EXTERNAL STAKEHOLDER SALIENCE IN THE CANADIAN COLLEGE SECTOR:

WHO AND WHAT REALLY COUNTS?

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Degree of Doctor of Philosophy
in the
Department of Educational Administration
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By
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ABSTRACT

The purpose of this study was to examine how selected senior college leaders perceive the salience of particular external stakeholders, as represented by individuals, companies, associations, sectors or groups. The study also explored leader perceptions of the factors and values that influenced the salience of these stakeholders. The stakeholder salience model (Mitchell, Agle, & Wood, 1997) was applied to investigate which groups and individuals were viewed by college and institute senior leaders as external stakeholders and to determine the salience of these stakeholders as perceived by senior college leaders.

This qualitative case study drew on principles of naturalistic inquiry and was situated within an interpretive paradigm. Purposive sampling resulted in ten participants chosen based on their leadership positions within Canadian colleges. Data collection was through semi-structured interviews.

A conceptual framework based upon Freeman’s (1984) stakeholder theory and the theory of stakeholder salience (Mitchell et al., 1997) guided the study. The stakeholder salience model (Mitchell et al.), which proposes that the attributes of power, legitimacy and urgency determine stakeholder salience, was applied to the data provided by senior college leaders. The study also examined the values and beliefs of the senior college leaders as they relate to the mission, mandate and priorities of their college. It was found that the Mitchell et al. framework did not fit well to the Canadian public college sector as the leaders did not view salience in a way that is consistent with the elements of the framework.

Attempting to limit the study to external stakeholders was problematic as respondents were unable to separate students from their thoughts, answers and examples. Also, the leaders did not describe the elements of stakeholder salience in a way that was congruent with the
Mitchell et al. (1997) theory. Most of the participants identified government as the only stakeholder that was truly powerful and yet they believed that many other groups, including students, should have some power. Paradoxically, many of the respondents seemed to feel that government lacked legitimacy due to the political nature of decisions.

The findings highlighted the importance of the values held by the senior college leaders as a major factor in stakeholder salience and as an influence in determining institutional priorities. Though this study is based on a limited number of participants, it does raise questions regarding the actions of provincial governments which are generally viewed as problematic for the Canadian college sector. Also, students and industry are central to the college but their power largely depends on voice.

The contribution of this research to leadership and educational administration is a greater understanding of the nature and role of stakeholder relationships at the senior college leadership level, as well as greater insight into how senior college leaders think about external stakeholders or, in other words, who and what really counts. Findings of this study may be valuable to senior college leaders who deal and interact with influential external stakeholders. The study also contributed to the higher education field by documenting how senior college leaders perceive the salience of external stakeholders.
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CHAPTER 1: THE PROBLEM

The college sector has a key role in Canada’s economic prosperity and because of this, high expectations from governments and employers. In the current Canadian political environment, economic strength is a key priority for government funded programs, and this is particularly true regarding education (Metcalf & Fenwick, 2008). As the demands of global competition have been increasing rapidly, the colleges are under increasing pressure to do more to address the current and future needs of business and industry (Levin, 2001). Recently, these challenges have been compounded by pressure to quickly respond to the perceived labour shortage and the widely debated mismatch between available skills and the needs of employers (McQuillan, 2013; Meredith, 2011; Miner, 2014). Industries rely on the college and technical institutes to prepare a skilled workforce of future employees as well as offer upgrading and lifelong learning opportunities for current employees. In addition to those of government and industry, the colleges have many other expectations and requirements to fulfill.

Organizations are most likely to be effective when the internal resources and capabilities are matched with the requirements of the external environment (Ambrosini & Bowman, 2009). As the calls for accountability and effectiveness increase, colleges are experiencing increasing scrutiny and more demands from external stakeholders. The industries and employers that provide employment for the college graduates are external stakeholders and can be both critics and supporters of the higher education system and their local colleges.

Stakeholders have a stake in the services provided by the college and “stakeholder claims on education are frequently diverse and conflicting” (McDaniel & Miskel, 2002, p. 329). But how does the organization determine who and what really counts? The term stakeholder has become ubiquitous in management literature (Laplume, Sonpar & Litz, 2008; O’Higgins &
Morgan, 2006; Parmar et al., 2010). Even by 1995, Donaldson and Preston suggested that “the idea that organizations have stakeholders is now commonplace in the management literature” (p. 65). Research on stakeholder salience and identification has included a wide array of environments and used different methodologies. While the question of stakeholder identification and salience has been subject to considerable research and debate in private sector management literature, the concept of stakeholders has been less well explored in the public sector (Bryson, 2004). There is little research based stakeholder literature in the higher education sector and almost none in the Canadian college system.

**Background to the Problem**

As the higher education system has evolved in Canada, universities, colleges and technical institutions continue to face ever-increasing demands from both internal and external stakeholders. Missions are “multiple and contradictory, resulting in role conflict at the institutional level as colleges and universities strive to connect to socio-economic themes” (Metcalf & Fenwick, 2008, p. 210). In the college sector, mission creep has become evident and senior college leaders and Chief Executive Officers (CEOs) must attempt to balance the often competing priorities of multiple stakeholders. Despite the widespread challenges related to the multiple missions of the college, research associated with the influence of college stakeholders is scarce. Some related research has looked at internal stakeholders, largely within U.S. higher education organizations and focusing primarily on internal stakeholders such as faculty, staff or a particular functional area or department.

Stakeholder theory specifically invites consideration of external constituencies (Eesley & Lenox, 2006; Freeman, 1984; Mainardes, Alves & Raposo, 2011). Freeman claimed that “given the turbulence that organizations are currently facing and the very nature of the external...
environment, as consisting of economic and socio-political forces, there is a need for a conceptual schemata which analyze these forces in an integrative fashion” (p.40). Freeman introduced a stakeholder model to address the importance of constituencies to an organization. In his concept, he defined a stakeholder as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46). Freeman also suggested that successful firms were those that regularly considered their stakeholders during the strategic management process. Frooman (1999) agreed and contended that part of management doing a good job is understanding the actions of stakeholders that may require a response from the organization. Freeman proposed his theory as a management framework to provide a tool for dealing with the changing external environment, which is composed of those with whom the organization interacts in order to survive. According to Freeman, stakeholder theory seeks to answer three questions about an organization’s relationships: “Who are the stakeholders and what are the perceived stakes?”; How does the organization “implicitly or explicitly manage” the relationship?; and, what are the “transactions” between the organization and the stakeholders? (p. 53). Frooman (1999) extended these questions and suggested that in order to manage stakeholders, “three general questions needed to be answered:

1. Who are they? (This question concerns their attributes.)
2. What do they want? (This question concerns their ends.)
3. How are they going to try to get it? (This question concerns their means.)” (p. 191)

Freeman’s (1984) and Frooman’s (1999) questions were posed for the corporate sector but apply equally to the college sector. However, just answering the above questions is not likely to be enough. When senior college leaders are charged with multiple demands from both within and outside the organization, how do they balance the needs and desires of external stakeholders
against the other interests of the organization? To examine the above questions, it is important to determine who the senior college leader considers to be the primary external stakeholders, what beliefs affect their opinion of stakeholder salience and contribute to the perceived attributes of power, legitimacy and urgency.

The purpose of this study was to examine how senior college leaders perceive the salience of particular external stakeholders, which may be represented by individuals, companies, associations, sectors or groups. The study attempted to find out what factors influenced the salience of these stakeholders. The stakeholder salience model (Mitchell, Agle, & Wood, 1997) was applied to investigate which groups and individuals were viewed by college and institute senior leaders as external stakeholders and to determine the relationship between these stakeholders and the attributes of power, legitimacy and urgency as perceived by senior college leaders. The study also investigated the relationship between stakeholder demands and the senior college leaders’ perception of the college mission, mandate and priorities.

While the large field of decision-making theory is not part of this study, how managers manage has been a major focus of formal academic studies and popular leadership publications. Despite the availability of the published literature, many questions regarding organizational priorities and decisions remain. Freeman (1984) argued that successful firms were those that consistently considered their stakeholders during the strategic management process. Motivated by Freeman’s model, interest grew in understanding management decisions and priorities in relation to stakeholders. In the resulting literature, several researchers focused on efforts to classify stakeholders into categories in order to develop an understanding of how individual stakeholders influenced a firm and how the organizations respond (Freeman et al., 2010). Some
researchers examined a stakeholder’s power to influence a firm while others argued in favor of examining stakeholder legitimacy (Mitchell et al., 1997).

In 1997, Mitchell et al. proposed what they called “stakeholder salience”. This was a concept that examined the degree to which managers assign priority to competing stakeholder claims. They argued that it is not a question of either perceived power or legitimacy acting alone. Instead, they claimed that stakeholder salience is perceived by managers in terms of three stakeholder attributes: power, legitimacy, and urgency. Agle, Mitchell, and Sonenfeld (1999), completed a study based on the concept proposed by Mitchell et al. and found that stakeholder salience was “positively related to the cumulative number of stakeholder attributes – power, legitimacy, and urgency” (p. 507).

The study done by Agle et al. (1999) was based on the model proposed by Mitchell et al. (1997). Agle et al. wanted to test the above assertion that stakeholder salience will be positively related to the “power, legitimacy, and urgency - perceived by managers to be present” (p. 507). Based on the Mitchell et al. concept, they tested CEO values as a moderating variable in the model. It is important to note that while the original stakeholder concept was about managers and stakeholders, the Agle et al. study was based on the perceptions of only those at the CEO level. It did not examine the perceptions of salience held by managers at other levels. The results of the study supported the salience concepts proposed by Mitchell et al. However, the researchers also noted “the strong possibility that there are other variables, that new theory must identify and relate” (Agle et al., 1999, p. 521). Based on the study findings, Agle et al. suggested that the managers perceptions regarding stakeholder priority should also be considered.

In addition to the Mitchell et al. (1997) framework, this study borrowed from several elements from the Agle et al., (1999) study. For one, the salience of stakeholders was examined
from the perspective of presidents and senior college leaders only. No middle or front line managers were included. Second, the values of the senior college leaders were examined. By applying stakeholder theory and stakeholder salience to the proposed study, the research contributed to the limited body of literature on stakeholder salience in higher education which is an area where empirical studies are scarce. Even more scarce are studies focusing on Canadian college senior leaders and their relationships with external stakeholders. The potential contribution to the leadership and educational administration body of knowledge is a greater understanding of the nature and role of stakeholder relationships at the senior college leaders level, as well as greater insight into how senior college leaders think about external stakeholders or, in other words, who and what really counts? Findings of this study may be valuable to senior college leaders who deal with and interact with influential external stakeholders. The study also contributed to the higher education field by documenting how senior college leaders perceive the salience of external stakeholders.

**Purpose of the Study and Research Questions**

Much of the available research relates to stakeholders in a corporate, for-profit environment, and although there has been some growth in the body of work that relates to the public and non-profit sectors, there is very little that relates specifically to higher education. A literature search indicated a paucity of research that addressed stakeholder salience in the Canadian college sector or the perspectives of Canadian senior college leaders regarding stakeholder salience. Thus, the ideas provided by Mitchell et al. (1997) formed the basis of the conceptual framework and provided some of the elements for analysis.

According to Parent and Deephouse (2007), the Mitchell et al. (1997) framework has been extensively cited, but there have been few studies that use the framework as an instrument
for empirical analysis. By 2007, Parent and Deephouse found only fifteen articles that used power, legitimacy, and urgency and only the study by Agle et al. (1999) was designed with the intent of testing the central concept of the Mitchell et al. (1997) framework. The authors argued that most studies take the power, legitimacy, and urgency attributes as implicit and describe stakeholder salience in terms of these elements. Stakeholder salience is one extension of stakeholder theory developed by Mitchell et al. Their model addresses the problem faced by managers in determining which stakeholders are salient so that strategic planning and management decisions are appropriate and effective. Parent and Deephouse (2007) stated that “a fundamental research question that needs to be addressed is: How do managers identify and prioritize stakeholders, and to what extent do these managerial practices fit with the Mitchell et al. (1997) framework” (p. 1)?

The purpose of the study was to examine the salience of external stakeholders as perceived by senior college leaders in the Canadian college system. Senior college leaders were encouraged to tell their own stories about their views and experiences with their external stakeholders.

The primary research questions that guided this qualitative study are:

1) How do selected senior college leaders identify and prioritize external stakeholders?

2) What are the demands the stakeholders make on the college?

3) What is the role of external stakeholder salience in the priorities and perspectives of senior college leaders and how does this influence the senior college leaders’ decisions and choices?

4) How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?
Significance of the Study

A study of this nature is valuable for several reasons. Higher education has undergone major expansion and change (Alves, Mainardes & Rapaso, 2010). However, the study and understanding of stakeholder influences on the college system is in its infancy. This study was significant to the field of educational administration in two specific ways. First, the study extended the body of knowledge of stakeholder theory as applied to the context of higher education. Second, the study contributed to the understanding of the complexity of senior leadership decisions when considering the salience of external stakeholders.

Assumptions

The assumptions of the researcher affect how the researcher understands the phenomenon being studied and will impact how the results of the study are presented. The primary assumption for this study was that senior college leaders, because of their positions and experience, are suitable participants for the study of stakeholder salience in the Canadian college system. The second assumption was that the stakeholder concept and theory of stakeholder salience can be applied in the context of the Canadian college system, despite the fact that it was developed as a theory of the firm and is predominantly applied in the corporate world.

Delimitations of the Study

Delimitations refer to the boundaries around a research inquiry that identify what the research will cover. The focus of this study was confined to senior college academic leaders at the level of dean or higher and intended to explore the views of ten senior academic leaders of Canadian college or polytechnic institutions. The study began in February, 2014 and concluded in May, 2014. Data were collected through in-person and telephone interviews. The study was
originally delimited in scope to only those stakeholders that the respondents viewed as external however; as Chapter Four explains, the definition of external became part of the study data.

**Limitations of the Study**

Given that many of the senior leaders in the college sector are currently Caucasian males, it was not possible to achieve gender or minority balance in the leader interviews. The senior leaders were also geographically dispersed across many provinces. This made it necessary to conduct telephone interviews with several of the respondents.

The interviews resulted in a large amount of data. Due to perceived time constraints of senior college leaders, they were not asked to review their transcripts. Consequently, the data were not member checked.

Other potential limitations of the research study included the completeness and accuracy of the information obtained from participants and the participants’ capacity for honest reflection. Also, the familiarity of the participants with external stakeholders as they relate to the college could have limited the study as could the participants’ memory and/or recall. Although the results of this study should provide valuable information regarding senior college leaders and their experiences with stakeholders, the results are not generalizable.

**Definitions of Terms**

A number of terms used throughout the study the research require clarification. These include:

**College**

A public post-secondary institution or an institute of higher education that is not a university. In the context of the proposed study, the term can be used interchangeably with
technical institute, polytechnic or community college. However, the word college will represent all of the above.

**College President**

In the context of this study, a president is defined as the senior most manager of the college and may have the title of president, CEO or principal. This position normally reports to a board or in some cases, directly to government. Regardless of actual title, the term president was used.

**Higher Education**

Higher education refers to public post-secondary education including colleges, technical institutes, polytechnics and universities of all types.

**Internal and External Stakeholders**

Given that the study was concerned with the salience of individuals and/or groups that can affect college organizations as perceived by senior college leaders, the participants were asked to delineate between internal and external stakeholders based on their own beliefs. Therefore, no single definition was predetermined for the purposes of the study.

**Legitimacy**

Mitchell et al. (1997) defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (p. 866) and this definition is used in this study.
Power

Power is the ability to influence the organization to bring about desired outcomes or the capacity of the stakeholder to impose one's will on an individual or the organization (Mitchell et al., 1997).

Salience

This study used the definition provided by Mitchell et al. (1997) that stated that salience is “the degree to which managers give priority to competing stakeholder claims” (p. 854).

Senior College Leader

For the purposes of this study, Senior College Leaders were defined as those in academic management and leadership positions including dean and up to and including president or CEO.

Stakeholder

For the purposes of this study a stakeholder is “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman, 1984, p. 46). Please note however that the definition has been constantly debated. Although this definition is broad and many other definitions have been created to narrow the field, the issue of stakeholder definition and identification was left to the study participants. Mainardes et al. (2011) summarized it well when they said that “even in academic circles, countless definitions of “stakeholder” have been put forward without any of those suggested ever gaining consensus, and hence there is no single, definitive and generally accepted definition” (p. 228).

Stakeholder is also a common term in Higher Education and so, for the purpose of this proposed study, the participants (senior college leaders) were asked to define who the stakeholders or stakeholder groups are. Also, because this study involved Canadian colleges that are publicly owned, the shareholder or owner category of stakeholders did not apply.
Stakeholder Salience

Stakeholder salience refers to the amount that stakeholders possess the elements of power, legitimacy, and urgency according to the Mitchell et al. (1997) framework.

Urgency

Urgency refers to the time sensitivity or pressure of the stakeholder’s demands on the organization and the immediate need for action (Mitchell et al., 1997).

The Researcher and Potential Bias

Merriam (2009) stated that the researcher is the primary instrument for data collection and analysis in qualitative research. The researcher gathers participants’ perceptions of their experiences and is also the interpreter of the data. Since the researcher is the instrument through which the data is collected and the lens that interprets meaning from that data, it may be helpful for the reader to have an understanding of the researcher, his relationship to the area of study and potential bias.

This study was guided by a social constructivist perspective in which it is assumed that individuals make meaning from their own experiences and through their interactions with others as they attempt to understand their world (Denzin & Lincoln, 1998). Therefore, social constructivist researchers recognize the influence of their own experiences on their interpretation of participant meaning, and this requires them to articulate their own position in regards to the research (Creswell, 2007).

Research guided by this worldview seeks to understand how the participant understands and makes meaning from their experiences. To facilitate this approach, questions are open-ended and general, allowing participants to talk about their experiences. It is also important that the
context in which participants’ work is acknowledged as shaping their meaning making, and this requires the researcher to understand those influences (Creswell, 2007).

According to Denzin and Lincoln (2005) “all research is interpretive; it is guided by the researcher’s set of beliefs and feelings about the world and how it should be understood and studied” (p. 22). In this study, the researcher was a college administrator with two and a half decades in the college system as an instructor and administrator. The researcher’s experience included being part of three different colleges in the three provinces of Ontario, British Colombia and Saskatchewan. As duties have evolved, the researcher has had experience and interaction with external stakeholders and while this experience was the impetus for the study, the personal experience also had the potential to bias the study results.

**Organization of the Dissertation**

Chapter One details the background of the study, context and significance to the community college field. A description of the research purpose and questions which guided the study is outlined and the relevant theories and concepts used to situate this research are explained. Definitions of relevant terms are included to provide greater understanding of the research language.

Chapter Two provides a review of the relevant literature and served as the lens or framework with which to view this study and its findings. The literature review includes an overview of: the Canadian college system; the stakeholder theory or concept; the theory of stakeholder salience; and stakeholder related research in public sector and educational institutions.

Chapter Three provides an overview of the research design identifying it as a qualitative case study, situated within an interpretive paradigm. The methodology of the study is described
in detail and includes the selection criteria, data collection methods, ethical considerations, and information regarding the researcher as the research instrument.

Chapter Four includes the findings obtained from the data analysis. These findings are organized as themes and sub-themes and presented in the order of the research questions. Finally, Chapter Five provides a summary of the study, discussion of the major themes that emerged from the findings and implications for stakeholder theory, future research and the practice of college leadership.
CHAPTER 2: LITERATURE REVIEW

As stated in Chapter One, the purpose of this study was to describe and analyze how senior college leaders in the Canadian college system view their interactions with external stakeholders, particularly their perceptions as they identify external stakeholders and recognize the salience of these stakeholders. This chapter offers a review of the literature which established the groundwork upon which the study developed. Specifically, the literature relating to the Canadian college system, stakeholder theory, stakeholder salience and stakeholder related research in public sector and educational institutions was reviewed.

The Canadian College System

Although there is an abundance of literature that deals with almost every facet of higher education, Dougherty (2001) argued that the college system has not received enough attention even though it is well deserved. This is evident in Canada where the literature that deals specifically in the Canadian college context is relatively scarce. Much of the literature that does address non-university post-secondary institutions, such as community colleges, originates from the US and other countries. This could be due, at least in part, to the fact that Canada’s college system is relatively young when compared to other systems.

College Development

The Canadian college system was developed in the 1960s in order to improve local economic development and skills training. A 1964 economic report pressed for the expansion of the post-secondary system in Canada as an investment in the nation’s economic future (Dennison & Gallagher, 1986). Most colleges were established in the sixties and early seventies. Since then, many institutions have evolved, increased in size and expanded their mandate. However, the
primary role of the college system remains education and training for direct entry to employment (Belanger, Mount, Madgett, & Filion, 2005; Dennison, 1995).

Legislation, policy and operating funding comes from the provincial governments and because of this, college mandates and activities vary from province to province. What they all have in common is that their roots originate from a common purpose, to provide vocational training, technical education, upgrading and in some provinces, university transfer (Belanger et al., 2005). The original intent of the institutions was to bring postsecondary education to more communities and provide specialized occupational skills that were often linked to the employment and economic opportunities in the local region (Dennison, 1995). Policies were directly linked to economic criteria (Selman & Dampier, 1991).

Many colleges have evolved and expanded their activities based on a number of influences including provincial government direction, federal programs, internal planning and capitalizing on opportunities. The system developed rapidly through the 1970s and was considered mature by the 1980s. However, in the 1990s the system began to face what has been termed the “new vocationalism” (Levin, 2000). Colleges began to experience pressure from governments to provide economic benefits as outputs not only to the students but also to the community. This shift was not directly linked to a single formal policy change but described a changing environment of government priorities and beliefs that in turn caused provincial governments to emphasize vocational priorities through targeted funding and directives to colleges. As community colleges adopt business practices and change in order to respond to local economic needs and employer demands, their social and educational mission can become threatened (Levin, Kater & Wagoner, 2006). An example of these departures from the original mission is the trend for colleges to pursue international students as a way to increase revenues.
This trend towards globalization is linked to changes in funding and government support which has caused colleges to add revenue diversification to their priorities (Levin, 1999). Potential downsides to having a multitude of priorities include a lack of ability to respond. Dougherty (2001) argued that the college system is less responsive in practice than proponents believe.

Despite the use of colleges to address certain provincial and federal priorities, the colleges once enjoyed a great deal of autonomy. According to Dennison (1995), “in the Canadian tradition of higher education, governments are reluctant to intervene directly in the setting of new operational policies, and so the responsibility for change has rested with the institutions” (p. 94). However, this is no longer true. For example, beginning in the 1990s, the Government of Canada began to link national goals for economic development to the need to improve the ability of Canadians to transform knowledge into a competitive advantage (Industry Canada, 2007). Since then, several funding programs, including the Natural Sciences and Engineering Research Council of Canada (NSERC) have made colleges eligible to apply and this has caused almost every college to divert resources in order to pursue applied research. Despite the fact that colleges were not set up with the capacity to provide research, external forces, in this case the federal government, routinely impact the college sector. As this example illustrates, the external context that surrounds and influences Canadian colleges is constantly changing.

A primary goal of most college and technical institutions in Canada is to provide programs and services that enhance student employability and provide specific job related skills (Dennison, 1995; Hogan & Trotter, 2013). To demonstrate their commitment to this goal, the vast majority of colleges and technical institutes develop mission statements that state clearly that responding to the evolving needs of industry is a high priority. However, colleges have many other stakeholders that place expectations on the college system. To be effective, the need
for an approach to systematically identify stakeholders and determine their salience becomes evident (Page, 2002). In other words, the administration of the institutions need to understand the pressures which can be exerted by stakeholders. Only then can institutional priorities be linked with the needs of the stakeholders.

**College Leaders and System Pressures**

The college president or CEO is a key individual who supplies leadership and direction to an institution. Consequently, how presidents view external stakeholders and to what degree they believe they matter is a potential area for study. Mitchell (2008) stated that “CEO decision-making is about trade-offs, multidimensional thought processes, and sifting through wise, forthright, and often contradictory counsel. CEOs operate in a world where there are no perfect answers, just tough choices” (p. 1). By the nature of their position, college presidents associate and interact with industry executives and government and community leaders.

