

# PERSPECTIVES

Invited article

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## GRADUATE BUSINESS ADMINISTRATION PROGRAMS: MEETING STAKEHOLDER EXPECTATIONS

### INTRODUCTION

Traditionally, it has been taught to business administration students at the undergraduate level that the survival of an organization depends on its relevance as perceived by stakeholders (Freeman & Reed, 1983). However, one of the most important authors in the area of business administration in Brazil stated that about 20 years ago—when I was a newcomer to the academy—I expressed my frustration with the imperfections I identified in the management of the school. The following line never ceased to echo in my mind: “We are famous for teaching business administration, not for managing.” Unfortunately, I found that this phrase was not a criticism, but a fact.

The motivation for this text comes from the idea expressed by the phrase above. However, it is necessary to emphasize that this is a partial vision and that forums in which Brazilian graduate programs in business administration participate tend to focus on concise discussions instead of deepening discussions on topics that affect the management of these programs.

First, the most relevant stakeholders were listed, and their pressing interests were identified (subject to confirmation). Subsequently, using the 2013-2016 Evaluation Report – Quadrennial 2017, of the business administration, accounting, and tourism areas (CAPES, 2017), and considering only academic programs, the author analyzed the results obtained for the evaluation questions in relation to the interests of the stakeholders identified.

### IDENTIFICATION OF GROUPS OF STAKEHOLDERS

In this section, six main groups of stakeholders involved with the programs are identified, and their interests, attractiveness factor, and contributions are listed. Table 1 summarizes these findings.

#### Student body

The first group interested in the performance of the programs is composed of the student body and can be divided into two categories: students and alumni. This group invests or invested significant amounts of financial and nonfinancial resources, expecting that the knowledge acquired as a result of its engagement would be useful to it. This depends on the objective quality of the knowledge

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and the skills acquired as a result of the group's participation in the program and the reputation it enjoys as alumni. Thus, a high-quality student body attracted by a good reputation, by becoming alumni, can have its reputation increased through society's perception of its contributions as a result of its participation in the program. Furthermore, the members of this group also make contributions through their work ability and dedication, which attracts institutional partners and contributes to a more motivated faculty.

## Organizations

The second identified group was composed of the organizations that benefited from both the training acquired by the alumni who have built a career in their organizations and the relevant knowledge generated by their research. This group contributes to the program in different ways: the first and most common is by allowing program participants to conduct research; and the second is by investing in research activities and by offering research grants that stimulate the participation of professors and students in relevant research for the organizations.

Both the identified groups have a common interest in the reputation of the program. While the student body seeks, by obtaining a graduate degree, to reduce the risks considered by organizations in the hiring process, organizations expect their performance to be compatible with the expectations generated by the reputation of the program.

Discussing the several variables involved in the reputation-building process goes too far beyond the scope of this text; however, it is possible to determine that adequate management of reputation is an important factor for meeting the expectations of these two first groups of stakeholders. Thus, correct identification of alumnus profile and the generation of relevant knowledge for organizations are important objectives to be attained.

## Faculty and administrative staff

The third group of interests is composed of those who collaborate with the programs more permanently: the faculty and administrative staff. This group is responsible for allowing the programs to conduct the activities most important to their missions—namely teaching, research, and extension. It fits into all the widely known aspects of human resources management, and identifying its ambitions and interests to serve them properly is an essential condition for an organization to play its social role.

In this respect, despite the natural differences between the profiles of the two groups, their interests are congruent. As employees, they want their performance to be recognized inside and

outside the program, and they want it acknowledged that their daily lives have social relevance. In this sense, educational institutions, by their nature, have a significant advantage over the others, because their mission is unquestionably to make society better. Professors seek not only adequate conditions to conduct their research but also to positively influence the lives of students and guide them to achieve their full potential. Furthermore, a student body with the necessary dedication and preparation to build relevant research positively affects teachers' satisfaction with the program.

High-quality professors are desired by all programs, but the problem of how to attract them is a constant challenge. Here, again, it seems that reputation plays a decisive and synergistic role in the interests of the first two groups because it is decisive in the choice of the candidate for the faculty. Thus, because reputation generates expectations, it allows candidates with the desired profile to be attracted.

It is important to note, however, that without adequate administrative support, even the best faculty in the world will perform poorly. Although teaching, research, and extension usually have teachers and students as protagonists, these are not feasible without administrative support. Therefore, being attentive to the interests of this subgroup of employees is an institutional task of the programs. Attracting administrative staff of great potential to the program, training them, and properly recognizing their performance are tasks of great complexity and, therefore, demand constant dedication.

