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# Beyond market orientation: An operationalisation of stakeholder orientation in higher education

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This paper aims at developing a set of items attempting to operationalize the stakeholder orientation for higher education institutions. Stakeholder orientation is viewed as a more relevant framework for understanding and managing the external pressures exerted on universities. We hence break off with the market orientation framework which has been suggested in previous literature. The paper is based on a literature review on stakeholder orientation and market orientation. Its main outcome is that we add to the scattered literature on stakeholders in higher education, what can be seen as a departing point for the adoption of stakeholder orientation in higher education. The originality of my contribution stands through three points: (1) while a few authors have used the market orientation framework to study changes in higher education, this paper relies on the stakeholder theory to show that stakeholder orientation is more relevant for this sector because it encompasses the market orientation dimensions, and fits to the peculiarities of the above sector. (2) Based on an extensive literature review, the paper makes first paces in suggesting items for the dimensions of stakeholder orientation in higher education. (3) Going beyond competition, I find “collaboration” as an important dimension which was missing in previous strategic analysis of the higher education sector.

**Key words:** Higher education, stakeholder orientation, collaboration, competition, responsiveness, inter-functional coordination.

## INTRODUCTION

The market orientation philosophy began to be conceptualized in the 1980s, through the seminal papers of Narver and Slater (1990), and Kohli and Jaworski (1990). The strategy is still a present-day topic in marketing research, and has been extended to different sectors: charities (Balabanis et al., 1997; Cervera et al., 2001; Ignacio et al., 2002), healthcare (Bhuiyan and Abdul-Ghader, 1997; Wood et al., 2000; Tsai, 2003), arts and culture (Sorjonen and Uusitalo, 2005; Gainer and Padanyi, 2002).

In higher education, which is the focus of the present paper, two trends can be pinpointed: The first merely suggests that Market Orientation is necessary if

institutions are to face successfully their changing environment. Braun and Merrien (1999) hold for example that: “...market orientation is one of the ways the governance of higher education is to evolve” (Figure 1). De Jonghe and Vloeberghs (2001) suggest also that “A market orientation is supposed to take place in universities, but this does not always happen in the optimal way.” According to Davies (2001), the introduction of quality systems that recognize customer orientation and market orientation is an important step towards sustaining entrepreneurial endeavour in higher education. Haug (2001) adds that competition between national institutions and trans-national suppliers of

education and formation, coupled with a greater freedom of choice among institutions, may affect institutional strategy. He contends that “*institutions which recognise new demands and adapt their supply will be more likely to develop and overcome challenges.*”

The second trend tends to straightforwardly transpose, in empirical studies on higher education, the Kohli and Jaworski's and/or Narver and Slater's models of Market Orientation (Caruana et al., 1998a, 1998b; Siu and Wilson, 1998; Wasmer and Bruner, 1999; Flavian and Lozano, 2006; Webster et al., 2006; Hemsley-Brown and Oplatka, 2010). From then on, it is clear that market orientation is either implicitly or explicitly seen as a potential managerial solution to the changes undergone by higher education institutions.

In a recent study published in the International Journal of Quality and Service Sciences, Bugandwa-Mungu-Akonkwa (2009) highlights the way market orientation rhetoric is emerging as a new management paradigm in higher education, and provides a relevant critic in the way market orientation is being introduced into the sector. The point in his work is not to dismiss the relevance of the above strategy for higher education. Rather, while criticizing its theoretical transpositions in such a particular sector, he contends that market orientation is to be implemented in higher education to face the changing environment.

The purpose of the present paper is to qualify the above position, suggesting that stakeholder orientation; which includes the market orientation concept, is more relevant and inclusive as a strategic orientation for the higher education setting. The main aim is to raise from diverse literature, items that are likely to operationalize the stakeholder orientation of higher education institutions.

This study discusses previous literature on stakeholder theory and the way it leads to stakeholder orientation. On the trail of this discussion, other dimensions of the stakeholder orientation concept, knowingly competitor orientation, collaborative orientation, inter-functional coordination, and responsiveness are presented. Then, a scale is proposed, containing dimensions and their relative items which attempt to capture the complexity of marketing in higher education from a stakeholder perspective. The next section summarizes the way changes in higher education environment led to changes in universities' management and how these changes are theorized in the managerial literature.

## **FROM THE CONTEXT OF HIGHER EDUCATION TO MARKET ORIENTATION TRANSPOSITIONS**

The changing context of higher education and its confrontation with market forces are exerting intense pressures on the management of these institutions. The new public management can help understand the link

between higher education context and market orientation. This theory allows to delineate the changes undergone by institutions, and the ways the latter could adapt to these changes. From a broad managerial literature on higher education, Figure 1 sums up the institutional adaptations to directions that institutions are likely to follow.

Figure 1 sums up the way the whole sector of higher education is shaken by various external changes all over the world. These include falling public support, increases in academic fees (students/parents' participations), the need to diversify funding (which is consistent with the resources dependence theory of Pfeffer and Salancik (1978)) while competing with other institutions for the same sources, rise of accountability requirements from multiple stakeholders to universities.

