



# Stakeholders in Higher Education - Transforming for Development and Well-Being

Shorena Gogiashvili<sup>1</sup>

## ARTICLE INFO

### *Article history:*

Accepted: October 30, 2021.

Approved: December 15, 2021.

### *Keywords:*

Stakeholder, HEIs,  
Development, Satisfaction.

## ABSTRACT

Due to globalisation, massification of higher education, and neo-liberal policies in higher education, education started to be viewed as a sort of business, seeing stakeholders becoming vital for the development of HEIs. Stakeholders have the power to respond to, negotiate with, and modify the strategic future of the various institutions. From a power position, political and governmental bodies, and accompanying structures such as the Parliamentary Commission on Education and Ministry of Education, state educational quality assurance bodies are the most important. They define the criteria of quality and independence, while authorisation/accreditation committees have the power to authorise/accredit or shut down a university or educational program. They also define what kinds of learning outcomes are expected from programs (Ministry of Education, 2010), so, whatever is written in the national standards has a huge, maybe determining, impact on what a university does in the pursuit of officially recognised quality.

© 2021. Published by the Institute for Development Studies  
Sulkhan-Saba Orbeliani University

## 1. Introduction

### 1.1 Introducing the Problem

Nowadays, too frequently, representatives of the business community voice their concerns about the quality of graduates' knowledge and skills, and their lack of key generic and subject specific competences (Turcan, 2016). Governments, too, are urging universities to work more closely with employers, claiming it as mutually beneficial for industries and universities, and, consequently, for

the economic development of the country as a whole. In order to achieve such benefits, there should be a bilateral understanding of the need of universities to satisfy employers, while employers need to communicate to universities what they expect from graduates in order to employ them. This is a relatively new approach, especially in Georgia (Ministry of Education, Science, Culture and Sport, 2017), and both universities and their graduates' employers need to change their mentality, as, not only are employers unhappy with

<sup>1</sup> Sulkhan-Saba Orbeliani University, Georgia.

the skills their employees have, but students are also often left dissatisfied with both the process and the result of the education they obtain (Andghuladze & Bregvadze, 2014).

## 1.2. Stakeholders in higher education.

### Who are they and what do they do?

While carrying out their duties and activities, it is obvious that universities do not work alone. In this circumstance, a wide range of stakeholders and various social co-workers of universities should be looked at more closely, so as to consider the diversity of their needs and expectations. (Labanauskis & Ginevičius, 2017) See Figure 1.

Due to globalisation, massification of higher education, and neo-liberal policies in higher education, education started to be viewed as a sort of business, and we see many business-related terms now being applied to it (Akyildiz, 2010). “Stakeholders” is one such term. According to Eden and Ackermann (1998), “stakeholders are the most

important group of individuals, small groups, or people in general, with the significant ability to answer, negotiate with, and modify the strategic future of an organisation” (p.117). Bryson (2004) calls them a “winning coalition”. However, they may come with threats as well, especially if they exceed their power mandate, and/or if their competence is low (Gomes & Liddle, 2009).

In order to achieve the goals HEIs have in their missions and visions, effective coordination is vital between the parties. See Figure 2 below.

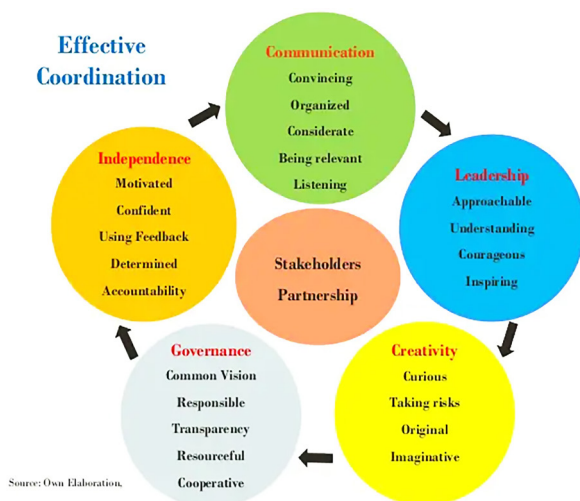
We should pay attention to the difference between stakeholders in business and those in education, as well as their coordination. In business, their focus tends to be on financial issues and only after that do they look at other things, such as ecology, humanism, etc. In education, the emphasis is (or, at least, should be) on people: their employability and quality of life.

