

# Stakeholder-Oriented Principal Development in Croatian Elementary Schools

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*This paper analyzes how the different forms of available development tools enhance the Croatian primary school principals' competence to balance stakeholder requirements, and thus enhance the performance of schools, conceptualized as nonprofit organizations. An indicative sample of primary school principals, selected by the Croatian primary school principal association, were surveyed in order to establish the effects of available institutional support. The low principals' orientation toward multiple relevant stakeholders has been established, although two different patterns have been identified – one oriented toward the individual actors (students, staff, parents), and the other toward institutions (ministry, local government) in the educational environment. The empirical analysis has shown that varying stakeholder orientations can be linked to differences in patterns of using available principal development tools, i.e. that the principals with the pre-existing («inherent») stakeholder orientation are more willing to use the development tools. In this context, the most significant of all the development tools seem to be different forms of training in school marketing and management. This finding supports the requirement to implement in practice the policy for principal training and certification, included into the provisions of the 2008 Law on Education in Primary and Secondary Schools.*

**Keywords:** stakeholders, primary schools, development mechanisms, principals, Croatia.

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## INTRODUCTION

The main objective of this paper is to theoretically define and empirically verify the contribution of the »strategic intelligence« concept to the overall school effectiveness in Croatia. By analyzing the »strategic intelligence« practice, as implemented by the primary school principals, as well as the tools and mechanisms available for its development, it is believed that some suggestions for the development of principal training and certification policies can be also developed.

The idea of »strategic intelligence« has been developed from the more general literature on marketing/management of nonprofit organizations. When applied to (nonprofit) schools, it suggests that collecting, disseminating and acting upon the relevant information on the stakeholders/constituents (i.e. the »market« addressed by the school) is supposed to create better performance, i.e. more effective schools. Since the Croatian educational policy is currently developing the development/support mechanisms for training of school principals (leading, ultimately, to their certification), we have also analyzed the differences between the more and less effective principals in their use of available tools. It is hoped that such a preliminary empirical analysis will provide some useful inputs for the Croatian educational policy in the field of principal development and certification.

## NONPROFIT PERFORMANCE AND MULTIPLE CONSTITUENCY ORIENTATION IN PRIMARY SCHOOLS

Primary schools in Croatia are traditionally positioned within either public sector (and financed from the central state budget), or the nonprofit sector (with a minority of, e.g. religious schools). However, since private and/or schools established by

civil society (or other) organizations are becoming a viable alternative to the public schools, the issue of **school choice** and **competition** will become increasingly important in the future.

In their »classic« paper, Chubb and Moe (1998) have argued that private schools may be in a position to provide higher quality education than the public ones, since the principals of public schools need to address the complexity of the political environment, which is not faced by their counterparts in private sector. According to these authors, public sector principals strive to balance the »political« forces, upon which their positions depend, by coordinating the conflicting stakeholder (constituency) demands and maintaining control over the staff. These tendencies may be compared to overall trends of professionalization in the nonprofit sector, which requires all nonprofit organizations to enhance their effectiveness.

However, outside of the for-profit sector, the notion of effectiveness is difficult to interpret. Each of the relevant stakeholders/constituencies has their own notion and a set of measures for assessing the organization and accomplishment of its mission, with the overall effectiveness being more of a social construction, than an objective reality (Herman & Renz, 1997). However, some »hard« theses on the process of such construction have been identified by Herman & Renz (1999): performance of any nonprofit organization is a socially constructed, relative and multidimensional construct, transcending the outcomes of single actions/projects/programs, although »correct« governance and management techniques seem to contribute significantly to its improvement. On the other hand, it should also be mentioned that such »correct« practices, usually transferred from the for-profit sector, if applied too vigorously, may impose the need to preserve the origi-

nal values and mission of the organization, i.e. motivate the nonprofit managers to »go back to their roots« (cf. Broadbridge & Parsons, 2003).

In this context, all organizations outside the for-profit sector, with a socially oriented mission, have specific limitations related to responding to market-based incentives. As they maintain relations with multiple segments of society, the issue of importance ascribed to a larger number of subjects creates the context for the theory of **multiple stakeholders/constituencies**. In this paper, the notion of a **stakeholder** (as defined by most authors in the field of nonprofit marketing/management – see, e.g. Friedman & Miles, 2006) will be used interchangeably with the notion of a **constituency**, which has been used in the same sense by some influential authors, such as Gainer & Padanyi (2005).

