# REGIONALISATION

## STAKEHOLDER APPROACH TO THE IMPLEMENTATION OF THE 'THIRD MISSION' OF UNIVERSITIES

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*The implementation of the 'third mission' by universities is a significant area of research that has been explored by many Russian and international experts. The 'third mission' means engaging with society. Alongside education and research, it is an important factor in the successful development of a contemporary university. In this article, we explore how stakeholder theory, which is successfully employed in the management of large organisations, may be applied for the development of mechanisms for effective implementation of the 'third mission' by universities. We identify the main problems in organising stakeholder interactions at Russian universities and analyse possible strategies to improve the situation. We use the examples of Polish, Swedish, and Russian universities to illustrate the practical aspects of interactions at different levels between universities and stakeholders., forms, and methods in the field. Further, we propose a classification of key stakeholders of universities, describe their mutual relations, interests, and resources available to them as well as reflect on stakeholder participation models in educational management. Our findings may contribute to better management at Russian educational institutions and benefit national education authorities.*

## Introduction

Ssuccessful development of a contemporary university requires active collaboration with many organisations, communities, groups, and individuals, all of which have a certain relationship to the university, depend on it, make demands to it, can influence it or benefit from it. All of them have their own interests. Bound to be taken into account, these interests can translate into a competitive advantage or even create a framework for university's daily operations. They may be differently aimed and often conflicting; they may affect the trajectory of a university's development from different sides and with varying intensity.

It is becoming evident that, alongside the two traditional missions of a university (education and research), a third one has emerged to play an important role. It has to do with a university's contribution to the development of its surroundings. Thus, the analysis of interactions between a university and its key internal and external stakeholders is of major significance. In conducting such analysis, one may rely on the tenets of stakeholder theory, which has been successfully applied to strategic management of enterprises. Many Russian authors (Artemiy Patrakhin [1], Vasily Strekalovsky and Vasily Savvinov [2], Vitaly Nagornov and Olga Perfilyeva [3; 4]; Elena Popova [5], and others) believe that stakeholder theory can be applied to higher education, and that university governance can be viewed as stakeholder management.

According to the fundamental ideas of stakeholder theory, company management should identify groups and stimulate processes that contribute to the business development. The central concern is to leverage the relations and interests of shareholders, employees, clients, communities, and other groups in such a way as to ensure the long-term prosperity of the company. Leadership passes to the company that can best suit the interests of stakeholders and whose public relations strategy rests on a communications policy that is common to all the stakeholder groups. Thus, stakeholder relations management is a key administrative objective that is in line with the interest of both stakeholders and the organisation itself.

In this paper, we seek to produce recommendations for universities on how to adopt stakeholder management practices used by for-profit companies to make universities more efficient in accomplishing the 'third mission', that is, their engagement in comprehensive development of their regional communities.

## The tenets of stakeholder theory

When stakeholder theory emerged in the 1960s, its initial postulate held that companies are not only economic agents established for generating profits but also important components of their environments as well as systems that affect and are affected by the environment. R. Edward Freeman, professor of business administration at the Darden School of the University of Virginia, formulated the key principles of stakeholder theory in his book Strategic management: A stakeholder approach, where he defined stakeholders as 'any group or individual who can affect or is affected by the achievement of the organization's objectives' [6, p.15].

Taken literally, the word 'stakeholder' means a company or a person who has invested in a business and owns a share in it. This word is also used to refer to someone who is interested in the success of a plan or a project. Other definitions include phrases, like 'interest holder', 'involved party, 'pressure group', 'coalition members', 'target audience', and 'interest group'.

In his exploration of Freeman's theory, M. A. Petrov defines a stakeholder as 'a community or an individual who is capable of both short-term and long-term influence on the performance of a company or is affected by an organisation' [9, p. 8]. Igor Gurkov believes that 'stakeholders are not mere "groups or people" affected by a firm but they are "contributors" of a certain resource' [10, p. 29]. Vitaly Tambovtsev defines stakeholders as 'organisations, individuals, or groups of individuals who consume (experience) positive and negative contact and external effects produced by the performance of a firm and are capable of affecting such performance' [11, p. 3—26].

The AA1000 Stakeholder Engagement Standard (SES) issued by the Institute of Social and Ethical Accountability (AccountAbility) stipulates that stakeholders are 'those individuals, groups of individuals or organisations that affect and/ or could be affected by an organisation's activities, products or services and associated performance'.[1] The standard distinguishes three types of interaction with stakeholders:

1) interaction with a view to alleviating a problem that has resulted from pressure and has a local effect;

2) systematic engagement towards risk management and a better understanding of stakeholders;

3) comprehensive strategic cooperation aimed at sustainable competitiveness.

