

Framing higher education quality from a business perspective: setting the conditions for enhanced value co-creation

Higher education institutions (HEIs) are complex entities interacting with a variety of stakeholders. Scholars have widely discussed the approaches and models of value co-creation in the higher education context. However, the attention has been primarily focussed on a single category of stakeholders, namely students. This article aims at eliciting the value expectations of private and public sector organizations, emphasizing their potential role in value co-creation dynamics. A case study approach was undertaken in order to shed light on these issues. It involved a medium-sized university established in Northern Italy. Business stakeholders were especially interested in the university's ability to provide students with practical and soft skills. Moreover, they appreciated the interdisciplinary nature of educational curricula. Sporadic exchanges with the local environment were considered to be a major shortcoming; this was thought to undermine the university's ability to establish a value co-creation partnership with its business stakeholders, engendering lower quality of educational services.

Keywords: Quality; Higher education; University; Value co-creation; Business partners

Introduction

Contextualizing value to higher education

Trying to enhance the ability of Higher Education Institutions (HEIs) to generate meaningful value for the community (Collins and Bethke 2017) has triggered many of the management models and approaches that have burgeoned in the higher education field since the beginning of this century (Bimbaum 2001). However, it is not easy to understand what is meant by “value” in this particular service context (Tight 1987; Tomlinson 2018). The conceptualization of value in Higher Education (HE) has been blurred by the challenges which are reshaping the strategic orientation and the

organizational attributes of HEIs (Pathak and Pathak 2010). *Inter alia*, these challenges include the growing competitive pressures from the external environment (Woodall, Hiller, and Resnick 2014) and the evolving economic and social issues brought by globalization (Archer 2002).

Scholars and practitioners have widely tried to contextualize the concept of value in HE, relating it with the enhancement of educational services' quality, effectiveness, and timelessness (Ledden, Kalafatis, and Mathioudakis 2011; Yeo and Li 2014; de Haan 2015). As argued by Díaz-Méndez and Gummesson (2012), the value encapsulated in educational services is essentially co-created by the complex network of stakeholders interacting with HEIs. More specifically, value co-creation implies that stakeholders actively participate in planning, designing, and delivering the educational services provided by HEIs (Pucciarelli and Kaplan 2016); at the same time, HEIs intrinsically cooperate with their stakeholders to contribute in the social and economic development of their local environment (Marino and Lo Presti 2019). Nonetheless, most of the scholarly efforts have been focussed on the needs and expectations for value co-creation of a specific category of stakeholders, namely students (Kalafatis and Ledden 2013; Elsharnouby 2015), who have been identified as the primary recipients – and customers – of the services provided by HEIs (Quinn et al. 2009; Halves 2011). From this point of view, the value of educational services has been argued to be incorporated in their contribution to the students' personal and professional growth (Brooks and Everett 2009).

Conversely, the perspective of other stakeholders – such as companies operating in the private and public sectors – has been generally overlooked in investigating HEIs' ability to produce value for the community (Manna et al. 2018). This is surprising, since companies are strongly interested in the educational services provided by HEIs

(Thatcher et al. 2016). In fact, they are the future employers of students who attend HE courses, thus representing the setting where the knowledge and skills transferred by HEIs are put into practice (Hrnčiar and Madžík 2017). Therefore, they are likely to be directly involved in the process of value co-creation, participating in the design and delivery of educational services and learning processes in partnership with HEIs (Plewa, Galán-Muros, and Davey 2015).

The dearth of empirical studies investigating the co-creation dynamics between HEIs and companies has produced a lack of evidence about the factors that, from a business perspective, could be conceived as drivers of value in the HE context. In addition, there is limited agreement about the triggers of companies' willingness to be engaged in co-creating educational services in collaboration with HEIs. Since it prevents the acknowledgement of the distinguishing expectations perceived by business stakeholders toward HEIs, this void in the scientific literature is able to hinder the achievement of quality excellence in the design and delivery of educational services.