While defining who the stakeholders in higher education are, various approaches



**Fig. 1. HEIs' various stakeholders and social partners**

Source: *Treating Constituents as Customers* (Treating Constituents as Customers, n.d.).



**Fig. 2. Coordination/ stakeholders' partnership**

*Source: Stakeholders' and Partnerships' Role in Open Education Action Lab / Education as a Strategy.*

have been offered by stakeholders, such as non-profit organisations, who do everything without benefit, voluntarily (Clarkson, 1995), and with a lower level of power and degree of benefit (Johnson and Scholes 2002), and involvement (Reed, 2008).

From a power position, political and governmental bodies, and accompanying structures such as the Parliamentary Commission on Education and Ministry of Education, state educational quality assurance bodies are the most important. They define the criteria of quality and have the power to authorise/accredit or shut down a university or educational programme. They define what kinds of learning outcomes are expected of programmes (Ministry of Education, Science, Culture and Sport, 2010), and so, whatever is written in the national standards has a huge, maybe determining, impact on what a university does in the pursuit of officially recognised quality.

Freeman (1984) mentioned stakeholders as a source of vitality, able to affect or impact the way an organisation's objectives are achieved through its involvement with the organisations, group or individuals. The stakeholder theory developed by Freeman and his

colleagues (Freeman et al., 2010) is essential to the contemporary understanding of higher education stakeholders.

In Figure 3, we see examples of the key stakeholders in higher education: students, alumni, university administrative and academic staff, employers, regulatory bodies, policy makers, and local and professional communities.

Of course, students are the number one stakeholders, and thus it is important that they are satisfied with the quality of the teaching (and other services) that the university they study at provides, otherwise, they will trans-



**Fig. 3. The most important interested bodies in HEIs**

*Source: Koester, et.al., 2006.*

fer to another university or drop out. Students who are happy with their universities learn better and are generally more involved in the educational process (Gibbs, 2017; Guild HE, 2018). Sears & Hall (2000) view students as key stakeholders in the educational process. Students assess lecturers, courses, and the programme. Where lecturers and courses are assessed by all students every semester, programmes are usually assessed by senior students, as programme assessment requires a wide and deep awareness of the programme and future career opportunities.

Graduates are no less important, as their degree of satisfaction defines what they will say (including online) to their friends and relatives about the university, and this word-of-mouth aspect is very important (Briggs, 2006; Sweeney, Soutar & Mazzarol, 2008). In countries like Georgia, it is valued even more highly than official advertising. Graduate satisfaction is also defined by what employers think of them, and, correspondingly, whether

those employers are willing to employ other graduates of the same university / programme in future (Morley & Aynsley, 2007).

The academic staff of a higher education institution is vital as a stakeholder, as it is they who deliver the courses and assess the students. Where, in the past, a teacher-centered approach dominated, and it was the professor who selected and was responsible for the content, educational materials, teaching and assessment methods (and was probably somehow controlled by the university administration), nowadays, lecturers, while making up the syllabi and delivering the course, have to consider students', graduates' and potential employers' needs and assessments (Bowen & Shapiro, 1998).

The administrative staff has to organise the educational process so as to support both students and academic staff (hold trainings, monitor the process, deal with paperwork, etc.). Their task is to regulate the smooth functioning of the university and the pro-



**Fig. 4. Student satisfaction and what HEIs should do to achieve it**

*Source: Udara S.P.R. Arachchige, 2020.*

grams, as well as to create an enthusiastic and student-centered teaching and learning environment (Shanahan & Gerber, 2004).

### **1.3. Employer satisfaction**

The satisfaction of employers is important, as only graduates who are (successfully) employed work as a “living advertisement” of the university / program. Beautiful booklets that contradict reality will be of no help to a university that is not providing employable graduates. Ideally, dealing with quality education and employee competence should involve the consultation of employers on the content of curricula, as well as feedback on graduate competences on a longitudinal basis. Similarly, given the appropriate resources, universities could survey their alumni periodically in order to ensure the ongoing relevance and effectiveness of the learning, teaching and assessments that they offer. Intended learning outcomes, assessment, and assessment criteria that contribute to the overall degree, need to be discussed by the students, graduates and employers in order to help graduates get employed and for their employers to be satisfied with their work (Turcan, 2016). This sense of mutual responsibility is vital, and it is important to include all educational players in the process of policy making, allowing all the different stakeholders to take on an active role. (Peláez&Usma, 2017). As we can see, all stakeholders, no matter what status they hold, are vital for HEIs and their well-being.