[1] Stakeholder Engagement Standard AA1000SES. URL: http://www.urbaneconomics.ru/sites/default/files/2526_import.pdf (access date: 15.03.2019).

James E. Post, Lee E. Preston, and Sybille Sachs further developed stakeholder theory in their book Redefining the Corporation: Stakeholder Management and Organizational Wealth. They maintain that organisational wealth is 'the summary measure of the capacity of an organization to create benefits for any and all of its stakeholders over the long term' [12, p. 52]. In other words, organisational wealth is a long-term social accountability policy. Popov and Fomina take this further, stating that 'stakeholder theory is the theory of a special company model that views organisations as socially accountable institutions in contemporary (capitalist) society' [13, pp. 60—65].

In exploring Freeman's ideas, Michael E. Porter and Mark R. Kramer propose the concept of shared values, which they define as 'policies and operational practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates' [14, p. 67]. They argue that the activities that are in line with the values of society are not a burden on business but rather its very essence. They distinguish between the concept of shared values and the policy of corporate social accountability. The latter, for instance, requires additional spending, whereas shared value creation is inseparable from generating revenues. Social accountability can result from both internal and external pressure, while shared value creation is intrinsic in business competition. Thus, pursuing the interests of involved parties fits very well with doing business and becomes part of the latter.

Russian and international researchers have proposed various approaches to stakeholder classification. Freeman believes that stakeholders constitute the environment, both internal (employees, shareholders, suppliers, and customers) and external (NGOs, government bodies, mass media, competitors, special groups) [6]. Jeffrey S. Harrison and Caron H. St. John distinguish three regions in the stakeholder environment: broad, operating, and external. The first one comprises socio-political and economic phenomena affecting a company; the second — customers, communities, lenders, trade unions, competitors, and the state; the third consists of shareholders and employees [15]. Grant T. Savage et al. consider stakeholders from the perspective of their capacity for threat or cooperation and classify them into supportive, mixed blessing, nonsupportive, and marginal [16]. Ronald K. Mitchell et al. identify stakeholder types based on the attributes of power, legitimacy and urgency, and propose a classification that uses a combination of these characteristics [17]. The existing literature divides stakeholders into real stakeholders, stakewatchers, and stakekeepers [18, p. 122]; financial stakeholders, the management team, officials and employees, and economic partners [19, p. 29]; company manager, workers, stockholders, vendors, and suppliers [20, p. 239], etc.

Russian researchers have produced the following classifications: financial interest stakeholder, management, employees, intellectual capital, and social group stakeholders [21, p. 167]; leading, 'to-be-notified', and external stakeholders [22, p. 67]; normative, functional, and diffusive stakeholders, and consumers [23, p. 101], etc. Oleg Zilbershteyn et al. attempted at an exhaustive classification of stakeholders: among internal stakeholders, they distinguish employees (board members, top managers, managers, employees, ex-employees); investors (shareholders); suppliers (subcontractors, consultants, outsourced staff); business partners (R&D partners); universities and the academic community (researchers, postgraduate and undergraduate students doing an internship at the company). They classify external stakeholders into the categories of employees (prospective employees); investors (credit institutions, investment fund managers and analysis, rating agencies); customers (end consumers, intermediaries, influencers); suppliers (raw materials suppliers, service and infrastructure providers); competitors (direct competitors, substitute goods manufacturers), the government and regulators (line ministries, departments, and committees); business partners (licensees, universities); local communities (neighbours, local authorities, charities, volunteer organisations); universities and the academic community (research centres, researchers and professors); the media (radio, TV, printed media, the Internet), NGOs and pressure groups (human rights and environmental organisations) [24, p. 98].

## Stakeholder theory and higher education

Russian researchers have applied the principles of business stakeholder identification to devise approaches to stakeholder classification in the sphere of education. According to Nagornov and Perfilyeva, education stakeholders are regional authorities, fellow educational institutions in the region, organisations, business community, and civil society institutions [3, p. 60—86.]. Popova supplements the list with the state, which regulates the activities of universities and generates demand for graduates [13, p. 47—54]. Marina Rakhmanova distinguishes five groups of stakeholders: the business community, employees, customers, the state and society, and external partners [25, pp. 141—145]. Savvinov and Strekalovsky classify university stakeholders into external (the state, regional and municipal authorities, employers, applicants and their parents, educational institutions, NGOs) and internal (students and their parents, researchers, professors, university administration) [2, pp. 87—89].

