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ORGANISATIONAL DIVERSITY IN CHINESE PRIVATE HIGHER EDUCATION

—AN INSTITUTIONALIST PERSPECTIVE

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Abstract

Organisational diversity has been empirically proved as a prevailing phenomenon in the global expansion of private higher education. Chinese private higher education, which resurged as a response to supplement public education provision and absorb demands in the education market, demonstrates different organisational forms and operational models. While there are ample evidences 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 organisational 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 short history as an organisational field, lack of firm or extensive legal and normative framework, severe inter-organisational competition, decentralised system and variations of economies and policies among provinces, higher institutional autonomy, as well as hierarchy and business nature. In the mean time, it notices isomorphic tendencies due to private institutions' imitation of programs from their public counterparts and inter-organisational imitation within the private sector, arising shared values among teachers, and increasing governmental regulation on private higher education.

Introduction

Organisational diversity, referring to the variety of higher education institutions within a national higher education system (Huisman, Meek, & Wood, 2007, p.563), has become an important issue in higher education with respect to both policy making and development practice (Hrubos, 2002). However, only very few scholars explore theoretical explanations of the diversity. Clark (1996) sees diversity of higher education institutions as a natural result of growth of academic disciplines and corresponding internal operation at universities and colleges. Geiger (1996) assumes diversity as a natural result of a transition towards market oriented systems in higher education. Meek et al. (1996) further analyse organisational responses to increased market competition, and conclude two possible outcomes: organisations may turn to be more diversifying 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. Peterson (2007) looks at the diversity in higher education from the perspective of its historical development. He characterises the evolution of higher education by four historical stages: higher education, mass higher education, post-secondary education, and post-secondary knowledge industry.

While these scholars have primarily tackled with the main stream of higher education institutions, fewer studies address theoretical issues concerning the diversity of emerging private universities and colleges. 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 organisations 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 finds such dynamics exaggerated, inadequate, or otherwise misleading for depicting and explaining organisational configurations. In one of his recent studies, Levy (2006a) emphasises more on the limited force and reach of isomorphism. He recognises that diversity sometimes may exceed isomorphism when private higher education dramatically grows, and the diversity may appear to stem more from technical rationality than from what is emphasised by the new institutionalism.

This 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 organisational diversity for Chinese private higher education through an institutionalism lens. 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. The limit does not arise from the logics of institutional theory per se, but the problem is that the current studies applying new institutionalism (developed in the late 1970s and early 1980s) have not caught up with the contemporary social development. We try to spell out the

changing environment with respect to private higher education, 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-organisational dynamics and technical efficiency, and symbolic nature of organisations. Following such a perspective, this study goes about three practical issues: Chinese private higher education as an emerging organisational field, responses of Chinese private higher education institutions to technical environmental forces, and institutional isomorphic processes in Chinese private higher education.

The new institutionalism and new realities in higher education

The discussion about organisational diversity is in the central place of organisation studies. Hawley (1968), one of the pioneers of human ecology, first called attention to the question “why are there so many kinds of organisations”. According to him, the diversity of organisational forms reflects the heterogeneous environments. Hannan (1986) re-examined the question from ecological and evolutionary perspectives, and built upon the premise that the adaptability of organisations within a population is promoted by the diversity of organisations. The diversity as an advantage or reality of organisations’ adaptation to environment has been, in one way or other, reflected in some other strands of organisational theories, such as contingency theory and resource dependency theory. Contingency theory (Lawrence & Lorsch, 1967) contends that there is no one best way to organise a given technical process. An optimal organisational form depends on environmental configurations and technologies. Resource dependency theory (Pfeffer & Salancik, 1978) states that all organisations exchange resources with their environment as a condition for survival, foreseeing tendencies of organisational diversity in contemporary societies.

These theoretical assumptions concerning organisational diversity are in contrast with the new institutionalists’ perception that competition pressures and institutional demands lead initially diverse organisations to convergent structures. For instance, DiMaggio and Powell (1983, p.147) emphasises “startling homogeneity of organisational forms and practices” and pose the question: “what makes organisations so similar?”. They thus develop the concept of organisational field, defined as “those organisations that, in the aggregate, constitute a recognised area of institutional life” (ibid., p.148). Organisational field involves a process of structuration, which occurs through interaction and information exchange, generating structures of prestige dominated by certain organisations as well as shared norms and practices. Once an organisational 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 organisational actors, group interests and instrumental elements in organisational 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 since the time when the new institutionalism was developed, 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, tighter coupling, and more roles of education organisation in society. These also have implications on higher education, especially the private sector.