Research aims and study rationale

The introductory notes reported above shed light on two relevant gaps in scientific knowledge, which impede the adequate understanding of value co-creation in the higher education context. First, even though companies are increasingly identified as important stakeholders of HEIs (Latif et al. 2017), there is a limited number of studies that attempt to empirically investigate their perspectives and their contribution in enhancing the value generated by HEIs. Second, whilst business stakeholders have been recognized to have a critical role in co-creating value in partnership with HEIs (Nie et al. 2019), there is a lack of evidence illuminating the triggers of their engagement in value co-creation.

The article aims at filling these gaps in the scientific literature, discussing the value perceptions and expectations of the business stakeholders interacting with a medium-sized university established in Northern Italy. A mixed, qualitative-quantitative case study approach was undertaken in order to provide a tentative answer to the three research questions which inspired this study:

R. Q. 1: How do business stakeholders conceive value in the HE context?

R. Q. 2: How do business stakeholders perceive the quality of educational services?

R. Q. 3: How could business stakeholders be encouraged to co-create high quality educational services in partnership with HEIs?

The article is organized as follows: Section 2 shows the theoretical framework on which the research strategy and design was established; Section 3 describes the study methods and materials, delivering some background information on the case study university; Section 4 reports the study findings, providing intriguing first-hand evidence to shed light on the value co-creation potential of business stakeholders; Section 5 critically discusses the study results, contextualizing them to the limitations which affected this research; lastly, Section 6 summarizes the main implications of the study, paving the way for further conceptual and practical developments.

Conceptual background

Students have been usually identified as the direct – and, therefore, the most relevant – users of educational services provided by HEIs (Tam 2001). This has led to an understanding of value which focussed on the students' learning experience. More specifically, the student-based conceptualization of value primarily emphasizes the

factors that are assumed to influence the students' satisfaction with the educational services provided by HEIs (Alves and Raposo 2007; Maxwell-Stuart et al. 2018): Figure 1 provides a graphical overview of this narrow interpretation of value in higher education, which derives from the acknowledgement of students as the preeminent – if not exclusive – stakeholders of HEIs.

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Embracing the students' perspective, value is conceived as the “... *balanced combination of all benefits...*” which are “...*perceived to be associated...*” with the service offering of HEIs (Woodall, Hiller, and Resnick, 2014, p. 50). These benefits are ultimately yielded by the effectiveness of the educational services' attributes in enhancing the students' learning experience (Dollinger, Lodge, and Coates 2018). In general terms, high quality educational services pave the way for positive results in terms of both educational attainments and students' participation in the labour market (Clews 2003). From this standpoint, business stakeholders have been assumed to perform as indirect, secondary stakeholders of HEIs (Benneworth and Jongbloed 2010). In other words, they have been identified as the mere recipients of a set of knowledge and skills which are provided by educational institutions to students (Blackman and Segal 1991). Sticking to this interpretation, it is difficult to involve business stakeholders in co-creating value in partnership with HEIs (Plewa, Galán-Muros, and Davey 2015).

Sirvanci (1996) challenged these arguments, questioning whether students could be identified as the sole customers of educational institutions. In fact, the focus on the students' needs and expectations overlooks the complex nature of HEIs, which interact with a variety of stakeholders holding diverse views in terms of both educational services' quality and value generated by HEIs (Tian and Martin 2014). The adoption of

a student-based perspective does not allow the design of a networked approach to contextualize value co-creation dynamics in the HE setting (Nenonen and Storbacka 2010); moreover, it fails to illuminate the link between HEIs and business partners, that might collaborate in improving the quality and the effectiveness of educational services, adding value to the traditional service encounter (Orazbayeva et al. 2019).