### **1.4 Stakeholders and their connections with HEIs**

We usually categorise stakeholders in the business world as “primary” and “secondary” sources. Those stakeholders who affect organisations’ well-being are “primary”. Their main role is to identify and eliminate possible problems HEIs might have. Meanwhile,

“secondary” stakeholders have no direct influence or high impact on possible outcomes (Stankevičienė & Vaiciukevičiūtė, 2014).

Stakeholders approach universities from different angles. For higher education to be successful, all stakeholders must be engaged, but not all stakeholders can necessarily be persuaded of the benefits of doing so. Small enterprises may be particularly unenthusiastic, but their support in providing work placements for incoming students may be vital in securing reciprocal arrangements for outgoing students with partners in other countries.

According to Labanauskis and Ginevičius, universities are consolidated institutions surrounded by a large number of stakeholders, and we can thus see huge importance in their internal links and suppositions. HEIs have the challenge to create steps to boost their values in order to build up partnership among the interested bodies. Unfortunately, this effort is often foiled by the different and often contradictory expectations of the partners (Labanauskis R, 2017). A scientific map was created by John Borwick in 2013, and later elaborated by Labanauskis and Ginevičius, and it demonstrates to us that the same is true in Georgian HEIs (Labanauskis R, 2017, p. 68). See Figure 5 below.

Of course, it is impossible for every stakeholder in a higher education institution to have the same needs and expectations. This figure indicates and explains all the interactions and prospects of HEIs. It is vital to note that the value for universities is not generated by separately functioning stakeholders, but by the joint activities of HEIs and stakeholders in order to satisfy all the parties. Fig. 4 shows the HEIs and their external connections, however, the reflected stakeholder chain does not show the level of influence of each player or their position within the HEIs (Labanauskis R, 2017, p. 69).

**Source:** Borwick 2013; Labanauskis and Ginevičius 2017.

Direct impact stakeholders, such as students, alumni, and the university's administrative and academic staff, can not only be affected by employers, but are also directly impacted by the content, teaching

and assessment methods, and learning environment.

Janmaat, McCowan & Rao (2016) analyzed several studies (Chan, Siu-Keung-Ngai & Choi, 2016; Collet & Bang, 2014; Cosunen & Karrasco, 2016; Floyd & Fuller, 2016; Hammad, 2016) from all over the world (Finland, Chile, Hong Kong, Canada, Kenya, Jamaica, South and North Korea, the USA, Jordan, Egypt) that dealt with the motives / interests of different groups of stakeholders in the learning outcomes of a programme. “Selling the product” (having knowledgeable graduates who are easily and well employed and who eventually serve as the best possible advertisement for the educational institution) is the major motive for universities. However, female school principals in Hong Kong also expressed a motherly type of interest in the future of their graduates (Chan et al., 2016). Attracting international students and staff is another, sometimes more powerful, motive for them. On the other hand, for parents and students, the major concern deals with hap-

piness and social adjustment. Parents express both hope and fears when trying to choose the best educational institution for their children (Cosunen & Karrasco, 2016). Migrant (refugee) students and their parents care about the security of the institution, as well as about the risk of loss of personal or ethnic identity (Collet & Bang, 2014).

Although the modern world is now very much business-minded, and there is a whole direction in education science which studies entrepreneurial universities as a successful model, educationalists’ major concern should deal with the students. Ethnic minorities care about preserving their identity while studying with students representing the dominant nation (Floyd & Fuller, 2016). Teachers, while being retrained on the “international standards”, also care about preserving their national culture, and worry the trainings organised for them might present linguistic or cultural challenges (Hammad, 2016). Thus, while analyzing the contribution of various stakeholders to the assessment and quality of LOs, research-

