

# **Stakeholder Engagement and the New Zealand Tertiary Education Reforms: A sea-change or the emperor's new clothes?**

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## **Abstract**

The concepts of stakeholder, engagement and voice have gained popularity over the past 5 years. As with any emergent or rediscovered concept the majority of policymakers, institutional managers and practitioners will readily adopt the discourse in an attempt to retain professional and organisational legitimacy. While language can be a powerful force in driving and achieving organisational and cultural change, it can also be used to give the impression of change while little new is in fact taking place.

This poses the risk that in using the words “stakeholder”, “engagement” and “voice” that they come to embrace everything and at the same time mean nothing. This paper explores the use of the concepts in the New Zealand tertiary education context and poses the “so what” question – in what ways is the thinking in respect to stakeholder engagement and voice shaping and changing the practice of policy makers, funders and providers. The question also has to be asked as to whether the potential for organisational and educational transformation that engagement with business, communities and learners offers has been fully grasped or is it the case of old practices simply being rebranded - the emperor dressed in new clothes

The central argument is that the concept of stakeholder engagement or its synonym community engagement has a robust pedigree in the literature and in practice, however the proposition is that in its appropriation as a key tenant of the New Zealand tertiary education reforms through 2006 – 08 its transformative power was not fully articulated, understood or embraced and therefore the potential to re-shape the social practices of educational policy makers, funding agencies, institutional managers and educators was and has not been fully realised.

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## Engagement and the State Sector

It is no coincidence that the notions of stakeholder engagement and voice have emerged and gained popularity internationally over the past 5 - 10 years. It may well be argued that this is as a counter to a perceived disengagement by sections of the population with the established institutions and their processes and the need to reassert the citizenship right within a democratic society to exercise ones voice in shaping public policy. The New Zealand Governments Office for the Community and Voluntary Sector (OCVS) (2008) reflects this view when it concludes that, “[over] recent years various working groups and forums have called on the Government to improve its processes for consultation and to conduct more respectful and collaborative engagement.”<sup>1</sup> Lenihan et al, (2008) in the Canadian context express the problem slightly differently. They argue that as a consequence of the ways in which government has sought to engage, the public has come to expect that the government will act as the primary decision maker and problem solver. They see an abdication of citizen responsibility taking place. They hypothesise that this is a consequence of the ongoing use and possible overuse of consultation models to engage and give citizens voice. Their argument is that embedded in the consultative method is a transference of responsibility from citizens to government and the potential for the creation of dependencies.

There has also been a growing awareness on the part of the corporate world, driven by ethical, environmental and social imperatives, that stakeholders need to be identified and engaged with and that at the very least stakeholder engagement can provide critical strategic information, resources, and problem solving capabilities while managing risk, building social capital<sup>2</sup>, organisational legitimacy and collaborative relationships and outcomes (Andriof and Waddock 2002). The early focus in the stakeholder literature was very much on enhancing shareholder value through the management of stakeholders (Freeman 1984), however more recently it has shifted to focus on engaging stakeholders in the pursuit of longer term value creation. This shift from managing stakeholders in the interests of the organisation to one of engaging with them has brought with it a greater focus on relationships, the processes of stakeholder engagement and the creation of “...a dynamic context of

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<sup>1</sup> Its More Than Talk Report published by the Office for the Community and Voluntary Sector NZ Government Dec 2008 p7

<sup>2</sup> Andriof and Waddock 2002:42 argue that the notion of social capital encapsulates the resources that are embedded and emerge from the process of negotiating and developing the stakeholder relationship.

*interaction, mutual respect, dialogue and change.*<sup>3</sup> While much of the literature on stakeholder engagement has emerged from within the corporate environment the themes are instructive for the not for profit, educational and government sectors.

