Application of Stakeholder Management for Business Sustainability in the Higher Education Sector

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ABSTRACT Universities have not been able to manage their stakeholder identification and salience correctly, nor to establish the needs of each stakeholder. Stakeholder analysis is deliberately considered as the most important part of university management and marketing, and universities are required to take care of their key stakeholder groups and build long-term relationships with them. The study sought to determine how the university identified and managed stakeholders for its Research and Innovation Month. This single exploratory case study situated in a qualitative paradigm used interviews, questionnaires and a literature review to collect relevant data. This study found that the university, through the Research and Innovation Month, has created a platform for collaboration and partnerships, as well as intellectual engagement. In addition, the study found that the university looks at four components in stakeholder participation.

INTRODUCTION Research involving stakeholder analysis has been widely reported in academic literature (Varma and Kumar 2016). Universities, like any business organisation, are expected to identify their stakeholders and their needs before defining priorities and relational strategies for each stakeholder. In recent years, the university has created the Research and Innovation portfolio, in order to produce research excellence in all academic fields across disciplines within the institution. The study envisaged gaining an understanding of, among other things, how the university identified and managed stakeholders for its Research and Innovation Month, and what responsibility it had towards stakeholders, using the taxonomy of stakeholder theory, which included normative, instrumental and descriptive types (Berman et al. 1999).

According to Murphy et al. (2005), it is important to consider that certain stakeholders are indispensable to sustainable business functioning. Institutions of higher learning are engaged in asymmetrical, profitable stakeholder relationships (Alves et al. 2010), while conversations about the transformation of traditional universities into entrepreneurial universities are continuing (Etzkowitz 2014). Universities across the globe are under pressure to meticulously rethink their duty and responsibility to society, and to reconsider and evaluate their relationships with communities and stakeholders (Jongbloed et al. 2008; Mainardes et al. 2012). The pressure is increasing on universities to commercialise their research and contribute to their local and regional societies (Benneworth et al. 2009). It is against this background that this study attempts to address two research questions:

1. How did the university identify and manage stakeholders for the Research and Innovation Month?; and
2. What was the role of stakeholders for Research and Innovation Month, who were they and how did they contribute to its sustainability?

Stakeholder Theory Stakeholder theory is a multi-disciplinary field that draws on four social sciences, namely economics, sociology, politics and ethics, and applies literature on systems theory, corporate planning, social responsibility and organisational studies (Mainardes et al. 2012). Jackson (2003) argued that today’s problems are more complex, and that solutions to these problems...
should therefore come from various disciplines. Stakeholder management utilises processes to identify, plan, manage and control people, groups or organisations that can have an impact on or are impacted by the project (Purvis et al. 2015). Systems’ thinking posits that leaders should adopt a systemic approach, in order to be able to examine problem areas and determine how to resolve them from a variety of perspectives (Jackson 2003).

The tenets underlying stakeholder theory are rooted in relationships between and among organisations and communities, in order to become sustainable (Felix and Ogbor 2014). Stakeholder management has gained considerable traction (Mitchell et al. 2007) and the consideration of stakeholder cooperation contributes to the success of business strategy (Waligo et al. 2014). Stakeholder management involves designing and implementing strategies for sustainability (Felix and Ogbor 2014). Stakeholder theory attempts to express fundamental questions in a systematic way: Who are our stakeholders? What claim do they have? What responsibility do we have towards them? (Mitchell et al. 1997).

In today’s turbulent environment, leaders are required to deal with increasing complexity, change and diversity (Jackson 2003). Complex adaptive systems can be defined as collections of many different components, called agents, which interact in non-linear ways in the absence of any external supervisory influence (Sturmburg et al. 2014). Theories related to complex adaptive systems presume that the adaptation of a system to its environment emerges from the adaptive efforts of individual agents, who are seeking to enhance their own payoffs (Anderson 1999). Stakeholder management offers the potential of a comprehensive and unifying framework for understanding the complex interactions between organisations and their internal and external environments (Doh and Quigley 2014). In recent years, there has been an increasing interest in the notion of stakeholders (Cheng et al. 2006).

