New Frontiers of Educational Research

Qi Li
Cynthia Gerstl-Pepin *Editors*

Survival of the Fittest

The Shifting Contours of Higher Education in China and the United States

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ISSN 2195-3473 ISSN 2195-349X (electronic)
ISBN 978-3-642-39812-4 ISBN 978-3-642-39813-1 (eBook)
DOI 10.1007/978-3-642-39813-1
Springer Heidelberg New York Dordrecht London

Library of Congress Control Number: 2013951510

Printed on acid-free paper

Springer is part of Springer Science+Business Media (www.springer.com)

To Qi's mentor and role model, Dr. George A. Bettas, for his support and encouragement over the years.
To Cynthia's husband Craig, and her sons, Reid and Ethan, for their love and support, and to the Fulbright Program for its support of international educational exchange thus making this book possible

Preface

Introduction

Higher education serves society as creators, curators, and critics, and as a major force for economics, ethics, and equity in society (Scott 2008). In other words, higher education institutions (HEIs) serve society by acting as creators of new knowledge and also as creators of creative creators, as elaborated in Chap. 1 of this book. HEIs are also repositories of knowledge, preserving the intellectual, cultural, historical, and spiritual heritage of humankind in general and, in particular, that of the society in which they are located. In addition, HEIs serve society by playing the role of critics "characterized by critical thinking, analysis, moral reasoning and judgment" (Duderstadt 2002, p. 5). While there is a general consensus on the academy's role as an economic driver, there is a lack of consensus on whether it has ethical responsibility to hold up a mirror and serve as a beacon to the mercenary reality of the world.

The multiple roles of higher education have been made all the more complex in an era replete with drivers of change, such as globalization, an increasingly competitive environment, insufficient financial resources, the knowledge economy, the future of the nation, the quest for civic mission of higher education, to name a few. As a result, "where do we go from here" has become a question facing constituencies of higher education worldwide. This is also a question that we are attempting to answer in this book.

Definitely, globalization is a driver of change in higher education that merits full attention. As globalization of the world economy and financial crises continue to highlight the increasing economic interdependence of the world, higher education is becoming a global endeavor (Altbach 2011; Mok 2003; Rhoads and Torres 2006). For example, international students contributed over $21.81 billion to the U.S. economy during the 2011/12 academic year, through their expenditures on tuition and living expenses (Open Doors Data, 2011/12). On the one hand, China is the first leading place of origin of international students in the U.S. and the fifth leading destination country of U.S. study abroad students during the 2009/10–2010/11; on the other hand, there are dozens of U.S. colleges and universities

operating joint degree programs or international branch campuses in China. Understandably, globalization and economic interdependence of the world has significant implications for higher education in both China and the U.S.

Against this backdrop, an increasingly competitive market-based economic environment is another driver of change in higher education (Rhoades and Slaughter 2004; Slaughter and Rhoades 2004). In China and the U.S., the increasingly competitive environment is largely attributable to a variety of driving forces, such as competing for the market for student enrollments, for research funding, for public fiscal support, and for private-giving. In addition, insufficient financial resources, the current economic situation, the rising cost of higher education, the information age, access, affordability, and accountability in higher education are merely representative of some of the driving forces for the escalated competition. In large measure, this is also the case in China's higher education. To survive and thrive, HEIs must change and innovate in order to adapt to their competitive environment and to be responsive to the diverse needs of people and nations. In effect, this is also an assumption that undergirds the title of this book.

The shift of the industrial economy to the knowledge economy represents another driver of change in higher education. As nations are increasingly interdependent and their economies are more and more driven by knowledge and intellectual capabilities, HEIs are demanded to play a central and more critical role in reshaping the future of the nation, especially the economic future. As a result, growing intensity of university-industry ties has catalyzed academic entrepreneurship, manifesting itself "in such trends as research collaborations between industry and academia; institutional, departmental, and individual responses to scarce resources; innovative approaches to traditional and technology-based instructional practices; and more socially driven pursuits that encourage new methods for enhancing the academy's engagement with external communities" (Mars and Metcalfe 2009, p.1). To survive and thrive, the academy must live up to the expectations.

As academic entrepreneurship has emerged as a trend, there is growing concern that this economic or market serving value can erode the civic mission of higher education or even replace public serving value of higher education, altering the focus and content of research and teaching in the higher education setting eventually (Rhoads and Torres 2006). If that is the case, knowledge relating to the civic mission of higher education will be devalued, including the knowledge necessary to become good institutional citizens that serve their communities in multiple ways; to provide forums for free democratic dialogue; to conduct research on democracy, civil society, and civic development; and to educate their own students to be effective and responsible citizens (Carnegie Foundation 2005). To survive and thrive, HEIs must address the tension between their role expectations.

It is plain that, in China and the U.S., a university education is seen as key to economic development. In 2010, the Central Committee of the Communist Party of China and the State Council jointly issued *An Outline of China's National Plan for Medium and Long-term Education Reform and Development (2010–2020)*, with the central goal to "modernize education, bring a learning society into shape,

and turn China into a country rich in human resources". Halfway across the globe, President Barack Obama outlined similar policy goals for the U.S.: "If we're serious about making sure America…succeeds in the 21st century, the single most important step we can take…is to make sure that every one of our young people…has the best education that the world has to offer" (Obama 2010). Thus, while China and the U.S. have two very different political systems, they represent the two largest economies in the world and share beliefs that higher education will play an integral role to economic development.

Organization of the Book

The chapters in this book bring together scholars from both countries with multiple perspectives on the topic to create dialogue around similarities and differences and look to the challenges ahead for both countries. It has been written for scholars, higher educational administrators, and policymakers in both countries and other countries as well who are seeking to understand the shifting trends in Chinese and American higher education. The book has been structured into three interrelated Parts: Part I: Markets, Competition, and Strategic Change in Higher Education, Part II: Addressing Core Issues in Higher Education, and concludes with Part III: New Directions and Future Possibilities. Each of these parts taken together portrays a complex picture of higher education in both countries. Specific details on each part is elucidated below.

Part I: Markets, Competition, and Strategic Change in Higher Education

The first part focuses on the higher education system of China and the U.S. by highlighting some complex and interconnected issues the two systems are faced with, such as; how to foster creative creators across all sections and types of higher education (Chap. 1), how economic competitiveness is institutionalized in regulations and policy that shape HEIs in each country (Chap. 2), how China's massification expanded access to keep pace with economic development (Chap. 3), and how patenting and licensing in US higher education represents multiple conflicts of interests for HEIs (Chap. 4). Due to the fact that these are all complex and interconnected issues, individual efforts of HEIs are limited without financial resources and/or governmental support. As such, it seems to be rational that, in China's higher education, the traditional "state centric steering" mode has continued to be the governance mode in which the central government, as well as the Ministry of Education, initiates, plans, integrates, and evaluates almost all efforts in the system. In contrast, American higher education system is governed in a "social coordination" mode in which various actors' efforts are coordinated via

three types of social coordination: markets, hierarchies, and democracy (Beetham 1996, cited by Lee 2003), with the emerging trend that the market is playing an increasingly important role.

Part II: Addressing Core Issues in Higher Education

This section examines central issues associated with how HEIs have shifted to market-based approaches to reform, innovation, and change in the higher education system of the two countries. Specifically, Chap. 5 examines major initiatives to improve the quality of teaching and learning in China's higher education and anticipates their implications for future development. Based on this chapter, most quality improvement initiatives are designed and top-down imposed by the state, contrasting sharply with the way core issues are addressed in American higher education. Chapter 6 explores the dilemma of assessment at U.S. colleges and universities by focusing on the tension between the use of assessment for accountability and improvement purposes. Chapter 7 examines theoretical and empirical research to describe the changing nature of governance in American higher education from shared governance to faculty grassroots leadership. Chapter 8 discusses the evolving role of the university ombudsman in informal dispute resolution and problem-solving for issues and concerns arising within the university community in American higher education. Indeed, these three chapters merely embody several core issues in American higher education, but they do reflect some most distinctive features embedded in this changing landscape. According to Chap. 6, tension still exists between internally derived motivation for improvement in teaching and learning and external pressures for accountability in an increasingly market-driven and competitive higher education environment. Meanwhile, there is a shift from shared decision making to the managerial university. According to Chap. 7, the foregoing shift can be explained by the fact that neoliberal philosophies and market forces are permeating higher education, resulting in adversarial relationships between the state, the administration, and the faculty, as institutions change their goals and focus. As a consequence, in addition to existing formal structures and supervisory authority, universities recognize the heightened need for informal and effective conflict management and resolution that is arising as a result of the social, technological, and globalization changes, as discussed in Chap. 8.