From the outset it should be noted that the term “stakeholder” is contested in the literature. Friedman and Miles (2006) in their analysis cite over 55 different definitions. It is this proliferation that has given rise to criticism of the concept as, “*muddled*”, “*a vague and cryptic concept*”, “*a slippery creature*”, “*content free and meaning almost anything the author wants it to mean*”.<sup>4</sup> One of the earliest cited uses of the term “stakeholder perspective” was in an internal Stanford Research Institute memo where stakeholders were defined as “*those groups without whose support the organisation would cease to exist.*”<sup>5</sup> One of the more widely accepted definitions which continues to delineate the boundaries of the debate is Freeman’s (1984) wherein he defines stakeholders as “*...any group or individual who is affected by the achievement of the firm’s objectives.*”<sup>6</sup>

While tertiary education has generally adopted the synonym community engagement there is also ample evidence of looseness in definition. Much of the literature on tertiary education engagement has emerged from the university sector. In the USA it has been stimulated by a rethinking of the role of the land-grant university. In the UK and wider commonwealth the influential report by the Association of Commonwealth Universities (2003) both captured emerging practice and stimulated development in a number of countries. In Australia the Australian Universities Community Engagement Alliance (AUCEA)<sup>7</sup> was formed following a forum sponsored by the University of Western Sydney in 2002, which explored the issues and challenges facing universities in connecting to regional and urban communities. As a consequence numbers of definitions of community engagement have been proposed from within the university sector. The influential Kellogg Commission describes engagement thus, “*By engagement we refer to institutions that have redesigned their teaching, research and extension and service functions to become more sympathetically and productively involved with their communities, however*

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<sup>3</sup> Androif J, Waddock S, Husted B, Rahman S Unfolding Stakeholder Thinking Greenleaf Publishing 2002 p 9

<sup>4</sup> Friedman A, Miles S Stakeholders Theory and Practice Oxford 2006 p4

<sup>5</sup> Freeman 1984:31 as cited in Friedman A, Miles S Stakeholders Theory and Practice Oxford 2006

<sup>6</sup> Ibid p46

<sup>7</sup> <http://aucea.med.monash.edu.au:8080/traction>

*community may be defined.*<sup>8</sup> The Association of Commonwealth Universities picks up on the interactive nature of engagement and the transformative impact that such a relationship can have for institutions. *“Engagement implies a strenuous, thoughtful, argumentative interaction with the non-university world in at least four spheres: first, setting universities aims, purposes and priorities, secondly, relating teaching and learning to the wider world, thirdly the back and forth dialogue between researchers and practitioners; and fourthly, taking on fuller responsibilities as neighbours and citizens.”*<sup>9</sup> The University of Western Sydney, a higher education leader in the field of community engagement in Australia, argues that, *“a fundamental and urgent priority must be to develop institutional language for engagement that promotes a consensus view among staff, students and community.”*<sup>10</sup>

Andriof and Waddock (2002) conclude that whatever the definition, there is an agreed core idea within the literature, namely that organisations are required to address stakeholder expectations and will increasingly find themselves engaged with stakeholder groups or their representatives in various ways as part of a process of meeting those expectations.

It has come to be accepted wisdom that organisations, in the case of this article those comprising the tertiary education system<sup>11</sup>, should take into account the views of stakeholders and develop processes for effective engagement. However Michelle Greenwood in a provocative working paper (2005) and subsequent article (2007) challenges the assumption that stakeholder engagement is necessarily responsible practice and that if an organisation is engaging with its stakeholders it is demonstrating its commitment, through policy and practice to their interests. The extension of this argument is that the more an organisation engages with its stakeholders, the more accountable and responsible that organisation is towards them. She suggests *“... that attending to the needs of stakeholders, or engaging with stakeholders, is an inherently responsible action on the part of the firm is fallacious. Just because an organisation attends to stakeholders does not mean they are*

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<sup>8</sup> Kellogg Commission on the Future of State and Land Grant Universities. Third Report 1999:vii

<sup>9</sup> The Idea of Engagement: Universities in Society. Association of Commonwealth Universities 2003:7

<sup>10</sup> B Thompson 2008 The use of the E-word: What exactly is “Engagement”? AUCEA published conference papers

<sup>11</sup> It is clear from the tertiary education reform documents and from TEC’s 2007 Statement of Intent that the intention is that the system/sector becomes better engaged with its stakeholders. This does not however allow TEC to abdicate its leadership role or the responsibility it has as a crown agency to engage with its stakeholders.

*responsible towards them. Likewise, just because an organisation does not engage with stakeholders does not mean that the organisation is irresponsible towards them. The mitigating factor in the relationship is the reason or reasons why the organisation engages stakeholders.*<sup>12</sup> The point being made by Greenwood is not that an organisation shouldn't engage but rather that the rationale for stakeholder engagement must be clearly articulated, agreed and understood.