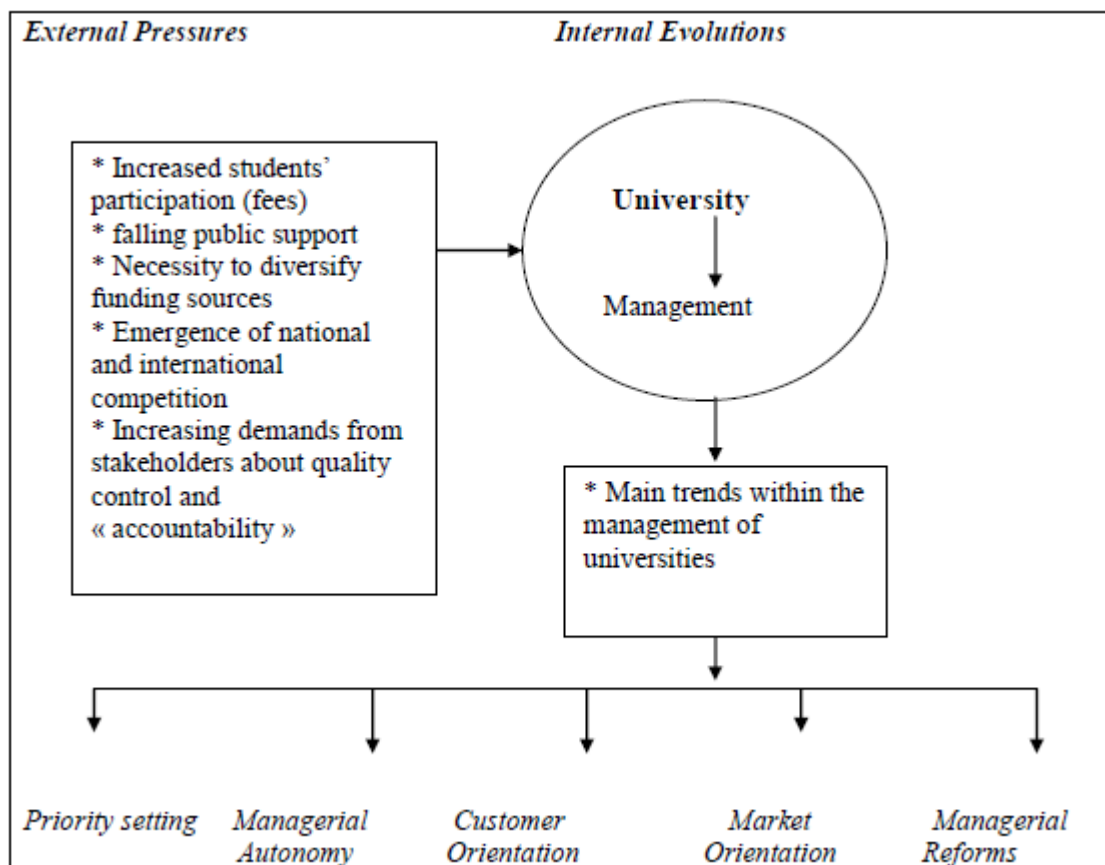
Discussing the ways higher education institutions might react to adapt to these changes, a number of authors have suggested the market orientation strategy (Caruana et al., 1998a,b; Keneley and Hellier, 2002; Wasmer and Bruner, 1999; Hammon et al., 2006; Flavian and Lozano, 2006; Hemsley-Brown and Oplatka, 2010) as the best orientation. This concept has been extensively defined and operationalized in the managerial literature (Narver and Slater, 1990; Kohli and Jaworski, 1990; Cadogan and Diamantopoulos, 1995; Jaworski et al., 2000; Lambin, 2000; Gonzalez-Benito and Gonzalez-Benito, 2005).

Summing up insights from the different definitions, market orientation can be defined as a culture and a set of behaviour or activities oriented towards current and latent customers' needs, the analysis and understanding of both competitors and the macro-environment, in order to adapt the organization's supply to customers' requirements and to the external environment and hence, improve the organizational performance.

As mentioned by Heiens (2000), the market orientation concept may encompass several different approaches to the strategic alignment of the organization with the external environment.

The popularity of this strategy has been justified by its positive impact on organizational performance (Slater and Narver, 1994; Jaworski and Kohli, 1993; Gotteland and Haon, 2010; Mahmoud, 2011). However, although Slater and Narver found no main effect for customer versus competitor focus on market performance, Heiens (2000) realizes that they do recognize that trade-offs between customer and competitor monitoring must necessarily be made because businesses have limited resources. This author's argumentation is of interest for my discussion as it stresses the fact that market orientation focus only on customers and competitors, as illustrated in Table 1.

