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ROLE OF STAKEHOLDERS LEADING TO DEVELOPMENT OF HIGHER EDUCATION SERVICES

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ABSTRACT

In this article, a higher education institution (HEI) is analysed as an organisation performing under change conditions. In this context, needs and expectations of a wide range of university stakeholders are analysed. The aim of this article is to indicate the roles of stakeholders leading to the development of an HEI. Although Ishikawa's cause-and-effect diagram is used when identifying possible causes of a problem, it can also be seen as a method that allows splitting the subject into separate parts, which are causally interrelated. During the research of the activity fields of the HEI and the boundaries related to its surrounding groups, the connections between different groups, their interests and expectations towards the activities of the HEI were determined. The article is prepared using the theoretical-analytical approach. It contains the analysis of the literature on HEI stakeholders, quality management systems and issues concerning the organisational development. The conclusions include insights and suggestions for further research on the ways an HEI can correspond to the needs of stakeholders.

KEY WORDS

higher education institution (HEI), stakeholders, cause and effect, organisational development

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INTRODUCTION

At the end of the XX century, the mission of HEIs was to transfer their knowledge to the young generation (studies) and create new knowledge (science). Another important field of activity is a search for innovative solutions by frequently combining knowledge from different research fields. This way, new ideas were generated, new knowledge was created as

well as new spheres of economic activities were developed.

By eliminating borders between states and cultures such globalisation processes, as permeability and speed of information, inevitably transferred the monopoly of higher education from the level of domestic policy to a global dimension. Constantly changing conditions, rapid technological progress,

development of internationalisation and vanishing walls between diverse regional cultures pose new challenges for higher education. Having involuntarily switched to market conditions yet striving to remain competitive in the higher education market, HEIs must search for adequate solutions. They manoeuvre between their fundamental values, societal commitments and changes as well as tendencies in the global labour market. HEIs face a difficult task to satisfy expectations of different stakeholders at the same time keeping away from becoming diploma mills. These issues are considered relevant for this type of research.

The remaining research gap may be defined as HEI relations with stakeholders to achieve the overall development of the HEI. Therefore, the research aims to find out how HEI relations with stakeholders can determine the development of the HEI. An assumption is made that the coherent development of instruments within the HEI quality management system focusing on consideration and coordination of various needs of different stakeholders could be an essential element behind the development of the HEI.

The research object of this article is HEI relationships with stakeholders. The article analyses an HEI as an organisation performing under changing conditions. It strives for exceptional attributes that comprise a competitive edge of an HEI among its competitors and helps attract more students (customers), which allows for a coherent development of future activities and the reduction of negative external impact.

Taking a quality management system as an instrument or driver for a progressive HEI strategy, it is obvious that the essence is hidden within the approach of the HEI towards the stakeholders. This validates the adoption of the stakeholder theory. At the same time, economically measured development is important as a pre-condition for the long-term competitive advantage of an HEI. It follows, therefore, that the aim of the research is to determine the factors influencing the development of an HEI with reference to interests and expectations of its diverse stakeholders. The durability of the processes of an HEI (i.e. study programmes, research and development, the third mission) is considered.

The contribution of this article is two-fold. It contributes to the stakeholder theory by supplementing the peculiarities of its adoption to HEIs. In this respect, theoretical constraints of the stakeholder theory are broadened by introducing its relations to quality management methods. The approach of qual-

ity management systems adds HEIs as an additional research object. The analysis of solutions for the development of the HEI sustainability is determined by its performance efficiency, growth and stability.

The article is grounded on the theoretical-analytical approach. The analysed literature includes issues on social partners of HEIs as well as the organisational development. These questions are analysed in the general context of higher education focusing on the question how HEI relations with diverse groups of stakeholders could create conditions for the long-term development of the HEI.

The cause-and-effect diagram is used in this article as a novel approach for the already known quality management method to reflect the interaction of expectations held by various social partners in pursuance of the HEI development.

1. CHANGING CONDITIONS AND CHALLENGES OF HEIS IN LITHUANIA

First, this section will reveal the generic changing conditions to illustrate the dynamic setting in which HEIs operate today. Second, it will explain the conditions and challenges faced by HEIs in Lithuania.

Analysts and experts from around the world make predictions on the status of higher education in the future. Firstly, it is maintained that the use of education technologies (distance learning, modelling equipment, game-type programme equipment) will open up new ways for interactive and problem-based learning. Secondly, HEIs face the challenge to prepare young people for jobs that currently do not exist or are only in the naissant stage (Salmi, 2013). Referring to the traditional approach towards studies, when a lecturer conveys knowledge for students sitting in an auditorium, the previously mentioned aims are most probably unachievable. Namely, technologies have a fundamental role transforming higher education. The main tendencies that will accelerate the application of technologies in higher education are the following (Johnson et al., 2014):

- the growth and influence of the social media,
- the integration of the internet, hybrid and cooperation-based learning methods,
- the increase of data-based learning and evaluation,

- the shift in the attitude towards the student as a customer to the student as a co-producer,
- the development of an agile approach towards change,
- the evolution of learning on the internet.