The Public Engagement agenda emerging from Canada also calls for a clearer definition of purpose and for enhanced public dialogue between government and citizens. Where it differs from the OCVS is that they argue for a shift away from the traditional consultation models.<sup>13</sup> Their thesis is that an over reliance on the consultation model by governments has produced a number of unfortunate consequences; the shifting of responsibility for solving complex issues on to government, the disengagement of citizens, distrust of government, the emergence of interest groups, government risk averseness and a win lose approach to consultation and policy making. They propose creating a culture of civic participation and evidence informed debate that is based on what they term "deliberative dialogue" and engagement.<sup>14</sup>

When it comes to characterising the Canadian and the OCVS approaches as community or stakeholder engagement the difference is that the OCVS have appropriated for understandable reasons the word engagement to describe what was previously referred to as public consultation and public/ citizen participation in policy making. Lenihan et al (2008) have attempted in their work to move beyond consultation as a mode of engagement to explore the processes that give rise to more sophisticated forms of citizen engagement and the co-production of knowledge, policy options and solutions to pressing issues through deliberative evidence informed dialogue. However both rightly argue that government and their agencies do need to find new ways to not only engage with citizens but to facilitate an engaged citizenry in addressing critical social, economic and environmental issues.

With respect to governments engaging with citizens both Lenihan et al (2008) and the OCVS usefully state the benefits of enhanced engagement while also exploring some

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<sup>12</sup> Greenwood Michelle 2004 Stakeholder Engagement as Social (ir)responsibility Working Paper 1/04

<sup>13</sup> D Lenihan, T Barber, G Fox, J Milloy 2007 Progressive Governance for Canadians: What you Need to Know. Published Crossing Boundaries

<sup>14</sup> Ibid p121

of the anxieties experienced by government agencies in moving down this track. Rondinelli and London (2002) have also sought to isolate the factors that can prevent the development of productive relationships between corporate's and NGO's in environmental collaborations.

<b>OCVS observations of factors that prevent engagement <sup>15</sup></b>	<b>Lenihan's observations of anxieties experienced by public officials <sup>16</sup></b>
<ul style="list-style-type: none"> <li>· Government agencies dictate the process too much instead of working collaboratively</li> <li>· Greater respect needs to be shown for the expertise of communities</li> <li>· Public servants seem to fear that collaboration will mean a loss of control</li> <li>· Frequent staff turnover and agency restructuring impact on the ability of government agencies to maintain ongoing relationships</li> <li>· Excessive focus on community organisations service delivery functions and compliance requirements can mean that the value of community organisation advocacy and policy roles are overlooked or inhibited</li> <li>· Government is averse to trying new engagement approaches in case they draw critical media or political attention.</li> <li>· Lack of government agency commitment and staff with the necessary competencies.</li> </ul>	<ul style="list-style-type: none"> <li>· Ambivalence by officials to embrace this way of working as they will need to learn new skills to work in a public engagement model</li> <li>· Collaborative working may create unrealistic expectations from citizens</li> <li>· May increase fiscal pressure on government</li> <li>· Loss of control</li> <li>· New challenges and priorities may emerge that challenge the current government agenda</li> <li>· Will politicians want to loosen control of the political agenda</li> <li>· A more open approach may expose government to media scrutiny</li> <li>· It will encourage grandstanding from interest groups?</li> </ul> <p><b>Rondinelli and London <sup>17</sup></b></p> <ul style="list-style-type: none"> <li>· Mistrust</li> <li>· Fear of loss of control</li> <li>· Misunderstandings of motivations and intent of the partners</li> </ul>

**Table 1.0 Factors that inhibit collaboration**

Irrespective of their different approaches the conclusion reached by the OCVS captures the essence of the challenge, *“a change is needed in the culture and practices of government when relating to civil society.”*<sup>18</sup>

<sup>15</sup> OCVS 2008

<sup>16</sup> Lenihan2008:13f

<sup>17</sup> Stakeholder and Corporate Responsibilities in Cross-sectoral Environmental Collaborations in: Androif J, Waddock S, Husted B Rahman S Unfolding Stakeholder Thinking Greenleaf Publishing 2002 p 202