The provider pluralism is a main phenomenon that characterises the current higher education reforms around the world. In the early 1980s, higher education was provided almost exclusively by states. Since then there is a general shift from “state control” to “state supervision” (Neave & van Vught, 1994). Nation states are no longer monopolies, and even encourage other social actors to be involved in education provision, including private and market orientated organisations. While there is an increasing market spirit in higher education, particularly in the private sector, the idea of potent isomorphism rooted in public sector legitimacy becomes less persuasive (Levy, 2006a).

The concept of “coupling” is about how an organisation’s formal structure is connected to its technical core. In John Meyer and Brian Rowan’s (1977) seminal paper, their observation of educational organisations as a loosely coupled system is made in the context of the “post-industry society” (Bell, 1973), where formal structure of many organisations reflect more the myths of their institutional environment than demands of their work activities. However, under the widespread calls for more accountability and growing competition in education market, technical efficiency has become increasingly tightly coupled with organisational structure of universities and colleges. This applies to the private higher education, as Levy (2006a) asserts what make the private sectors distinct from the public ones is a strong link to technically rational competition.

Higher education is undoubtedly in the central arena of an increasingly knowledge-dependent society. This is alongside with an expansion of stakeholders of higher education, such as parents, enterprises, civil society, and international agencies. New stakeholders have penetrated a traditional monopolistic relationship between the state and public higher education institutions. On the one hand, the role of the external actors has become more important, and, on the other hand, the influence of these external actors has also grown with respect to internal affairs of individual universities and colleges (Maassen, 2000). In private higher education, these changes have two important implications. First, the new expectations of the stakeholders generate different or even contesting legitimate and normative sources, which lead multiple organisation tasks and goals of private higher education institutions. Second, the stakeholders’ interests may play important roles in shaping organisational forms of private colleges.

These social changes with respect to higher education, the private one in particular, 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). A renewed interest in old institutionalism particularly attaches importance to power, coalition and competing values, and also pays attention to technical environmental forces. The combined old and new wisdoms 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 organisations.

Chinese private higher education as an emerging organisational field

DiMaggio and Powell (1983) have made great contribution in understanding the maintenance of institutional norms through isomorphic processes. Their arguments are based on the assumption that organisations are located within established fields. The higher education sector in general has been commonly regarded as a stable organisational field. However, it is worthy noting that universities have reinvented themselves several times since the 13th century. In the recent decades, higher education reform has become a priority in most nations. Also, new universities and colleges opened. The development in the private sector is especially dramatic. Since the end of last century, an enormous number of private universities and colleges emerged worldwide.

In China, private higher education institutions (mainly missionary schools) were popular in the early 20th century. By 1950, the private institutions still held around 40% of higher education enrolment. However, all private institutions were transformed into public ones in the reforms of the 1950s (Zha, 2006). Private higher education resurged after the launch of reform and open door policy in 1978. For political and ideological sakes, they were called *Minban* institutions. But in reality, they were non governmental or private. Due to remarkable changes in the society, the resurged private higher education institutions are sharply different from their previous counterparts in such aspects as legal status, finance, quality and so forth. The early established private higher education institutions solely accommodated high school graduates who could not pass national college entrance examination. Most of them were run by some retired staff from public higher education institutions. They rented some classrooms as teaching location and hired some 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 higher education institutions evolved and developed by mobilised resources from students' purses. Some of them were gradually granted rights for associate degrees and even bachelor degrees. For those that did not reach the degree-granting status, their primary operation was to facilitate students for national self-study programs.

After China adopted a market economy approach in 1992, 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 colleges. These institutions have much better infrastructure, such as campus, construction and facilities than their previous counterparts due to strong financial supports. The initial investments are either bank loan or private capital, but have been eventually recovered from tuition and fees paid by the students. In this respect, Chinese private higher education institutions have strong business characteristics.

In the 1990s, market niches brought up a new type of private higher education institutions,

first called *Erji Xueyuan* (second-tier college), and later renamed as *Duli Xueyuan* (independent colleges), which are typically a hybrid mixture of public colleges and private firms. While public institutions provide teaching models, program and curricula system, teachers, and quality assurance system, private partners contribute capital investment. Due to the public stewardship, this type of private colleges can grant bachelor degrees immediately after establishment. The governing body is composed of people from two sides according to their contributions or negotiated capital shares. 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.