Conditions influencing the activities of HEIs had rapidly changed especially during the last decade. They determined the increase in the competition among the HEIs as well as their difficulties in becoming exceptional by discovering or pursuing a unique direction. Under such conditions, it is challenging to resist responding to a struggle posed by the present conditions (short-term focus) but rather maintain the basic direction leading to sustainable organisational development (long-term focus).

The recent decade saw the rise of a new additional area of HEI activity referred to as the “third mission of universities”. This new area includes knowledge management, cooperation between different sectors of the economy and society, and the pursuit of a new (additional) role for knowledge and higher education in the changing world. This way, HEI mission expanded across the frontiers of studies and research incorporating the service for society, which requires cooperation and partnership (Maric, 2013). A contemporary university perceives the third mission as an opportunity to concentrate and strengthen the capabilities of studies and research without indicating the ways this mission should be reached. The acceptance of the third mission does not self-sustain institutional development but renders a new potential (Nelles & Vorley, 2010).

Searching for the ways to become exceptional and attract more students, HEIs most frequently create and provide new study programmes, network with businesses and employees, and track careers of their graduates. Besides, HEIs use marketing techniques and participate in trendy national and international higher education rankings. Some authors highlight the rankings as a policy and management tool (Agasisti & Johnes, 2015), while others note that despite active participation in different rankings, the relationship between reputation and quality of HEI is still unclear (Ramirez & Berger, 2014). Participation of an HEI in rankings is firstly considered as an instrument for marketing and communication, facilitating the positioning and image of the HEI. Despite the place the HEI takes in a certain ranking, the result of such endeavour will depend on the adequately formulated and suitably interpreted message. The choice of indicators and their measurement weights used for the evaluation of HEIs reflect

only priorities and values of the ranking agencies. At the same time, immense differences among the traditions of institutions, their mission as well as the types of benchmarked institutions are ignored (Marginson, 2007). International rankings often benchmark the reputation and appeal relying on opinions and refusing the concept of higher education quality (Hazelkorn, 2011). Since objective benchmarking is impossible, the ranking results are only relevant to a certain methodology (Palfreyman, 2012). It is uncommon for a university’s stakeholder, be it a business or a student, to have an ability to assess achievements of a certain HEI in a ranking which gives, for example, the 429 or the 492 position. HEIs with profound changes in their activities could remain in the same or even lower position, if, suppose, the number of participating institutions in the ranking had increased in that year. In any case, the flourishing industry of HEI rankings only confirms the growing competition among HEIs and the search for the ways to stand out among other institutions as well as be attractive to more students (customers) and stakeholders. The fashion to participate in rankings can be thus considered as misdirecting the attention of HEIs from the established objectives that should be reached by undertaking their core activities. In other words, HEIs should use strategic planning instruments and quality management systems for the established, integral analysis and operational planning.

Next, we will analyse how the environment in which HEIs perform in Lithuania had changed recently and what influence these changes had on the HEIs.

In Lithuania, higher education has grown into mass figures, which is no exception. Similar tendencies can also be observed in Latvia and Estonia. In 2007, the total number of higher education students in the Baltic countries had reached 400 thousand. During that time, some HEIs and numbers of students gradually grew (Paliulis & Labanauskis, 2015). According to Statistics of Lithuania, the number of students in Lithuanian HEIs has grown from 197 thousand in 2005 to 210 thousand in 2008 while the number of institutions stayed the same, i.e. 45.

Although a variety of national (grants and loans) and international (mobility programmes) instruments have been used to increase the accessibility of higher education, the national statistical yearbooks of Lithuania suggest that the number of students in Lithuania continues to decrease since 2010 (Fig. 1).

A lower number of students enrolling HEIs means lower income from tuition fees whether paid

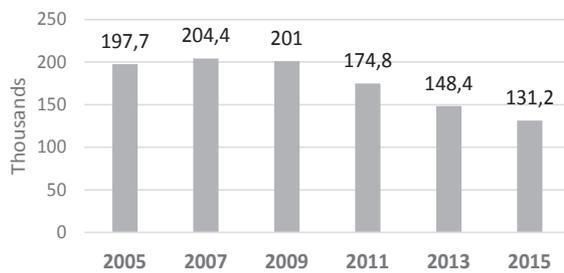


Fig. 1. Number of students in Lithuanian HEIs in 2005-2015

Source: elaborated by the author based on (Statistics Lithuania, 2015).

by the state or students, weaker scientific and creative potential, unpopular personnel management decisions (cuts in wages and tenure positions), infrastructure management struggles, and issues related to investments into research and studies.

