

## *Original Paper*

# Stakeholders' Model in Israeli School

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### **Abstract**

*The authors of this paper present a stakeholder model for presenting an Israeli school from the point of view of its stakeholder, especially pupils, teachers, principals and parents. They strive to find solution to teenagers at risk in the Arab sector of Israel.*

### **Keywords**

*stakeholders, education system, modern school, organization*

## **1. Introduction**

### *1.1 Stakeholders' Model in Organization*

According to the approach of Friedman (1970), firms are economic private entities and their only goal is to make profits to their owners, or, as says one of the most famous citations of Friedman, "the business of business is business". By this approach, the only responsibility of managers are towards stockholders, so it is called

"the approach of Stockholders View". Unlike the opinions of Friedman, starting from the 1970-s there is an agreement between scientists and philosophers that firms are responsible to groups of stakeholder ( Jones, 1980), and a model that was presented by Zenisek (1979) is based on the fit between business ethics and social ideology, and it is also based on definition of stakeholders' groups. Earlier researches of Walton (1967) and Fells (1970) defined social responsibility of businesses as a continuum between a minimal responsibility characterized by obligations only to stockholders and making profits as an only legitimate function of a firm, and the maximal responsibility characterized by social causes and taking care of wider groups of stakeholders. Zenisek (1979) model described a continuum of four periods in terms of fit presented above. The first period called "Manager/Owner" which took place in years of 1850-1910 when businesses were perceived as economic institutions whose only goal is to make profits. The second period was called "Participant Organization", in the years of 1900-1950, and was characterized by seeing businesses as economic-industrial institutions which goals are making profits and using resources effectively, and stakeholders' groups include all the organizational participants,

namely: owners, manager and employees. The third period called “Environment Task”, took place in 1945-1965, and was described in seeing businesses as economic and industrial institutions, which goals are making profits, using resources effectively and maximizing a volume of sales, and the stakeholders’ groups include all the organizational participants and also suppliers, distributors and creditors building up “an organizational environment”. The fourth period, called “Societal”, from 1960 till 1979 (when the article of Zenisek was written), used to see businesses as economic, industrial and social institutions, which goals are making profits, effective use of resources, maximum sales volume and in addition taking care of the welfare of society in general (Zenisek, 1979). Freeman (1984) proposed one of the most comprehensive definitions of a firm’s stakeholders. According to this definition, stakeholders of any organization are a group or individuals who are influenced or may be influenced from achieving organizational goals. In addition, Freeman (1984) also defined the three circles of stakeholders’ groups of a firm. The inner circle is within the organization, consisting from employees, managers, shareholders and labor unions. The two external groups of stakeholders: a circle having economic interests in organization, like customers, investors, financing groups, distributors and suppliers, and a circle of those with social interests in organization, like communities, governments and regulation bodies, third sector organizations and environment.

Evan and Freeman (1993) proposed even more precise definition of stakeholders based on two principles: the first one is the principle of corporation rights, claiming that a firm is obliged not to hurt or violate others’ rights, and the second is talking about the corporation impacts, saying that firms are responsible for their actions’ influences on others. In the light of these two principles, the stakeholders were defined in a more precise way: a firm’s stakeholders are any group or individuals who benefit or are damaged from the firm, or those whose rights might potentially be damaged by the firm. In the opinion of Donaldson and Preston (1995), stakeholders’ theories may be divided into three kinds: descriptive theories, instrumental theories and normative theories. Descriptive stakeholders’ theories use to describe, or sometimes to explain, the ways of action of a firm towards their stakeholders and try to determine whether the firms take into consideration their interests. Instrumental theories of stakeholders use to identify connections, or their lack, between managing stakeholders and achieving a firm’s targets and try to answer a following question: will a firm profit from taking into consideration stakeholders’ interests? Normative stakeholders’ theories use to interpret actions of organization and to connect moral and philosophical values and to justify the fact a firm needs to consider stakeholders and their interests (Donaldson & Preston, 1995).

