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## 28. The ruin of the ‘ivory tower’: the emergence of the stakeholder

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### INTRODUCTION

Stakeholders have become prominent actors on the higher education landscape. They are involved in policy-making, included in institutional governance, advising higher education agencies, and monitoring universities’ performance. Universities have never in history been isolated from their environment, yet the recent rise of stakeholders is often seen as a substantial break from the traditional relationship between universities, society, and state. As Bleiklie and Kogan (2007, p. 477) put it, “organisational patterns of university governance have changed over the past few decades away from the classical notion of the university as a republic of scholars towards the idea of the university as a stakeholder organisation”. Amaral and Magalhães (2002) point out that a contemporary university is more similar to a Babel tower of many different groups speaking different ‘languages’, than to a secluded ‘ivory tower’ as pictured traditionally.

The well-known metaphor ‘ivory tower’ illustrates well the tension that many contemporary universities are confronted with. It is a tension between being drawn into contemporary societal issues and demands, and disengaging purposefully for abstract and clear thinking that contributes to knowledge over geographical and temporary borders. The term ‘ivory tower’ is mostly used as a criticism towards universities – as a tendency to follow one’s own (intellectual) interests, being ignorant of societal needs, or being out of touch with the real world (Shapin, 2012). Yet the term helps to clarify the reason why disengagement is often seen as an important element of an academic life. Disengagement may be necessary for getting a clearer view of the world, to define (and not only react to) societal problems, and to have a disinterested, long-term perspective on truth and knowledge. Universities have always been engaged in societal affairs. From their earliest times, they have been serving the church and the state, they have been contributing to industrial growth and developing war technologies. It has been an essential institution to cultivate the elite and train the professionals, or feeding social change and activism. The fear of the crumbling ‘ivory tower’, however, goes deeper into the core values of universities. The ‘ivory tower’ is also a symbol of certain moral purity – disinterest, objectivity, collegiality, and respecting the value of knowledge for its own sake. The emergence of stakeholders touches upon these deeper discussions. Who has the right to set the agenda for universities? Who has the right to decide what is worthy research and education? Who defines the purpose of universities? And fundamentally, who has the right and responsibility to define and protect their core values?

There are different views on what initiated the process of stakeholder engagement as a structural element in contemporary higher education governance (Vukasovic, 2018). Some relate it to the shift towards a market model that increases universities’ resource dependence on various stakeholders (Olsen, 2007). Others refer to higher education reforms that increased

universities' autonomy, which led to a corporate-pluralist governance model that took over the democratic, collegial governance model (Gornitzka and Maassen, 2000). Furthermore, the paradigm of the knowledge economy and knowledge society puts universities in a central place as engines of economic growth and societal wellbeing, but thereby also holding universities responsible for filling this societal mission. An entrepreneurial university and 'academic capitalism' are the new ideals that expect universities to engage in economic activities and 'capitalize' on their knowledge (Etzkowitz and Zhou, 2017; Slaughter and Leslie, 1997). Moreover, attention to stakeholders is not unique to higher education. Stakeholder engagement has become a norm for good governance in general, and it is assumed to be an essential factor for effective and fair policy-making in a complex society.

Academic literature on stakeholders in higher education reflects the heterogeneity of the trends. The literature can be divided into two broad streams. The first stream originates from management literature and it focuses on how universities interact with their stakeholders for achieving their strategic goals. The other stream originates from the governance literature and it focuses on universities' responsiveness to societal expectations. Universities are then seen as a stakeholder organization. Unlike in the management approach, stakeholders in such an organization are not an external environment to be managed but internalized as legitimate contributors to organizational decision-making or even as co-owners of the organization (Campi et al., 2007).