In sum, three major types of private higher education institutions are officially categorised in China. The first type refers to institutions that are established by private actors and can grant associate or bachelor degrees. The second type is called *Duli Xueyuan* (independent colleges) offering bachelor degree programs. The third type is institutions that cannot grant any degrees or diplomas, but facilitate students to study for passing national self-study examinations. In 2008, China had 318 institutions of the first type of institutions, which accommodated 1,828,633 students. The number of the second type of institutions was 322 with 2,184,377 enrolled students. The institutions in the two categories accounted for 20% total higher education degree program enrolment. For the third type, there were 866 institutions and 920,176 enrolled students (Department of Development&Planning of the Ministry of Education, 2009). In addition to regular institutions, China has a lot of private training institutions that provide various short-term programs. These institutions operate in a different legal and administrative framework. They are registered in business sector instead of educational bureaucracy, and pay business tax. They are less regulated by the state and more by the market mechanisms. Compared to a typology of global development of private higher education (elite/semi-elite, religious/cultural and non-elite/demand-absorbing) by Levy (2009), the Chinese private institutions are mainly in the last group, as is the case for the great majority of countries. According to Chinese academic standard, almost all private higher educations are categorised 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. This is a typical case that reflects tension between official recognition and institutional preference.

The Chinese private higher education institutions are developed to supplement the shortage of education supply by the public sector. The private higher education is thus becoming an integrated part of the Chinese higher education system. However, the private higher education institutions are different from the long-standing public universities. While public higher education institutions operate in a relatively stable field, the structuration or institutionalisation of the field of private higher education is still in process. Selznick (1957, p.17) claims that institutionalisation is a process of infusion with "values beyond the technical requirements of the task at hand". Institutionalisation can be best observed when an organisation is more affected by values and beliefs, such as the organisation'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 organisational 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 institutionalised by cross-section compared to the public one. Chinese private higher education institutions are

relatively young, and there are full of ambiguities in the sector. As an emerging field, private higher education is still out of tight control by the state, and norms of self regulation are under development.

One critical challenge is that private higher education has not been clearly defined. Despite 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 higher education institutions. As a result, many private higher education institutions resort to different business modes in some aspects of their practice. Moreover, the relations between private institutions are mainly characterised by competition rather than collaborative interaction and positive communication. Hence, when studying Chinese private higher education institutions, we should realise that they are facing different environment compared to the public ones.

Technical vs. institutional environment

Meyer and Scott (1983) distinguish organisational environment between institutional and technical. Most prevailing theoretical perspectives (such as contingency, resource dependency and organisation ecology) about organisation-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-conceptualisation of organisational 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 organisational forms and behaviours.

Higher education researchers usually focus on the institutional settings and regard that changes in higher education institutions derive from efforts to create or conform to categories and practices within the fields of higher education. This line of study include Larsen and Gornitzka's (1995) study of interface between reform and institutional understanding in Norwegian universities; Stensaker and Norgard's (2001) study of organisational identity in Norwegian higher education; Morphew and Huisman's (2002) study of academic drift; and Cai's (2007) study of academic staff integration in post-merger Chinese universities. In a theoretical paper on policies and organisational changes in higher education, Gornitzka (1999) suggested an integrated approach, which combines both institutional and resource dependency perspectives. Since then, such integrated approach has been applied in several empirical studies in higher education (Csizmadia, Enders, & Westerheijden, 2008; De Wit & Verhoeven, 2000; Kirby-Harris, 2003). However, their uses of resource dependency theory to supplement the institutional theory are mainly to facilitate the understanding of intra-organisational 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 environment, and pay a particular attention to the latter. Such analytical approach can find its root in Scott's (1992, p.133) work, who argues education organisations are mainly subject to institutional environment. The universities and colleges under study are normally long-standing organisations, and the fields are well-established. Therefore, they are captives of the institutional environment, and comparably organisational

changes are less influenced by conditions in the technical environment.