Negative demographic trends or, more precisely, decreasing fertility rates mean fewer students (customers) in the future. Another important aspect is the choice of an HEI and a study programme. Authors claim that current consumers have plenty of alternative service providers (Munteanu et al., 2010). They can easily replace a service provider as their satisfaction primarily depends on the quality of the provided service. This also applies to higher education students. The quality of service is the key factor that determines the decision to choose and finish studies as well as continue seeking for a higher degree at the same HEI (Munteanu et al., 2010). Students choose an HEI, a study programme, and even the country for their studies. The numbers of students choosing post-secondary studies abroad increase every year. According to UNESCO (UNESCO Institute of Statistics, 2017), about 12 thousand of Lithuanian citizens chose a full-time study programme in a foreign country in 2013.

It should be noted that Lithuanian network of HEIs is very large, especially considering the number of inhabitants. During 2012–2015, Lithuania had 45 HEIs. Therefore, the current conditions, i.e. the reduction in the overall number of students as well as those choosing studies abroad, pose a true challenge for HEIs in Lithuania. Even though the country tries to attract students from abroad, the reduction of local students cannot be counterbalanced by full-time students as well as part-time students (within the frames of exchange programmes) coming to Europe from other world regions.

Coming back to the sustainable development aspect, two approaches arise: the national or even regional, based on institutional consolidation of

HEIs. The institutional collaboration can operate in at least three ways, i.e. cooperation, coordination or merger (Harman & Harman, 2003). The implications of demographic changes and financial aspects serve as necessary evidence for the top managers of HEIs and policy makers to consolidate the network of these institutions. This is necessary to increase the efficiency of operations, achieve greater teaching value, and enhance research. Also, such decisions mean an immense responsibility as the consolidation process itself does not suppose the higher quality of performance or more sustainable development. An institutional approach analyses the institution as a unit focusing on internal processes and its linkages with external processes and the environment. Subsequently, this paper focuses on the sustainable development from the institutional point of view.

In Lithuania, a recent analysis revealed a significant difference in the preparedness to study in an HEI among students who are financed by the state and students paying their tuition fees. The competition scores of students enrolling to state financed study places are significantly higher when compared to the scores of self-paying students (Research and Higher Education Monitoring and Analysis Centre MOSTA, 2015). Therefore, the preparedness of students within a study programme is uneven. Consequently, such heterogeneity of the students burdens the work of lecturers and complicates the study process. Since 2015, HEIs in Lithuania agreed to establish a minimum competitive score for students admitted to state funded places.

Some authors indicate that with the Bologna Process, the use of quality reached a sort of technical level. As it refers to quality assurance techniques (Saarinen, 2010), it may be emphasised that legal regulation of national higher education and the mechanism of study quality assurance initiated by the Bologna process committed HEIs in Lithuania to create and apply inner study quality assurance systems. External study programme evaluation and institutional HEI assessment refer to Standards and Guidelines for Quality Assurance in the European Higher Education Area (ESG). HEIs in Lithuania introduced quality management systems certified to ISO 9001 standard. In some cases, systems integrated several quality management standards, such as ISO 9001, ISO 14001, and OHAS 18001. HEIs with their main activities in the field of management and business integrated quality management systems which received international quality accreditations such as CEEMAN International Quality Accredita-

tion (IQA) or EFMD EPAS. However, a gap remains in the analysis of the ways the integrated quality management systems influence the activities and development of the HEIs.

Summarising the changing conditions and challenges of HEIs in Lithuania, we can distinguish demographic downturn, increasing competition and tension between HEIs. This means the reduction in the number of students (customers) as well as the state funding of HEIs. A wide network of HEIs determines the defragmentation of the higher education system. A minimally controlled wide accessibility to studies hampers the assurance of the quality of studies and influences the results of HEI activities.

Performing under the changing conditions, HEIs must strive for real uniqueness to remain in the higher education market as well as comprehensively develop its activities in the future. HEIs should rapidly progress the implementation of their studies, research and operations (performance) in general.

It is notable that HEIs are not working alone while performing their tasks and activities. In this context, we take a closer look at a wide range of stakeholders and social partners of HEIs with the diversity of their needs and expectations.

2. STAKEHOLDERS AND THEIR INTERLINKAGES WITH HEIS

In the business world, stakeholders are usually categorised into primary and secondary. The primary stakeholders are those who are directly affected by organisational performance and have an interest in solving potential problems. As such, the primary stakeholders are beneficiaries of activities performed by the organisation; besides, they directly affect the success of the organisation. Secondary stakeholders have an indirect influence by playing an intermediary role and can also have a high impact on potential outcomes (Stankevičienė & Vaiciukevičiūtė, 2014).

