding sources increases so too does the imperative for academics to be involved in the revenue raising process (Liu and Dubinsky, 2000).

This paper provides a brief background regarding the drivers for Universities to seek alternative funding sources. We discuss ten principles we have identified as being useful in generating funding for executive education and research. In examining our practice we draw on social capital theory, and in particular relational social capital to illustrate how our suggested principles are embedded in theory. We conclude with recommendations, particularly for early career academics building their careers, who wish to leverage from such funding opportunities.

BACKGROUND

As relatively new academics with considerable industry experience we have had some success in attracting funding for both executive education and contract research. It was feedback on the success of these activities that led us to this paper. We were somewhat surprised that others saw us as successful generators of research and other funding when we viewed ourselves as novices in the research ‘game’. Further ‘Reflection on Action’ (Schon, cited in Roberts, 2009) led us to examine our

approach and to share what we do in the hope that it be useful to our colleagues as we face the increasing pressure of generating funds to support not only University missions but also to develop and further our careers.

The changing nature of universities in recent times has been well documented. Australia was one of the first in the industrialised world to move from an elite system to a mass education system (Bradley, Noonan et al. 2008). Such changes brought amongst other things an increasing focus on research particularly in the newer universities which had been more teaching focussed. More recently there have been calls for universities in general to become more innovative and entrepreneurial. Business schools, in particular, have needed to develop closer links with industry as a means of generating additional funding for research and for the sponsorship of other activities. The Review of Australian Higher Education Report (Bradley, Noonan et al. 2008: xiii) noted that ‘universities lie at the heart of the national strategy for research and innovation – itself a critical foundation of our response to a globalised world’ and noted the need for applied research and the development of high level research skills (p 5). However, this is against a backdrop of relatively small increases in government funding for higher education, increasing regulatory frameworks, and increasing competition for research funding. The Report also noted the move away from reliance on government sources of funding particularly for research. Gibb, Haskins et al (2009: 6) note that a ‘growing proportion of finance has to be sought from non-direct public sources including fees, research grants, local development monies, alumni, industry and social enterprise, contract research and philanthropy’.

The introduction of the Excellence in Research for Australia (ERA) initiative has seen a much greater focus by the government on research quality. It is a key initiative of the government’s reform agenda for higher education in Australia and the outcomes of ERA assessments will impact on research funding allocations. The four key indicators for research assessed in the 2010 round covered research quality, research volume and activity, research application and recognition (Australian Research Council 2010). At the high level (two digit) for the field of research of Commerce, Management Tourism and Services the average national rating was 2.4 which is considered to be below world

standard. At the four digit level the average national rating for Business and Management dropped further to 2.2. As a result of the ERA initiative in our own institution we have seen a very strong focus on improving both quality and volume including increased funding for research.

Further quality regulatory frameworks have been introduced. The Tertiary Education Quality and Standards Agency (TEQSA) has now been established. It is Australia's regulatory and quality agency for higher education and is supported by federal legislation focused on the provision of high quality education by Australian higher education providers. From January 2012 TEQSA has begun the process of evaluation against its Higher Education Standards Framework. Five key areas are covered by the framework, one of which is research standards. However, this standard is yet to be developed (Tertiary Education Quality and Standards Agency).

This increased focus on research quality and increasing research funding as well as building collaborative networks with industry offers both opportunity and challenges for researchers to build their social capital and networks. There are opportunities to generate funding through activities such as executive education which can lead to the establishment of networks and ongoing relationships that have the potential to lead to research opportunities. There are also opportunities for contract research which again can lead to longer term relationships that may lend themselves to further research partnerships including ARC or other nationally competitive research grant applications.

The provision of executive education remains important for business schools. It provides the opportunity to build strong networks with industry, seen as essential for entrepreneurial universities (Gibb, Haskins et al. 2009). Universities are valued for their expertise in content, learning methodologies and research insights. However, Spearly (2006) notes that Universities can also be seen as impractical, too academic in their perspective without the requisite corporate experience and lacking in corporate experience which makes it difficult to compete with for-profit consulting organizations. It is therefore not surprising that executive education is, according to Conger and Xin

(2000), undergoing a radical transformation and programs are becoming more innovative and relevant to company needs and problems.

The increased pressure to raise revenue coupled with decreasing funding and increasing competition places further pressure on academics. The next section outlines ten principles we have identified as being useful in addressing the need to generate funds. We focus on executive education and contract research as we believe these areas offer the opportunity to build long-term relationships that can lead to further research opportunities. We support the section with examples of our experiences to date.