In light of these considerations, an expanded understanding of value in the HE context could be proposed. Figure 2 graphically depicts this expanded conceptualization. Value is incorporated in the ability of educational institutions to contribute to the growth of both society and the economy (Allais 2017). This happens through the provision of a sound mix of knowledge, skills and attitudes to public and private sectors' companies (Bourn 2018). Hence, business stakeholders turn out to be direct – rather than indirect – users of HEIs, alongside students. However, they bring distinguishing value expectations with them. The HEIs' impaired ability to recognize and address the special value demands of business stakeholders undermines the implementation of a fully-fledged quality management approach in the HE context, since it discourages the active engagement of companies in co-creating the learning processes delivered by HEIs to students (Manatos, Sarrico, and Rosa 2017). Obviously, the disengagement of business stakeholders has relevant drawbacks on both the quality of educational services and the value produced by HEIs (Ehlen, van der Klink, and Boshuizen 2016).

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Research methods and materials

As previously anticipated, a case study approach was undertaken to provide a tentative

answer to the research questions inspiring this article. The study design was consistent with the purpose of shedding light on the special expectations brought by business stakeholders in their interaction with HEIs, thus informing prospective interventions aimed at involving companies in value co-creation. This was made possible by drawing on the analysis and interpretation of the first-hand data collected from the field, that depicted the real experience of the case subject (Stake 1978).

Following Yin's (2012) approach, our research strategy was articulated in three sequential steps:

Step 1 - the subject of the case study was identified. In light of its involvement in a previous research project intended to disentangle the stakeholders' value expectations and satisfaction with the educational services provided by the institution, a middle-sized university established in Northern Italy was approached for participation in this study. The board of the university welcomed our research proposal and agreed to take part in this study. In 2017 the case university had about 350 tenured employees and just under 17,000 students. The HEI hosted 7 departments, which dealt with a variety of scientific disciplines, including: economics, engineering, humanities, informatics, law, management, and modern and classical languages.

Step 2 - the sources to be investigated to obtain relevant evidence were identified along with the methodology to retrieve and systematize the available data. In order to enhance the consistency and the reliability of our research method, it was decided to implement a mixed, qualitative-quantitative approach to data collection (Flyvbjerg 2006). Firstly, preliminary information was obtained from several policy documents, strategic plans, and management programmes arranged by the case university: these sources permitted us to identify the main business stakeholders of the case university. Secondly, a semi-structured survey was administered to a representative sample of those business

stakeholders, in order to collect evidence about their perspectives and their value expectations. Going more into details, the survey consisted of four sections which provided information about: a) the institutional attributes of the business stakeholders; b) the business stakeholders' perceptions about the quality of educational services provided by the case university; c) the business stakeholders' expectations about the value produced by the case university; and d) the business stakeholders' perspective about their involvement in co-creating value in collaboration with the case university.

Step 3 - an *ad hoc* protocol was designed to analyse retrieved data. All the information collected was organized on an electronic worksheet which was shared by the authors. Initially, each author independently examined the available data and drafted an individual research report which summarized the key findings obtained from the analysis. Next, the authors organized four meetings, at which the outputs of the individual elaborations were discussed. Lastly, the authors had a final meeting at which they elicited disagreements emerging from individual reports and tried to find consensus. As a result, a collective research report was assembled, which inspired the findings of this research.

As summarized in Table 1, 801 business stakeholders completed the survey. Most of them were either for profit or nonprofit private organizations established in Italy (Private Companies – PC = 91.5%); besides, 39 Public Sector Entities (PSE = 4.9%) and 29 companies established outside Italy (Foreign Companies – FC = 3.6%) participated in this study. More than half of the business stakeholders operated in the service sector (54.2%). About 1 in 10 organizations belonged to the manufacturing sector (10.7%). International trade (7.6%), healthcare (5.2%), public administration (4.9%), public utilities (4.4%) and chemistry (3.9%) followed. The remainder of the business stakeholders was evenly distributed among companies operating in the energy

and renewable energies sector (2.8%), weaving industry (2.6%), and real estates (2.3%). Craftsmanship covered slightly less than 2% of the case university's business stakeholders.

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More than a third of business stakeholders consisted of companies with less than 10 employees (38.8%); small sized organizations with the number of employees ranging between 10 and 49 were significantly represented in this study (28.5%). About 1 in 4 business stakeholders were medium-sized entities (21.3%), employing between 51 and 249 people. Lastly, more than 10% of the companies involved in this research were large organizations with more than 250 employees.