The main reason to use the stakeholder theory in this article is determined by the complexity of higher education. Surrounded by a variety of stakeholders with different expectations and requirements, HEIs need to find a balance between these groups. Secondly, we assume that an HEI should start from the analysis of needs and expectations of the stakeholders when choosing or developing their quality management system.

The review of the literature on the stakeholder theory can be started from Freeman and his book “Strategic Management: A stakeholder approach” (1984). The core idea of this theory states that an organisation, which manages stakeholder relationships effectively will survive longer and perform better than an organisation that does not (Freeman, 1984). The scientific literature on the stakeholder theory provides numerous definition of a stakeholder. In some studies, the term “stakeholders” is replaced by the term “customers” (Iacovidou, Gibbs & Zopiatas, 2009). However, the latter term is more controversial in the context of higher education; therefore, we use “stakeholders”. Stakeholders can be “all agents (representatives), who can influence or become influenced when implementing organisation’s objectives” and “any individual or a group, which can influence or can be influenced when implementing organisation’s objectives” (Pesqueux & Damak-Ayadi, 2012; Bourne & Walker, 2005; Mainardes, Alves & Raposo, 2012). Stakeholders acting in field of higher education are interested in the activities of HEIs and are most frequently divided into internal and external (Melewar & Akel, 2005), primary and secondary (Maric, 2013) or overt and latent (Jongbloed, Enders & Salerno, 2008; Garvare & Johansson, 2010; Mainardes, Alves & Raposo, 2013). Higher education stakeholders could also be categorised as commercial and non-commercial (Melewar & Akel, 2005).

The role of stakeholders in higher education is also analysed in the context of ESG. The findings from cases of seven European countries “reveal that the importance of stakeholders varies across the countries and across the types of stakeholders” (Leisyte & Westerheijden, 2014).

One of the current research papers provides a stakeholder map in higher education. According to the map, stakeholders belong to one of two subgroups, i.e. partners or customers. The idea is that such maps help HEIs to identify most important stakeholders, collect feedback and improve processes (Kettunen, 2015).

Stakeholders approach universities from different angles, for example, employers and business groups – from the economic perspective, families of present and future students and social organisations – from the social perspective, academicians and other providers of educational services – from the perspective of education. Often, external stakeholders approach activities of a university referring to the local context in the first place; meanwhile, others draw upon the national or international contexts

(Houston, 2008). The variety shows the importance of this element in the life of an HEI.

An HEI is an integrated organisation surrounded by a larger number of various stakeholders. Thus, their internal connections and expectations are of immense importance. An HEI is an essential part of a stakeholder's "ecosystem" and, therefore, one of its primary activities should be to create the maximum value for its partners. This task is unfortunately encumbered by diverse and often discrepant expectations of these partners.

In a democratic society, interests are negotiated to find compromises. In negotiating these compromises, higher education stakeholders must negotiate all definitions of quality, not just preferred ones (Pitman, 2014).

In 2013, John Borwick prepared a map of scientific partners of higher education in the United States, emphasising external partners and their relations with HEIs as well as internal connections. The adapted and complemented map, representing relations between an HEI and its stakeholder groups

in Lithuania (as well as most of the European countries) is provided in Fig. 2.

While exploring these relations, it is noticeable that government is responsible for legal regulation (legislative acts), financing of HEIs, financial support to students (grants, compensation of loan interest, etc.), and job creation for graduates and students. Accreditation institutions evaluate and accredit HEIs and study programmes, provide relevant and useful information to support government decisions, guide prospective students (e.g., choosing the studies), inform students and their parents. Media and ranking agencies perform analyses and provide information that may be useful for the prospective students, their parents and HEIs. HEIs provide the alumni with an identity, organise various events and offers for qualification improvement. The alumni provide HEIs with feedback and support. They are invited to give lectures for students and share practical experience during events. Aiming to recruit new students, HEIs provide them with information on study options. Parents pay tuition fees and provide additional finan-