In the college system, other senior college leaders also interact with stakeholders in ways that could influence decisions. Hambrick (2007) stated that “executives’ experiences, values, and personalities greatly influence their interpretations of the situations they face and, in turn, affect their choices” (p. 334). Given that the salience of external stakeholders from industry, government and the community may have an effect on a senior leaders’ priorities and therefore may affect their choices, investigating the salience of external stakeholders is important and worthy of attention. In addition to the worthiness of the study of salience of external stakeholders as perceived by college leaders, there is little empirical research applying the theory of stakeholder salience to publicly funded organizations in general.

There is significant pressure on higher education to change and yet, while the mission of the university continues to be hotly debated, the mission and primary function of the Canadian
college system was originally clear. The purpose of colleges, broadly stated, is to serve the education and training needs of adults in the community and the economic development needs of the industries that provide jobs (Dennison, 1995, Levin, 2000). Yet, as the college sector has evolved, the volume and complexity of challenges has increased and new demands are changing the mission.

**The Development of and Debate over Stakeholder Theory**

Since Edward Freeman published his book in 1984, *Strategic Management: A Stakeholder Approach*, stakeholder theory has become one of the dominant theories to be applied to the association of different interests relative to moral decision-making by the firm (Wong, Ormiston & Tetlock, 2011). According to Freeman (1984), stakeholder theory provided a unique addition to management methods because the theory focuses on the interactions or transactions between the managers of the organization and the stakeholders. He proposed his theory as a management framework to provide a tool for dealing with the changing external environment, which is made up of constituents with which the organization must interact. The basis of his concept is simply that business organizations should be concerned about the interests of other stakeholders, not just shareholders, when making strategic decisions.

The starting point of the stakeholder model lies in the business science literature (Freeman, 1984). Since 1984, many other scholars have joined the discussion regarding the definition, purpose and application of Freeman’s concept and provided their own interpretations or additions. For example, Phillips (2003) stated that stakeholder theory is about organizational management and ethics. He suggested that stakeholder theory provides an alternate view to corporate responsibility and challenges the idea that it is only the owners or stockholders of a company that are important. Others have stated that Freeman’s theory is based on the idea that
management is not just responsible to the owners but that they need to be accountable and responsive to all their constituents that have an interest or stake in how an organization is managed (Freeman et al., 2010; Laplume et al., 2008; Parmar et al., 2010).

Freeman (1984) argued that companies exist to create and share wealth and value for all stakeholders who hold a legitimate interest in the firm. He reasoned that managers have a duty to attend to all of those who have a stake in or claim on the organization. However, this view has not been universally accepted and prior to Freeman’s 1984 publication, early management and organizational literature focused on the importance of the owners, commonly referred to as corporate stockholders (Donaldson & Preston, 1995; Laplume et al., 2008; Parmar et al., 2010). For example, Friedman (1962) has been often quoted for his contention that the most important purpose of a corporation is to make profit for the stockholders. He argued that as the stockholders are the owners of the business, the profits belong to them and those managers and corporate executives have a moral obligation to manage for the benefit of the stockholders (Beauchamp & Bowie, 1997). However, a few academics acknowledged that others had an interest or stake in the corporate enterprise and although sparse before 1984, there are arguments regarding the importance of other stakeholders as far back as 1963 (Freeman et al., 2010; Parmar et al., 2010).

Corporate stakeholders are the owners, employees, suppliers, customers and the local community (Freeman, 1984). For the owners, the stake is a financial investment and they expect a return on that investment. The employees’ stake is their jobs and according to Freeman, they expect security, wages, benefits and meaningful work in exchange for their labour. For the suppliers, the stake is their ability to sell their goods. Customers provide the revenue the organization needs to be profitable. The local community supports the firm’s ability to operate
and gains the economic benefits from having the firm located in the community (Freeman et al., 2010).

The view that stakeholder oriented management leads to successful business performance has become a common concept within management literature (Donaldson & Preston, 1995; Freeman et al., 2010). In the years since Freeman’s 1984 work, there has been a proliferation in stakeholder models, theory, studies, and literature. According to Laplume et al. (2008), between 1984 and 2007, 178 articles appeared in 8 leading management journals that specifically referenced Freeman’s 1984 book. The stakeholder concept has become a frequently used approach to management, and is commonly applied to research in areas such as corporate social responsibility, strategic management and business ethics (Parmar et al., 2010; Waxenberger & Spence, 2003). Despite this, some view stakeholder research as “still in its infancy” (Winn, 2001, p. 133).

In spite of the impact of Freeman’s (1984) approach, there has been significant criticism and debate on a full range of aspects of the theory (Hasnas, 2013; Laplume et al., 2008; Mainardes et al., 2011; Parmar et al., 2010). Margolis and Walsh (2003) contended that stakeholder theory incites disagreements over deeply rooted values and supporters and critics are unlikely to agree. The concept has also been criticized because it takes an economic value perspective and is therefore too narrow (Argandoña, 2011). The theory has also been criticized for not being an actual theory at all (Trevino & Weaver, 1999) or for being harmful to the value maximization of the firm (Jensen, 2002). Another position is taken by Friedman and Miles (2006) who have argued that it is a theory that is relevant to organizations in general terms, but has little actual utility. Phillips, Freeman and Wicks (2003) summarize the reasons for the ongoing debate:
The term stakeholder is a powerful one. This is due, to a significant degree, to its conceptual breadth. The term means different things to different people and hence evokes praise or scorn from a wide variety of scholars and practitioners. Such breadth of interpretation, though one of stakeholder theory’s greatest strengths, is also one of its most prominent theoretical liabilities (p. 479).

Regardless of the debates, the stakeholder concept has become well established and has sparked a wide range of arguments, ideas, studies, interpretations and further additions. For example, Goodpaster (1991) asserted that since Freeman developed the broad idea of the stakeholder in the 1980s, stakeholder theory has evolved into the two main branches: strategic management and corporate social responsibility. Goodpaster suggested that Freeman’s theory is paradoxical as there is an ethical problem no matter which approach management takes. Goodpaster argued that “ethics seems both to forbid and to demand a strategic, profit-maximizing mind-set” (p. 63). He reasoned that if management’s legal and ethical duty is to maximize profits for the stockholder, any other approach creates a paradox. However, Freeman (1994) disagreed and stated that there should be no separation between management and ethics and “rather than take each concept of business singly or the whole of “business” together and hold it to the light of ethical standards, we can use the stakeholder concept to create more fine-grained analyses that combine business and ethics” (p. 1). Phillips (2003) agreed with Freeman and argued that stakeholder theory is unique because it addresses morals and values while shifting attention away from solely maximizing shareholder wealth.

While the purpose of this chapter is not to provide a detailed account of the debates between scholars it is important to note that stakeholder theory has made a significant impact on management literature in the past three decades. Regardless of the ongoing arguments about stakeholder theory, it is clear that Freeman’s (1984) ideas brought attention to the concept that not just owners have a stake and his arguments laid the foundation for the development of
different variations on stakeholder theory. Interest in the stakeholder concept has increased the attention on related areas of management studies such as business ethics, corporate and social responsibility and strategic management (Laplume et al., 2008; Waxenberger & Spence, 2003).

**Stakeholder Theory and Management**

Freeman’s ideas sparked a great deal of related work that has been described with many different labels. Donaldson and Preston (1995) maintained that “anyone looking into this large and evolving literature with a critical eye will observe that the concepts stakeholder, stakeholder model, stakeholder management, and stakeholder theory are explained and used by various authors in very different ways and supported with diverse and often contradictory evidence and arguments” (p. 66). Mainardes et al. (2011) argued that some scholars have criticized the vagueness and ambiguity of the concept and that the stakeholder term has still not been adequately defined and the plethora of definitions impedes understanding as to what the term truly signifies. They contend that “establishing boundaries to the concept would go a long way towards resolving a series of issues posed by researchers in this field” (p. 242).

It has been argued that the stakeholder concept, regardless of title or definition, is inherently managerial (Parent & Deephouse, 2007). Stakeholder management is based on the notion that stakeholders have relationships with each other and the firm and can have an impact on the business. Organizations that do not respond to their stakeholders risk a variety of possible damaging consequences (Brammer & Millington, 2006). As previously stated, Freeman (1984) defined stakeholders as “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (p. 46). The idea of stakeholder management is that an organization must work with stakeholders to identify their stakes (interests or claims) in the firm and then the organization must try to satisfy their needs. In other words, the organization
must manage the relationship. The needs of different stakeholder groups are often conflicting and this requires managers to decide which stakeholder or group of stakeholders has priority.

To effectively carry out this prioritization, Freeman (1984) proposed a stakeholder management process that included first identifying important stakeholders related to particular issues for which the firm is trying to plan. Second, management must next determine the stakes for each stakeholder group and the level of importance that each holds. Third, management will assess the current effectiveness of the company to meet the needs of the identified stakeholder groups. Finally, management will change their policies in an attempt to better meet the needs of those groups who were identified as not receiving sufficient consideration.

Freeman (1984) claimed that prioritizing will shift management’s attention away from unnecessary activities and towards stakeholders on which the organization depends for success. He argued that stakeholder theory seeks to answer three questions about an organization’s relationships with the stakeholders: “Who are the stakeholders, and what are the perceived stakes?” How does the organization “implicitly or explicitly manage” the relationship? and, What are the “transactions” between the organization and the stakeholders? (p. 53).

**Stakeholder Identification and Stakeholder Groups**

The term stakeholder can describe a broad number of groups and this can be difficult for organizations to deal with (Ackermann & Eden, 2011; Chapleo & Simms, 2010). The question of who is a stakeholder has been problematic and the research attempting to determine who is and who is not a stakeholder has been controversial. There has been no success in creating a definition that is accepted by all scholars. Debates in the literature have often been about the broadness of the definitions. The most commonly quoted definition is “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman,
1984, p. 46). The broadness of this definition has received a great deal of attention and attempts at refinement, yet the original definition continues to be used widely (Mitchell et al., 1997). To deal with the ambiguity of who is a legitimate stakeholder while remaining viable, Mitchell et al. (1997) suggested that companies should “equip managers with the ability to recognize and respond effectively to a disparate, yet systematically comprehensible, set of entities who may or may not have legitimate claims, but who may be able to affect or are affected by the firm nonetheless, and thus affect the interest of those who do have legitimate claims” (p. 857). In other words, Mitchell et al. (1997) suggested that managers must decide whether to meet the needs of stakeholders and decide whether their claims are legitimate or not.

Although a stakeholder could be a unique individual, in the relevant literature a stakeholder is most often considered part of a representative group. A group has a claim on the organization generally because it is in relationship with the organization, or because it stands to be impacted by the organization in some way (Clarkson, 1995; Donaldson & Preston, 1995). According to Donaldson and Preston (1995), stakeholder groups are normally defined based on shared stakes, objectives, claims and interests. Goodpaster (1991) stated that other than owners or stockholders, stakeholders include “employees, suppliers, customers, creditors, competitors, governments, and communities” (p. 54). The above descriptions represent many of the common stakeholder groups that are described in the literature but this list is by no means complete.

Winn (2001) believed that stakeholder groups are socially constructed and claimed that it is wrong to assume that stakeholders are generic and can be treated as homogenous groups. She stated that there is considerable difference in the individuals in a group and there can be significant differences in what they believe and how they behave. Individual stakeholders have
multiple interests and roles and may also have a range of opinions and ideas that do not fit neatly into any single stakeholder group (Winn, 2001).

**External versus Internal Stakeholders**

Internal stakeholders can be defined as those who are formally connected with the organization such as owners, customers and employees. External stakeholders may not be formally connected but are those affected by the organization in some way (Gibson 2000). Freeman (1984) related the stakeholder concept to different views of the firm. In the managerial view, managers must pay attention to owners, employees, suppliers and customers. These four stakeholder groups represent the cause of internal change to the organization. However, Freeman (1984) argued that the more difficult task is to understand changes that originate from the external environment of an organization.

Studies involving stakeholders tend to emphasize internal processes of the corporation; however, there is a need to emphasize the importance of the external environment. External change produces uncertainty, which cannot be easily adapted into the comparatively normal relationship with owners, employees, suppliers and customers. External change may have a particular strong effect on an organization because it could involve stakeholders that are not well understood (Freeman, 1984). As the external environment relates to higher education, it has been argued that in the case of universities the strategic planning cycle is necessary in order to be accountable to external bodies (Birnbaum, 2000; Jarzabkowski & Wilson, 2002).

**Descriptive, Instrumental and Normative Approaches**

Further refining stakeholder theory, Donaldson and Preston (1995) analyzed the existing stakeholder literature and found three general classifications into which the various stakeholder approaches can be grouped. They stated that stakeholder theory could be *descriptive,*
instrumental, or normative. The descriptive approach refers to describing specific features and behaviors of the stakeholder towards the organization. The instrumental approach is used to categorize the interactions that exist between the stakeholder and management and the capacity to get results. The normative approach deals with the question of how managers approach the stakeholders (Clifton & Amran, 2011; Donaldson & Preston, 1995). Donaldson and Preston’s work has had a large impact and since then, these three justifications of stakeholder theory are often used as a typology for categorizing research in stakeholder theory rather than as justifications for the stakeholder approach to management. The authors argued that these three approaches are related and are nested within each other:

The external shell of the theory is its descriptive aspect; the theory presents and explains relationships that are observed in the external world. The theory’s descriptive accuracy is supported, at the second level, by its instrumental and predictive value; if certain practices are carried out, then certain results will be obtained. The central core of the theory is, however, normative. The descriptive accuracy of the theory presumes that the truth of the core normative conception, insofar as it presumes that managers and other agents act as if all stakeholders’ interests have intrinsic value. In turn, recognition of these ultimate moral values and obligations give stakeholder management its fundamental normative base (Donaldson & Preston, 1995, p. 74).

Donaldson and Preston (1995) described stakeholder theory as often being referred to as descriptive. A descriptive theory attempts to describe actual behavior and this provides a common language for the academic community to express their ideas regarding the organization and its stakeholders. Although Freeman (1999) agreed that basing stakeholder theory in descriptive terms is simplistic, the value is that descriptive theory looks at actual behavior and tells us how the world “really is” (p. 223). Gibson (2000) suggested that stakeholder theory is concerned with whether managers take the wellbeing of stakeholders into account and described the nature of the organization in terms of the relationship with its stakeholders.
The instrumental approach is often called the strategic stakeholder management model because the concerns of the stakeholders are believed to impact the firm’s decision-making process only if the stakeholders have strategic value to the firm (Berman, Wicks, Kotha & Jones, 1999). Donaldson and Preston’s (1995) *instrumental justification* for stakeholder theory depends on the idea that stakeholder management is related to organizational performance. According to Jones and Wicks (1999), instrumental theory generally states that “certain outcomes will be obtained if certain behaviors are adopted” (p. 208). This assertion is consistent with the argument that stakeholder theory is primarily managerial. Donaldson and Preston (1995) stated that as an instrumental theory, stakeholder theory “establishes a framework for examining the connections, if any, between the practice of stakeholder management and the achievement of various corporate performance goals” (p. 67). They suggested that the instrumental approach is used to identify the relationships, or a lack of relationships between the stakeholder and management that influences the achievement of corporate goals. Many scholars have argued that stakeholders can have a great impact on whether or not a firm is successful in achieving its objectives (Berman et al., 1999; Mitchell, 1997; Neville, Bell, & Menguc, 2005; Parmar et al., 2010).

Finally, Donaldson and Preston (1995) claimed that the “fundamental basis” of stakeholder theory is normative (p. 67). The normative questions are most important because “they differentiate stakeholder theory from other prominent theories in organization science, such as resource dependence, managerial cognition, and institutional theories (Jones, Felps & Bigley, 2007, p. 137). The underlying basis for the normative view of stakeholder theory is that the interests of all stakeholders are legitimate and one stakeholder should not take priority over other stakeholders (Crane & Ruebottom, 2011). All stakeholders should receive fair treatment when decisions are made. As a normative theory, stakeholder theory focuses on how the world
“should be” (Freeman, 1999, p. 223). This approach is based on identifying ethical guidelines for
how an organization should be run and that the treatment of stakeholders should be based on
moral grounds (Waxenberger & Spence, 2003).

**The Theory of Stakeholder Salience**

Although the term stakeholder had been widely used since 1984, Mitchell et al. (1997)
believed that the original concept could not take into account the complexity of relationships
between stakeholders and managers. A fundamental question in stakeholder management is the
identification and prioritization of stakeholders (Clarkson, 1995; Donaldson & Preston, 1995;
Freeman, 1984; Mitchell et al., 1997; Neville, Bell, & Whitwell, 2011). However, the authors
believed that what was missing was a model to answer the question of which competing
stakeholder requests should managers assign priority. They argued that a model of stakeholder
prioritization was required and that the central questions that needed to be answered were: who
or what are the stakeholders of the organization; to whom does top management pay attention;
and how do they prioritize the different demands of the stakeholders.

Intending to resolve this question, Mitchell et al. (1997) built on Freeman’s work and
proposed a three-factor model based on the constructs of power, legitimacy and urgency. They
developed *stakeholder salience* theory as the basis for a new type of stakeholder identification
typology. They developed a model on the basis that *stake* is the element that determines what
counts. The authors attempted to clarify the issue of stake by differentiating between groups that
have a legal, moral or presumed claim on a firm and groups that have an ability to influence the
organization's behavior.

The salience model is intended to evaluate relationships between stakeholders and
managers and provide a framework for identifying how much attention the manager of an
organization gives to each stakeholder based on the attributes of power, legitimacy and urgency (Mitchell et al., 1997). In this typology, the authors argued that the three attributes of salience share some common features. They suggested that these attributes are socially constructed and each attribute is a variable and not in a fixed state. At any given time, each of the attributes may or may not be present or may not be accurately observed. Managers may also have perceptions about the strength of these attributes even when the stakeholder is not intentionally applying the attribute.

Agle et al. (1999) suggested that Freeman’s (1984) original and widely adopted definition of stakeholders is too broad and therefore problematic. They argued that sorting criteria such as that put forward by Mitchell et al. (1997) could be helpful in identifying stakeholders that are important to the firm. Although Mitchell et al. also adopted a broad definition of stakeholders, by introducing the concept of legitimacy they narrow the scope and their conceptualization of power allows enough groups to be considered stakeholders so that it is not too restrictive (Agle et al., 1999).

Although the concept of stakeholder has been widely used, Mitchell et al. (1997) argued that the discussion must include who or what are the important stakeholders of the organization and who does senior management pay attention to? In other words, which individuals or groups have influence, or salience, with the organization's decision-makers? Further, how do managers prioritize and respond to the demands of various stakeholders? In stakeholder salience theory, stakeholder identification is based on the concept that stakeholders are those organizations or individuals who possess the “power to influence” the organization; the “legitimacy” to have a relationship with the organization; and/or the “urgency” to demand the organization’s attention (Mitchell et al., 1997, p. 854).
Power, Legitimacy and Urgency

The theory of stakeholder identification and salience brings together power, legitimacy and urgency, three important social science concepts, in order to characterize stakeholders (Parent & Deephouse, 2007). Salience of stakeholders was defined by Mitchell et al. (1997) as the degree that they possessed the attributes of power, legitimacy and urgency. The attribute of power refers to the capacity of the stakeholder to influence the organization or to impose one's will on an individual or the organization. Friedman and Miles (2006) argued that the organization is an arena of multiple competing and conflicting interests. According to Mainardes et al. (2011) the stakeholder salience model “has three advantages: (1) it is political (considering the organization as the result of conflicting and unequal interests); (2) it is operational (qualifying the stakeholders); and (3) it is dynamic (contemplating changes of interests in social space-time)” (p. 236).

Stakeholders act from different positions of power depending on the circumstances and relationships involving the organization. Mitchell et al. (1997) described power as a transitory attribute that is not fixed. They suggested that it is a dynamic concept that should be constantly re-evaluated by the organization. Mitchell et al. also argued that stakeholder power is perceived within a range and can vary from none to absolute. Power can be latent and can be triggered by situations that pertain to other salience attributes.

The construct of legitimacy is based on a legal or contractual relationship between the organization and the stakeholder (Mitchell et al., 1997). Mitchell et al. defined legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”
The authors claimed that although managers’ perceptions of legitimacy may differ from the stakeholders’ perception of legitimacy, this attribute either exists or is absent.

Urgency refers to the time sensitivity or pressure of the stakeholder’s demands on the organization and the immediate need for action (Mitchell et al., 1997). The authors argued that urgency exists only when: “(1) a relationship or claim is of a time-sensitive nature and (2) when that relationship or claim is important or critical to the stakeholder” (p. 867). These two conditions are dynamic and form the basis on which urgency is determined. Managers need to consider the need for swiftness in the organizational response, the significance of the request and the company relationship with the stakeholder. The authors stated that urgency can increase the salience of stakeholders and that the attribute of urgency is based on the idea that claims have time constraints. Because urgent stakeholders often demand responsiveness, this increases the manager’s perception of the salience of that stakeholder.

The attributes of power and legitimacy are independent and when the urgency of stakeholder claims is also taken into consideration, the three attributes together determine how managers prioritize their stakeholders (Mitchell et al., 1997). Likewise, the interaction of power, legitimacy and urgency determines how managers perceive the salience of stakeholders. The authors also suggested that salience does not require all three of the attributes of power, legitimacy and urgency to be present, but that the presence of these elements determines how the stakeholders are perceived by managers. The authors stated that “there remain stakeholders who do not have power, but who nevertheless matter to firms and managers” (p. 864).

When they put forward their thoughts, Mitchell et al. (1997) offered a model to illustrate the concept. Figure 1 shows the stakeholder typology model proposed by Mitchell et al. (1997).
In this model Mitchell et al. (1997) provided a classification based on the cumulative number of one or more of the attributes of power, legitimacy and urgency and suggested that three classes of stakeholders and seven types of stakeholder salience can be recognized. They identified seven types of stakeholders based on the presence of the three attributes of power, legitimacy and urgency, either singly or in various combinations. The authors classified the first three types as latent stakeholders. Latent stakeholders possess only one attribute and because of this, managers may not do anything or may not even recognize their existence. Correspondingly, latent stakeholders are not expected to give any attention to the organization. According to Mitchell et al., the following classifications explain the numbers in the above illustration and include:

1. **Dormant stakeholders** who hold only the power attribute without either legitimacy or urgency. These stakeholders are dormant because their power is idle.
2. **Discretionary stakeholders** hold only the legitimacy attribute. As they have no power or urgency, it is determined by the manager as to whether or not these stakeholders are worthy of attention.

3. **Demanding stakeholders**’ single characteristic is based on having a claim that is urgent. They may be bothersome but not worthy of much attention from management.

4. **Dominant stakeholders** possess both power and legitimacy. Their effect on the organization is definite and any claims will be important to managers.

5. **Dependent stakeholders** have urgent and legitimate claims but do not have the power to influence the organization. They rely on the support or power of other stakeholders or on the values of the management within the organization.

6. **Dangerous stakeholders** have power and an urgent claim but lack legitimacy. These stakeholders could be coercive and possibly use or threaten violence. The use of coercive power often comes from those that are not legitimate.

7. **Definitive stakeholders** are those stakeholders who have all three of the attributes of power, legitimacy and urgency. They are perceived by managers to have the power and legitimacy and when their claims become urgent they will have high stakeholder salience. Managers will give precedence to claims from these stakeholders.

In any of the above situations where the stakeholders have two attributes, they can be termed *expectant stakeholders* and these groups are considered to have moderate salience. They expect something from the organization and may be active rather than passive. They may have significantly more contact with managers than the latent stakeholder.

According to Mitchell et al. (1997) discretionary and urgent stakeholders should not be ignored because if these stakeholders can gain a second attribute, or align with other stakeholders...
who have complementary attributes, then they move from a latent to a more active role with the organization and become expectant stakeholders. The authors also cautioned that latent stakeholders that have power should be watched closely because they have the resources to disturb the stakeholder-organization relationship.

To test the theoretical framework proposed by Mitchell et al. (1997), Agle et al. (1999) conducted a study to investigate the concept of salience based on power, legitimacy and urgency. Based on CEO perceptions, the authors studied the relationships between stakeholder attributes, CEO values and corporate performance. From the results, they concluded that the concepts proposed by Mitchell et al. were valid. They also determined that stakeholder salience is positively related to the cumulative number of stakeholder attributes perceived by managers to be present. Since the landmark study by Mitchell et al. (1997), only a few authors have attempted to test and refine the model of who and what really counts in obtaining managerial attention (Parent & Deephouse, 2007). As a result of their study, Agle et al. extended the concept of salience and constructed an empirical model where stakeholder salience is positively related to the cumulative number of power, legitimacy, and urgency attributes that are perceived by managers to be present. Based on the study results, they showed that CEO values and perceptions influence stakeholder classification.