STRESS FREE PRINCIPLES

Academics in business schools around Australia are increasingly encouraged to improve their research productivity. One of the ways that is promoted is through partnerships with industry (Carr 2011). However, there is often a lack of advice for individual academics about how to effectively build and maintain such relationships. We have identified ten principles we believe can help secure research and executive education funding. Our focus is on purposefully moving to a 'Reflection in Action' (Schon, cited in Roberts 2009). A key component is building the social capital needed to develop effective long-term relationships both within and external to the university. In particular, we have focussed on the development of relational social capital described by Nahapiet and Ghosal (in Luthans and Leung 2010) as the strength of personal relationships that have developed because of the interactions over time. Through these interactions 'individuals are able to access and leverage resources embedded in relationships. The underlying normative conditions of trust, obligation, and expectations are key facets of the relational dimension' (Luthans and Leung 2010: 686). Our ten principles are covered by the mnemonic STRESS FREE, being taken from the first letter of each of our principles.

Seize opportunities

One of the key principles we have learned is the need to seize opportunities. These come in many shapes and sizes and we have become more attentive to recognising and acting on these. For example a relatively casual conversation with a graduate student about the work they were involved in led to an

offer to meet with them to provide advice regarding a research project they were undertaking. The discussion led to being awarded a major research project (over \$200 000) which will result in journal articles and the possibility of further research with the organisation. Presentations on the findings of this project as well as general discussions with academic colleagues in France and New Zealand has opened up the opportunity for further international collaborations.

Tactical

A second key principle we have learned is to invest time wisely. We have learned to say no! It is often a more tactical deployment of our time and resources to overtly build relationships and look for potential business and funding opportunities than to commit weeks to written applications. For example a recent tender took three people six weeks working around the clock to coordinate the bid alone; another person working on the budget full-time; and three teams of academics slaving over developing curricular that were fresh, exciting and challenging. One week out from the closing date the conditions for the bid changed resulting in the proposed bid becoming unprofitable. Had we taken a more tactical approach we would have known about the potential changes and thus not invested the time. Not only did the team feel disappointed but it could also threaten the enthusiasm of the academics 'donating' their time again to develop future curricular.

A more positive example includes an executive education client who felt they were spending a significant amount of their time coordinating several consulting and executive education providers. It was a role that one of the author's team could provide and benefit from by increasing revenue and giving greater control and connection to the client's previously fragmented executive education offerings. Over a coffee meeting the idea of bringing all the executive education under one umbrella was muted. The client requested and was provided with a simple proposal. The business grew from \$40, 000 to \$180,000 with some tactical thinking and the cost of a coffee.

Relationship Building

The third principle we have learned is the need to build genuine relationships. We know it's much more than building the biggest pile of business cards. It is being prepared to ask questions about the organisation and suggest options. We also make sure that we keep in touch and where appropriate we send invitations to free lectures, relevant research seminars and advise (potential) sponsors of relevant research that will be of interest.

Energy

The fourth principle we have realised is that energy and tenacity are required. As previously discussed, large research applications or tenders can take considerable time. In addition, a greater need for tenacity can be required to sustain a project to a successful outcome. The ability to commit to a project is no stranger to the published academic and a similar energy and drive is required for success in the executive education and contract research area.

A recent example involved an executive education program running over two years. During that time the staff retention in Western Australia's booming economy resulted staff leaving and participant numbers dwindling. It would have been easy to see the program fade away. Instead a range of strategies and opportunities were explored with the client. As a result five Master's level scholarships were offered by the client as well as a second, shorter program to the value of \$150,000. The energy and commitment to keep going with this client had many benefits including a \$360,000 increase to the bottom line for the School.

Solution-focused

The fifth principle we have learned is the need to be solution-focused. We have found that as academics our focus, timelines and language can be quite different to those of our industry colleagues. Industry's focus is often on timely solutions to organisational problems rather than the development of theoretical models. As new academics seeking to develop a track record for successful grant applications we need to build a suite of successful research projects, show that we have worked in successful teams, and have citable links to industry. These links may come in the form of solution-

focused contract research. However, the outcomes may be presented in a conference paper, journal article, industry report or teaching presentation.

Strengths

The sixth principle we have learned is to know our strengths and weaknesses. This has helped us to ensure that we build strong teams that complement our own strengths but enable us to learn and develop from others. An example is a research team of five researchers who were brought together by one of the authors to work on a large leadership project. The mix of skills resulted in a more robust project and provided the opportunity to extend the project in new directions. An added bonus was the high trust and mutual respect that developed between team members especially in relation to their different strengths.

Feedback

The seventh principle we have learned is the importance of regular feedback. We have adopted the 'no-surprises' rule which means we build in regular informal feedback to the organisation and discuss the results before they are formally presented. Situating the results in the broader research context has helped us to have meaningful discussions with organisations regarding possible recommendations. It also ensures we have regular updates regarding timeframes, problems, budget, highlights, early findings and warnings of potential bad news.