The central issue in stakeholder management is the creation of effective stakeholder interaction mechanisms to stimulate organisational development. University — stakeholder interactions have multiple stages. The first one is the identification of a university's stakeholders; this includes both compiling a list of relevant actors and analysing the relations between them and the university. In his analysis of stakeholder types, Gerald Vinten describes intra-stakeholder relationships, stakeholder groups, and the nature of their interests. He also urges one to examine the sources of stakeholder powers, to explore associated threats and opportunities, to trace changes in stakeholder grouping, to determine the economic, legal, and ethical responsibilities of each group, and consider what strategies are best for managing a certain stakeholder group [26]. The next stage involves the analysis of stakeholders expectations and interests as regards the university, as well as identification of relevant communication channels. Then, a stakeholder interaction model is chosen that takes into account the degree and nature of the influence of each stakeholder on the university. When the selected model starts to operate, its efficiency is evaluated, strengths and weaknesses are identified, and calibration is performed. Then, a strategy for interactions with stakeholders is developed. It includes a list of development areas that seem promising in the long run. Patrakhin describes three major strategies for interactions with university stakeholders. The first one, which is applied to high-profile groups, suggests regular control and maximum involvement of stakeholders. The second strategy consists in organising consultation meetings to develop long-term decisions that will keep stakeholder groups continually satisfied. Key to the third strategy is raising awareness of the university's plans to win support from the groups in question [1].

Which stakeholder interaction strategy to choose depends on the university's general development strategy and the university's perception of its role and place in the development of its region. Most universities embrace the need for a social accountability policy within the third mission agenda. Here, effective interactions with stakeholders are a sine qua non and central element of success.

According to Marko Marhl and Attila Pausits, the third mission of a university entails the development of specific services — actions and opportunities contributing to the good of society [27]. Rendering such social services means catering for the needs of those who have connections to the university, that is, its stakeholders. Thus, stakeholder approach to university governance is a two-way, and even multi-way, street that has room for exchange of resources between universities and stakeholders as well as among various stakeholders, whose interactions are mediated by a university.

# The third mission at Baltic region universities

## *The third mission in Poland: the Pomeranian voivodeship*

Polish universities are facing many problems, including population decline, a lack of trained specialists, and growing competition in the markets of educational services and R&D (particularly, a struggle for public funding). There is a pressing need for a strategy that universities will offer to a wide range of stakeholders: students, faculty, local communities, the state, business, professional associations, religious and ethnic communities, and international organisations [28]. Interactions between a contemporary university, the state, and the market are increasingly the focus of research; their influence on national socio-economic development is growing. In implementing the third mission, universities will contribute to the popularisation and commercialisation of research; this will strongly affect social development in its economic, ethical, and civilizational aspects.

In their work The Third Sector in the Universities' Third Mission, Anna Maria Kola (Nicolaus Copernicus University) and Krzysztof Leja (Universit of Gdansk) stress that an exclusive loyalty to neoliberal values (the market, the labour market, financial performance, economic profit) creates a situation where society sees the university only as a tool for development [29]. The implementation of the third mission by universities will, however, affect the growth of earlier underestimated social capital. There are numerous examples of successful collaborations between NGOs and universities in Poland. They demonstrate how universities can use NGO tools to enhance research, upgrade the competencies of the staff, ensure the most competitive position in the world, improve financial standing, etc. A good example is the Collegium Invisibile association, which seeks to unlock the potential of students of all Poland's universities. The association offers academic and research support programmes for students, who can choose a tutor for themselves. The programme provides financial aid, thus giving students an opportunity to gain experience at the best universities worldwide. It helps to build social capital and upgrade students' competencies. Collegium students choose a tutor — usually, a world-renowned professor (not necessarily a Pole) who has high social capital and is an authority in a certain field. Each year, students report under his or her supervision on their research progress. Collegium is an association that is managed by its members, i.e. students; whereas responsibility for its research component rests with the Academic Council consisting of professors. Traditionally, the rector of the University of Warsaw is a member of the Council. An undisputed advantage

of the association is that working closely with professors creates an environment for intellectual exchange driven by responsibility for the new generation of researchers. This way, science and education are becoming something of an assembly line for the transfer of humanistic values, which lie beyond business relations.

