Stakeholders Management using Technology (Detail Study on Education & IT Industries)

Prof. Muralidhar Deshpande

Assistant Professor

Xavier Institute Management & Entrepreneurship (XIME), Electronic City Phase 2, Bangalore – 560100

Abstract—**Stakeholder management is increasingly becoming an important tool to enhance the effectiveness of management practices and strategies and to bring about more ethical and socially relevant outcomes. There is no universally accepted definition of the concept of stakeholder. Most commonly accepted view is that a stakeholder is an individual or a group who can affect or is affected by the functioning of an organization. A major thrust of the argument presented in this paper is that the dominant shareholder value model has led to market failure in general and organizational inefficiency in particularand there is a need for a paradigm shift. The new paradigm has space for mutual value creation, freedom to operate, freedom to innovate and freedom to engage in competition. The major objective is to increase the overall welfare of a knowledge-based and networked society. Stakeholder Management creates positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives and with help of emerging technologies like SMAC (Social, Mobile, Analytics and Cloud) usage. Stakeholder management within businesses, organizations, or projects prepares a strategy utilizing information (or intelligence) gathered during the above mentioned common processes.Only two sectors namely Information Technologyand Education are taken for a brief analysis in the present paper. Suggestions for further research are given in the end of the paper.**

Key words—Stakeholders management, stakeholder's value model, paradigm shift, mutual value creation, SMAC, Self Service Model

The dominant shareholder value model has been increasingly identified to be a major factor which led to events surrounding the financial crisis of 2007-09 with huge adverse global consequences. Prof. Joseph Stiglitz observed "the financial sector has imposed huge externalities on the rest of the society. America's financial industry polluted the world with toxic mortgages"1 The dominance of financial sector which runs on shareholder value principle over the rest of the economy and society at large is questioned by many observers. For example,Prof Reich emphasises the defects of the system by observing,"Something I call super-capitalism was born. In this transformation, we in our capacities as consumers and investors have done significantly better. In our capacities as citizens, seeking the common good, however we have lost."2It is increasingly realized that a new paradigm is necessary to improve the situation. The present paper argues that the IT enabled stakeholder management model will provide the new narrative of business of the future.

A brief account of the origin, growth and consequences of the dominant shareholder value model may serve as a backdrop for our discussions. Adam of Smith developed the economic paradigm of liberal capitalism based on the principles of utilitarianism. His famous concept of "Invisible Hand" gave a quasi-religious sanction for the market economy. In his view self-interest of individual economic agents will promote market efficiency and enhance social welfare. The neo-classical economic theory of modern firm based on the principle of profit maximizing behavior elaborated the functioning of organizations. Theoretical and empirical studies provided the basis for the popularity and almost universal appeal of the dominant shareholder value model. Mainstream thinking in strategic management endorsed this view and it became an integrated aspect of the modern capitalism.

The alternate paradigm namely the stakeholders theory had its origin in the Great Depression of 1930's [3] Few management ideas have generated more debates in recent decades than the concept of stakeholder management which has become an important tool in transforming management practices and strategy. Researchers identify considerable interconnectedness between the aspects of stakeholder involvement, corporate social responsibility (CSR) and business ethics. Someobservers view that the term 'Stakeholder' has become almost a cliché. However application of alternate paradigm in management practices and strategies is not happening in most organizations mainly because of the domination of the mainstream shareholder value model. In the present paper we confine the analysis to IT sectorsand Education only.

Stakeholder management creates positive relationships with stakeholders through the appropriate management of their expectations and agreed objectives and with the help of emerging technology like SMAC (Social, Mobile, Analytics and Cloud) usage. Stakeholder management within businesses, organizations, or projects prepares a strategy utilizing information (or intelligence) gathered during the following common processes.

STEP 01) Identification of stakeholders, classification and expectations:

The days are gone, when we used to neglect the stakeholders by having the attitude of "who cared about or needed the stakeholders?" Now they are part of regular business operations.

The following table depicts the stakeholders and their expectations, needs and concerns.

Stakeholders :	Stakeholder's Expectations / Needs / Concerns
Government	Taxation, VAT, legislation, Employment, Truthful reporting, Diversity, Legalities, Externalities.
Employees	Rates of pay, Job security, Compensation, Respect, Truthful communication.
Customers	Value, Quality, Customer care, Ethical products.
Suppliers	Providers of products and services used in the end product for the customer, equitable business opportunities.
Creditors	Credit score, new contracts, liquidity.
Community	Jobs, involvement, environmental protection, shares, truthful communication.
Trade Unions	Quality, worker protection, jobs.
Owner(s)	Profitability, longevity, market share, market standing, succession planning, raising capital, growth, social goals.
Investors	Return on investment, income.

(Source:http://en.wikipedia.org/wiki/Stakeholder_(corporate))

As new stakeholders are identified, they may be able to suggest other stakeholders to add to the list.
The first classification of stakeholders has to be done as Internal and External. The classification helps us to determine how, what and when to communicate with each stakeholder. Stakeholders also serve as technical experts in what needs to be done and how it needs to be done.