However, the subject of this study—Chinese private higher education institutions, is in an emerging and unstable field. In a study about civil service reform in the United States, Tolbert and Zucker (1983) concluded that early adoption of reforms were motivated by technical or economic needs, while the later organisational adaptation responded to the growing social legitimacy. If their logic can be generalised, we contend that technical environmental factors predict the early adoption of organisational reform in Chinese higher education's privatisation, because of the short history of Chinese private higher education. This also reconciles with Levy's (1999, 2006a) empirical observation that private higher education institutions have strong links to the competitive technical environment. The ambiguities and uncertainties faced by the private higher education institutions are often exacerbated by demands from market pressures. As such, rational and free-choice dynamics associated with the technical environment lead to organisational diversity in private higher education. The next section will discuss what the technical environmental demands are and how the private higher education institutions 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 organisations 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' demand and preferences, which can be measured by attractiveness to students and relevance of education programs to the job market. Chinese private higher education institutions 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 programs 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, students and organisational image are effectively and efficiently managed. Under such situation, the private institutions often adopt business management approaches and designate low-cost programs.

Despite these general features shared among the 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 higher education institutions are decentralised, and are mainly governed by provincial governments. Most private higher education institutions are supposed to server 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 most popular patterns of private higher education development can be observed:

Shaanxi Model, where a lot of pure private higher education institutions 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 provinces with remarkable public higher education system, 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 higher education institutions, 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 (Ingram & Clay, 2000; Scharpf, 1997; Tolbert & Zucker, 1996; Trommel & Van Der Veen, 1997) 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.

As discussed before, the growing Chinese private higher education institutions are in a less institutionalised organisational field, and thus the individual decision-makers are supposed to be less bounded by institutional rules. As such, their choices and decisions are more likely to be interpreted by a rational choice approach. It is the decision-makers' free and rational choices that lead to organisational diversity, mainly in three aspects: institutional mission and goals, program provision, and management styles.

The mission of private universities and colleges 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, 2006b). Cao (2007) in a recent empirical study has proved that China is a major case epitomising such international trend. She further examines and compares the mission and goals of Chinese private higher education institutions. While discovering commonalities among the mission statements of private higher education institutions (e.g. meeting labour market demands and assuring students career success), her analysis also suggests the organisational diversity, which lies in "how much emphasis they place on meeting market demands as contrasted with cultural and individual redevelopment elements, and how clear and unique their missions statement are" (ibid., p.86).

Acknowledging that private higher education institutions in China normally choose their programs in the fields that have lower cost and are not traditionally dominated by public universities and colleges, Cao claims the differences of program provision in the private sector. Private higher education institutions have autonomy and leeway to make unique arrangement in

terms of syllabi, textbooks, pedagogy, and evaluation under the officially prescribed speciality/program titles. In order to gain advantages in the competing market, private higher education institutions tend to develop niche programs. For instance, some design their niche program in foreign languages, some in computer sciences, and some in economics and administration. She stresses that the niche programs were often designated since college establishment:

At the outset, the founders intended to distinguish their schools from other and prioritised job prospects to attract students through niche program 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 programs in accordance with labour market demands and changed them to accommodate changes in the demands, but also used various exemplary programs 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 latter 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, and operates like a public institution, and it has less hierarchy in decision-making process. 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 individually created private university in Shaanxi Province, adopts a decentralised decision structure: While major strategic decisions are made by the founder on the top, tactic and routine decisions are delegated to the office directors, college deans, or department chairs at the bottom. 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 along with other social characteristics, whereas other private institutions declined in the market and even closed down due to poor management.

Last but not least, homogeneity is restricted, and diversity is encouraged by governments at various levels. Thinking diversity as an ideal goal, governments try to take measures to hamper institutional imitation and academic drift. At least, private higher education institutions are regulated differently and showed 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 organisational 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 organisations, in which an organisation is dependent upon and from the expectations of the social surroundings where the organisation 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 organisations depends on the resources received from powerful or central organisations. Such logic is not far from resource dependency theory that predicts that a more plural resource base should lead to higher organisational autonomy, and hence possible greater organisational diversity. Following such logics, the coercive isomorphism may work more on public higher education organisations than on private ones, due to the nature of their financial ties with the state. Chinese private higher education institutions 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 private higher education, the private sector was small and insignificant. Therefore, the government had not promulgated any specific policies and regulations. During that period, private higher education institutions developed rather freely and organisational 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 a specific law concerning private education, namely the *Law for Promoting Private Education*. The law lays down basic rights and responsibilities for every concerning parties. It also stipulates the nature, registration, governing structure, academic programs and evaluation process in Chinese private higher education.

In order to gain legitimacy and survive, private higher education institutions must abide by certain rules set by the government, such as minimum organisational 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 council, board of trustees, or decision-making organisations in other forms. By now, all private institutions have established such type 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, 2006a, p.151), the Chinese private higher education institutions have relative high autonomy to define their own goals, operation mechanisms, and management models.

