

Responsive and proactive stakeholder orientation in public universities: antecedents and consequences

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Abstract This study, based on institutional theory, dynamic capabilities, and stakeholder theory, investigates the relationships between the antecedents of responsive and proactive stakeholder orientation and their consequences in the public university context. The results obtained mainly stress that the mimetic effect of copying successful university actions, the emphasis of top university managers on both stakeholder orientations and better communication, and the relationship between managers of different university structures, have positive effects on responsive and proactive stakeholder orientation. The results suggest that those universities which are more responsive and/or proactive oriented towards stakeholders obtain better organisational performance in terms of beneficiary satisfaction, acquisition of resources, and reputation. Our findings show that to achieve specific goals in university performance, such as improving university reputation, a responsive stakeholder orientation is not sufficient, and a proactive stakeholder orientation is also needed.

Keywords Stakeholder orientation · Higher education management · University performance · Public universities

Introduction

The ambience surrounding traditional universities has undergone great changes in recent years, brought about by the entrance of new players, such as employers, the local community, lobbies, or the media (Mainardes et al. 2014). Those changes have forced universities to assume responsibility towards society and both maintain and improve their leadership in the development and dissemination of knowledge, all while paying special attention to the aspirations and needs of their key stakeholders (Akonkwa 2009;



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Benneworth and Jongbloed 2010; Bjørkquist 2008; Jongbloed et al. 2008). It is difficult to define stakeholder profiles and the priority of the objectives of such organisations, however, because of the inherent complexity involved in carrying out their activities and services (Frasquet et al. 2012). On the other hand, it is better to think in a multi-orientational way regarding university stakeholders, instead of thinking only in terms of customers, as the traditional market orientation (MO) view recommends (Ferrell et al. 2010).

In a recent definition of marketing, the American Marketing Association (2013) emphasises that an organisation should fulfil the expectations of *society at large*, instead of just satisfying their customers' needs and wants. This alternative view has been called *stakeholder orientation* (SO), and it is defined as a behaviour that consists of focusing the organisation towards the different stakeholders in society as a whole (Laczniak and Murphy 2012; Maignan et al. 2005; Parmar et al. 2010).

Following recent research into market orientation that makes a distinction between responsive and proactive market orientation (Narver et al. 2004; Voola and O'Cass 2010), we also analyse the responsive and proactive stakeholder orientation. A responsive stakeholder orientation (RSO) would mean an organisational attempt to understand and satisfy the expressed needs of stakeholders, whereas a proactive stakeholder orientation (PSO) would represent an organisational attempt to understand and satisfy the latent needs of stakeholders. Following this, the main goal of this study is to develop and test a conceptual model of RSO and PSO, with their antecedents and consequences, contextualised to public universities. In doing so, we have to start by defining new the constructs of RSO and PSO applied to public universities, identify the main antecedents for these orientations, and finally define the key measures of public university performance.

Our research is completely original because, although some empirical studies have analysed the antecedents and/or the consequences of market orientation within *higher education institutions* (HEIs), no previous studies have empirically investigated the antecedents and consequences of a stakeholder orientation as a dynamic capability in public universities. In addition, no previous studies have separately analysed the effects of reactive and proactive stakeholder orientation on university performance. Although the theoretical concept of the latent needs of HEIs has received some theoretical attention (Hemsley-Brown and Oplatka 2010; Macedo and Pinho 2006), we could not identify any research analysing a PSO in the HEI context.

In the present investigation, we thus attempt to fill these important research gaps. The research was developed among public universities in Spain: firstly, because public universities are very important in the Spanish HEI system, and secondly, because it is necessary today to change the traditional culture of public universities from a *towards and passed* approach to a more flexible culture of *out and into the future* (Gómez Mendoza 2010).

To achieve our objectives, this study is structured as follows. First, we analyse the newly emerged concepts of stakeholders and how they fit in HEIs. Second, we combine institutional theory, dynamic capabilities theory, and stakeholder theory to discuss the appropriateness of implementing a RSO and a PSO in public universities by developing a set of hypotheses which analyse the antecedents and the consequences of a RSO and PSO. Third, we present the methodology and the research design. We test then the hypotheses using covariance-based structural equation modelling (CB-SEM) and discuss the results

¹ In for-profit firms, MO is seen as a key strategy to promote customer satisfaction and loyalty, to create a firm's value, and to improve organizational performance (Jaworski and Kohli 1993; Narver and Slater 1990).

attained. Finally, we present the study's contributions, implications, limitations, and future research directions.

Theoretical framework

Dynamic capabilities theory was first formulated by Teece and Pisano (1994) and Teece et al. (1997) and later recognised as a theoretical framework within the theories of strategic management (Di Stefano et al. 2010; Teece 2007). This theory states that in building a conceptual framework for dynamic capabilities, the first thing to do is to identify the sources of competitive advantage, since these sources are rare and difficult to replicate. In the university context, some studies maintain that the adoption of a market orientation implies a potential manifestation of a dynamic capability as a type of business culture and climate that will most effectively lead the organisation to the necessary behaviours and actions which will give it a sustainable competitive advantage (Lynch and Baines 2004; Ma and Todorovic 2011).

Through an in-depth review of the studies made on market orientation and stakeholder orientation in universities, we conclude that it is necessary to readapt the concepts traditionally used by incorporating the idea of proactive and responsive behaviours. Accordingly, we propose splitting the construct of stakeholder orientation in public universities into two new constructs: RSO and PSO. Hence, following Voola and O'Cass (2010), this study conceptualises RSO and PSO as dynamic capabilities that influence a firm's performance.