Stakeholder theory has become the centre of many debates in various disciplines, to such an extent that it has taken on the appearance of a dominant discourse (Pesqueux and Damak-Ayadi 2005; Mitchell et al. 2007). It views organisational group relationships as a foundation for the relational model of the organisation (Felix and Ogbor 2014; Carroll et al. 2014; Pesqueux et al. 2005). In the context of higher education, stakeholder theory can be used in explaining the focus on various communities and the relationship between a university and its communities (Jongbloed et al. 2008). According to Green (2014) a university and society need to be connected in a way that the needs of society are at the core of universities’ activities. Although stakeholder management is part of the organisation’s strategy, it does not drive that strategy (Berman et al. 1999).

According to Jones and Wicks (cited in Mainardes et al. 2012), the main principles of stakeholder theory are the following:

- The organisation enters into relationships with various groups that influence or are influenced by the organisation, that is, ‘stakeholders’ in accordance with Freeman’s (1984) definition;
- The theory focuses on the nature of these relationships in terms of processes and outcomes for the organisation and its stakeholders;
- The interests of all legitimate stakeholders are of intrinsic value and it is assumed that there is no single prevailing set of interests, as highlighted by Clarkson (1995) and Donaldson and Preston (1995);
- The theory focuses on management decision making;
- The theory explains how stakeholders attempt to influence organisational decision making processes, in order for them to be aligned with their needs and priorities; and
- Organisations should attempt to understand and balance the interests of the various stakeholders.

A critical challenge in stakeholder management is the identification and prioritisation of stakeholders (Parent and Deephouse 2007; Mitchell et al. 1997). Stakeholder analysis is used as a tool to help the university determine its stakeholders and their salience (Jongbloed et al. 2008).
However, research has found that many organisations do not currently undertake a formal analysis of all stakeholders' interests, because they anticipate difficulties in mapping them (Payne et al. 2005). According to Mainardes et al. (2010), there are no empirical studies on the identification of university stakeholders, which means that the process of the identification of university stakeholders needs to be developed from scratch.

Jongbloed et al. (2008) argued that stakeholder identification within the university takes place not at the central institutional level, but at various levels, because of professional domination, fragmentation of decision making, and devolution and devolution of power. According to Burrows (1999), mechanisms to determine the patterns of differences and similarities between stakeholder groups are needed. The traditional methods of stakeholder identification have not been applied to the context of universities (Mainardes et al. 2010). In this context, therefore, the identification of stakeholder groups is not straight-forward or simple (Jongbloed et al. 2008).

It is important to identify participants, classify them according to their relative importance and establish relations with them in terms of their salience (Mainardes et al. 2012). Universities should recognise the different expectations and needs or demands presented by each stakeholder, beyond just identifying their stakeholders (Bertrand and Busugutsala 1998). Jongbloed et al. (2008) stated in a university the capacity to identify, prioritise and to be involved with communities mirrors the state of organisational evolution.

**METHODOLOGY**

This study was an exploratory case study. This exploratory study employed a qualitative approach in order to gain insight into how the university identified and managed its stakeholders. A case study design was used to obtain a better understanding of the situation, and its meaning (Henning et al. 2013). According to Smith (in Henning et al. 2013), case studies are not the same as any qualitative study, because it analyses and describes a single unit or bounded system, such as an event, individual, community, etc. Moreover, according to Du Plooy-Cilliers et al. (2014), the characteristics of the case study method facilitates the aim or goal of a qualitative study.

Ethical approval for the study was obtained and permission was granted by participating institutions which supplied gatekeeper letters. Data collection involved in-depth interviews and self-administered questionnaires. The researchers envisaged conducting six single interviews - however, only three interviews were held. Interview appointments were arranged and solicited via email, accompanied by an introduction, consent form and permission to conduct the study. Follow-up reminders via email were sent directly to potential participants.