Slightly less than two thirds of the business stakeholders had recruited at least 1 employee from among the graduates of the case university (62.9%). About half of the organizations (45.5%) reported that graduate employees represented less than 20% of their workforce; 1 in 6 business stakeholders (16.5%) had a ratio of graduate employees in their workforce ranging between 20% and 40%; graduates consisted of more than half of the workforce in less than a third of the companies (28.1%). Finally, yet importantly, more than 4 in 5 business stakeholders (81.9%) were considering financing or part-financing the enrolment of one or more of their employees in one of the degree courses offered by the case university.

Findings

Business stakeholders' understanding of value in the HE context

Business stakeholders expressed a peculiar interpretation of value generated in the HE context, which was strictly related to their role as future employers of graduate students.

First, the interviewees reported that the key value driver in HE was the “...ability of HEIs to establish sound and bidirectional relationships with the labour market and firms...” (PC# 145). A third of business stakeholders (33.8%) claimed that the greater the students’ involvement in internships and traineeships during their conventional learning process, the higher the value added of HE. Second, HE value was argued to rely on the “...continuous osmosis between the provision of theoretical knowledge and the development of practical skills and attitudes...” (PSE #21), which are considered to be “...paramount to allow a graduate student to effectively perform in the organization” (PC #39). In other words, value was thought to derive from the capability of HEIs to properly integrate hard and soft skills and to involve students in a “...comprehensive and transdisciplinary learning process...” (FC #3), which “...makes one aware of the challenges of integrating into the consolidated dynamics of an organization” (PC #432).

Echoing these points, business stakeholders stressed that the value from HE “...comes from the exchanges that the university is able to establish and nourish with the local territory...” (PC# 529). In fact, this allows the HEIs to timely and directly recognize the special issues that concern the “...real-life activities and practices that graduated students will deal with once they will enter the labour market...” (PC #65). In turn, the continuous exchange between the university and the territory sets the condition for value co-creation between the various entities populating the local environment. Conversely, the lack of interplay with the territory prevents HEIs from designing coherent and consistent learning activities which “...merge the students’ interest to acquire distinctive knowledge and the firms’ expectations to recruit aware and competent people” (FC #14). Therefore, “...the poorer the university’s interaction with the territory, the lower the opportunities for value co-creation...” (PSE #29).

It is worth noting that, from the business stakeholders' point of view, neither the scientific reputation nor the international standing of the university were assumed to be significant drivers of value generated by the case study university. Interviewees widely argued that they were "... *unaware of the institution's scientific reputation and of the criteria used to assess it*" (PSE# 5). Moreover, it was largely assumed that "...*the international standing is not a warranty of graduated students' ability to participate in the organizational life*" (FC #6). Quite the opposite, the international vocation of the university was assumed to "...*detach the university from nurturing the relationship with the local environment...*" (PC #41), leading to an impoverishment of value produced for the community.

Assessing service quality from the business stakeholders' perspective

The business stakeholders' understanding of value influenced their quality perceptions about the educational services designed and delivered by the case study university. As depicted in Table 2, amongst the items included in the survey, the interviewees agreed in identifying 6 essential ingredients of the recipe for the achievement of quality in higher education: a) the teaching offering's relevance to the firms' labour demand; b) the interaction with the firms established in the local environment; c) the interaction with the firms established in the international environment; d) the arrangement of interdisciplinary learning processes; e) the availability of advanced technologies and facilities; and f) the web presence of the university. These quality factors were assessed on a scale from "1" (*i.e.* lowest level of perceived quality) to "10" (*i.e.* highest level of perceived quality). Table 2 reports the average values and standard deviations of the ratings provided by business stakeholders for these 6 quality factors.

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The business stakeholders emphasized that the value produced by the case study university would be significantly enhanced if it provided a teaching offering comprising both theoretical knowledge and practical skills fitting with the evolving needs of the labour market. Nonetheless, only 40% of the interviewees declared themselves satisfied with the current teaching offering of the institution. The poor satisfaction expressed by business stakeholders was primarily motivated by the learning activities' focus on traditional theoretical topics and by the disconnection between teaching activities delivered at the case university and the internships performed in the firms.