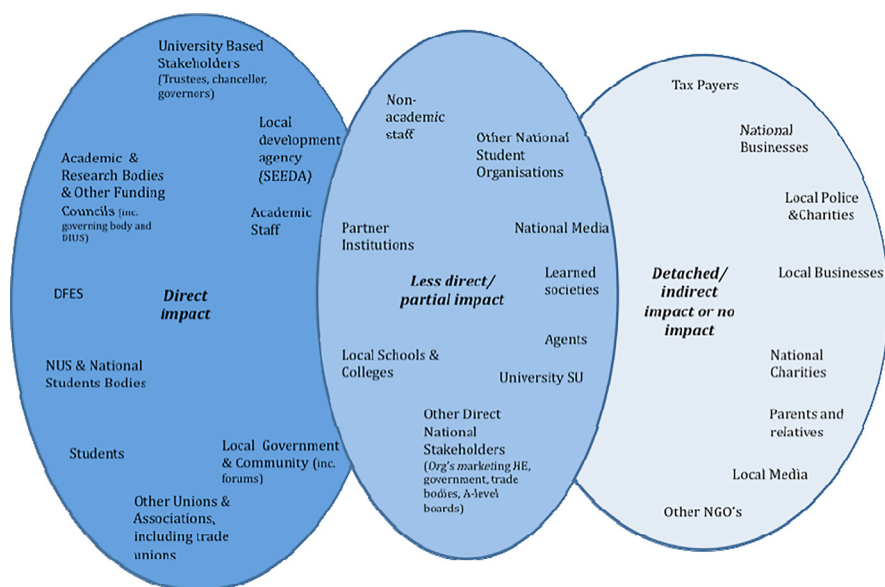


Fig. 6. Direct impact, partial impact, indirect impact or lack of impact of stakeholders on HEIs



ers and program authors / university quality services need to take into consideration their motives for taking part in this process.

It is a well-known fact that the most powerful external groups of stakeholders are employers. Their ability and motivation to impact HEI studies and R&D activities is very limited. Nobody doubts HEI managers and their importance in decision making, though. As the most powerful internal group of interested stakeholders, they have the right to make decisions referring to the performance and activities of higher education institutions; however, external opinion is vital so as not to miss relevant issues.

Another vitally important group of interested people is the professors, who also share their opinions on all ongoing processes taking place in their universities. They help the universities to implement the policies in studies and activities, such as R&D. Their experience, and information based on it, is extremely valuable.

Students, who are considered the most valuable stakeholders, due to their limited experience and understanding of what higher education institutions do, are not often great contributors to the process of integration of the university quality management system. Awareness must thus be raised among students of the importance of said system.

For a university's well-functioning activities, alumni are seen as the most valuable source of information. The alumni are not only aware of ongoing processes within society, but can also be good advocates for the universities among youngsters. We see the consistent and ongoing efforts of organisational development universities. Progress in the conditions of HEIs is determined by both social and economic changes. Universities need to be clear about what they should expect, and must be able to expand their attractiveness to stay in

the higher education market. Higher education stakeholders are grouped and analyzed, in various ways, by their connections with HEIs, and by their needs and expectations. We see that different groups of stakeholders have different needs, and, thus, their objectives vary (Labanauskis R, 2017, pp. 72-73).

## Conclusion

Organisational well-being is dependent on the long-term efforts of the higher educational institutions. The transformation of HEIs is determined by changes in social and economic thinking. Taking into consideration the situation in Georgia, universities have to be clear about what they expect to get, and must do their best to enhance their privileges, to be attractive, and to remain in the market, especially considering higher education is a highly competitive area. We have characterised university stakeholders in detailed ways, according to their linkages with the higher education institutions, their needs, and their expectations. Different groups of interested parties, of course, have different goals and ambitions. Accordingly, universities must adjust, harmonise, and form priorities when seeking to impose the demands of the various stakeholders. Stakeholder involvement in higher education institution activities is a powerful determinant in finding the best way to improve and develop that institution.