In order to ensure that answers collated with the research questions and that there was a degree of systematisation in questioning and analysis (Marshall and Rossman 2006), the researchers drafted guiding questions for the interview process. The interviews were semi-structured and conducted at the most suitable time and place for participants. The interviewer was granted verbal permission by participants to voice-record the interviews. The interviews were conducted between 17 November and 14 December 2015, and were voice-recorded via cellular phone and later transcribed. The transcribing method was determined by the type of interviewing method (Malhotra 2012). The cellular phone voice-recorder was tested before the interviews, and a second cellular phone was used as a back-up. The assistance of a professional transcriber enabled the researchers to stick to the schedule. The interviews were conducted in English, which was agreed upon before the interviews.

The questionnaire used in this study was developed by the researcher. It was compiled in English prior to the actual fieldwork. The questionnaire enabled participants to share and recount their experiences. The questionnaires were distributed by the researcher via email to participants, accompanied by an introductory letter and consent form stating the importance of the study. The body of the email contained information on how to complete the questionnaire and how long it would take to do so, as well as the contact details for any enquiries. The respondents were afforded an opportunity to complete the questionnaire, and the researcher reminded participants to complete the questionnaire. Out of six distributed questionnaires, only five were completed and returned. In this study, secondary data was collected through university documents and journals.
The inductive method was used to analyse the transcribed in-depth interviews in this study.

Measures for Ensuring Trustworthiness

This study used non-probability purposive sampling. The participants were chosen based on the criteria that they are knowledge holders with experience at different levels, which provided the opportunity for them to shed possible light on the research questions from various perspectives. One of the strategies employed to ensure the credibility of the study was to draw data using different data collection tools, namely interviews, questionnaires, and documents. The data was collected in different forms. This was accompanied by the identification of participants from different levels in terms of demographic and psychographic representations. The researchers honoured the terms and conditions stipulated in the ethical clearance and permission. This included a high level of confidentiality, privacy and anonymity for the participants, by using pseudonyms where necessary. This also included not using the title or occupation of any participants.

RESULTS

The findings of the research are discussed below.

Research Question One

How did the university identify and manage stakeholders for the Research and Innovation Month?

Significance of the Research and Innovation Month

Respondent 1

The fact that there is a Research and Innovation Month taking place during the whole month of March to highlight research activity does not necessarily mean that academics are conducting research only for that month. Research and Innovation Month provides an opportunity for academics to exhibit their work. It creates a platform for not just local, but also international speakers to be invited, and this shows how competitive we are out there, and that our research can be linked with what is happening. One of the highlights is colleagues who come from Brazil and India, especially those who speak about BRICS. BRICS is now the real emerging phenomenon, because the BRICS countries are taking the world by storm. They are there to show the rest of the world that developing countries can make it, if they work together.

Respondent 2

The aims of Research and Innovation Week/Month is to raise awareness about research and innovation by showcasing a variety of research that has been undertaken at the university, as well as sharing knowledge with colleagues from other institutions. It is actually a very short time to achieve what they intend to achieve, but the respondent believes that as a portfolio, they have a programme and activities that will ensure that the message is spread far and wide, and that it communicates what it intended to achieve. Moreover, it is a step in the right direction for them. I believe they have got more activities that are aligned, in order to ensure that everybody is on board in assisting the university to achieve its goals where research is concerned.

Respondent 3

Research and Innovation Month is where the university provides a platform for intellectual engagement with colleges, because the stakeholders in this event are colleges. The university is then able to invite people in specific areas of interest, so that they can engage on those areas. It is also about capacity development - that is basically where stakeholders come and talk about issues, and also to invigorate research in a sense with those ideas, so that people can start to think differently and have a different approach to their research.

Stakeholders for Research and Innovation Month

Respondent 1

Students, academics, government departments (For example, the Department of International Relations and Cooperation; Department of Trade and Industry), BRICS countries, embassies, business, private sector, and experts in
various disciplines or fields are stakeholders for Research and Innovation Month.

Respondent 2

Among the stakeholders involved is obviously government. So government is our main stakeholder and participates in this event. There are also research companies (for example, NRF, CSIR, HSRC), Innovation Hub, Institutes, business, university staff, labour [unions within the university], academics, research committees, other professional researchers outside the academic environment, National Student Representative Council, and also the students.