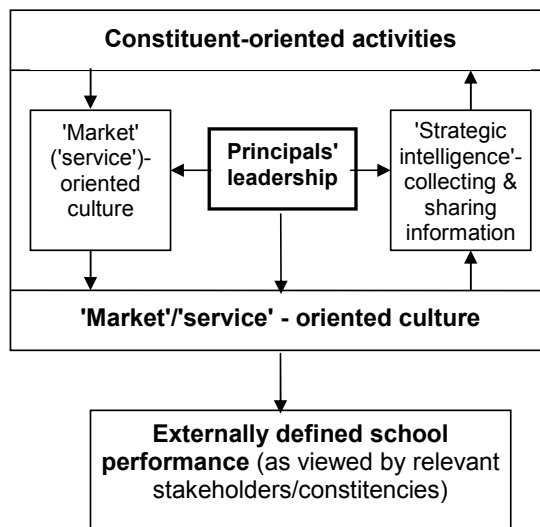
The theory of stakeholders (constituencies) asserts that nonprofit organizations, including schools, need to balance multiple monetary and non-monetary exchanges with many groups, characterized by different expectations (Balsler & McClusky, 2005). The role of **nonprofit manager's leadership role** should be based on the empirical finding by Gainer & Padanyi (2005), who found that organizational behaviour actually determines organizational effectiveness in accomplishing its mission. By analyzing about 2000 Canadian non-profit organizations, they have confirmed the hypothesis that performing activities oriented toward »marketing«-oriented activities (in the sense of recognizing and meeting stakeholders' demands) leads to the development of a specific (»market«/»service«-oriented) culture, which has a pivotal role in improving organizational performance.

However, this is not possible without the **internal cooperation within the organization**, which is emphasized by Kohli & Jaworski (1990). They believe that in-

teractions of actors within the organization should result in creating information related to customers' (i.e. stakeholders') present and future needs and influential environmental factors, distributing such information among the departments, and, finally, acting upon it. From another (external) perspective, which takes into account the relative and multidimensional nature of the nonprofit's effectiveness, this requires managing relations with various stakeholders/constituencies, although not all of them are equally significant (Helford, Ritter & Walter, 2002). The users often seem to have the »upper hand«, as their opinion about the created value is usually perceived as prevalent (Chen & Pascal, 2005), but the schools, just as any other nonprofit organization, need to balance their students' immediate needs/wants with the other social interests (cf. Voss, Cable & Voss, 2000). This will become much more difficult if the market-related incentives are introduced into the Croatian primary education system, since it makes the switching of schools much easier than ever before (cf. Harvey & Busher, 1996).

Primary school principals' behaviour leadership should serve as »glue«, bringing together the employees and inter-functional coordination, as fundamental preconditions for the improvement of school performance. As presented by Figure 1, in the model we propose that **principals' leadership** serves as a central concept, which connects and influences different variables affecting the overall school performance. Those include the »market« (»service«)-**oriented culture**, as a major explanation of external orientation toward the 'market' (i.e. the relevant stakeholders) and the notion of »**strategic intelligence**«, which can be explained in terms of **translating stakeholders' requirements into the tangible actions of actors within the school**.

Figure 1.  
Model of a principal's influence to overall school performance



The performance of an educational institution (school) can be defined from multiple perspectives, but in the previous model, it is viewed in terms of a dynamic adaptation to the changing environment (Cheng, 1996), represented by the changing stakeholders'/constituents' requirements. If principals wish to stimulate the responsive behaviour of staff and the entire school, they need to focus on the dialogue between the school and its customers/users (i.e. primarily students and parents), and on how their needs can be satisfied in the most efficient way. This requires principal leadership, which has already been linked to the realization of school performance (Simkins, 2005) and the success of the school improvement process (Harris, 2005). In addition, Hallinger (2003) pointed out that the leadership perspective does not reduce the principal's administrative/managerial role. There is even a mutually reinforcing relationship between the