Part III: New Directions and Future Possibilities

This part looks to the future of HEIs in both China and the US and examines possible future trends and the possibilities for collaboration, moving beyond an exclusive focus on market-based, economically driven approaches. Chapter 9

reports on the long-time collaboration between the Chinese Ministry of Education and the University of Michigan to provide training for the leaders of top-ranked Chinese institutions as they build world-class research universities. Chapter 10 reviews major policies and developments of transnational higher education in mainland China, critically examines student-learning experiences in transnational higher education programs, and the Chinese government's attempts to assert its soft power in the context of transforming the country from an economic power to a culturally strong power. Chapter 11 explores strategic planning as the lynchpin of all the internal and external forces that make up U.S. institutions of higher education as they change to adapt to the dynamic environment of the market today. Chapter 12 concludes the book by suggesting that the current policy emphasis on the role of HEIs in developing human capital (students and knowledge) in terms of economic and market outputs neglects much needed attention to the crucial role that HEIs can play in terms of supporting equity and the public good. Taken together each of the chapters in this section suggest that as we look to the future of HEIs we need to think more critically in terms of the promise of international HEI collaborations which are mutually beneficial and equitable, the limits of market-driven higher education decision-making that does not attend to equity issues, the potential of strategic planning that encompasses all stakeholders in decision-making, and the role that HEIs should play in developing human capital and supporting education as a public good.

The chapters in this book highlight the vast complexity of HEIs in each country while underscoring the need to think beyond a future driven exclusively by the economic market and instead consider extending the notion of human capital to include attention to equity, ethics, collaboration, and many other moral values in higher education.

We gratefully acknowledge support from the Fundamental Research Funds for the Central Universities (no.2009AC-3).

May 2013

Qi Li
Cynthia Gerstl-Pepin

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May, 2013

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Part I
Markets, Competition, and Strategic Change in Higher Education

Chapter 1
Creating Creative Creators: China and the United States' Common Quest

Mimi Wolverton

Abstract China and the United States (US) have much more in common than one might suspect. Both have been thrust into a globally intertwined, interdependent, highly competitive economic system, which has been precipitated by exponential growth in technological discoveries. In both countries their institutions of higher learning confront unprecedented pressures to meet the educational requirements of their countries' workforces. Such demands require well thought out innovative change. This chapter briefly examines the dilemmas these countries face as they work to educate creative thinkers who are well grounded in mathematics and science.

1.1 Introduction

China and the United States (US) have much more in common than one might suspect. Both have been thrust into a globally intertwined, interdependent, highly competitive economic system, which has been precipitated by exponential growth in technological discoveries. In both countries their institutions of higher learning confront unprecedented pressures to meet the educational requirements of their countries' workforces. Such demands require well thought out innovative change.

The philosophical underpinnings of a country's view of education form the foundation that undergirds such change and the country's willingness to invest resources in it. Aristotle, Plato, and Socrates, all debated the question: Is education an individual or state good (Lucas, 1994)? In other words, should it be directed to the advantage of the individual where the primary reason for pursuing an education emanates from a desire for a better job and a sense of personal wellbeing, or to serve larger social ends like growing an economy and a compassionate community that cares for it members? Or should the goal be to strive for a balanced approach?

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_1,

1.2 The US Higher Education System

Although the US higher education system is younger than China's, its roots are similar and both have experienced change. Both systems started as elitist phenomena serving specific individual needs. Higher education in the US began prior to the American Revolution with the establishment of Harvard University, a private entity, created to educate the infant nation's clergy and civil servants.

With independence came change. The country's constitution deemed education an individual state's responsibility and higher education remained a largely privately driven enterprise, with a sprinkling of state-funded colleges emerging over time. Little federal intrusion into higher education occurred until the mid 1800s with the passage of two Morrill Acts, which established land grant colleges designed to train a broader constituency, sons of farmers and mechanics, in an effort to increase agricultural production and prepare workers for a budding industrial revolution. The main funding and regulatory sources for these institutions, however, remained the responsibility of the states in which they were located. The resulting state support constituted a shift away from private individual funding.

In the late 1800s, higher education in the US took two decidedly different turns. One, existing private colleges, like Harvard, and several land grant institutions morphed into research universities modeled after the higher education system in Germany. Two, states determined that as the nation's economy became increasingly industrially based, there was a need to educate a broader segment of the population. To meet this new demand, states established 2-year normal schools to train primary education teachers, many of whom were women.

The number of institutions increased as the population grew but changed little until the US's entrance into World War II. Here again, the federal government poured money chiefly into the research universities in the form of grants for defense and wartime related research.

World War II served as a watershed event for higher education in the United States. Change escalated with the federal government's passage of the Servicemen's Readjustment Act and the establishment of the National Science Foundation (NSF) both of which occurred toward or slightly after the end of the war. With the passage of the Readjustment Act, which helped veterans pay for postsecondary education, the massification of higher education in the US was clearly underway because it expanded the reach of tertiary education into a new segment of the population. At the same time the country through the NSF became serious about scientific discovery. Today, the National Science Foundation funds the lion's share of scientific research that occurs at US universities.

On the heels of these two events, within a relatively short period, the US went through a nationwide cultural revolution fueled by the Women's and Civil Rights Movements, which prompted changes, the extent to which the higher education system had never seen before. In effect, higher education, which had in its first 300 years deepened both its curriculum and student base somewhat, exploded in the next 25 years with the shear numbers clamoring for admission.

Individual states built and funded 2-year community colleges (providing both technical training and liberal arts curricula, which is transferrable to 4-year institutions) and opened new universities to prepare coming generations of workers. They expanded capacity at their research universities with the express goal of impacting local, regional, and national economic growth. They created expansive, disjointed curricula designed to serve the needs and interests of specific student groups. And they continued to subsidize the postsecondary education of their states' citizens.

In 2012, approximately 6 % of the US's 300 million citizens enrolled in one of its 4,500 2- and 4-year colleges and universities. Massification (the opportunity for academically qualified individuals to enroll) was complete.

Although its beginnings were firmly planted in the belief that education is an individual good, over a relatively short span the philosophical view of education in the United States moved to embrace a more balanced approach—yes, individual needs must be served but so should those of the nation. Its serendipitous change experience coupled with a 'we can do this' attitude as states and their institutions tackled the challenges it faced bred one of US higher education's greatest strengths—the capacity to instill in its students the ability to think creatively, attack problems from multiple perspectives, and be comfortable with risk taking and failing multiple times before finding success.

Today US higher education is a mature decentralized industry, yet it faces many challenges. Again its institutions confront immense change—this time instead of increasing investment and support they face decreased state and federal funding and increased accountability demands from both levels of government—oddly enough shifting the philosophical expectations back toward an individualistic perspective with students again bearing a greater portion of its cost.

1.3 The Chinese Higher Education System

In contrast, China's much older higher education system remained fairly elitist for centuries. Weifang Min (2004) suggests that Chinese higher education originated in 1100 B.C. as a combination of state-supported and private institutions. Its purpose was similar to that of the US system—educating civil servants—and it reach remained limited until after the 1840 Opium War when Europe's model of higher education began to influence the system. In addition in 1872, the government sent 120 students to study in the United States further exposing its countrymen to the research focused university.