Whatever the strategic approach adopted, it is clear from Table 1 that market orientation focuses only on competitors and customers (Ferrel et al., 2010). In the marketing of higher education institutions, managers tend



**Figure 1.** Environmental pressures and Higher education management.  
**Source:** Bugandwa Mungu Akonkwa (2009).

to be rather “customer preoccupied”, justifying the overutilization of the customer orientation concept in several researches, when analyzing the market orientation strategy (Siu and Wilson, 1998; Caruana et al., 1998a; 1998b; Wasmer and Bruner 1999; Smith, 2003). Yet, this concept has raised controversies in the marketing literature of higher education (Driscoll and Wicks, 1995; Franz, 1998; Lowe, 2004). The debate can be synthesized as being both ideological – is the “customer” concept semantically the right one to design students? – and operational (who are customers in higher education, and how to satisfy their multiple and necessarily conflicting needs?). This problem led a number of authors to rightly reject the dimension “customer orientation” in the conceptualization of market orientation, preferring that of “stakeholder orientation” (Sargeant et al., 2002; Gainer and Padanyi, 2002; 2005; Greenley and Foxall, 1998). While supporting that customer orientation is irrelevant for higher education, this research however does not support the aforementioned authors’ opinion since they treat stakeholder orientation as being part of market orientation. Ferrell et al. (2010) and Duesing (2009) have

yet clearly demonstrated that stakeholder orientation is more inclusive than market orientation. So, although it has been extensively transposed in non-profit organizations (Padanyi and Gainer, 2004; Hashim and Abu-Bakar, 2011) and particularly in higher education (Flavian et al., 2013; Hemsley-Brown and Oplatka, 2010; Wasmer and Bruner, 1999; Flavian and Lozano, 2006; Webster et al., 2006), we contend that “stakeholder orientation” would be more insightful as a strategic orientation to better manage external pressures in higher education. Matsuno and Mentzer (2000) eventually realized it when they suggested a definition of market orientation that includes relevant individual market participants (competitors, suppliers, and buyers) and influencing factors (social, cultural, regulatory, and macroeconomic factors); which can be seen as an important step towards stakeholder orientation. Their definition meets what Lambin (2000) and Lambin et al. (2005) call “macro-environment”. So, in their definition, market orientation can be effectively implemented only through a stakeholder perspective. Although all sectors are concerned with this large perspective, higher education seems to have more to gain in adopting it,

because it is more directly influenced by external decisions from different stakeholders (students/parents, enterprises, policy-makers e.t.c). This is what is discussed in the following section.

### Stakeholder theory and higher education

In this section, we discuss the increasing role of stakeholders in higher education, the necessity to identify these stakeholders and to develop a strategic orientation rooted in stakeholder theory in order to better manage them.

The issue of stakeholders in higher education has become so acute that authorities in Academia<sup>i</sup> as well as researchers<sup>ii</sup> are consecrating to it a growing importance. This trend is probably rooted in the fact that institutions are required to demonstrate effectiveness and efficiency through service provision, to compete with private providers in the endeavour to diversify their sources of funding (Gürüz, 2003; Slaughter and Leslie, 1999); a trend which is likely to continue. This requires institutions to be open to their external environment and create structures aiming at managing complex relationships with their stakeholders.

Several definitions have been provided about stakeholders (Freeman, 1984; Clarkson, 1995; Kotler and Fox, 1985). Mitchell et al. (1997) lists 25 publications with different various definitions of stakeholders. They go from broader definitions defining stakeholders as any group or individual who affect or is affected by the achievement of an organization's objective; to specific definitions such as "Stakeholders are those that bear some form of risk as a result of having invested some form of capital, human, financial, something of value, in a firm (Duesing, 2009). Duesing (2009) provides an interesting historic review of stakeholder theory. According to him, the key elements of this theory are:

- (i) Balancing the conflicting claims of various stakeholders in the firm;
- (ii) Social responsibility of the firm, beyond profit (including moral and ethical dimensions);
- (iii) Configuring firm's objectives so as to give each group a measure of satisfaction;
- (iv) Links with organizational performance;

All of these peculiarities apply to higher education, supporting the necessity of the stakeholder framework in any endeavour to develop strategic orientations in this context.

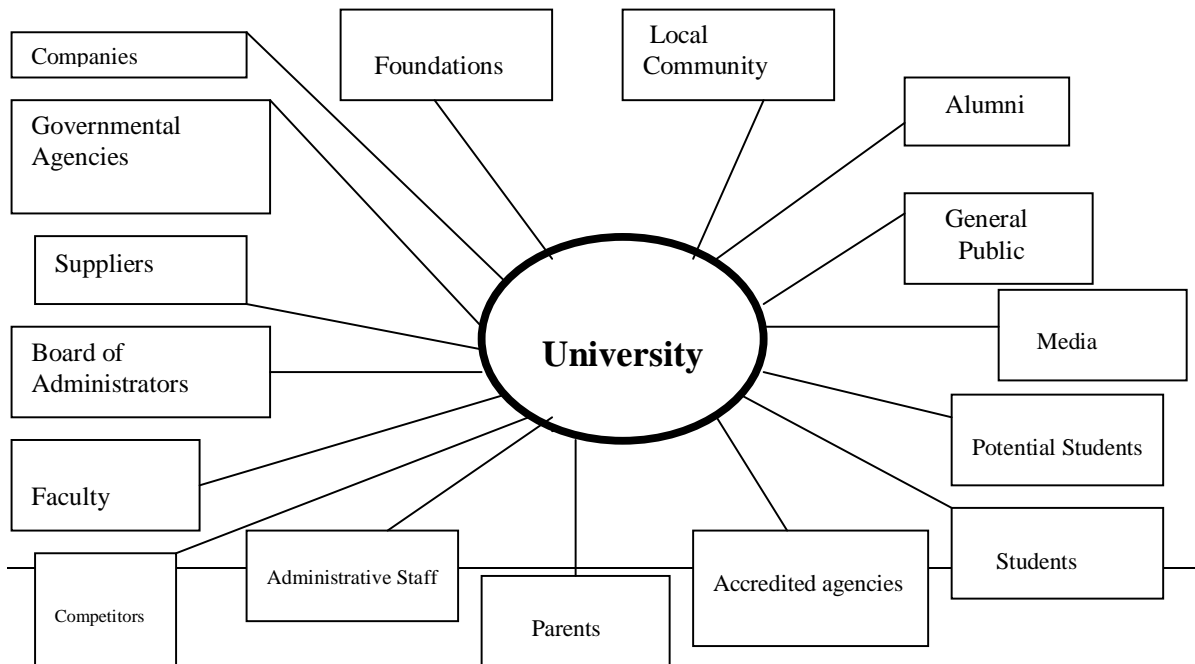
The stakeholder theory (Freeman, 1984; Clarkson, 1995; Donaldson and Preston, 1995) allows researchers to broaden their focus using a wider set of relationships among multiple stakeholders rather than depending only on an economic relationship. One of the primary underpinnings of stakeholder theory suggests that firms are responsible to an array of stakeholders and that they should direct their efforts towards this array of