**Empirical Work and Adaptations of Stakeholder Salience**

In 2008, Laplume et al. analyzed 179 articles written between 1984 and 2007 that directly addressed Freeman’s work on stakeholder theory. The analysis identified five themes: “(a) stakeholder definition and salience, (b) stakeholder actions and responses, (c) firm actions and responses, (d) firm performance, and (e) theory debates” (p.1152). Of those five themes, recent empirical work on stakeholder definition and salience is the most significant to this review,
particularly if this research was to prove related to the concepts proposed by Mitchell et al. (1997).

Other than the Agle et al. (1999) study, a search of the literature found only a small sample of studies that examined the Mitchell et al. (1997) concepts. For example, David, Bloom and Hillman (2007) studied the relationship between shareholder proposal activism, managerial response, and corporate social performance by analyzing 1,307 shareholder resolutions put forward to 218 firms between 1992 and 1998. They found that that shareholder proposal activism lessens corporate social performance. They also found that managers may show conformance to proposals filed by salient shareholders but may resist the shareholder pressure by avoiding necessary changes to core policies that may decrease their managerial discretion.

Magness (2008) applied the Mitchell et al. (1997) concept of salience to the context of environmental accidents in the mining industry and examined the reactions of two stakeholder groups. The author compared two decision-making groups and found that the groups, managers and shareholders reacted at different times to the accidents. Magness suggested that her findings “support the Mitchell, Agle, and Wood assertion that stakeholder status is impermanent, and determined through the eyes of the decision-maker” (p. 177).

Boesso and Kumar (2009) examined how managers prioritize stakeholder relationships and to what degree companies release information to the stakeholder groups they deem to be important. They used a descriptive approach to explore managerial perceptions of power, legitimacy and urgency of stakeholder groups based on survey data collected from 244 managers. Boesso and Kumar focused on managerial perceptions of salience attributes and argued that perceptions are formed based on societal values and beliefs and that culture can be a factor in stakeholder prioritization. The results of the study demonstrated that the cumulative
power and legitimacy that managers associate with a stakeholder group are the most significant factor of how managers prioritize conflicting claims.

As described above, several scholars have adapted and extended the early work by Mitchell et al. (1997). However, Laplume et al. (2008) suggested that most of the published work is theoretical and that few actual studies have advanced the concept. The authors make the case that more empirical research is needed based on a wider range of organizations other than large publicly traded corporations. They also argued for “more qualitative research to document cognitive aspects of how managers respond to stakeholder expectations” (p. 1152). Although sparse, some scholars have heeded this call and applied the construct of stakeholder salience to the public and higher education sectors.

**Stakeholder Research in the Public and Higher Education Sectors**

Non-profit organizations are viewed as accountable to a wide range of stakeholders and for that reason the stakeholder approach produces important insights (Bryson, 2011; Jager, 2010). Stakeholder and stakeholder salience theory has seen limited use in public sector research and higher education studies because researchers have applied the model primarily to the corporate environment. As a result, the literature on stakeholder salience in higher education is limited. However, stakeholder analysis can be useful in the public realm and discussions of public policy (Freeman et al., 2010). Organizations exist in order to create value for groups of stakeholders, those who have an interest, claim, or stake in what the organization does and how well it performs (Jones, 1995). Page (2002) argued that the concept of stakeholder salience “applies equally to both private and publicly owned organizations” (p. 76). Mainardes et al. (2011) agreed and explained that their research was motivated by the “sheer relevance of the theory to various different areas, especially strategic management, marketing, corporate
governance, corporate social responsibility, business ethics, public management, among others” (p. 227).

Despite this, only a few studies have conducted empirical research by applying stakeholder analysis within non-profit and public sector organizations. Donaldson and Preston (1995) asserted that the stakeholder model is intended for the corporation and that application to other contexts is ill advised. They argued that stakeholder theory applies to investor owned corporations and “although stakeholder concepts have been applied in other settings, these situations are fundamentally different, and simultaneous discussion of a variety of possible stakeholder relationships leads, in our view, to confusion rather than clarification” (p. 69). This is not an unusual position among management scholars. For example, Birnbaum (2000) was critical of attempts to apply corporate or business models and economic theories to the higher education sector and dismissed many of the attempts as mere fads. However, Bryson (2004) argued that stakeholder identification and analysis is well established in the public sector and has become more important than ever. Barrett (2001) agreed and based on a case study concluded that stakeholder theory could be applied to the non-profit organization with meaningful results. He also found that it was “possible to assess the organization’s level of responsiveness to the various stakeholder groups and the factors that impinged on this level of responsiveness” (p. 36).

There are a number of elements that makes stakeholder theory not only relevant to the public or non-profit sectors but also to higher education institutions which provide educational services to diverse participants, either directly or indirectly (Alves, Mainardes & Raposo, 2010). Rainey (1997) stated that “public agencies are born of and live by satisfying interests that are sufficiently influential to maintain the agencies' political legitimacy and the resources that come with it” (p. 38). This is certainly true in higher education which is constantly under pressure from
external or environmental forces. Freeman (1984) observed these external pressures in the corporate context and argued that environmental shifts were occurring among both internal stakeholders and external stakeholders. He proposed that stakeholders should be categorized so that managers could better understand their interests and predict their behaviors (Laplume et al., 2008). According to Bryson (2004), the same issues are faced in the public sector.

McDaniel and Miskel (2002) argued that although stakeholder theory was developed for the corporate sector, the approach offers “an enhanced lens through which to view educational policy environments” (p.329). They suggested that there are many individuals and groups with stakes in educational policy and practice. The authors equated the decisions and policies within an educational organization to the management decisions within a firm. Based on this premise, it seems reasonable that stakeholder theory can and should be applied to public sector organizations including higher education. However, perhaps because it is a business model, stakeholder and stakeholder salience theory has not been widely applied to describe relationships in the higher education sector.

The literature on stakeholder salience in higher education is limited. Bryson (2004) stated that attention to stakeholders is important throughout any strategic management process because success for public organizations depends on satisfying key stakeholders according to their definition of what is valuable. Given the current challenges in higher education, it seems that these principles are worth studying. Although some higher education scholars have come to recognize the significance of the stakeholder approach to educational institutions (Benneworth & Jongbloed, 2009; McDaniel & Miskel, 2002) only a few studies have translated this area of inquiry into empirical research by using the theory of stakeholder salience within higher education organizations.
Using three case studies of policy experiments, Benneworth and Jongbloed (2009) put forth that “universities’ responsiveness to stakeholders does not evolve simply and functionally but in response to the networks of relationships in which they are situated” (p. 567). They argued that humanities, arts and social sciences are at a disadvantage as the supporting stakeholders are not as salient as areas with commercial support. Although they did not distinguish between internal and external forces, they pointed mainly to the external context as shaping the value placed on humanities, arts and social sciences.

**Conceptual Framework**

The conceptual framework for this study drew from the theory of stakeholder salience proposed by Mitchell et al. (1997) and modified by Agle et al. (1999). The theory of stakeholder salience provided the framework for examining the influence of external stakeholders on the college as perceived by senior college leaders and provided a tool for analyzing the data provided by the senior college leaders. The illustration in Figure 2 is adapted from the research model developed by Agle et al. (1999) and provides a representation of the conceptual model for this research.

In the original model by Agle et al. (1999), the first column represented CEO perceptions of stakeholder attributes. This has been replaced by the Mitchell et al., (1997) stakeholder typology that will represent senior college leader’s perceptions of stakeholder salience. The second column in the Agle et al. original was titled stakeholder salience and the column listed examples of possible stakeholders. This list of stakeholders is now incorporated into the model and combined with stakeholder typology to represent senior college leader perceptions of stakeholder salience.
Figure 2. Stakeholder salience, an adaptation of models from Mitchell et al. (1997), Agle et al. (1999) and Margolis and Walsh (2003).

Finally, the third column was modified from corporate performance to institutional priorities. This is based on the notion put forth by Margolis and Walsh (2003) that concluded that there is a positive relationship between performance of the firm and stakeholder management. While this performance is often measured in terms of financial results, the performance of a public enterprise, such as a college, is more difficult to define. Therefore, rather than supporting the need for further studies examining this connection, they suggested a new descriptive scholarly program that explores how firms are managing their relationships with stakeholders and society as a whole. Their suggested ideas for further research include looking at what factors influence the relationships between firms and their stakeholders, what previous events or
circumstances trigger action by a firm towards stakeholders, what causes stakeholders to act to influence firms, and what are the results of such action in terms of the impact on society (Margolis & Walsh, 2003).

According to the literature, the concept of stakeholder salience is constructed on the argument that constituent groups that have higher salience will influence decision makers to a greater extent. Therefore, the stakes that are important to the stakeholder groups will be reflected in the actions of the managers. It is the way the college manager (senior leader) views the salience of the stakeholders, as well as his or her own values that will determine the priorities of the organization.

**Summary**

Stakeholder theory has developed substantially over the last thirty years since Freeman first published his seminal book. Freeman proposed that firms should pay attention to the needs of various stakeholders and not just the needs of the owners or shareholders. This idea has proved to be controversial but the various debates and interpretations have not dampened the concept and today Freeman’s concept is widely accepted in the management field. Donaldson and Preston (1995) contributed significantly to the stakeholder literature by reviewing the first decade of stakeholder literature and categorizing the research themes as descriptive, instrumental or normative. Their contribution was viewed as a major milestone that removed some of the ambiguity and confusion regarding various approaches to stakeholder theory.

In 1997, Mitchell et al. attempted to narrow Freeman’s (1984) widely accepted definition of stakeholders by defining the factors of a salient stakeholder as perceived by management. They identified the three attributes that are necessary for an individual or group to be considered salient stakeholders as the possession of one or more of the attributes of power, legitimacy, and
urgency. These attributes can be temporary and change over time and therefore stakeholders can change categories on a scale of low to high salience. Based on an empirical test, Agle et al. (1999) found the assertions of stakeholder salience to be valid and also remarked that CEO values are a moderating variable.

Finally, it is important to note that although some scholars have argued that the concepts of stakeholder theory apply to management of the public sector, research in this area remains relatively scarce when compared to the studies applied to the business world. Few studies have looked at stakeholder salience in the realm of higher education and no studies have examined salience in the Canadian college system.
CHAPTER 3: METHODOLOGY

This chapter outlines the methodology selected for examining the salience of external stakeholders as perceived by senior college leaders in the Canadian college system. It begins with a restatement of the purpose and research questions of the study, followed by rationale, research design, sampling and population. Finally, a discussion of data collection and analysis is offered.

Purpose and Research Questions

The purpose of this study was to describe and analyze how selected senior college leaders in the Canadian college system view their interactions with external stakeholders, particularly their perceptions as they identify external stakeholders and recognize the salience of these stakeholders. Senior college leaders were encouraged to tell their own stories about their views and experiences with their external stakeholders.

The primary research questions that guided this qualitative study are:

1) How do senior college leaders identify and prioritize external stakeholders.
2) What are the demands the stakeholders make on the college?
3) What is the role of external stakeholder salience in the priorities and perspectives of senior college leaders and how does this influence the senior college leaders’ decisions and choices?
4) How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?

Rationale for the Study

There are a number of reasons why this study was undertaken. Stakeholder theory is used to try to answer three questions: Who are the stakeholders of the firm; what do they want and
how are they going to get what they want (Frooman, 1999). Therefore, management looks at what attributes or characteristics make up a stakeholder, what stakes or interests they have in the organization, and the strategies that the stakeholders intend to use to make sure they receive benefits from the organization. In terms of stakeholder salience, the questions to be answered are in regards to power, legitimacy and urgency and which stakeholders the managers believe to have salience.

In the context of higher education and particularly the college system, the above questions have been largely unexplored by the academic community. Business and corporate scholars have undertaken a number of studies related to this topic that are captured in the literature. However, there is little empirical research on this topic as it relates to the college system. The lack of previous research creates a gap in the body of knowledge.

A second reason for the research was the desire to understand the salience of external stakeholders from the perspective of selected senior college leaders. Much has been written in the popular and business press about how higher education must respond to the needs of the economy, industry and employers while addressing the impending skills shortage, but little research exists that addresses the external pressure and influencers from the leadership’s perspective. The challenge of researching college leadership, a group that has not been widely studied, is interesting and the results of this research provide a unique perspective in the higher education literature.

Third, the researcher, a senior college leader with two and a half decades in the college system, was interested in understanding the influence and power of stakeholders and the relationships with the college leadership. This understanding provides insight to how college leaders think about stakeholders and the demands they make on the college. This knowledge
contributes to the educational administration and leadership bodies of knowledge by furthering understanding of college leadership and the impact of external stakeholders.

**Research Design**

This study utilized a qualitative research design with a case study methodology situated in the interpretive paradigm. Denzin and Lincoln (2000) defined qualitative research as “a situated activity that locates the observer in the world” (p. 3). The importance of an individual’s experiences is paramount to the qualitative researcher. Individuals and their experiences are studied in order to gain a better understanding of the world in which the participants live (Merriam, 1998). Merriam (2009) described interpretive qualitative designs as a product where data are gathered from the participants’ lenses and interpreted through the lens of the researcher. Qualitative studies are the preferred method when the research goals involve understanding how participants make meaning of their experiences, how their context influences actions, and understanding the processes behind actions and events (Maxwell, 2005). Use of an interpretive qualitative design aligns with the variety of contexts, experiences, and participant perceptions inherent to the position of senior college leadership. This design also takes into account the experiences, values, and biases of the researcher’s work in the higher education system.

Qualitative researchers are interested in understanding how people understand their experiences, how they construct their worlds, and what meaning they attribute to these experiences. Qualitative research relies mainly on human insight and understanding (Stake, 2010). A qualitative, interpretive approach describes and records lived experiences, perspectives, behaviors, processes and values. Merriam (2009) indicated that knowledge collected from a qualitative inquiry provides insights and information related to how individuals make meaning from their experiences.
Case Study

This study seeks to explore the meaning of a phenomenon based on the participants’ perceptions through the selection of a qualitative case study design. Lewis and Ritchie (2003) viewed the principal features of a case study as being “multiplicity of perspectives which are rooted in a specific context” (p. 110). A number of classifications regarding the case study method have developed over the past few decades. For example, Yin (1993) advanced the “exploratory” and “explanatory” case study and Stake (1994) identified the “intrinsic” and “instrumental” case study. The case study designation of explanatory and intrinsic is applicable when one wants to better understand the particular case. This type of empirical research looks at the “how” and “why” questions in order to find deep and meaningful understanding of the perceptions, assumptions and meanings within the data.

A case study method was chosen for this study as it allows for an exploration of how and why selected senior college leaders recognize the salience of external stakeholder. Yin (2003) argued that “a case study investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between the phenomenon and context are not clearly evident” (p. 13). In this research, the phenomenon is the concept of stakeholder salience which is tied to the college environment and bounded by the geographical location of Canada.

The utilization of the qualitative case study method also aids the researcher in the interpretation of the perspectives and viewpoints of the study participants. Case studies allow the researcher to gain a holistic view of a phenomenon. Yin (1994) determined that case study may be the most appropriate research method for examining and appreciating the complexity of organizational phenomena. Merriam (1998) suggested that the case study is the appropriate
method for the educational setting because of its suitability to examining and creating understanding and improving practice in applied fields of study.

Consistent with the case study methodology, the intent of the study was to achieve an in-depth understanding of stakeholder salience from the perspectives of selected senior college leaders. The choice of sample for the study is very important. According to Miles and Huberman (1994), sampling in qualitative research usually relies on small numbers with the aim of studying in-depth and detail. Patton (2002) agreed and suggested that, “qualitative inquiry typically focuses on relatively small samples, selected purposefully to permit inquiry into an understanding of a phenomenon in depth” (p.46). Therefore, the purpose of the study guided the decision regarding participant selection.

**Purposive Sampling and Population**

Purposive sampling is the most frequently used sampling technique in qualitative research (Merriam, 2001; Patton, 1990). Purposive sampling is oriented towards cases that are likely to be information-rich and involves deliberately selecting persons who understand the central phenomenon. Merriam (2009) stated that “purposive sampling is based upon the assumption that that the investigator wants to discover, understand, and gain insight and therefore must select a sample from which the most can be learned” (p 77). This sampling technique is used when the researcher has observed a particular phenomenon worth further investigation and the researcher intentionally has selected a particular sample based upon various traits and where the processes being studied are likely to occur (Janesick, 2000; Patton, 1990).

Senior college leaders were purposively chosen for this study because they have the most external focus of those within the college. The focus of this research was on external stakeholders of postsecondary institutions that would be classified as community colleges,
polytechnics or technical institutes, but not research universities. These institutions may offer some university level programs but must have a substantial portion of their programs that are at the non-degree level and intended to lead straight to employment for graduating students. These criteria eliminated full universities but did not eliminate hybrid institutions such as university colleges, polytechnics and others with a mix of programs. The target population was senior leaders of college and technical organizations in Canada. Criteria for participant selection were as follows:

- Active or recently retired (within two years) senior college leaders of public college or technical institutions located in Canada.
- Ten or more years of experience in the college or higher education system.
- Responsible for interaction with what they would refer to as external stakeholders.
- Willing to engage in a face-to-face interview for at least 90 minutes.
- Willing to share their experiences.

The sample of senior college leaders was purposive and based on the criteria as defined above. The first group of senior college leaders who agreed to be interviewed were asked to forward an invitation to their peers and contacts to participate in the study. Because it was anticipated that senior college leaders may be difficult to access, it was expected that a personal introduction would improve access to senior college leaders. The researcher began with his own contacts in order to recruit the initial participants and referrals lead to additional participants. It was hoped that there would be some diversity in this snowball sample; however, many of senior leaders in this sector are currently Caucasian males. Given that the researcher works in the college sector and has a number of connections and contacts who can facilitate access and make
introductions, the researcher did not experience unreasonable difficulty in interviewing key participants.

**Setting**

This study was conducted between February, 2014 and May, 2014 with senior college leaders located within Canada. It was intended that whenever possible, interviews would be conducted in a neutral location that allowed the key participant to focus on the questions without distraction from within her/his office. In the instances where it was not possible or practical to schedule a face to face interview, a telephone interview was arranged instead. Participants were asked to use a quiet area without other distractions. All but one interview was completed by the end of April. The final interview opportunity presented itself due to a May event that both the researcher and participant attended. That interview was held in a quiet hotel meeting room that allowed for privacy and confidentiality.

**Interview Protocol and Data Collection**

Prior to commencing the study, a test of the interview protocol (see Appendix C) was conducted with two senior college leaders. The test interviews were conducted to determine the timing of the interview process, familiarize the interviewer with the questions and identify necessary improvements. Based on the results of the pilot interviews, minor changes were incorporated into the interview protocol (see Appendix D). Results from the pilot interviews were included within the study sample as they met the criteria and the interviews produced valuable data.

Data collection took the form of gathering information through interviewing alone. However, when a senior college leader agreed to participate in the study, information about the participant’s college was reviewed in order to provide contextual information in preparation for
the interview. This information was publicly available from the colleges’ website. After agreeing to participate in the study, the senior college leader was sent an informed consent form and asked to return it to the researcher.

Interviews are designed to gain an understanding of lived experience (Seidman, 2013). The goal of the research was to have senior college leaders’ talk about their experiences with external stakeholders. Semi-structured, open-ended questions were used in the interview and additional probing questions were used when appropriate. Interviews were audio recorded for transcription purposes and for validation of comments made by the participants. Upon conclusion of the interview, each participant was provided with the opportunity to offer additional information or comments. Field notes and observations were documented during and immediately following the interview, capturing key words and phrases, impressions, body language cues, and thoughts and ideas about the interview (Seidman, 2013).

Ethics

According to Atkins and Wallace (2012) “an ethical approach should pervade the whole of your study” (p. 30). For the purpose of this study, the researcher adhered to the University of Saskatchewan policies and procedures for research on human subjects. Permission was requested and received from the University of Saskatchewan Behavioral Research Ethics Board following acceptance of the proposal.

Participants were informed of the nature of the study and the research design included a plan to safeguard the identity of the research participants as evidence of responsible research practice (Seidman, 2013). To protect individuals from identification or unanticipated consequences arising from participation in the research, participants’ names were kept confidential. However, there existed a slight possibility that the individual or the organization
could be identified through association with this form of research. The use of participant codes were employed, with only the researcher knowing true identities of the participants. Furthermore, no descriptions of the senior college leader or evidence of the organizations that they lead, other than very general college system information, was included in the research findings. However, since the sampling is purposive, some of the individuals participating in the research are known to other participants. Beyond this, participation was kept confidential and private. These measures support the concept of “doing no harm.”

The use of numeric identifiers were used to code the responses and data. Upon conclusion of the interview session, data was transcribed by the researcher with the help of voice typing software. To maintain the integrity of the files, a full copy of the originals will be saved and stored in a locked filing cabinet. All of the research materials including audio recordings and interview transcripts will be retained in a locked filing cabinet in the Department Head’s university office. These records will not be accessible by any other individual and will be destroyed at the end of the time period as required by the University. All paper copies of transcripts and printed copies will be shredded and disposed of in a secure manner. With the above safeguards, the risk to those participating in the research will be minimal.

**Data Analysis and Interpretation**

Data analysis is a systematic process that attempts to find meaning of data collected in a study (Silverman, 2011). By asking the right questions of the data, the right interpretation of data will be brought out (Hatch, 2002). Data analysis is systematic and can be accomplished in distinct stages. The goal is to index, code, and classify the data into categories of similar themes, concepts, or ideas.
According to Merriam (2009) data analysis should begin with the first interview. Reflections, ideas and tentative themes will inform the next interviews when the researcher begins applying a form of constant comparison. Analysis should be simultaneous with collecting the data (Miles, Huberman, & Saldaña, 2014). This initial coding identified themes that cut across the data (Merriam, 2009) and although the preliminary examination of data begin during the interview stage, the formal analysis phase began once the interviews were transcribed (Miles et al., 2014).

In vivo coding was originally used to pull short phrases or words from the transcript. Often used phrases may indicate patterns or themes (Miles et al., 2014). However, only simple descriptions were expressed using common words and phrases. More complicated ideas were often expressed using very different terminology and descriptive language. Because of this, the initial in vivo coding evolved into an open coding approach that can be best described as a general inductive approach in which the findings emerge directly from the raw data through multiple readings (Thomas, 2006). Recommendations, implications, and conclusions were drawn from the interpreted data.

Summary

As little is known of how Canadian senior college leaders perceive the salience of external stakeholders, a qualitative case study, situated within an interpretive paradigm, was appropriate for this particular study. An important part of designing a research strategy is deciding on a sample for the study. For this study, participants were selected through a process of purposive snowball sampling based on connections within the college and institute sector.

The method of data collection was either face-to-face or telephone semi-structured interviews in order to capture thick, rich description. Data analysis techniques identified themes
and categories of information which were checked for their fit with the themes provided by Freeman (1984) and Mitchell et al. (1997).
CHAPTER 4: DESCRIPTION OF RESULTS

The purpose of this study was to develop a rich understanding of how selected senior college leaders in the Canadian college system view their interactions with external stakeholders, particularly their perceptions as they identify external stakeholders and recognize the salience of these stakeholders. Senior college leaders were encouraged to tell their own stories about their views and experiences with their external stakeholders.

The study addressed four research questions:

1. How do senior college leaders identify and prioritize external stakeholders?
2. What are the demands the stakeholders make on the college?
3. What is the role of external stakeholder salience in the priorities and perspectives of senior college leaders and how does this influence the senior college leaders’ decisions and choices?
4. How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?

This study was designed to address both attitudinal (values and beliefs) and descriptive data. Understanding the salience of external stakeholders requires understanding both the subjective perceptions that are held by the senior college leaders, as well as the real and practical organizational and system workings. Both must be considered in order to understand the interface of external stakeholders and salience afforded to them by senior college leaders.

The Interviews

To answer the research questions, ten leaders from Canadian community college and polytechnic institutions were interviewed for between seventy minutes and two hours each with the average interview lasting approximately one hour and forty-five minutes. All participants had
agreed to interviews that were scheduled for one and a half to two hours; however, two of the participants had unforeseen time pressures that led to the interviews being completed in under ninety minutes.