Throughout the late 1800s and early 1900s China's higher education continued to adopt the western university model increasingly stressing science and technology. Although the system possessed longevity its maturation suffered greatly due to multiple foreign invasions and civil wars. Prior to WWII approximately 200 institutions existed, educating roughly 120,000 students (Min 2004).

As in the US profound change occurred post World War II—not as the result of a desire for increased access but in the form of the nationalization of the system under the coordination and guidance of its newly formed, Communist-led, national government. The Soviet model of higher education became dominant. The Soviet model separated research from teaching, in effect, says Min (2004), reducing research capacity. Member institutions of the Chinese Academy of Science (where most of the country's research takes place) still function as independent universities. At the teaching institutions, mandated teaching methods, strict adherence to a national curriculum concentrating heavily on math and science, and rigid oversight produced a stable system that changed little until about 30 years ago when a government directive introduced mass education as a strategic goal into the system.

The government's primary reason for such drastic action and its willingness to fund this extensive expansion of higher education in China stems from incentives similar to those that first drove the US to make the same decision—changing economic realities, this time compounded by intensive global competition coupled with a national desire for a world class higher education system that rivals the one developed in the United States.

In 2010, China released a 10-year plan summarized in an "Outline of China's National Plan for Medium and Long-Term Education Reform and Development (Ministry of Education of the People's Republic of China 2010)". The main thrust of this comprehensive document is the improvement of the entire education system—pre-school through higher and further education—and the expansion of the system's reach to a wide swath of China's citizens including ethnic minorities and special needs individuals. The document includes directives aimed at raising overall quality, encouraging and cultivating talent and creativity, initiating community college like training, and stimulating higher levels of research, both in quantity and quality. It does, however, continue to segregate science and engineering research from mainline teaching.

The latest figures available show about 2 % of the Chinese population (currently more than one billion, 300 million citizens) enrolled at one of its more than 4,000 higher education institutions. In essence, massification, although not complete, has begun.

1.4 Comparing the Higher Education in US and China

The US system functions under limited standardized accountability measures, which are monitored by non-governmental accrediting agencies and for the most part voluntarily accepted by colleges and universities. Adaptation and change occur haphazardly, rarely across the entire system at the same speed or in the same form. In reality, it is loosely coupled and self-regulating. And this self-regulation affords its member institutions all sorts of flexibility and room to be innovative and creative in their approaches to education, which allows them to prepare graduates

for functioning and thriving in the unstructured problem arena so often associated with technology.

In addition, across all research universities (top and middle tier both) research and teaching remain highly integrated at the graduate level and increasingly so at the undergraduate level as well. This symbiotic relationship between research and teaching provides the US with the arena in which it can not only tap the creative energies and talents of its premiere university-based researchers but that of its emerging talent pool as well. The downside of this system as it now functions is that it curbs the nation's ability to inculcate its students with the fundamental math and science skill sets needed in today's technology driven economy because quite often they require regimented approaches to learning, such as rote memorization, which tend to be de-emphasized in the United States.

In contrast, China's system remains firmly tied to nationally generated and monitored standardized testing and accountability measures that afford individual institutions little flexibility in terms of curriculum content or delivery. Oversight for research in science and technology is housed under the elite Chinese Academy of Science; however, teaching institutions serve the bulk of its students in China.

Nationally, mandated change can occur rapidly, orderly, and seamlessly. But instead of fostering critical thinking skills and a willingness to risk being wrong, the tendency of the teaching institutions, in particular, is to guarantee rote memorization as the primary learning pedagogy because it lends itself best to teaching to the test. The upside to such a system is that China's students come away with extremely strong math and basic science skills. The downside is that the very nature of the learning strategies imposed in such a system do not encourage creativity and the ability to engage in unstructured decision making, which is the basis for innovation and creativity.

And herein lies an interesting dilemma for both countries. They face escalating levels of economic change brought on by unprecedented technological advances, which require both strong fundamental mathematics and science skills and the ability to think nonlinearly. And each system possesses half of what it needs and faces decidedly different types of needed change.

For the US it's four fold. First, there's been a shift from thinking of higher education as a private good to viewing it as a public good and back to seeing it as a private good, which could limit participation and render the country unable to tap into a large portion of its creativity and ability assets. Second, the entire primary through tertiary system has moved away from expecting the acquisition of fundamental math skills as a natural outcome of education, which leaves its graduates only half prepared to function well in a technology driven economy. Federal grant programs aimed at improving the lower segments (kindergarten through twelfth grade) of the system (Race to the Top and No Child Left Behind, for instance) exacerbate the problem by promoting accountability systems that rely heavily on standardized test scores and in the end pressure many teachers to "teach to the test". The question becomes: How can US higher education reverse this trend without compromising the advantage it has in fostering the ability to think nonlinearly. Fourth, there is no national oversight of the higher education portion of

the US education system but an explicit demand for action resulting in mandates that are only half-heartedly embraced and often ignored.

The issues are also four fold for China. One, the country struggles not only to meet a growing demand, but a need to increase its higher education participation rates. Simply put, doing so costs money, requires time, and calls for patience. If we parse the numbers the enormity of the task before China becomes evident. China currently enrolls 31 million students in its 4,000 or so colleges and universities, ten million more students than the US enrolls in slightly more institutions. These numbers reflect a 4 % differential in participation numbers between the United States and China.

Four percent does not sound too onerous until it is converted to the actual number of students (more than 50 million), which the system must absorb for it to realize participation parity with the US system. And that number holds true only as long as the population does not grow. The enormity of not doing so, however, is quite evident—an inability to maximize the potential of a considerable segment of its greatest resource, its people.

Two, although the national level mandates can be enforced so that all institutions in the system move in concert, such strict oversight can dampen creativity and limit the potential of individual institutions to seek the most workable solutions for their particular students and environments. Three, its elementary and secondary portions of the country's education system strongly reinforce rote memorization as a principal teaching tool further inhibiting opportunities to promote an atmosphere that inspires inventiveness and initiative among its students. And four and perhaps most problematic for China, it appears that a challenge might be figuring out how to capture the US's creative adaptability and not lose its own strong approach to inculcating students with the requisite math and science know-how.

1.5 Creative Creators

Friedman and Mandelbaum (2011) in *That Used to Be Us*, suggest that today's labor market consists of four types of jobs. Those jobs which require individuals to engage in exceptional work in distinctly nonroutine ways—these are the 'best' doctors, lawyers, scientists, and the like. They call these workers *creative creators*.

The second job category requires *routine creators*. Members of this group perform nonroutine work but do so routinely. They are average and Friedman and Mandelbaum (2011) contend they are the first workers to be replaced by computerized systems designed to do the work quicker, more efficiently, and more effectively. Computer programs, like Turbo Tax and Computer-Aided Design (CAD), are prime replacement examples.

The third group of workers they label *creative servers*. Individuals who fill these positions carry out nonroutine, low-skill work but do it in an inspired, creative manner. Some of these workers attend college but many, perhaps most, do

not. A baker with a special recipe, a nurse who displays exceptional compassion for the elderly residents of an assisted living facility, or a wine steward who shares his/her extraordinary knowledge of and excitement for Chilean wines are all examples of this group of workers. The extras these individuals bring to their work cannot be reduced to an algorithm that programs a robot to replace them.

The final job category, *routine serving*, attracts individuals who do routine work using routine methods. Robotics put an end to some of these jobs, but others remain in the job market, low paying and menial in nature. (See Friedman and Mandelbaum 2011, pp. 59–80 for greater detail and discussion of these ideas.)

Friedman and Mandelbaum (2011) are describing the US labor market but the same description applies to China's labor needs as well. They argue that we need more creative creators and servers. As they describe it—"some inventing new products, others reinventing existing jobs or delivering routine service with extra passion, a personal touch, or a new insight" (p. 78).

Institutions of higher learning focus their energies on preparing the first category of workers, creative creators. And as discussed earlier, both countries are only meeting this challenge halfway. The US institutions are heavy on the creative end of things and weak on the fundamental skills needed to get to the point where individuals can productively expend their creative energies in ways that make the US leading innovators in an extremely competitive marketplace. And China needs to do just the opposite—focus on building flexibility into its higher education system as it relates to stimulating risk taking and creative problem solving.