Reciprocity

The eighth principle we have learned is the benefits of reciprocity. We are willing to share our ideas and the tools we have developed. We also focus on the opportunities that that might arise through the sharing of resources. For example the opportunity to extend research into new sectors or to undertake comparative research.

Engage in the process

The ninth principle we have learned is the need to be fully engaged. Making time, establishing habits and routines that allow us to build the relational social capital necessary to win work has been an

important practice we have developed. For example, one author sets aside every Tuesday morning to have coffee or breakfast with a person/s that are important to her network. Other engagement opportunities we have found useful include conferences, professional associations, meetings, social events and committees. The important point for us is to consciously engage, set targets for ourselves and have a focused discipline about achieving outcomes.

Exchange rate

The tenth and final principle we learned is to appreciate the value of our work. We are attracted by the possibility of interesting and engaging work and have ensured we are aware of the appropriate charge-out rate for our expertise.

Most formal tenders require a statement of Competitive Neutrality. This is a statement that ensures the client that the University (or other public entity) is aware of the cost to industry of producing a similar service and has considered the labour and resources costs associated with providing the service. This means that charge-out rates are more than our “salary plus a bit” – which was often the response given to one of the authors when she was seeking expressions of interest for various contracts.

DISCUSSION

In the previous section we outlined the ten principles we have identified which guide our ability to bring funding into our School. Our work is embedded in the concept of social capital which Luthans and Leung (2010) suggest has three dimensions. The first, Structural concerns the social systems, networks, connectivity and the robustness of these social systems; the second, Cognitive refers to the information shared in social networks that leads to learning, development and knowledge; the third, and of particular interest to this paper, is Relational. Nahapiet and Ghoshal (1998) suggest that relational social capital describes the strength of personal relationships people develop with each other through their history of shared interactions. Relational social capital can be either weak, which offers novel information, flexibility and increased creativity (Burt 1997, Nahapiet & Ghoshal 1998,

Gonzalez-Brambila, Valoso & Krackhardt, 2008); or strong, which is associated with reciprocity, long-term relationships and transfer of quality (McFayden & Cannella, 2004).

A comparison of our STRESS FREE principles with the social capital literature sees a strong link to the relational social capital and a less obvious link to the structural social capital. Strong relational social capital is reflected in principles such as Reciprocity, Relationship Building and Engage in the Process which will see the development of high quality relationships and learning from the insights and experiences of peers and significant others (Hansen, 1999; McFayden & Cannella, 2004). Weak relational social capital is reflected in principles such as Seize Opportunities and Tactical. These two principles require us to be nimble, responsive, and flexible but to move on if the relationship is not proving beneficial in terms of creativity or achievement of outcomes. Finally, the Structural social capital may be seen in principles such as Exchange Rates. The lack of systemic support for contract research and executive education is often cited by academics as a deterrent to their work in this area.

Supporting the need for the development of social capital as a means of developing careers Coleman (cited McKenzie 1995) suggests that there are three factors significant to promotion. The first, Performance, how well work is performed, accounts for 10% of the success. The second, Image, the impression you create of yourself and your work, accounts for 30% of the success. The third, Exposure, whether people know of you, accounts for 60% of the success. Executive education and contract research provide opportunities to build an image as a researcher which can be enhanced through the STRESS FREE principles outlined above which have the potential to increase exposure both within the university and in external networks.

The following section provides recommendations for both individuals, especially early-career researchers, and Universities in terms of supporting staff to bring in funds through connection with industry.

RECOMMENDATIONS

Responding to Spearly's (2006) findings that universities can be viewed as impractical we have developed a set of recommendations to help build social capital at two levels. The first focus is at the

individual level (Recommendations 1-3) whilst the second focus is at the School, Department or University level (Recommendation 4).

Recommendation 1: Start small and use it to build a research profile.

At the individual level academics can start to attract funds by implementing any two or three of the STRESS FREE strategies. For example after working on an executive education program or receiving a small grant, profile your success by discussing it with others, outlining your winning strategy at a staff meeting, or write about it in the School e-newsletter.

Recommendation 2: Develop a strategy for building your research profile

Consider developing contacts with people within your own School or Department who have the power, influence or knowledge to help you through the processes and systems. Form collegial networks with successful researchers. Actively seek opportunities to work in research teams so that your track record is developing. Apply for internal grants so that others know you about your research.

Recommendation 3: Seek opportunities

Be prepared and flexible enough to be opportunistic and organic in your approach. Be open to accepting some lower-end executive education work and small, or pro bono, applied research work to build your skills and networks. Being in the right place at the right time has won many people work that was not advertised. Being there, extends to mingling with other staff, working in your office (even if you would be more productive at home), attending team development days and staff meetings (even if they do cut into your research and grading time). In essence, build your profile incrementally based on your good performance and remember that Image and Exposure are required, so profile yourself and your work.