two aspects of principal behaviour, which makes it easier for the most successful leaders to embody the opinion of the majority of both internal and external stakeholders (Bush & Glover, 2003). This may be done by creating a »market«/»service«-oriented culture, which is »embedded« within the determinants of the strategic development of a school (cf. Davies & Davies, 2006). It should be mentioned that, in the field of educational studies, literature often includes analyses of students' outcomes, in order to evaluate different models of educational leadership (see, e.g. Robinson, Lloyd & Rowe, 2008). However, this paper is limited to the »managerial« definition of performance, as socially constructed by the stakeholders (cf. Herman & Renz, 1997, 1999). We recognize this is a limitation to this study and a relevant subject for future research. In any case, it seems that **principal and organizational performance of a school**, conceptualized as a nonprofit or-

ganization, imply the participation and dissemination of information with all relevant actors within the school. Its effect should be – from the internal perspective – the creation of an organizational culture that represents a »moral endeavour« (Heck & Hallinger, 2005), inseparably connected not only to the organizational performance of a school, but also to widely defined social interests. On the other hand – from the external perspective – this implies managing relationships and balancing multiple stakeholders' interests (as already implied by the conceptualization of nonprofit effectiveness).

### MECHANISMS FOR PRINCIPAL DEVELOPMENT IN CROATIAN ELEMENTARY SCHOOLS

Croatian educational authorities have grasped the necessity for the development of successful relationships of the school with the relevant stakeholders and the wider community, as to enhance the school effectiveness. The new **Law on Education in Primary and Secondary Schools** (which came into effect in July 2008) requires the continuous training and certification of school staff, which especially ap-

plies to the principals. A commission of the Croatian **Ministry of Education, Science and Sports** has specified the competences and created a draft version of the principal training and certification program for primary and secondary schools principals<sup>1</sup>, including a separate list of required subjects<sup>2</sup>. Some preliminary training sessions have been held by the state agency in charge of primary and secondary education<sup>3</sup>, with different handbooks for principals also being produced<sup>4</sup>. Nevertheless, the criteria of principals' (s)election are not transparent enough and do not include the assessment of target group orientation. The (s)electd principals are still not required to obtain formal marketing/management qualification<sup>5</sup>, which leaves most of them to cope with the challenges of their job by using their pre-existing ability to assess/satisfy stakeholders' requirements and »learn by doing«<sup>6</sup>.

Implementation of the previously mentioned programs has, unfortunately, still not been defined clearly enough, nor is it clear when and how principals' training oriented toward the development of relevant marketing and managerial capacity will take place. Furthermore, there is scarce empiri-

<sup>1</sup> Ministry of Science, Education and Sports (2005, December). *Osposobljavanje ravnatelja osnovnih i srednjih škola (program)*. Retrieved April 2010, from <http://www.azoo.hr/admin/fckeditor/File/Program%20osposobljavanja.pdf>

<sup>2</sup> Ministry of Science, Education and Sports (2007, 26. June). *Izvedbeni program osposobljavanja ravnatelja (prijedlog)*. Retrieved April 2010, from [http://www.azoo.hr/admin/fckeditor/File/Izvedbeni%20program\\_Prijedlog\\_06-07.pdf](http://www.azoo.hr/admin/fckeditor/File/Izvedbeni%20program_Prijedlog_06-07.pdf)

<sup>3</sup> See the presentation *Usavršavanje ravnatelja u školskom menadžmentu*. Retrieved December 2009, from: <http://www.azoo.hr/admin/fckeditor/File/Usavršavanje%20ravnatelja%20u%20školskom%20menadžmentu.pdf>

<sup>4</sup> See, e.g. Friederichs, H. & Đaković, O. (Eds.) (2009). *Ravnatelj škole – upravljanje – vođenje*. Agencija za odgoj i obrazovanje: Zagreb; Alfirević, N., Pavičić, J., Kutleša, M. & Matković, J. (2010). *Osnove strateškog marketinga i menadžmenta u osnovnim i srednjim školama*. Alfa: Zagreb.

<sup>5</sup> However, most principals, especially those who are (s)electd for the first time, are required to attend the seminars organized by relevant state agencies and ministry.

<sup>6</sup> The situation might be somewhat better in the vocational secondary schools, specialized in the field of business (economics), since their principals' academic/professional background includes formal marketing and management training.



cal research, which could help to determine how such a training and certification program could contribute to the implementation of the proposed principal efficiency model. Some pieces of research indicate that the orientation towards satisfying students' and their parents' needs, as key primary school stakeholders, is relatively inadequate and even suggest that principals perceive the organizational performance of their schools to be at odds with an orientation towards satisfying the long-term desires and needs of both of these constituencies (Alfirević, Pavičić & Kutleša, 2008). Since the current situation does not seem to be satisfactory and the policy makers need to finalize their decisions on the principal education/certification system(s) and support tools, the empirical analysis of their potential effectiveness seems to be both a scientifically valid and practically relevant issue.