Institutional theory examines the role of social pressures and influences on organisational actions; it posits that the social context in which organisations act constrains and guides their behaviour (DiMaggio and Powell 1983, 1991; Meyer and Rowan 1977; Scott 1987, 1995). DiMaggio and Powell (1991) identify three mechanisms through which pressures towards isomorphism are exerted: 'coercive', which stems from formal and informal pressures; 'mimetic' which succeeds when an organisation consciously models itself after another that it believes to represent a higher level of success and achievement in the public eye; and 'normative', which is rooted in the process of professionalisation in which values, codes, and standards are imposed by organisations.

Oliver (1991, 1997) claims that a firm's sustainable competitive advantage depends on its ability to manage the institutional resources and capabilities' context. In the context of market orientation, Auh and Menguc (2009) explain that firm behaviour is the result of not only internally developed marketing resources and capabilities, but also of how the institutional factors of the societal environment affect the firm. Furthermore, Ferrell et al. (2010) propose a more inclusive definition and operationalisation of the market orientation construct that includes the relevant individual market participants (i.e. competitors, suppliers, and buyers) and influencing factors (i.e. social, cultural, regulatory, and macroeconomic factors). Thus, influences from institutional factors should be considered in order to identify, contextualise, and define the environmental antecedents of RSO and PSO in public universities (Handelman et al. 2010).

Stakeholder theory was first explained in the seminal work of Freeman (1984) and underwent extensive development in the 1990s through the work of Clarkson (1995), Donaldson and Preston (1995), Freeman (1994), and Mitchell et al. (1997), among others. This theory emerged in the field of strategy and is grounded in the belief that the final performance of an organisation should consider not only just the returns to its shareholders,





but also the returns that involve stakeholders. Specifically, Mitchell et al. (1997) argue that institutional theory and the theory of population ecology correctly explain the effects of the environment on organisations, but they suggest that these are less effective when it is necessary to understand the power of managing the relationships between various stakeholders.

Nowadays, the importance of stakeholder interests, views, influences, involvement, needs, and rules is incorporated into the work of the most prominent authors in the field of evaluation theory and practice (Bryson et al. 2011). Moreover, Harrison et al. (2010) affirm that the increase in the interest in stakeholder theory is also likely to be due to the recognition of the importance of stakeholder relationships in the acquisition and development of competitive resources. Hence, the stakeholder approach has also been used to contribute the assessment of organisational effectiveness (Parmar et al. 2010; Harrison et al. 2010). In this way, results obtained by Maignan et al. (2011) reveal that stakeholder orientation has a strong positive association with organisational performance. Thus, according to Benneworth and Jongbloed (2010), university stakeholders are actors (organisations, agencies, clubs, groups, or individuals) who gain or lose from an organisation's activities, with an interest (stake) in the organisation's performance.

Formulation of hypotheses

Antecedents to RSO and PSO

According to Bjørkquist (2008), Ferrer-Balas et al. (2009), and Van Raaij and Stoelhorst (2008), among others, in the present study, we split the antecedents of RSO and PSO into two factors: external and internal antecedents. External antecedents are those environmental factors which stimulate a firm's adoption of a stakeholder orientation—i.e. coercive pressures, mimetic pressures, and normative pressures. Internal antecedents are those organisational factors which enable the adoption of this orientation—i.e. the traditional culture of the university, the complexity of the university, top management emphasis, and cohesion among university structures.

To identify the coercive factors in Spanish public universities, we rely on the classification model for organisational stakeholders proposed by Bennett and Kottasz (2011), who in turn follow the contributions of Cheng and Yu (2008) and DiMaggio and Powell (1983). Thus, we identify the 'regulatory stakeholders' and the 'controller stakeholders' as those groups of stakeholders that hold influence over the university, and the 'partner stakeholders' as those groups of stakeholders that influence and are influenced by the university.

In accordance with the aforementioned arguments and with Bennett's and Kottasz's (Bennett and Kottasz 2011) study, coercive factors are a formative construct² rather than a reflexive construct.³ Given the CB-SEM methodology employed in the present study, we propose considering only those indicators that have a reflective character.

In response to uncertainty regarding environmental factors, managers frequently adopt ideas and practices observed from similar organisations (DiMaggio and Powell 1983).

³ The causality of the reflective construct is directed from the latent construct to the indicators, with the underlying hypothesis that the construct causes changes in the indicators (Edwards and Bagozzi 2000; Fornell and Bookstein 1982; Jarvis et al. 2003).



² Formative measures indicate that a latent variable is measured using one or several of its causes (indicators), which determine the meaning of that construct (Edwards and Bagozzi 2000; Jarvis et al. 2003).

Hence, according to Hanson (2001), institutional theory focuses on the constraints in the environment of organisations that limit their ability to change; consequently, organisations tend to adopt the same structural designs as other organisations, regardless of whether these designs are the best or not (Fernández 1999; Oliver 1991). In the university context, the existence of a networking environment in which every university is visible to every other university can enhance the mimetic effect, and thus the need to copy the successful actions of others (Van der Wende 2007). We therefore expect a positive mimetic effect on RSO and PSO, and thus, the following hypotheses are suggested:

H1 Mimetic factors based on copying the successful actions of other public universities have a positive effect on the adoption of an RSO.

H2 Mimetic factors based on copying the successful actions of other public universities have a positive effect on the adoption of a PSO.