In a quite similar way, the interviewees declared themselves to be only partially satisfied with the ability of the case university to engage both local and foreign firms in a co-creating dialogue to improve the effectiveness and the timelessness of educational activities. Only 1 in 3 local business stakeholders (34.3%) perceived themselves to be either directly or indirectly involved in planning the teaching offerings of the case university, whilst most of the international business stakeholders (68.1%) stressed that the case university was not effective in engaging them in outlining the future shapes of educational services provided to students. In other words, business stakeholders complained that inadequate attention was being paid by the case university to their special and evolving needs, claiming that it paved the way for low quality educational services.

The interviewees pointed out that the interdisciplinary nature of learning processes should be understood as a critical source of value added in the HE context. More specifically, interdisciplinarity was assumed to foster the joint development of hard and soft skills, thus increasing students' abilities to effectively integrate into existing organizational schemes and to deal with the growing competitive challenges

faced by modern firms. A large proportion of the business stakeholders (41%) revealed that they were satisfied with the interdisciplinary nature of teaching activities delivered by the case university, even though just over a quarter of interviewees (27.1%) stated that additional efforts were needed to enhance the skills mix provided to students.

Lastly, yet importantly, the technologies and facilities available and the web presence of the university were understood as important quality drivers of the educational services. While technologies and facilities were considered to improve the contextualization of the learning processes to the real issues faced by organizations in their everyday practices, the web presence was assumed to enhance the exchanges between the university and the external environment, thus increasing the opportunities for value co-creation. Interestingly, 1 in 3 interviewees (66.6%) reported themselves satisfied with the technologies and facilities currently available in the case university; otherwise, the web presence of the HEI was negatively assessed by more than half (55.4%) of the business stakeholders.

Involving business stakeholders in value co-creation

Business stakeholders indicated strong support for collaboration with the case university to improve both the teaching offering and the effectiveness of the learning activities delivered to students. The interviewees identified 4 main areas of value co-creation, which were expected to concur in increasing the value produced by the university and in enhancing the quality of educational services provided to students; also, the barriers preventing value co-creation were recognized.

First, the business stakeholders were consistent in emphasizing the need to establish co-created physical and/or virtual meeting places between the university and

private firms, public sector entities, and non-profit entities operating in the external environment. Such spaces were argued to be crucial to enhance the interaction between the case university and the business stakeholders, thus stimulating the co-design of innovative and more grounded learning processes fitting with the evolving attributes of the labour market. Beyond increasing the effectiveness of educational activities, this solution was thought to strengthen the relational capital between the university and the business stakeholders, leading to the gradual creation of a vivid learning ecosystem.

Second, business stakeholders claimed that they could play an active role in co-planning and co-delivering tailored learning activities for students. Such special activities could be designed as non-mandatory courses to be voluntarily added to the conventional teachings offering of the case university. Jointly developed courses were found to providing students with a contextualized learning experience: this would have contributed to raising students' awareness of the knowledge, skills, and expertise that were required to allow them to effectively participate in the labour market.

Third, the reconfiguration of internships and apprenticeships in a perspective of value co-creation was variously considered to be imperative by business stakeholders. Host organizations and students had to be put at the centre of internships' design, focusing the attention on the purposes of meeting the specific organizational needs of the private and public companies and of strengthening students' soft skills. To achieve these concurrent aims, internships should be the result of a co-creating effort which should concomitantly involve the university, the students, and the business stakeholders in a perspective of systemic value generation.

Fourth, business stakeholders claimed that they could perform as crucial value co-creators in the functioning of the university's placement service. The involvement of business stakeholders was conceived to be instrumental in improving the ability of the

placement service to match students' skills and competencies with the labour demands of the companies, thus leading to a more rapid and effective integration of graduate students in the labour market.

