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## ABSTRACT

Organizational diversity has been empirically proved as a prevailing phenomenon in the global expansion of private higher education. Chinese private higher education, which surged as a response to supplement public education provision and absorb demands in the education market, demonstrates different organizational forms and operational models. While there is ample evidence about variations in private higher education, there is a lack of theoretical accounts for the diversity. This article tries to provide a theoretical understanding of organizational diversity in Chinese private higher education through a revised lens of institutionalism. It discovers a number of conditions leading to diversification of private higher education in China, such as the short history as an organizational field, lack of firm or extensive legal and normative framework, severe inter-organizational competition, decentralized system and variations of economies and policies among provinces, higher institutional autonomy, as well as hierarchy and business nature. At the same time, the paper finds isomorphic tendencies due to private institutions' imitation of programs from their public counterparts and inter-organizational imitation within the private sector, arising from shared values among teachers and increasing governmental regulation on private higher education.

## INTRODUCTION

Organizational diversity, referring to the variety of higher education institutions (HEIs) within a national higher education system (Huisman, et al., 2007, p.563), has become an important issue in higher education with respect to both policy making and development practice (Hrubos, 2002). However, very few scholars explore theoretical explanations of the diversity. Clark (1996) sees diversity of HEIs as a natural result of growth of academic disciplines and corresponding internal operation at universities and colleges. Geiger (1996) sees diversity as a likely outcome of a transition towards market oriented systems. Meek et al. (1996) further analyse organizational responses to increased market competition, and find two possible outcomes: organizations may become more diversified in their attempt to capture a specific market niche, or they may become more similar if they take the strategy to imitate successful competitors. Van Vught (1996, 2008) sketches a theoretical framework, from perspectives of both population ecology and structural isomorphism, to understand under what conditions the influence of the environment will lead to decreasing diversity at system level. That is, the more uniformity of environmental conditions and the stronger academic norms, the lower level of diversity of the higher education system.

While these scholars have primarily tackled the mainstream of HEIs, few studies specifically address theoretical issues concerning the diversity of emerging private HEIs. Levy (1999) is a pioneer in this respect. He compares two bodies of literature: empirical literature on private higher education and theoretical literature on the new institutionalism. The first body of literature describes ample and expanding diversity in the development of private higher education. The new institutionalism literature highlights the concept of isomorphism—a constraining process that organizations become increasingly alike to others that face the same set of environmental conditions (DiMaggio & Powell, 1983). According to Levy (1999), the literature on private higher education more often depicts rational and free-choice dynamics that lead mostly to diversity, while the new institutionalism generally finds such dynamics exaggerated, inadequate, or otherwise misleading for depicting and explaining organizational configurations.

Levy's observation, from a global perspective, indicates that there is a mix of technical and institutional logic operating simultaneously within the private higher education system. The technical logic works mainly in a market or technical environment, while the institutional logic is subject to the environment with strong traditions and norms (J. W. Meyer & Scott, 1983). In other words, the private higher education institutions are surrounded by both institutional and technical settings. On the one hand, private universities and colleges as HEIs naturally inherit basic higher education traditions and academic norms, and the private sector is deeply involved in a market place on the other.

In one of his recent studies, Levy (2006) emphasises more the limited force and reach of isomorphism by arguing that the diversity in private higher education is dominant over

isomorphism (as well as technical over institutional rationality). Our study can be seen as an extension or continuation of Levy's work, but the purpose is modest: we try to provide a theoretical understanding of organizational diversity for Chinese private higher education through an institutionalism lens.

During the past 30 years, the Chinese higher education has experienced a rapid, far-reaching development and transition, characterised by massification, decentralisation, marketization and privatization. Among many reforms, one fundamental change is the establishment and development of private higher education, which has gone through a similar process as in most countries in the world (Mok, 2009; Bjarnason, Cheng, Fielden, Lemaitre, Levy, and Varghese, 2009).

The paper starts with a discussion about the limit of the new institutionalism when it faces the current social realities with respect to private higher education. We try to spell out the changing environment faced by the private HEIs, and accordingly adjust the analytical emphases of the new institutionalism to cope with the updating institutional realities. The repositioning of institutional analyses includes a combination of both old and new institutionalism, which stresses both the intra-organizational dynamics and technical efficiency, and symbolic nature of organizations. Following such a perspective, this study goes about three practical issues: Chinese private higher education as an emerging organizational field, responses of Chinese private HEIs to technical environmental forces, and institutional isomorphic processes in Chinese private higher education.