In this chapter we discuss three themes. First, who are universities' stakeholders and why do they matter? Secondly, we discuss stakeholders from a managerial perspective. From this perspective, university managers are expected to interact strategically with their stakeholders, but at the same time, external stakeholders have also become part of the new management and governance structures of universities. Thirdly, we look at stakeholders from a governance perspective. Stakeholder engagement is a new norm of 'good governance' and we examine their contribution to better governance in higher education. At the end of the chapter, we will reflect critically about the effect of stakeholder responsiveness on core academic processes.

## WHO ARE STAKEHOLDERS?

Stakeholder theory originates from the management literature and it was particularly popularized by the book *Strategic Management: A Stakeholder Approach* by Freeman (1984). In this perspective, a stakeholder is any group or individual who can affect or is affected by the achievement of the organizations' objectives. In other words, it is all groups and individuals who have interest – a 'stake' – in an organization's performance (Benneworth and Jongbloed, 2010). Stakeholder theory has a prescriptive and normative element in it (Phillips et al., 2019). It suggests that organizations that take good care of a broad group of their stakeholders will function more effectively and create more value for their organization. Therefore, one of the most important tasks of organizational leaders is to manage relations with its stakeholders. The perspective is thus a contrast to the traditional business view that organizations' responsibility is only to their shareholders, the owners.

Who belongs to the group of stakeholders for universities is not straightforward to define. Resource-dependence is one key factor for identifying stakeholders. This includes government agencies that provide funding for education or research, industry that funds certain activities, but also students either for their financial or non-financial input, staff, and the

regional community that provides necessary facilities and services. These actors are vital for success of a university. Furthermore, there are stakeholders who are affected by universities' performance. These might include employers who need skilled graduates, industry or other organizations that need knowledge, communities that gain from employment opportunities of the university, and the public at large that benefits from the progress of knowledge, but also arguably via a healthier, more peaceful, and more advanced society.

In higher education literature, stakeholders are usually categorized as internal and external stakeholders. Internal stakeholders include primarily academic staff, support staff, and students. External stakeholders include employers, industry, community, and other individuals and groups who have a legitimate interest in universities' performance. The distinction between internal and external stakeholders is usually pragmatic, not conceptual. Conceptually speaking, students could be seen either as an internal or an external stakeholder, depending on one's perspective. In a market logic, students are consumers and outside of the organizational borders; while in a different perspective they can be temporary members of the academic community or even co-producers of their education (Vukasovic, 2018). Furthermore, the identity and role of a stakeholder group can change over time. In the medieval universities professors and students together formed an academic community, and in some institutions, students were in the position to appoint professors and impose fines for their poor performance (Amaral and Magalhães, 2002). In the modern university, the role of students declined, but it was revitalized again after the 1968 uprisings that enabled students to play a role in the university governing bodies in many countries. In more recent trends, however, students are often seen as customers, and as such as legitimate stakeholders. A perspective on the role of a stakeholder, however, can have an influence on their input and influence. Student feedback in the market model is an expression of consumer satisfaction and market information (Cardoso, 2012). Cardoso and dos Santos (2011) argue that defining students as consumers, however, may simplify and disempower their role, reducing their engagement to that of a passive informant about the present state of education.

The list of individuals and groups who might have an interest in universities is endless, including, for example, competitors, media, or certain ideological interest groups (see Jongbloed et al., 2008). The key question is whose interest is legitimate to be taken into account. Legitimacy depends on the institutional framework and it derives from cultural and societal norms. In recent years, the position of external stakeholders has become stronger compared to internal stakeholders. This is linked to the changing norm that universities must be responsive to societal needs and changes (Amaral and Magalhães, 2002). Two stakeholder groups in particular have gained a widely accepted role in various higher education affairs: students and employers (Smeby and Stensaker, 1999). This trend can be probably linked to the spread of ideas of knowledge economy and 'academic capitalism' that strengthen a utilitarian view on higher education (Slaughter and Rhoades, 2004). Empirical studies on who institutional leaders themselves perceive as their main stakeholders confirm this trend: students are the most frequently mentioned stakeholder group, and thereafter equally university staff, local business, local community, and funding councils (Chapleo and Simms, 2010).