Notwithstanding, value co-creation was prevented by both institutional and organizational barriers. Business stakeholders were discouraged to participate in value co-creation initiatives by the rigidity characterizing the conventional bureaucratic approach adopted by the case university in handling its relationship with the entities that populated the external environment. Besides, the university lacked flexible buffer units aimed at overseeing the boundary spanning of the case university and at steering its interplay with the business stakeholders. Lastly, yet importantly, the interviewees perceived that the case university attached a limited strategic priority to the involvement of business stakeholders in value co-creation. This produced a feeling of disempowerment, which prevented the participation of business stakeholders in co-planning and co-designing the future shape of the university's teaching offering.

Discussion and study limitations

The study findings should be read in light of the main limitations which affected this research. Even though the research strategy and design did not provide definitive answers to the questions which triggered this article, the case study method nonetheless allowed to obtain first-hand evidence from actual case, and this evidence sheds light on the business stakeholders' perception of value and quality in the HE context. Such evidence prompted the identification of some policy and management areas for intervention, the development of which could be highly beneficial for international scholars and practitioners interested in setting the conditions for engaging business

partners in value co-creation.

Since a longitudinal approach to collecting data was not used, we were unable to assess the evolution of the business stakeholders' expectations toward the case university. Rather a *hic et nunc* assessment of the interviewees' perspectives and opinions was obtained. Whilst this approach was consistent with the exploratory nature of this research, it negatively influenced the depth and the breadth of our study. In spite of these considerations, the cross-sectional viewpoint provided a better contextualisation of the business partners' expectations of the existing characteristics of the case university, thus permitting us to collect dependable and reliable data.

Last, all the business stakeholders who participated in this study were treated in a similar fashion. In other words, we did not differentiate our approach to data collection by type or by economic sector of business stakeholders. Although this did not allow us to discriminate between primary business stakeholders (*i.e.* companies directly interested in the value produced by the case study university, such as future employers) and secondary business stakeholders (*i.e.* companies only indirectly interested in the value generated by the HEI, such as firms affected by innovative knowledge generated by scientific research), it guaranteed a comprehensive appraisal of their value expectations and quality perceptions. From this point of view, it was possible to illuminate the issues which were considered to be relevant from a value co-creation perspective.

Higher education was largely conceived as a co-creation issue by business stakeholders who were involved in this study (Hilton, Hughes, and Chalcraft 2012). More specifically, they claimed to be able to play a significant role in co-designing and co-delivering timely learning experiences for HE students, which facilitated the merging and acquisition of hard skills with the development of soft skills and, therefore, the

production of work-ready graduates (Samuel, Donovan, and Lee 2018). In line with these arguments, the students' ability to actively participate in the labour market may be argued to strictly depend on the HEI's willingness to engage business stakeholders in a co-creating dialogue (Succi and Canovi 2019), which is intended to integrate traditional learning activities with learner-centred educational processes (Brewer and Brewer 2010).

Business stakeholders maintained that HEIs had to increase their interaction and collaboration with the entities operating in the external environment (Tasker and Packham 1983), even though this may produce tensions and organizational conflicts within educational institutions (Strengers 2014). Business stakeholders' involvement is directed at increasing the HEI's awareness of the current challenges which affect the proper functioning of graduate students in the labour market, thus contributing to enhancing their ability to produce meaningful value for both students and companies (Hasanefendic, Heitor, and Horta 2016). Hence, the lower the involvement of business stakeholders in a co-creating partnership with HEIs, the poorer the latter's capability to understand and meet the evolving value expectations of their users (Radnor et al. 2014).