Mimetic isomorphism

Mimetic isomorphism is based on imitation, characterised by copying structural elements of organisational patterns which are believed to be successful and legitimate. Normally an organisation tends to imitate well-established organisations when it faces uncertainty. For private higher education institutions, the uncertainty is usually caused by changeable policies, dynamic environments, ambiguous organisational goals and poorly understood relations between means and ends. According to DiMaggio and Powell (1983), the extent of mimetic isomorphic effects on an organisation depends on the degree of its uncertainty and ambiguity of goals.

Chinese private higher education resurged in the late 1970s to supplement insufficient places in public higher education institutions. In that time, neither the government nor the managers of private higher education institutions knew how to run the schools. One common approach among these institutions was to imitate the programs 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 higher education institutions. However, this has not necessarily prevented private higher education institutions 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 for-profit nature of the private institutions and the non-profit property provided by the *Education Law*. The student market becomes more competitive along with the increase of private higher education institutions. Currently the threats for private higher education institutions are not merely from competition within the sector. Some public colleges and even foreign higher education institutions have also entered into the same market.

Recently, private higher education institutions 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 organised 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 higher education institutions 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 higher education institutions, private colleges are allowed to set up branches in different locations.

Branches naturally copy models from their mother institutions, rather than their other counterparts. Second, some private institutions imitate programs 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 to be 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, Waijie Medical College adopted accounting system and total quality control system from the business field.

Normative isomorphism

Normative isomorphism arises primarily from professionalisation, 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 organisations, 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, 2006a, 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 organisations. Also the greater the participation of members in professional organisations, more alike the organisations will be. The normative isomorphic processes in Chinese private higher education take place in three main aspects.

First, private higher education institutions have adopted similar teaching models due to the exchange of teaching staff. In Chinese private higher education institutions, 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 higher education institutions also recruit full-time teachers, but most of them are new graduates from public sector.

Second, as a response to overcome the challenges and ambiguities in the private higher education sector, some private colleges, for example, Xi'an International University, Yellow Revive University and Shuren University have taken leads to initiate corresponding research projects, and publish a series of journals and books to disseminate successful experiences among their counterparts.

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, for example, Association of Private Higher Education under National Industrial and Business Association, China's Private Higher Educational Expert Committee under the Professional Committee of Higher Education. They focus on some important issues and organise exchange activities. In 2008, National Association for Private

Education was created, which is expected to be an intermediate body to develop norms and policies. 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 try to establish ranking systems in 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.

Despite 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, 2006a, p.153). Compared to public higher education institutions in China, the percentage of full-time teachers in the private sector is rather low. The teachers working in the private higher education institutions mainly pursue economical 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 higher education institutions. However, such theoretical insight has been challenged by the recent development in higher education, particularly the worldwide expansion of private sector. It has been even argued that the new institutionalism may hamper, if not mislead, depicting and explaining organisational configurations in private higher education. 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, private universities and colleges operate in a more technical and less institutional environment.

The analysis illustrates that in China the technical environment is the main source driving organisations in the private sector to become divergent. To survive in the competitive market, the private higher education institutions have to keep sufficient student enrolment and use their resources in a cost-effective way. Relatively, they are less guided by legitimated institutional rules, or there is lack of collectively legitimated practices to guide these institutions. In such a thin institutional environment, free rational choices are dominating in the institutions' strategic making processes. This, hence, causes organisational diversity.

Nevertheless, the analysis also indicates that Chinese private higher education institutions are under some institutional isomorphic pressures, which assemble these organisations to some extent alike. While the process of convergence is more visible in some aspects, such as governance structure, marketing approaches and teaching models, the overall extent of isomorphism is low because of weak institutional legitimacy.

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 not be rational 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 higher education institutions may change over time. Currently, organisational diversity is a dominant phenomenon in the privatisation of Chinese higher education, but a foreseeable tendency is that the private institutions will become increasingly isomorphic, in company with the improvement of legal systems, norms and standards in the sector. Currently, the Chinese government is working on a long and mid-term plan for educational reform and development, and private education is an important part of the plan.

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 isomorphic/divergent, and in what conditions. In general, Chinese private higher education institutions tend to be similar in their formalities in order to abide by legitimacy, whereas they demonstrate heterogeneous attributes in real operation to fit in their niches and for competition. By departing formality and content, private colleges can meet both legitimacy and rational demands.

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