Alumni associations established by either universities or their graduates have an important role of connecting various sectors of the economy with the university. The prime objectives are to support student culture, which facilitates academic integration, and to raise awareness of achievements by people affiliated with the university. Associations make it possible to create endowments — funds that finance research, education, and exchange programmes as well as aid student financially via scholarships.

Although significant changes have taken place in Poland after the educational reform of 2010—2011, the limited scope of activities, a focus on research and publications, and the dominant model of linear knowledge transfer still complicate the implementation of the third mission and adversely affect universities' relationships with industry and society. Poland's higher education and research policy concentrate primarily on technology transfer and commercialisation. It is unlikely to achieve success because it is ignoring both the non-linear nature of knowledge exchange and the role that universities play in solving social problems. The current policy neither focuses on the third mission nor pays significant attention to the principal role students have in knowledge transfer. Since 2018, the third mission activities of universities will receive support from the European structural and investment funds.

The city and the environment provide most Polish universities with a natural framework for industrial partnership. In particular, the government of the Pomeranian voivodeship actively cooperates with universities when it comes to regional development, doing so via the Council for Entrepreneurship and Education and the Council of Rectors. Key tools to mobilise universities to further regional development are as follows:

— Strategy 2030 for the development of the Pomeranian voivodeship lists regional goals. One of them is to ensure the competitiveness of higher education by recruiting students and professors, consolidating universities and encouraging their cooperation with business, vocational education, and international partners. Another goal is to create a network of professional educational institutions meeting the needs of the regional labour market.

— Six regional programmes, including Pomorski Port Kreatywności (Pomeranian Port of Creativity), which acts in place of a regional innovation strategy. These programmes support The 2030 development strategy.

— Cluster policy and smart specialisation: over the past ten years, the region has been responsible for coordinating regional cluster policy, which became a framework for a new regional economic policy in 2013. Four specialisations were identified; within each, a council was established and projects launched. The results of these activities are expected to have a profound effect on the implementation of the third mission by universities.

— The EU-funded initiatives of 2007—2013: doctoral scholarships (268 PhDs specialising in innovative areas); thirteen infrastructural R&D projects (20 million euros); six higher education projects (17 million euros); the TriPOLIS project promoting cooperation between businesses and science parks and aimed to strengthen collaborations between business and research. The region is developing a mechanism for supporting R&D efforts and encouraging cooperation in international smart specialisation projects.

— Regional funds are supporting higher education programmes. In particular, there is an initiative aimed to attract international students to Pomeranian universities (it is co-funded by eight out of ten state universities in the region. Best students receive scholarships (forty students a year since 2002); since 2018, Marshal's award has been given for the best dissertation on a region-related topic.

### The third mission in Lithuania: Vilnius University

According to Giustina Secundo et al. [30], the mission of Vilnius University stated in its strategic plan for 2013—2020 is to become a leading CEE research university (a centre for internationally competitive studies), to promote partnership, and to encourage the development of a stable open society. To assess how Vilnius University is accomplishing the third mission, the authors compare the performance indicators found in the 2013—2020 strategic plan with a classification of 'third mission' goals [30]: 1) technology transfer and innovation (including intellectual property management and the creation of R&D opportunities); 2) lifelong learning and continuing education (aiming to develop business competencies and recruit talents for incubation; 3) social engagement (integration into regional, national, and international communities and networks) (table 1).

*Table 1.*

**Third mission indicators at Vilnius University**

| Aim | Activities | Strategic plan indicators |
|---|---|---|
| Technology transfer and innovation | Intellectual property management and the creation of R&D opportunities | Number of start-ups and spin-offs built on the university's research |
| | R&D promotion | R&D revenue<br>Number of international projects<br>Total income from innovation activities |
| Continuing education and lifelong learning | Development of business competencies | Number of students in advanced training courses<br>Income from continuing education<br>Number of top professionals<br>Number of employees of Lithuanian companies enrolled in advanced training courses |
| | Talent recruitment and incubation | Proportion of university employees taking advanced training courses<br>Proportion of postgraduate students, PhDs, and researchers of international standing |
| Social engagement | Engagement with the community | Number of open access events<br>Number of socially engaged alumni<br>Amount of private donations |
| | Internationalisation | Proportion of doctoral students, PhDs, and researchers engaged in international mobility<br>Number of dual degree programmes<br>Number of programmes taught in foreign languages<br>Number of prestigious international research events<br>Number of international collaborations |

Our analysis of the performance indicators from the strategic plan shows that there is a need to develop entrepreneurship. Some of the indicators point to internationalisation initiatives. They give little information, however, on how the university interacts with the community. Overall, 58 % of the performance indicators from the 2013—2020 strategic plan of Vilnius University fall within the third mission goals.