## Assessment bodies

The fourth group of interest is composed of entities such as *Coordenação de Aperfeiçoamento de Pessoal de Nível Superior* (CAPES), *Associação Nacional de Pós-Graduação e Pesquisa em Administração* (ANPAD), European Foundation for Management Development (EFMD), Association to Advance Collegiate Schools of Business (AACSB), Association of MBAs (AMBA), which contribute to the improvement of the performance of the programs by evaluating and indicating opportunities for improvement. This group plays an important role, because, by indicating the degree quality using its methodology, it contributes to the building of reputation, which will influence the first three groups mentioned above.

Compliance with the standards of evaluation cannot be considered an end, but a means, of meeting the interests of other stakeholders. It is possible to observe that, explicitly or not, these institutions claim that they are relevant because of their capacity to improve the performance of the programs evaluated by them. In this sense, using a highly qualified technical staff, they offer invaluable help to the processes of continuous improvement that

every organization pursues. Moreover, these institutions provide a nonendogenous view of the performance of the programs, which creates a discomfort necessary to avoid accommodation and self-indulgence.

## Other graduate programs in business administration

Other graduate programs are also a group of interest. Because they are peers and have a high similarity of interests, participants in this group can offer many opportunities for cooperation through the sharing of scarce resources. This sharing is aligned with the interests of society, because it will benefit from better results and greater effectiveness. Furthermore, a set of partnerships among the programs would lead, through the exchange of experiences and natural learning, to a constant evolution of the standards of quality on which it is based to fulfill the programs' missions.

The number of cooperation agreements suggests that the programs are focused, at a greater or lower extent, on their

immediate environment. Synergies among the programs should be fully explored. It is important that the programs demonstrate a reciprocal vision of partnership rather than competitiveness, considering that the success of all depends on the success of each.

## Society

Another group of interest is society as a whole, because the programs may generate social impact. Although a consolidated methodology for measuring this dimension is not yet available, it is natural to expect some attention from the programs directed to this issue because their legitimacy, and therefore their sustainability, depends on how well they can contribute to improved social well-being. Society's positive perception of the programs' ability to contribute to its development may foster their reputation and ensure their existence in a competitive environment.

Table 1 summarizes the information on the main stakeholders, their focus, what attracts them, their contributions, and their relationships.

Table 1. Stakeholders, motivation, and contributions

Group	Focus of interest	Attractiveness factor	Relevant contributions
Students	Knowledge and Career	Reputation	Reputation, Research
Organizations	Collaborators and Knowledge	Reputation and Alumni Profile	Reputation, Financing, and Field of Research
Social body	Work Conditions	Reputation and Availability of Resources	Knowledge Generated and Administrative Support
Assessment bodies	Quality	Regulatory or Voluntary	Reputation and Counseling
Other Programs	Synergies	Possibility of sharing resources	Effectiveness
Society	Social Impact	Relevance	Reputation

## ANALYSIS OF THE 2013–2016 EVALUATION REPORT

This section aimed at comparing, through the evaluation report, the perception of the areas and performance of the programs, using as reference the interest of the identified stakeholders.

For that, the author selected the items that were more related to each interest and observed the concepts obtained, thus gaining an aggregated view of the perceived performance.

### General considerations

The way the data were organized in the report did not allow for an immediate separation between the performance of the business

administration and public administration programs. As a result, some analyses reported in this section may be distorted. However, it is believed that this did not significantly affect the insights generated.

### Programs' proposals

What was most striking in the analysis of the concepts attributed to the evaluated programs was that although 60% of them reached a very good (VG) concept, only 47% reached this concept in item 1.1, which refers, according to a free interpretation, to the quality of the content delivered to students.

In item 1.2, in turn, which refers to the process of continuous improvement in attracting students and improving the social impact generated by alumni, only 40% reached a VG

concept. Thus, in each of these items—which together represent 80% of the evaluation criteria of the program proposal—less than half of the programs evaluated obtained a VG concept.

Therefore, there is space for improvement in the performance of issues directly affecting the student body (current students and alumni), organizations, and society.