Friedman and Mandelbaum (2011) say we need workers who believe nothing is owed them and that they can make it on their own. These workers take personal pride in their work and add that something extra that a machine, computer, robot, or foreign worker can't. In many respects they have described America's nation builders—individualistic, entrepreneurial, self-directed, driven. Today, neither the US nor China is into nation building. Instead, both countries strive to retain the edge they have gained through hard work and sacrifice on the part of their citizens.

1.6 Looking Forward: China and the US's Common Quest

To be certain, both China and the US have engaged in strategy making as it relates to higher education. But neither country has fully grasped the necessity nor met the challenge of creating creative creators. Much of the change in the US's higher education industry has been sporadic, uneven, and inconsistent. Decentralization allows its institutions to quickly respond to economic, social, and technological changes in their environments, but those changes sometimes remain institution or state specific instead of being more universally adopted nationwide. And the US has focused on, well, creativity. And done so at the expense of fundamental skills needed to compete in today's economy.

Top-tier research universities in the US have always produced creative creators and will continue to do so. They attract the best and brightest students (the ones

who graduate from high school with strong math and science skill sets), employ the nation's premiere researchers and scholars, and continue to tap into the immensely deep pool of talent that bringing these two groups together in classrooms and laboratories generates. But these institutions educate an elite few. The majority of individuals in the US who attend college do so at middle tier research institutions, where mandated accountability requirements, decreased funding, and burgeoning enrollments result in them producing routine creators, who when they graduate cannot find jobs. In order to capture the full benefits of this seemingly immeasurable talent pool, the nation's middle tier colleges and universities must educate more creative creators and fewer routine ones.

In contrast, China has continually suppressed the creative tendencies of its students who are enrolled in the majority of its colleges and universities by focusing on the linearity of mathematics to the exclusion of unstructured problem-solving. There does appear to be a movement afoot in which some of the nation's top research faculty are beginning to affiliate with its teaching universities. This will help, and although strategic plans are in place it might take more—in fact it might take nonlinear, creative innovation.

Contrary to popular belief, most innovations result from a conscious, purposeful search for opportunity. Such strategies do not magically appear. Arriving at them takes hard work; executing them requires insight, foresight, fortitude, perseverance, guidance, and leadership (Martinez and Wolverton 2009, pp. 9, 125).

The US's top-tier higher education institutions consistently maintain their stellar positions in the world (Kanter 2011). Each year, two separate organizations, Quacquarelli Synonds (QS) headquartered in London and the Academic Ranking of World Universities (ARWU) housed at the Center for World-Class Universities of Shanghai Jiao Ton University, rank universities based primarily on the quality of a college's research, administrators' evaluations, the output of authoritative research papers, and the international makeup of the faculty and students. In both instances, US top tier universities dominate the lists. In the 2012 rankings, twenty of the first fifty universities on QS's list are located in the US (including six in the top ten with Massachusetts Institute of Technology ranking one and Harvard at number three). Five Chinese universities (three of which are located in Hong Kong) made the top fifty. The ARWU lists places thirty-eight US institutions in the first fifty with the first four institutions located in the US No Chinese universities appear in ARWU's top fifty.

"No one in today's environment denies that colleges and universities must have a strategy for the future" (Martinez and Wolverton 2009, p. 3). All colleges and universities are not created equal but all can have a penchant for helping their students realize their greatest potential. Not all individuals who enroll will end up creative creators but more of them should. Yes, the United States has a system to envy but it might not be a system to emulate. Not all institutions possess the same resources, either fiscal or human. In today's environment attempting to replicate the past will not necessarily guarantee success.

Building a vision that works for an institution or a system will require innovation—the ability to see opportunities and turn them to your advantage through the

thoughtful intertwining of old and new ideas, using new tools and unconventional methods. Institutions within each system, whether nationally controlled or locally directed, must adapt and change through strategically placing themselves in positions to fulfill their obligations to their nations by preparing workforces ready and able to thrive in an ever increasingly interconnected, interdependent, global society. To do so, will require higher education systems in both the US and China to think deeply about how to foster creative creators across all sections and types of higher education from elite research institutions to institutions primarily focused on teaching.

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Chapter 2
Fostering Economic Competitiveness in China and the US: Untangling the Web of Competing Regulations and Interests

Jason E. Lane and Taya L. Owens

Abstract Across the globe, governments increasingly view their higher education sector as an important component of their economic competitiveness. This no less true for the world's two largest economies: the United States and China. However, the regulatory frameworks of each nation require that the respective governments take different policy approaches to aligning their colleges and universities to help achieve their competitiveness goals. In the United States, higher education governance is very decentralized, with individual institutions retaining a high degree of autonomy. China, on the other hand, operates a more centralized governance model with institutions having a much lower degree of autonomy from the government. This chapter examines and compares the policy foci of these two nations with respect to higher education. Particular attention is paid toward aligning (or not) higher education policy to support each nation's economic competitiveness.

2.1 Introduction

Sino-American relations may be the most important bi-lateral national engagement in the twenty-first century. The United States and China are, respectively, the first and second largest economies in the world. China has the largest population, while the United States has the third largest. They are the largest set of trading partners in the world and China has become the United States' largest creditor. The relationship between these two nations has often been described not as adversarial but rather as a complex combination of competition and cooperation.

In the era of what Wildavsky (2010) labels the "Great Brain Race", the complex relationship between these two nations also applies to higher education. While the United States has long had what is largely considered the world's

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_2,

strongest system of higher education, the Chinese are in the process of rapidly developing their own postsecondary education system—investing millions of dollars into research and teaching initiatives. However, even in the midst of this race toward excellence in education, great cooperation still exists. The United States is the largest receiver of Chinese students studying abroad, and there are now dozens of U.S. colleges and universities operating joint degree programs or international branch campuses within China. In many ways, the United States has been a supporting agent in helping to develop and grow the Chinese higher education system; and yet it is these countries' higher education systems that partially support the growing economic competition between these nations.

In the United States, higher education is organized in a very decentralized way, with the states, not the federal government, having primary control over the regulation and financing of such institutions. Moreover, each institution retains a fairly high level of autonomy relative to many other nations. This has allowed for a high level of innovation to occur across institutions; however, it has also made it difficult to align the higher education sector with any type of focused economic competitiveness policy (not that such a thing exists in the U.S.). China, on the other hand, has retained a high level of central authority in the planning and regulations of its higher education sector. Over the past few years, the government has started to devolve power to its local governments and institutions, yet it retains a strong steering role in the affairs of higher education. This allows for greater coordination; however, it can also temper the types of innovative behavior that have been strengths of the U.S. higher education sector.

The purpose of this chapter is to examine and compare the policy focus of these two nations with respect to higher education, with a particular eye toward aligning (or not) higher education policy to support the nation's economic competitiveness. To be clear, the chapter examines the major policy thrusts of each nation; this is not an implementation study and we recognize that on-the-ground implementation does not always reflect stated policy goals. The examination is guided by the theoretical lens of the principal agent theory, which is a powerful tool for investigating the contractual relationship between two entities, such as governments and public higher education institutions. We undertake this task knowing that a chapter such as this does not allow for a full or comprehensive examination of either nation, let alone two such examinations and a comparison. Inevitably important details will be omitted and such omissions should not be taken as a statement of their importance of value. However, while the description may be brief, the analysis has been more extensive and the intent for this chapter is to provide the reader with a general sense of how national policy shapes the organization of the higher education sectors of the two nations. The chapter starts with a brief overview of agency theory and its application to higher education. We then describe the situation in the United States and China, which is followed by a comparison of the two.