Here are some examples of how Vilnius University is pursuing the third mission agenda:

1. The Developing Talent for Innovative Economy programme, launched by the university a year ago, is a case of active cooperation between Vilnius University and businesses.

2. Collaborations between the university and Thermo Fisher Scientific Baltics, a company offering biotechnology students an opportunity to take business administration courses.

3. Cooperation with the ESADE Creapolis innovation centre, whose mission is to support companies and encourage cooperation within research projects. The centre has brought together seventy companies to create an innovative platform for exchanging ideas.

4. Collaborations with DTU Skylab, an interdisciplinary centre and community for student innovation and entrepreneurship, supported by the Technical University of Denmark. The centre attracts 5,000 students annually. Involved in networking, DTU Skylab encourages companies and students to cooperate. Talented students often find employment after an internship with the centre.

5. Business—university collaborations within the Erasmus+ PROMOTE project, which seeks to develop and confirm key competencies obtained via initiatives to enhance student mobility. The project uses an original approach to bridging business and academia.

Thus, Vilnius University is rapidly approaching the third mission goals in internationalisation and the development of entrepreneurial competencies. Little attention, however, is being paid to interactions between the university and the local community. Effective R&D cooperation between the industry and the university is also lacking.

### The third mission in Sweden: Uppsala University

Sweden's innovation policy supports the third mission initiatives of national universities [31]. Some institutions and programmes are particularly worth mentioning here. Vinnova, Sweden's innovation agency established in 2001, funds studies of university needs and seeks to encourage cooperation between business, universities, and public authorities. Each year, new and ongoing projects receive 220 million euros total funding. Vinnova is changing academic culture by contributing to universities competitiveness and to the development of entrepreneurship. The agency has already launched several initiatives, including the Key Actors national programme, which has been running since 2006, aimed at streamlining interactions among universities, stakeholders, and other agents

as well as to commercialise research. Another initiative, VINN Excellence, supports the creation of excellence centres at universities. Regional competitions held within the Vinnväxt initiative, seek to stimulate regional development by promoting cooperation between academia, business, and government.

Another major contributor to the implementation of the third mission is the Swedish Agency for Economic and Regional Growth (NUTEK). Among its many initiatives, the most prominent is the Regional cluster programme, which supports clusters with strong academic participation. In 2005, Swedish government launched the Innovationsbron (Innovation Bridge) initiative, which pursues the expansion, commercialisation, and effective use of state-supported R&D. At an early stage of company development, Innovationsbron acts as a seed investor. Annually, it funds from thirty to forty companies. KK-stiftelsen (The Knowledge Foundation) supports studies at young Swedish universities, i.e. those established after 1977. The Foundation's key initiatives are the HÖG and KK programmes, which facilitate knowledge dissemination and the development of cooperation between universities and industry. Since its foundation in 1994, KK-stiftelsen has invested approximately SEK 7.8 billion into more than 2,100 projects. Although there is a long-standing tradition of cooperation between universities and large enterprises, research commercialisation efforts (spinoffs, patenting, licensing) are relatively new. In recent years, Swedish universities have expanded their business support opportunities by creating and bolstering auxiliary structures.

Uppsala University, Sweden's oldest institution of higher education is a good example. Data for 2018 shows that the university actively cooperated with private and public actors as well as with civil society institutions. Uppsala University is engaged in dynamic cooperation with the business community and public organisations, such as, for example, Swedish National Veterinary Institute, Medical Products Agency, Geological Survey of Sweden, the Uppsala municipality, or the Gotland region. The university is part of a life sciences cluster initiative, which brings together five more universities, hundreds of companies, university clinics, and supporting departments. The university has launched the UU Innovation programme to support commercialisation and cooperation with the business community. The university's successful integration with the real sector of the economy is largely a result of its efficient spinoff projects. In 2018, forty-two students of Uppsala University founded their own companies, whereas the number of alumni in Uppsala's global graduates network exceeded 24 thousand people. As a co-owner of companies specialising in biotech, life science, space technology, renewable energy, social science, and the humanities, Uppsala University is an impressive example of a university pursuing the third mission agenda.

*Stakeholder interactions at Russian universities:*
*the Immanuel Kant Baltic Federal University*

The third mission suggests broadening the social functions of a university as a social institution as well as its engagement in the regional, national, and global agenda through innovation, socio-cultural projects, and training specialists for industry. Basic documents of an institution of higher education should incorporate stakeholder interests.