## THE NEW INSTITUTIONALISM AND CONTEMPORARY REALITIES IN PRIVATE HIGHER EDUCATION

Discussion about organizational diversity is central in organization studies. Hawley (1968), one of the pioneers of human ecology, first called attention to the question "why are there so many kinds of organizations". According to him, the diversity of organizational forms reflects heterogeneous environments. Hannan (1986) re-examined the question from ecological and evolutionary perspectives, and built upon the premise that the adaptability of organizations within a population is promoted by the diversity of organizations. The diversity as an advantage or reality of organizations' adaptation to environment has been, in one way or other, reflected in some other strands of organizational theories, such as contingency theory and resource dependency theory (Lawrence & Lorsch, 1967; Pfeffer & Salancik, 1978)

These theoretical assumptions concerning organizational diversity are in contrast with the new institutionalists' perception that competition pressures and institutional demands lead initially diverse organizations to convergent structures. For instance, DiMaggio and Powell (1983, p. 147) emphasises "startling homogeneity of organizational forms and

practices”. Once an organizational field has become mature, whatever change does occur will lead toward greater conformity, facilitated by three isomorphic processes, namely coercive, mimetic and normative.

However, such propositions have not always been empirically evidenced in higher education. Some higher education studies (Covalski & Dirsmith, 1988; Larsen & Gornitzka, 1995) demonstrate the importance of powerful organizational actors, group interests and instrumental elements in organizational change, rather than that of environment. Others reveal that diversity, instead of convergence, appears to be more common in the development of American private liberal arts colleges (Kraatz & Zajac, 1996).

Heinz-Dieter Meyer and Brian Rowan (2006, p. 2) maintain that as the society has changed, the institutional analyses on education need to be modified in order to catch up with the significant new development in the sector. They specify three changes which have altered the institutional reality in the education arena, namely “greater provider pluralism”, “more tightly coupling”, and “more central role of educational institution in society”. Although some market criteria and principles are adopted in the higher education sector, the markets differ from conventional or private ones (Dill, 2007; Mok, 1997). In most cases, they are “quasi-markets” (Johnes & Cave., 1994) or internal markets. The process of marketization is inextricably linked and overlapped with the process of privatization (Kwong, 2000, p. 90). The later process includes both privatization of public HEIs and the emergence of commercial education institutions (Williams, 1996).

Given the increasing market spirit in the private sector of HE, the idea of potent isomorphism rooted in public sector legitimacy becomes less persuasive (Levy, 2006). Such changes address a need for redefinition and reposition of institutional analysis. Some institutionalists have already attempted to adjust the original insights to new social realities through bridging the old and new institutionalism (Abbott, 1991; Greenwood & Hinings, 1996; Selznick, 1996; Stinchcombe, 1997). The combined old and new wisdoms may add useful perspectives for the analysis of Chinese private higher education. The old institutionalism encourages the study of structuration process of Chinese private higher education as a result of market pressures. The new institutionalism focuses on the symbolic nature of organizations.

## CHINESE PRIVATE HIGHER EDUCATION AS AN EMERGING ORGANIZATIONAL FIELD

DiMaggio and Powell (1983) have made great contributions in understanding the maintenance of institutional norms through isomorphic processes. Their arguments are based on the assumption that organizations are located within established fields. The

higher education sector in general can be regarded as a stable organizational field. However, the development in the private sector is dramatic. Since the end of last century, an enormous number of private universities and colleges emerged worldwide (Bjarnason, Cheng, Fielden, Lemaitre, Levy, and Varghese, 2009). Although private higher education is by no means a new phenomenon in many countries, “the nature and pace of growth of private education during the recent decades are very different from what they were earlier” (Tilak, 2006, p. 113).

In China, private HEIs (mainly missionary colleges) were prosperous in the early 20th century. When the People’s Republic of China was established in 1949, the private institutions held around 39% of higher education enrolment, but all private institutions were transformed into public ones by 1956 (Mok, 1997; Zha, 2006). Private higher education resurged after the launch of reform and open door policy in 1978. Officially, the privately-owned institutions are labelled *Minban* (people-run or non-state) for political and ideological sakes, because the state does not favour the notion of “private” in the socialist China (Mok, 1997).

There have been two waves of private higher education since its resurgence. The first wave came in early 1980s. The early established private HEIs solely accommodated high school graduates who could not pass national college entrance examination. Most of them were run by some retired staff from public HEIs. They rented classrooms as teaching locations and hired moonlighters from public institutions as teachers. Because these private institutions helped meet social needs without public expenditure, they were allowed and even encouraged by the government. In 1982, the Constitution gave the legal right for all private education institutions. The private HEIs evolved and developed by mobilised resources from students’ payments.