The increasing demand for stakeholders' input does not leave stakeholders themselves unaffected. As stakeholders' engagement has become a norm and requirement in different governance levels, we can observe a trend of professionalization and organization of stakeholders (Vukasovic, 2018). There is both a demand and supply relationship in what concerns stakeholders' input. On the one side, stakeholders want to push their interests (supply), on the

other side policy-makers and institutional leaders need stakeholder input for legitimacy and support of their policies (demand) (Braun, 2012). Interest groups such as student unions or employer representatives receive many requests to be included in various policy processes, organizational boards, and evaluation activities. As a result, often they have full-time staff with public affairs skills to represent the interests of their stakeholder group. This creates some dilemmas in the interest representation system. It makes one wonder whether professional interest representatives can still be seen as authentic representatives of the group they are supposed to be representing. There are worries that with increasing professionalization of stakeholders, a divide between members of a stakeholder group and the professional representatives of the group widens (Lowery and Marchetti, 2012). Thus, there may be a tension between being professional and influential, and being constituent-oriented (Vukasovic, 2018).

The issue of representation, legitimacy, and professionalization is much discussed in student organizations. Who has the right to speak on behalf of students? The European Student Union, for example, has developed a guideline that lists common principles for good student representation (Klemenčič, 2011). This guideline emphasizes particularly the democratic nature of selecting students' representatives, and their independence from other interests. At the same time, their legitimacy is sometimes questioned due to low participation rates in such democratic fora.

Not all stakeholders are equal. Identifying and responding appropriately to different types of stakeholders is the core question for 'stakeholder management'. This will be discussed in the next section. Another important question is what does it mean to respond to stakeholders' needs? Should they be just 'managed', or should their interests be considered, should they be included in the decision-making structures, or should they even become organizational members?

## STAKEHOLDERS AND INSTITUTIONAL GOVERNANCE AND MANAGEMENT

The management perspective on stakeholders originates from the literature on corporate governance. It claims that taking good care of stakeholders is essential for an organization's long-term success. As Phillips et al. (2019) put it, good stakeholder management leads to:

trusting, respectful and mutually beneficial relationships with stakeholders, and a high level of reciprocity. Stakeholders are more likely to share valuable information with such a firm, which can lead to both efficiency and innovation. These sorts of firms have excellent reputations, which makes their products and services more attractive to existing and new consumers. Resources are easier to obtain because stakeholders expect to be treated well in exchange for what they provide to the firm. Contracting costs are reduced because stakeholders are more trusting of the firm and therefore fewer features of the contracts between a firm and its stakeholders have to be written down and carefully monitored. All of this leads to firm growth, efficiency, flexibility and therefore an increased ability to both plan and carry out plans. (Phillips et al., 2019, p. 5)

The framework of stakeholder management has been adopted also for higher education institutions. It assumes that universities as autonomous market players must learn to 'manage' their various stakeholders in order to succeed in their environment (e.g., Benneworth and Jongbloed, 2010). It is essential for universities to identify accurately their key stakeholders. The model by Mitchell et al. (1997) is widely used for such an identification exercise in higher

education. The model argues that stakeholders are not equal and the interests of some stakeholders are more salient for an organization and should be prioritized. The model proposes three criteria for identifying key stakeholders: their power, legitimacy, and the urgency of their claims. Power refers to financial or institutional resources to influence the organization, the urgency represents the degree to which a stakeholder's claim calls for immediate action, and the legitimacy presents the societal norm that someone's concerns should be taken seriously. Stakeholders could be thus classified as latent, expectant or definitive depending on whether they possess one, two or all three of these attributes (Jongbloed et al., 2008). While it is important to be comprehensive, Jongbloed et al. (2008) argue that it is equally important to be selective in the choice of key stakeholders to avoid mission overload.