Since 2010, the Immanuel Kant Baltic Federal University (IKBFU) has pursued a policy of developing the socio-economic potential of its region. This policy was reflected in the Development Programme for the Immanuel Kant Baltic Federal University from 2011 to 2020 established by the resolution of the Government of the Russian Federation. According to this document, the strategic goal of the university is to contribute to the socio-economic development of both the Kaliningrad region and Russia's North-West by offering high-quality graduate training and developing research potential. The socio-economic development of the region focuses on creating an intellectual economy, the key to which is human capital spurring the development of innovation infrastructure. The university's participation in that process is considered in terms of academic mobility and the development of priority research and technology areas. A 2011 cooperation agreement between the IKBFU and the Government of the Kaliningrad region, which is the key stakeholder, lists the following shared interests: creating a favourable social, innovative, and business climate; making the Kaliningrad region competitive in the Baltic region; working towards a stronger tourism and recreation industry; pursuing an effective industrial policy; building an adequate transport and energy infrastructure; ensuring access to state-of-the-art information technology and communications infrastructure; improving the efficiency of public administration in the region; promoting the federal university in Russia's exclave.

The R&D departments of the IKBFU are cooperating with forty large and small enterprises. Among them are regional companies (Miratorg-Zapad, Khrabrovo Airport, Kalinigradgazavtomatika) and industrial research organisations (Android Technology, Technopolis GS-Group, and the Observer group specialising in technology for people with special needs). The two latter companies have collaborated as industrial partners with the Functional Nanomaterials centre and the Laboratory for Neurobiology and Medical Physics to apply for mega-grants. In 2016, the IKBFU completed 45 tasks under contracts with regional enterprises (R&D efforts are totalling 11.5 million roubles).

The university is a leader in technological and infrastructural support for the innovative development of the Kaliningrad exclave. It has a major role in training specialists for education, tourism, law, healthcare, spatial planning, nature management and environment protection, information technology, sports, translation and interpreting, transport logistics, the media, etc. The key goals of the university are closer integration into the regional space, stable interaction channels between the university and public, non-governmental, and for-profit socially responsible organisations, as well as innovation and technology transfer.

Stakeholder engagement platforms include regular and ad hoc popular science events (science picnics, popular science lectures) ensuring communication between the IKBFU's researchers and the local community; debate clubs set up by the university in collaboration with the media and NGOs, including those focusing on political problems formulated by external partners; resource centres at schools and companies for training the personnel and organising student internships; law and other clinics where students practice in assisting community members; education and culture committees and councils comprising the university administration and university experts (Culture Committee under the Government of the Kaliningrad region, College of Educators, Rectors Council); platforms for communication between the regional administration and members of business associations (Kaliningrad Chamber of Commerce and Industry, Baltic Business Club); society-focused events (Civil Forum, regional conferences).

Projects are an efficient tool to ensure stable interactions between the university and the regional community. One of them is the Welcome centre, which acquaints students from other countries and regions with the university and the city. There are social collaborations with foundations, foster care institutions, and centres for teaching retirees computer skills, legal literacy, and basics of healthy lifestyle; volunteer rehabilitation projects offering art and drama therapy to children with special needs; cultural projects focusing on the Soviet past; patriotic civil projects commemorating the victory in the Great Patriotic War; environmental projects on the Curonian Spit; contests for gifted children (school media awards held in collaboration with the West Press media group). To turn such projects into life, the university established a student initiative centre, which seeks to bring together best social innovation practices and streamline interactions between academia, industry, and government in line with the triple helix model.

The university's interactions with stakeholders are guided by three core principles: project orientation; commitment to openness and dialogue; computerisation and IT literacy. These three pillars create the space of technological and

social innovation in the Kaliningrad region, contribute to a comfortable environment for fostering human capital, and build public confidence in the intensive development of the university.

### Stakeholder interactions at Russian universities: Lomonosov Northern (Arctic) Federal University

An effective mechanism for university — stakeholder interactions should take into account common interests and available resources. Stakeholder interests should be included in the programme documents of educational institutions. The development programme of the Lomonosov Northern (Arctic) Federal University (NAFU) sets the goals that are well in line with the interests of its key stakeholders: the advancement of Russia's interests in the Arctic; the preparation of trained specialists for Russia's European North and the Arctic; comprehensive interdisciplinary Arctic research in collaboration with national and international partners.