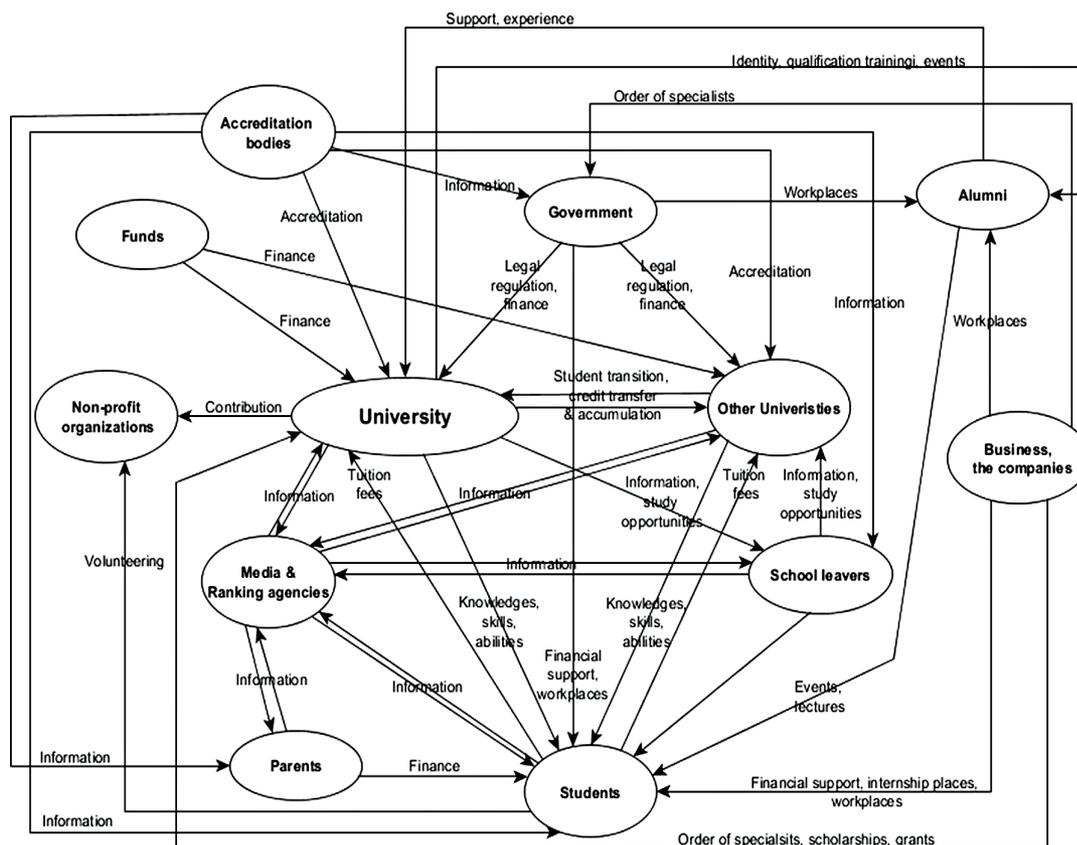


Fig. 2. Map and linkages of stakeholder groups in HEIs
 Source: elaborated by the author based on (Borwick, 2013).

cial support. Various foundations provide financial support to HEIs in the form of grants, etc. Non-governmental (non-profit) organisations expect support from HEIs and student volunteers. HEIs compete for students and collaborate in thematic networks at the same time. Students have possibilities to switch an HEI and continue their studies elsewhere; consequently, credit transfer and accumulation procedures are implemented. Business and private companies are among the most important stakeholders of HEIs. The government orders services, gets specialists trained, funds the higher education. Employers also take part in the management of HEIs and their study programmes, establish grants and placements for students. In general, all HEI activities and results are provided to the society, i.e. not only economically active (working) individuals but also persons of a wide outlook, who are capable of perceiving and analysing world realities, read into and understand the surroundings, signs and information in diverse forms. It all comprises the educational level of the society and the potential of culture and creativity (self-expression). In this scheme of linkages, an HEI and a student are the subjects that face the major part of expectations and interests of the stakeholders (Fig. 2).

Subsequent to the analysis of a substantial number of external partners and their expectations, we can evaluate the importance of the labour market and its interest in processes and results that take place in higher education. Some stakeholders are driven by economic reasons, and others have social interests (Eagle & Brennan, 2007). At the same time, it should be noted that this map does not reveal stakeholder groups that function inside the HEI, such as several levels of administration (university, faculty, and departmental), lecturers, PhD students and young researchers, service personnel and their networks.

When trying to define the influence of the environment, it is meaningful to divide HEIs according to their founders. HEIs founded by the state have the state government as the main source of funding (state funded student places, targeted financing); subsequently, the government is their most important stakeholder. Non-state (private) HEIs do not receive state funding for their activities; however, they perform under the same conditions (legal regulation of higher education, institutional and study programme assessment and accreditation) as the state HEIs. This way, the competitive environment for non-state HEIs is disadvantageous.

This scheme clearly demonstrates the variety of HEIs extending their activities from studies or knowledge transfer and research to community (society) services as well as new types of partnerships within the surrounding environment (Jongbloed, Enders & Salerno, 2008). The stakeholders act as partners, supporters, content makers and change agents. The presented figure allows indicating stakeholders interested in the activities of an HEI and evaluating of their possible influence and impact.