Overall, the interview questions worked well in initiating a free-flowing discussion about external stakeholders and the concepts in the study. Strongly held views were elicited and the leaders were asked to not hold back and to speak freely about both positive and negative examples, if applicable. All leaders appeared to be genuinely passionate and very knowledgeable about the college sector and all seemed happy to share their knowledge and beliefs. With most participants, it was not necessary to provide many prompts and the majority of the leaders seemed comfortable talking freely.

However, there were some distinct differences in talkativeness and the way that potentially negative information was presented. With some of the participants who were more verbose, the latter part of the interview guide became redundant. By the time those later questions were reached, much of the data had already been gathered. For example, one leader became so caught up in the issue that she/he strayed off the topic before coming back to the question:

Historically in North America we have defined the sectors in a way that you would never see defined outside of the English-speaking world… So in any case, I’m drifting here… so how would I describe the relationship with stakeholders?

This one excerpt illustrates that, for the most part, the type and length of the interviews allowed the participants some freedom to talk in some depth, tell stories and share related ideas and opinions. Prompts to move on or come back to the question were rarely necessary.

The original research design called for six to eight potential interview candidates to be selected through purposive sampling. As the preference of the ethics board was to have the
researchers contact information provided to potential participants rather than have the names of potential participants provided directly to the researcher, the sample was mainly determined by who came forward. Of the ten participants, only four, who were previously known to the researcher, were asked directly to participate. The other six resulted from a request forwarded by one of the original four. This person forwarded an email request from the researcher to his/her network of leaders on the researcher’s behalf. This one email resulted in eight responses indicating willingness to participate. Of those eight, six were able to be scheduled within the allotted timeframe of the study.

The final sample included ten senior leaders from the college and polytechnic sectors. The participants included six presidents, two vice presidents and two deans. All had significant experience in the post-secondary sector and some had also worked in the university system. A brief overview is provided in Table 1. The information in the table and throughout the narrative is intentionally broad for reasons of maintaining confidentiality.

To address the research questions, interviews were conducted with the ten senior college leaders using a piloted interview protocol derived from the research questions. The interviews were audio taped and field notes were taken throughout each interview. Transcription was done using voice typing software which required the researcher to listen to the recordings and simultaneously speak into a microphone connected to a computer. To ensure accuracy, each passage had to be played back several times throughout the transcription process. This repetition made the researcher very familiar with each senior college leader’s distinctive style of communication as well as with potential codes and themes that arose from that participant’s responses. Additional opportunities to make notes and identify data occurred each time the recording was reviewed.
During the process of transcription, the researcher noted impressions of any themes and elements of commonality to previous interviews. Notes taken during the interviews were also reviewed and compared. This method of constant comparison, analysis, and interpretation served as a means of triangulation that provided the researcher with a sense of preliminary related concepts (Creswell, 2003; Merriam, 2002).

The original interview questions (see Appendix C) were piloted with two participants. Based on the experience and feedback, some minor revisions to the questions were done and the revised interview guide is shown in Appendix D. As the changes were not substantive and the questions were semi-structured and open ended, the resulting data from the two pilot interviews was useable in addressing the original research questions. Therefore, the data from the pilot interviews is included in the results.

Based on the ten interviews that were conducted, an analysis of each of the transcripts was completed to isolate common and unique perspectives regarding the salience of external stakeholders. This included information about the way the participants conceptualized the idea of external stakeholders and the power, legitimacy and urgency of each group. Also, due to the length of the interviews and the types of questions included in the interview guide, a large quantity of related and serendipitous data was also collected.

Direct quotations provided in this document are the words of the participants. No attempt was made to create complete sentences or to make the sentences grammatically correct. The only alterations to the transcribed text were the deletion of redundant words such as “um” or “well”, repeated words where they appeared more than once, and phrases used to join sentences or as a pause such as “I think” or “you know”. To protect anonymity and confidentiality, participants’ names were omitted and each individual was given a coded acronym (e.g., SCL1 or SCL2, etc.).
In some cases, even these identifiers were omitted; such as when the quotation contained other potential identifying data.

Table 1

*Senior College Leader and Institutional Descriptors*

<table>
<thead>
<tr>
<th>Senior College Leader</th>
<th>Years in PSE</th>
<th>Highest Degree</th>
<th>College Location/Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCL 1</td>
<td>Over 30</td>
<td>Masters</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 2</td>
<td>Over 30</td>
<td>Masters</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 3</td>
<td>Over 30</td>
<td>PhD</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 4</td>
<td>Over 30</td>
<td>PhD</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 5</td>
<td>Over 20</td>
<td>PhD</td>
<td>Metropolitan</td>
</tr>
<tr>
<td>SCL 6</td>
<td>5 to 10</td>
<td>PhD</td>
<td>Metropolitan</td>
</tr>
<tr>
<td>SCL 7</td>
<td>Over 30</td>
<td>PhD</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 8</td>
<td>Over 30</td>
<td>PhD</td>
<td>Urban</td>
</tr>
<tr>
<td>SCL 9</td>
<td>5 to 10</td>
<td>PhD</td>
<td>Metropolitan</td>
</tr>
<tr>
<td>SCL 10</td>
<td>5 to 10</td>
<td>Masters</td>
<td>Metropolitan</td>
</tr>
</tbody>
</table>

This study was designed primarily to address the perceptions of the participants and therefore dealt largely with the individuals’ values and beliefs. However, a second dimension emerged from the data. This second dimension can be best described as pragmatism based on the practical realities of navigating the politics of the college system as a senior administrator. This concept was too pervasive to be categorized merely as a theme. Just as values were thought to moderate decisions (Agle et al., 1999), the political imperative to make certain decisions appears
to have as much direct impact on the salience of stakeholders as the leaders’ own values and beliefs.

Examining the concept of salience requires understanding the subjective perceptions that make up the beliefs and values of senior college leaders with respect to their external stakeholders, as well as the practical, and often political roles that these leaders occupy. Both must be considered in order to gain insight into the research questions. Therefore, in addition to the related data presented as themes and sub-themes in this chapter, the concepts related to pragmatic decisions are explored further in Chapter Five.

**Theme Development**

According to Ryan and Bernard (2003) the definition of a theme has been a difficult problem for scholars for some time. They suggested that “themes are abstract (and often fuzzy) constructs that link not only expressions found in texts but also expressions found in images, sounds, and objects” (p. 87). Bazeley (2009) agreed that the concept of themes is problematic and suggested that themes are used to “describe elements identified from text” and this is what is normally meant in discussions regarding the identification of themes (p. 6).

However, even the argument that themes come from coding the text is a matter of debate. In this study, data from the interviews were coded beginning with observations noted during the interviews. This was appropriate as Saldana (2013) suggested that “if we are carefully reading and reviewing the data before and as we are formally coding them, we cannot help but notice a theme or two (or a pattern, trend, or concept) here and there” (p.14).

Several authors have suggested categorizing or creating a hierarchy of themes. Attride-Stirling (2001) suggested that the basic theme is a lower order theme derived from textual data and an organizing theme summarizes the assumptions of a group of basic themes. Ryan and
Bernard (2003) used the terms major theme and subtheme in a similar manner. For the purposes of this study, the simple term *theme* is used to describe an organizing or major theme and subtheme is used to describe a basic theme. The discussion in Chapter Five also contains what Attride-Stirling would describe as global themes. She described these as “super-ordinate themes that encompass the principal metaphors in the data as a whole” (p. 389).

**Presentation of Results**

The remaining sections of this chapter are titled according to the research question being addressed in that section. Each section starts with a summary table of the major themes, followed by a thematic analysis of the data and ends with a summary of the results related to the research question.

All participants were promised anonymity. Consequently, direct quotations in this chapter are attributed by means of a coding scheme that enables the reader to distinguish between participants but provide no connection to additional descriptive information. In some cases, such as when a particular location or other information that could cause speculation on identities is mentioned, the wording has been changed or the coding scheme has been left out. For example, the name of a city in a quoted sentence was changed to the words “the city” in brackets. Another precaution was to not specify gender of participants. Instead, when necessary, the combination of she/he or his/her is used.

In the following sections, the emerging core themes are explored in depth, each with its own series of sub-themes. Including quotes from the actual interviews directly expresses how each senior college leader perceived external college stakeholders. Finally, the themes related to each research question are summarized before the next question is discussed.
Research Question 1: How Do Senior College Leaders Identify and Prioritize External Stakeholders?

Analysis of interview transcripts revealed three recurring themes, with particular outcomes related to each theme. Table 2 summarizes the themes and resulting sub-themes and a discussion of each theme and related sub-themes follows.

Table 2
Summary of Themes from Question 1

<table>
<thead>
<tr>
<th>Question 1: How do senior college leaders identify and prioritize external stakeholders?</th>
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<tbody>
<tr>
<td><strong>Theme</strong></td>
</tr>
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| Leaders conceive a very broad group encompassed by their stakeholder definition but there is varying degrees of significance | • Industry matters but priority varies  
• Position within college defines prime stakeholder groups  
• Industry orientation depends on region |
| Difficult to separate internal and external | • Continuum of prospective student through to returning student  
• Provincial unions external, faculty members internal |
| Primacy of provincial government politics | |

One purpose of this study is to develop a rich understanding of the leadership perspective on the salience of external stakeholders. Therefore, the themes and outcomes are discussed in detail in the narrative which follows and illustrated as appropriate by descriptive direct quotes from the participants.

**Theme 1: leaders conceive a very broad group encompassed by their stakeholder definition but there is varying degrees of significance.** The interviews produced several definitions or descriptions of stakeholders. Not all participants provided an actual definition when asked. Some chose to provide a list instead. These lists are also valuable as they are consistent with those that did provide definitions. In all cases the senior college leaders
seemed to conceive a very broad definition of college stakeholders. This was evident with SCL 3 who explained that “external stakeholders are anyone, the external constituents that are impacted or have an interest in what we are doing”. Although this definition is expansive, it alludes to some relationship, active interest or action. SCL 6 gave a similar definition that requires some element of influence on the other party when he stated “basically anyone who we have an effect on or has an effect on us”. Despite these broad descriptions, other participants took an even broader perspective. For example, SCL 8 stated:

Whenever I think of the external stakeholders I always break it into three components, I always break it into industry and the relationship a president needs to have with that stakeholder group, I think of government, both at the federal and provincial and municipal level. The other thing that I think of when I consider stakeholders is that broader communication audience, so for me that broader stakeholder audience is the people of (the province).

This description is very broad in that no active interest or participation is required by the “people of the province” to be included in SCL 8’s definition of stakeholder.

SCL 9 also started with a very broad definition as “anybody who has an interest in what we do” but followed this up immediately by discussing significance. She/he suggested that the primary external stakeholders “are the for-profit and not-for-profit organisations for whom we produce graduates”. This emphasis on the importance of the industry employers came up repeatedly with all of the participants and is described below.

**Sub-theme: industry matters but priority varies.** Although all senior college leaders consistently spoke about how important industry is to the college, there was significant variance in how the leaders prioritized industry. For example, one participant who worked in a large institution and had diverse constituents described the number of industry stakeholders as too numerous to effectively work with and stated simply that “I don’t really have the time available to go out there and meet with industry partners” (SCL 2). In this case, industry was described as
a large general entity that the leader believed important to, but not having a direct impact on, priority setting. Another leader had a similar perspective and suggested that industry sectors were adequately represented through the makeup of the board and advisory committees.

The opposite end of this perspective was provided by several leaders who identified certain industries as key to economic growth and employment for graduates. These leaders believed that the institution had to be closely in step with the key industries in their region and described how priority setting was closely tied to the needs of these key industry stakeholders. In fact SCL 7 was very clear that industry should not be lumped together and that the college needed to clearly understand the needs of each employer group. SCL 7 stated that “It’s all very well to say industry but is not just industry, its industry segments which adds layers of complexity and time, a lot of time”.

**Sub-theme: position within college defines prime stakeholder group.** Somewhat related to the previous theme, there was noticeable variation in the senior college leaders when it came to defining the prime or key stakeholder groups. The exception to this variation was agreement regarding the dominance of the provincial government. Beyond government however, perspectives did vary somewhat with position. Deans had the most to say about discreet stakeholder groups such as particular industry organizations or sectors, accrediting bodies and associations.

At the vice-president level, the descriptions became more general. One of the participants described the role of the program advisory groups as a representation for engaging with industry and the business community in general. She/he stated that “I attended a lot of program advisory committees…So I had really in comparison a wealth of community connections” (SCL 4).
Finally, several presidents described industry and employer groups as a large amorphous group and interaction took place through public appearances at events and by membership on community boards and associations. One president described the challenge of attending the large number of events to which one is invited. This leader explained the need to regularly delegate appearances to other senior staff.

**Sub-theme: industry orientation depends on region.** The perspective or orientation to industry also varied somewhat depending on the region in which the college was located. For example, in areas where particular sectors are more dominant in the economy, these sectors were mentioned as important industry stakeholders. However, in regions where the industry was more diverse, senior college leaders did not identify particular sectors or employer groups and tended to discuss how important all relationships with employers are. This was evident with SCL 6 who stated that her/his college did not “depend on a single program or a single industry or a single sector and certainly not a single employer to make that big of a difference”. This leader did describe industry and employers as important but without very much impact on an individual basis.

**Theme 2: difficult to separate internal and external stakeholders.** The second theme to emerge from the data was that it is: difficult to separate internal and external stakeholders. The original research design was based on external stakeholders in order to look specifically at those that are external to the college. This is consistent with Freeman’s (1984) original theory that provides a focus on the external environment. According to Eesley and Lenox (2006) stakeholder theory specifically asks for attention of external constituencies. However, most participants had difficulty with making the distinction between internal and external stakeholders and some felt that certain constituents could be both internal and external. Without exception,
every participant spoke about the importance of students, even though they were asked specifically about external stakeholders. However, the researcher was clear that the participants should provide their own definitions and conceptions and did not disagree with the participants.

Several senior college leaders had compelling reasons as to why students, alumni and board members for example, are both internal and external and this is described below. This discomfort with making a clear distinction was demonstrated by SCL 7 who stated “you have external college stakeholders but I guess it depends on how you define external, if I wake up in the morning, what are the people outside of management that I’m concerned about”. This senior college leader did not necessarily disagree with the division between internal and external but simply did not make the distinction himself/herself. Another leader articulated how she/he thought about stakeholders when she/he stated “in my mind we have two client groups, industry and students” (SCL 3). Despite the difficulty in making a clear distinction, the external focus of the questions kept the conversations generally focussed on the external constituents.

**Sub-theme: continuum of prospective student through to alumni.** Many of the participants spoke about the difficulty of classifying students as strictly internal and comments clearly showed that there is no simple divide between internal and external. Participants spoke about prospective students, part-time students, returning students, mature students and alumni who could be influencers of prospective students. Several alluded to a continuum or lifecycle approach to thinking about students. For example, SCL 6 stated “so they are still an external stakeholder but there’s shades or variance among those, I don’t think of alumni for instance as external stakeholders, I think they’re sort of within the family”. SCL 5 also described students as “the citizens and the students that will come to us”.

Senior college leaders appear to value the student as their primary concern throughout the interviews and this devotion arose time and again. At the same time, these senior college leaders were sensitive to what they considered to be a lack of attention being paid to students. Students, while valued, did not appear to be a particularly powerful group.

**Sub-theme: provincial unions external, faculty members internal.** Another group that could not be easily classified simply as internal or external was faculty as union members.

Several senior college leaders discussed the challenges of working with union organizations, particularly in provinces where faculty belong to a province-wide union organization:

you could say that faculty are local but locals are tied into central unions so I certainly see them as an external factor related to our employees because it has a major impact on our organization, that cannot necessarily be resolved internally, it has to be resolved externally working in partnership with the leadership of the other colleges, so that’s a factor (SCL 7).

Another leader described a related challenge. In his/her case the relationship with the local union executive and union members was described as generally positive while the relationship with the provincial union body was portrayed as adversarial at best.

**Theme 3: primacy of provincial government politics.** Provincial governments came up time and time again with regards to all aspects of the research. However, one particular theme was the primacy of provincial government politics and the apparent obsession of politicians with optics. SCL 5 spoke about the provincial politicians and stated that “they’re all about short-term politics and that doesn’t bring legitimacy, when you’re completely subject to the winds of change and it’s about who’s going to get elected in what ridings in the next election”. This theme directly related to the political aspect of government decision-making and the direct impact on the college system or individual colleges within particular provinces. Without exception, all participants in the study spoke about the impact of politics on their job or their organization.
Perspectives ranged from a general acceptance that colleges are “instruments of government policy” (SCL 9) to considerable resentment that politics and the constant need to think about re-election often resulted in short-term and poor decision-making. This view was expressed by SCL 2 who stated:

Sometimes we get laden with enterprises placed on us by the government because that’s what they want and it’s the thing to do but from a pedagogical or real learning perspective you know that they are doomed to fail but they look really good in terms of media shots. So I feel that sometimes we are forced to succumb to that power and influence of the government even though you know full well that it’s little more than a feel-good story for the front page paper of the newspaper.

As previously stated, the dominance of political decision-making by government was a recurring theme throughout the interviews. Not all senior college leaders described this as negative and some even appeared to be quite comfortable with the challenge of working within the political realm. Several leaders described government as important stakeholders or even as partners in the goal of providing education to individuals and skilled workers for industries. SCL 10 spoke about the importance of trust in relationships with politicians and government officials. However, even leaders that were comfortable with the realities of government demands on their institutions admitted that politics can often be difficult. SCL 6 described the uncertainty created when governments change: “Where a provincial government election produces a government that has a very different fiscal plan than the current one, to the negative, would hurt us a lot, and it could happen without much warning”.

Finally, one participant pointed out that there are politics within politics and stated that “there are multiple ministries and their policies are sometimes in conflict” (SCL 10). This leader went on to elaborate that although government is often seen as a single entity, there are jurisdictional conflicts within any government. He/she stated that politicians and bureaucrats
don’t always get along and she/he was able to recall instances of personal clashes between members of the same government.

**Summary of data related to question one.** The research question, “How do senior college leaders identify and prioritize external stakeholders?” was not specifically asked during the interviews. Instead, an interview guide was developed that asked open ended questions related to the research questions and the resulting data were sorted into themes that relate back to the original research question. Themes one through three and their subthemes relate to the first research question and help to organize the resulting data.

Theme one centers on the definition of external stakeholders as perceived by the participants. The data revealed that the senior college leaders take a very broad view of stakeholders and don’t make a natural distinction between internal and external. Also, the particular focus on certain stakeholders varies somewhat with the leaders’ position in the institution and the geographical region in which the institution operates.

Question one also asked how participants prioritize external stakeholders but the data indicated that the participants varied significantly. With some groups, participants were unable or unwilling to draw a line between internal and external stakeholders. Stakeholder priority seemed to vary with position and region. What was common to all leaders was that they consistently stated that government was the highest priority, although several suggested that other groups, such as students, should be the highest priority.

**Research Question 2: What are the Requests the Stakeholders Make on the College?**

Analysis of interview transcripts revealed four primary themes, with particular sub-themes related to each theme. Table 3 summarizes the themes and results.
Table 3

*Summary of Themes from Question 2*

<table>
<thead>
<tr>
<th>Theme</th>
<th>Sub-theme</th>
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<tbody>
<tr>
<td>Government demands</td>
<td>• Accountability</td>
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<tr>
<td></td>
<td>• Economic development</td>
</tr>
<tr>
<td></td>
<td>• Access</td>
</tr>
<tr>
<td>Changing industry requests</td>
<td>• Qualified graduates</td>
</tr>
<tr>
<td></td>
<td>• Value added skills/general/behavioural skills</td>
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<tr>
<td></td>
<td>• Environment determines pressure</td>
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<tr>
<td>Expectations of students</td>
<td>• Job expectations of prospective and enrolled students</td>
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<tr>
<td></td>
<td>• Consumer/entitled mind-set</td>
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<tr>
<td>Leader time and balance</td>
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**Theme 4: government demands.** As stated in the description of theme 3, government came up repeatedly throughout the interviews with all participants. However, this theme emerged particularly in relation to the types of requests that stakeholders make on the college. In the case of government, requests were typically characterized as demands or even directives. Several participants spoke about the need to “align with government priorities” (SCL 3, SCL 10) or expressed similar ideas. Within this theme, three related subthemes emerged. These can be described as accountability, economic development, and access.

**Sub-theme: accountability.** Most of the senior college leaders spoke about the need to be accountable to their stakeholders. However, how they believed this accountability should be manifested varied widely and seemed to be impacted by the senior college leaders own beliefs and the environment in which they worked. For example, although the government was consistently acknowledged as an important funding agent, some leaders resented the amount of reporting and level of oversight done in the name of accountability. One leader expressed concern about the amount of bureaucratic red tape for what is considered to be a relatively small
amount of funding. The leader stated that:

> for some mere hundred thousand dollar program, incredible red tape and reporting accountability and responsibility are coming with that, so just the noise that I’m hearing, constantly about the increased red tape with getting anything done, just that kind of pressure” (SCL 5).

The above quote illustrates the tension that seems to exist with the expected level of accountability versus the amount of autonomy an institution has to conduct its own activities. There were clear differences between provinces in how much detail governments expect and their level of involvement in decisions. In some provinces, program decisions are left to the institution based on their ability to support certain programs or initiatives within their available budget. Other provinces appeared to have a model where government approval was required for changes and initiatives at the program level. Although most senior leaders seemed to accept that government expected to play a direct role as the major funder of the college, the majority of participants did express at least mild frustration in having to deal with what was viewed as increased accountability based on arbitrary or bureaucratic processes. This was expressed as opposite to the autonomy many leaders desired. One leader expressed this sentiment by saying:

> so you wonder at times would it not be better to give us more autonomy, at the same time hold us more accountable rather than give us less autonomy and even more accountability, you know what I mean with all kinds of reporting and stuff, and people reviewing these things” (SCL 7).

Several leaders were more accepting of the amount of government oversight done in the name of accountability. However, there were several mentions about the demanding nature of government departments and politicians. SCL 6 was quite comfortable with government expectations but did suggest that the way government officials conducted themselves could be improved:

> In terms of requests, where they are heading is with a lot more emphasis on accountability and transparency, none of which is particularly troublesome at one level,
we should be accountable and we should be transparent, sometimes the way they go about it can be a bit abrupt and a bit intrusive.

Sub-theme: economic development. Although the Canadian college system is diverse, senior college leaders consistently expressed an appreciation of the role that colleges play in the economy and the expectations of community stakeholders in relation to economic development. However, many of the participants described the challenges of working with local community stakeholders, particularly at the municipal level or with local provincial politicians. Some of the tension that exists appeared to be based on confusion about the role of the college as an enabler of economic development versus being seen as a direct input into the local economy as a provider of good jobs and a purchaser of goods and services. One senior college leader in a college with multiple campuses described frustration with the local politicians who constantly challenged any decisions that might remove local faculty and staff jobs despite changing demographics, shrinking enrollment and declining funding. The leader summarized this by asserting that:

The campus in (that city) is seen as an economic driver of the local community so whenever there was any move to shift resources or people or programs to larger centers it’s kind of a political hot potato. So all of these compete which of course it gets to the politicians who become a little bit uptight when those things are carrying on because it is seen as (the larger centres) are pulling away from the smaller communities (SCL 2).

Sub-theme: access. The belief that colleges should provide access to postsecondary education was another common idea expressed by most participants. Phrases such as “we have to do better” were often used when they described issues related to capacity, admission processes, retention, readiness programs and student supports. However, the leaders were not necessarily in agreement with the political notion of improving access by controlling tuition fees. Several participants suggested that the problem of access is far more complicated than just the cost of tuition. It was suggested several times that tuition controls or freezes are motivated by political
expediency. For example one participant suggested that tuition controls were about “improving the perception that the government is doing the right thing, and by keeping tuition low therefore it increases accessibility, but…” (SCL 7). This participant went on to explain that government control of tuition combined with stagnant funding actually had decreased the amount of access that the institution could provide.