## References

- Akyildiz, M. (2010). Commercialisation of higher education in the globalisation process and customer-oriented applications. *World Universities Congress*. Çanakkale, Turkey: Çanakkale Onsekiz Mart University. Retrieved March 10, 2019, from: [https://www.researchgate.net/publication/264672567\\_COMMERCIALISATION\\_OF\\_HIGHER\\_EDUCATION\\_IN\\_GLOBALI-](https://www.researchgate.net/publication/264672567_COMMERCIALISATION_OF_HIGHER_EDUCATION_IN_GLOBALI-)



SATION PROCESS AND CUSTOMER-ORIENTED APPLICATIONS

- Andghuladze, N. & Bregvadze, T. (2014). *Student satisfaction and engagement study. Research Project Report Executive Summary*. Retrieved March 10, 2019, from: <http://erasmusplus.org.ge/files/publications/Student%20satisfaction%20survey%20-%20en.pdf>
- Briggs, S. (2006). An exploratory study of the factors influencing undergraduate student choice: The case of higher education in Scotland. *Studies in Higher Education*, 31:705-722.
- Bowen, W.G. & Shapiro, H. T. (1998). *Universities and Their Leadership*. Princeton University Press.
- Chan, A.K., Siu-Keung Ngai, G., & Choi, P. (2016). Contextualising the career pathways of women principals in Hong Kong: a critical examination. *Compare: A Journal of Comparative and International Education* 46 (2), 194-213
- Clarkson, M. (1995) A stakeholder framework for analysing and evaluating corporate social performance. *Academy of Management Review*, 20, 92-117.
- Collet, B.A. & Bang, H. (2014). The securitisation of refugee flows and the schooling of refugees: examining the cases of North Koreans in South Korea and Iraqis in Jordan. *Compare: A Journal of Comparative and International Education*, 46 (2), 272-292.
- Eden, C. & Ackermann, F. (1998). *Making Strategy: The Journey of Strategic Management*. London: Sage Publications.
- Freeman, R. E. (1984). *Management: Stakeholders' Approach*. Boston: Pitman.
- Freeman, R. E., Harrison, J. S., Wicks, A. C., Parmar, B. L. & Colle, S. (2010). *Stakeholder Theory: The State of the Art*. New York: Cambridge University Press.
- Gibbs, P. (2017). *Why Universities Should Seek Happiness and Contentment*. London: Bloomsbury.
- GuildHE (2018). *Wellbeing in Higher Education. A GuildHE Research Report*. London.
- Janmaat, G., McCowan, T., & Rao, N. (2016). Different stakeholders in education. *Compare: A Journal of Comparative and International Education*, 46 (2), 169-171.
- Labanauskis, R., Ginevičius R. (2017). Role of stakeholders leading to development of higher education services. *Engineering Management in Production and Services*, 9 (3).
- Ministry of Education, S. C. (2010). LAW OF GEORGIA ON EDUCATION QUALITY IMPROVEMENT. *matsne*. Retrieved from: <https://matsne.gov.ge/en/document/download/93064/5/en/pdf>
- Ministry of Education, Science, Culture and Sport. (2017). *Employers and students will get involved in the process of assessment for the purpose of improvement of quality of higher education*. Retrieved March 10, 2019, from: <http://mes.gov.ge/content.php?t=srch&search=employer&id=7054&lang=eng>
- Morley, L. & Aynsley, S. (2007). Employers, quality and standards in higher education: Shared values and vocabularies or elitism and inequalities? *Higher Education Quarterly*, 61(3), 229-249.
- Peláez, O. & Usma, J. (2017). The crucial role of educational stakeholders in the appropriation of foreign language education policies. *Profile*, 19 (2) , 121-134.
- Reed, M. (2008). Stakeholder participation and environmental management: A literature review. *Biological Conservation*, 141, 2417-2431.
- Sears, J. T., & Hall, J.D. (2000). Generational influences on contemporary curriculum thought. *Journal of Curriculum Studies*, 32 (2), 199-214.
- Shanahan, P. & Gerber, R. (2004). Quality in university student administration: stakeholder conceptions. *Quality Assurance in Education*, 12 (4), 166-174.
- Sweeney, J.C., Soutar, G. & Mazzarol, T. (2008). Factors influencing word-of-mouth effectiveness: Receiver perspectives. *European Journal of Marketing*, 42 (3/4), 334-364.
- Turcan, R. B. (2016). *The Global Market Paradox of Stakeholder and Educational Values in Higher Education*. New York: Palgrave Macmillan.
- Turcan, R. B. (2016). *The Global Market Paradox of Stakeholder and Educational Values in Higher Education*. New York: Palgrave Macmillan.