stakeholders in a manner that best fits the organization (Duesing, 2009). For that purpose, organizations should identify who their stakeholders are. Indeed, in order to discuss the operationalization of stakeholder orientation in higher education, it is of great importance to know who stakeholders are in that sector. Although the issue has become clearer in commercial sector (Duesing, 2009), the problem is rather tough in higher education. Several studies have looked into it without finding a consensus (Kotler and Fox, 1985; Conway et al., 1994; Newby, 1999; Raanan, 2003). Some of them have wrongly treated the student as the unique customer of higher education (Caruana et al., 1998; Keneley and Hellier, 2002). Kotler and Fox (1985) have suggested a more complete list as shown in Figure 2.

This diagram defines the area of possible exchanges between higher education institutions and their stakeholders. In the stakeholder theory, distinction is done between primary stakeholders whose contributions are required for the survival of the firm (they invest human and financial capital in the organisation) and secondary stakeholders (those upon whom the firm is not highly dependent: Freeman, 1984; Clarkson, 1995; Berman et al., 1999). The issue of who the primary stakeholders are is important because no strategy can be developed without targeting one or more specific group. Different authors have suggested who primary and secondary stakeholders are in the commercial sector (Post et al., 1996; Greenley and Foxall, 1998; Agle et al., 1999; Hillman and Keim, 2001). Duesing (2009) for example, has identified customers, employees, Investors and competitors as the primary stakeholders for commercial small enterprises. Although much has been done in commercial literature as of whom stakeholders are, this still is not the case in higher education. In this sector, indeed, different researchers identify different stakeholders, following different methodologies (Kotler and Fox, 1985; Raanan, 2004; Mainardes et al., 2010; Chapleo and Simms, nd). Kotler and Fox's figure, hows how diversified stakeholders can be in higher education. Based on scattered information from Mainardes et al. (2010), Chapleo and Simms, (n.d), Raanan (2004), and Duesing (2009), the following stakeholder groups plays such a big role in higher education that any strategy should keep them into mind: Students, Employees (Academic and Administrative), Investors/Enterprises, and Policy-makers. This study recognizes that other groups could be added to fit to each particular institution, stakeholder importance being contingent to the context. As for those retained in this study, the stakeholder orientation towards each of the aforementioned groups is discussed in the next section.

### Towards a stakeholder orientation in Higher Education

Very little research has been done that examines how



**Figure 2.** Multiple stakeholders in higher education.  
Source: Kotler and Fox (1985).

higher education relates to stakeholders in a marketing perspective (Kotler and Fox, 1985; Raanan, 2003; 2004; 2005). Management theorists have often found that paying attention to stakeholders – be they primary or secondary in the sense of Preston and Post (1975) and Mitchell et al. (1997) – is not only a highly appealing idea, but it is also good for business (Jones, 1995). In fact, according to the normative stakeholder theory, firms should be responsible to the varied interests of all stakeholders rather than merely to the economic wellbeing of stockholders alone (Jawahar et al., 2001). The management of the range of stakeholders' competing demands is one of the primary functions of management and inspires the strategic orientation towards stakeholders. Ferrel et al. (2010) noted that the market orientation construct focuses on customers and competitors, and only indirectly on other stakeholder group. They suggested replacing this concept by a more encompassing one, that of "stakeholder orientation". According to the authors, stakeholder orientation is "the organizational culture and behaviours that induce organizational members to be consciously aware of and proactively act on variety of stakeholder issues. Importantly, stakeholder orientation stimulates a general concern for a variety of actors rather than focusing on any specific group. In this understanding, stakeholder orientation does not designate any stakeholder group as more important than another and the prioritization of stakeholders may change depending on the issue, as it is contingency based and is a function of contextual aspects surrounding the organization. This position

clearly justifies the need to discuss how a specific context as higher education can be stakeholder orientated. It surpasses market orientation in that not only "customer orientation" is replaced by inclusion of diverse constituencies but also other dimensions are added to obtain a better operationalization of stakeholder orientation. As a beginning point, Ferrell et al. (2010) state that stakeholder orientation includes customers, community, employees, suppliers, investors, and sustainability. Considering the overlapping part of their figure, and based on Duesing (2009) who identify employees, customers, investors and competitors as the primary stakeholders, it becomes clearer that stakeholder orientation includes all aspects of market orientation. As stakeholders will often have conflicting needs (for example in higher education, the needs of labour market, or those of parents might be very different from those of students), it is highly useful to develop a specific stakeholder orientation for higher education institutions. So far, we have suggested students, employees (Faculty and Administrators), Investors and Policy-makers as being relevant for strategy development in the higher education setting. Hereunder, we discuss orientation towards each of them.