Some of the institutions were gradually granted rights for associate degrees and even bachelor degrees. Associate degree is granted after three years studies at HEIs. Students with such a degree need to have two years continuing education in order to get a bachelor diploma. For those that did not reach the degree-granting status, their primary operation was to facilitate students for national self-study programmes. Self-study examination is the national programme that anyone can get an undergraduate diploma if he or she passes the examinations of certain numbers without going to an accredited college as a regular student. This provides a second chance to access to higher education for persons who do not catch opportunities to become regular students.

After China re-affirmed a market economy approach in 1992 marked by Deng Xiaoping’s “South Tour Speech”, more and more business firms and entrepreneurs looked for areas of investment. Some considered higher education as a profitable business, and began to invest in establishing private HEIs. This can be seen as the second wave of private higher education in China. These newly created institutions have much better infrastructure, such as campus, construction and facilities than their previous counterparts due to strong financial supports. The second-wave private HEIs employ market principles actively. The initial investments are either bank loans or private capital, but have been eventually recovered from tuition and fees paid by the students. In addition, investors can make

economic surplus. In this respect, Chinese private HEIs have strong business characteristics.

Meanwhile, market niches have brought a new type of private higher education organizations in the form of public and private partnership. For instance, one public university can establish an affiliated college in cooperation with private partner(s). Such organizations, originally called “second-tier colleges,” (*erji xueyuan*) are now called “independent colleges” (*duli xueyuan*). Their governing bodies are composed of people from both public and private sides according to their contributions or negotiated capital shares. Unlike other public counterparts affiliated to the host university, the independent college is run as a “self-financing” entity (Mok, 2009, p. 39). Furthermore, it usually contributes a significant share of its revenue or residual to the public mother university. This type of private institution was first piloted in some provinces in the East China and soon spread out all over the country after the government officially recognized its existence in 2003. Due to the public stewardship, this type of private colleges can grant bachelor degrees immediately after establishment.

It is expected by the government that the public host university is responsible for providing teaching models, curricula structure, teachers, and quality assurance system, while the private partner mainly makes contribution through financial investment. The independent college has a legal person status and is a private entity. It can charge more tuition fees than its public host university. Though with hybrid characteristics, it is supposed to be run by it-self and responsible for its actions. This is what “independent” means. However, in reality due to difficult partnership, quite a few independent colleges are owned and run by public universities as a tool for additional revenue.

In sum, three major types of private HEIs are officially categorised in China. The first type refers to institutions that are established by private actors only and can grant associate or bachelor degrees. The second type is called independent colleges, offering bachelor degree programmes. The third type of institution, owned by private actors, cannot grant any degrees or diplomas. These institutions mainly facilitate students to study for passing national self-study examinations. The numbers of the three types of private institutions as well as corresponding student enrolments, in comparison to their public counterpart, are listed in Table 1.

*Table 1: Numbers and enrolments of private and public regular HEIs in China in 2008*

<i>Type of Institution</i>	<i>Number of Institution</i>	<i>Enrolment of postgraduate students</i>	<i>Enrolment of bachelor degree students</i>	<i>Enrolment of associate degree students</i>	<i>Enrolment of self-study programme students</i>
<i>Type 1</i>	318 (40 bachelor awarding )	0	269,714	1,558,919	255,904
<i>Type 2</i>	322	0	1,963,143	221,234	10,949
<i>Type 3</i>	866	0			920,176

<i>Subtotal</i>	1506 (48.13)	0 (0)	2,232,857 (20.21)	1,780,153 (19.42)	1,187,029 (100)
<i>Public HEIs</i>	1623 (51.87)	1,283,046 (100)	8,809,350 (79.79)	7,387,889 (80.58)	NA
<i>Total</i>	3129	1,283,046	11,040,207	9,168,042	1,187,029

*Source: Department of Development & Planning of the Ministry of Education (2009)*

Note: data in bracket are percent of the total.

In terms of enrolments at bachelor and associate degree levels, the private sector has 19.85 percent of total higher education enrolments by 2008, while the figure was only 0.2 percent in 1996 and 1.6 percent in 2001 (Levy, 2004, p. 5). The dramatic change is attributed to both the establishment of the independent colleges and the continuing expansion of the first type of institutions.