The analysis of the HEI stakeholder network demonstrates that different groups of stakeholders have different needs and expectations towards an HEI, which must find a compromise. It is important to note that the value for HEIs is not created by separately functioning stakeholders. Only joint actions of HEIs and stakeholders result in activities that satisfy both sides and are worthwhile. Fig. 2 provides the map of HEIs and their external links; however, the reflected stakeholder network does not show the level of influence of each player or their position within the HEI.

3. HEI ACTIVITIES AND INTERACTIONS WITH STAKEHOLDERS IN CONNECTION WITH CAUSE AND EFFECT

According to Fadeeva et al. (2014), quality assessment as a transformative process underlines the need to involve the multiple internal and external stakeholders concerned with moving HEIs to become more change focused (Fadeeva et al., 2014). The cause-and-effect diagram created by the Kaoru Ishikawa was used to indicate the essential cause of the problem. Causes are usually grouped into five main categories (personnel, methods, machines, measurements and environment), specifying the sources of deviations (Ishikawa, 1986). Using the logics of this method, we will indicate the most important areas of HEI activities, in which the interaction with different groups of stakeholders is possible. This allows aiming for the maximum economic benefit for the HEI.

Firstly, we group internal and external stakeholders of an HEI and various factors, the presence or use of which could influence on the HEI development. The first group named the “Environment” is mostly composed of external stakeholders of the HEI. It is

suggested to start the analysis from the appeal of the region, i.e. – the choice of location for studies (the geographical region, state, and climate), and conditions to study and social guarantees (support). Next, we should consider the legal framework for higher education and HEIs. It is important to remember the role of international documentation and agreements, such as the Bologna process communiqués, ESG guidelines on the quality of higher education. The national level can be described by laws, legal acts and internal documents of an HEI. Locally-focused HEIs with the underdeveloped international dimension (none or few international students/lecturers, few internationally implemented study programmes) heavily depend on demographic fluctuations.

The network of HEIs is the determining factor that could influence the national context. However, HEI networks should be analysed considering the specificity of their country (e.g. Lithuania). Agencies that implement higher education policies and undertake assessments are most frequently national but can also be international.

Other participants, e.g. employers, businesses, professional associations, non-governmental and non-profit organisations, state and private foundations, and ranking agencies can be regarded as national or international players depending on their activities.

The next group is “Infrastructure and buildings”, which falls outside the scope of stakeholders. This group of factors refers to the land and buildings owned or rightfully used by an HEI. Buildings can be grouped depending on their purpose, i.e. those designated for studies and science processes, i.e. auditoriums, laboratories for research and teaching, administrative premises of the university and faculty (other units), library, bookstore, sports and practice facilities, archive, catering and other utility rooms. Separate attention is devoted to student dormitories as an important campus element.

“Management” group includes all internal HEI management bodies (the university senate, council, rectorate) as well as external social partners, such as a local and international network of partners. This area also covers financial management. It should also be noted that social partners are usually a part of management bodies as well as strategic partnerships.

The group named “Organisation and sale of studies” includes the portfolio of study programmes, studies according to forms and types, qualification improvement courses, distance learning and MOOCs.

Specialized secondary schools and other forms of collaboration with the secondary level of education are also included. Artistic and scientific activities are also attributed to this group as a complementary part of studies. This part of HEI performance is a top priority for all internal (students, teachers, management bodies) and external stakeholder (e.g. employers).

“Science and its commercialisation” group covers scientific publications, their citation indices, scientific conferences organised and attended, orders and contracts with the state and businesses. Patents, new businesses and spin-offs/start-ups are also included.

“Internationalisation and communication strategy” involves marketing campaigns, organised and attended study exhibitions and career days, visits to schools and companies, HEI representation in various working groups, a network of international partners, participation in rankings, use of the feedback, and collection of information from students, lecturers, and social partners.

Fig. 3 fits all the above-mentioned parts in the cause-and-effect diagram. The analysis of HEI activities according to six conditional parts represented in the diagram reveals the complexity of an HEI as an organisation. Subsequently, the abundance and diversity of partners and stakeholders are also represented. At the same time, we can notice that none of the mentioned parts includes the independent role of an HEI. These activities are regulated or determined by the needs of external players (partners, stakeholders). Fig. 2 includes interconnections and expectations of different stakeholders. Fig. 3 reveals the involvement of the HEI resource management and its performance. Ishikawa’s cause-and-effect diagram represented in Fig. 3 does not cover a certain part of personnel or human resources on purpose. The logics for this is that certain cause-and-effect domains and subdomains correspond to certain interests and expectations of different stakeholders. Management of all activities requires a good system, and, more importantly, fluent internal communication between executives and administration as well as the units. In practical terms, it should be noted that challenges and disruptions of the internal communication do not depend upon the size of an organisation. They can slow down a successful higher education performance aiming for strategic objectives as well as good economic activity results. Simultaneously, inconsistent, discrepant or delayed communication results in a higher probability of mistakes and a longer period for reaction to the needs of internal and external stakeholders.