### Students' orientation

Students are the most cited stakeholders of higher education institutions (Mainardes et al., 2010). Without students, there is no university. In the context where

**Table 1.** Possible focuses in market orientation conceptualizations.

		Customers focus	
		High	Low
Competitors focus	High	Strategically orientated (both orientations are stressed by the organization and resources equally allocated).	Marketing Warriors (The organization is highly focused to competitors). It is competitor oriented.
	Low	Customer preoccupied (effort is more focused to customers, their satisfaction).	Strategically Inept (none of these orientations is adopted, which can be dangerous for an organisation).

Source: Heiens (2000). See this author for a discussion of the 4 cases.

public funding is steadily declining, students ensure the university's survival. Students play different roles in universities. They are learners, co-producers of knowledge, products, and clients in the strict sense when it comes of support services (library, restaurants, Internet connections, car-parking, e.t.c.) (Sirvanci, 1996; 2004; Lowe, 2007). Students' orientation will be defined as the degree to which universities try to take into account the current and latent needs of their students (current and potential, and in a more extensive sense, their parents). Consistent with the Malcolm Baldrige Criteria for Education and based on the roles stated above, this orientation implies both the learning process and students' satisfaction. Indeed, the Malcolm Baldrige National Quality Award Education Pilot Criteria distinguishes students from "other stakeholders". Furthermore, replacing the concepts "customer focus" and "satisfaction" respectively by "student focus" and "students and stakeholder satisfaction", the MBNQA recognizes not only the diversity of stakeholders, but also the importance of students among them. The items suggested in this paper will reflect this by trying to encompass aspects of students learning as well as students' satisfaction towards support services. Based on the literature on Education, the two aspects constitute the two dimensions of students' satisfaction (Dweck and Elliot, 1983; Bowden and

Marton, 1998; Halbesleben et al., 2003; Sirvanci, 2004; Lammers et al., 2005; and Eagle and Brennan, 2007). Whilst satisfaction towards learning might be difficult to assess, measures of satisfaction about the use of other educational facilities can be very useful for higher education institutions. So, the items suggested for this dimension include both aspects of students' orientation (learning process and students' satisfaction).

### Employees (Academic and non-academics)

Whatever the type of organization considered, employees are seen as the first organization's customers. For the case of higher education, see also Raanan (2005) and Bakomezza (2011). Employee satisfaction is defined as the company's intention to address the interests of its employees and satisfy their employment needs (Yau et al., 2007). In all organizations, especially service organizations, they are the cornerstones of the success of any strategy. To improve quality education, universities must encourage academic staffs' interactions with students. Students' satisfaction can depend also on the way non-academic staff organize their services in the different departments. When employees are satisfied with their jobs, they tend to work harder

and perform more effectively for their employers (Berman et al., 1999). From the employer view, business that pay strategic attention to employees will prioritize job security, workplace amenities, and other forms of benefits to satisfy their employees. In an internal marketing perspective, many researchers have found that the orientation toward the interests of employees contributes to the success of the organization (Berry, 1984; Berry and Parasuraman, 1991; Greenley and Foxall, 1998; Appleyard and Brown, 2001; Bou and Bertran, 2005; Bakomezza, 2011).

Investors' and enterprises' orientation: Investor orientation is defined as the strategic orientation directed toward those with both an equity and risk stake in the organization. In higher education, investors may include governments, enterprises, alumni, and any person whose resources are engaged in the institution. Enterprises particularly, have essentially three roles in their relation with higher education: (1) research contracts, (2) life-long learning, and (3) spaces for students' training and professional subjects in the institutions.

About research contracts, universities usually promote and develop research and technology transfer in order to reinforce their own worldwide influence, to increase their financial resources, to contribute to the economic development, and to create new ways of learning and knowledge development for the interest of students. In a

number of universities, the proportions of revenue resulting from these kinds of contracts tend to increase and even compensate state funding. Further, universities offer a large range of continuing training for professionals, and these are often funded by enterprises<sup>1</sup>. Amongst the supplied training, we can identify short courses for enterprises and administrations, long courses with possibility to value professional experience of mature students, distance learning, e.t.c. Enterprises often suggest trainings to universities' students, especially in Business schools, whilst university departments organize forums to allow meetings between enterprises and students. These forums allow students to be connected to professionals and enterprises, and allow enterprises to be informed about professional modules organized in universities. Hence, relations between higher education institutions and enterprises go beyond the merely financial ones; which makes enterprises to be considered as undeniably important stakeholders.