Bennett and Kottasz (2011) define normative pressures as those resulting from managerial behaviour and often from training and professional experience in the strategic orientations that generate certain values among managers. Specifically, Zhou et al. (2009) describe two aspects of managerial professionalism that contribute to the success of an organisation: professional commitment, which reflects an individual's career orientation, and professional education, which is related to the senior managers' dedication to the continuing development of their professional skills.

As coercive factors, normative factors are also a formative construct. Thus, we propose not considering them in our theoretical model.

Regarding institutional theory, we could consider Thornton et al.'s (2012) 'institutional logics perspective' as a meta-theoretical perspective for studying how individual and organisational actors are influenced by and create and modify elements of institutional logics, which conceivably changes values. This means that, while actors may reproduce behaviours consistent with existing institutional logics, they also have the capacity to innovate and thus transform institutional logics.

Relating to the above arguments in the HEIs context, Jongbloed et al. (2008) emphasise that history and geography will influence the university's choice of its mission and profile, and consequently, how it relates to its stakeholders. In the same way, Rebolloso et al. (2008) affirm that the complexity of the institution combines a certain culture and formalisation across different countries with a legal and administrative framework for each country. Hence, Townley (1997), from the institutional logics perspective, highlights that universities make strong reference to a distinct and highly valued organisational identity. Universities' historical development, organisational position, and the nature of academic work have ensured that they have a different logic informing their behaviour. Thus, influences from institutional factors should be regarded in a marketing context, which means identifying, contextualising, and defining the traditional culture and the complexity of the university as possible antecedents of its RSO and PSO (Handelman et al. 2010).

Several authors have suggested that the *traditional culture* of public universities is characterised by a strong resistance to change among academics and administrative personnel (Akonkwa 2009; Ferrer-Balas et al. 2009). Academics are reluctant to lose complete control over their institutions, due to fear of a direct and excessive role of politicians in university affairs. In the Spanish context, this traditional culture is a barrier to university change (Mora 2001), and it will inhibit the adoption of a SO. Therefore, we posit:



H3 The traditional culture of public universities has a negative effect on the adoption of an RSO.

H4 The traditional culture of public universities has a negative effect on the adoption of a PSO.

The *complexity* of the university, which is a consequence of the amount of existing areas of knowledge and the degree of sophistication of these areas (Navarro and Gallardo 2003), is also considered an antecedent to SO. As a result of this organisational complexity, there will be strong heterogeneity of goals and the valuation and measurement of those goals will be more difficult (Patterson 2001). University managers will therefore devote more time and effort to dealing with internal problems than to the external stakeholders, and thus, university complexity will inhibit its SO. Thus, the following hypotheses can be offered:

H5 The complexity of public universities has a negative effect on the adoption of an RSO.

H6 The complexity of public universities has a negative effect on the adoption of a PSO.

Kohli and Jaworski (1990) and Jaworski and Kohli (1993) suggest that *top management emphasis* is an important driver of a MO. Van Raaij and Stoelhorst's (2008) later meta-analysis confirms that leadership is vital for the development and maintenance of market-oriented strategies. In the university context, some authors highlight that it is important that top managers transmit an emphasis on strategic management to the university community as an essential process for creating an organisational culture that encourages to them be closer to society (Flavián and Lozano 2006; Navarro and Gallardo 2003). Therefore, we propose the following hypotheses:

H7 Emphasis shown by university managers on university stakeholders has a positive effect on the adoption of an RSO.

H8 Emphasis shown by university managers on university stakeholders has a positive effect on the adoption of a PSO.

According to Flavián and Lozano (2006), internal systems and structures represent the cohesion or affinity of relationships between the diverse existing university structures—faculties, departments, research institutes—administration areas and governing bodies. University *cohesion* can produce stimuli that interact, to the benefit of an external orientation, and increase the willingness of university structures to analyse what is happening around them (Akonkwa 2009; Flavián and Lozano 2006), and thus:

H9 Cohesion among public university structures has a positive effect on the adoption of an RSO.

H10 Cohesion among public university structures has a positive effect on the adoption of a PSO.

Consequences of RSO and PSO

Universities, as receivers of public funding, must account for their activities and achievements to the government and wider society (Benneworth and Jongbloed 2010). Bjørkquist (2008) thus highlights that there is now a demand for universities to justify their relevance to society, forcing them to be in constant dialogue with their stakeholders in



society. The need to deal with a variety of stakeholders with multiple objectives makes it difficult to define university performance. According to the existing literature, the key performance dimensions of NPOs are beneficiary satisfaction and financial resource acquisition (Duque-Zuluaga and Schneider 2008; Modi and Mishra 2010).

Beneficiary satisfaction, as discussed by Gainer and Padanyi (2005), has different dimensions such as satisfaction, attendance, participation, or improvement as reported by a supervisor. Given that universities are our context of study, the satisfaction of the primary stakeholders⁴ would be the focal dimension of organisational performance. No previous studies empirically demonstrate the relationship between an SO and the satisfaction of the primary university stakeholders; however, some theoretical studies support this argument (e.g. Laplume et al. 2008; Pavičić et al. 2009). Thus, we propose:

H11 RSO in public universities has a positive effect on the beneficiary satisfaction of their stakeholders.

H12 PSO in public universities has a positive effect on the beneficiary satisfaction of their stakeholders.