The law of the Arkhangelsk region On Governmental Support for the Northern (Arctic) Federal University lists interests shared by the university and its major stakeholder, the region: to create the industry's demand for research; to encourage civil officers of Arkhangelsk executive authorities to hold theoretical and practical classes with NAFU students of relevant fields; to create opportunities for NAFU students and staff to take internships at the executive bodies of the Arkhangelsk region and other organisations.[2]

The shared interests of the university, prospective employers, and NGOs are the foundation of over 140 agreements concluded between the university and regional organisations and NGOs. Among university's partners are such large companies, as the Arkhangelsk Pulp and Paper Mill, the Zvyozdochka shiprepair facility, Rosneft, AGD Diamonds, the Arkhangelsk Algae Processing Plant.

Relationships between the university and its employees are regulated by employment contracts and a collective agreement between the NAFU administration and staff. Students sign agreements with the university administration.

To advance the common shared interests of the university and its stakeholders it is necessary to build a model of stakeholder participation in university administration.

A decision-making mechanism that takes into account the influence of key stakeholders (an external advisory body, administration, faculty, students, and alumni) has been proposed in a study focusing on stakeholder engagement in university governance [32].

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[2] On Governmental Support for the Northern (Arctic) Federal University: law of the Arkhangelsk region No. 295-22-OZ of My 20, 2011. *Volna*. June 2, 2011.

There is an external supervisory board that has the role of a 'voice from the outside'. Neither the university staff nor its students can be members of this body. Committed to the development of the university, the board takes into account the needs of society and the market as well as deals with strategic and financial issues. The administration solves the current university problems and decides how to use financial resources. It brings together the rector and vice-rectors for priority areas.

The faculty determine most academic quality parameters: the content of curricula, requirements for dissertations, and training and assessment standards. Members of that group take an active part in framing institutional and payment policies.

Students and alumni discuss various aspects of student life at the university: teaching standards, food, and accommodation. Alumni are welcome to weigh in on key changes taking place at the university and participate in university governance.

According to the federal law On Education in the Russian Federation, educational institutions set up collegiate administrative bodies: the employee conference and the academic senate. Other possible collegiate governance bodies are supervisory boards, advisory councils, boards of overseers, etc.[3] The most influential stakeholders get engaged in university administration this way, for instance, by including their representatives into the supervisory boards.

The NAFU Supervisory Board includes the governor, the deputy minister of education and science of the Russian Federation, the head of the Union of Industrialists and Entrepreneurs of the Arkhangelsk region, directors of the largest regional companies, a representative of the Moscow school of management (Skolkovo), and the head of a major broadcasting company. By participating in the work of the Supervisory Board, stakeholders may directly influence decisions relating to the university development strategy (particularly, changes to the charter), opening of new branches, and financial and property issues.

Russian laws regulate the participation of student and staff associations in university governance. In particular, broad rights are vested in trade unions, which can influence the adoption of local regulations on employment relationships, payment, the learning environment, and student accommodation. These functions are performed by the unions of the NAFU faculty and students.

The law On Education in the Russian Federation permits the creation of student councils, which represent the interests of students. The NAFU Student

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[3] On Education in the Russian Federation: federal law No. 273-FZ of December 29, 2012 (amended on February 19, 2018). Accessed via the ConsultantPlus assistance system.

Council discusses the prospects of university development. It has a voice at the university's annual public forum, which seeks faculty, student, alumni, and veteran engagement in identifying and pursuing priority development areas, finding and supporting promising ideas and projects, creating conditions for professional, artistic, and social self-fulfilment.

The NAFU Alumni Association provides financial assistance to the university, contributes to streamlining interactions with applicants and employers, and influences the framing of corresponding university policies.

A remarkable new tool to articulate the interests of the academic staff is the NAFU Assembly of Professors. Its meetings discuss strategic problems of the university and make proposals on educational, research, and social policies. NAFU is a good example of employing various approaches to coordinate stakeholder engagement models with university governance.

## Conclusions

Although most universities have embraced the need for stakeholder engagement, there are certain problems that complicate the implementation of the third mission, i.e. the participation of universities in developing the spaces of their regions. In Russia, the tradition of university—community engagement is severely lacking. Universities remain closed to society and focus solely on research and education [33, p. 119]. For many universities, contributing to community development is a new baffling area, which is perceived as an additional burden rather than a growth opportunity.

In our opinion, the major problems in organising effective university—stakeholder interactions are as follows:

- lack of systemic approach to stakeholder engagement, where systemic work is replaced by ad hoc contacts and formal procedures;
- rigidity, or the inability to adapt to stakeholder interests;
- lack of continuous analysis of stakeholder relationships; no room for discussion and calibration;
- absence of mechanisms for stakeholders to influence university governance (this can be done only the state and, sometimes, large companies).