The model has inspired many attempts to map out and classify stakeholders. Furthermore, it has promoted the idea that universities should be not only aware of their stakeholders, but develop clear plans for their engagement, invest into professionalization of relations management, and monitor and report on these activities (Kettunen, 2015).

Realizing the importance of universities' relationships with other actors is of course not new. In their seminal work *Leadership and Ambiguity*, Cohen and March (1974) use universities as an example to show how organizational leaders manage relationships to handle uncertainties, ambiguities, and conflict. More recently, Stensaker et al. (2016) demonstrate the role of stakeholders for successful university mergers. Aligning the interests of different stakeholders is essential for a successful merger as otherwise agreements with the business and industry can be overrun later by economic and regional interests. While realizing the dependence on external actors in higher education is not new, the stakeholder management perspective attempts to formalize the process and also professionalize relationship management within universities.

It should be added that even in the corporate governance literature, stakeholder management also has a normative purpose and not only a utility maximizing aim for the organization. The norm of 'corporate social responsibility' has strengthened the idea of reciprocity and fairness in relationships. Whose stake should receive more attention should not be determined entirely by their salience but also based on the principle of fairness. Based on the fairness principle, the organization's legitimate stakeholders should include those from whom the organization has accepted resources, most importantly employees, customers, financiers, suppliers, and local communities (Phillips et al., 2019). In the context of academic organizations, the principle of fairness may bring attention to stakeholders beyond temporal and geographic borders. Current academic achievement rests heavily on the achievements of past generations and the international academic community, which may also create a moral obligation towards future generations and universal knowledge.

There are different ways of engaging stakeholders. In the university context, one of the biggest recent changes concerns the involvement of external stakeholders in university's decision-making bodies. In the Netherlands, for example, the 1997 higher education reform replaced a democratic collegial model of university governance with a market-driven, stakeholder-oriented model (Maassen, 2000). The reform introduced a Supervisory Board as the highest body that oversees a university's strategy and budget. The board consists of external stakeholders, and they are appointed by and responsible to the Minister. It is a paradox that the board was originally intended as sort of a buffer from direct ministerial influence, while the members actually see themselves primarily as representatives of the Minister instead of protecting universities from such influences (Maassen, 2000). A similar trend can be observed among other countries such as in Spain, Italy, and Portugal where external stakeholders often

participate in universities' decision-making bodies and oversee institutional strategy and budget (Amaral and Magalhães, 2002).

There seem to be considerable differences in the extent to which stakeholders are really involved in decision-making. In binary higher education systems, the professionally oriented sector tends to have a bigger role for external stakeholders than academic universities. Often this is a matter of different legal requirements for the two sectors. The professional sector is required to engage stakeholders in their educational planning or governance structures more intensively. Differences in the legal framework, however, explain only part of the variation. The cultural norms within these institutions seem to support better the legitimacy of external stakeholders. Institutions recognize their dependence from the professional sector, and service to the professional sector is integrated into their mission and identity (de Wit and Verhoeven, 2000).

There are differences in stakeholder involvement also within the same sector. Furthermore, the impact of stakeholder engagement seems to vary across institutions. Several studies show that external stakeholders may not have as substantial influence on core processes as one might expect from their formal role in governance bodies (see Rosa and Teixeira, 2014; de Wit and Verhoeven, 2000; Maassen, 2000; Amaral and Magalhães, 2002). There seem to be different reasons for the limited influence. One set of reasons includes the lack of sufficient background knowledge, ambiguity about their role and expectations, limited time for the task, or respect for the autonomy of university leaders. Occasionally the limited impact of board members may be disappointing to the stakeholder representatives that fill the role (Rosa and Teixeira, 2014). A different reason for a limited effect is the type of issues that reach such boards. Rosa and Teixeira (2014) argue that external stakeholders might have a bigger influence if they were involved in operational decisions that concern education or research, rather than in the broader strategic and budgeting decisions. On the other hand, de Wit and Verhoeven (2000) observe in the case in Flanders that staff members appreciate the clear division of roles: academic decisions that concern education and research are left to academics, and the external stakeholders may be involved in general strategic and financial issues. Also, legislation in Flanders protects the position of academic personnel in making academic decisions, while encouraging involvement of stakeholders in university governance.

