

University Stakeholders and Strategy: Divergent Priorities, Converging Strategies

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Research Domains

Management, leadership, governance and quality (MLGQ)

Abstract

While there is much debate around the purpose of higher education and the measurement of institutional success, there are few systematic studies and analysis of the relationship between stakeholder views and institutional strategies. This paper focuses on the overlapping yet divergent perspectives of stakeholder groups in Chinese higher education and their influence on institutional strategies, which are becoming less differentiated at a time when competition is increasing.

Full paper

Background

Freeman (1984) proposed a stakeholder theory-based framework for organizational management to address evolving societal needs. The theory highlights the correlations between well-managed stakeholder relationships and enhanced organizational performance. In the case of non-profit and public organisations, which comprise the majority of universities and higher education institutions worldwide, the recognition of stakeholder approaches is getting stronger. Stoner et al. (1999) differentiated stakeholders into internal and external stakeholders, with the former comprising those involved internally in an organization and the latter those indirectly involved.

Research such as Al-Sharafi & Al-Rubai'ey (2020) and Langrafe et al. (2020) has highlighted the importance of evaluating the role of stakeholders in higher education institutions, while conflicts and tensions are often attributed to the diverse expectations of different stakeholder groups. Others have emphasised the importance of different stakeholder groups in quality assurance as well as their role with national quality agencies (Beerkens & Udam, 2017; Bollaert & Delplace, 2020; Kettunen, 2015). Langrafe et al. (2020) found a positive relationship between stakeholder participation and perceived value creation in Brazilian universities, though their methodology relied on stakeholder perceptions of these

variables. These and other studies are often limited in scope to certain stakeholder groups (Cavallone et al, 2020; McCann et al, 2021; Jongbloed et al, 2008; Mainardes et al, 2010).

With the evolving social environment and intensifying global competition, higher education institutions face escalating pressure to respond to stakeholders' diverse needs and expectations. Few studies have analyzed the relationship between institutional strategies (what universities themselves aim to achieve) and stakeholder expectations (what universities are expected by others to achieve).

Research design

This study aims to analyze the relationship between universities' strategies and their response to key stakeholders' expectations, employing a comparative institutional analysis framework between Mainland China and the UK. Universities in both contexts confront comparable marketization pressures, although with different institutional mechanisms. Chinese universities operate within education policies aiming at 'traditional' world-class status, whereas the UK higher education system is increasingly concerned with financial pressures.

The typical division between internal and external stakeholders is blurred in higher education given that students can be seen as both internal partners in learning and as 'customers' in terms of recruitment within a competitive market of universities. The main stakeholder groups include: students and their parents (as purchasers); organisations (as employers of graduates or as providers of work-based learning and research opportunities); academic and other staff; institutional leaders, both executive and non-executive; government and other organisations (as funders of students and/ or institutions); government at various levels from a higher education policy perspective; and the wider society.

Institutional strategies can be analysed in three main areas: education, research and external engagement. Stakeholder concerns in these areas will be mapped and their impact on universities' strategies analysed, in particular shifts over time where these can be identified and key metrics used in performance measurement and communication with stakeholders. It is expected that data will be systematically collected from 5 tier-1 universities and 5 newer universities under 25 years old, initially in China, then in the UK and possibly other countries.

Initial findings from China

Initial findings are that students and parents prioritize university rankings (national/international rankings), often aiming to get to the highest ranked institution and choosing a subject that makes it easiest to apply successfully, sometimes with the goal of changing major to a more highly ranked subject after entry. Other concerns are: (1) further study destinations, as master's qualifications are highly valued by students, parents and employers, and (2) employability, as good jobs have become more difficult to find as

Chinese higher education expands. Universities increasingly produce comprehensible quantitative information to satisfy these stakeholders' expectations, for example annual employment and further study destination reports. As universities operationalize strategies to address stakeholder demands, stakeholders' perceptions remain anchored in statistical representations rather than substantive educational quality.

Further, faced with domestic and internationally influenced stakeholder demands, most universities are tending to develop more uniform research strategies prioritizing ranking-driven metrics like journal publications (crucial for institutional research recognition and staff job security/income), alongside government-recognized key labs and research funding. The end result is similar institutional strategies that is likely to lead to increased competition for limited resources (financial and highly published staff) rather than more diverse and distinctive strategies. Such hyper-competition with decreasing returns has been labelled as involution (*neijuan*) in markets for labour and industrial products.