<sup>18</sup> Ibid p 11

## **The intent of the New Zealand Tertiary Education Reforms**

The relationship between tertiary institutions, the state and the wider society has long been a matter of tension and debate. This is no more so than in the case of universities who while arguing for independence from the state and for academic freedom have also argued for increased public funding which from a public policy perspective must carry with it a set of accountabilities and expectations. Universities, at least from a funding perspective have become complex mixed economies. In the New Zealand environment universities have since 2000 received on average 43% of their funding from the state<sup>19</sup>. Institutes of Technology and Polytechnics (ITP's) averaged 60% over the same period while Wananga received 86% of its revenue from government. In the Australian university context there has been a similar shift to a growing dependency on non-government funding sources. The recent Review of Higher Education<sup>20</sup> argued for a "rebalancing" by increasing public funding to provide an "adequate and stable base". The reviewers suggest that other sources of revenue should be in addition to public funding and not as a substitute. Given the multiplicity of sources of revenue Malcolm Gillies when Vice Chancellor of City University London observed that, "*In many cases they [universities] have become "post-public" institutions with confusion of role both externally and internally.*"<sup>21</sup> He goes on to suggest that, "*A university's role changes to reflect the obligations it incurs to each of its funding partners in a more diversified world of higher education.*" So while Tertiary Education Institutions (TEI's) may argue that to varying degrees they are not wholly reliant on government funding, none the less government does and can legitimately on behalf of citizens have expectations that TEI's will "produce public value." (Moore 2005)

There is a real sense in which the New Zealand tertiary reforms, as envisaged by the 4<sup>th</sup> Labour Government, were designed to renegotiate and some would say rebalance the relationship between the state, tertiary education organisations and stakeholders. Embedded in the tertiary education reforms was a redefinition of the relationship between the end user and beneficiary of tertiary education (stakeholder), the state and the educational provider. In introducing the reforms the then Minister of Tertiary Education said, "*This is more than a new funding system. It is a whole change in the*

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<sup>19</sup> [http://www.educationcounts.govt.nz/statistics/tertiary\\_education/financial\\_performance](http://www.educationcounts.govt.nz/statistics/tertiary_education/financial_performance) This excludes research received via agencies such as FORST, Health etc. total external research income accounts for an additional c12% of their income.

<sup>20</sup> [Review of Higher Education](#) Australian Government 2008

<sup>21</sup> M Gillies 2008 The role of universities in knowledge-based society. [Campus Review](#) p7-9 28.10.08

*way institutions think about what they offer, how they plan, how they budget and how they contribute overall.”*<sup>22</sup> Or to quote the Tertiary Education Commissions Investment Guidance 2008 -2010, “*A key theme of the tertiary reforms is the importance of TEO’s [tertiary education organisations] understanding and addressing the needs of stakeholders.*”<sup>23</sup> Implicit in the reforms was the message that effective processes of engagement between the component parts must underpin the tertiary education system.

The emergence of an enhanced focus on stakeholder engagement in tertiary education is not just a New Zealand phenomenon. A number of factors were driving this trend internationally. To quote from the 2008 Australian Higher Education Review discussion document, “*Greater engagement between higher education and communities has arguably also evolved to meet the expectations of citizens for a greater voice in society and in response to community-identified needs, opportunities and questions that align with academic strengths. This trend and the opportunities which it offers for development of greater synergies across higher education, industry, governments, regional agencies and community groups, has been formally recognised in a number of countries.*”

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<sup>22</sup> Hon Pete Hodgson 27.11.07.

<sup>23</sup> Investment Guidance 2008 – 2010:8 TEC 2007

#### **Imperatives for enhanced engagement**

- The urgent need to address complex and critical social, cultural, economic and environmental threats many of which are cross cutting and require sophisticated responses.
- The changing nature of knowledge generation and recognition that knowledge creation is no longer the sole province of the academy and requires inter-sectorial collaboration.
- The demand by students for engaged learning that can improve learning achievement, retention, social/civic responsibility and employability.
- The demand by employers for work ready graduates.
- The practical reality that academic involvement in increasing community capacity and educational attainment requires collaboration.
- The expectations by governments who are increasingly focused on the creation of public value
- The growing expectation by citizens of participation in decision making in respect to areas that affect them. People no longer see themselves as passive consumers of government policies and programmes.