### Policy-makers

Universities should also develop strategies toward policy-makers. This stakeholder group is very important in all aspects of higher education life. They are responsible for the rules (texts) governing higher education; they fund the sector (teaching and learning, as well as research) deciding on the amount and the allocating mechanism, all of which may have serious impact on the institution's survival and the whole sector, according to the resource dependence theory. Policy makers include Governments, Quality assessment Agencies, and other national and international agencies. The influence of this stakeholder group is present in public as well as private institutions but is contingent to the types of partnerships and interplays between the two actors. To generate items which might be used to operationalize stakeholder orientation as conceptualized hitherto, I resorted to three sets of research about stakeholders: The first categorizes stakeholders in different types and suggests possible strategies for their management (Savage et al., 1991; Donaldson and Preston, 1995). The second is more normative in suggesting potential items to operationalize the stakeholder orientation (Greeley and Foxall, 1998). Conclusively, this study resorts to Duesing (2009), who has developed a first systematic tested scale for small enterprises based on Yau et al. (2007). Summing up these works, it roughly appears that the key behaviour of a stakeholder-centred approach includes not exhaustively the following: researching needs; commitment to students and other stakeholders; providing services of value; focusing on student and other stakeholder satisfaction; measuring and reporting satisfaction, encouraging stakeholders' comments and complaints. However, as

suggested by Ferrell et al. (2010), stakeholder orientation includes also the "Competitor Orientation".

### Competitor orientation

In a non-profit organization, competitors are groups, organizations or any other alternatives which attempt to attract the attention and loyalty of funders and beneficiaries (Kotler and Andreasen, 1996). In higher education, Meek and Wood (1997), Mok (2000), Thys-Clément (2001), and Bugandwa (2008; 2009) have explained how competition is emerging and becoming fierce, both at national and international levels. Competitor orientation can be defined as any activity aiming at understanding the strengths and weaknesses of the main organization's competitors (current and/or potential), and the way the organization reacts to these competitors' strategies and actions (Narver and Slater, 2000; Liao et al., 2000). Although non-profit and public organizations such as universities generally balk at seeing similar organizations as competitors (Kotler and Andreasen, 1996), they are aware that competition is a major step of marketing implementation process (Kotler and Fox, 1985; Wood et al., 2000). The items suggested measuring this orientation draw on Narver and Slater (1990); Lambin (2000); Slater and Narver (1994; 2000) and Duesing (2009).

### Collaboration as a dimension of the stakeholder orientation in higher education

Vazquez et al. (2002) have shown that the attitude of non-profit organizations vis-à-vis competition and the nature of the latter vary according to whether the organizations act in the user's perspective or the backer's perspective. In the users' perspective, the institutions providing the same public utility are to be considered, not as mutual threats, but as partners and thereby, source of collaboration. So, institutions will engage in efforts to increase capacities to maintain a more effective provision of social benefits for all parts. Thereby, it is clear that beyond competition, collaboration is a dimension to be included in any conceptualization of market orientation for higher education institutions. Trim (2003), quoting Guzkowka and Kent (1999), defines collaboration as "a shared unity of purpose". Liao et al. (2000) define "collaborative orientation" as the extent to which an organization focuses its efforts on the exploitation of the whole potential of collaboration with other organizations, say the stakeholder groups, for both resources acquisition and mutual provision of non commercial goods and services. This paper has taken advantage of the above contributions to include the "Collaborative dimension" in the operationalization of stakeholder orientation in higher education.

<sup>1</sup> Universities' websites speak volumes about this fact.

### **Inter-functional coordination**

It covers all activities; information transmission, processing and control, aiming to insure that different functions constitute a coherent set to contribute to the organizational endeavour to improve its products/services. The very first publications about coordination go back to Lawrence and Lorsch (1967), Khandwalla (1972), Mintzberg (1979), and Ford et al. (1988) who supported that when environment uncertainty and complexity grow, coordination or integration of different organizational parts becomes very important. Inter-functional coordination implies the degree to which information on stakeholders and macro-environment is shared in the whole organization. It also refers to the sense of common values and beliefs and their relation with reaching organizational objectives. This supposes that the process of creating value for stakeholders is not the matter of only one function, but rather of the whole organization (Porter, 1985; Kohli and Jaworski, 1990). Inter-functional coordination implies a clear understanding and fluid circulation of information about customers' expectations and organizational beliefs, and their communication through formal and informal means (meetings, brainstorming, etc.) to all organizational members (Shapiro, 1988; Cadogan and Diamantopoulos, 1995). It mainly purports to improve the way the organization is supposed to respond to its market.