**Theme 5: changing industry requests.** Whether described as employers, business or industry, all participants expressed a belief that industry is one of their most important stakeholders. This prominence came out in many parts of the study and the relationship was summarized by SCL 9 who stated simply that “we are the supply, they (industry) are the demand”. However, a theme developed around the awareness of just what industry is looking for is no longer straightforward and has been changing. SCL 6 summarized the expectations of employers:

> Again it’s kind of amorphous but I think the employer community in general makes two kinds of requests, on the one hand there is some very specific kind of graduates that they need, very specific kind of skill sets and so on, but more and more in fact what you hear is from employers is not, I mean there is almost a kind of an assumption that we’re going to produce a certain kind of skill set out of certain programs and that those programs are going to be kept up-to-date, and so on and so forth, what they are looking for in fact is graduates who are able to thrive in this changing world of ours and are able to have the flexibility to continue to learn and to continue to evolve as work itself evolves, so that may sound amorphous but if you’re asking me what a major group of ours is asking for, that’s what they’re asking, and that’s what we’re, through our academic plan, trying to provide.

This sentiment was consistent with what was described by several other participants.

Collectively, they described the expanding expectations that industry had for college graduates and the system that produces them.
**Sub-theme: qualified graduates.** Throughout all interviews, it was generally accepted that one of the reasons the college system exists is to provide employers with qualified graduates. SCL 3 explained that one of the main expectations of government is that the college will “provide industry with what they need in the way of a qualified and able workforce”. Another participant provided more detail and stated that employers:

wanted to be able to know that there was going to be a stream of qualified people that they could hire who would be stable and not transient and who would be able to hit the ground running in terms of being of value to their business or industrial setting quickly” (SCL 4).

However, the concept or definition of a qualified graduate and what a college needs to do to produce them emerged as unclear. This was an area that several of the leaders suggested that they were actively thinking about. Related to this, the next sub-theme describes the data related to the emergence of a new employer emphasis on value-added skills or behavioural skills.

**Sub-theme: value-added skills/general/ behavioural skills.** Many of the participants had worked in the higher education system for several decades and they described how the expectations of many employers had changed and increased beyond a well-trained, competent college graduate that comes to an employer with appropriate technical skills. Several participants made mention of employers looking for graduates with the ability to problem solve, work in teams, be self-directed, show proper attitude, think critically or even to be able to manage projects or have other value-added skills upon graduation. The acceptance of responsibility for teaching these “value-added skills” or to provide a more general or liberal education component that might lead to those skill sets was mixed. However, despite concerns about how the college could deliver on these expectations given the number of challenges and lack of resources, most senior college leaders believed that the provision of these skills was necessary and industries’
expectations were not unreasonable. Many participants viewed the need to address these areas as part of a normal evolution that the system must go through to stay relevant.

In at least two colleges, initiatives had already been undertaken to change the curriculum model across the organization in an attempt to address these changing expectations from industry. One leader described how they needed to approach the challenge across the institution and not just by individual program. The leader stated “now let’s take that course and that course out of here and let’s plug-in some general learning courses across the organization rather than by silo” (SCL 1).

**Sub-theme: environment determines pressure.** Despite the common pressures described above, it also became apparent that some of the pressures depend on the region or environment that the college is operating in. Some of the study participants are located in regions where the economy is very diverse and others operate in constituencies where certain sectors, such as resource extraction, technology or manufacturing for example, may dominate. These differences related to a variety of perspectives particularly around the issue of aligning with particular industries or large companies. For example, a leader from one province expressed caution about becoming too closely aligned with the companies involved in a large proposed development related to energy extraction and had resisted requests for meetings or other involvement with senior company officials. He/she described how one particular energy company:

> could not get through on the municipal level and wanted to be seen in a favorable light and so unfortunately… they have seen that they could not get traction with the city and so they want to come in to (our institution).

This leader did not believe it was appropriate to treat large multinational energy companies with special access or to give them a higher priority than other industries in the province.
Counter to this view, several leaders who operated in regions where resource extraction was a major economic driver spoke about how important it was to work closely with “industry partners” from this sector and to be extremely responsive to their needs. In fact, one leader believed strongly that in the face of declining government support, it would be important to have industry provide more resources so that the college could continue to provide the appropriate, industry relevant curriculum. These examples are consistent with the data from leaders in other regions. Broadly speaking, institutions in large urban centers or with the diversified economic base placed less importance on specific large employers or sectors because of the diversity of their regions. SCL 5 explained:

So if I was to rank the salience of our stakeholders, as important as they are to us, I am putting industry almost at the bottom, and I’m putting them there only because they can’t speak with one voice, they tend to be a disparate group of here’s a company here and here’s a company there, and their power only comes frankly from the bringing them together because they are not really in a position to organize themselves, sometimes they do through things like the chambers of commerce, but even that is not a, you know, it’s not a universal voice of business, it’s not a universal voice of industry.

Other leaders in colleges that had principal industries appeared to be very comfortable with cultivating close relationships with leaders from those industries. However, many expressed concerns about being seen as providing favoritism or crossing some sort of ethical line. For example, one leader suggested that if an industry stakeholder wanted to donate a piece of equipment with the expectation that “we teach to that piece of equipment only, that would be an example of where you have to draw the line” (SCL 3). This need to balance relationships with industry stakeholders came up numerous times with many of the participants. However, the particular issues and examples were often very specific to their context.

**Theme 6: expectations of students.** As previously stated, the interview questions did not specifically ask about students. Despite this, all ten senior college leaders spoke about the
importance of students as key stakeholders. As a result of the leaders’ desire to talk about students, a theme emerged regarding the expectations of students. Many of the participants spoke about the importance of trying to meet or manage the expectations of both prospective and enrolled students.

**Sub-theme: job expectations of prospective and enrolled students.** There was a general awareness that students come to the college sector specifically to launch themselves into careers or good jobs and the leaders took that obligation seriously. Many of the participants described the need to not only provide programs that result in employment but also the need to provide the best possible quality of program that would lead to “producing the best grads possible” (SCL 9). Some leaders believed that their institutions could and should do a much better job in aligning supply with demand. Issues such as a lack of the required resources or space necessary to increase capacity were common while some issues, such as attracting students to a program in less populated areas despite an abundance of jobs for graduates were less common but still noteworthy. One leader described this issue as “a disconnect” between employer expectations and the sophistication of prospective students, particularly regarding the salaries of certain industries:

Some sectors of the economy feel that if we just offer the program they will get students that will come to them but the problem is the students are doing their homework in advance and they can see what the salaries are like and are not necessarily making that choice. So that’s one of the challenges we’re facing, how do we manage these needs? On the one hand we need trained people in these fields but we can’t force students to come and take the training and we also have an obligation to the students to provide training where they live (SCL 2).

In addition to providing programs that are relevant to the students’ desired career, leaders described expectations of both prospective and enrolled students that some participants described as linked to a client or consumer mindset. Leaders discussed the need to provide learner friendly
environments and high quality teaching in order to satisfy the fee paying student. Many of the study participants worked in colleges that operated in regions where students had several choices of institution and in some cases could even get the same program at a nearby competitor. Leaders in this situation were even more aware of the need to keep the student “consumers” satisfied. SCL 1 described this as a consumer mentality and suggested that “they come in saying if I’m going to pay my money I expect, you know, this”. This leader also suggested that part of this consumer mentality came with increased expectations that if they paid the money then they will pass regardless of academic preparedness or effort. This idea was expressed by a number of other participants who discussed the balance between academic integrity and the sometimes unrealistic expectations of the students. Some concern was expressed about what several participants termed as the entitled generation particularly when it came to the students who did not take enough of an ownership role in their own education. Some leaders described the K-12 system as failing to instill proper study skills and to prepare students for higher learning.

A senior leader with decades of experience expressed another common theme regarding the pressure for colleges to keep up with services and particularly technology related services:

The other urgent thing is rapidly changing technology, and I realize it’s not a stakeholder but it’s all-consuming, and therefore when students come in, and I don’t know if you can call them a stakeholder but they’re coming in with expectations now as far as technology where none existed years ago, I mean when I went to University, if the professor posted the grades you thought you died and gone to heaven, rather than waiting for the letter, Now, they expect all this stuff online immediately. So there are certain demands that create an urgency and stress on the organization because of the technological change and the expectation of the students nowadays (SCL 7).

**Sub-theme: consumer/entitled mind-set.** As described above, many additional examples and references were made regarding the consumer or entitled mind-set of the students. The leaders described the need to improve services, learning spaces, parking, transit, access to technology and a myriad of other expectations or demands that they were expected to meet.
Despite some expressed frustration regarding the lack of resources, they also articulated a consistent belief that the students should have access to the best the college could provide.

**Theme 7: leader time and balance.** Study participants described their time as one of the most common requests from stakeholders. Most of the leaders expressed the lack of enough time for the various stakeholders with regret and were quite open that they ignored some of the very legitimate stakeholders while trying to satisfy the more demanding stakeholders. Many spoke about the need to balance their time against the priorities of the institution:

> The biggest challenge is time, you have to build relationships and there is only so many hours in the day, and so it’s all about prioritizing, you never want to drift from your vision and from your strategic plan and they should actually define where your hours are spent, but it’s hard sometimes to explain to people why you’re not spending time on other things that are really very worthy, but it is about allocational decisions and everything including time (SCL 8)

Government came up repeatedly when respondents talked about the demands on their time. Examples that were provided included the amount of staff time required for reporting, writing proposals and developing and maintaining relationships with politicians and bureaucrats in an ever-changing political context. One leader described dealing with four different ministers over a five-year period. Each new minister required the building of a relationship and education of the new minister on strategic priorities, initiatives and requests for resources that had been put forward previously.

**Summary of data related to question two.** The second research question of this study was "How do senior college leaders identify and prioritize external stakeholders?" Analysis of interview transcripts revealed four primary themes and several sub-themes that align to question two. The themes included data regarding increasing demands from government for such things as greater accountability, more contribution to economic development and to provide more access for more students.
A second theme suggested that the requests or demands from industry are changing. Not only do they want qualified graduates in the right quantities but also with the right skill sets. Specific pressures from industry varied depending on the region and environment in which the institution operates. A more recent trend was described by many of the participants in which industry employers have expanded their definition of qualified graduates. Industry is increasingly expecting the college to ensure that graduates possess attributes that were variously described as value-added, general or behavioural skills. Examples of these attributes included the ability to problem solve, think critically, work in teams and be honest and trustworthy.

The data that related to the expectations of students made an obvious theme despite the study’s intended focus on external stakeholders. Several participants spoke about the career and job expectations of prospective and enrolled students. Generally, leaders believed that expectations were sometimes unrealistic and that the students placed too much emphasis on the college providing a “ticket to a good life” (SCL 1) rather than students taking ownership.

Related to the job expectations upon graduation was a second sub-theme regarding the students’ consumer mentality or entitled mind-set while enrolled in a college or, in some cases, even before being accepted. Study participants described various examples of the expectations with which they regularly deal. These include students who believe they should pass because they are “paying customers”. Other examples related to the quality of services and facilities that were sometimes viewed by the leaders as unrealistic.

Finally, the large number of requests and constant demands on the leaders’ time was addressed by all ten participants. Without exception, every leader expressed the need for more time to spend with stakeholders or to deal with issues related to stakeholders. However, most had
resigned themselves to the limited availability of their time and the need to balance many competing demands on their time.

**Research Question 3: What is the Role of External Stakeholder Salience in the Priorities and Perspectives of Senior College Leaders and How Does This Influence Senior College Leaders’ Decisions and Choices?**

Analysis of interview transcripts revealed five recurring themes, with particular sub-themes related to each theme that are summarized in Table 4.

**Table 4**

*Summary of Themes from Question 3*

<table>
<thead>
<tr>
<th>Theme</th>
<th>Sub-theme</th>
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<tbody>
<tr>
<td>Variations on power</td>
<td>• Coercive vs perceived/voluntary power</td>
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<tr>
<td></td>
<td>• Challenges of dealing with government power</td>
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<tr>
<td>The role of funding</td>
<td>• Funding equals power</td>
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<td></td>
<td>• Funding a factor in legitimacy</td>
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<tr>
<td>Cannot rank legitimacy, all stakeholders are legitimate</td>
<td>• Politics</td>
</tr>
<tr>
<td>Urgency applies to few stakeholders</td>
<td>• Government decisions create urgency</td>
</tr>
<tr>
<td>The role of values</td>
<td>• Neutrality and Balance</td>
</tr>
<tr>
<td></td>
<td>• Mission and mandate</td>
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<td></td>
<td>• Public Service and return on investment</td>
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**Theme 8: variations on power.** The opportunity to discuss the concept of power as it related to stakeholders elicited a good deal of interest from the study participants. Without exception, every leader described the provincial governments as the most powerful. However, when it came to the other commonly named stakeholder groups, many of the leaders expressed...
different perspectives on the idea of power and how the concept might apply to external college stakeholders.

Several leaders connected the power of the stakeholder to the ability of groups to organize and put forward their needs or demands in a structured fashion. Participants described power as existing or not existing based on whether there was an organized voice. According to SCL 6, prospective students and industry employers fit this distinction:

So stakeholders called prospective students are very important to us but, if they all decided not to come, but it doesn’t work that way, so there is that kind of power in their grasp because it’s not collective, and the same with the employer community” (SCL 6).

Another leader described how she/he had actively worked with students to give them the voice that she/he felt they deserved. This included changing college policies and processes to give the student groups more opportunity for active participation, debate, and decision-making.

**Sub-theme: coercive vs perceived/voluntary power.** Participants often used terms such as salience and power interchangeably. Some of the participants used the term salience when they were talking about power. Despite this, it wasn’t difficult to understand what they meant based on their examples and stories. Part of the confusion regarding terms can be explained because for most leaders, the theory of stakeholder salience was unknown and they had not previously thought about separating the constructs of power, legitimacy and urgency the way the theory suggests.

Several leaders spoke directly to how the interview questions separated power and legitimacy and in some cases disagreed with the idea of treating them separately. SCL 9 stated that “power and legitimacy is interconnected” in the college context. Another participant talked about “legitimate power” which relates to the next sub-theme.
What did emerge was that the leaders thought about power in different categories and these can be described as direct power, coercive power, perceived power or voluntary power. Themes around direct or coercive power were almost always applied to government power and based on the ability to legislate or manipulate funding. However, the idea that power was given voluntarily was also applied to government, particularly in one province where funding has been significantly reduced over the years. In one example, the participant argued that the college system gave the government credit for more power than they really had or deserved:

many within our organization view our province as all-powerful… they remember the days when if the government cut our budget… people are laid off right… but people remember that, they remember those days, so they have this perceived power within the organization… So when I’m asked in town halls about the direction that (the institution) is going in… always there will be a question about what does the government think about this? The answer I’d like to give is I could care less… because if I was honest that’s how I feel… but it’s also very important within the culture of the organization and because of the historical connection we have had.

This leader was not alone in her/his belief that due to the significant decline in the amount of funding provided by government, they should have less power than several other stakeholder groups. Although the specific reasons varied, there were several leaders that agreed that government had too much power and did not deserve or were not qualified to wield that amount of power.

Sub-theme: challenges of dealing with government power. Related to the idea that power is sometimes perceived but not necessarily deserved was the concern regarding how governments use their power however, this was not as simple as just resenting the power of government. In fact, most participants believed that government should have power. Instead, the resentment stemmed from a perceived misuse, if not abuse, of power by politicians and bureaucrats. Participants gave examples regarding unnecessary red tape, onerous and
unnecessary reporting requirements, and meddling with the selection of board members for partisan reasons. In at least two provinces, governments had implemented reviews of the college system which were viewed as intruding in the business and management of the colleges. For example, in Ontario, a process called Strategic Mandate Agreements has required all colleges to describe and in some cases negotiate with government about the types of programs they will offer. This process was described as controversial and although the data on this process was limited to the participant(s) of only one province, it raised concerns about government policy making that was similar to those raised by leaders in other provinces. When asked what types of requests stakeholders make, one leader described the situation in Ontario:

Well right now, the provincial government… They’re putting huge stress on the organizations, colleges and universities to come up with strategic mandate agreements where there has to be a clear sense that they agree with the vision, the mandate of the college. The extent that we are going to grow, the programming… I mean this is pretty granular, it’s pretty macro but it’s also micro. So this is huge, it’s a huge amount of time and effort caused from the provincial government. Way beyond what would normally be expected, but you have to realize that at times you have to shift your energy if a stakeholder demands it, especially when they’re a funding agent.

In general, participants expressed doubts that the various provincial governments had the required skill sets to manage the system appropriately and that decisions were often made based on “political optics and getting re-elected”. Perhaps the most egregious of the listed complaints related to the political nature of government funding. Leaders described the challenge of declining and in some cases dramatic cuts to funding while at the same time limiting tuition increases. One leader summarized the situation by describing colleges as “wards of the state” (SCL 9). Perspectives varied and while several leaders expressed serious concerns about the use of power by government, even the least critical leaders described dealing with government to often be very challenging.
Theme 9: the role of funding. Funding and budget issues were mentioned repeatedly by all participants. The leaders not only described challenges but also illustrated how funding played a role in their perceptions of stakeholder power and legitimacy. The next two sub-themes provide more detail.

Sub-theme: funding equals power. As described above in the data related to power, funding was considered by most to be a significant contributor to power. Groups that provided funding were discussed in the context of how financial support relates to either real or potential power. Industry donations and contracts, student tuition and other fees and even municipal or federal government financial support were described as giving significant power to that stakeholder. Although this sub-theme did not relate solely to provincial funding, the power of provincial governments was clearly attributed to their role as main funding provider. When explaining the impact of provincial government, SCL 6 stated:

So that’s why they’re the most important and the most powerful because they obviously have a huge impact on our P and L (profit and loss) and they have a huge impact on, and they can do it, and they have done, literally turning on a dime, of cutting off funding or making a policy change, having a huge impact on us and so on.

Sub-theme: funding a factor in the legitimacy of provincial governments. A link was also made between the amount of funding and the level of legitimacy attributed to a provincial government. In provinces where the percentage of government funding remained relatively high, the government’s theoretical legitimacy was unquestioned. However, particularly in Ontario where many institutions receive government funding that is often less than 50% of their operating budget, government was described as less legitimate than some other stakeholders. In this case, participants questioned the right of government to increase reporting and red tape when they are not adequately supporting the colleges. One senior college leader asked “how does the minister and the premier stand up and talk about we want to add this many students, we are
going to do this and that and all these growth plans and have this kind of funding formula, is that legitimate”?

**Theme 10: cannot rank legitimacy, all stakeholders are legitimate.** With the exception of the provincial governments as previously mentioned, when asked, most of the participants had difficulty ranking the external stakeholders in terms of legitimacy. Several stated that all of the stakeholders were equally legitimate. When asked to rank the stakeholders SCL 3 explained her/his position:

You know that would be saying other stakeholders are more important than the student and I really can’t draw that line, I think they have to coexist with the needs of the stakeholders. Without students there would be no institution. Without government that supports our institutions, we wouldn’t be able to take in students. Without industry there would be no jobs. Without students there would be no graduates for industry. They all have to, it’s an ecosystem that you have to pay attention to and make sure all of them are getting what they need from the relationship.

**Sub-theme: politics.** A second area that that drew criticism regarding the legitimacy of provincial governments was the influence of politics on the operations of the colleges. Participants spoke about how politicians often use the college and postsecondary system for short-term political gains and provided many examples. Board appointments were raised by several leaders as an example of political partisanship: “I question you know the legitimacy of our boards because quite frankly in many ways they are a political appointment and not based on a person’s passion or desire to improve the postsecondary system” (SCL 2).

The concern about the background and knowledge of most politicians relative to the college system was also raised as a concern. Some leaders indicated their belief that universities received more attention due to the background of most politicians:

So relative to a university, absolutely different because virtually every politician is going to have gone through university and typically the majority of them will have gone through university, my guess is you could look at the entire legislature and there might be three people that have spent any time at (a college) (SCL 8).
An additional example of political dealings with government was provided by SCL 10 who described the challenge of often having to deal with more than one ministry who often had conflicting policies and sometimes even personal conflicts. This leader suggested that despite the issues politics created, institutional leaders had to think about the long-term viability of the institution and not react to often short-sighted politics.

**Theme 11: urgency applies to few stakeholders.** As with power and legitimacy, the participants in this study were asked specifically about the urgency of external stakeholders. However, with the one exception of government, most participants had difficulty applying the concept of urgency to external stakeholder groups. For example:

Government is urgent because government is also still accountable to the taxpayers of the province. Any government is going to create the best environment for their constituents and part of that is making sure we have the skilled and quality, competent labor force (SCL 1).

In fact, most of the data around the urgency questions centered on government funding decisions, policy change and ministry directives. SCL 10 suggested that the provincial government could be very urgent “when they need or want something” while SCL 3 stated that:

government can have a sense of urgency if they are asking for cuts, it’s all in the budget and in the funding, and if they have a need to change the funding of an organization, that has a major sense of urgency and that stakeholder has to be dealt with and you have to work with that stakeholder to respond to those issues.

It was consistently described that government decisions are usually the source of urgency within colleges. As institutions try to adjust to funding or government policy change, the timing and nature of government decisions often requires very quick reaction from college leadership. The need to react to government was generally resented by many of the participants.

**Theme 12: the role of values.** Many of the interview questions asked the participants to not only convey their perceptions but to also explain why they held a particular belief or thought
a certain way. The resulting data was particularly rich in regards to the role of values. For example, SCL 9 referred to “public trust” when describing why he/she believed there was a need to improve responsiveness to college stakeholders and SCL 1 stated that she/he believed that “there is a need for a far greater level of transparency and accountability” in the college system. Concepts such as student centeredness, service, values, accountability and trust came up repeatedly throughout the interviews.

The interview participants made it clear that senior college leaders operate in a political and often difficult environment at every level. When discussing the political environment and often conflicting perspectives, leaders referred to personal, professional and institutional values over and over again. This was particularly apparent as something that leaders relied on when faced with difficult decisions or ethical issues:

"Just because you got funded more than you should doesn’t mean that you should continue to spend that way... A lot of it is in your value system and doing what’s right. That’s the first question you have to ask yourself, is this the right thing to do and a lot of factors can play into that but doing what’s right considers all of the stakeholders, it considers what we stand for as an organization or as a postsecondary institution. (SCL 2)."

Another leader, when describing a past situation that was publicly messy, explained that the institution had to be consistent in their values. The leader stated “I think it’s really important that our messages to our stakeholders are clear and consistent and underscore what our values are” (SCL 4).

Another value that was consistently referred to was the concept of trust. For example, leaders spoke about trust between themselves and stakeholders, public trust, and having the trust of government. In terms of stakeholder trust, leaders spoke about the need for having integrity and being reliable. SCL 3 explained:
To me trust and integrity is huge here because you can’t have a relationship with stakeholders in a significant way if there’s a lack of trust and a lack of integrity so it’s all about identifying what you are going to do with your stakeholder and how you’re going to do it and following through and doing it, I guess living up to your commitments as an organization, And again this is something that has to happen at all levels of the organization, So if I say as an example to one of our stakeholders that were going to do something and there’s no follow-through by other levels of the organization you have lost that trust, you’ve lost that integrity, and once you lose that it’s a long road back and then it’s a matter of waiting until people change before you can even start to rebuild that relationship again.

It became apparent that the senior college leaders saw themselves as providing service to all stakeholders and they viewed their service as value laden.

Sub-theme: neutrality and balance. Several leaders spoke about remaining neutral and the necessity to balance various stakeholder needs and requests. Caution was expressed about aligning too closely with any particular stakeholder or a particular political agenda. For example, SCL 10 agreed with the necessity to work closely with industry but expressed concerns about “the ethics of aligning with certain industries”.

However, several participants also spoke about the need to closely align with the needs of industry and employers. Although this may appear to be at odds, the distinction these leaders made was between serving industry or industries on a global scale rather than getting to close to particular companies, associations or industries. SCL 7 spoke about the complexity of dealing with industry and the need to differentiate. She/he stated:

And in fact the industry is not one group, it’s really multi-dimensional. You might be dealing with Canadian manufacturers and exporters or the Canadian Welding Bureau or... It’s more like an onion than a ball. It’s all very well to say industry but it’s not just industry, its industry segments which adds layers of complexity and time, a lot of time.

Leaders consistently described the challenges and complexity of balancing priorities and the time afforded to various stakeholders. Throughout the interviews, the values and beliefs of the
individual leaders appeared to be a significant factor in how neutrality and balance between stakeholders was approached.