Based on our analysis, we constructed a matrix of external and internal university stakeholders with their mutual connections and shared interest taken into account (table 2).

**A matrix for the system of university networking with key stakeholders**

| Stakeholder | Resources sought by the stakeholder | Resources available to the stakeholder | Stakeholders, whose interactions can be mediated by the university |
|---|---|---|---|
| External | | | |
| State | New graduates for the national economy<br>Basic and applied scientific knowledge<br>Student socialisation | The status and the right to perform educational activities<br>Infrastructure and finances Infrastructure and funding for the functioning of the university (buildings, tangible assets, funds, grants) | Students<br>University staff<br>Alumni<br>Local community<br>Employers<br>NGOs |
| Regional authorities | Graduates for the regional economy<br>Assistance to regional development (expert evaluations, consulting)<br>Jobs for local residents<br>Participation in community projects | Funding (contracts for research, expert evaluations, advanced training)<br>Assistance in approaching employers<br>Assistance in recruiting applicants in the region<br>Improving the image of the university in the region | Students<br>University staff<br>Alumni<br>Former university employees (veterans)<br>NGOs |
| Municipality | Jobs for local residents<br>Contribution to urban infrastructure development<br>Participation in community projects | Tangible (land, buildings, premises)<br>Financial (contracts for research, expert evaluations, advanced training)<br>Improving the image of the university in the region | Students<br>University staff<br>Alumni<br>Former university employees (veterans)<br>NGOs |
| Employers: organisations interested in collaborations with the university | Graduates<br>Innovations and research for organisations | Financial (contracts for research, expert evaluations, advanced training)<br>Assistance in employment<br>Improving the image of the university in the region | Other organisations<br>Other educational institutions (within the region and beyond it)<br>Students<br>University staff<br>Alumni |
| Other educational institutions (in the region and beyond it) | Networking and participation in educational and research projects<br>Participation in joint community projects<br>Advanced training (for schools and secondary | Networking and participation in educational and research projects<br>Assistance in recruiting applicants (for schools and secondary vocational education institutions) | Other educational institutions<br>Regional authorities<br>Municipality |

*The end of Table 2*

| Stakeholder | Resources sought by the stakeholder | Resources available to the stakeholder | Stakeholders, whose interactions can be mediated by the university |
|---|---|---|---|
| External | | | |
| NGOs | Tangible and financial (using university resources in joint projects) Membership in faculty and student associations Raising the awareness of the public and the authorities of the work done by NGOs | Assistance in recruiting applicants Improving the image of the university in the region | Regional authorities; Municipality Students University staff Alumni Former university employees (veterans) |
| Mass media | Information about the university Joint community projects | Assistance in recruiting applicants Improving the image of the university in the region | Other educational institutions Students University staff Alumni |
| Local community | Education services for various groups Social services | Local applicants University staff recruited regionally | State |
| Internal | | | |
| Students | Educational services Learning environment and accommodation Assistance in employment | The essence of the principal activity Improving the image of the university in the region | State Regional authorities Municipality Employers NGOs |
| Staff | Employment, salary, social security Advanced training and development opportunities | Participating in education Improving the image of the university in the region | State Regional authorities Municipality NGOs |
| Alumni | Assistance in employment Postgraduate support (advanced training and retraining, PhD programmes) | Improving the image of the university in the region Funding | State Regional authorities Municipality NGOs |
| Former employees (veterans) | Social security Recognition | Improving the image of the university in the region | NGOs |

Baltic region universities have been implementing the third mission with varying success. While overall the third mission performance of Polish universities may not seem impressive, their active participation in the regional development of the Pomeranian voivodeship has brought about a shift in the situation. The same holds true for Vilnius University, where the third mission agenda is more visible in collaborations with the business community than in regional engagement. Sweden has achieved the best results among the analysed states, since the country has long been committed to the entrepreneurial university model, and there are many institutions and programmes concerned with the third mission. Uppsala University is a good example of how a university's social engagement translates into regional development. The lack of experience in social engagement is what prevents Polish and Lithuanian universities from attaining better education quality and organising continuing education. Social engagement translates into technology transfer, which benefits both the university and the regional community. The above model can be applied to contemporary approaches to managing Russian organisations of higher education in terms of third mission implementation. The sooner the universities embrace the need for a clear stakeholder interaction policy, the more resources for development they will have.

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