## EMPIRICAL RESEARCH

### Research question and hypothesis

This paper seeks to demonstrate **the empirical verification of the efficient (pre-existing) orientation toward the relevant stakeholders/constituencies** (implying also the difference in externally defined school performance) and **the patterns in the usage of principals' development mechanisms**. Since the Croatian educational policy wishes to address the issue of unsatisfactory school performance by institutionalizing principal training and certification in »administrative' fields, which include school marketing and management, empirical support for such a policy could,

hopefully, provide an impetus to implement the training and certification provisions included into the relevant law, but not yet realized in practice. Consequently, we propose the following hypothesis:

**HYPOTHESIS: There is a significant difference between principals demonstrating different levels of stakeholder/constituency orientation, regarding the usage patterns of development tools/mechanisms in the field of school marketing and management.**

### Research methodology

A questionnaire has been developed to measure the theoretical constructs used by the study. Those included: **(a) multiple stakeholder (constituency) orientation and »strategic intelligence« of Croatian primary schools**, based on the »market« information approach (Kohli & Jaworski, 1990) and the modified MARKOR instrument (Kohli, Jaworski & Kumar, 1993), based on the notion of collecting, disseminating and responding to information related to requirements of fundamental constituencies; **(b) assessment of locally available methodologies and support tools for principal support/development**, modelled according to a general framework, related to support of nonprofit organizations in Croatia (Pavičić, Alfirević & Ivelja, 2006).

The research instrument has been administered to an indicative sample of Croatian primary school principals, selected by the **Croatian Association of Primary School Principals**<sup>7</sup>. In order to obtain a geographically balanced sample, the population of all registered public schools has

<sup>7</sup> Authors would like to express their gratitude to the Croatian Association of Primary School Principals for their valuable assistance in collecting primary data, as well as to the anonymous reviewers, who helped us to improve the final revision of this paper.

been consulted and a stratified sample has been developed, as to match the geographical distribution and density of primary schools in the Republic of Croatia<sup>8</sup>. The sample is considered to be indicative, rather than representative, since the selected participants were much more »proactive« than the »average« principals, i.e. the selection of responding principals within the individual strata has not been based on random selection, but rather on the information provided by the Croatian Association of Primary School Principals on: (a) participation in programs of school/curriculum development initiated by the Croatian Ministry of Science, Education and Sports, or the Croatian Education and Teacher Training Agency and (b) participation in the annual meetings of the Croatian Association of Primary School Principals. Although such a sampling approach might not be the most appropriate one, it was the only applicable, as the motivation for participation in such a research project is rather low among the principals who do not actively cooperate with the relevant actors in the state sector and the professional community. Those principals cannot be easily involved into research projects and cannot provide useful information for policy development. Even within our indicative sample, some respondents failed to provide usable feedback when approached by researchers<sup>9</sup>. Out of the pre-selected 275 principals who were asked to fill in the questionnaire, throughout the late 2008 and early 2009, 82 have responded with a valid questionnaire,

which represents a response rate of 29.8%. In their study of relevant response rates for surveys in the nonprofit sector, Hager, Wilson, Pollak & Rooney (2003) review a general »rule of the thumb« related to rates of 50% to 70% as being generally appropriate, and warn that studies analyzing organizations typically have significantly lower return rates than those dealing with individuals. Therefore, although rather low, the return rate may be considered as adequate for the purpose of this study.

## Research results

### *Constituency orientation of Croatian primary schools*

By reproducing the methodology previously used in the Croatian higher education sector (Pavičić, Alfirević & Mihanović, 2009), respondents were asked to assign subjective assessments to multiple items, describing the orientation of their school toward the relevant stakeholders, grouped according to the three components of the »strategic intelligence« model (creation and dissemination of relevant stakeholder data and organizational response/action toward it). Principals' assessments were measured on a five-point Likert scale, with a value of 3.0 determining a non-existing orientation of a school toward a specific stakeholder and, consequently, a lack of »strategic intelligence« actions related to such a stakeholder within the school. The high values (higher than 3.0) correspond to the positive, and the low values (lower

<sup>8</sup> The list of all registered Croatian public schools is, at the time of writing the article, available at the Internet portal, developed by Ministry of science, education and sports and the Croatian Academic Network (CARNET), at: <http://www.skole.hr/skole/popis>. In addition, a list of 946 registered institutions of primary learning is available in MS Excel format at: [http://www.mzos.hr/datoteke/USTANOVE-OS\\_programi.xls](http://www.mzos.hr/datoteke/USTANOVE-OS_programi.xls).