During the interview, leaders were asked to explain how and why they made choices between competing priorities and what factors guided their decisions. Repeatedly, the importance of the institution’s mission and mandate was cited as the overarching guide to all decisions. Whether the senior college leaders used the words, mission, mandate, vision or strategic plan, they consistently referred to the importance of staying true to the colleges’ raison d’etre. SCL 8 said that:

You never want to drift from your vision and from your strategic plan and they should actually define where your hours are spent, but it’s hard sometimes to explain to people why you’re not spending time on other things that are really very worthy, but it is about allocational decisions of everything including time.

This was a common theme among the leaders. When faced with competing priorities they would often judge the request or initiative against the strategic plan that had already been set and approved or would compare the request against the larger concept of mission and mandate.

Consistent with the use of mission and mandate as guiding principles, the leaders also shared a keen sense of public service and accountability to the taxpayers. Phrases such as return on investment (ROI), public trust, taxpayers’ dollars and obligation to the province highlighted some of the beliefs and values of the study participants. In fact, several of the leaders spoke critically of what they viewed as wasting taxpayers’ dollars both within the system and by government. SCL 2 stated passionately that:

We are stewards of the taxpayers’ money so we need to be able to look in the mirror and say are we getting good use of our funding and making the best use of the taxpayers’ dollars? It strikes me that we have elements where that’s not occurring.

**Summary of data related to question three.** The third research question of the study was "What is the nature, and role, of external stakeholder salience to the priorities and
perspectives of senior college leaders and how does this influence senior college leaders’ decisions and choices?” Analysis of interview transcripts revealed five primary themes and several related sub-themes. The themes included data regarding power, legitimacy, urgency, the significance of funding and how values moderate priority setting.

The data showed that power is a complex phenomenon and that there are variations within the concept of power. Participants spoke about power in relation to organized groups, and the challenges of dealing with government power. Distinctions between types of power included ideas such as direct power, concentrated power, coercive and perceived power.

The role of funding also had a relationship to power as well as to the perceived legitimacy of some stakeholders. Despite the role of government as a large funding source, some participants believed that declining funding made the government less legitimate and should also make the government less powerful. However, other than in the case of government, the majority of participants had difficulty or refused to attempt to rank the legitimacy of stakeholders. The idea that all stakeholders are legitimate was consistent in the data and this belief had a strong connection to the expressed values of the leaders.

Like legitimacy, urgency was a concept that the college leaders did not view as particularly applicable to their college stakeholders. It was the general belief that they had few urgent stakeholders and that government was the single most urgent stakeholder. In fact, government decisions were often described as partisan and being made for short-term political gains.

Finally, the role of the leaders’ values and beliefs came through repeatedly as a significant theme. The participants described the importance of being neutral and working towards balancing competing priorities. They also pointed to the guiding role of the institutions’
mission, mandate, strategic plan or other official guiding documents. Underlying this theme was the shared belief that the college leaders had a public trust and that they were stewards of the taxpayers money.

Research Question 4: How Did the Senior College Leaders View the Impact of Their Own Values on the Perceived Salience of the Stakeholders?

Analysis of interview transcripts revealed only two additional themes related to the fourth and final research question. There were a total of six sub-themes related to the two themes. Table 5 summarizes the themes and results.

Table 5

<table>
<thead>
<tr>
<th>Summary of Themes from Question 4</th>
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<tbody>
<tr>
<td><strong>Question 4</strong>: How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?</td>
</tr>
<tr>
<td><strong>Theme</strong></td>
</tr>
</tbody>
</table>
| Integrity | • Relationships and trust  
| | • Public good and accountability  
| | • Responsiveness  
| Government relationships | • “Playing” politics  
| | • Opinions of government legitimacy varies (personally, provincially)  
| | • Levels of government |

Theme 13: integrity. Each of the senior leaders talked about the importance of integrity for both them personally and in the actions of the institution. For example, in discussing the concept of legitimacy, one leader stated that:

I think again when it comes down to the wire things are legitimate because the average person can say that it stands for something, there’s principles, there’s integrity, it’s for the greater part of society not for the individual stakeholders or an individual person or enterprise (SCL 1).
Each of the following subthemes are based on data that relates to integrity. Leaders repeatedly referred to values, honesty and moral standards. The sub-themes capture different areas where the concern for integrity was highest.

**Sub-theme: relationships and trust.** Although respondents were asked specifically about their relationships with stakeholders in the latter part of the interviews, by the time the specific question was reached, most had spent a good deal of time talking about relationships in earlier questions. That relationships with stakeholders are important was presented as fact. However, there was a good deal of variation in the stories that the senior college leaders told and the examples they gave. Many of the participants suggested that maintaining good relationships with stakeholders is an important part of their job and many indicated that they enjoyed very good relationships with their stakeholders. However, most of them also admitted that they would like to be more successful in stakeholder relationships and time was seen as the primary barrier to that goal.

There were cases of less than ideal or even poor relationships with stakeholders and in every situation the examples given focused on government. For example, one respondent spoke with resentment about a situation that happened several years ago and stated that “basically, they lied to us”. This example involved a level of government that reneged on a significant financial commitment and that remained a sore point for the college leader several years later. Most examples were not as serious as this one but a common theme was distrust or at least some wariness of politicians and their motives:

from a government perspective, in terms of how they see themselves and how much power they want to exert by getting down into the daily operations… which is almost you know moving from the macro perspective of governmental input and consultation down into the micro level, which I think becomes very very dangerous when you have too many people that are trying to pursue their own political agendas through a postsecondary institution (SCL 1).
While there was considerable concern expressed about the trustworthiness of governments and politicians, leaders placed a high importance on being trustworthy themselves. Words such as integrity, standards, trust and values were used often by all of the leaders. One respondent provided the following example:

First of all I think you have to be there for them, one of the important ways that we can respond is by understanding their needs and by demonstrating that we understand their needs and demonstrate to them that we respect their needs. And the other one is to really demonstrate the value that we provide them as a stakeholder group, there is a need to explain how they are part of a larger stakeholder group and how all those stakeholders are part of what we’re all about in our role in satisfying all the stakeholders. To me trust and integrity is huge here because you can’t have a relationship with stakeholders in a significant way if there’s a lack of trust and a lack of integrity so it’s all about identifying what you are going to do with your stakeholder and how you’re going to do it and following through and doing it, I guess living up to your commitments as an organization, and again this is something that has to happen at all levels of the organization (SCL 3).

The concern about personal integrity and values carried through into some of the discussions regarding choice and decision-making. As previously mentioned, senior college leaders spoke about the importance of strategic planning and the institution’s mission or mandate or both. Several described how major decisions had to be as a result of a strategic planning process that included all stakeholders. SCL 10 spoke about the importance of staying true to the strategic plan and mandate of the institution and warned against chasing after “shiny objects”.

Despite the common concern for being true to the mission and mandate of the institution, it was also clear that the respondents believed that the Canadian college system should continue to evolve and should be doing different things to meet the needs of their specific stakeholders in their particular context. One senior leader described the evolution of the college system as a good thing:

Different colleges, you know we have great respect for our peers, but we are doing different things, we are increasingly becoming a four-year degree granting institution, and some institutions are not even close to that or do not have any interest in that. And
that changes our view of ourselves and that sort of united positioning is changing but in so doing, I think we are all saying we’re going to pursue our own institutional missions (SCL 5).

SCL 10 had similar views regarding pursuing the unique mission of his/her college but described the importance of not trying to drive change too quickly or stray too far from the institution’s original mandate.

Sub-theme: public good and accountability. Overlying the leaders’ perspectives regarding the importance of mission and mandate was the concern about the taxpayers and the public good. All senior college leaders in the study exhibited awareness that regardless of the level of government funding they received, they were accountable for the use of public funds. One of the participants was blunt in saying:

We are stewards of the taxpayers’ money so we need to be able to look in the mirror and say: ‘are we getting good use of our funding and making the best use of the taxpayers’ dollars’? It strikes me that we have elements where that’s not occurring (SCL 2).

The study participants shared a keen awareness of value to the taxpayer and the concepts of accountability and transparency came up countless times during the interviews. Several of the leaders extended the idea of accountability to all of the employees of the college and discussed “holding the team to be accountable” (SCL 10).

Sub-theme: responsiveness. The idea of responsiveness to the stakeholders and broader community was also pervasive in the data. Senior college leaders were keenly aware of their economic role and importance to the economic health and development of their communities, however these communities were defined. Responsiveness to stakeholders such as government and students were discussed by many leaders, but it was the need for responsiveness to industry that was described as a high priority by all ten participants in the study.
Several alluded that industry does not always address their needs by working directly with the college. In some cases, industry makes their needs known through lobbying government, particularly when additional resources are being requested. This was best described by SCL 2 who explained that industry is not just interacting directly with the college but also relies on relationships with government to influence the college system. The leader stated that it is the “industry connection with government which provides our direction for us”.

**Theme 14: government relationships.** As previously mentioned, the role of government pervaded the data and a major theme emerged regarding relationships with government. Not all respondents had the same opinions regarding relationships with government which ranged from quite negative to fairly positive. Several leaders spoke about their provincial government both positively and negatively, depending on the particular story or situation. SCL 7 summarized the attitudes of many of the participants by stating that “certainly the provincial government is a major factor in our lives, sometimes positive and sometimes negative and sometimes neutral”. This range of opinions formed one of several sub-themes. The other sub-themes included playing politics and levels of government.

**Sub-theme: playing politics.** The fact that government has a degree of direct control over all colleges regardless of jurisdiction was made clear by the participants and opinions varied widely regarding all aspects of government relationships and their involvement with the colleges. However, there was common agreement on the influence of the partisan political system and this was perceived to have a negative impact on the colleges. For example, data regarding the political nature of the selection of board members were provided by three of the senior college leaders, even though they were all from different provinces. A participant from Ontario described how the current government had changed the process in order to “interfere” with board
selection and that some approvals of nominated potential board members had been held back because of partisan politics. A second participant questioned the motivation behind board appointments and stated that:

I question the legitimacy of our boards because in many ways they are political appointments and not based on a person’s passion or desire to help the postsecondary system. It’s not a broad brush across everybody because there some that do it (for the right reasons) but some would look at it as it’s a great opportunity to build a resume, I can rub shoulders with the government and therefore I can get myself in that relationship. So I would question some of that it in terms of the legitimacy of some board members. It’s not that the board is not legitimate, but some members and how effective that board is, is based on how legitimate the members are. To be very honest with you the more legitimate your board members are the stronger your board is going to be (SCL 2).

Sub-theme: opinions of government legitimacy varies (personally, provincially). There was also a range of opinions about the legitimacy of government. Although all respondents appeared to believe that government was a legitimate stakeholder in theory, several had dissenting ideas and questioned the legitimacy of current governments and some of the politicians and bureaucrats that made up those governments. For example, one participant explained that government control over the college sector was legitimate because of the legislation and funding that was in place and yet she/he also described personal frustration with elected members of government and also the general direction of the current provincial government. However, another participant suggested that it was the college leaders’ role to take their direction from government regardless of politics and for leaders themselves to be nonpartisan. This participant believed that it was not appropriate for a senior college leader to publicly disagree or oppose government direction or policy, regardless of his/her private beliefs. Another leader illustrated the enthusiasm she/he had for the progress made in working with the provincial government:

At the government level I think we have made a lot of headway in the last couple of years with the government recognizing the importance of the type of education we provide…. 97
So we are talking with the government and they are really seeing us as a tool for the social and economic prosperity of this province. They are getting it I think. We are building the credibility and we are building the reputation. They are starting to see us as a go to place to the future of the province (SCL 3).

A similar view was expressed by several leaders who were resolved to work with government for the good of all stakeholders despite the apparent challenges they described.

**Sub-theme: levels of government.** Leaders also differentiated between levels of government. Which levels they interacted with depended on the context of the institution, the type of activities their institution undertook and province they worked in. For example, the federal government was generally viewed positively. Some of the leaders in the study had experienced constructive funding relationships with the federal government while others had very little interaction at the federal level. Several of the participants whose institutions were pursuing applied research activity spoke about the important role of the federal government and used terms like partnership to describe the relationship. SCL 6 helped to clarify and suggested that:

While we have the relationships with municipal governments and the federal government, the federal government is, as you know, an important provider of applied research dollars and indirectly some employment supports but, in the whole scheme of things it’s the provincial government that’s by far the most important.

Municipal or civic governments were also discussed as having various levels of salience and this also appeared to depend on specific issues and the type of interactions. For example, several of the urban-based leaders talked about the positive support received from municipal governments particularly when it came to land and development issues:

There’s just such a synergy now to help achieve both of our goals. They help me achieve my goals as a college and I help them achieve their goals as a municipality. So I think the urgency would be around those local governments who more closely represent the needs on the ground of our communities consisting of students and industries, all the people that we serve most directly (SCL 5).
Several of the leaders worked in large institutions with locations in multiple municipal jurisdictions. These leaders described the need to work closely with the local authorities and politicians for the success of the college and local community.

**Summary of data related to question four.** The fourth research question of the study was “How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?” This question led to two additional themes and six related sub-themes. The two themes describe the importance of integrity and the interplay of government relationships.

The data showed that personal integrity is very important to all of the leaders. In fact, this value was apparent throughout much of the interviews, regardless of the particular question that was being addressed. Most leaders talked about how good relationships are critical to their roles and their ability to be effective. They also spoke consistently of the need to be trustworthy and to deliver on promises. This was described as a two-way street as they needed to be able to trust the stakeholders they work with in return.

The final major theme captures data that was pervasive throughout all interviews. Regardless of the particular interview question, the nature and importance of relationships with government was likely to come up. The participants described the challenges of working with governments that were continuously playing politics and often using the college system for partisan reasons. Opinions of government legitimacy varied somewhat between the individual leaders and what they were dealing with in their particular provincial context. This variety in the relationships with government also varied depending on which levels of government the leader normally interacted with.
Chapter Summary

The research questions of this study focused on gathering data on the salience of external stakeholders to senior college leaders. During the semi-structured interview process, the participants described their views of stakeholder salience based on their own ideas, values and beliefs. This chapter presented the results of the interviews with ten participants that resulted in 14 major or core themes and 29 sub-themes.

However, these classifications need to be considered within the context of the study’s research questions and interpreted in a way that reflects the literature. The focus of Chapter Five is on interpreting the study’s results as they pertain to the initial research questions and the concepts of stakeholder theory and salience. The core themes and sub-themes are compared to the literature in a way that may provide insight as to the applicability to the college sector. Based on the data described in this chapter, Chapter Five also presents the conclusions of this study and suggestions for more in-depth exploration of issues arising from the findings and possible avenues for future investigations.
CHAPTER 5: SUMMARY, DISCUSSION, CONCLUSIONS, AND IMPLICATIONS

This final chapter discusses the findings from the personal interviews and the literature and presents the connections, relationships, analyses, interpretations and conclusions based on the research questions and conceptual framework developed for this study. Creswell (2007) reminds us that the purpose of qualitative research is to develop a “complex, detailed understanding of the issue” (p. 40), and this chapter discusses the researcher’s understanding regarding this research on the salience of external college stakeholders.

Miles et al. (2014) provided guidance for the final data analysis. They outline thirteen possible tactics for generating meaning which includes: “noting patterns and themes”; “seeing plausibility”; “clustering”; “making contrasts/comparisons”; and finally, “making conceptual/theoretical coherence” (p. 277). They further suggest that this final tactic is “no longer dealing with just observables but also with unobservables and are connecting the two with successive layers of inferential glue” (p. 292).

This study is both descriptive and interpretive. The descriptive features of this study are manifest in the presentation of the data regarding perceptions of the senior college leaders and the described relationships they have with their stakeholders. The interpretive component of this work is presented in explanations for and rationale of the findings on stakeholder salience as connected to the values of the college leaders.

This chapter begins with a summary of the study which establishes a context for the findings; followed by an analysis of the findings organized by research question, an implications for theory section that provides a discussion of the leaders’ responses to the questions and how the participants’ responses aligned with and diverged from stakeholder concepts and the
published literature. Based on this, a revised conceptual model is provided. Next, implications for practice are suggested. This is followed by a discussion of the limitations and also the value of this type of study. Next, some conclusions are put forward based on the researcher’s interpretation of these results and several super-ordinate or global themes (Attride-Stirling, 2001) are proposed. Based on all of the above, several recommendations for further research are offered. Finally, a concluding comment provides the researcher’s final reflections on the study and thoughts for the future of research on the Canadian college system.

**Summary of the Study**

The purpose of this study was to examine how and why senior college leaders perceive the salience of particular external stakeholders, which may be represented by individuals, companies, associations, sectors or groups. The study examined the factors which influenced the salience of these stakeholders. To understand the extent to which stakeholders are perceived to be salient, the study design was informed by Freeman’s (1984) stakeholder theory and by the theory of stakeholder salience (Mitchell et al., 1997). The stakeholder salience model (Mitchell et al.) was applied to investigate which groups and individuals were viewed by college and institute senior leaders as external stakeholders and to determine the relationship between these stakeholders in the attributes of power, legitimacy and urgency as perceived by senior college leaders. While examining the senior college leader values and beliefs, the study also touched on the relationship between stakeholder demands and the senior college leaders’ perception of the college mission, mandate and priorities.

Four research questions guided the study. First, how do senior college leaders identify and prioritize external stakeholders? Second, what are the demands the stakeholders make on the college? Third, what is the role of external stakeholder salience in the priorities and perspectives
of senior college leaders and how does this influence the senior college leaders’ decisions and choices? Finally, how did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?

The significance of the research study was to provide insights that could be of value to current and future leaders of colleges and institutes and to the field of educational administration and higher education studies, particularly in the Canadian context. This study extended the body of knowledge of stakeholder theory as applied to the context of higher education and contributed to the understanding of the complexity of senior leadership priority setting when considering the salience of external stakeholders.

There is increasing interest in the extent to which colleges and polytechnics are able to respond to the changing needs of many stakeholders. This case study sought to describe and analyze the influence and salience of external stakeholders. A review of the literature revealed that although the stakeholder concept has been widely researched and applied to the corporate sector, there is still a paucity of research applied to the public sector (Bryson, 2004).

Even fewer scholars have analyzed these topics from the perspective of postsecondary institutions and even less in the Canadian context. A thorough search of the literature indicated that an emphasis on stakeholders in the corporate sector has had an impact on how many organizations are managed, particularly within the realm of corporate social responsibility (Friedman & Miles, 2006). However, the literature offered little practical insight into stakeholder salience in the public sector and higher education.

Two factors motivated the researcher to undertake this study. The first was a scholarly interest in the influence external interests have on the Canadian college system. The second was the dearth of literature and research that is specific to the administration of the Canadian college
system. Interestingly, the literature on stakeholders and their role in decision making in the corporate sector is plentiful (Freeman et al., 2010). Few scholars analyzed these topics from the perspective of the public sector and even fewer have examined higher education in the context of stakeholder salience.

A comprehensive search of the literature indicated that the stakeholder concept has become ubiquitous in the management literature and has had significant influence on corporate decision-making. Despite the apparent acceptance of the need to consider all stakeholders when making business decisions, no similar concept has been applied across the higher education sector. Currently, demands for greater responsiveness and accountability are shaping how college institutions make decisions. However, the literature offered little practical insight into the role of external stakeholders and decision making in Canadian colleges. Nor does it offer suggestions about the existence of similarities or contrasts with the corporate sector.

Qualitative studies that are done well yield rich, thick descriptions of the phenomenon under study (Merriam, 1998; Patton, 2002). Therefore, the study is an interpretive case study where the phenomenon under study is the salience of external stakeholders in the college system. Robson (1993) defines case study to be “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence” (p. 146). The multiple sources of evidence in this case study were provided by selecting ten senior college leaders from medium and large college sector institutions and representing five different provinces.

Selecting the appropriate participants that were engaged in activities of interest to this dissertation was essential for gaining insight into stakeholder relationships that are often multifaceted and complex. Taking this into consideration, study participants were limited to
college leaders that have a significant external aspect to their roles. For the purpose of this study, senior college leaders were defined as those holding the position of dean or higher in the institutional hierarchy. In the final group of ten participants, two were deans, two were at the vice-president level and the remaining six were in the position of president or CEO.

Participants were chosen using a purposive sampling technique (Merriam, 1998; Patton, 2002) and an opportunistic approach. Gaining access to senior college leaders can be very challenging given their schedules, particularly when they are asked to commit to a two hour interview. However, this access was essential in order to gain insight into stakeholder issues and relationships that are often complicated and difficult. An email request to a large network of contacts was forwarded by one of the first leaders who agreed to participate in the study. As a result of this appeal, the study was able to access several senior leaders from across Canada who were previously unknown to the researcher. Four participants were known to the researcher and the remainder came from volunteers who had a request to participate forwarded to them from one of the original participants.

Semi-structured interviews were conducted either face-to-face or by telephone. The participants were asked to describe their beliefs and to share their perceptions about relationships with external college stakeholders and the power, legitimacy and urgency of those that they would define as external stakeholders. This approach allowed the investigation to examine the ideas and beliefs held by the senior college leaders. To get some insight as to why the participants believed what they did, they were asked to speak freely and to describe the positive and/or negative aspects if applicable. The interviews were scheduled to last up to two hours with the average lasting approximately one hour and forty-five minutes. This approach allowed the investigation of and greater understanding of the salience of external stakeholders in the way
study participants understood it. To realize the goal of gathering thick, rich data, participants were asked to provide examples and stories of their interactions and experiences with external stakeholders.

Interviews were recorded with the consent of the participants and each interview was transcribed verbatim. Transcription was done by the researcher with the assistance of voice typing software. This software requires the user to listen to the recording of each interview while speaking into a microphone connected to a computer. To ensure accuracy, each passage was listened to many times and corrections to the draft transcript were made. Although time-consuming, this approach allowed the researcher to become very familiar with each interview before formal coding of the written transcript began. All transcripts were coded manually and software was limited to word processing only.

Coding began by looking at the data as provided by the participants own words. However, this approach had limitations as only simple descriptions were expressed using common words and phrases. More complicated ideas were often expressed using very different terminology and descriptive language. Because of this, the initial in vivo coding evolved into an open coding approach that allowed the grouping of similar quotes and emerging themes. Overall, the data analysis followed what can be best described as a general inductive approach in which the findings emerge directly from the raw data through multiple readings (Thomas, 2006). Also, the transcription process was done entirely by the researcher which afforded multiple opportunities to review the audio recorded raw data.

During the interviews, the researcher took extensive notes based purely on what seemed important or interesting at the time. Further notes, also based on the same criteria were taken during the transcription process. Finally, each finished transcript was printed to allow the
researcher to carry out manual coding. It was the combination of coding the verbatim transcripts along with reviewing the extensive notes taken during the interview and transcription process that resulted in identifying the emergent themes. This was an inductive approach as explained by Thomas (2006) who stated that “although the findings are influenced by the evaluation objectives or questions outlined by the researcher, the findings arise directly from the analysis of the raw data, not from a priori expectations or models. (p. 239).

Fourteen major themes emerged that reflected participants’ perceptions of external stakeholder salience and their values, beliefs and actions as they pertain to the Canadian college system:

1. Leaders conceive a very broad group encompassed by their stakeholder definition but there is varying degrees of significance
2. Difficult to separate internal and external stakeholders
3. Primacy of provincial government politics
4. Government demands
5. Changing industry requests
6. Expectations of students
7. Leader time and balance
8. Variations on power
9. The role of funding
10. Cannot rank legitimacy, all stakeholders are legitimate
11. Urgency applies to few stakeholders
12. Service values
13. Integrity
14. Government relationships

Discussion

The fourteen themes listed above resulted directly from the research data and were organized by the four research questions. The next sections provide the researcher’s interpretation of these results, with reference to the literature.
Discussion of Question 1

*How do senior college leaders identify and prioritize external stakeholders?*

The intent of this study was to examine the idea of salience as applied to external college stakeholders and also the applicability of stakeholder theory and the theory of stakeholder salience in the public college sector. The primary purpose of the first research question was to understand how senior college leaders conceptualize the idea of stakeholder and examine how and why leaders think about and prioritize their external constituents. Scholars stress the important role of the external environment and the influence of stakeholder groups on the organization (Martin, 2003).