The emergence of private higher education institutions in China demonstrates a similar process of privatization and marketization took place in the Western countries, and in the mean time the Chinese private higher education has its own distinct characteristics (Mok, 1997). First, there are clear business features in Chinese private HEIs. While one major characteristics of quasi markets is the separation of purchaser and provider roles (Walsh, 1995), the split between purchaser and provider is vague in Chinese private higher education. Despite non-profit status by law, most Chinese private HEIs have been established and developed for economic benefits. Instead of being penalised by the government, their for-profit behaviour has been acquiescence. Second, the Chinese government adopts the strategies of privatization and marketization only as instruments to improve administrative efficiency and effectiveness rather than committing itself ideologically to the private sector. Third, the private higher education (in terms of enrolment of degree students) has quickly changed during the past decade, in Geiger's (1996) categories of private higher education, from "private-peripheral" to "private-complementary". Compared to a typology of global development of private higher education (elite/semi-elite, religious/cultural and non-elite/demand-absorbing) by Levy (2009), most Chinese private institutions are mainly in the last group, as is the case for the great majority of countries. Finally, it should be noted that according to Chinese academic standards, almost all private higher education institutions are categorized as non-university institutions. Their official Chinese names are colleges instead of universities, although quite a few private higher education institutions prefer to name themselves universities especially for their English names.

The private sector is becoming an integrated part of the Chinese higher education system to supplement the shortage of education supply by the public HEIs. However, structuration or institutionalization of the field of private higher education is still in process. Selznick (1957, p. 17) claims that institutionalization is a process of infusion with "values beyond the technical requirements of the task at hand". Institutionalization can be best observed when an organization is more affected by values and beliefs, such as the organization's history, vested interests by individual groups and external context, than by technical goals. DiMaggio and Powell (1983, p.148) provide four empirical indicators to access the extent of the structuration: 1) increased organizational interaction, 2)

development of intra-field structure, 3) increased information load, and 4) sense of a common enterprise.

Chinese private higher education system is arguably less institutionalized by cross-section compared to the public one. First, Chinese private HEIs are relatively young, and the sector is full of ambiguities. As an emerging field, private higher education is out of tight control by the state, and the norms of self regulation are under development. Moreover, one critical challenge is that private higher education has not been clearly defined. Although the 1982 Constitution provides its legal status and the 2002 Law for Promoting Private Education further provides regulations in the sector, in reality there is no collectively legitimated set of practices to guide private HEIs. As a result, many private HEIs opt for different operation modes. For example, Yellow River College in Henan Province, a pioneer in the private sector, wants to upgrade its level by creating master-degree programmes which is the pathway for public universities as well. Xi'an International University is a different case, and it wants to take a unique advantageous position in competition by creating such programmes as entrepreneurial and cultural industry. Finally, the relations between private institutions are mainly characterised by competition rather than collaborative interaction and positive communication.

Hence, when studying Chinese private HEIs, we should realize that they are facing different environments compared to the public ones.

## TECHNICAL VS. INSTITUTIONAL ENVIRONMENT

Meyer and Scott (1983) distinguish organizational environment between institutional and technical. Most prevailing theoretical perspectives (such as contingency, resource dependency and organizational ecology) about organizational-environment relation refer to a technical environment. Demands driving from technical/market settings include changes in consumers' preferences, competitive conditions and other characteristics of the task environment. One of the most prominent contributions of the new institutionalism is its re-conceptualization of organizational environment, by drawing attention to a neglected facet of environment—institutional environment. The institutional environment refers to rules, norms, understandings, beliefs and taken-for-granted assumptions about what constitute appropriate or acceptable organizational forms and behaviours.

Some higher education researchers focus on the institutional settings and argue that changes in HEIs derive from efforts to create or conform to categories and practices within the fields of higher education. In a theoretical paper on policies and organizational changes in higher education, Gornitzka (1999) suggests an integrated approach, which combines both institutional and resource dependency perspectives. Since then, such an integrated approach has been applied in several empirical studies in higher education.

However, their uses of resource dependency theory to supplement the institutional theory are mainly to facilitate the understanding of intra-national interactions, instead of embracing technical environment into analytical foci.

The applications of the new institutionalism in higher education generally make an artificial separation between technical and institutional environments, and pay particular attention to the latter. Such an analytical approach can find its root in Scott's (1992, p. 133) work; he argues that education organizations are mainly subject to institutional environment. The universities and colleges under study are normally long-standing organizations, and the fields are well-established. Therefore, they are captives of the institutional environment, and similarly organizational changes are less influenced by conditions in the technical environment.

However, the subject of this study—Chinese private HEIs—are still in the developing and un-established stage. It has been argued that early adoption of reforms were motivated by technical or economic needs, while the later organizational adaptation responded to the growing social legitimacy (Tolbert & Zucker, 1983). Therefore, the characteristics of Chinese private HEIs may be more predicted by technical environmental factors. This also reconciles with Levy's (Levy, 1999, 2006) empirical observation that private HEIs have strong links to the competitive technical environment. . The ambiguities and uncertainties faced by the private HEIs are often exacerbated by demands from market pressures. As such, rational and free-choice dynamics associated with the technical environment may lead to organizational diversity in private higher education. The next section will discuss what the technical environmental demands are and how the private HEIs respond to the demands in China.