<sup>9</sup> However, it should be mentioned that the discussions held with the representatives of the Croatian Association of Primary School Principals, during the preparatory stage of the research project, also indicate rather encouraging trends regarding the principals' involvement and active cooperation with this professional association and other relevant actors in the sector.

than 3.0) to the negative orientation toward the stakeholder, implying either proactive (for the positive orientation), or the defensive »strategic intelligence« actions of the school.

Table 1 illustrates the obtained market orientation scores toward the six constituencies (students, school staff, parents, the Ministry of Science, Education and Sports,

ing that the primary school principals also mirror the practice of Croatian administrators in higher education: both are oriented mostly toward their staff, with students being considered the second most significant constituency. However, one result seems to be especially low – the one related to the orientation toward the potential students. Since Croatian students are, as a rule, en-

Table 1.  
*Orientation of Croatian primary schools principals toward multiple constituencies*

	Minimum	Maximum	Mean	Std. Deviation
Orientation toward the students (O.student)	2.56	4.56	3.5299	0.48679
Orientation toward the school staff (O.staff)	2.80	4.50	3.7198	0.45287
Orientation toward the parents (O.parents)	2.44	4.56	3.4199	0.55563
Orientation toward the state Ministry (O.ministry)	2.25	6.75	3.3976	0.70939
Orientation toward the local government (providing the financing for the school) (O.local government)	1.88	4.25	3.2623	0.53914
Orientation toward the potential students (O.potential students)	1.43	4.33	3.0033	0.74697

local self-government which provides financing for the school and potential students). Selection of these stakeholders (constituencies) and their evaluation as relevant in the educational environment is based on a previous study on the Croatian higher education (Pavičić, Alfirević & Mihanović, 2009).

The obtained market orientation scores, which imply practically non-existing orientation, i.e. »strategic intelligence« actions, for most of the relevant stakeholders are comparable to those in higher education and **confirm the previous findings on the absence of constituency orientation in Croatian primary schools**. It is interest-

rolled in the institution of primary education in the (physical) community of their residence and the choice of such private institutions is quite limited, without the practical option for school choice, the logical interpretation of this construct is not especially beneficial.

In order to analyze the patterns of principals' orientation toward key stakeholders/constituencies, a factor analysis has been performed, since both the value of the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (0.822) and Bartlett's sphericity test (significant at 1% level) demonstrated that such a statistical procedure might be beneficial<sup>10</sup>. The extraction

<sup>10</sup> It should also be mentioned that each of the items initially included into the factor analysis had been represented by a single questionnaire item.



of principal components, without any rotation applied, led to the identification of two factors, explaining 84.43% of the entire variance. As items of market orientation toward the relevant state ministry and local government loaded highly on both factors, Varimax orthogonal rotation was applied.

Once again, two factors were extracted by using the standard principal component analysis (PCA) method. The rotated components matrix showed high loadings of market orientation toward students, staff and parents on the first, as well as comparable loadings of market orientation toward the state ministry and the local government on the second factor (Table 2.). The obtained factors can be logically explained in terms of **the principals' orientation toward the groups of stakeholders/constituencies**, which can be explained in terms of **individual actors** (students, staff, parents) and **institutions** (ministry, local government) of the Croatian educational system.

Table 2.  
Factor analysis of orientation toward stakeholders (constituencies) for the Croatian primary schools (Rotated Component Matrix)

	Component	
	1	2
O.students	<b>0.884</b>	0.225
O.staff	<b>0.862</b>	0.254
O.parents	<b>0.883</b>	0.291
O.ministry	0.169	<b>0.928</b>
O.local government	0.402	<b>0.815</b>
% of total variance explained	49.918	34.516

Notes: Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 3 iterations.