Most participants subscribed to a very broad list of stakeholders suggesting that they typically identify all groups, including the taxpayers and members of the general public as stakeholders. Phillips (2003) argued that a stakeholder is any ‘‘persons or group of persons who voluntarily accept the benefits of a mutually beneficial scheme of cooperation requiring sacrifice or contribution on the parts of the participants (p. 92). Only two participants limited their definition to a narrow one that included active engagement with or contribution to the institution as part of the definition. The majority of leaders did not subscribe to the need to limit the colleges’ stakeholders.

The study indicates an apparent lack of discernment regarding stakeholder identification by college leaders which is contrary to the current stakeholder management literature. Kaler (2002) asserts that:

Definitions of what it is to be a stakeholder are divided into claimant definitions requiring some sort of claim on the services of a business, influencer definitions requiring only a capacity to influence the workings of the business, and combinatory definitions allowing for either or both of these requirements.
According to Ackermann and Eden (2011) “differences in organizations’ strategic environments will significantly affect who their stakeholders are” (p. 180). This would suggest that leaders need to identify and differentiate between stakeholders in order to successfully manage their organizations and yet, the college leaders appeared to rely on their personal values of inclusiveness and service to the public.

The literature includes assertions that the definition of stakeholder is problematic and controversial (Chapleo & Simms, 2010; Laplume et al., 2008; Margolis & Walsh, 2003). The results of this study appear to corroborate that view. Senior college leaders generally include everyone, including taxpayers and the “citizens of the province” in their concept of college stakeholder. While this expansive view may illustrate their belief that they serve the public, stakeholder scholars have maintained that a broad definition is problematic for management and that managers should identify who the stakeholders really are in the specific context and not rely on general stakeholder lists. Ackermann and Eden (2011) argued that “recognising the uniqueness of an organization’s context and its goals allows managers to identify specific stakeholders and be clear about their significance for the future of the organization” (p. 180).

Even Freeman’s (1984) original definition has been criticized for being too broad and yet he was mainly concerned by stakeholders in the “affected” category (Laplume et al., 2008).

The issue of stakeholder identification was further complicated by the researcher’s original intension to limit the study to external stakeholders. External stakeholders may not be formally attached but are those impacted by the organization in some way (Gibson, 2000). Both students and faculty, groups that the researcher had believed would be considered internal due to their formal attachment to the college, were described by the senior college leaders to be both internal and external, depending on the context and time. For example, students were often
described as part of a continuum where they start as external members of the general public before they apply to college, become internal students, and then become both external taxpayers while remaining part of the internal family as alumni upon graduation. While this particular phenomenon is not addressed in the literature, the idea of stakeholders belonging to a complex continuum is not new or unique. According to Huybrechts, Mertens de Wilmars and Rijpens (2014) “a continuum of involvement can be highlighted, from the rather passive strategies (stakeholder information) to the more active ones (stakeholder representation)” (p. 1).

Without exception, all ten of the leaders showed that students were top of mind as important stakeholders throughout the interviews. It became apparent that any attempt by the researcher to limit the data to a preconceived definition of external stakeholder would have been inconsistent with the principles established for the study and the semi-structured interview. Although some participants took a little longer to mention them, students came up repeatedly.

This focus on students is an example of how the leaders’ values and beliefs impact how they view stakeholders. Mitchell et al. (1997) argued that the values held by managers moderated the salience afforded to stakeholders. Chin, Hambrick, and Trevino (2013) conducted a study of corporate CEOs to investigate a similar concept. They concluded that their study served to reintroduce the importance of executive values and found that corporate executives do insert their personal values into company decisions. The importance of manager values is discussed in more detail further in this chapter.

Senior college leaders do not appear to make clear distinctions or to categorize in a way that fits with the ideas of the theory of stakeholder salience. The results of this study suggest that the senior college leaders prioritize stakeholders based primarily on two factors. First, the normative influence of the college mission, mandate, strategic plan and similar guiding
documents was clear in the results. Second, the leaders depended heavily on their beliefs and personal values when describing the prioritization of various stakeholders. When applied to the college context, the theory put forward by Mitchell et al. (1997) does not seem to be supported by the interview data.

Further, the senior college leaders had difficulty ranking or prioritizing most stakeholders and they often described all groups as equally legitimate. This view was further complicated by the understanding that all stakeholders may be equally important but they are not treated that way due to many other factors and pressures. What came through clearly is the commitment leaders have to their stakeholders regardless of the perceived power and based on the missions of their respective institutions. The college leaders in this study seem to be driven by social concern for others and their beliefs in doing the right thing. This is consistent with organizational literature that suggests many leaders are altruistically motivated (Brown, Trevino, & Harrison, 2005). Sosik, Jung and Dinger (2009) agreed and put forward that “although there are many leaders who seek to control rather than to serve, there are also those leaders who seek to serve rather than control” (p. 426).

The findings of this study suggest that although stakeholder theory provides insight into stakeholder management and stakeholder relationships, the Mitchell et al. (1997) theory of stakeholder salience was a poor fit for the college sector. By analyzing the data, it became apparent that the senior college leaders do not identify, categorize or prioritize their stakeholders in the way that Mitchell et al. conceived in their theory. For example, senior college leaders give power to groups that would not be considered by some to be powerful because the leaders believe that certain groups are important and legitimate. Also, many of the participants simply refused to rank legitimacy, claiming “all stakeholders are legitimate” (SCL 3) or that “they are
all equally important” (SCL 8). This suggests that the importance of management beliefs could be central when considering the salience of college stakeholders.

Beliefs come from a person’s background and what we accept as knowledge depends on the profession in which we were socialized (Bevir & Rhodes, 2005; Shapin, 2012). The leaders that took part in the study generally had served in the college or public sector for considerable time and were socialized to the idea of service. As previously discussed, the role of values and beliefs appeared to be significant determinants of stakeholder salience.

**Discussion of Question 2**

*What are the demands the stakeholders make on the college?*

As outlined in Chapter Four, most stakeholders looked to the college system to provide services and outcomes that are thought by leaders to be within the mandate and mission of the college system. The issue is that the “college is not a static institution and neither are its missions. They have changed over time, with new missions appearing and older ones changing in importance” (Dougherty & Townsend, 2006, p. 8). Sub-themes such as accountability, economic development, access and qualified graduates were referred to by the senior college leaders as important functions of the colleges and services that they should constantly strive to improve. However, the participants also described how some expectations from industry and students have been changing and that those groups are becoming more demanding.

The case of changing student expectations and demands is well supported by the literature. Black (2010), argued that Generation Y students born between the years 1981 and 2001 were more “assertive and confident, and therefore more demanding of higher grades and greater accommodation to their needs” (p. 99). The growing expectations of students was referred to by several participants as a consumer or entitled mindset. Many of the leaders
commented that students felt entitled to things like better technology and services because they were paying tuition.

The idea of academic entitlement and the student as a customer has been well debated in the literature with most scholars decrying the entitlement trend. Morrow (1994) was among the first to identify the awareness of a cultural shift in education where the focus of education was shifting away from the value of education and toward a more attainment awarded focus. Franz (1998) argued that higher education should definitely not treat students as customers. Despite the concerns of many academics, it was interesting that many of the senior leaders were sympathetic to the idea of the student as customer or consumer. Most agreed that students should get better services but some spoke of situations where students carried their sense of entitlement too far.

The expectations of industry have also grown and although it was apparent that the particular pressure points varied from region to region, a common request from industry was that colleges go beyond the traditional technical skills required for certain vocations. In addition, leaders described how employers expected what was variously referred to as value-added skills, general skills for success, behavioural skills or soft skills. Study participants described how industry expects new college graduates to come with certain attributes that include such things as the ability to work in teams, critical thinking skills, being a self-starter, and even honesty and integrity. In fact, this trend is not only consistent with the literature but the demand that graduates must have the behavioural skills for success has become pervasive (Noel & Qenani, 2013).

Business leaders are emphasizing the development of soft skills as critical for productive performance in today’s workplace (Nealy, 2005). Robles (2012) defined hard skills as the “technical expertise and knowledge needed for a job” and soft skills as “interpersonal qualities,
also known as people skills, and personal attributes that one possesses” (p. 453). Robles stated that business managers consider soft skills an essential quality in job applicants and suggests that the top ten desired attributes are integrity, communication, courtesy, responsibility, interpersonal skills, positive attitude, professionalism, flexibility, teamwork skills and work ethic.

Although some participants expressed concern that they would be expected to be responsible for developing the personal attributes that are often tied to the individual’s personality traits, a few of the study participants agreed that the curriculum should be designed to foster these value-added skills. In fact, one leader described how her/his institution was actively working to integrate the desired soft skills into the curriculum. This movement to include the development of soft skills is not new and Tymon (2013) suggested that in the UK:

> Despite ongoing debate about whether they can and should, most higher education institutions include the development of employability skills within their curricula. However, employers continue to report that graduates are not ready for the world of work, and lack some of the most basic skills needed for successful employment (p. 841).

Based on the themes and subthemes presented in Chapter Four, it was apparent from the data that although many stakeholder groups had things they wanted from the college, only one particular body made constant and often forceful demands which dominated the results. Regardless of which province the leader was located in, many noted that the provincial government is the only stakeholder group that was consistently making demands of the college and its leadership. Participants also agreed that while provincial governments are certainly legitimate in a theoretical sense, they often abused their power when asking colleges for certain things.

A resentment of provincial government came through from many of the participants. In fact, only three of the participants spoke positively of their overall relationship with government. The data that were critical of government can be sorted into two categories. The first centered on
what some leaders described as the abuse of the college by politicians for partisan purposes. Leaders were extremely critical of government decisions and posturing made for political reasons rather than with the intent of providing leadership and support for the college system and “doing the right thing”. The political control of Canadian colleges is well known within the system (Dennison, 1995) but the literature is sparse. Skolnik (2010), when discussing quality assurance in Canadian higher education, concludes that it is a political, rather than technical process.

The second category revolved around some frustration and mistrust of the government bureaucracy. Some participants expressed concern about the competence of provincial government staff and questioned their knowledge of and appreciation for the college system. Several leaders described the constant turnover in the minister responsible for the college. One leader, a president, had worked with four ministers in three years. Another president in a different province had also experienced a high change rate of ministers and suggested that the relationships with the bureaucrats within the ministry provided better continuity and were important to safeguarding the college from poor political decisions. To the best of the researcher’s knowledge, there have been no studies that looked at the impact on the college system due to provincial politics or frequent changes in ministers and government officials.

Discussion of Question 3

What is the role of external stakeholder salience in the priorities and perspectives of senior college leaders and how does this influence the senior college leaders’ decisions and choices?

As described in Chapter Four, question three generated five themes and ten sub-themes. When examining Mitchell et al.’s (1997) three elements of salience, power proved to be the most
complex concept and evoked significant response from the leaders. Mitchell et al. defined power as “a relationship among social actors in which a social actor, A, can get another social actor, B, to do something that B would not have otherwise done” (p. 869). Yet, power has proven to be a complicated concept in the subsequent stakeholder literature. Jensen and Sandström (2011) suggested that the Mitchell et al. framework is perhaps the “most serious attempt to integrate power into a stakeholder framework” and that “they represent an episodic take on power, holding it as something that can be possessed by a powerful actor” (p. 480).

Power may be an important element in attempting to address the above question, however, as previously stated; leaders in this study did not describe power as a simple concept. This view is widely supported by the literature. For example, Frooman (2009) argued the role of resource dependency in determining stakeholder power and Onkila (2011) suggested that relationships with stakeholders are complex. She stated that relationships and stakeholder influence can be “power-based, collaborative, conflicting, and one-sided” (p. 379). Jensen and Sandström (2011) argued that the original Mitchel et al. framework falls short in dealing with the complexities of power. They argue that the challenge is determining “who gets to define what a stake and a stakeholder are (or, who are silenced and at what cost)” (p. 474)? The authors argued that power relationships need to take the idea of who decides into account. In fact, the data from this study points to the importance of a leader’s values and beliefs. The findings indicate that in many cases it is the leaders who decide if a stakeholder is powerful or salient.

There is considerable evidence for this argument. In fact, two of the original authors of the stakeholder salience construct have also acknowledged the complexity of power relationships. In a 2011 study that Mitchell, Agle, Chrisman, and Spence conducted on salience in family firms, they concluded that the differences between the family organization and a
traditional corporation “can alter the bases of stakeholder power, legitimacy, and urgency (p. 236). As Mitchell et al. (2011) have found with family firms, it seems reasonable to suggest that when the salience model is applied to other types of organizations, unforeseen complexities should be expected.

In this study, perhaps not surprisingly, a simple finding was that provincial governments were consistently described as the most powerful by all participants. However, the other findings related to question three were far less straightforward and confirmed that power is a complex concept when applied to the college system and the salience of stakeholders. In fact, the senior college leaders showed considerable depth and provided sophisticated perspectives that did not fit at all well with the theory of stakeholder salience.

There were several other examples of how the leaders distinguished between types of power. Perhaps the most intriguing was the idea that some leaders spoke about giving power to groups that really didn’t possess it or would not have had power without the influence of the college leaders. One example given by a president was that of international students, a group that one leader actively worked with to increase their power. By the influence of this individual’s role as president, the international students were encouraged to organize, become active and develop power. This example also served to illustrate the influence of a manager’s values and beliefs. In this case, other than her/his personal values, the leader had no outside motivation or reason to advocate for and encourage international students to take more ownership and power.

The role of values not only formed one of the fourteen themes but also turned out to be pervasive throughout much of the data and spilled over into many of the other themes and sub-themes. For example, another theme was based on the leaders’ inability or unwillingness to rank the legitimacy of various stakeholder groups. This appeared to be based on the leaders’ belief
that all stakeholders are equally legitimate. This stance was common with the majority of leaders and seems to indicate that some values are shared amongst the study participants.

As stated above, the data from the participants did not fit neatly into the Mitchell et al. (1997) classification between power, legitimacy and urgency. In fact, the concepts of legitimacy and power were often confused or used interchangeably. Leaders described the need to balance conflicting stakeholders and priorities regardless of their apparent power. This is consistent with Raven (1993) who stated that “a person may be simultaneously affected by the power of several persons, placing him or her under conflicting pressures” (p. 229).

Despite the fact that college leaders are often dealing with conflicting pressures and priorities, there were few examples given regarding urgent stakeholders. In fact, Neville, Bell and Whitwell (2011) argue that “the urgency attribute, while an important component of prioritization in the theory of stakeholder salience, is not relevant to the identification of stakeholders” (p. 357). They also argued that unless a stakeholder has a morally legitimate claim, they are not a salient stakeholder. Driscoll and Starik (2004) suggested that managers will identify a claim with greater salience when a claim is time sensitive, critical, and has a high probability of occurring and that the urgency element will be partly driven by the possibility that the basis of the claim will actually happen.

Provincial governments were consistently described as the only really urgent stakeholder. Not only did the participants describe how provincial government made direct urgent demands but they also described how government policy decisions often created urgency. The example of funding cuts was provided by several participants. The urgency created by funding shortfalls was exacerbated by the typically short notice in the annual budget cycle. Several leaders shared
concerns about provincial funding decisions and how the political nature of government budget allocations made the government often urgent but also lacking in legitimacy.

**Discussion of Question 4**

*How did the senior college leaders view the impact of their own values on the perceived salience of the stakeholders?*

Much of the discussion related to the values and beliefs of the participants and linked to this question has already been partially addressed, particularly in the discussion related to question three. As stated many times, the role of values proved to be an important finding throughout the data and yet, the degree of significance was not anticipated when the study was designed. The final research question was designed specifically to find out what values and beliefs were held by the senior college leaders and although there was some overlap with question 3, two additional themes and six sub-themes relate to question 4. The additional themes capture the essence of a great deal of data regarding the importance of integrity and relationships with government. This data has been described in the previous chapter however; the significance of the values and beliefs held by the college leaders deserves a more detailed discussion.

According to Agle et al. (1999) the values of managers serve as a modifier of stakeholder salience. In the context of the current study, this assertion was found to be accurate but perhaps does not go far enough. In fact, the values and beliefs of senior college leaders were found to be an element or direct determinate of stakeholder salience. This is consistent with the argument put forward by Hemingway and Maclagan (2004) who stressed the importance of personal initiative and disagree with the view that the corporation is the agent. They state that “where individual managers can exercise influence, they may initiate or change specific projects in order to address their personal moral concerns” (p. 41). The importance of a manager’s personal values and
beliefs has implications for the original conceptual framework proposed for this study and this is discussed in the next section.

**Implications for Theory**

This section entails further explanation of study results and linkages to the theory and conceptual framework discussed in the literature review. A synopsis of the discussion points is included in the table below and a detailed discussion follows. When possible, suggested implications for theory are supported by appropriate literature.

Table 6

**A Synopsis of Discussion Points**

<table>
<thead>
<tr>
<th>Conclusion</th>
<th>Linkages to Theory</th>
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<tbody>
<tr>
<td>1. Freeman’s stakeholder theory is useful to managers when managing stakeholder relationships in a college organization.</td>
<td>The study was not designed to specifically test Freeman’s (1984) concept. However, some of the serendipitous data does relate to Freeman’s stakeholder concept and the stakeholder concept is a valuable tool for placing attention and thinking about the importance of college stakeholders.</td>
</tr>
<tr>
<td>2. The theory of stakeholder salience has limited utility when applied to the Canadian public college system</td>
<td>While there is theoretical appeal to the idea that the combined elements of power, legitimacy and urgency would determine salience, senior college leaders did not relate to those elements in a way that allows direct application. It could be that this type of qualitative, semi-structured was not a good fit for an empirical test of the theory. However, there has been a good deal of literature debating the value of the salience construct as originally proposed.</td>
</tr>
<tr>
<td>3. The concept of power requires refinement in order to be applicable to the Canadian college system</td>
<td>While the concepts put forward by Mitchell et al. (1997) do not consider the origins of power, this distinction was important to many of the senior college leaders. For example, study participants talked about coercive power, perceived power, power that was given, the connection of funding to power and the difference between legitimate and illegitimate power.</td>
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<td>4. Values may be the main determinant of salience and more important than the elements of power, legitimacy and urgency</td>
<td>The values of senior college leaders were pervasive throughout all interviews. It may be that values are far more important in modelling stakeholder salience than the emphasis given by Mitchell et al. (1997). For example, some senior college leaders give a great deal of salience to groups that have little real power or urgency but are perceived as incredibly legitimate by the leaders. It is the values and beliefs of the senior college leaders that make these groups...</td>
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<td>5.</td>
<td>The need to make pragmatic decisions related to system and government politics may moderate or overrule manager values</td>
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<td>6.</td>
<td>Stakeholder orientation or stakeholder management concepts may be more applicable to leaders in the Canadian public college system</td>
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<tr>
<td>7.</td>
<td>The concept of salient stakeholders requires further refinement and definition if it is to be applied to the public sector</td>
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**Freeman’s Stakeholder Theory**

It appears that Freeman’s stakeholder theory has utility for managers when managing stakeholder relationships in a college organization. Stakeholder theory was designed to address three questions about an organization’s relationships: “Who are the stakeholders and what are the perceived stakes?”; How does the organization “implicitly or explicitly manage” the relationship?; and, what are the “transactions” between the organization and the stakeholders? (Freeman, 1984, p. 53). The study was not designed to specifically test Freeman's concept. However, some of the serendipitous data does relate to these questions. For example, the senior college leaders repeatedly spoke about the importance of college graduates to employers. Therefore, it was clear that the stake for employers is access to well-trained graduates.
It was also clear that colleges value industry and employers highly and are consciously trying to both “implicitly or explicitly manage” the relationship for mutual benefit. Leaders believed strongly in their mandate to train for industry which in turn contributes to economic health for their region. The participants also recognized the benefits they received from their industry partners.

For governments, the stake can be described as the college itself and the ability of governments to use the college system as an instrument of social policy. Freeman (1984) originally defined a stakeholder as any “group or individual who can affect or is affected by” an organization’s achievements (p. 46). This clearly applies to the government and based on the research data, various governments have attempted to direct or influence the colleges to varying degrees.

Participants also provided excellent data regarding managing the relationship with stakeholders and what type of transactions take place. Most of the leaders expressed a desire to better manage the relationships and described their lack of time as the main barrier to this goal. Transactions at the senior leadership level were mainly described as fundraising efforts, participation in meetings, advisory groups, community organizations, business associations and attending various functions and events.

The Theory of Stakeholder Salience

The theory of stakeholder salience appears to have limited value when applied to the Canadian public college system. While there may be theoretical appeal to the idea that the combined elements of power, legitimacy and urgency would determine salience, the senior college leaders in the study did not relate to the elements in a way that allows direct application of that construct. For example, several participants suggested that all stakeholders were equally
legitimate and therefore, in their minds, they were (or should be) also powerful. In this case, the senior college leaders attributed power to certain groups based on the leaders own beliefs and values. The leaders’ beliefs did not just influence or moderate salience, the values created salience. This lack of congruence with the salience model is not unique. For example, Neville et al. (2011) stated that some scholars have questioned the completeness of Mitchell et al.’s (1997) original attributes of salience. Donaldson and Preston claimed in 1995 that the stakeholder model was intended for the corporation and that application to other contexts is not appropriate. As previously stated in Chapter Two, they argued that stakeholder theory applies to investor owned corporations and “although stakeholder concepts have been applied in other settings, these situations are fundamentally different, and simultaneous discussion of a variety of possible stakeholder relationships leads, in our view, to confusion rather than clarification” (p. 69).

Also, several stakeholder groups that were considered extremely salient by the college leaders were not thought of as urgent at all. Using Mitchell et al.’s (1997) definitions, a definitive stakeholder that is highly salient would need to possess all three attributes. In fact, with the exception of government, most respondents had difficulty describing the concept of urgency in relation to stakeholder groups. Many of the groups that the leaders cared about, such as students, would be termed discretionary stakeholders by Mitchell et al. as they possess only the legitimacy attribute. As they have no power or urgency, it is left to the manager to determine whether or not these stakeholders are worthy of attention. While the description of a discretionary stakeholder may fit the student and other college stakeholders, it is the apparent low ranking on the salience scale that makes the model problematic for application in the college context.
The Concept of Power Requires Refinement

In order to be applicable to the Canadian college system, the concept of stakeholder power requires refinement. While the concepts put forward by Mitchell et al. (1997) do not consider the origins of power in depth, this distinction was important to many of the senior college leaders. For example, leaders talked about coercive power, perceived power, power that was given, the connection of funding to power and the difference between legitimate and illegitimate power. The senior college leaders also made unique distinctions in the type of power they attributed to their stakeholders. For example, government was sometimes described as having legitimate power but other participants described provincial governments as having coercive power but lacking legitimacy. The data regarding the concept of power and college stakeholders was complex and messy. This is consistent with Giddens (1984) who stated:

The study of power cannot be regarded as a second-order consideration in the social sciences. Power cannot be tacked on, as it were, after the more basic concepts of social science have been formulated. There is no more elemental concept than that of power…. Power is one of several primary concepts of social science, all clustered around the relations of action and structure. Power is the means of getting things done and, as such, directly implied in human action (p. 283).

Based on the results of this study, the Mitchell et al. (1997) model may have limited utility in the Canadian college sector. While distinction between types of power in the study data is somewhat consistent with the literature on power, the stakeholder salience concept does not allow sufficiently for these differences. According to Raven (1993) there are six basis of power. Coercion and legitimacy are two of the categories applied to the power construct. This overlap of legitimacy and power makes it difficult to fit the college context neatly into the Mitchell et al. (1997) model.
Values may be the Main Determinant of Salience

The data indicated that the managers’ values played a more significant role in determining salience than the elements of power, legitimacy and urgency. Mitchell et al. (1997) referred to the importance of the manager’s perceptions in determining salience however, based on the findings of this study, values may play a much larger role in determining stakeholder salience than the elements of power, legitimacy and urgency as conceived by Mitchell et al. in 1997. Personal values have been explored by scholars within a number of fields, including management science, psychology, sociology, and anthropology. In past decades, researchers have attempted to define both the nature of values and to show how they can be organized in value systems. Rokeach (1973) defines a value as “an enduring belief that a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence. (p.5)

The importance of values is consistent with Agle et al. (1999). In their research, they demonstrated a significant relationship between stakeholder salience and the values held by the CEOs in the study. Frooman (1999) suggested that research under the heading of stakeholder theory has almost entirely been based on the firm’s point of view, with inadequate attention paid to the aims of the stakeholders. Based on the study results, a similar argument could be made that more attention needs to be paid to the personal values of managers and decision makers.