Once the stakeholders are identified, companies need to identify the following;
a) Interest
b) Power / Influence (Probably we should judge our self, rather than asking)
c) Information Technology Adoption / Knowledge
d) Expectations, Concerns, Needs

STEP 02) Prioritize;
Once the stakeholders are identified, the next step is to prioritize them into different boxes based on influence/power and interest parameters. The diagram below shows
Stakeholders Matrix: (Power Vs Interest):

		LOW	HIGH
POWER	HIGH	KEEP SATISFIED	MANAGE CLOSELY
	LOW	JUST MONITOR	KEEP INFORMED
		LOW	HIGH
		INTEREST	

Based on above matrix, the priority has to be addressed in the following order.
Top Most:
Priority 1) High Interest & High Influence/Power (Manage Closely) – Provide them all possible help & enable them through information technology.
Medium:
Priority 2) Low Interest & High Influence/Power (Keep Satisfied)
Priority 3) High Interest & Low Influence/Power (Keep Informed)
Low:
Priority 4) Low Interest & Low Influence/Power (Just Monitor)

STEP 03) Engage & STEP 04) Feedback,
These are steps where really stakeholders will use information technology since information exchanges and data needs to be updated through their feedback.
Companies should develop the separate portal for stakeholders with authorized login and password. Through the portal stakeholders will access the information and update through feedback.
Many times the stakeholders company is bigger than the company itself; Stakeholders company is enabling other companies to access information.
Example: Government (State & Central) is biggest stakeholder than almost all organizations. So they are enabling companies to access the information and update the same.

By making use of SMAC (Social media, Mobility, Analytics, Cloud) technology, all the stakeholders should benefit out of it.

- **Social media:** All the stakeholders should enable them through Facebook, twitter, whats up etc.
- **Mobility:** The web portal should support mobile application, so that stakeholders can access though mobile.
- **Analytics:** Stakeholders Analytics to be developed through Business Analytics and Business Intelligence. Using statistical models and data mining, companies should be able to predict stakeholders' needs.
- **Cloud:** All applications should host through cloud so that stakeholders require only internet to access the same.

Information Technology: Stakeholder theories in information technology systems support the involvement of end users as component of an effective information system. For example, an influential definition of stakeholder model in IT is given in this way "the stakeholders are a group of people sharing a pool of values that define what the desirable features of an information system are and how they should be obtained". [4]The following table gives a brief account of expectations from stakeholders in IT industry given in the form of a table.

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Stakeholders	Expectations
Customer (Power: High, Interest: High)	In IT industry, Customer is the king & important stakeholder during the execution of IT Projects. We should enable customer to access the following information through PMIS (Project Management Information System) - Milestone Project Plans / Progress & Revisions - Artifacts released for acceptance & pending with customer - Artifacts pending for Sign-off - Pending/Dependency Issues with them - Outstanding Payments
Vendors (Power: Moderate, Interest: Moderate)	There are various vendors who work with IT industry - Hiring (Channel Partners) - Outsourcing Work (Subcontracting) Hiring Vendors should be able to see - Resource Requirement with JD & Timelines - Payment Settlements Outsourced vendors related to the work, should be able to see the work progress and payments.
Management (Power: High, Interest: Moderate)	Management should be able have the Birds' Eye view of the organization, should able to see a Big Picture. Most of the time, it will be in the form of summarized information.
Investor/Shareholder (Power: Moderate, Interest: Moderate)	Investor/Stakeholders should able to access the financial sheets of organization & share price.
Supporting Functions (Power: High, Interest: Moderate)	All the supporting should able to access integrated & centralized applications. - Finance/Legal - Quality - Operations - HR - Sales/Marketing
Project Team (Power: Low, Interest: Moderate)	Should be able to see their daily tasks & update the progress
Employees (Power: Moderate, Interest: Moderate)	Using Self Service Model, employees should be able to see their; - Leaves, Payroll - Performance Appraisal - Travel request - Passport/Visa - Bank Details
Employees - Dependents	Should be able to see relevant information.
Government (Power: High, Interest: Moderate)	Both State & Central government agencies should be view their respective information like Income Tax, Sales Tax, Service Tax etc..
Job Seekers (Power: Low, Interest: Moderate)	Job Seekers should be able to see all external requirements and apply through portal.
Colleges (Power: Moderate, Interest: Moderate)	Colleges should be able to see information related to resource requirement and placements from colleges.
Banks / Insurance Companies (Power: Moderate, Interest: Moderate)	Should able to access their information.
Society (Power: Moderate, Interest: Moderate)	Looking for the company from CSR (Corporate Social Responsibility) initiatives and various CSR projects

Benefits from Enabling Stakeholders through Information Technology;

- Productivity improvement
- Quick turnaround time
- Better Decisions
- Chances of Activity / Project / Event success will be much higher.
- Cost Savings
- Better stakeholder management

In an information age, companies are always well equipped with technology to run the business very efficiently, but there will be gaps in providing the technologies to stakeholders. Recent boom in Telecommunication, E-commerce and online services has made all the stakeholders tech-savvy and companies already leverage on them and make all the stakeholders enabled through Information Technology. Now most of the companies have been successful to the level of 'Self Service Model', which is benefiting a lot to companies. But companies should go one step ahead andextend their domain to SMAC (Social Media Analytical Cloud) so that stakeholders are enabled through Social Media, Mobile, and Analytics & Cloud**.** The more we facilitate the stakeholders thorough Information Technology, the less will be the time taken by the companies in managing the stakeholders.