Sources: Holland and Ramaley (2008), Pearman (2005), Moore (1995) Lenihan (2007)

**Table 2.0 Factors demanding enhanced engagement in Tertiary Education**

Summarised, the policy intent was the development of an engaged tertiary education system, the articulation of stakeholder voice and need, and responsive investment on behalf of government to ensure that this investment contributed to social and economic development.

The OECD (2007c)<sup>24</sup> in its research found that more active engagement by tertiary education providers, particularly around longer term community development and cultural issues, was constrained in many countries by the policy, funding and regulatory environments in which the higher education institutions operate. It could therefore be suggested in the New Zealand context that while the broad intent was well articulated in the reform documents, the “story” of the reforms was well communicated through 2007/08 and that the structures were created, there was an underestimation of the inertia in the system, the influence of political lobbies and the vulnerability of policy initiatives to a three year election cycle.

A change in government in November 2008 gave rise to a “realignment” proposal by the TEC in March 2009 that ultimately saw the demise of the stakeholder engagement function within TEC. Announcing the changes the TEC stated, *“The changes recognise that building relationships with stakeholders – communities, iwi, employers, industry, students and others – is part of the core business of tertiary education organisations. The TEC will no longer carry out direct stakeholder*

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<sup>24</sup> Organisation for Economic Co-operation and Development (OECD) 2007c, Higher Education and Regions: Globally competitive, locally engaged, OECD, Paris

*engagement activities.*<sup>25</sup> While one cannot argue with the first part of the statement what is mystifying in light of international trends, not only in tertiary education but also in the government sector, is the stepping back by the TEC from engaging with stakeholders.

It is argued (Pearman 2005) that where robust processes of engagement with stakeholders and the articulation of voice is embedded into the tertiary education providers culture that stakeholder engagement has the potential over time to be transformative. Holland (2005) in an insightful paper, almost pre-empting the New Zealand tertiary reforms agenda, argued that engagement between institutions of higher learning and their communities can lead to greater institutional intentionality and a more specific and focused research and teaching agenda resulting in institutional distinctiveness. *“Beyond commercialisation or technology transfer, engaged teaching and research through academic-community partnerships across different types of institutions can produce valuable direct impacts for local, regional and national economic, social, cultural, educational and health concerns.”* She goes on to argue that *“to reap this benefit, policy leaders should consider negotiating unique mission based portfolios for different universities, accompanied by more specific accountability plans that align with that specific mission and scholarly agenda.”*<sup>26</sup>

When we review the literatures and reflect on best practices in public and civic engagement, (Lenihan 2008, OCVS 2008) community engagement (Pearman 2005, Holland and Rammely 2008, U'Ren A and B U'Ren 2008) and stakeholder engagement in the commercial and environmental arena (Androif, Waddock, Husted, Rahman 2002, Rondinelli and London 2002, Freeman & Miles 2006) a relatively consistent set of themes, values and behaviours emerge in all of the literatures. Contextualising this to the tertiary education system suggests that an engaged tertiary education system would be characterised by the growing presence of interpersonal and inter-organisational trust, respect based relationships, reciprocity of exchange, dialogue and the flow of mutual benefits.<sup>27</sup>

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<sup>25</sup> TEC Announcement may 2009. <http://www.tec.govt.nz/upload/downloads/realignment-stakeholder-engagement.pdf>

<sup>26</sup> Holland B Scholarship and Mission in the 21<sup>st</sup> Century University: The role of engagement. Australian Universities Quality Agency forum 5 July 2005 <http://www.auqa.edu.au>

<sup>27</sup> Review of Australian Higher Education: Discussion Paper [http://www.dest.gov.au/NR/rdonlyres/06C65431-8791-4816-ACB9-6F1FF9CA3042/22465/08\\_222\\_Review\\_AusHEd\\_Internals\\_100pp\\_FINAL\\_WEB.pdf](http://www.dest.gov.au/NR/rdonlyres/06C65431-8791-4816-ACB9-6F1FF9CA3042/22465/08_222_Review_AusHEd_Internals_100pp_FINAL_WEB.pdf)