### Principal development tools

Different forms of nationally and locally available institutional support to the principals of Croatian primary schools for managerial and organizational development have been assessed, including<sup>11</sup>:

- **professional advice** received from agencies and other institutions of the Croatian educational sector (a1),
- **professional advice** from either state or local administration (a2),
- **advice received** from professional associations and the academic community (a3),
- **advice received from individual experts** in the field of education/pedagogy (b1),
- **advice received from individual experts** in the field(s) of educational marketing/management (b2),
- **customized training sessions** with topics from education/pedagogy (c1), or educational marketing/management (c2),
- **participation in established training programs** with topics from education/pedagogy (d1), or educational marketing/management (d2),
- **workshops and similar training sessions** with topics from education/pedagogy (e1), or educational marketing/management (e2),

The principals' assessment of these forms of support was related to their **actual usage** during the previous year. Taking into account a rather large number of tools/approaches, another attempt to simplify the initial constructs was made by performing factor analysis. Initial data considerations supported this procedure as well, with the

<sup>11</sup> The methodology for assessment of support tools/mechanisms is based on the previous research by Pavičić, Alfirević & Ivelja (2006).

KMO measure of sampling adequacy equal to 0.694 and Bartlett's sphericity test also being significant at 1% level.

The usage of the standard PCA extraction method, before the application of orthogonal rotation, produced three factors, providing an explanation for 67.7% of the entire variance. However, loadings of individual items on these factors could not be interpreted, which, once again, justified the use of the Varimax rotation (Table 3). A repeated procedure provided a well structured explanation of the three factors: items (a1) to (a3), as well as (b1), (b2) and (c1) loaded highly on the first factor, (c2), (d2) and (e2) on the second, with the high loadings on the third belonging to items (d1) and (e1). The obtained configuration can be easily interpreted: while the first factor represents the support tools related to the use of **individual and institutionalized expert advice**, the second and third represent **school marketing/management and pedagogical training** (respectively).

#### *Principal development tools and constituency orientation*

Analysis of bivariate correlations<sup>12</sup> among all the obtained factor scores revealed a significant ( $p= 0.014$ ), but not a very strong relationship (with a Pearson coefficient value of 0.305) between the principals' orientation toward institutional actors of the educational systems and their usage of training programs in the field(s) of school marketing/management. Although such a finding is interesting, since it **demonstrates that the schools oriented toward institutions of the educational system tend to be more interested in developing their »administrative« capabilities**, it still does not reveal the entire »big picture«.

Table 3.

*Factor analysis of support tools to the principals of Croatian primary schools (Rotated Component Matrix)*

	Component		
	1	2	3
(a1)	<b>0.773</b>	-0.015	0.172
(a2)	<b>0.605</b>	0.349	0.126
(a3)	<b>0.806</b>	-0.015	0.040
(b1)	<b>0.757</b>	0.066	0.150
(b2)	<b>0.605</b>	0.466	-0.414
(c1)	<b>0.649</b>	0.071	0.257
(c2)	0.049	<b>0.836</b>	0.041
(d1)	0.247	0.392	<b>0.698</b>
(d2)	0.133	<b>0.860</b>	0.297
(e1)	0.284	0.261	<b>0.818</b>
(e2)	0.012	<b>0.809</b>	0.310
% of total variance explained	28.503	24.210	14.986

Therefore, a simplified form of case classification was performed, as the classical cluster analysis could not be used, since it assumes that all the variables are independent, as well as that they adhere to certain theoretical distributions. In order to perform the classification, factor scores were recoded into two dichotomous variables (true/untrue, i.e. low/high on their orientation toward individual and institutional actors). The schools were further classified using an ad-hoc matrix into (a) **passive, i.e. lacking orientation toward any constituencies** (achieving a low score in both categories), implying the non-existing »strategic intelligence«, (b) **active, i.e. demonstrating balanced orientation** (high in both categories), which implies a high level of »strategic intelligence«, (c) **oriented toward individual actors**, or (d) **institutionally-oriented** (implying, in both

<sup>12</sup> The usage of Pearson's correlation coefficient is based on the fact that the interval measurement scales were used for relevant items in the research instrument.

cases, a slightly unbalanced stakeholder / constituency orientation and, thus, somewhat unbalanced application of the »strategic intelligence« concept).

The one-way analysis of variance (ANOVA), using the indicator of membership in one of the four groups of schools, was applied, in order to identify the significant differences among the factor scores for the tools of support. The results are interesting, since the **market orientation seems to be associated with the patterns of using the available development tools/mechanisms** (see Table 4), which **confirms our hypothesis**.