Respondent 3

Stakeholders for Research and Innovation Month are colleges; government (for example, Department of Higher Education), local and international speakers/presenters, National Research Foundation, external funders, donors, academics, researchers, parastatals, universities, and the community.

Stakeholder Identification Process

Respondent 1

The type of research, discussion and topic determine the stakeholders for an activity or event. Speakers or presenters are identified based on their areas of research, expertise, contribution(s) they are expected to make, and possible benefits for the university. Although in our minds there are students, academics, researchers, professionals and community at large.

Respondent 2

The process that is followed is that one draws up a list of potential stakeholders – ‘in other words, who might be interested in the Research and Innovation Month. The intention is to begin with government and then go to business, but also ask the following question which is, What type of business is being sourced?’ They could be our potential sponsors, investors, or people who provide bursaries to our students. Secondly, look at research companies and our partners. The University Council is prioritised as our higher body. So that is how the list is drawn up. Then look at individuals and see if the person could be interested in what is being done. Media is always the last, but not the least important stakeholder. After identifying stakeholders, details are collected from the database. What is followed is to identify top management of the organisations or institutions, and send them invitations. It was very specific in terms of who was targeted. The entire company is not invited as this would be pointless. Once the target market is identified, details are gathered and an invite sent them. In terms of the identification of stakeholders and management, this is a step in the right direction. ‘I can’t say that we are doing badly’.

Respondent 3

As already stated, Research and Innovation Month creates a platform for colleges to have intellectual engagement. In our case, the colleges are our stakeholders. However, the ground-breaking research showcased during Research and Innovation Month contributes to who should be invited. In recent years, for example, nanotechnology had ground-breaking research, which contributed to the type of stakeholders who were invited, and another is the BRICS symposium, which has a particular audience and speakers who are interested in BRICS issues.

Research Question Two

What was the role of stakeholders for Research and Innovation Month, who were they and how did they contribute to its sustainability?

Stakeholder Participation

Respondent 1

Stakeholders participate through discussions, presentations and research. This participation has so far yielded partnerships and collaborations between the university and its stakeholders. Experts are sought to influence the young researchers. As students are our stakeholders, they also serve as a link between the university and the community, which is also a stakeholder. ‘So, if we can help our students, from the perspective of independent thinking, to come up with ideas or questions based on where they come from, it is going to be of bene-
fit to the communities’. Over and above the influential role played by experts in relation to students, experts coach and encourage students to write academic papers. The collaborations and partnerships that we have forged so far are already working, whereby certain professors (international) have begun teaching our students how to write academic papers, with the intention to publish in an academic journal. The students may co-author with their mentors, or publish on their own.

**Respondent 2**

The stakeholders participate through presentations, panel discussions, and as an audience. Others are just invited to become members of the audience, and to participate during panel discussion or question and answer sessions. Students’ participation is minimal during Research and Innovation Month, because there is another leg that creates a platform for them to present their research. It cannot be confirmed if there was any student who has given a presentation during Research and Innovation Month. ‘I think we are doing well, but we can always spread the net even further in order to get more participation from university stakeholders. I think colleges need to come on board’. The colleges have partnerships and collaborations – therefore, they need to get more participation from their stakeholders, and to increase participation by the community. The media is on board and creates the platform to communicate whatever is being discussed during the week/month of research, and this helps to create awareness.

**Respondent 3**

There is wide stakeholder participation in terms of the colleges, where research is conducted, and the colleges are one of the main stakeholders. In terms of participation, ‘we look at four components, namely productivity, transformation, influence, and sustainability’. This is why we had a theme entitled ‘serious about research’, because we need productive researchers who have influence. We need more participation, especially from Black females and young researchers. It is optional for administrative and professional staff to participate, because the focus is on academics, as research is one of their key performance areas. Since we do not have unlimited resources, university employees who are students participate in the student-related programme, which is hosted separately. Given that most of the speakers are external to the university, we want them to engage with us and to give us their perspective on issues of discussion.

**University’s Role in Relation to Stakeholders**

**Respondent 1**

It is important to emphasise that ‘the research month is not just a month activity it is a year-long activity’. The university has a responsibility to continue with research throughout the year as one of its pillars. However, in the process of research, a link should be established between research and innovation as one pillar and the other pillars, namely teaching and learning, and community engagement. So we need to emphasise how research influences teaching.