2.2 Government and Higher Education: A Principal Agent Perspective

Over the past two decades, an increasing number of scholars having been using the principal agent theory (PAT) as a framework for studying the relationship between governments and higher education institutions (Lane and Kivisto 2008). In the study of higher education, PAT has been used to examine institutional governing boards (Toma 1986, 1990), state governance mechanisms (Lowery 2001; Nicholson-Crotty and Meier 2003), government accountability and oversight (Lane 2007), and performance-based policy initiatives (Kivisto 2005). This framework has proven useful for higher education analysis as it provides a powerful theoretical base, yet remains flexible enough to apply to multiple settings. PAT has particular utility for this comparative case study as it allows us to compare and contrast the two cases, China and the United States, on the same theoretical dimensions. This section provides an overview of the core aspects of PAT and its adaptation for use by political scientists.

Developed by economists to study the contractual relationship between two actors, the principal and the agent, political scientists have adapted the theory to allow its use in the study of governments. The principal hires the agent to provide a service or product that the principal does not have the time or ability to produce on its own. The theory assumes that the agent is guided by self-interest and will seek to maximize its own benefit in lieu of the principal, such action is referred to as shirking. The agent's ability to engage in shirking is strengthened by the information asymmetry that often exists between the principal and the agent in that the agent usually has more knowledge about its own ability and its propensity to fulfill the contract adequately. In order to rectify the inefficiencies of asymmetry and self-interest, the principal interjects monitoring, inducements and enforcements of the agent's actions (Pratt and Zeckhauser 1985). In other words, the principal must define the terms of the contract, monitor the agent's behavior and stipulate a sequence of rewards to shape the agent's behavior to align more closely with the original definition of the contract.

In order to apply PAT to the study of political relationships a number of adaptations needed to be made from the classical approach (Moe 1984, 1990, 2005). Both the economic and political science approaches assume that the relationship between the principal and the agent are governed by a contract; but where the economic approach is based on an explicit contract, the political relationships are often, though not always, defined by implicit contracts. This means that while there is an acknowledgement that an entity may be an agent of the government, the terms of the contract may not be clear. Moreover, in a political relationship, it may not always be possible for the actors to freely opt in or opt out of the contract. The inability of the principals or the agent to freely leave the relationship directly affects how the two entities interact.

Another key difference between the two approaches is that the economic approach assumes the principal to be a single entity. However, in political

situations, there are often collective and multiple principals. A collective principal is comprised of many individuals, all or most of whom must agree in order for the principal to act. For example, many governments in the United States are comprised of legislatures, made up of dozens of individuals, who make many key decisions. In China, a highly centralized government exercises a great deal of control over the direction of most policy areas, including higher education. In addition to having complex collective principals, governments also have varying amounts of multiple principals. That is, in some political situations, an agent may report to more than one principal or conversely, more than one principal may be vying for political control over an agent. For example, in the United States, the Congress and the President act as multiple agents as neither are subjugated to the other, but both have the ability to direct the actions of the government bureaucracy (Moe 1990). However, for many colleges and universities, and other agents of the state, the existence of multiple principals goes far beyond dueling legislative and executive officers. The vast operations of most higher education institutions means that their activities are often regulated and monitored by many different governments agencies, bureaus, and offices. These multiple threads of accountability can create a spider web of oversight, where no one entity has substantial control over the agent, but collectively they create significant contract expectations (Lane 2007). Indeed, this spider web can be particularly problematic because "In an environment with multiple lines of authority, multiple sources of funding, and multiple sets of priorities, the concept of shirking exists but is exceedingly more complicated than that of a simple principal-agent hierarchy" (Lane and Kivisto 2008, p. 170).

PAT postulates that a combination of rational self-interest and maximized utility will invariably lead the agent to deviate from the principal's interest and the contract. In terms of higher education institutions, utility, or self-interest, is often identified through the pursuit of several goals, namely profits, prestige and social responsibility (Winston 1999; Heyneman et al. 2007). With regards to the contract, theoretically principals and agents are in a symbiotic relationship where the action of the agent commits the principal in ways that are supposed to have been shaped by that principal in the first place. Simon noted that the contract is an agreement with considerable freedom of mobility, a two-way authority relationship wherein the subordinate agent has a "zone of acceptance" within which he allows the employer to direct his behavior (Moe 1984, p. 745). While the agent in a political situation may not be able to freely leave the contract, it does have some ability to direct its own actions and may act in defiance of the principal, though the level of defiance may be directly connected to the potential repercussions for such actions. Finally, agency theory maintains economic efficiency as the ultimate purpose and rationale for close coordination between the principal's need and the agent's action. PAT efficiency justifies contractual hierarchy as an essential element of efficiency in part based on the work established by Coase (1937) and Williamson (1975), in which rational actors utilize hierarchy as a mechanism to reduce transaction costs.

Pursuit of its own utility rather than that of the principal is the heart of the agency problem. Information asymmetry can allow the agent to pursue its own goals, rather than the principal's, and the principal may not be aware of such. This information asymmetry often exists as the agent knows more about the functions it is performing than the principal as the principal may not have the necessary knowledge or the time to oversee all of its activities. The principal compensates for informational asymmetry by creating either a behavior or outcome-based contract (Eisenhardt 1989). Such contracts tie payment or rewards to the activities of the agent. With outcome-based contracts, principals compensate the agent for producing certain services or projects. However, the outcome must be observable and/or measurable. With many political relationships, the product is often a public rather than a private good and is not always as readily measured. The many complex goals of higher education institutions are often difficult to measure and, as Kivisto (2005) observed, one must be careful of the type of outcomes measured. He found that by creating a contract that focused on the number of graduates in a specified field led to a decrease in the quality of the graduates as the programs were incentivized to produce large number of graduates, not large numbers of high quality graduates. When outcomes are not observable or available, some principals opt for behavior-based contracts. Behavior-based contracts require agents to act in a certain way. For example, requiring employees to be in the office a specified period of hours or to teach a certain number of hours. However, for faculty it can be difficult to specify the types of activities that lead to quality teaching or research productivity. The types of contracts that are used by governments can allow us to anticipate the activities of institutions and their staffs.

2.3 Case Studies

We turn now to brief case studies of the United States and China. In each case, we provide a general overview of how the country's higher education sector is organized in relation to the national governments and, secondarily, to the state/local governments. We accept that there will be deviations and exceptions in both nations; however, the attempt here is to provide readers with a general sense of how each sector is situated in relation to the relevant government entities. The focus of each case is on the relationship between federal or national government and the public higher education sector in particular.

2.3.1 Higher Education in the United States

The higher education sector in the United States is comprised over 4,500 degree-granting institutions, serving more than 28 million students in 2011 (National Center for Higher Education Statistics 2012). About 38 % of the institutions are

two-year colleges and 36 % are considered public institutions. The sector is comprised of an array of institutional types, including elite research universities, liberal arts colleges, community colleges, comprehensive colleges, and special-focus institutions. Higher education in the U.S. began prior to the nation's 1776 founding with the creation of Harvard in 1636. Those institutions that were developed prior to the revolutionary war were a combination of private and public institutions, each with its own independent governing board (Duryea 2000). Though often closely connected with the local colonial government, these institutions also retained a high degree of autonomy from external interference. This ethos of institutional autonomy continued even after the creation of a more systematized public higher education sector following the formal adoption of the U.S. constitution. Moreover, because the U.S. government is organized on federalist principles and education is a power reserved for the states, the state governments retain primary authority over higher education institutions; thus shifting the federal government into a secondary role. Indeed, almost all public institutions in the U.S. were created and funded by the state governments. However, because of the focus on fostering national competitiveness, we focus here mostly on the relationship between higher education institutions and the federal (national) government.