The limitations may suggest that stakeholders' real impact does not come from their formal role in institutional governance, but from operational activities like participating in curriculum committees or being engaged in internship or mentoring activities, often in the form of voluntary collaboration. The contribution that stakeholders can make with their specific expertise is often also more appreciated in the organization (Rosa and Teixeira, 2014).

## STAKEHOLDERS AND SYSTEM-LEVEL GOVERNANCE

The governance literature provides a different perspective on stakeholder engagement. From this perspective, universities' responsiveness to stakeholders is a result of a changing institutional framework. Furthermore, it is a result of new ideas about 'good governance' more broadly. In many European countries, higher education reforms over the last three decades have changed the relationship between the university and government. Often universities have received more organizational autonomy. The involvement and influence of the government did not decline, but its role towards universities was redefined. The government became

an (external) stakeholder for universities. De Boer et al. (2007), relying on Olsen (1988), present 'stakeholder guidance' as one possible governance model in higher education, next to top-down state regulation, academic self-governance and other models. Instead of being a provider or commander, the state now articulates its wishes and interests through other means. Universities are thus formally autonomous in their decision-making, but they depend on the government for their resources, and thereby cannot ignore government's interests. Government instruments in such a model include financial incentives, such as output-based funding, performance-based funding, competitive grant system, etc. Government instruments can also include communicative and persuasive tools that universities might want to consider for the sake of a good long-term relationship. Universities also have other stakeholders besides the state, according to this model. At the same time the state is a complex actor that incorporates the interests of other stakeholders, such as the general public, students, and employers (Jongbloed et al., 2008). The state can also delegate some of its responsibilities to other stakeholders or representatives by asking them to serve on university boards, evaluation committees, and oversight agencies, as was discussed in the previous section.

The stakeholder-based governance model in higher education has inspired theoretical work that defines the state–university relationship as a principal–agent relationship (Lane and Kivisto, 2008). The principal (the state) attempts to develop instruments that align its interests with those of the agent (the university), thereby making the agent responsive to its needs. The stakeholder theory, however, may suggest that such a rational perspective may be unnecessary. Stakeholders' influence does not come only from power and resources, but also from the legitimacy and urgency of the claims. Furthermore, it has been shown that particularly in the non-profit sector the interests of the principal and the agent are often to a large extent aligned, and reflected in the organization's mission (Campi et al., 2007). As a result, the distrust-based incentives may not be the best steering instrument or even divert from the intrinsic motivation to follow the mission.

Active engagement of various stakeholder groups in developing policies, designing guidelines, consulting curricula and monitoring performance is furthermore affected by another trend: a set of ideas captured in the 'better regulation' agenda and in 'collaborative' and 'participatory' approaches to governance. These ideas suggest that stakeholder involvement in designing and implementing regulation can make a significant contribution to accountability, legitimacy, and effectiveness of the regulation.

'Stakeholder engagement' as a good governance principle has strong proponents. Both the European Commission and the OECD find stakeholder engagement an essential element in their 'better regulation' programme (European Commission, 2015; OECD, 2012). The idea emerges from a larger societal change. The wave of deregulation, delegation, and decentralization in the public sector has led to a different view on the centrality of state power (Aucoin and Heintzman, 2000). Furthermore, it reflects the realization that contemporary problems are often complex, interlinked, crossing sectorial borders, and requiring a multi-level and a multi-actor response. Input from various perspectives, expertise, and interests is therefore essential for good decisions. Consulting and engaging stakeholders is an important element in successful governance.