This is a useful finding for the policy-makers, since it suggests that **principal development/support in the field of »administrative« capacity (i.e. school marketing/management) does make a difference in creating a high level of »strategic intelligence«, which ultimately leads to the better performance by balancing stakeholders' interests**. Such a finding confirms our hypothesis related to the contribution of principal training in school marketing/management (i.e. enhancing »administrative« capacity of the principals) to the potential improvement of their schools' performance.

## DISCUSSION OF EMPIRICAL RESULTS AND IMPLICATIONS FOR SCHOOL LEADERSHIP DEVELOPMENT

Significant, but relatively low values of orientation toward fundamental stakeholders/constituencies for the Croatian primary schools are not a novelty, since similar results had been reported previously in different segments of the educational sector. The same applies to the inherent »internal« orientation of the Croatian educational leaders, who do seem to understand the importance of their students as the fundamental customers/users of the educational institutions, but exhibit a somewhat higher orientation toward their staff. However, **a new potential classification of market orientation patterns has been identified in the empirical research**, (i.e. orientation toward individual and institutional actors), which mirrors some popular leadership theories, such as the **managerial grid**, distinguishing leaders' concern for people and production (cf. Robbins & Coulter, 2007:492).

Table 4.

*Mean differences in usage of support tools among the groups of schools defined by their orientation toward stakeholders (constituencies)*

		Sum of Squares	df	Mean Square	F	Sig.
Use of individual and institutionalized advice (factor score)	Between Groups	3.002	3	1.001	1.001	0.399
	Within Groups	59.998	60	1.000		
	Total	63.000	63			
Training in school marketing/management (factor score)	Between Groups	8.627	3	2.876	3.173	0.031*
	Within Groups	54.373	60	0.906		
	Total	63.000	63			
Pedagogical training (factor score)	Between Groups	3.071	3	1.024	1.025	0.388
	Within Groups	59.929	60	0.999		
	Total	63.000	63			

Note. \* Significant at the 5% level.

In addition, **success in orientation to external constituencies is linked to the capacity-building in the fields of school marketing and management**, which seems to be a critical factor of balanced stakeholder relationships, which, according to our model, should lead to the enhanced school performance, as defined by the classical studies in nonprofit sector (Herman & Renz, 1997, 1999). Consequently, the results of this study strongly support the Croatian education policy related to finalization and the actual implementation of the principals' education and licensing provisions, contained in the **2008 Law on Education in Primary and Secondary Schools**.

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### **Sažetak**

## **RAZVOJ ORIJENTACIJA RAVNATELJA U HRVATSKIM OSNOVNIM ŠKOLAMA PREMA KLJUČNIM DIONICIMA**

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*U ovom se radu analizira kako pojedini oblici obrazovanja i razvoja ravnatelja utječu na sposobnost ravnatelja hrvatskih osnovnih škola za uravnoteženjem zahtjeva pojedinih dionika škole, a samim tim, i na učinkovitost (performanse) škole, shvaćene kao neprofitne organizacije. Provedbom ankete na indikativnom uzorku ravnatelja osnovnih škola, izabраниh od strane Hrvatske udruge ravnatelja osnovnih škola, željeli su se utvrditi efekti postojeće institucionalne podrške ravnateljima. Pritom je utvrđena i niska orijentacija ravnatelja prema relevantnim dionicima djelovanja škole, iako su se, pritom, izdvojile dvije skupine rezultata, tj. orijentacije prema individualnim (učenici, nastavnici, roditelji) i institucionalnim (nadležno ministarstvo, lokalna uprava) akterima obrazovnog okruženja. Empirijska je analiza pokazala da se različite orijentacije prema dionicima škole mogu povezati s načinom na koji ravnatelji koriste raspoloživa sredstva za obrazovanje (razvoj). Također je utvrđeno da se, u promatranom kontekstu, kao najvažnija sredstva obrazovanja (razvoja) ravnatelja mogu izdvojiti različiti oblici obrazovanja u školskom marketingu i menadžmentu. Navedeni rezultati podupiru zahtjev za konkretnom praktičnom provedbom politike obrazovanja i certifikacije školskih ravnatelja, definirane Zakonom o odgoju i obrazovanju u osnovnoj i srednjoj školi iz 2008. godine.*

**Ključne riječi:** dionici, osnovne škole, mehanizmi obrazovanja (razvoja), ravnatelji, Hrvatska.