### **Responsiveness**

Universities are increasingly required to be responsive to multiple societal demands (OECD, 2002). The responsiveness dimension as defined by Kohli and Jaworski (1990), Jaworski and Kohli (1993) and Kohli et al. (1993) consists in organizations' actions to respond to their markets. It implies development, adaptation and implementation of organizations' services, programs, systems and structures to meet their stakeholders' requirements. According to Kohli and Jaworski (1990), an adequate response to the "market" includes: selection of targets, supply of products/services for current markets, conception of new products/services for potential markets; production, distribution and promotion of products/services in a way conducive to a positive feedback from customers. Applying this to higher education, Mora (2001), quoting Neave and Van Vught (1996), states that a higher level of stakeholder orientation is an excellent way to increase the institutional response to social demands. It is very necessary to clarify that more than any other organizations, higher education institutions should not limit their actions to responding to external pressures. Instead of staying under such pressure and undergo their consequences, they are encouraged to act proactively on their environment. This is especially important for higher

education institutions since students and other stakeholders can misunderstand their needs or institutions' actions. The scientific approach called "Driving the markets" (Jaworski et al., 2000) or the marketing of supply creation (Lambin, 2000) can help them find valuable solutions to non articulated needs. These approaches suggest organizations to go beyond solely reacting to environmental changes, which could be dangerous for organizational survival and lead to "mission drift". In their spirit, higher education institutions should endeavour to modify stakeholders' behaviours: (explaining to students the requirements of quality in higher education, helping them to inward their role in learning process, discussing with policy-makers and enterprises, on different issues concerning higher education, e.t.c.).

### **CONCLUDING REMARK, RESEARCH LIMITS AND PERSPECTIVES FOR FUTURE RESEARCH**

This paper has dealt with the way stakeholder orientation can be operationalized in higher education. The discussion began by a justification of the rationale to import stakeholder orientation in this sector. Our research retains two main reasons for this trend: First, it has been clearly demonstrated that higher education is evolving in a kind of quasi-market environment characterized by competition to recruit more students, to attract more funds from policy-makers and other backers and investors such as enterprises, alumni, parents, e.t.c. Second, on epistemological level, reflections on how higher education institutions might react to this trend are limited to straightforward transpositions of market orientation models to higher education. In this paper, I have rapidly crossed the evolving context of higher education and discussed the directions that researchers have hitherto suggested as a means to adapt the changes. I have challenged the trend to transpose market orientation models to this sector. The underlying assumption is that although higher education sector is evolving towards market mechanisms, it keeps specific features that make it different from commercial organizations. Compatible with the new stream on managerial literature, I contend that to face social and economical transformations in their sector and their corollary in terms of external pressures, and to effectively manage the multiple and conflicting demands from their constituencies, higher education institutions need develop a stakeholder orientation; transcending the reductive market orientation perspective. This paper contributes to that objective in discussing the main dimensions of stakeholder orientation in higher education. Some of the suggested dimensions substitute to the traditional "customer orientation", diverse constituencies (students, employees, investors, and policy-makers). The other dimensions are drawn from



market orientation conceptualizations (competitor orientation, inter-functional coordination, and responsiveness). Conclusively, a new dimension; collaborative orientation, is added to consider the fact that collaboration is an important activity in higher education (teaching as well as researching). Henceforth, we suggest a model of stakeholder orientation that might include 8 dimensions: students' orientation (12), employees' orientation (9), investors and enterprises orientation (8), policy-makers orientation (7), competitor orientation (10), collaborative orientation (9), inter-functional coordination (15), and responsiveness (10). Hence, the whole model comprises 80 items which, in further research, should be refined through a factor analytical procedure. The main contribution of this paper is that it has generated from a multidisciplinary literature, a relevant tool to operationalize the stakeholder orientation concept without neglecting higher education's complexity. This is a prerequisite for any endeavour to measuring the extent of stakeholder orientation for higher education institutions. However, and that is the main limit, the suggested tool (scale) is still a crude one and needs be refined through qualitative inquiries and psychometric process before it can become a usable measure for the concept under consideration. This refinement is an important avenue for further research. Conducting such a research will be a major contribution to the endeavours to the development and extension of marketing research in a stakeholder perspective.

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<sup>1</sup> See for example: "Universities and local partners' dialogue: A project of the Association of European Universities (CRE), European Commission, and European industrial Round Table (ERT)".

<sup>1</sup> See also the Research project; "Higher education and the Stakeholder Society", A 2001-2005 Research program of the Center for Higher Education Policy Studies (CHEPS).

Annex: Suggested items for the stakeholder orientation.

<b>Students' orientation</b>		
<b>Number</b>	<b>Items</b>	
1	The institution gathers information on current and future needs of current and potential students.	
2	The institution conducts activities aiming at attracting and retaining students	
3	Complaints and remarks from students are analyzed to find solutions.	
4	Students' satisfaction towards university facilities is assessed on a regular basis.	
5	Perceived service quality is regularly assessed from students perspective	
6	Teaching methods stress dynamic students' learning.	
7	Programmes are set with the aim to stimulate active learning and participation	
8	The institution uses information technology to improve teaching and students' learning.	
9	Individual information is gathered from students and their needs to improve their success.	
10	The institution uses all available techniques and experiences to stimulate students' commitment.	
11	The institution creates a social, participative and welcoming environment for students.	
12	Teacher – Students' interactions are encouraged and stimulated	
<b>Employees' orientation (Items adapted from Duesing, 2009)</b>		
<b>Numbers</b>	<b>Items</b>	<b>17</b>
1	Our institution has regular staff appraisals in which we discuss employees' needs	
2.	Our institution tries to pay fair salaries to employees	
3.	In our institution, we try to improve quality of work environment on a regular basis.	
4.	In our institution, we have regular staff meetings with employees	
5.	As a manager, I try to find out the true feelings of my staff about their jobs	
6.	We survey staff at least once each year to assess their attitudes to their work	
7.	Employees are stated to be important in our institution's mission statement	
8.	Employees complaints are rapidly treated to find fair solutions	
9.	As manager, I formally recognize Employees' achievements to encourage them	
<b>Enterprises and investors orientation (Inspired from Greenley and Foxall, 1998)</b>		
<b>Numbers</b>	<b>Items</b>	<b>17</b>
1.	The institution believes formal research is important to understand enterprises demands.	
2.	The institution believes informal research is important to understand enterprises demands.	
3.	The institution believes that managers' judgement is important to understand enterprises' demands	
4.	The institution discusses the importance of different constituencies engaged in different debates within the institution.	
5.	Enterprises are stated to be important in our institution's mission statement.	
6.	Strategies are planned to face the interest of enterprises.	
7.	Endeavour is done to reduce institutional dependence towards enterprises.	
8.	Enterprises are encouraged to participate in the decision-making process of the institution.	