Recommendation 4: Be bold when seeking organisational support

Attempt to influence your School to support early career researchers through the provision of mentoring systems, technical writers specialising in Tenders and Grants, workshops and other

development strategies. But, do not be limited by this need or deterred if the School has other priorities. Be bold about asking for access to small amounts of funding to be made available to staff to assist with building networks and grant application skills. Encourage your School to insist that each large research project has one early career researcher included. Encourage your School to see the benefit of all these approaches as a way to build the capacity to bring in future funds.

CONCLUSION

By now three things should be clear: firstly, there is a growing imperative within Universities to attract funds; secondly, contract research grants and executive education programs are two significant sources of government and corporate funding; finally, the more we build social capital the more likely it is that we can attract funding. Ten **STRESS FREE** principles were suggested in this paper that are embedded in the social capital research, particularly that of relational and structural social capital. These principles include: **S**eizing opportunities to build relationships; being **T**actical in how and where you invest your time and be prepared to move away if the ROI is low; ensure there is genuine interest and connection with those with whom you build **R**elationships; harness your **E**nergy and tenacity to keep going if the work or relationship is worth it; remember that industry are often more **S**olution-focused and pragmatic than academe and if you wish to play in this space you must play to the audience; consider your own **S**trengths and use them, also be prepared to involve other colleagues where there are gaps or to maintain your energy levels; **F**eedback in a timely manner that is agreed with the sponsor and communicate the outcomes in a way that is accessible for them; look for the quid pro quo or **R**eciprocity in the relationship by considering what you can provide as well as what you can take away; **E**ngage in the process in a disciplined way; and finally, value your work and ensure there is a competitive price tag on the **E**xchange rate.

The importance of image and exposure were also explored when considering factors that lead to successful revenue-raising through contract research and executive education. In essence, securing funding is more likely if we systematically and overtly build networks and relationships.

REFERENCES

- Claridge, T. 2004, 'Social Capital and Natural Resource Management', Unpublished Thesis, University of Queensland, Brisbane, Australia.
- Australian Research Council (2010). Excellence in Research for Australia 2010 National Report. Canberra, Commonwealth of Australia.
- Bradley, D., P. Noonan, et al. (2008). Review of Australian Higher Education, Australian Government.
- Burt, R.S. (1997) The Contingent Value of Social Capital. Administrative Science Quarterly Vol. 42, No. 2 (Jun), pp. 339-365.
- Carr, K. (2011). Creating Links Between Researchers and Industry. I. Department of Industry, Science, Research and Tertiary Education, Australian Government.
- Conger, J. A. and K. Xin (2000). "Executive Education in the 21st Century." Journal of Management Education **24**(1): 73-101.
- Gibb, A., G. Haskins, et al. (2009) Leading the Entrepreneurial University Meeting the entrepreneurial development needs of higher education institutions. The National Council for Graduate Entrepreneurship
- Gonzalez-Brambila, C.N, Velosa, F. and D. Krackhardt (2008) Social Capital and the Creation of Knowledge. Industry Studies, Annual Conference, Boston MA.
- Hansen, M.T. (1999) The Search-Transfer Problem: The Role of Weak Ties in Sharing Knowledge across Organization Subunits. Administrative Science Quarterly. Vol. 44, No. 1, pp. 82-111
- Hatten, N. and Smith, D. (1995) Reflection in Teacher Education: Towards Definition and Implementation, Teaching & Teacher Education, Vol. 11, No. 1, pp. 33-49.

Liu, S. S. and A. J. Dubinsky (2000). Institutional entrepreneurship - A panacea for universities-in-transition? European Journal of Marketing **34**(11/12): 1315-1337.

Luthans, K. and A. Leung (2010). Development of Human And Social Capital Through Industry Peer Networks. Business Research Yearbook Global Business Perspectives, International Academy of Business Disciplines.

McKenzie, B. C. (1995). Friends in high places: The executive woman's guide. Sydney, NSW: Business and Professional Publishing.

Nahapiet, J. and S. Ghoshal (1998) Social Capital, Intellectual Capital, and the Organizational Advantage. The Academy of Management Review. Vol. 23, No. 2 (Apr., 1998), pp. 242-266.

Roberts, A. (2009) Encouraging reflective practice in periods of professional workplace experience: the development of a conceptual model, Reflective Practice: International and Multidisciplinary Perspectives, 10:5, 633-644.

Spearly, J. L. (2006). An investigation into the major factors that influence the selection of a custom executive education provider, The Pennsylvania State University. **Ph.D.:** 188.

Tertiary Education Quality and Standards Agency. Retrieved 11 May, 2012, from <http://www.teqsa.gov.au/>.