## RESPONSES TO TECHNICAL/MARKET ENVIRONMENT

Public educational institutions are normally insulated from clear criteria of successful and unsuccessful outcomes, as John Meyer et al. (1983, p. 409) claim: “schools are weak and ineffective organizations with little capacity to produce useful technical efforts or to defend themselves from the environment”. The evaluation of private institutions in China is usually subject to economic and technical indicators, due to their strong link to technical environmental conditions. As defined before, demands driving from technical/market settings include changes in consumers' preferences, competitive conditions and other characteristics of the task environment. In the Chinese context, it refers specifically to students' demands and preferences, which can be measured by attractiveness to students and relevance of education programmes to the job market. Chinese private HEIs are heavily tuition dependent. In other words, they cannot survive and develop without sufficient students. Therefore, they try to recruit as many students as possible, while quality becomes the second concern. In order to enlarge student enrolment, private institutions concentrate on programmes that are closely related to demands of job market, such as business management, accounting, foreign languages, advertisement, computer sciences, etc. Technical environment also refers to competitive conditions of private institutions, which can be measured by how the material resources, enrolled students and organizational image are effectively and efficiently managed.

Under such a situation, the private institutions often adopt business management approaches and designate low-cost programmes.

In spite of these general features shared among most private institutions as a result of meeting requirements from the market/technical environment, there are variations in the sector. First of all, the differentiation of private higher education development is caused by the geographical or local factors. Chinese private HEIs are decentralised, and are mainly governed by provincial governments. Most private HEIs are expected to serve regional economic development. Therefore, particular market and economic conditions in one province often create distinct characteristics of the private higher education in the region. For instance, two of the most popular patterns of private higher education development can be observed: Shaanxi Model, where a lot of pure private HEIs were created, and Zhejiang Model, where independent colleges were prevailing. Yan (2004b, 2008) has analysed statistical data of private higher education development in China and found provincial economies and size of public higher education contribute to the development of private education significantly. Specifically, private higher education grows better in economically developed provinces, and vice versa.

The diversity in the private sector is also related to individual decision makers' free choices. Due to the business and hierarchical nature of Chinese private HEIs, the decision power is mainly in the hands of one or two key persons, usually the founders or investors (Jiang, 2008, p.29; Yan, 2007). When it comes to understanding the behaviour and choices of individuals, there are two competing views located at the two extreme ends of a spectrum, namely the cultural anthropology and rational choice theory. Anthropologists believe that human behaviour is governed by culturally transmitted norms, and that such norms contain accumulated wisdom, which allows people to behave sensibly even though they do not understand what they do and why they do. Rational choice theorists are sceptical about this functionalist claim, by criticizing that anthropologists have not provided any plausible mechanism that could explain why norms have this property. Rather, they consider that people make behavioural choices on their rational calculations, in which the central element involves a cost benefit analysis. In other words, personal interests and preferences are the driving forces of individuals' behaviour. Instead of treating the two positions as being opposite, an emerging new institutionalist perspective squares the rational choice approach with the anthropological insight: individuals' behaviour is directly driven by their interests and preferences, but how they pursue their interests is bounded by institutional rules. In the Chinese context, as the laws provide vague guidelines for private higher education to operate in practice and there is a lack of collectively legitimised practice among the private HEIs, the individual decision-makers are supposed to be less bounded by institutional rules. Consequently, the institutional leaders' interests and preferences may have a large impact on how an institution functions. Their choices and decisions are more likely to be interpreted by a rational choice approach. As their interests and preferences are quite personal, these may cause one institution operates quite differently from the other. In other words, it is the decision-makers' free and rational choices that lead to organizational diversity, mainly in three aspects: institutional mission and goals, programme provision, and management styles.

The mission of private HEIs in the world is often pertinent to their efforts to link private higher education to the labour market and to produce human resource to meet market demands (Levy, 1986, 2006). Cao (2007) in a recent empirical study has proved that China is a major case epitomising such an international trend. She further examines and compares the mission and goals of Chinese private HEIs. While discovering commonalities among the mission statements of private HEIs (e.g. meeting labour market demands and assuring students career success), her analysis also suggests the organizational diversity, which lies in “how much emphasis they place on meeting market demands as contrasted with cultural and individual development elements, and how clear and unique their missions statement are” (ibid., p. 86).