## Faculty

Concerning faculty, 76% of the programs evaluated reached the maximum score. In the sub-items of item 1.1, which refers to the level of training and diversity, 83% reached a VG concept. In item 2.2, which refers to the evaluation of the dependence of the program on nonpermanent professors, 91% reached the maximum score. Conversely, when assessing the involvement (measured by hourly workload) of permanent teachers, as well as their ability to obtain research funding outside the program, only 45% obtained the maximum score. The two other evaluation factors related to the faculty, participation in an undergraduate program and participation in events aligned with their field, obtained excellent scores, with 72% for the first and an undeclared value for the second, but that indicates almost complete adherence to the parameters required for a maximum score.

In this context, although it is difficult to control—especially in times of scarcity of government resources due to economic crisis—the obtaining of funding for research is undoubtedly the factor that deserves the most attention. This points out the need for further investigation on access to private financing, which naturally implies that the identification of the private entities that the research developed is relevant and applicable.

## Student body, theses, and dissertations

A high percentage of the evaluated programs obtained a VG concept in this category (63%). The two items in which less than 50% of the programs obtained a VG were those referring to the propagation of guidelines among members of the permanent group of professors and the participation of students in events in the area. Concerning the first item, the author failed to establish a clear relationship between stakeholder interests and the proposed measurement. Apparently, the pursuit of this evaluation criteria may lead to a significant reduction in the freedom of students to choose, as a referee, the teacher whose line of research is better aligned with their interests and motivations. Therefore, a lower percentage of maximum scores does not seem relevant. Otherwise, it may be needed for improving the degree of satisfaction of students and its consequences.

Furthermore, although, the country's economic situation seemed to influence the participation of students in the events in the area, a lower percentage of maximum scores may indicate the need for structuring events of lower cost to overcome these constraints.

## Intellectual output

Intellectual output was the category in which fewer programs obtained a VG concept (37%). The item referring to the evaluation of the relevance of academic production was the worst, with only 24% of the programs evaluated reaching the maximum score, which may be a consequence of the distribution of concepts by quartiles in the second indicator. It should be emphasized that the results were not worse because of the other two evaluation criteria: distribution of production by NDP, with 54% of maximum scores; and the other intellectual outputs, with 56% of maximum scores.

These results stand out because they are indicative of the knowledge generated by research, which is related to the first item of the evaluation of the proposals (quality of content delivered to the students) as well as to the issues regarding the attraction of nongovernmental financing to research.

Although the overall volume of intellectual output may have been increased, it is important that the level of scientific accuracy of publications increases more strongly.

## Social insertion

Social insertion obtained the second-last worst score, with 55% of maximum scores, surpassing only intellectual output. It is important to note that the most positive item refers to the degree of transparency of the program (71% of VG concept); meanwhile, in the other two items (impact and integration), 50% of the programs evaluated obtained the maximum score.

Given these results, there may be an excellent space for meeting the interests of two groups of relevant stakeholders: other programs and society as a whole. This is a space that, to be more occupied, depends less on the availability of financial resources. Concerning the other programs, cooperation positively influences the availability of resources, because its immediate consequence is greater efficiency in the allocation of resources.

## MAIN FINDINGS FROM THE ANALYSIS

Some important findings for the development of graduate programs in business administration in Brazil have arisen from

the research and subsequent analysis reported in this text. In this last section, they are highlighted and commented on briefly.

The first finding was that reputation affects the relationship of the programs with their stakeholders significantly. What is established with stakeholders can easily be classified as service provision; thus, reputation building is relevant in the process of attracting students, organizations, and the social body, and of the development of the mission of the programs. Therefore, it is a factor that requires special attention.

Thus, the adequate management of reputation and all the manageable variables associated with it are critical factors for the success of the programs. In this sense, it is important to focus on the construction of well-defined profiles of alumni aligned with the expectations of the organizations where they work. Furthermore, relevant research has a positive impact on the whole of society and contributes to strengthening ties with potential funding organizations.

However, as observed in the 2013–2016 evaluation report, the factors that most affect reputation building (quality of delivered content, the relevance of scientific production, and social impact) received a worse evaluation.

In this case, there is a clear opportunity for improving these aspects of the programs, and it should be taken as soon as possible.

The second finding is that there are opportunities for increasing integration between the programs. Historically, the continental dimension of the country might have negatively affected this process. However, given the financial constraints of graduate funding in Brazil, moving forward in this area can make a significant difference in the future performance of the programs.

This text aimed, albeit minimally, at fostering debate about the role of the programs in which the professionals of the business administration field participate. Contributions and criticisms of this approach, if any, will be a good measure of how much this aim has been achieved.

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