Education:

The process of westernization of the world in general and westernization in education in particular has been gaining strength over the recent decades. After the fall of the Berlin wall in 1989 and the disappearance of Soviet Union in 1991 there has been emergence of unipolar world order. There has been standardization process encouraged by the revolution in information and communication technology. The European and later American view of modernity has been regarded as the way to attain liberty, justice and democracy.[5.] This trend is clear to observe in the field of education in developing countries like India. The emergence and spread of the so-called 'International Schools' in cities like Bangalore is an example of this trend. The extension of shareholder value model even in educational sector is a product of growing influence of neoliberalism and globalization at all levels.

The stakeholder management model considers a school or any business organization as result of a new social contract which contains freedom to operate, freedom to innovate and freedom to compete in the social and economic space.The following table gives a brief outline of stakeholder model for an educational institution.

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Stakeholders	Expectations

Students
 	
(Power: Low, Interest: High)
	The students can be classified into 3 categories...
	   o Present
	   o Past
	   o Not qualified
	   o Looking forward
	
	Present students should enable to do the following by their own (Self Service Model)
	   o Assignments download / Submissions
	   o Attendance & Leave
	   o Exam Results
	   o Other E-Circulars & Notifications
	   o Download Teaching Material
	   o Academic Calendar & Events
	   o Placement companies with Job Description, Application & interview Schedule
	   o Library – Resource Material
	   o Fees outstanding & Payments
	   o Time Table (Regular & Exam)

Parents
 	
(Power: High, Interest: High)
	Parents should able to see their wards information
	   o Attendance & Leave
	   o Fees outstanding & Payments
	   o Results
	   o Participation in curricular and co-curricular activities
	   o Class participation
	   o Behavior and attitude inside campus

Faculty
 	
(Power: High, Interest: High)
	Faculty can be classified into following categories
	   • Regular
	   • Visiting
	
	Regular Faculty should be able to do the following
	   • Time Table viewing
	   • Assignment Upload
	   • Self-Attendance, Leave, Payroll
	   • Student Attendance & Leave
	   • Library – Resource Material
	   • Placement related info in the capacity of placement coordinator
	   • Exam Evaluation & Keep tracking of progress of studies
	   • Teaching material upload.
	   • Feedback from Students
	Visiting Faculty should be able to the following
	   • Time Table
	   • Assignment Upload
	   • Self-Attendance
	   • Payments & Outstanding
	   • Exam Evaluation & Keep tracking of progress of studies
	   • Library – Resource Material
	   • Feedback from Students

Management (Power: Very High, Interest: Moderate)	Management should be able have the Birds' Eye view of the organization, should able to see a Big Picture. Most of the time, it will be summarized information.

Industry
 	
(Power: Moderate, Interest:
	Industry / Corporates will work with colleges into two angles
	   • Campus Hiring
	   • Knowledge Sharing

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High)	As a hiring role, corporate should see • Students profile • College Visit - Schedule • Interview schedule, Selection, Offers, Joining, Drops
Alumni (Power: Low, Interest: Moderate)	Role of Alumni is to help colleges in terms of placements, events, Guest Speakers etc.
Vendors (Power: Low, Interest: Moderate)	Vendors are classified into two types. • Operational vendors • Project Specific Vendors Both vendors should be able to see their work progress and payments/outstanding's.
Government (Power: High, Interest: Moderate)	Both State & Central government agencies should be view their respective information like Income Tax, Sales Tax, Service Tax etc..
Supporting Functions (Power: High, Interest: Moderate)	All the supporting functions like Admission, Accounts, and Library should able to access integrated & centralized applications.
Investor/Shareholder (Power: Moderate, Interest: Moderate)	Investor/Stakeholders should able to access the financial sheets of organization & share prices.

A school, college or university in the 21st century must be seen as an institution which creates value for customers, suppliers, employees, communities, owners and the society.

CONCLUSION:

The dominant modern theory of the firm emphasized value creation for the stakeholder and efficient decision making with main focus on maximizing profit. The stakeholder management model, on the other hand, takes into consideration the concerns of all the stakeholders. The traditional economic and strategies theories consider firm as mostly a purely economic institution and its agents as mostly driven by self-interest. The stakeholder's management model considers a firm as a social institution with social responsibilities. It considers society as a contributor and not as a constraint. The concept of freedom to operate suggests professional and systematic interaction between firms and social and political stakeholders. The concept of freedom to innovate emphasizes the firms' role as an innovator based on its interaction with stakeholders. The concept of freedom to compete means elimination of the focus on monopoly profit and emphasis on mutuality, enhancement of quality of life and sustainability of the ecological world. There is a long way to achieve these ideas and the present paper is small step in this direction.

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