<b>Factors that facilitate engagement between universities and their communities</b> Holland and Ramaley (2008) Pearman (2005)	<b>Factors that underpin effective civic engagement</b> Lenihan et al 2008	<b>Factors that are crucial to collaboration in cross sectoral environmental collaborations</b> Rondinelli and London (2002)
<ul style="list-style-type: none"> <li>· Reciprocal learning</li> <li>· Shared and joint responsibility</li> <li>· Reciprocal contributions and benefits</li> <li>· Sustained over time</li> <li>· Partnerships that ensure a mutually beneficial exchange of knowledge</li> <li>· Learning, exchanging and discovering together</li> <li>· Dependant on quality relationships</li> <li>· Designed to promote learning and exchange of knowledge</li> <li>· Agreement on common goals</li> <li>· Mutual respect</li> <li>· Resource sharing</li> </ul>	<ul style="list-style-type: none"> <li>· Genuine dialogue</li> <li>· Building of trust and goodwill</li> <li>· Government acting as convenor, facilitator and enabler of dialogue</li> <li>· Collaboration in defining the issue and reaching a shared understanding</li> <li>· Shared ownership of the processes and outcomes</li> <li>· Mutual accountability</li> <li>· A leadership style that brings people into discussions, thinks through the issues fairly and reasonably, shows confidence in the capacity of people to find solutions and encourages them to take responsibility for implementing the solutions.</li> </ul>	<ul style="list-style-type: none"> <li>· Creation of reciprocal value</li> <li>· Accrual of mutual benefits</li> <li>· Creation of value through learning from each other and creation of new ideas</li> <li>· Sharing of complimentary knowledge</li> <li>· Establishment of external and internal legitimacy through maintaining open minds, engaging in frank discussions jointly defining problems jointly seeking solutions</li> <li>· Development of trust through fostering personal relationships. The relationship is seen as long term.</li> </ul>
<b>Factors that ensure effective engagement and partnerships</b> <sup>28</sup> OCVS 2008	<b>Standards for effective government agency engagement</b> OCVS 2008:22 <sup>29</sup>	
<ul style="list-style-type: none"> <li>· Trust</li> <li>· Commitment</li> <li>· Respect</li> <li>· Honesty</li> <li>· Reciprocity</li> </ul>	<ul style="list-style-type: none"> <li>· Agency defines the principles by which it engages</li> <li>· Agency is clear why it is engaging</li> <li>· Agency builds and maintains effective relationships</li> <li>· Agency chooses the appropriate way to engage</li> <li>· Agency tests the quality of its engagement.</li> </ul>	

**Table 3.0 Values and behaviours that underpin effective engagement**

<sup>28</sup> Strong, Ringer and Taylor 2001 in the management literature identify 3 critical factors for stakeholder satisfaction; timelines of communication, honesty and completeness of information and empathy and equity of treatment

<sup>29</sup> Also see OECD 10 Guiding Principles for Engaging Citizens.  
<http://213.253.134.43/oecd/pdfs/browseit/4201141E.PDF>

## **Community Engagement – tertiary education providers and their stakeholders**

Emergent practice within the tertiary education sector is as one would expect, variable and underpinned by differing understandings as to what stakeholder/ community engagement in fact is and the structures and processes that are needed to engage effectively.

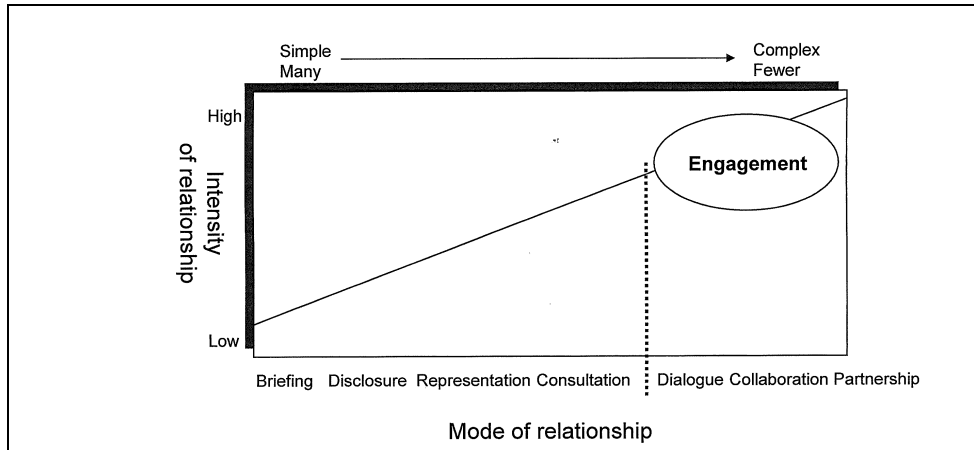
For example is stakeholder /community engagement;

- community, business, union and student representation on governing councils or,
- consulting on course design and having industry membership on programme advisory boards or,
- internship programmes and practicum's or,
- consulting communities in drafting strategic statements?