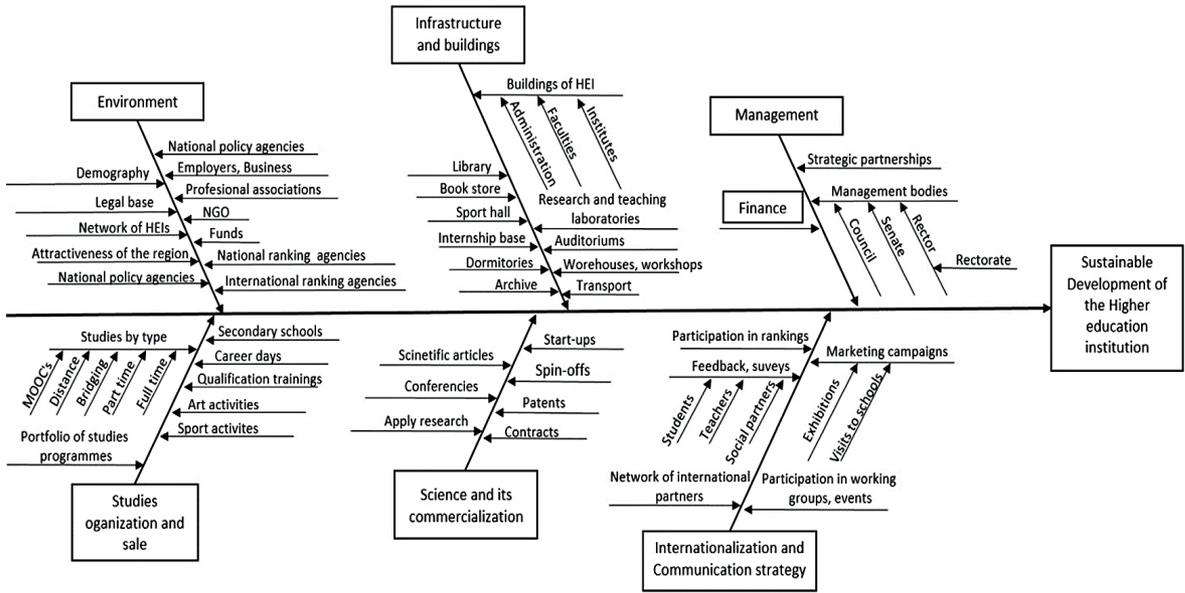


Fig. 3. Causes affecting the overall activity of an HEI leading to its development

Source: elaborated by the author based on Ishikawa's Cause-and-Effect Diagram.

4. ROLE OF STAKEHOLDERS LEADING TO THE DEVELOPMENT OF AN HEI

Many different authors have been writing about stakeholders in the private sector, but the public sector still lags behind with some proper implications and in-depth analyses (Ipsos MORI, 2009). In this chapter, we describe the role of stakeholders in the development of an HEI through HEI performance activities devoted to the measurement of stakeholder needs, expectations and experiences. The measurement is based on indicators to determine the stakeholder role in the HEI development.

As pointed out by Ramos and Pires (2013) “indicators can improve the dialogue with stakeholders, engaging them in sustainability matters and providing key relevant information for their decisions and aspirations” (Ramos & Pires, 2013). The problem is that the indicators tend to become an instrument of the activity, rather than the instrument for measuring the quality of the provided service (Munteanu et al., 2010). Indicators of an organisation are assessed not only by the organisation but also by stakeholders. Thus, the importance of the indicators can be different for different groups of stakeholders.

It is crucially important to evaluate the expectations of stakeholders that are relevant to certain indi-

cators. Most frequently, expectations are unfeasible. Moreover, even with the desirable indicator reached, the expectations tend to rise. In leveraging the satisfaction of the stakeholders, the alternative for the improvement of indicators is the lowering of the stakeholder expectations.

Usually, HEIs measures their activities according to their strategic management plans or main operations, such as studies, research and international activities (or achievements). The variety of indicators varies from the result to effectiveness and efficiency.

In this context, stakeholders can be a significant source of information to determine whether an HEI is state of the art. Tab. 1 provides the linkage between expectations and experience of main stakeholder groups with the improvement of an HEI.