In the research of Post et al. (2002) the attitude-based approach in stakeholders theory was proved to be one of the most-effective ones, since the competitors of any organization tend to change all the time, with IT (information technologies) that get more complicated and new knowledge is created constantly. As a result, there are no clear boundaries between the organization and its environment, and dealing with information flows within any organization should be changed, and providing informational and economic securities becomes first-order priorities. The cycle of inner and outer stakeholders gets wider,

they get more multi-faceted, and it is highly valuable to deal with stakeholders of different levels and types.

In economics literature, the common definition of a term “stakeholder” became the one proposed by Googins (Who are stakeholders?): “Stakeholders are groups, organizations or individuals who are influenced from the organization that depends on them”. International Finance Corporation of US defines stakeholders of an organization as physical persons or groups which are somehow interested in organizational activity. Their interests may be based on normative-legislative acts, under geographic and other factors. Such interested individuals may be investors, employees, customers, governmental institutions and local communities (Post et.al, 2002).

### *1.2 School Stakeholders*

The authors present school stakeholders, which is an organization belonging to the Education system:

**External stakeholders-** local education system, head of local council, inspector, the regional authorities, Ministry of Education; Parents, competitors, consultants, constructors and education services staff.

**Internal stakeholders-** teachers, pupils, pedagogical staff.

The main stakeholders of school education are: parents, teachers, school committees and councils and administrations, school principal, state and local authorities, Higher education institutions, business sector and local communities.

**Who is a teacher?** Always, a teacher’s role and personality were very influential. It is a profession with a high level of responsibility, with high level of demands from the society, since a teacher impacts how the society will grow and develop in the future (Calkins & Bell, 2010). To be a teacher does not necessarily mean to have a degree, since not all the graduates from pedagogical academic institutions did find their place at school- there are challenges of cooperation with parents and pupils, school management and the erosion this profession often causes.

In the era of information technologies which rapidly develop all the time, an information may be derived from the internet very easily. As a result, a teacher is not the only source of knowledge, as she used to be in the past. Due to computer technologies, there are new possibilities for creative and research activity for pupils. The information is free for all. However, now modern computer can teach a child to think independently, compare, analyze and make conclusions. This is the role of teacher. Today, a teacher is trusted to teach a pupil to think, forming her intellectual and spiritual personality. However, it is not possible to succeed without a support of a family and other social and political institutions.

In the western countries, who are leading in the field of education- skills the pupils develop, equal opportunities in education, and other parameters- the status of a teacher is high. For example, in Finland a potential teacher is admitted to teach after the MA degree and a long period of practical training. The training is done by only 8 academic institutions (which is very small for such a country). As a result, huge investment in teachers is justified- the education system of Finland is very good. Only one of 10 candidates to become a teacher will actually become one, and she will surely be the best. A

salary of a teacher in Finland is a little higher than the one in Israel, however this is not the main reason for gaps of quality. The teachers in Finland have a high level of autonomy in their educational activity: they develop units of teaching at school and are completely trusted as future vision-makers (Teachers status, <https://www.hinuch.org.il/new-page/>).

In Israel, the situation is quite different. Since the education system is criticized a lot from all the sides, teachers' status is also relatively low. Israeli teachers may be seen as victims of the current methods of education, which are old-fashioned and not up to date. The teachers are just "transmitters" of the material they get from the Ministry of Education, and the curricula are not updated. Also, there are not enough teachers in the system and it is also difficult to fire a teacher who failed, so the general picture of education system is sad (Teachers status, <https://www.hinuch.org.il/new-page/>).

Greenbank (2018) argues that today the Education of Ministry in Israel supports involvement of parents in schools. However, this involvement often gets negative connotations lately, damaging relations between teachers and parents. Often, teachers suffer from parents who come into their classrooms without permission, call them late in the evening, and bother the school principals and even higher educational authorities with their constant complaints. Teachers claim that these parents are not ready to recognize their children problems and tend to throw all the responsibility on teachers. There were some cases of parents' violence against teachers, both physical and verbal (Greenbank, 2018).