The answer to these questions is “it depends”. As previously argued engagement is a qualitatively different process to representation, briefing and consulting and underpinned by a distinct set of values and behaviours. As early as the 1960's Arnstein (1969) developed a ladder of public involvement in public policy creation ranging from paternalistic approaches to a more participatory system. Friedman and Miles (2006)<sup>30</sup> have adapted this model to identify 12 distinct levels of stakeholder relationships ranging from non-participation – manipulation, informing, and briefing - through to approaches that are proactive, based on trust and genuine dialogue. In my own model (Figure 2.0) I would suggest that engagement, as opposed to stakeholder management, is more likely to occur as we move towards relational approaches that are based on dialogue, collaboration and partnership. It is however recognised that not all relationships that organisations have with stakeholders will be characterised as truly engaged relationships, the intensity and complexity of engagement will require discrimination and the focussing of resources on those relationships that are critical.

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<sup>30</sup> Friedman and Miles 2006:162 The 12 steps are manipulation, therapy, informing, explaining, placation, consultation, negotiation, involvement, collaboration, partnerships, delegated power, stakeholder control.



**Figure 2.0 Model of Stakeholder Engagement.**

U'ren and U'ren (2008) in the higher education context have identified three types of relationships with business and community, those that are charitable with one side giving all, expert where a hierarchy exists in the relationship based on expertise and justice based where resources are viewed as mutual and issues as jointly owned. The later is more akin to what I would describe as stakeholder engagement. In my own research (Pearman 2005) within the university sector I found that irrespective of organisational structures or nomenclature the practices of service and outreach and engagement are demonstrably different.

	Service and Outreach	Engagement
Focus	Public service, sharing knowledge and expertise, benevolence	Mutual goals – mutual contribution - mutual benefits
Time	Episodic	Sustained
Direction	One way	Two way
Academic focus	Dissemination	Exchange informs teaching and research Ensures relevance
Whose agenda drives activities	Tertiary education provider	Community
Mode of working	Provider	Partner
Benefit	Revenue for Tertiary education provider	Regional economic and social development. Relevance in teaching and research
Relationship to Tertiary institutions mission	Fulfils service mission	Addresses research, teaching and service missions.
External relationships	Linkages	Formal arrangements Communicative Interaction, dialogue. Permeable membrane

**Table 4.0 From Service and Outreach to Engagement**

In Australia there is now a strong community engagement movement within the university sector. Established in 2002 the Australian University Community Engagement Alliance (AUCEA) has a membership of 34 universities and is a recognised voice within the university sector and with government. In 2008 AUCEA released a key document <sup>31</sup>intended to define and guide practice and policy.

<b>Principles of University Community Engagement</b>
1. University community engagement is based on a mutually beneficial exchange of knowledge and expertise between universities and communities
2. The university produces graduates who are ethical and engaged citizens.
3. The university engages with its communities to create a more accessible, outward reaching and inclusive society.
4. The university identifies its communities by acknowledging community values, culture, knowledge and skills, and works with those communities to develop a mutually-beneficial agenda.
5. Engaged research is designed, managed and disseminated as a partnership that addresses both academic and community priorities.
6. Engaged learning and teaching programs respond to individual and community needs and opportunities and links to specific learning goals and experiences for students. Programs are designed and managed in partnership with communities, and are socially inclusive and globally and locally relevant.
7. Community Engagement is embedded in the governance, operations, budget, curricula, plans, policies and life of the university.
8. Engaged universities articulate their mission, culture and values for the community, and regularly reflect on these in the context of community conditions and partnerships.
9. The University and community work together to monitor partnerships, measure impacts, evaluate outcomes, and make improvements to their shared activity

**Table 5.0 AUCEA Principles of University Community Engagement**

Drawing on the values, practices and definitions discussed within the higher education literature from the USA, UK and Australia I would propose the following definition of stakeholder or community engagement. *“Community engagement is a sustained, embedded and reciprocal exchange between a tertiary education provider and its communities, which through enlightened policies and practices transforms its core functions, be they research, teaching or service and as a result contributes to social and economic development.”*<sup>32</sup> It is therefore proposed that if tertiary