Acknowledging that private HEIs in China normally choose their programmes in the fields that have lower cost and are not traditionally dominated by public universities and colleges, Cao (2007) claims the differences of programme provision in the private sector. Private HEIs have autonomy and leeway to make unique arrangement in terms of syllabi, textbooks, pedagogy, and evaluation under the officially prescribed speciality/programme titles. In order to gain advantages in the competing market, private HEIs tend to develop niche programmes. For instance, some design their niche programme in foreign languages, some in computer sciences, and some in economics and administration. She stresses that the niche programmes were often designated since college establishment:

At the outset, the founders intended to distinguish their schools from others and prioritised job prospects to attract students through niche programme designation. Some of the founders, who were still administrators of the colleges that they had established, not only claimed that they had set up niche programmes in accordance with labour market demands and changed them to accommodate changes in the demands, but also used various exemplary programmes to substantiate their claims of prioritising labour market demands in the process. (ibid., p. 102)

Although the basic governance structure among the private institutions consists of the board of trustees and the president: the former engage in strategy or policy making, while the later plays an executive role. However, the reality is that the internal governance is dominated by interest groups, specifically the founders of the institutions (Yan, 2007). Their different interests, personalities and preferences lead to diversity of management styles in their institutions. For example, Shuren University in Zhejiang Province, established by a democratic party, is run by administrators from public sector, operating like a public institution. For Wanjie Medical College in Shandong Province, founded by a town village enterprise, it is run by a board of trustees in name, but is controlled by the enterprise in practice. Xi’an Translation University in Shaanxi Province, created by an individual person, operates like a business, and adopts hierarchical decision making process. Xi’an International University, another individual owned private institution in Shaanxi Province, employs a decentralised decision structure: While major strategic decisions are made by the founder on the top, tactical and routine decisions are delegated to the office directors, college deans, or department chairs at the bottom. Furthermore, no effective communication and exchange system can be found in the sector, and private HEIs keep some know-how secret and would not share it with their competitors. The

choices on management styles sometimes determine the fate of a private higher education institution. Some private institutions have not only survived but also become prosperous due to good management among other factors, whereas other private institutions declined in the market and even closed down due to poor management.

Last but not least, diversity is even deliberately encouraged by governments at various levels. Believing diversity as an ideal goal, governments try to take measures to hamper institutional imitation and academic drift. At least, private HEIs are regulated differently and show some disparities in formality.

The above discussion indicates that Chinese private higher education is heavily influenced by technical environmental forces, and the rational and free-choice decision-making processes have led to a variety of organizational forms within the sector. As the environment of Chinese private higher education has been increasingly institutionalised (Yan, 2004a), the private colleges and universities are also subject to isomorphic processes.

## INSTITUTIONAL ISOMORPHIC PROCESSES

DiMaggio and Powell (1983) have identified three categories of institutional isomorphism, namely coercive, mimetic, and normative. The notion of institutional isomorphism stresses the importance of legitimacy and the logic of appropriateness for processes of homogenisation.

### *Coercive isomorphism*

Coercive isomorphism results from other organizations, in which an organization is dependent upon and from the expectations of the social surroundings where the organization is embedded. The chief coercive force includes a legal environment, governmental mandates and state funding. According to DiMaggio and Powell, the extent of the structural impact on organizations depends on the resources received from powerful or central organizations. Such logic is not far from resource dependency theory that predicts that a more plural resource base should lead to higher organizational autonomy, and hence possible greater organizational diversity. Following such logics, the coercive isomorphism may work more on public higher education organizations than on private ones, due to the nature of their financial ties with the state. Chinese private HEIs have rarely received state financial support. Nevertheless, the Chinese state imposes coercive forces upon private institutions through laws and policies.

In the early stage of development of Chinese private higher education, the sector was small and insignificant. Therefore, the government had not promulgated any specific policies and regulations. During that period, private HEIs developed rather freely and organizational diversity was widely represented. Although the initial legal status of private education was recognised by the Constitution in 1982, the definition of private higher education remained vague. Since the late 1990s, the government has tried to

further regulate the private sector. In 1995, Education Law was promulgated, reconfirming that the state would give full support to enterprises, social institutions, local communities and individuals to establish schools. In 1997, the State Council issued the Decree of School Run by Social Forces. In 2002, the People's Congress passed the Law for Promoting Private Education, which lays down basic rights and responsibilities for every concerning parties. It also stipulates the nature, registration, governing structure, academic programmes and evaluation process of private HEIs.