The co-creation based interpretation of value embraced by business stakeholders deeply influenced their perception of educational services' quality. On the one hand, the interdisciplinary nature of learning processes and the balanced mix of theoretical notions with the students' involvement in practical experiences were considered to underpin the quality of higher education services (Rienties and Héliot 2018): they are intended for the joint development of knowledge, skills and attitudes, which boost the students' career prospects (Noaman et al. 2017). On the other hand, the establishment of a lively learning ecosystem based on the active engagement of both students and business stakeholders as value co-creators was thought to perform as a paramount driver

of quality in HE (Barile et al. 2016). In fact, HE service quality was understood to be the result of the coordinated effort of different agents, whose ultimate goal was to enhance the students' ability to integrate into the current architecture and attributes of the labour market (Broucker, De Wit, and Verhoeven 2018). Obviously, proper interventions are required to avoid that business stakeholders bring with themselves conflicting expectations or diverging perspectives in co-creating value with HEIs (Plé and Cáceres 2010). The inadequate attention paid by HEIs to the appropriate management of their inter-organizational relationships with relevant business stakeholders may engender value co-destruction, rather than value co-creation (Echeverri and Skalen 2011).

Tailored institutional and organizational initiatives are concomitantly needed to promote the business stakeholders' engagement in co-creating value in partnership with HEIs. From an institutional angle, the rigidity inherited from the conventional bureaucratic model employed to design and deliver educational activities to HE students should be overcome. This is possible by establishing sound inter-institutional agreements with different business stakeholders (Shukla and Singh 2016). Such agreements should be aimed at formalizing the business stakeholders' participation in co-planning the teaching offering of HEIs, as well as in shaping the learning processes of the future (Beerens 2002). From an organizational perspective, HEIs should revise their consolidated structures, by introducing flexible buffer units around their organizational boundaries (Siegel 2010): this would increase the HEI's capability to interact with external stakeholders and to involve them in value co-creation, avoiding the inertia and the resistance to change expressed by the inner parts of the organization (Palumbo and Manna 2019).

Conclusions

The implications of this research are threefold. First, the study findings shed light on some intriguing hints for policy making directed at enhancing the quality of HE. In order to make HE learning processes more contextualized and to increase the timeliness of teaching activities delivered to students, future educational policies at both the national and the international levels should encourage HEIs' propensity to establish co-creating partnership with business stakeholders, involving the latter in the co-design and co-delivery of their teaching offerings. As already reported in various international policy documents – such as the ET2020 “European Policy Collaboration” framework – higher education should be primarily directed at enhancing students' creativity and innovation, making them aware of their entrepreneurship opportunities. We argue that the involvement of business stakeholders as co-creators and co-producers of the HEIs' service offering provides a boost to the achievement of this policy target.

Second, it is claimed that value co-creation and quality improvement require a profound process of organizational change. The traditional functionalistic and bureaucratic model rooted in the HE context in most of world countries should be carefully revised. *Inter alia*, this is possible by including special buffer units and boundary spanners in the HEIs' organizational architecture, in an attempt to improve their interplay with relevant stakeholders. Such organizational units pave the way for a continuous and vivid exchange between the HEIs and the companies operating in the external environment, leading to the gradual formation of a learning ecosystem which involves both students and business stakeholders in a joint effort for value co-creation. At the same time, embracing a procedural perspective, learning processes and teaching activities should be carefully redesigned, in order to achieve greater flexibility and adaptability to the students and business stakeholders' evolving needs and expectations.

This is possible by empowering service providers who directly interact with students and business stakeholders, inciting them to perform as initiators of tailored processes of change which should be informed by the users' demands.

Third, we maintain that, from a management viewpoint, quality improvement in HE depends on the ability of managers to elicit and point out the potential contribution of business stakeholders in the process of value co-creation and educational service co-production. The awareness of the business stakeholders' role in co-creating value in partnership with HEIs entails a greater support for management interventions intended to engage companies in co-producing timely and effective learning activities, overcoming local resistances to change.

Further developments are needed to disentangle the opportunities disclosed – and the challenges raised – by the engagement of business stakeholders in co-creating high quality educational services in partnership with HEIs. On the one hand, conceptual advancements are required to better conceptualize value co-creation issues when the triad HEIs-students-business stakeholders is concerned. On the other hand, further empirical research is needed to fully illuminate the *pros* and the *cons* which are associated with the companies' engagement in co-designing the teaching offering in collaboration with HEIs, with a specific focus on its implication on the quality of educational services provided to students.

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