<sup>31</sup> <http://aucea.med.monash.edu.au:8080/traction/permalink/Website352>

<sup>32</sup> Pearman 2005

education organisations are to characterise activities and relationships as stakeholder or community engagement they must demonstrate the following characteristics;

- be an exchange relationship between two or more parties
- be underpinned by interpersonal and interorganisational trust, reciprocity and dialogue
- be mutually beneficial - both contribute, both benefit
- be sustained over time and not episodic.
- be transformative in that for all parties there is an acceptance, even desire that things will be different as a result of the relationship.

### **Conclusions**

This article has highlighted the case for enhanced stakeholder engagement from the moral perspective of citizen rights, the ethical perspective of social responsibility, the public policy perspective of enhanced value and return on taxpayer investment and from the end-user perspective of enhanced educational outcomes and relevance.

Tertiary education in New Zealand must be understood from a sector wide or systems perspective as comprising a diverse range of partners in a dynamic relationship that is constantly being re-negotiated; the government, the policy and funding agency (TEC), quality assurance agencies, peak bodies, providers and the end users. It has been argued that the reforms anticipated a rebalancing within that relationship and that stakeholder voice would come to more fully inform and shape investment, policy and provision. The question that remains is to what extent a genuine and demonstrable change is taking place - a sea-change - or is it a case of the emperor's new clothes, the adoption of a new discourse with pockets of change that are consistent with the principles articulated in this article and anticipated in the reforms.

In the context of public engagement, overseas research cited by the OCVS<sup>33</sup> shows that successful public engagement has two key components, public agencies that are willing, able, structured and managed so as to engage citizens in open and constructive a way as possible and citizens who are willing, able and supported to get involved. It could be argued that when applied to stakeholder engagement within

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<sup>33</sup> As cited by the OCVS 2008:20 See Rogers B&E Robinson (2004) The Benefits of Community Engagement: a review of the evidence. UK Home Office.

the tertiary education sector that for voice to be integrated and effective it requires that the component parts of the system are appropriately structured, committed to engaging, competent in eliciting voice and have in place effective mechanisms to integrate voice into their decision making along with a willingness to create enduring and mutually beneficial relationships. It is not just a matter of either being engaged or not or the re-branding of practises and the adoption of a new lexicon in an attempt to convey legitimacy. In reviewing the policies and practices across a number of research-intensive universities in the USA I was able to identify 10 clusters of practices that facilitated community engagement.

1. Leadership who understood what engagement meant and subscribed to a partnership model of working
2. Clearly articulated mission statements that included community engagement
3. A designated senior person with responsibility for championing engagement
4. Engagement was clearly linked to scholarship and not seen as a substitute for service
5. There was a strong connection between the research, teaching and service missions with the engagement value permeating all three
6. Consistent messages within the institution and externally as to what was expected in respect to engagement, with best practice and excellence profiled internally and externally
7. Strong focus on relevance, reciprocity of benefits, impacts and outcomes
8. Incentives, promotion policies, rewards and grants aligned to the engagement agenda
9. The creation of multiple opportunities and forums for staff to be interacting with their communities
10. The presence of key staff that acted as cross unit (College/ Faculty) brokers and internal consultants to assist staff to develop innovative partnerships and interdisciplinary programmes.

As illustrated, the mix of visionary leadership, policy, practices and incentives aligned to a clear engagement philosophy were key ingredients in lifting the level of engagement between the higher education institutions studied and their communities. Equally the same factors could be adapted and applied to New Zealand Universities, Wananga, Institutes of Technology and Polytechnics and Private Training Establishments.

Samuelson and Birchard (2003) in commenting on the turn around that happened in a major multinational when it took stakeholder voice seriously acknowledged that integrating stakeholder engagement into an organisation is not easy but observed it was achieved by a culture shift that embedded voice into all the core processes of that organisation not just its external relationships. Engagement demands far more than the rebranding of processes that would have previously been referred to as consultation or representation – the emperor’s new clothes. Stakeholder engagement is qualitatively different and based on a set of values, processes and social practices that has the potential to transform an institution and contribute to enhanced educational outcomes in the 21<sup>st</sup> century – a sea change.

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