The governance literature argues for three main benefits of stakeholder engagement: effectiveness, legitimacy, and appropriateness of a policy. A prevalent argument for stakeholder engagement builds on the idea that stakeholders have unique expertise. As policy fields get increasingly complex but also dynamic through fast technological change, collaboration



between multiple actors is essential to detect potential bottle-necks in the system, and to develop effective solutions. Furthermore, a critical input from a broad group of stakeholders can prevent a regulation that serves the interests of those that are being regulated instead of the public in general (Ayres and Braithwaite, 1992).

Contribution to accountability is another benefit of stakeholder engagement. Public sector reforms in many countries introduced semi-independent agencies. The reform aimed to strengthen the role of technical expertise, and to separate politics from implementation. Agency reforms also affect the higher education sector (Beerens, 2015). Quality assurance agencies, for example, are often set up as semi-autonomous agencies. 'Agencification' tends to challenge accountability and legitimacy. Agencies enjoy significant discretion in shaping procedures and policies but they are distanced from political control and thereby from democratic decision-making. One way to overcome those deficiencies is to involve different stakeholders in agencies' supervisory boards. In what capacity and role the stakeholder representatives sit in those boards is debatable. Studies show that societal stakeholders in supervisory boards rarely see themselves as representing the 'political principal'. They tend to see themselves as experts, offering an alternative perspective, or monitoring the discretion of agencies (Yesilkagit and van Thiel, 2012). This suggests that stakeholder engagement helps to broaden perspectives and open up the agency. It can be thus a different notion of accountability that comes from a feedback mechanism to a broader audience and reflexivity in otherwise inward-looking political and administrative systems (Bovens et al., 2008).

Last but not least, stakeholder engagement may be important for legitimacy, mutual understanding and expectation management. The value of stakeholder engagement comes from a process itself, as a platform for developing and shaping views through a communicative process. Shared understanding helps to form stable agreements and find win-win situations, but it may also contribute to participants' sense of justice, fairness, and perceived legitimacy of the institutions involved (Blomgren Amsler, 2010).

The underlying assumption between all these arguments is that different stakeholders indeed present different perspectives, add to the diversity of views, and thereby influence the outcome. Evidence shows that there are indeed differences in priorities and perspectives of different stakeholders but the differences tend to be rather small. Quality assurance is one area where stakeholder views are regularly examined. This is also an area where stakeholder engagement is formally required, for instance, in the *Standards and Guidelines for Quality Assurance in the European Higher Education Area* (ESG). The studies show that stakeholders have slightly different views about the purpose of quality assurance and the nature of quality but the views do not differ substantially. Beerens and Udam (2017) show that, understandably from their role, employer representatives expect that quality assurance offers a signal to the external audience about the quality of a diploma, while academic members expect an instrument that offers feedback and facilitates improvement, and the state representatives look for an assurance that higher education meets agreed standards. There are also slight differences in what aspects different stakeholders prioritize for quality. Iacovidou et al. (2009) demonstrate how students prioritize the quality of courses and teaching in the classroom, while teachers prioritize more assessment and testing, learning facilities, and support structures. Udam and Heidmets (2013) on the other hand confirm that students focus on process quality, such as the quality of courses, while employer and state representatives focus more on achieved outputs of education.

A slight difference between stakeholder views is also established in other areas. Knight (1997) studies the views of stakeholders with respect to internationalization. While differences are small, it does appear that government and state representatives prioritize somewhat more the contribution of internationalization to economic competitiveness and international reputation, while institutions themselves emphasize the value of understanding international dependencies and contributing to social change in the country. Crossman and Clarke (2010) show that all stakeholder groups recognize the value of international experience for graduates' skills and therefore their employability.