The need to focus on financial *resource acquisition* seems to be of relevance in the NPO sector, so this criterion has been considered a good predictor of the survival or closure of these institutions (Sargeant et al. 2002). In the university context, Caruana et al. (1998) verify a positive relationship between responsive MO and the ability of schools or departments to obtain non-government funding. From a proactive perspective, many universities are also engaging in entrepreneurial activities with the aim of securing more diversified resources (Akonkwa 2009). Responsive and proactive behaviours can be viewed as adaptive strategies for ensuring that those organisations receive the necessary resources for accomplishing their mission and carrying out their activities (Macedo and Pinho 2006). This leads to hypotheses:

H13 RSO in public universities has a positive effect on their resource acquisition.

H14 PSO in public universities has a positive effect on their resource acquisition.

Following Lynch and Baines (2004), we consider university *reputation* as another performance criteria. In the NPO context, some studies suggest a positive association between MO and reputation (Gainer and Padanyi 2005; Modi and Mishra 2010). On the other hand, whereas the results from Maignan et al.'s (2011) show a positive effect of SO on reputation, Voola and O'Cass (2010) emphasise that a PSO increases various important broader performance outcomes, among these the university reputation. Specifically, in the university context, reputation is important for the development of outreach activities and for commercial and public sponsors of research (Pavičić et al. 2009). We therefore propose the following hypotheses:

H15 RSO in public universities has a positive effect on their reputation.

H16 PSO in public universities has a positive effect on their reputation.

⁵ Governmental entities, management, employees, clients, suppliers, competition, donors, communities, government regulators, non-governmental regulators, financial intermediaries, alliances and partnerships (Benneworth and Jongbloed 2010).



⁴ Clarkson (1995) classifies stakeholders as primary or secondary. Primary stakeholders are those whose continued participation is absolutely necessary for business (employees, suppliers, customers, and public agencies).

Methodology

Sample and data collection

This study focuses on public university managers as its unit of analysis because they are responsible for the university strategies related to their main missions: teaching, researching, and the transfer of knowledge. Following the Spanish 2001 Organic Act on Universities (*Ley Orgánica de Universidades*, LOU), managers were selected from: the governing team (rector, vice-rectors, secretary-general, and delegated charges of reliance designed by the rector), social council (president, secretary-general, and their external councillors), university ombudsman, management team (director, vice-directors, and area directors), deans of faculties and directors of schools, heads of departments, directors of research institutes, presidents and/or heads of foundations, associations, and science parks.

The target population of this research is made up of all university managers in 48 Spanish public universities, totalling 7130 individuals. The population was obtained from the databases of Spanish public universities, which are freely available via the main internet search engines. These websites provided public access to the mailing addresses of key informants.

Data were collected using an online questionnaire sent to all university management staff and administered from September 2013 to January 2014. The institutions and individuals are anonymous as required by Spanish law, and respondents were assured of the anonymity in their response. To minimise possible respondent bias, we do not use the term 'stakeholder orientation' and we referred simply to 'orientation to...', and 2169 questionnaires were returned, resulting in a response rate of 30.42 %. For CB-SEM, all cases with missing data were removed, leaving a total of 795 valid cases, which means an 11.15 % valid response rate [a 3.28 % of sampling error at 95 % confidence level (Z = 1.96, p = q = 0.5)].

To test for non-response bias, the sample distribution of the early and late respondent groups was compared using the Kolmogorov–Smirnov (K–S) test (Ryans 1974). The common method bias was examined by statistically controlling the effect of this bias using the single-specific-method-factor approach or the multiple-specific-method-factors approach (Podsakoff et al. 2003).

Definition and measurement of variables

The variables for the CB-SEM were mimetic factors (MF), traditional culture of the university (CULT), complexity of university (COMP), top management emphasis (EMPH), cohesion (COH), responsive stakeholder orientation (RSO), proactive stakeholder orientation (PSO), beneficiary satisfaction (SAT), resource acquisition (ACR), and reputation (REP). In Table 1, we detail the definition of the variables.

A questionnaire was developed and checked through discussions with senior university managers from different positions. For the elaboration of the constructs, we followed the methods of Churchill (1979) and Netemeyer et al. (2004), and we adopt the commonly used seven-point Likert-type scoring for all items, for reasons of reliability and validity (Churchill 1979). In Annex I, we present the full battery of items employed to assess the theoretical constructs based on the existing literature.



Table 1 Constructs used as variables: definition

Construct	Definition
Mimetic factors (MF)	Those factors which involve the perception of a need to copy the successful actions of others (Bennett and Kottasz 2011)
Traditional culture (CULT)	Set of values, beliefs, and shared practices among members of an organisation which give their own identify determining the behaviour of the individuals comprising it and also institution's own (Gairín 2006). An identity characterised by independence of thought and actions of the academic who does not want to be driven by external demands (Jongbloed et al. 2008)
Complexity of university (COMP)	Organisation climate which influences innovative behaviour by reducing organisational member awareness, involvement, and commitment by limiting available information and by emphasising rigid rules, job descriptions, and formal authority (Narver et al. 2004)
Management emphasis (EMPH)	It means encouraging individuals in the organisation to follow the marketing philosophy (Kohli and Jaworski 1990)
Cohesion (COH)	Formal and informal interactions and relationships among an organisation's departments (Jaworski and Kohli 1993)
Responsive stakeholder orientation (RSO)	Organisational focus based on understanding the explicit needs of stakeholders by designing services to meet them and regularly monitoring their satisfaction (Narver et al. 2004)
Proactive stakeholder orientation (PSO)	Organisational focus towards understanding the latent needs of stakeholders and latent solutions associated with their activities and/or services and, designing services that allow identification of those needs, and finally, regularly trying to design mechanisms to discover them (Narver et al. 2004)
Beneficiary satisfaction (SAT)	The perception of the beneficiary's own satisfaction (Gainer and Padanyi 2005) ^a
Resource acquisition (ACR)	The ability of a non-profit organisation to raise funds by attracting resources from external providers (Macedo and Pinho 2006)
Reputation (REP)	To think beyond how an organisation is perceived among their different key interest groups and how each can be enhanced to improve performance (Padanyi and Gainer 2004)