For most its history, the federal government had very little direct engagement with higher education; although, in the last century, the government increasingly turned to the nation's colleges and universities to help achieve national needs. This has resulted in the federal government accruing more influence over the higher education sector strengthening its role as a principal in the relationship. Up until the twentieth century, higher education remained mostly decentralized, with very little engagement by the federal government. In fact, it was not until 1979, that the nation even had a Presidential Cabinet level position dedicated solely to education. In the early nineteenth century, the federal government attempted to create a national university, though the initiative was closely defeated in the Congress (Rainsford 1972). Since that time, the federal government has sought to influence the higher education sector through a series of policies and funding formulas rather than creating its own. Starting in 1862, with the passage of the Morrill Land Grant Act, Congress began allocating funding to higher education institutions across the nation; in this case to support the development of research and teaching in the agricultural and mechanical fields (Williams 1991). The intention was to bolster economic productivity in these areas to help the nation respond to the changes being brought about by the industrial revolution.

Until World War I, the federal government's engagement in higher education was mostly limited to institutions that received land-grant funding. During the period surrounding the great war, the government created the National Research Council to coordinate its various support for research and development; the Student Army Training Corp to transform students into military personnel, and passed the Smith Hughes Act of 1917 to support vocational training (Kolbe 1919; Quattlebaum 1960 and Rudy 1996). For the next several decades, the federal government would continue to turn to higher education to help support various national needs (Morse 1966; Russell 1951). During the 1930s, President

Roosevelt, with the 1935 Emergency Relief Act, enlisted the help of colleges and universities to support his New Deal programs and help the nation recover from the Great Depression.

However, "while the First World War transformed the relationship between the federal government and higher education, the Second World War transformed higher education" (Hendrickson et al. 2013, p. 93). The needs of the nation to secure advance weaponry and new surveillance techniques propelled the federal government into the nation's most significant funder of research. During this time, Congress also passed the 1944 Serviceman's Readjustment Act, otherwise known as the GI Bill, which greatly expanded access to higher education by covering the cost of higher education for the nation's millions of veterans. This act propelled the U.S. higher education system from an elite to a mass system of higher education. The emergence of the cold war following the cessation of World War II strengthened the federal government's relationship with the higher education sector. For example, in 1950, it created the National Science Foundation, which would eventually come to invest billions of dollars annually in research at the nation's colleges and universities in an effort to advance the nation's health, prosperity, welfare, and national defense (NSF 2009).

During the 1960s and 1970s, the nature of the relationship began to change as economic prosperity was increasingly viewed as a means for achieving the America Dream (Carnevale and Rose 2012) and the federal government became more involved in making college financially affordable. The Higher Education Act of 1965, and subsequent reauthorizations, was an attempt to consolidate about 25 % of the federal government's involvement with higher education under one act. This legislation also created the federal financial aid programs, which would eventually become the most significant source financing for the nation's aspiring college students. During this period of time, college campuses also became political battlegrounds, with students holding protests on the Vietnam War as well as race and gender inequality. The mass protest came as a shock to much of the public and raised concerns about the lack of knowledge of what was transpiring at these institutions of higher learning. Many citizens and government officials thought college leaders should be doing more to curtail these political outbursts and forcing students to focus more on their studies. It was during this time that state and federal governments took a more active role in actually controlling the activities of college and universities as "higher education [was being] criticized because of student protests and campus upheavals. Increased accountability, it was thought, would bring about greater organizational control over dissident students and faculty" (Hines 1988, p. 36).

While in previous decades governments largely refrained from involving themselves in the inner workings of higher education institutions, the media attention and scrutiny garnered by the protests fostered a widely held belief that governments should take create control over their public colleges and universities, as these institutions were publicly chartered and funded to provide a public good (Carnegie Foundation 1976). Since that time both state and federal governments

have become more actively involved in overseeing activities at public colleges and universities.

One of the primary moves that many state governments undertook during this time was to reorganize the governance of their higher education systems, mostly finding ways to centralize authority under a single coordinating or governing board (Berdahl 1971). During this reorganization, there was greater emphasis placed on the selection of governing board members, which most being with appointed by government officials or being elected by the state's population (Kerr and Gade 1989). Many states went a step further and used their authority to require colleges and universities to be subject to state-level purchase approvals, building inspections, performance audits, civil service regulation, and budget reports (Burke 2005; Lowry 2001; Volkwein 1986; Volkwein and Malik 1997).

Despite the increasing calls for accountability among government leaders, the relationship between both the state and federal governments is primarily defined by the funding mechanisms in place. The extent to which a public college or university can be construed as state agencies, subject to political wills and whims, varies by each state. However, as is the case with many bureaucratically created entities, it is unlikely that a state will be able to dissolve a higher education institution if that institution does not comply with the goals or needs of the state. Instead, the relationship between these principals and agents is mostly based on the exchange of funds and the government's ability to require compliance with the laws and regulations that it makes. At the federal level, the billions of dollars supplied through loans and grants to students to pay for tuition and fees provides significant leverage for the federal government to influence higher education, and the federal government does have some control over how federal research funds are spent; although agencies like the National Science Foundation and the National Institute of Health were established to be largely protected from political interference. At the state level, government appropriations, while shrinking in many states, still provide a not-insignificant form of revenue for most institutions. And, the ability of politicians and other policymakers to make life difficult for institutions and their leaders provides them with a large degree of influence over those institutions. The multiple points of governmental connections at both the state and federal levels, then, greatly diminishes the impact and influence of any one principal on the nation's colleges and universities.

2.3.2 Higher Education in China

Since the establishment of the first modern university in Tianjin in 1895, the current landscape of postsecondary institutions in China has flourished. As of May 2011, the Ministry of Education of the People's Republic of China recognized 2,101 regular institutions of higher education, 386 non-state regular institutions, 356 adult institutions (of which two are non-state) and 309 independent institutions. Both

non-state and independent institutions are considered Minban, or private, institutions. By 2010, full time and part time enrolments in public and private institutions surpassed 30 million students (World Bank 2012). However, even though government spending on higher education increased by about 350 % between 1996 and 2008, the public share of total higher education funding decreased from about 80 to 47 % during the same time; institutions began to supplement revenue streams with tuition and fees paid by students and their families, private contributions and other sources of income (Dong and Wan 2012; Yu et al. 2012). This proliferation of institutions, student enrollments and shift in funding streams exemplifies a fundamental shift in the governance and organization of Chinese higher education: trends toward decentralization and privatization. The previously tightly coordinated hierarchy of Chinese higher education governance has diminished to create more space for a deviance between the principal state's interests and those of the institutions.

From 1949 to 1976, a highly centralized hierarchical model characterized Chinese higher education. The key characteristics of this central model are as follows: the Chinese central government (1) provided core funding for universities; (2) set student enrolments for each institution; (3) approved senior staff appointments; (4) authorized all new academic programs; and (5) managed the student assignment process (Mok 2002, p. 261). Ostensibly, the tightly coupled relationship between the state and the institution did not provide freedom to exit or allow for market efficiencies. With the market reforms of the 1980s (decentralization and privatization), Chinese universities have since been granted more power in deciding matters related to student enrolment, adjustment of academic specialties, appointing and dismissing staff, distribution of wages and the conducting of international cooperation and exchanges. Furthermore, private institutions have emerged to supplement the need for higher education training: the community-initiated *minban*, self-financed second-tier colleges and multinational joint programs (Mok 2009).