**Respondent 2**

The university needs to continue working hard to improve our communities and society at large, as well as to contribute to the National Development Plan and programmes related to poverty alleviation. The university has been ‘shaping futures’ and ‘defining the tomorrow’ of its students and society through teaching and learning, research and innovation and community outreach and engagement for many years. The institution is a very important player and stakeholder contributing to the National Development Plan, and in making sure that it provides access to education for students, in order to have a better and more educated society. We continue to define the tomorrow of the students that we have now, and we will continue to do so in the future.

**Respondent 3**

The respondent stated ‘what we have done is to create a platform for collaboration and partnership, as well as intellectual engagement’. It then becomes the responsibility of the college to continue with these collaborations, partnerships etc. The university has to continue to encourage people to generate ideas and to undertake research that has an impact on others.
DISCUSSION

The themes covered in research question one included the significance of the Research and Innovation Month, stakeholders for Research and Innovation Month, and the stakeholder identification process.

In terms of the significance of the Research and Innovation Month, the findings suggest that Research and Innovation Month aims at raising awareness about research and innovation, offers an opportunity for academics to exhibit their work, and serves as a platform for intellectual engagement. The purpose of any organisation is to serve the interests of its stakeholders (Louw et al. 2008). However, Pearce et al. (2008) argued that the goal of business survival is taken for granted, and that the organisation that is unable to survive is incapable of gratifying the interests of any of its stakeholders. Slabbert (2015) asserted that stakeholder theory emphasises that the success of a business is achieved through the formation of supportive communities, which are established through sustainable stakeholder relationship building.

According to Jackson (2003), the term ‘stakeholder’ denotes any individuals or groups who have an interest in what the system is doing. The data obtained regarding stakeholders for Research and Innovation Month indicated that the stakeholders include the following namely, students, academics, government departments, research companies, BRICS, embassies, business, private sector, and experts in various disciplines or fields. Benneworth et al. (2010) divide university stakeholders into two categories, they are internal and external. Internal stakeholders include students and academic staff, administration and management, and external stakeholders include businesses, consumer organisations, research communities, alumni, social movements, governments and professional associations. Universities have counted society, public organisations and enterprises among their main stakeholders (Vagnoni et al. 2015). Stakeholder groups of public and private universities are classified according to four basic groups namely, primary internal stakeholder groups, primary external stakeholder groups, secondary internal stakeholder groups, and secondary external stakeholder groups. Primary internal and external stakeholder groups are fundamentally important for the survival of universities, and are therefore the most important stakeholder groups (Clarkson 1994; Slabá 2015).

The identification of stakeholder groups, according to Jongbloed et al. (2008), is not straightforward or simple. The findings in relation to stakeholder identification indicate that the kind of research, discussions and topics determine the type of stakeholders for an activity or event. Louw et al. (2008) argued that it is essential for each organisation to identify its key stakeholders, and to clearly define their key responsibilities towards them. Research has revealed that many organisations do not undertake a formal analysis of all stakeholders’ interests, because this creates difficulties when it comes to mapping these interests (Payne et al. 2005).

Bobeica (2011) argued that identifying stakeholders is a difficult thing because nobody knows exactly who they are. The findings also indicate that there is a process that is followed in order to draw up the list of potential stakeholders, and that they are identified in terms of whether or not they may be interested. Doh and Quigley (2014) stated that the list of potential stakeholders of any organisation is virtually limitless. This indicates that the stake(s) that the stakeholders have in the university is/are not known to them. Mainardes et al. (2010) highlighted the fact that traditional methods of stakeholder identification have not been applied to the reality of universities.