^a Following D'Este et al. (2013), universities are currently expected to satisfy the demands of various audiences, including students (expected high-quality teaching), academic communities (high-quality knowledge), governments (support regional development and the economy as a whole), businesses (expect new ideas for their commercial activities), and wider society (to resolve many of the issues that affect it)

Analysis and results

Validity of the measurement model

The first step in measure validation consisted of an exploratory analysis of reliability and dimensionality. The Cronbach's alpha indicator (minimum value 0.7), item-to-total correlation (minimum value 0.3), and principal components analysis provide the assessments of the initial reliability and dimensionality of the scales. Fourteen items (CULT1, CULT2, CULT5, CULT7, COMP3, COMP4, RSO3, RSO6, RSO7, SAT1, ACR3, ACR5, REP2 and REP4) were therefore eliminated to improve the scale. All items were then adjusted to the required levels, and a single factor was extracted from each scale.





To assess measurement reliability and validity, a confirmatory factor analysis (CFA) containing all the multi-item constructs in our framework was estimated with EQS 6.1 through the robust maximum-likelihood method. As a first step in assessing model validity, we verified the model fit according to several indexes (see Table 2). Although NFI value was a little lower than the commonly accepted value of over 0.90, the other indicators show values greater than the recommended 0.9, reflecting an acceptable model fit, which is also indicated by the value of the RMSEA (0.047).

There are no problems of reliability as all values of the Cronbach's alpha statistic are above the recommended value of 0.7 (Churchill 1979), the composite reliability indexes (CR) are above 0.7, and average variance extracted (AVE) indexes are above 0.5 (Fornell and Larcker 1981).

To analyse convergent validity, that is, that the scale items are strongly and significantly related, we checked that the factor loadings are statistically significant and substantial (they are above 0.7 on average for each construct). Next, we assessed discriminant validity, that is, that the scales do not measure constructs other than those intended. This was done by observing the correlations between constructs, and applying the confidence interval and variance extracted test (see Table 3). Both tests confirm that all the scales have discriminant validity.

Structural model analysis

With the objective of testing the proposed hypotheses, we developed a structural equations model. The results are reported and depicted in Table 4 and in Fig. 1, respectively. The overall fit of the model is acceptable because the goodness of statics is satisfactory, with the χ^2/df ratio lower than 3.0, as recommended Marsh et al. (1988).

The results suggest that several factors drive both RSO and PSO of public universities. With regard to the external antecedents, H1 hypothesised a positive relationship between *mimetic factors* and RSO, and H2 also a positive relationship between *mimetic factors* and PSO. According to our findings, both hypothesis are supported (H1: $\beta = 0.107$, p < 0.05 and H2: $\beta = 0.080$, p < 0.1).

Regarding the internal antecedents as barriers, the *traditional culture* of the university does not have a significant influence on RSO or on PSO; thus, H3 and H4 are rejected.

As hypothesised, the level of *complexity* of a university inhibits RSO (H5: $\beta = -0.059$, p < 0.1) and PSO (H6: $\beta = -0.132$, p < 0.001), although for RSO, the relationship is non-significant (p > 0.1), so only H6 is supported.

Finally, for the internal antecedents as drivers, university top management *emphasis* on stakeholder orientation has a positive and significant effect on RSO (H7: $\beta=0.386$, p<0.01) and on PSO (H8: $\beta=0.371$, $p\leq0.01$); thus, both hypothesis are supported. University *cohesion* has also a positive and significant effect on both RSO (H9: $\beta=0.311$, p=0.01) and PSO (H10: $\beta=0.278$, $p\leq0.01$), and thus, the two hypothesis are supported as well.

Our findings suggest that the strongest antecedent effect on RSO and PSO comes from the emphasis of university top management on RSO and PSO and from university cohesion. Conversely, no effect was found between the traditional culture of a university and, either RSO or PSO.

As Table 3 shows regarding the consequences of RSO and PSO, RSO has a positive and significant effect on beneficiary satisfaction (H11: $\beta = 0.354$, p < 0.01), resource acquisition (H13: $\beta = 0.278$, p < 0.05), and reputation (H15: $\beta = 0.122$, p < 0.1); thus, H11, H13, and H15 are supported. PSO is also positively related to beneficiary satisfaction (H12:



Table 2 Measurement model: convergent validity

Variables	Indicators	Factor loadings	Robust t value*	Cronbach's alpha	Composite reliability	AVE
MF	MF1	0.823	22.571	0.83	0.83	0.56
	MF2	0.841	25.872			
	MF3	0.614	16.651			
	MF4	0.689	22.672			
CULT	CULT3	0.702	20.239	0.72	0.73	0.50
	CULT4	0.793	21.520			
	CULT6	0.552	13.211			
COMP	COMP1	0.741	18.814	0.80	0.80	0.66
	COMP2	0.881	20.665			
EMPH	EMPH1	0.723	15.713	0.78	0.80	0.50
	EMPH2	0.727	19.127			
	EMPH3	0.794	20.062			
	EMPH4	0.578	12.000			
COH	COH1	0.774	24.581	0.89	0.89	0.63
	COH2	0.700	19.944			
	COH3	0.795	27.369			
	COH4	0.874	35.914			
	COH5	0.809	26.842			
RSO	RSO1	0.686	18.720	0.91	0.91	0.66
	RSO4	0.839	28.646			
	RSO2	0.894	37.001			
	RSO8	0.844	31.348			
	RSO5	0.799	30.815			
PSO	PSO1	0.85	33.159	0.92	0.93	0.65
	PSO2	0.872	35.476			
	PSO3	0.813	35.531			
	PSO4	0.628	18.731			
	PSO5	0.837	34.339			
	PSO6	0.806	32.041			
SAT	SAT2	0.878	23.140	0.84	0.86	0.67
	SAT3	0.84	22.619			
	SAT4	0.734	20.310			
ACR	ACR1	0.865	26.832	0.80	0.81	0.59
	ACR2	0.831	29.146			
	ACR4	0.582	17.685			
REP	REP1	0.646	17.718	0.76	0.76	0.51
	REP3	0.747	21.791			
	REP5	0.746	20.336			

Satorra–Bentler χ^2 (df = 657) = 1793.71; $\chi^2/df = 2.73$; NFI = 0.881; NNFI = 0.910; CFI = 0.921; RMSEA = 0.047

^{*} p < 0.01





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	MF	CULT	COMP	EMPH	СОН	RSO	PSO	SAT	ACR	REP
MF	0.56	[0.02, 0.20]	[0.05, 0.22]	[0.31, 0.48]	[0.07, 0.24]	[0.21, 0.38]	[0.17, 0.34]	[0.06, 0.24]	[0.04, 0.22]	[-0.05, 0.14]
CULT	0.013	0.50	[0.41, 0.58]	[0.05, 0.25]	[-0.26, -0.07]	[-0.10, 0.09]	[-0.10, 0.08]	[-0.31, -0.11]	[-0.17, 0.02]	[-0.17, 0.03]
COMP	0.018	0.241	99.0	[0.17, 0.35]	[-0.35, -0.18]	[-0.12, 0.07]	[-0.16, 0.01]	[-0.23, -0.05]	[-0.23, -0.06]	[-0.19, 0.00]
EMPH	0.155	0.024	0.068	0.50	[0.06, 0.23]	[0.38, 0.53]	[0.34, 0.49]	[0.12, 0.29]	[0.13, 0.31]	[0.07, 0.25]
СОН	0.023	0.028	0.071	0.020	0.63	[0.31, 0.46]	[0.29, 0.44]	[0.42, 0.58]	[0.41, 0.56]	[0.32, 0.48]
RSO	0.088	0.001	0.001	0.204	0.148	99.0	[0.68, 0.78]	[0.40, 0.54]	[0.33, 0.49]	[0.28, 0.44]
PSO	0.066	0.001	9000	0.171	0.133	0.536	0.65	[0.33, 0.50]	[0.31, 0.47]	[0.34, 0.50]
SAT	0.022	0.044	0.019	0.042	0.247	0.216	0.174	29.0	[0.55, 0.69]	[0.58, 0.72]
ACR	0.017	0.005	0.020	0.047	0.233	0.166	0.150	0.387	0.59	[0.51, 0.66]
REP	0.002	0.005	0.010	0.025	0.161	0.131	0.177	0.420	0.340	0.51

The diagonal represents the AVE, and while above the diagonal the 95 % confidence interval for the estimated factor correlations is provided, below the diagonal, the shared variance (squared correlations) is represented



Table .	4	Structural	model	recults

Hypothesis	Path	Standardised path coefficients	Robust t value
H1	$MF \rightarrow RSO$	0.107**	2.412
H2	$MF \rightarrow PSO$	0.080*	1.744
H3	$CULT \rightarrow RSO$	$-0.001^{\text{n.s.}}$	-0.018
H4	$CULT \rightarrow PSO$	$0.035^{\text{n.s.}}$	0.743
H5	$COMP \rightarrow RSO$	$-0.059^{\text{n.s.}}$	-1.164
Н6	$COMP \rightarrow PSO$	-0.132***	-2.758
H7	$EMPH \rightarrow RSO$	0.386***	7.392
H8	$EMPH \rightarrow PSO$	0.371***	7.344
H9	$COH \rightarrow RSO$	0.311***	7.106
H10	$COH \rightarrow PSO$	0.278***	6.558
H11	$RSO \to SAT$	0.354***	4.826
H12	$PSO \rightarrow SAT$	0.161**	2.223
H13	$RSO \rightarrow ACR$	0.278***	4.151
H14	$PSO \to ACR$	0.188***	2.958
H15	$RSO \rightarrow REP$	0.122*	1.899
H16	$PSO \to REP$	0.332***	5.006

S–B χ^2 (df = 672) = 1920.15; $\chi^2/df = 2.85$; NFI = 0.881; NNFI = 0.910; CFI = 0.921; RMSEA = 0.047

^{*} p < 0.1; ** p < 0.05; *** p < 0.01

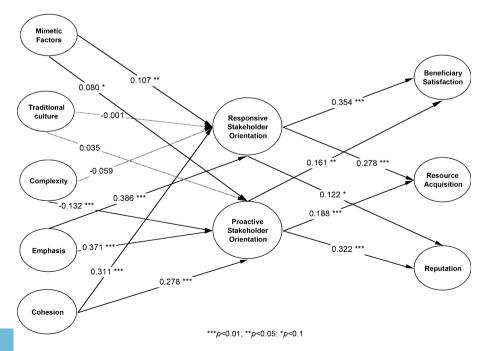


Fig. 1 Estimated values obtained in the research model





n.s. Non-significance

 β = 0.161, p < 0.01), resource acquisition (H14: β = 0.188; p < 0.1), and reputation (H16: β = 0.332, p < 0.01); therefore, H12, H14, and H16 are also supported. According to our findings, however, while RSO is more closely linked to beneficiary satisfaction than PSO, PSO is more strongly related to university reputation than RSO.