There are thus different views on how the promoters of stakeholder engagement conceptualize such an engagement and how they see its value. Stakeholder engagement can be seen as something instrumentally valuable or normatively the right thing to do. Stakeholder engagement can be seen as a tightly organized process through formal institutions and procedures, or a democratic forum of different voices and ideas. Furthermore, stakeholders may be seen primarily as organized interest groups, citizens in general, or as any constellation between the two extremes. There are also worries about universities' responsiveness to stakeholder demands that we will briefly discuss in the concluding section.

## CONCLUDING THOUGHTS

Stakeholders have changed the higher education landscape. They are engaged in setting policy priorities and monitoring universities' strategic plans and they are involved in performance reviews and educational committees. As an established norm, stakeholders are involved in all governance layers: from international policy-setting (i.e., the European Higher Education Area) to curriculum committees deep inside universities. Furthermore, universities have become more exposed to their external environment. They are more dependent on resources of various stakeholders. 'Academic capitalism' demands universities to be entrepreneurial and to be responsive to market forces. Performance-based funds, competitive grants, and commercialization of research require effective strategic behaviour, which includes effective stakeholder management. Universities must be responsive to societal demand for their services for their survival. They must be responsive to student demand for the education they provide, and to the demand for research by either research councils or commercial actors. Furthermore, universities have grown in size and prominence. They have become an influential corporate actor. As a result, they are important regional employers with a major effect on the community around them. This also increases their social responsibility towards the community.

There are many worries about the effect of stakeholder responsiveness to the core values and mission of universities. Externally driven research agendas may sacrifice innovative and high-risk research projects and give preference to low-risk, low-gain research. It may mean a loss of a long-term perspective that opens new scientific avenues and focusing on currently relevant and well-recognized topics. Commercialization of research may challenge the core principle of disinterestedness and objectivity of academic research, and thereby form a threat to academic integrity. Performance incentives may create dysfunctional effects of slicing publications, and prioritizing quantity over quality. Furthermore, there are worries that stakeholder responsiveness by definition promotes the utilitarian mission of universities. The utilitarian value of universities – the value to the economy and societal wellbeing – may come at the expense of the other, intangible contributions of the university, such as being a critical

observer of the society and the world, preserving the knowledge of past generations, and contributing to universal and timeless knowledge for its own sake.

The critics of the stakeholder approach worry about the future of academic freedom. At the same time, universities and academics themselves are an interested party. Professional norms and strong socialization should be the protection against self-serving interests within academia. Is this enough of a protection in a contemporary environment? The higher education sector has grown exponentially in the last decades, public funds to universities have increased, and the expansion has happened due to societal changes and new needs of the society. It is therefore not surprising that there is more interest in linking the various societal needs and universities' activities.

There are observable changes in the law and regulation about the role of stakeholders, and there is also a new norm about involving stakeholders in various governance processes. To what extent the new norm and requirements affect the core activities within universities is debatable. In the formal governance structures, external stakeholders are often weak. They may lack the knowledge of the sector, their term tends to be too short to build up experience and influence, and they may also lack clearly defined vested interests to execute their power. Furthermore, stakeholders may not hold significantly different views on what the priorities of the university are, or what is good education or relevant research. As a result, stakeholders are visible but they do not necessarily influence substantially the core academic processes. In several countries there is also a legal framework that protects the rights of academic staff to make academic decisions. It is likely that the real contribution of stakeholder input comes from the norm change that encourages collaboration with stakeholders in the daily practice of education and research, instead of formal changes in the governance structures.

Universities are strong institutions with widely shared norms and values. To a large extent, these core values seem to be known and respected also by external stakeholders, and therefore the stakeholders do not necessarily challenge the core values. On the contrary, under the right circumstances, stakeholders may offer a necessary mirror for universities to reflect critically on their contribution by their own academic standards. Furthermore, stakeholder engagement may offer a platform for increasing societal support to universities, including support to the timeless, core values of universities. Nevertheless, the old tension between engagement and disengagement that is captured in the notion of the 'ivory tower' is not likely to disappear.

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