Research question two was covered by the following themes which are, stakeholder participation, and the university’s role in relation to stakeholders. In terms of stakeholder participation, the findings suggest that the university needs to continue working tirelessly in order to improve society at large, and is expected to contribute to the National Development Plan of South Africa and programmes related to poverty alleviation through research activities. The university’s role can be understood as knowledge dissemination (Renault 2006), and it is regarded as a multi-product entity (Luger et al. 1997) that contributes to regional economic development (Kauppinen et al. 2014; Benneworth et al. 2009; Renault 2006). The study found that for many years, the university has been ‘shaping futures’ and ‘defining the tomorrow’ of its students and society through teaching and learning, research and innovation, and community
outreach and engagement. On the other hand, the growth of the community engagement agenda presents a range of possibilities for universities to function as sites of citizenship, although it is difficult to separate community engagement and traditional research (Jongbloed et al. 2008).

The findings indicate that the university is an important player in terms of contributing to the National Development Plan of South Africa in ensuring that it provides access to education for students, in order to have a more educated society. Universities are stretched beyond their original teaching and research roles to include services to the community through the establishment of partnerships with communities and stakeholders (Jongbloed 2007).

The findings also show that the university, through the Research and Innovation Month, has created a platform for collaboration and partnerships, as well as intellectual engagement. Jongbloed et al. (2008) suggested that partnering with key stakeholders has important implications for the university’s governance and accountability. The degree to which external stakeholders become central to the research governance of universities is dependent on partnerships (Benneworth et al. 2009). Gattringer et al. (2014) argued that university-industry collaborations have gained currency, frequency and importance.

The study also discovered that stakeholders for Research and Innovation Month participate through discussions, presentations and research, and their participation has produced partnerships and collaborations between the university and its stakeholders. In terms of stakeholder participation, the study found that the university looks at four components, namely productivity, transformation, influence, and sustainability. Ramli et al. (2013) argued that the role of the university in producing new knowledge has been surpassed by privately funded research institutions. However, pressure is mounting on universities to bridge the gap between themselves and society (Braskamp et al. 1998), and Walshok et al. (2014) argued that the university as a system is permeable, with several industry connection points.

CONCLUSION

The aim of this exploratory study was to determine how the university identified and managed stakeholders for its Research and Innovation Month. The study revealed the significance of the Research and Innovation Month as, among other things, a platform to create an intellectual space for engagement, to highlight research activities, and showcase research conducted at the university. The study findings identified the following stakeholders for Research and Innovation Month namely, students, academics, government, BRICS countries, embassies, business, private sector, donors, sponsors, and subject matter experts. The literature described stakeholders as internal or external individuals or groups who have a stake in, and influence on, or a direct or indirect interest in the way that the business operates. The findings seemed to have fitted the definition because stakeholders identified for Research and Innovation Month included individuals or group of individuals who participated as presenters, audience, panellists and organisations. The concept seems to bring new meaning to the conduct, role and responsibility of the university, and changes the way in which universities interact with stakeholders.

The study employed a qualitative approach and used a small sample, which was a limitation and meant that the study was not representative of the total population, hence the findings cannot be generalised to the greater population. The research design of the study was a single exploratory case study, and due to the qualitative nature of this study, the purpose was not to be representative, but rather to be able to use the research findings for other purposes and studies. The study used the purposive sampling technique, which on its own limits the inclusion of a large number of participants. The sampling technique also presented challenges for the researchers in terms of finding ways to convince the participants to participate in the study, while in the process guarding against compromising the credibility and permission of the study. The full participation of all potential participants could also have been hindered by, among other things, the time within which the study permission was granted, as potential participants were immersed with examinations and, marking, while others were on vacation. Following are the recommendations of the research.

RECOMMENDATIONS

Ultimately, the stakeholder management plan should commit to inclusivity and accountabili-
ty. The commitment to inclusivity is governed by three principles which are, materiality, completeness and responsiveness. Materiality requires the awareness of the stakeholders and university’s material concerns. Completeness requires understanding stakeholders concerns, that is, the views, needs, and performance expectations and perceptions associated with material issues. Lastly, responsiveness requires coherently responding to the stakeholders and university’s material concerns. The University should establish a methodology that includes a systematic process to identify and map stakeholders and the relationship between them (of course, taking into account the extent to which it already has the means for doing this), in ways that build accountability towards stakeholders and enhance overall performance. The university should communicate its stakeholder map to its stakeholders.

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