Conclusions

In an environment of increasing uncertainty for public universities, this study contributes by offering an analysis that highlights the importance of the proper alignment of a stakeholder orientation with the environment through two possible behaviours, responsive and proactive. Our study contributes to the literature by proposing scales to assess RSO and PSO in public universities, and also the main antecedents and key consequences of such orientations. We empirically test an integral model with those antecedents and consequences of SO in public universities.

Our findings confirm that RSO and PSO, although related, are distinct theoretical constructs, making clear the need for the adoption of an SO by both—responsive and proactive—behaviours. Another important contribution of the present study comes from the antecedents of a considered SO: firstly, through the identification of the mimetic effect, in other words, that in the university context is a superstructure⁶ that exerts influence on the universities' strategic management; secondly, by introducing environmental factors that could act as barriers to the implementation of the RSO and PSO; and, thirdly by considering the emphasis of university managers on SO and the cohesion between university structures as factors which exert positive effects on the adoption of RSO and PSO.

The results obtained regarding the consequences of RSO and PSO complement existing studies of NPOs. Our results clearly suggest that public universities with a stronger RSO and/or PSO achieve better organisational performance in terms of beneficiary satisfaction, resource acquisition, and reputation. Finally, our findings suggest that implementing an RSO is not enough in order to achieve the strongest degree of performance dimensions such as reputation, so a PSO is also needed to complement the effects of an RSO.

From a practical perspective, this study can offer meaningful lessons for university managers because it suggests that they should promote and develop university strategies based on a stakeholder orientation of having more externally oriented organisations and being more focused towards its different stakeholders. In order to enhance the RSO and PSO of their institutions, university managers should act directly on the antecedents that promote or inhibit those capabilities, especially on the emphasis placed on an SO, on fostering cohesion among different university structures, on reducing the level of complexity in university organisation as much as possible, and on trying to imitate the proper stakeholder-oriented behaviours of other public universities.

Furthermore, the results of this study show that a RSO and a PSO, framed as concepts within dynamic capabilities theory, can help university managers to encourage and drive actions towards determining whether their institution has a low, moderate, or high level of such orientation. This is important because the study suggests that RSO and PSO are positively influenced by the emphasis placed by top managers of public universities on those actions and behaviours. Moreover, superior communications and improved

⁶ The wider system and its inter-institutional links (Clark 1986).

relationships between managers of different university structures can help those managers to better know the expected stakeholder needs; meanwhile, to find out the latent stakeholder needs, it may be necessary to take into consideration other factors more related to innovative and entrepreneurial behaviours between university managers of different university structures.

Our results should encourage policy makers to transform these institutions, which Mora (2001) calls 'modern universities', bearing in mind that both RSO and PSO could become important sources of competitive advantage that enable a constant dialogue between university and stakeholders in society. Our results promote the RSO and PSO behaviours as successful actions that must be mimicked. Along this line of reasoning, we suggest to governments the need to establish policies that encourage the implementation of university strategies oriented to their stakeholders in order to break the current scenario for public universities. In view of these results, we encourage governments to promote the implementation of proactive strategies among public universities as a way to improve the reputation of such institutions.

Finally, there are several authors who reveal their concern with the process whereby Spanish public universities are adapting to the new needs and social demands, recognising that there is some distance for Spanish universities to cover with regard to marketing strategies (Llinàs-Audet et al. 2011; Mora 2001). In this sense, one of the goals of the European Commission is for Spanish universities to implement tools of strategic management to become more competitive and responsible with the goal of gaining the trust of society (Grau 2012). In this way, we hope that this study provides a tool with which policy makers can analyse the adoption of a SO among public universities, helping them to design incentives and mechanisms to move public university manager thinking away from students as the primary university stakeholder to a broader stakeholder orientation in university's strategies.

However, this study presents some limitations. Regarding the antecedents of a SO, this study does not take into consideration coercive factors and normative factors as external institutional factors. In this regard, since coercive and normative factors could be considered formative constructs, we might suggest testing the effects of these institutional factors using partial least squares (PLS), because it can operate with both types of measures (reflective and formative), while covariance-based methods are primarily designed to operate with reflective indicators. On the other hand, the traditional culture of universities, identified as a barrier, reflects no significant relationship with SO. In relation to this limitation, we suggest that it would be useful to conduct in-depth studies of universities that are highly engaged and somewhat engaged in the responsive and proactive stakeholder orientation to better understand the factors that act as barriers or as drivers to the implementation of RSO and PSO.

Second, it could be interesting to analyse the relationships of our model when some moderating effects are introduced. On this line of reasoning, it should be interesting to explore culture as a moderator instead of as an antecedent. Likewise, Russo et al. (2007) suggest exploring the role of cities as moderators, in addition to the moderating effects of the region.

