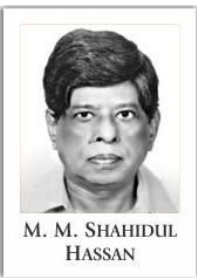


The role of universities in developing SMEs



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THE business community, not only in Bangladesh but also in the world, is constantly pressing universities to change their traditional role of imparting knowledge to their students. In response to the community's

call, universities abroad are now playing three important roles: knowledge transfer, skills development, and involvement in economic growth of the society. As Bangladesh is a densely populated and developing country, Small and Medium Enterprises (SMEs) will definitely provide huge employment opportunities with a much lower investment. SMEs are expected to create jobs, reduce poverty, and drive a resilient national economy. A recent survey has revealed that SME sector contributes about 25 percent to the national GDP, and accounts for about 40 percent of manufacturing output with 80 percent of industrial jobs and nearly 30 percent of the total labour force (Economic Survey, 2013). The Asian Development Bank reports that there are now over 6,000,000 SMEs and micro-enterprises in Bangladesh. The contribution of SMEs to economic growth, social cohesion, employment, and local development is being recognised. But due to globalisation and advancement in technology, SMEs need to know how to enter into the global value chain in order to sustain and be competitive. In this context, a question may arise as to how universities can engage in strengthening SMEs and

entrepreneurs. The answer to this question is straightforward. Universities have a wealth of research knowledge, talent, and network connections. The network of alumni working abroad is an invaluable resource for SMEs seeking to export overseas.

Universities can help SMEs in many ways from supporting entrepreneurs launch their business and developing technologies and new products and services, to providing students for fixed-term projects addressing business challenges such as new product introduction and international expansion. SME sectors like IT-based activities, high-tech industry, computer software and ICT goods, jute goods and jute mixed goods, telecommunication, electronic business, clothing, and shoe business, plastic industries, cosmetic industry, biogas plant, health care equipment, etc., are fast growing in this country. Universities can definitely help these enterprises to develop properly. Universities can offer professional development and staff training to help give existing team skills. And once enterprises start working with a university, it will design courses and assessments that meet the needs of local employers. At the early stages of establishing a small business, investing in technology and facilities can prove risky and expensive. Whether it is laboratory time, high-tech IT equipment or simply space to hold meetings, universities will be able to lend theirs for a small fee. If the field of entrepreneurs matches the interests of a local research team or department, they will work with the entrepreneurs to turn an idea into a real business opportunity. If an entrepreneur comes up with a new business but has no idea about its business implication, the

researchers of a university can solve it. Universities will find the relevant theory and then distil it into practical tools that the SME can use to drive business outcomes and improve the bottom line. Obviously, universities can host local economic growth hubs or business incubators to help small organisations and startups get off the ground. The task of a university will be to bring academics and leaders of SMEs in the



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business, design, engineering and digital sectors together in a cluster in order to map and measure how they can support one another and to produce graduates who can possess innovative quality and thinking skills to become successful entrepreneurs. But universities in Bangladesh are unfortunately falling behind the best in the world, in terms of human capital, physical infrastructure and also in terms of teaching and learning and

applied research.

Universities are now integrating two goals: the goal of transmitting knowledge with that of emphasising the development of the individual student. Consequently, universities in many countries have shifted their teaching approach from "convergent" to a "divergent" one (Miriam Bar-Yam, et al. 2002).

This "convergent" approach directs toward the teaching of a specified subject matter,

whereas the "divergent" approach focuses on open-ended self-directed learning. The first approach is well-structured. As it is teacher-centred, the students in a class become passive recipients of knowledge transmitted to them and learning achievements are measured by some standardised tests. On the other hand, the second approach is flexible and student-centred. Students are active participants in the learning process, and

learning achievements are assessed by a variety of evaluation tools different from those used in the first approach.

The curriculum for an undergraduate programme is influenced by the social, physical, economic and cultural environment. Consequently, its development process will also change with the change of any such setting or settings. As the creation of jobs by entrepreneurs and SMEs is one of the most important priorities of our society now, society expects that our graduates can speak and write effectively, have high-quality interpersonal (teamwork) and creative thinking skills, be innovative and possess some understanding of the rest of the world. These are the qualities which are required to become successful entrepreneurs. Universities must pay greater attention to the quality of the education they provide to students and in redesigning curricula to meet the present expectations. Universities need to constantly rethink their goals and priorities, and also to understand how learning takes place. At the same time, researchers should understand the needs of the society and direct their research towards topics that will serve society.

Finally, it is extremely important that the government recognises universities as national assets that can have a significant contribution to the development of the nation. The government also needs to frame a national quality policy, ease access to finance, provide an adequate support system, and to set up flexible mechanisms to promote research collaboration between universities and SMEs.