The current role of government has concentrated on a strategic regulatory function in establishing system-level plans and policies for higher education institutions and in supervising the implementation of these plans and policies. According to a number of system-reform regulations and laws (see Table 2.1), it appears that, to a large degree, the role of the national government as sole principal has diminished while new principals have emerged; albeit the absolute authority vested in the central government means that it is always retains significant influence over higher education, albeit the absolute authority vested in the central government means that it always retains the ability to significantly influence higher education. These new principals manifest themselves as partners and stakeholders of private higher education provision. The categories of private higher education institutions vary according to different funding suppliers: private owner and private run institutions, private-run and state-assisted institutions, state and private cooperation institutions, shareholder institutions, state owner and private assisted institutions, state owner and private run institutions and state and

Table 2.1 Decentralization policies of higher education in China, by year

Year	Policy
1985	*Decision of the central committee of the Chinese communist party on the reform of the educational system*
	Call for steps to streamline administration, devolve decision-making powers to school unit
1993	*Provisional regulations for the establishment of people-run schools of higher education*
	Encourage and support the creation of non-state *minban*, institutions established and managed by social institutions and citizens
1993	*Mission outline of the reform and development of China's education*
	Commitment to decentralization policy from direct control to managing schools through legislation funding, planning, advice on policies
1995	*Project 211*
	Competitive, incentive-based scheme designed to promote the development of the top 100 universities into world class institutions
1997	Introduction of student tuition fees and need-based scholarships
1998; May	*Project 985*
	Competitive, incentive-based scheme designed to further promote the development of top 39 universities through funding for research centers and international academic exchange
1998, August	*Higher education law*
	Call for diversified modes of educational services, flexibility for local and provincial governments to run higher education
1998, December	*Action plan to vitalize education into the twenty-first century*
	Establish flexibility within educational system to address lifelong learning and economic development. Reaffirmation of strategic importance of *minban* to assist with modernization
2002	*Law of private education promotion*
	Grants legal status and profit-sharing rights to *minban.* Encourage second-tier colleges affiliated with traditional universities
2003	*Regulations of the People's Republic of China on Chinese—foreign cooperation in running schools*
	Promotes transnational higher education, especially multinational joint programs

Source Mok 2002, 2009

foreign cooperation-run institutions (Zhou 2006). Arguably decentralization and privatization policies have introduced multiple principals into the tertiary system.

Since the mid-1980s (known to scholars as the post-Mao era), Chinese governance has been experiencing a sequence of highly regulated, market-based reforms in most sectors, including higher education. While the Chinese case certainly retains Sino-specific characteristics, the overall trends point to a consolidation of centralized state provision of services through privatization accompanied by an increase in regulatory oversight (Mok 2002). Massification of higher education put pressure on institutions as total enrollments in higher education increased from about one million in 1980 to over 13 million by 2001. By 2010, enrollments had grown to over 30 million (Min 2004; World Bank 2012). Institutions were officially encouraged to generate revenue in addition to national

appropriations and subsidies in order to begin to support academic activities, both through charging tuition and fees as well as by establishing profit-oriented ventures in the local business communities. Prior to these financial reforms, there was no systematic incentive for efficiency gains in a strictly controlled finance system.

In the midst of financial reform, the national government introduced several projects designed to enhance and elevate the status of research institutions (Yu et al. 2012). In 1995 the Ministry of Education unveiled Project 211, a incentive-based scheme designed to promote the development of the nation's top 100 universities, with the intent of cultivating strategies for socio-economic development. The focus of the project was on improving the physical infrastructure, developing a public information system that would provide electronic access to Chinese academic literature, connecting with academic databases around the world. It was hoped that these improvements would raise the quality of research, facilitate national technological advancement and create international connections and partnerships. While the program supported institutional growth, it also illustrated the central control of the government, which selected which institutions were to be involved—mostly universities controlled by one of the government ministries. A successor policy, Project 985, was revealed in 1998 in order to target global competitiveness for a select few elite universities, especially with regards to scientific research. The major goals of the project were to raise the quality of interdisciplinary approaches, to enhance the quality of the teaching teams by recruiting highly qualified team leaders and experts, and to become world-class leaders in certain research fields by improving facilities and equipment along with developing interdisciplinary exchanges (Lai 2010).

In addition to profits and prestige, education is heavily involved with value judgments of social responsibility in addition to social development. Social responsibility of higher education manifests itself both in economic terms as well as through social cohesion (Colletta and Cullen 2000; Varshey 2002). On the one hand the purposes of education include economic development through the promotion of human capital, capacity, skills and lifelong labor market training. On the other hand the liberal tradition of education understood as informed citizens and public servants remains important to achieving a more socially harmonious society. In China, higher education was historically oriented around grooming civil servants by preparing scholars for the imperial civil service examination system. The compulsory Confucian curriculum centered on the Four Books, the Five Classics and the Thirteen Classics, a collective cannon which emphasized moral education and Confucian values (Zhou 2006). Although the Chinese system eventually adopted a Western European model of higher education in the nineteenth century, this orientation of education as a social responsibility has remained woven into the fabric of institutional purpose. Parents have remained willing to set aside a large portion of their income for purposes of education and students have identified social values as a key motivator of learning (Gao et al. 2004; Yu et al. 2012). From this discussion it is evident that institutions have at least three modes of utility, or motivation for action: profits, prestige and social responsibility.

Some reforms away from a highly centralized government control structure appear to have opened the door to institutional autonomy; however the market-reforms are couched within a single-party limited market context. China operates under a managed capitalism, in which the state actively intervenes in the market, "government officials blur the lines between public and private spheres by establishing clientelist and corporatist relationships with private businesses, and universal laws are complemented, and sometimes supplanted, by administrative guidance, vertical and horizontal relationships and informal mechanisms for resolving disputes….the government relies upon its licensing power and control over access to loans, technology and other information to steer companies in the direction determined by the state" (Peerenboom 2002, p. 75). For example, most public and private higher education institutions provide continuing or adult education without being able to grant a degree as such a right is only granted to regular higher education institutions (Zhou 2006).

The relationship between the Chinese government and the nation's higher education institutions remains very much influx. Not all initiatives to strengthen institutional autonomy have been well designed and some may actually hamper the implementation of such policies. For example, Wang (2008) suggests that an imbalance of reporting requirements and incentive forces has impaired the further development of the efficiency of public service provision. In other words, while an extensive reporting mechanism has been established in order to observe institutional effectiveness, the outcomes of these reports do not appear adequately linked to additional funding or market incentives. Moreover, the government's attempts to devolve some authority to the higher education institutions, must be balanced against the Chinese government's ability to reverse any such devolution whenever desired.

2.4 A Comparative Perspective: Untangling the Web

Though both have large and diverse higher education sectors, China and the United States have taken very different, although increasingly parallel, developmental paths, with both pursuing more market-based policy approaches. While China has begun a movement toward decentralization of control to the institutions; many governments in the United States have strengthened accountability and reporting mandates; though, institutions in the United States continue to retain significantly more autonomy from government control than their Chinese peers and the relationships remains greatly influenced by the construction of those governments. As a single-party system with a highly-centralized bureaucracy, the Chinese government retains a great deal of influence over institutional activities. In the United States, the federalist system that imbues both the state and federal governments with some influence over higher education and the existence of a decentralized, multi-layered bureaucracy allows public colleges and universities in the United States to retain a high degree of autonomy.

As discussed in this book, one of the goals of both of these nations is to enhance their economic competitiveness. This is a national goal; thus suggesting the need for national direction and leadership. Yet, the evolving relationship between each country's national government and its higher education sector has been in a fluid state and draws into question the extent to which the national government can influence its colleges and universities.

One of the primary differences between China and the United States is the extent to which the national government has had control over the nation's higher education sector. In China, governance of higher education institutions has, historically, been very centralized in the national government. In the era, between 1949 and 1976, the central government provided the funding, set enrollment targets, approved staff hires, authorized changes to the academic programs, and decided where students matriculated. The situation in the United States was vastly different during this time period. The federal government had very little influence over any of the functions just listed. In fact, during this time period, most of the funding for public colleges and universities came from the state government and, in most states, the governments engaged in very little oversight of activities like setting enrollment targets, hiring staff, and deciding academic programs. Moreover, the United States has never had a national or state government clearinghouse to assign students to institutions; students have always had the freedom to choose which institution to attend, so long as they could meet the admission criteria and afford the cost; admission decisions are made at the institutional level. The federal government's involvement during this time was largely sporadic and policy driven; that is the federal government would create policies that provided higher education institutions with funding to provide services needed to the government. However, with very few exceptions, colleges and universities in the US are not considered part of the federal government and could opt out of the relationship at any time.