Greenbank raises some important questions, which could not exist a decade ago in Israeli education system: do parents try to control their children, do not trust their teachers and the education system as a whole, or just want to realize their right to act within an educational institution through democratic processes? From the system side, is it a tendency to promote connection between the system and the family, to encourage their partnership? Whatever the reasons are, the involvement of parents is growing up in Israel lately, and often its impact is negative. Why this involvement does becomes an interference? What changes should be made, what kinds of stakeholders should parents be seen?

### *1.3 School Principal*

Sotrak (2004) argues that the principal is a key factor in the educational enterprise. Her style of work and how teachers, parents, and students perceive her clearly affects their attitude and conception of school matters. This means that principals are educational role models, and as such, they largely influence the overall school climate and especially the formation of its ethical climate, for the better or for the worse.

Studies that examined the relation between management styles and trust in principals found a strong relation between trust and personal facets of principals, between trust and managerial aspects, and between managerial aspects and personal aspects of the principals. These studies also found that staff, parents, and students perceive the principal as the driving force in school. The current increasing impact of principals on their schools is due to the increasing school autonomy in Israel.

Goleman (2000) argues that there is a general agreement on the large influence of the managerial approach to execution and behavior, which is manifest in the decision-making and problem-solving

processes in the organization; where it affects the goals, standards, modes of operation and success of the organization. Every survey of the research and theoretical literature regarding educational administration and school effectiveness clearly highlights the importance of the principal's leadership and actions (Zimmerman et.al., 2000). Most researchers have agreed on the vital role of principals in establishing a positive school climate and in the success of the school.

#### *1.4 Arab Society and Its School Leadership*

El-Kasha'ala (2008) argues that the Arab Society has a clear and well defined system of values and customs that guides, directs and regulates behaviour and personal and public relations in society. Actually, one can discern predictable patterns of behavior. Often one can predict the actions of others in certain situations, since traditions determine the conduct of people in certain specific, varied situations. El-Kasha'ala (2008) adds that in Arab society, school is considered the property of a specific family in the village, especially when the principal or most of the teachers come from one tribe. The hierarchical relations among school staff are rigid, which limits the initiative of the principal, who is supposed to be a leading figure in the educational process. As a result, the school is vulnerable to external pressures; social tensions penetrate it easily and influence the climate. The competition over the local power system between extended families makes its way into the school and affects the relations between the teachers and the administration.

The concentration of the extended families divides the teachers across familial lines in school, so that conflicts between families outside penetrate and increase the tension between the various groups. This shows the importance of researching this issue in Arab society, since it has been determined that the key factor influencing the Arab schools organizational climate is the principal's management style. Arab principals usually demonstrate authority, work ethics and involvement (The Arabs in Israel, 2008).

Today pupils are quite different than their parents.

#### *1.5 Modern Challenges of Education System*

A modern society all over the world in general and Israeli society in particular experience rapid changes in all the fields of life in the 21-st century. Especially, education system has to adjust to changes, in order to deal with an ever-growing bunch of problems. Today's school pupils are less concentrated on their studies and suffer from lots of behavioral problems. Especially, in the troubled neighborhoods that will be researched. As a teacher with experiences of many years, the author may witness that arts skills are very efficient in improving academic achievements of pupils, raising their motivation level, social involvement and decreasing behavioral problems of children and teenagers at risk at schools of troubled neighborhoods. The challenge is to cause many teachers and principals in the education system to be more involved in this issue and even initiate an implementation of new and innovative methods of teaching arts in an Israeli school, especially in the Arab sector.

The problem of children and teenagers at risk is a social problem threatening the base of human society (Eisner, 2005). A constant chronic and continuous exposure to poverty and social problems, violence,

neglect and abuse brings to instability and lack of basic feeling of safety, and also substantially hurts learning skills. When the children ability to learn is damaged, the bases of the whole society are harmed, and it is not easy to fix them.

## 2. Summary

Israeli school of the Arab sector is a challenging organization, dealing today with lots of challenges- there are neighborhoods at risk, there are new generation and traditional curricula which do not suit the modern reality any more, and there are problems of inequality of ethnic and gender minorities.

The authors plan to analyze school players (pupils, teachers, principals and parents) as stakeholders, in order to propose some ways of solving the problems of Israeli education system.

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