Moreover, we have to consider the limitations involved in the assessment of university performance. Thus, we suggest exploring whether there are performance measures that are more related to PSO or to RSO, respectively. In addition, this study used subjective measures of university performance, and consequently, it could be interesting to address objective measures as key indicators of university performance in further studies.



Appendix

See Table 5.

Table 5 Measurement scales

Construct	Indicators	Source
Responsive stakeholder orientation	RSO1. Our main objective is to understand the stakeholders' explicit needs of our services and activities	Narver et al. (2004), Voola and O'Cass (2010)
	RSO2. We constantly monitor our level of commitment in serving the explicit needs of our stakeholders	
	RSO3. We freely communicate information about our successful and unsuccessful experiences with stakeholders across all structure functions	
	RSO4. To achieve competitive advantages, we design strategies based on information obtained about the explicit needs of our stakeholders	
	RSO5. To evaluate the services performed for our stakeholders, we measure them systematically and frequently	
	RSO6. We are more focused to regulatory agencies, local community, and media than other public universities	
	RSO7. We report the degree of satisfaction among different stakeholders regularly, at all levels	
Proactive stakeholder orientation	PSO1. To generate competitive advantages, we continually try to discover the additional needs (expectations) of stakeholders	Narver et al. (2004), Voola and O'Cass (2010)
	PSO2. We help our stakeholders anticipate developments in their social environment	
	PSO3. We brainstorm about how our activities/ services are being accepted and used by different stakeholders	
	PSO4. We develop new formulas of activities and services even at the risk of making our own activities/services obsolete	
	PSO5. We search for opportunities in areas where stakeholders have greater difficulty time expressing their expectations	
	PSO6. We work very closely with able lead users who try to recognise stakeholder expectations months or even years before the majority of society recognises them	



Table 5 continued

Construct	Indicators	Source
Mimetic factors	MF1. It is important that our university engages in the same orientations to society activities/services as other similar universities	Bennett and Kottasz (2011)
	MF2. It is necessary that the different stakeholders perceive that we orient our activities/services similarly to other universities	
	MF3. The likelihood of the failure of a strategy decreases if we apply similar strategies as those in other universities	
Traditional culture of the university	CULT1. The complexity of the university is addressed through the application of bureaucratic methods, to restrict university autonomy	Mora and Vidal (2000)
	CULT2. The faculty express reluctance to introduce interference from external agents in the present system of university organisation	
	CULT3. The civil servant faculty perceive themselves as belonging more to public administration rather than an institution that serves the community	
	CULT4. Faculty see themselves as professionals who work AT university, instead of FOR university	
	CULT5. The faculty must have the freedom to guide their teaching and research activities	
	CULT6. The faculty tend to feel more strongly linked to their discipline than their university	
Complexity of university	COMP1. There is difficulty in goal alignment caused by the existence of 'covert' as well as 'overt' university goals	Patterson (2001)
	COMP2. There is difficulty in the alignment of objectives between 'outcomes' goals involving how the college serves the needs of society and 'process' goals relating to the internal functioning	
	COMP3. Given the disparity of needs that have to be satisfied, the university is involved in multiple activities for multiple stakeholders	
Top management emphasis	EMPH1. I often tell to people in my sphere of influence that the success of their activities/services depends on their ability to adapt them to the students, employers, and education institutions, present and future	Cervera et al. (2001) adapted by Jaworski and Kohli (1993)
	EMPH2. I regularly encourage people around me to be sensitive to the activities/services offered by other public universities	
	EMPH3. I keep telling people around me that they must gear up now to meet future needs of our students, employers, and education institutions	



Table 5 continued

Construct	Indicators	Source
Cohesion	COH1. It is easy to talk to different members of the institution, regardless of their level or position within the institution	Flavián and Lozano (2006); Own proposal
	COH2. There are ample opportunities to find channels and places to exchange opinions in an INFORMAL way	
	COH3. There are ample opportunities to find channels and places to exchange opinions in an FORMAL way	
	COH4. In general, there is good communication between the different structures (departments, institutes, faculties, management areas, etc.)	
Beneficiary satisfaction	SAT1. The level of beneficiary satisfaction with the types of activities/services our university provides	Modi and Mishra (2010); Own proposal
	SAT2. The level of beneficiary satisfaction with the quality of the activities/services our university provides	
	SAT3. The degree to which our university activities/ services have achieved beneficiary satisfactions	
Resource acquisition	ACR1. Ability to effectively manage the financial resources at its disposal	Duque-Zuluaga and Schneider (2008), Modi
	ACR2. Ability to manage and further develop ordinary activities/services in the routine case of a reduction in regular funding	and Mishra (2010)
	ACR3. Possession of assets that can be sold in case to be in front scenarios of strong drastic budget cuts.	
	ACR4. Stability of acquisition budget revenues	
	ACR5. Positive changes in revenue related to financing specific projects/programs compared to 5 years ago	
Reputation	REP1. Our university's reputation among other Spanish public universities for attracting financial resources	Modi and Mishra (2010), Aaker and Shansby (1982)
	REP2. Our university's reputation among other Spanish public universities for activities/services delivery	
	REP3. Our university's reputation among other Spanish public universities for attracting skilled staff	
	REP4. Our university's reputation among other Spanish public universities for achieving its main objectives	
	REP5. Our university's reputation among other Spanish public universities for being associating with a particular characteristic attribute	



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