In order to gain legitimacy and survive, private HEIs must abide by certain rules set by the government, such as minimum organizational size, qualifications of academic and administrative staff, infrastructures and facilities, non-profit status, and limited foreign ownership. When they adjusted their own structures and operations to conform to these requirements, these institutions become to some extent alike. For instance, the 2002 Law provides that private schools shall establish executive councils, boards of trustees, or decision-making organizations in other forms. By now, all private institutions have established these types of governing bodies, and also created similar administration offices and procedures.

However, the current Law for Promoting Private Education is far-reaching and somehow ambiguous (Yan & Levy, 2003). Its legal regulation is inadequate and its power of enforcement is limited. As Levy has discovered from his investigation of Chinese private higher education (Levy, 2006, p. 151), the Chinese private HEIs have relatively high autonomy to define their own goals, operation mechanisms, and management models. So coercive isomorphism, significant in certain respects, is limited in others.

### *Mimetic isomorphism*

Mimetic isomorphism is based on imitation, characterised by copying structural elements of organizational patterns which are believed to be successful and legitimate. Normally an organization tends to imitate well-established organizations when it faces uncertainty. For Chinese private HEIs, the uncertainty is usually caused by changeable policies, dynamic environments, ambiguous organizational goals and poorly understood relations between means and ends. A good list; I think the main thing is uncertainty due to newness. According to DiMaggio and Powell (1983), the extent of mimetic isomorphic effects on an organization depends on the degree of its uncertainty and ambiguity of goals.

When Chinese private higher education resurged in the late 1970s to supplement insufficient places in public HEIs, neither the government nor the managers of private HEIs knew how to run the schools. One common approach among these institutions was to imitate the programmes in the public sector, in addition to their inclinations to a variety of management models. Since 1982, especially the late 1990s, a number of laws and policies have provided not only legal status but also operational guidelines for private HEIs. However, this has not necessarily prevented private HEIs from being vulnerable to ambiguities in development goals and threats from the competing markets. The ambiguities are primarily caused by the conflict between the factual profit-seeking nature of the private institutions and the non-profit property provided by the Education Law.

The student market becomes more competitive alongside the increase of private HEIs. Currently the threats for private HEIs are not merely from competition within the sector. Some public colleges and even foreign HEIs have also entered into the same market.

Recently, private HEIs tend to borrow the experiences from the schools that are successful in recruiting students. For instance, some private colleges in Xi'an, Shaanxi province, first adopted a marketing approach in which they set up student recruitment agents in most major cities of the country, and organized education exhibitions and promotion activities accordingly. The approach was soon proved useful by a remarkable increase of student enrolment. Since then, it has been largely imitated by private HEIs nationwide (Jiang, 2008, p.28). Within the same province, the mimetic isomorphic process is more visible. For instance, tuition and fee standards are very close to each other among the institutions in the same province (Guo, 2003).

Whereas successful models provide the impetus for others to imitate and thus make private institutions to be similar, we should be aware that not all institutions follow one model. Rather, they have different imitation strategies.

First, branches of private institutions imitate their mother institutions. Contrary to public HEIs, private colleges are allowed to set up branches in different locations. Branches naturally copy models from their mother institutions, more than their neighbour institutions. Second, some private institutions imitate programmes and standards from foreign institutions through various cooperation links. For example, Xi'an International University adopted Technical and Further Education (TAFE) model from Australia. Their students can be transferred to Australia TAFE system if they are examined qualifiedly. Moreover, some Chinese private colleges are trying to learn from business firms or for-profit educational institutions such as University of Phoenix to mobilize resources from stock market. For instance, Wanjie Medical College adopted accounting system and total quality control system from the business field.

### *Normative isomorphism*

Normative isomorphism arises primarily from professionalization, which involves two aspects: the first is the homogenising influence of established norms, and the second is the growth and elaboration of professional networks. "Mimetic isomorphism occurs when actors are otherwise unclear on what to do and therefore copy successful organizations, whereas normative isomorphism arises where professions or others feel capable of mapping their own policy but do so based on their socialization of dominant norms" (Levy, 2006, p. 145). According to DiMaggio and Powell (1983), the greater the reliance in using academic credentials to choose staff, the greater will be similar to other organizations. Also the greater the participation of members in professional organizations, more alike the organizations will be. The normative isomorphic processes in Chinese private higher education take place in three main aspects.

First, private HEIs have adopted similar teaching models due to the exchange of teaching staff. In Chinese private HEIs, more than half teachers come from public institutions and work on a part-time base. Naturally, they bring teaching models from public institutions to private ones. In the meantime, these teachers frequently change their positions across

private colleges, and this further contributes to a process of convergence in teaching styles. Chinese private HEIs also recruit full-time teachers, but most of them are new graduates from public HEIs. We interviewed some young faculty at a private college in Shandong Province, and we found that they tried to teach their students in the way they learned from public institutions.