The basic elements of the classical organisational activities are performance costs, time and quality management. The context of higher education is considered as very complex because HEIs have a unique selection of external drivers for change (O'Mahony & Garavan, 2012). Success in the implementation of the HEI development depends on self-positioning, assessment and relevance to the needs of customers with an indication that the resources are limited. Firstly, the needs of customers are indicated using the formal methods such as surveys and focus groups (Kleijnen et al., 2014). The literature also stresses the importance of inclusion of the mid-managers into the integration process. They have the main

Tab. 1. Improvement of HEI activities using expectations and experience of stakeholders

STAKEHOLDER GROUP	LOCATION	EXPECTATIONS (NEEDS)	EXPERIENCE	IMPROVEMENTS OF TARGETED HEI ACTIVITIES
Employers	external	<ul style="list-style-type: none"> fulfilment of labour market demand, highly skilled professional employees 	<ul style="list-style-type: none"> participation in HEI governance bodies, experience from employed graduates, ability to provide suggestions for studies and R&D activities based on gained experience 	<ul style="list-style-type: none"> management, infrastructure & buildings
Managers of HEI	internal	<ul style="list-style-type: none"> achievement of strategic goals, implementation of the HEI strategies, appropriate indicators to make decisions, timely statistical data 	<ul style="list-style-type: none"> quality culture and quality management system, continuous improvement, accountability, measurement tools for stakeholders, set of study programmes, improvements after external evaluations (institutional, study programmes, R&D performance) 	<ul style="list-style-type: none"> all HEI performance activities
Academics	internal/ external	<ul style="list-style-type: none"> appropriate working environment, achievement of the learning outcomes of a study programme, development of studies curriculum based on scientific achievements, participation in international programs and projects 	<ul style="list-style-type: none"> development of study, programmes, workload of studies, monitoring of studies and R&D processes, job satisfaction 	<ul style="list-style-type: none"> studies, R&D activities, internationalisation, communication
Students	internal	<ul style="list-style-type: none"> motivation, development of personal abilities, career opportunities, social status 	<ul style="list-style-type: none"> flexible learning methods, workload of studies, ability to complete selected studies, opportunities for further education and career, international mobility experience, procedures for appeals, opportunities for reflection, participation in student-life activities 	<ul style="list-style-type: none"> studies, R&D activities, internationalization, communication

Source: elaborated by the author based on the Map and linkages of stakeholder groups in HEIs and the overall activity of HEIs.

role in understanding the change process and explaining it to other employers (O'Mahony & Garavan, 2012).

Tab. 1 has provided possible improvements of targeted HEI activities based on different stakeholder group expectations, needs and experience.

Despite the fact what employers are seen as one of the most powerful external stakeholder groups, their ability to suggest HEI studies and R&D activities is very limited.

Owning the right to make decisions regarding the overall HEI performance and activities, HEI managers are the most powerful internal group of stakeholders. However, they should strive for external opinions to not miss relevant issues.

The academicians are seen as a strong group of stakeholders who have an opinion about the processes taking place in the HEI. At the same time, they implement the HEI policy in studies and R&D activities. They do have expectations but also experience, so

information gained from this group is extremely valuable.

Due to limited experience and understanding of HEI activities, students are not clearly assumed as contributors to the integration of the HEI quality management system. The scientific literature often criticises the approach to a student as a consumer (Houston, 2008). Moreover, a student plays different roles as a customer and an active participant in the processes they experience. Recent graduates and employers may evaluate the academic quality as customers and, for non-academic departments, students may assess the quality of services they receive as customers (Tari & Dick, 2016).

Recent graduates or alumni are seen as the most valuable source of information about all HEI activities. They are not only familiar with the processes they experienced but also can be good advocates for the HEI among youngsters and in the society.

Once the needs and expectations of stakeholders are identified, and they are placed within the activities of the HEI, it is easy to plan resources and capabilities as well as establish the priorities. Therefore, the system that indicates the priorities and defines the weights of elements (sub-criteria) is necessary. However, the effectiveness of this model needs to be empirically tested in further studies.

CONCLUSIONS

The organisational development is seen as consistent and permanent efforts of an HEI. Social and economic changes of the recent decade determined the changes of the conditions for HEIs. The statement is illustrated by the example of the situation of the higher education in Lithuania. Having in mind the general negative demographic context, HEIs have to be clear about their exceptionality and increase their attractiveness to stay in the higher education market.

Higher education stakeholders can be grouped and analysed in various ways. A detailed analysis provides their linkages with HEIs, also their needs and expectations. Different groups of stakeholders have different needs; thus, their objectives are diverse. Consequently, HEIs have to find a compromise, harmonise and establish priorities leveraging the needs of the stakeholders.

The analysis based on the cause-and-effect diagram revealed the complexity and diversity of HEI

performance. This also contributes to the streams of scientific literature on the strategic management of HEIs.

Stakeholders are seen as a powerful information source that can be used for the HEI development. The article presents possible ways for improvement of HEI performance using expectations, needs and experience of different stakeholder groups. Stakeholder inclusion in HEI activities could be a powerful element in finding the right ways to the development and improvement of an HEI.

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