Annex cont.

<b>Orientation towards policy-makers (7 items)</b>		
<b>Numbers</b>	<b>Items</b>	<b>I7</b>
1.	Formal research is seen as important to understand policy-makers' requirements.	
	Informal research is seen as important to understand policy-makers' requirements.	
2.	The importance of top-management's judgement in order to understand the policy of decision-makers.	
3.	Internal discussions see policy-makers as important actors in the institution.	
4.	Policy-makers are stated as being important in the institution's mission statement.	
5.	Strategies are planned to face policy-makers' stakes.	
6.	Endeavour is done to reduce the effect of the dependence on policy-makers.	
7.	The institution develops strategies to influence decisions (policy) in the higher education sector.	
<b>Competitor orientation (10 items)</b>		
<b>Numbers</b>	<b>Items</b>	<b>I7</b>
1	The institution knows its main competitors	
2	Competitive strategies of other institutions are an issue for the institution.	
3	The institution gathers information from competitors' programmes and services.	
4	Strategies are developed to gain a competitive advantage towards competitors.	
5	The institution surveys its stakeholders' perception towards its programmes and services.	
6	The institution surveys its stakeholders perceive towards competitors' programmes and services.	
7	The institution anticipates competitors' actions in order to gain a competitive advantage.	
8	An effective and rapid information system is set to gather data about the evolution of competition.	
9	The institution knows its strengths vis-à-vis its main competitors.	
10	The institution takes opportunities which are likely to improve its competitive position.	
<b>Collaborative orientation (10 items)</b>		
<b>Numbers</b>	<b>Items</b>	<b>I7</b>
1	The institution believes it participates with other institutions to the achievement of same objectives.	
2	The institution develops partnerships and collaboration with other institutions.	
3	The institution collaborates with other institutions to interpret higher education policy.	
5	The institution informs its stakeholders about its plans and priorities.	
6	The institution participates in alliances with other institutions in order to improve quality of teaching and research.	
7	The institution collaborates with enterprises to determine their needs and expectations vis-à-vis different faculties/departments/units	
8	The institution shares resources to provide teaching and research	
9	The institution collaborates with other institutions, enterprises and governments for economic, cultural and social development.	
<b>Inter/Intra-functional coordination (17 items)</b>		
<b>Numbers</b>	<b>Items</b>	<b>I7</b>

Annex cont.

1	The institution work in synergy with different faculties and departments to meet the needs of stakeholders.	
2	Discussions are organized on missions, values, and beliefs shared by employees.	
3	Information collected on stakeholders is disseminated towards all departments.	
4	Institutional resources are shared to all departments to realize the missions.	
5	Team spirit is a value shared by the whole members. The institution reinforces as shared value	
6	A feedback is sent to departments about their contribution to the achievement of institutional mission.	
7	The institution organizes meetings to discuss major changes in external environment.	
8	Institutional members work together to improve students' learning	
9	Institutional members are committed together to improve the way services are perceived by all stakeholders	
10	Formal and informal exchanges are encouraged between the different departments.	
11	Marketing strategies are built in concert with all departments.	
12	The objective of satisfying students is accepted by all members of the institution.	
13	The objective of satisfying stakeholders is shared by all institutional members.	
14	The institutional members' knowledge and experiences are shared with departments to sustain organizational learning and innovation.	
15	A memory group records ideas raised in meetings, to be used in the strategies.	
<b>Responsiveness (12 items)</b>		
<b>Numbers</b>	<b>Items</b>	<b>IT</b>
1	Programs and services are developed on the basis of information gathered	
2	Quality of programmes and services is defined in terms of stakeholder satisfaction.	
3	The institution reacts to the evaluation done by students about its functioning.	
4	The institution reacts to the evaluation done by other stakeholders about its functioning.	
5	Students' complaints are treated effectively and rapidly.	
6	The information collected is used to identify new segments of funders and their expectations.	
7	Information gathered is used to identify new segments of students, new needs and expectations.	
8	Students' feedbacks are used to improve the learning process	
9	Students' feedbacks are used to improve their satisfaction.	
10	Strategies are developed to modify the rules of the socioeconomic and political environments.	