Second, as a response to overcome the challenges and ambiguities in the private higher education sector, some private HEIs, which often have translated their English names as universities, such as Xi'an International University, Yellow River University and Shuren University have taken leads to initiate corresponding research projects, and publish a series of journals and books to publicize themselves. However, it should be noted that these institutions only account for a small portion of the entire private sector, while the majority of institutions are demand-absorbing. Nowadays, more and more professional training programmes are provided by central and local governments to administrators from private sectors. Some fashionable ideas and models are disseminated by mass media.

Third, the extent of homogeneity of norms and standards in the private sector is accelerated by the establishment of professional associations. Several associations for private higher education in China have been established in recent years such as the Association of Private Higher Education under National Industrial and the Business Association, and the Private Higher Educational Expert Committee under the Professional Committee of Higher Education. Both of them focus on some important issues and organize exchange activities. The independent colleges have their own association and hold annual meeting. In 2008, the National Association for Private Education, the highest association for private education, was created, which is expected to be an intermediate body to develop norms and regulations in the sector. The major functions of the association include research on private education, dissemination of research findings and successful experiences, evaluation, policy consultation, personnel training, information communication and exchange, international cooperation and so forth. Recently, some Chinese agencies have established ranking systems for the private higher education sector by using certain criteria. When ranking becomes important for students' choices, private institutions have to comply with these criteria and show tendency to homogeneity.

In spite of these normative isomorphic forces, it has been argued: “[w]here private institutions have pursued goals other than the most touted academic ones, they have generally moved away from another central concept of the new institutionalism: professionalism” (Levy, 2006, p. 153). This is the case in China. Compared to public HEIs in China, the percentage of full-time teachers in the private sector is rather low. The teachers working in the private HEIs mainly pursue economic goals, rather than academic ones as they do in the public universities.

## CONCLUSION

Higher education studies applying institutionalism usually deal with long-standing universities, and tend to highlight stable or isomorphic features of HEIs. However, such theoretical insight has been challenged by the recent development in higher education in general, the private sector in particular. It has been even argued that the new institutionalism may hamper, if not mislead, depicting and explaining organizational configurations in private higher education (Levy, 2006). Acknowledging the new institutional realities in contemporary private higher education, this study adjusts traditional institutional perspective through integrating both old and new institutionalism, in which technical environment and institutional environment are considered equally important in the framework of analysis. Compared to their public counterparts, Chinese private HEIs operate in a more technical and less institutional environment.

The analysis illustrates that the technical environment is the main source driving Chinese private HEIs to become divergent. To survive in the competitive market, the private HEIs have to keep sufficient student enrolment and use their resources in a cost-effective way. However, the institutions respond to the technical environment differently for several reasons. First, market demands vary between regions, and different situations require different organizational adaptation. Moreover, even facing same kind of external challenges, the decision can be different due to the institutional leaders' own preferences and interests. The dominance of free rational choices in decision making and organizational development is due to the fact that there is lack of collectively legitimated practices to guide private institutions. It also should be noted that the private HEIs are highly decentralised and have autonomy to make their policies.

Nevertheless, the analysis also indicates that Chinese private HEIs are under some institutional isomorphic pressures, which assemble these organizations to some extent alike. These include learning certain procedures from public institutions, sharing some professional norms, and evolving governmental regulations. While a process of convergence is visible in some aspects, such as institutional governance structure, marketing approaches and teaching models, the overall extent of isomorphism is low because of weak institutional legitimacy and vigorous competition.

Although the two types of environment are examined separately in the study, they should be considered as more of a continuum than a dichotomy. According to DiMaggio and Powell (1983, p. 148), rational strategies developed in a technical environment may transform to institutional norms if they are adopted by large numbers. For instance, the model of engaging a network of student recruitment agents, originated from some private colleges' rational choice, has gradually become institutionalised. Moreover, the weight of technical and institutional environment on private HEIs may change over time.

Finally, this study suggests that there is no simple tendency of convergence or divergence in Chinese private higher education, as it represents both diversity and homogeneity in either technical or institutional dimension. It is important to know what aspects are

isomorphic or diverging, and in what conditions. In general, Chinese private HEIs tend to be similar in their formalities in order to appear legitimate, whereas they demonstrate heterogeneous attributes in real operation to fit in their niches and for competition. By departing from formality and content, private HEIs try to meet both institutional legitimacy and rational demands.

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