Pragmatic Decisions may Moderate or Overrule Manager Values

The data showed the need for managers to make pragmatic decisions related to system and government politics and this may moderate or even overrule a manager’s values at times. Buysse and Verbeke (2003) argued that “the degree to which managers give priority to competing stakeholder claims is dynamic, stakeholder salience can vary over time and depends
on the issue considered. Managerial perceptions are critical in this model, because they ultimately determine stakeholder salience” (p. 458). In analyzing the data, both the attitudinal (values and beliefs), pragmatic and political dimensions were evident and the findings reflect these dimensions. Leaders spoke freely about their values and what they believed but they also described instances and situations where the practical realities and sometimes politics of the moment were contrary to those values. In some instances, the leaders’ actions or decisions diverged from their ideals. These instances occurred when a leader had to “consider the bigger picture” or do “what’s best for the organization”.

In other words, leaders clearly illustrated that they often compromise based on a particular situation and decisions are far more complex than their own values or ideals. This practical reality has been discussed by some scholars and Boesso and Kumar (2009) posit that Mitchell et al. (1997) offered their theory of stakeholder salience in order to deal with the practical challenges and restrictions involved in prioritizing stakeholders. Harrison and St John (1994) suggested that most scholars agree that the reality is that managers cannot deal with all of the real and prospective claims of all stakeholders.

**Stakeholder Management Concepts may be Applicable**

There were indications that the concepts of stakeholder orientation or stakeholder management may be more applicable for leaders in the Canadian public college system than the lessons available from salience theory. While the theory of stakeholder salience may have had limited utility when applied against the results of the study, the original stakeholder literature does consider stakeholder management and stakeholder relationships that could inform college administration. As described in Chapter Two, there have been few studies that apply stakeholder
theory in higher education and there is a paucity of research on the Canadian college sector as a whole.

However, the empirical evidence of the fundamental relationship is unclear (Margolis & Walsh, 2003). The study data contained many examples about the constraints faced by the senior college leaders that may have nothing to do with either salience, relationships or personal values. According to Phillips, Berman, Elms and Johnson-Cramer (2010) “no published study of the relationship between stakeholder engagement and firm performance accounts for the fact that managers and firms face significant constraints on their freedom” (p. 176). This is certainly true in the case of the college leaders that participated.

A more recent approach to stakeholder enquiry may also provide research opportunities. Recent work by some scholars has begun to shift the focus from the firm to a focus on the stakeholders. Elms and Phillips (2009) argued the necessity to develop the dialogue on stakeholder theory that has this type of focus. Freeman et al. (2010) suggested that scholars interested in stakeholder theory have argued for the incorporation of more humanity into stakeholder theory research.

Based on these few examples, there is indication that stakeholder concepts provide rich opportunity for continuing exploration. Also, based on the data from this study, there may be value in studies that explore stakeholder concepts as they apply to the Canadian college system. So while the concept of stakeholder salience as conceived by Mitchell et al. (1997) may be an awkward match to this study, the many variations of stakeholder theory and concepts may provide college leaders with insights and tools for managing stakeholder relationships.
The Concept of Stakeholder Salience Needs Further Refinement

To apply the concept of stakeholder salience to the college sector, further refinement and definition is required. Government came through as the only definitive stakeholder, defined as those stakeholders who have all three attributes of power, legitimacy and urgency. As government is in many ways the owner of the college institution, it is not clear that they should be treated or classified the same way as other stakeholder groups. The results of this study raised questions about applying the stakeholder concept in the context of the Canadian college system. There were a number of challenges with applying the stakeholder definition. First, given the amount of control and power that the provincial governments have, they deserve special treatment, perhaps as owners or some other category.

Unfortunately, the literature is not particularly helpful in differentiating between owners (stockholders, shareholders) and stakeholders. Freeman’s (1984) concept included shareholders as stakeholders and since that time, only a few scholars have attempted to make a distinction between owners and other stakeholders with an active relationship with the firm. For example, Kaler (2002) argued that stakeholders have a morally legitimate claim to have their interests served by a business regardless of an active relationship. However, in the common stakeholder definitions, the benefit received by the stakeholder from the organization does not have to be reciprocal (Fassin, 2012).

Other scholars have attempted to expand the argument that there must be some sort of active relationship and have promoted the idea of reciprocity. Frooman (1999) stated that stakeholders should assume reciprocal obligation for undesirable consequences associated with their demands and for potential harm to companies and other stakeholders. In terms of the
college sector, the idea of reciprocity could be used to examine the relationship between governments and colleges.

**A Revised Conceptual Model**

Figure 2 in Chapter Two represents the original proposed conceptual model as adapted from Mitchell et al. (1997) and Agle et al. (1999). As described above, the study data identified several issues with trying to apply the original conceptual model to the Canadian college sector. Based on the data that suggested other factors have a more direct and significant role on stakeholder salience, the original conceptual framework for this study was modified. The data indicated that personal values, practical considerations and stakeholder voice play a significant role in stakeholder salience. The idea that the model may not fit certain contexts is not unique. For example, de Bussy & Kelly (2010) state that “in practice, power seems to play a far greater role than legitimacy in determining stakeholder salience among political decision-makers” (p. 289).

The revised model (Figure 3) also attempts to illustrate the findings related to the elements of power, legitimacy and urgency as discussed above. Figure 3 represents the complex interconnectivity of the perceptions of senior college leaders, as well as the overlap of the emergent themes and sub-themes. This overlap first emerged during the interview process and became clear while transcribing and analysing the data. Figure 3 is intended to show that these themes do not exist in isolation and that many have some degree of connectivity to the others. The overlapping areas of the circles represent these shared elements. Figure 3 is a revised visual representation of the elements of salience. In this model, power is mainly attributed to government and government is the only stakeholder that can consistently impose decisions or change the college’s priorities, regardless of the values of senior college leaders.
Also noteworthy is that the personal values of the senior college leaders had a significant impact, not only on determining stakeholder salience but also in identifying who the stakeholders were. In the illustration, the salience of all stakeholders, regardless of origin or magnitude, is filtered through the leaders’ values. However, the influence of the leaders’ values can also be modified by what some leaders referred to as pragmatic choices. The exception to this is government who can and often do have the power to cut across the leaders’ values and directly impact institutional priorities.

Figure 3. A revised conceptual model.

Implications for Practice

In Chapter One, it was stated that a study of this nature was valuable because of the significant change that higher education and particularly the Canadian college system has
undergone. The study and understanding of stakeholder influence on the college system is in its infancy. As suggested in Chapter One, the study was significant to the field of educational administration as the study did extend the body of knowledge related to stakeholder theory and as applied to the context of higher education. Second, the study did contribute to the understanding of the complexity of senior leadership decisions when considering the salience of external stakeholders. However, as a result of the study there were several implications for practice that were not foreseen.

The semi-structured interviews resulted in some very rich conversations with some accomplished and experienced leaders, six of which were presidents, two vice presidents, and two deans. Perhaps because of the collective experience of the participants in the study, the data not only address the research questions but in many cases went beyond simply answering the question. Study participants clearly determined the salience of stakeholders based primarily on their own personal values and their considerable leadership experience. They also showed considerable commitment to the institutions mission, mandate, values and strategic plan. Other than with government, they seemed to be less concerned about powerful stakeholder groups than indicated by the corporate based stakeholder literature and had a consistent focus on balancing priorities and providing fair treatment of stakeholders.

The literature strongly suggests that stakeholder theory and the stakeholder concept is interesting in theory but is difficult to apply to practical use (Buchholz & Rosenthal, 2005; Jensen & Sandström, 2011; Laplume et al., 2008). Therefore, the greatest practical application of this study may be simply in the value a reader takes from the data and the resulting themes. Within that data was a significant amount of practical insight into administration in the college
The nature of the president’s job is, there’s really four things you need to be able to do. You need to be able to work effectively with your board in planning the overall direction and aspirations of the institution. So that gets back to the vision side. You need to be able to work internally within your institution to be able to sort of advance the academic mission and the quality of institution internally. You need to be able to work effectively with your external stakeholders, including, for example on the fundraising side. Finally, you need to be that broader representative for the institution and all of the different forms that takes. You can get an A in three of those four, and if you get an F in the last one, you’re an absolute failure and will not survive as president. You could get a C+ in each of those four and you will do quite well, you know a president could devote four times the amount of time they’re spending on the external side, over 100% of their total hours, and while that would be valuable, the job is really around balance across those areas. So on the external side, I would love to be able to spend more time there, when I think of the external components, I’d probably put far greater weight on government relative to industry because I think there is more work to be done currently on the government side. Industry understands what we are, industry has historically supported us, would love to spend more time with industry but it is all balance.

Although this study focused on the public sector college system that is affected in different ways by various provincial governments, most institutions are also affected by regional and other contextual factors.

**Implications for Research**

The limitations listed in Chapter One and further in this chapter state that the results of this study will not be generalizable. However, this study should provide valuable information regarding the perceptions of senior college leaders and their experiences with stakeholders. Although this research contributes to the literature, it provides only a single snapshot of the very large and complex college system and the even more complex relationships with stakeholders.

This study revealed many additional related aspects that could provide opportunities for research. For example, a case study with a similar purpose and involving a single provincial system or even a single college might offer additional depth and a larger variety of perspectives.
regarding a more similar context. Many of the issues that were raised were unique to a particular provincial context and a study based within a single ecosystem could elicit more specific data.

Another opportunity would be to conduct a comparative study within both the college and university system, ideally within the same province. This concept was suggested by data from the current study. Although these data were not significant enough to suggest a theme, more than one participant expressed frustration with the college context compared to the university. Although the participants are aware of the difference in legislation between universities and colleges, there is room for significant study regarding the apparent dichotomy. Expressed concerns included the amount of direct government control, restrictive provincial legislation (for the college sector) and perceptions regarding the apparent hierarchies within the postsecondary system. As more than one participant in the study had previously worked in the university system, there may be reason to suggest that their opinions were informed and that their comments may be worth investigating.

The data from this study and literature on stakeholder management also suggests the opportunity for studies that examine practices in stakeholder interaction and relationship management by college presidents and/or other senior managers. Most leaders discussed ideas related to public trust at some point in the interview, and this suggests the opportunity for studies related to balancing public trust while working effectively with influential companies and industries. Related to this, the importance of the value proposition concept (Frow & Payne, 2011) suggests opportunity for studies that focus on the perspectives of college stakeholders rather than managers.

Additional research related to this study could offer a better understanding of the perceptions of college leaders, particularly how they relate to stakeholders, both internal and
external. Although the applicability of the salience model is not clear, there is opportunity to further explore the elements of the theory in the college context. Each of the constructs of power, legitimacy, urgency and particularly personal values, could provide rich material for future studies.

A final suggestion is that the Canadian college sector and its future is a fertile field for empirical study. When this study was proposed it was not intended that the structure of the college system would be under scrutiny. Yet the data brought up many issues related to government control, provincial legislation, changing mandates, institutional evolution, and the appropriate way to serve the needs of students and other stakeholders in the future. Whether it was the expectations from industry that colleges would teach soft skills or from students that they would have state of the art technology, the system and institutions are under considerable pressure to change and adapt.

Limitations

Several limitations of the study should be kept in mind when reviewing these findings. First, only senior college leaders that worked at larger institutions were interviewed and this could introduce a bias in the results. This bias was unintentional in the design of this study but resulted from the purposive sample and selecting the first participants that agreed to be interviewed. Therefore, the sample does not representative a broad cross-section of leadership across the college sector. In addition, only two female leaders were interviewed.

Second, it is possible that researcher bias could have adversely affected objectivity. The researcher's twenty-three year career in both faculty and leadership positions could have resulted in a biased perspective. Although the researcher worked diligently to bracket his experiences, the interpretation is his. The researcher has also worked at one of the institutions with at least one of
the participants. Readers should keep in mind the potential for interpretive bias on the part of the researcher.

Third, in reviewing these findings it is important to remember that they do not represent a group consensus. Rather, they are the result of private interviews with ten individuals. To answer the questions, each interview transcript was coded and analyzed individually to discover the primary themes and findings within those themes. The findings presented herein are therefore an amalgam of individual perspectives as interpreted by the researcher.

Fourth, the selected framework based on the ideas of stakeholder salience was used to design the interview questions but the questions are original and not based on a previous study. The interview questions were modified slightly after the first two interviews which served to pilot the process. As the modifications did not substantially alter the substance of the data, the data from the two pilot interviews were included in the results.

Fifth, the conceptual framework used to analyze the leaders’ perspectives is based on theoretical work that originated in the corporate or business context and any conclusions should not be considered generalizable to the college system or the public sector writ large. Conclusions may provide the beginnings for additional studies.

Finally, the purpose of this study was to develop a rich understanding of the perspectives of senior college leaders, the key decision makers in the Canadian college system. However, the study does not attempt to represent views of leadership across the college system.

**Conclusion and Global Themes**

According to Attride-Stirling (2001), global themes are “super-ordinate themes that encompass the principal metaphors in the data as a whole” (p. 389). The author stated that these global themes are based on an argument, assertion or conclusion. Therefore, this section provides
the researchers final interpretation of the data and the literature. Three global themes are proposed:

1. Values are central to leadership priorities and stakeholder salience
2. The role and actions of provincial governments are generally problematic for the college sector
3. Students and industry are central to the college but their power depends on voice

Values have already been thoroughly discussed. However, the importance of values to leadership priorities and stakeholder salience pervaded the data. Also, Agle et al. (1999) and a handful of subsequent studies have also made the connection of personal values to stakeholder salience. This study indicated that values are much more than just a moderator of salience but in the college context may actually create salience.

The study participants could not be characterised as complaining or negative. In fact, they were generally positive and very professional in the way they spoke about government and all stakeholders. Despite this, an overarching theme emerged that the role and actions of provincial governments are generally problematic. Issues range from the way politicians use the colleges for partisan politics to a concern about the generally university centric backgrounds of the politicians and bureaucrats that populate the governments and their ministries. Overall, governments lack credibility and moral legitimacy despite having legal legitimacy and most of the power.

Finally, the importance of students and industry employers certainly relates to the values of the leaders in the study. However, it was the importance of a voice that emerged as the third global theme. Whether it was students, industry or other groups, throughout the interview data, the participants talked about the impact of voice. Participants referred to time spent talking with
constituents, organization of the groups, collective or organized voice and similar concepts. The salience literature as far back as Mitchell et al. (1997) does discuss the role and importance of voice but few have elevated the importance of voice as a determining element or factor of salience. The results of this study suggest that voice may be as important as management values in determining salience in the college system.

Concluding Comment

The results of this study may appear to be critical of the concepts of stakeholder salience as put forward by Mitchell et al. (1997) and some of the related work done since 1997; however that was not the intent. Rather, the findings indicate that the theory of stakeholder salience is a poor fit for the Canadian college context and this should not be taken to indicate disagreement with the use of the theory in the corporate world for which it was intended. Despite the apparent mismatch, the researcher believes that there is a significant value in research related to the theory of stakeholder salience and the stakeholder concept as a whole. The value to this study was in the use of stakeholder salience as a framework that helped to organize and clarify the research.

This study came about because of the researcher’s interest in institutional prioritizing and the way that institutions respond to pressures from the external environment and their constituents. Stakeholder theory is just one theory that considers an organization’s external context and one of many theories that has had limited testing in the Canadian college context. In fact, there is a paucity of empirical research set in the Canadian college sector as a whole. Much of the studies and literature related to higher education originate in the university context and most often college sector studies are based in other countries. Hopefully, this study will encourage more scholarly work that specifically explores the complex administration in the Canadian college, institute and polytechnic sector.
REFERENCES


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APPENDICIES

Appendix A

Letter to Interview Participants
November 9, 2013

dwj413@mail.usask.ca

Dear (insert name of participant),

I am writing to request your voluntary participation in a study which has been approved by the Department of Educational Administration and the Behavioural Research Ethics Board of the University of Saskatchewan, Saskatoon, Canada. The purpose of the study is to examine the influence and salience of external college stakeholders as perceived by senior college leaders. As a qualitative study, this research will involve confidential and private semi-structured interviews. Each individual interview will last about 90 minutes to a maximum of two hours.

Your participation in the research is completely voluntary. A study of this nature is of value for several reasons. The findings of this study will contribute to the existing literature on stakeholder theory as applied to the context of higher education. Second, the study will contribute to the understanding of the complexity of senior leadership decisions when considering the salience of external stakeholders. This study has implications for academics and college administrators interested in the Canadian college system. The significance of this study will be found in its ability to identify the degree to which senior college leaders give priority to competing stakeholder claims. This study can also provide policy makers with a frame of reference for considering the influence of external stakeholders.

If you agree to participate in the study, your participation will remain confidential and no reference to your college or other possible identifiers will be published. You will have the right to withdraw from the study at any time until the dissertation has been submitted.

If you have any questions or concerns or would like additional information, you may contact me at 306-730-9309 or by email (dwj413@mail.usask.ca). You may also contact my supervisor Dr. Vivian Hajnal (email: vivian.hajnal@usask.ca) or by phone at (306) 966-5675.

Thank you in advance for considering this request.

Sincerely,

Dennis Johnson
Appendix B

Participant Consent Form
Project Title: External Stakeholders in the College Sector: Who and What Really Counts?

Researcher(s):

Dennis W. Johnson, PhD candidate, Department of Educational Administration, University of Saskatchewan, [email protected], dwj413@mail.usask.ca

Supervisor:

Dr. Vivian Hajnal, Department of Educational Administration, (306) 966-4270, vivian.hajnal@usask.ca

Purpose(s) and Objective(s) of the Research:

The purpose of this study will be to examine how senior college leaders perceive the salience of particular external stakeholders, which may be represented by individuals, companies, associations, sectors or groups. The study will seek to find out what factors influenced the salience of these stakeholders. The stakeholder salience model (Mitchell et al., 1997) will be applied to investigate which groups and individuals are viewed by college and institute senior leaders as external stakeholders and to determine the relationship between these stakeholders in the attributes of power, legitimacy and urgency as perceived by senior college leaders. The study will also investigate the relationship between stakeholder demands and the senior college leaders’ perception of the college mission, mandate and priorities.

Procedures:

The primary source of data for this study will be 90 to 120 minute interviews conducted face to face. However, if face to face interviews are not possible, interviews will be conducted via telephone. Although telephone interviewing is not the preferred way to conduct in-depth interviews, if participants are not available for face-to-face interviews, telephone may be the only viable option.

Please feel free to ask any questions regarding the procedures and goals of the study or your role.

Potential Risks:

There are no known or anticipated risks to you by participating in this research. Despite this, all data and results will be kept confidential and pseudonyms used to protect confidentiality.

You have the right to terminate participation in the study at any time.

Confidentiality:
If you agree to participate in the study, your participation will remain confidential and no reference to your college or other possible identifiers will be published. Your right to withdraw data from the study will apply until the dissertation has been submitted. After this date, it is possible that some form of research dissemination will have already occurred and it may not be possible to withdraw your data.

Due to the way in which some of the participants may be recruited to the study, it is likely that some participants will be known to others. However, no individual data will be shared so only participation may be known but not the individual’s data.

No names, places or other potential identifiers will be used. Pseudonyms will be used in any published materials.

**Storage of Data:**

All paper copies, data drives and other materials will be secured in a locked filing cabinet within the supervisor’s office at the University of Saskatchewan. No data or files will be stored on the hard drive of a computer or on a network drive. When the data no longer required, the files will be deleted and the data drive physically destroyed.

**Right to Withdraw**

Your participation is voluntary and you can answer only those questions that you are comfortable with. You may withdraw from the research project for any reason, at any time without explanation or penalty of any sort.

Should you wish to withdraw, any data will be deleted and only the original consent form will be kept on file.

Your right to withdraw data from the study will apply until the dissertation has been submitted. After this date, it is possible that some form of research dissemination will have already occurred and it may not be possible to withdraw your data.

**Follow up:**

To obtain results from the study, please contact Dennis Johnson using the information at the top of page 1 and a copy of the results will be emailed to you.

**Questions or Concerns:**

Contact the researcher or supervisor using the information at the top of page 1.

This research project has been approved on ethical grounds by the University of Saskatchewan Research Ethics Board. Any questions regarding your rights as a participant may be addressed to that committee through the Research Ethics Office ethics.office@usask.ca (306) 966-2975. Out of town participants may call toll free (888) 966-2975.
Consent

SIGNED CONSENT
Your signature below indicates that you have read and understand the description provided.

I have had an opportunity to ask questions and my/our questions have been answered. I consent to participate in the research project. A copy of this Consent Form has been given to me for my records.

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<th>Name of Participant</th>
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A copy of this consent will be left with you, and a copy will be taken by the researcher.
Appendix C

Interview Guide
**Interview Guide (V1)**

**Introductory Comments**

a) Thank the participant for participating in the research.
b) Provide an overview of the purpose of the research.
c) Remind interviewees of the maximum length of the interview.
d) Assure participants of confidentiality of all responses. Confirm the participant’s right to refuse to answer any questions they are uncomfortable with and also to withdraw from the study at any time.
e) Have written consent letter signed (if not received previously)
f) Request permission to record interview and inform them that they may request stopping the recording at any time.
g) Allow participants to ask questions about their concerns/involvement before proceeding to interview questions.

**Interview Questions (90 to 120 minutes)**

The questions are semi-structured in nature:

1. Who do you define as external stakeholders and what is the relationship you and/or the college have with each group and/or individual?
2. What type of demands do these stakeholders make?
3. How do you prioritize the demands of these stakeholders?
4. Which stakeholders do you view as the most powerful and which factors affect this power?
5. Which stakeholders do you view as the most influential and which factors affect this influence?
6. Which stakeholders do you view as the most urgent and which factors affect this urgency?
7. For the other stakeholders you have listed, how do you view the power, influence and urgency of each stakeholder group?
8. How do you describe your relationships with external stakeholders?
9. What do you view as the key benefits in the relationships with stakeholder groups (with examples)?
10. What do you view as the key issues and challenges in the relationships with stakeholder groups (with examples)?
11. Please summarize what you consider to be the most important ways that you and your college need to respond to the significant stakeholders?
12. Do you have anything you would like to add?
Appendix D

Revised Interview Guide
**Interview Guide (V3) (90 to 120 minutes)**

**Introductory Comments**

a) Thank the participant for participating in the research.

b) Provide an overview of the purpose of the research.

c) Remind interviewees of the maximum length of the interview.

d) Assure participants of confidentiality of all responses. Confirm the participant’s right to refuse to answer any questions they are uncomfortable with and also to withdraw from the study at any time.

e) Have written consent letter signed (if not received previously)

f) Request permission to record interview and inform them that they may request stopping the recording at any time.

g) Allow participants to ask questions about their concerns/involvement before proceeding to interview questions.

The questions are semi-structured in nature:

**General/intro**

1. Please tell me about your work background in postsecondary and the college system?

2. How do you define external college stakeholders? Please explain and list.

3. How would you describe the relationship the college has with each group of stakeholders.

4. How would you describe the health (quantity/quality) of external stakeholder relationships in general?

5. How do you describe your own relationships with external stakeholders?

6. What type of requests do these stakeholders make? On you? On the institution?

7. How and why do you prioritize the needs of these stakeholders?

**Salience**

8. Please tell me about which stakeholders you view as the most powerful and why?

(Prompts: Which factors affect this power and why? Please tell me about how some come across as more or less powerful.

9. Please tell me about which stakeholders you view as the most legitimate? (Prompts: Which factors affect this legitimacy and why? Please tell me about how some come across as more or less legitimate.

10. Please tell me about which stakeholders do you view as the most urgent? (Prompts: Which factors affect this urgency and why? Please tell me about some examples of stakeholder urgency.

11. For the stakeholders you previously listed, how do you view the power, legitimacy and urgency of each stakeholder group?

Talk about these groups. For each of them would you categorize them as powerful, legitimate or urgent? Why?

**Relationship**

12. What do you view as the key benefits in the relationships with stakeholder groups (with examples)?

13. What do you view as the key issues and challenges in the relationships with stakeholder groups (with examples)?

14. Please summarize what you consider to be the most important ways that you and your college should respond to the significant stakeholders? Is there more that the college needs to do? Why?
15. Please list the 3 most powerful, legitimate and urgent external stakeholders in order.
16. Do you have anything else you would like to add?