Since the 1970s, the relationship between the national government and the nation's colleges and universities has changed markedly in both countries. In China, despite some attempts to bolster the authority of institutional leaders, the central government retains power to engage in strategic regulatory functions, including establishing and implementing system-level plans and mandates. For example, institutions have been granted a greater ability to make decisions regarding academic planning, enrollment targets, and staff hires. However, there remains a general awareness of the strong power of the Chinese government, which still owns all the land and has the power to reverse any devolution of authority. In the United States, the federal government has garnered increasing influence and control over the nation's colleges and universities through regulation. One of the primary drivers of this change was the federal government's involvement in providing federal financial aid to many of the nation's students. For example, in 2009–2010, the federal government allocated nearly $31 billion to about 8 million students to offset the cost of their postsecondary education. Much of this money, which is allocated to students to support their education, ends up going to institutions to cover the costs of tuition and fees. In addition, the federal

government is one of the largest funders of research at universities and provides funding through a myriad of other programs across multiple departments and agencies. These increasing revenue streams, and the potential to restrict access to them, have given the federal government significant more ability to influence the activities of the nation's colleges and universities. However, institutions retain the ability to opt out of many of these programs, and some have chosen to do so. This option for institutions not to participate in federal programs continues to limit the federal government's ability to influence institutional activities and behaviors. In addition, there is no central planning agency for higher education at the federal level.

Finally, institutions in both countries have increasingly relied on a market-based approach to attracting new revenue streams, particularly as the governments have reduced block grants to support institutional operations. Instead of providing high subsidies to the institutions, the national governments in both nations have taken an alternative approach, namely a performance based budgeting approach that targets much of the new funding toward achieving particular goals such as increasing access or enhancing research productivity. In terms of the institutions pursuing more market-based approaches this has led institutions to focus their attention on attracting new students and engaging in private activities likely to provide new revenue for the institutions. By reducing funding to core operations, institutions have to become more responsive to student demands as there is increasing pressure to attract and retain students and compete for high-quality students. Diluting the funding streams and forcing institutions to enter into new contracts or shifting the power of the relationship from the agent to the principal, such as can be the case with students and institutions diminishes the control of the national and local governments as the institutions must now respond to many more principals than before.

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Chapter 3
China's Move to Mass Higher Education: Analyzing the Policy Execution with a "NATO-Scheme"

Qiang Zha and Jing Lin

Abstract In early 2007, China officially announced that within the past decade it had embraced mass higher education. This meant that the Chinese higher education system became the largest aggregate higher education system in the world surpassing the American system. Many higher education researchers around the world wondered how this dramatic expansion could have happened in such a short timeline. So far, this expansion is generally analyzed in the literature as a strictly top-down process (and purely based on an economic rationale) triggered and commanded by the central government policy. In this chapter, we provide insight into this change process and highlight how the Chinese government employed a wide range of policy instruments to encourage growth. The momentum for the change was gradually built up at the institutional level and further encouraged through the expansion policy.

3.1 Introduction

In early 2007, China officially announced that within the past decade it had embraced mass higher education. At the time, 27 million students were enrolled in all forms of post-secondary education institutions in China, increased from 6.2 million in 1998. This meant that the Chinese higher education system became the largest aggregate higher education system in the world surpassing the American system. This dramatic increase not only had an impact on Chinese society but also on the world community. Many higher education researchers

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_3,

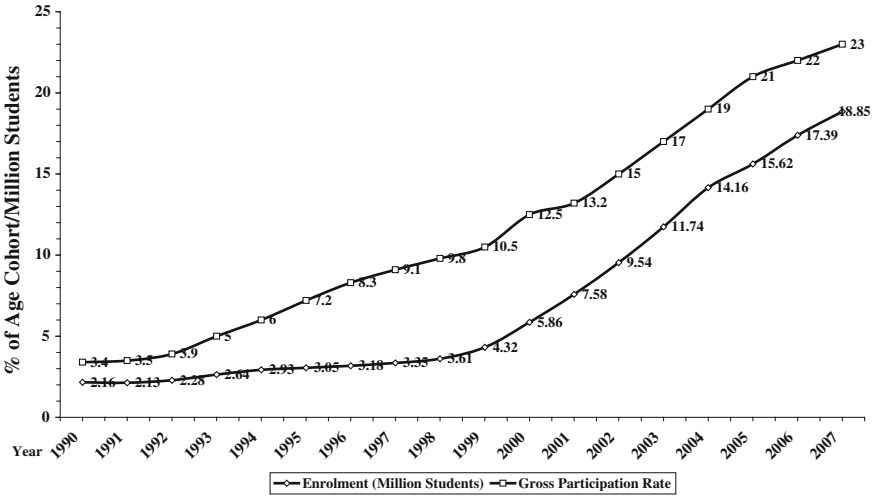

Fig. 3.1 Higher education net enrolment (enrolments in regular higher education institutions, including postgraduate students) **and participation rate** (gross participation rate of 18–22 years age group in all forms of higher education) **increase: 1990–2007**. *Source* produced by the author with data collected from *China Education Statistics Yearbooks*

around the world wondered how this dramatic expansion could have happened in such a short timeline. This expansion is generally analyzed in the literature as a strictly top-down process (and purely based on an economic rationale) triggered and commanded by the central government policy (Yang 2004; Mok 2005; Xie and Huang 2005; Zhang and Liu 2005, Wan 2006; Luo 2007). In this chapter, we provide insight into this change process and highlight how the Chinese government employed a wide range of policy instruments to encourage growth. The momentum for the change was gradually built up at the institutional level and further encouraged through the expansion policy. Such a move fundamentally differentiates this contemporary expansion of the Chinese higher education system from a seemingly identical higher education growth during the Great Leap Forward period in the late 1950s[1]. Figure 3.1 depicts the rapid expansion of the Chinese system graphically.

[1] The Great Leap Forward period between 1958 and 1960 represented a bold and idealistic attempt to achieve an accelerated social development and economic growth. In this period, higher education enjoyed rapid development, as seen as a means of "achieving greater, faster, better and more economical results." The new policy stipulated that provincial governments could make decision on creation of a new higher education institution, if there was no requirement of central resources. Each province took the initiative to create new provincial level institutions, which resulted in an increase of nearly six-fold in the aggregate total of Chinese higher education institutions. Most of the new institutions were of such types as engineering, teacher training, agriculture, and medicine (traditional Chinese medicine in particular), whose share took 88.4 % of the increased total. The Great Leap Forward exhausted the human and material resources of higher education and led to a sharp decline in the quality, thus a period of adjustment followed to

3.2 The Analytical Framework: Hood's "NATO-Scheme"

Gornitzka (1999) describes policy processes as consisting of five elements: a policy problem, policy objectives, the normative basis of a policy, policy instruments, and policy linkage. In particular, Gronitzka's notion of the normative basis of policy and its relation to the role of policy instruments informs our inquiry. The policy problems and objectives of China's higher education expansion since the late 1990s have been extensively dealt with in the literature, including in an authoritarian volume authored by Li Lanqing (2004)—the top Chinese politician responsible for education at the time—but scant research exists on the connection between the normative basis of the policy and the use of instruments to encourage it implementation.

The normative basis of a policy is a concept that refers to the values and beliefs on which policies and programs are based. According to institutional theory, the normative foundations of a policy are crucial, since they determine whether there is a normative match between a specific government initiative and the values and identities of institutions at which a policy is targeted. *Policy instruments* refer to the means by which governments exert pressures on lower level organizations to conform. In other words, they are the capabilities or mechanisms by which government influences the organizations and the society. Hood's (1983) "NATO-scheme" categorizes policy instruments in the following manner: Nodality (information); Authority (legal official power); Treasury (money); and Organization. Nodality refers to the central position of government in societal communications and its ability to "send out" information, which it judges to be relevant and important. Authority refers to the ability of governments to issue binding laws, i.e., to formally restrict the behavior of the targeted goals. Treasury refers to government control of money and other economic resources. Organization refers to the public bureaucracy and its ability to implement programs and monitor environments. Hood's NATO scheme provides a way to examine the policy instruments used by the Chinese government to encourage the massification of its higher education system.

3.3 Reflections on the Normative Basis of the Expansion Policy

Arguably, the decision to expand came quite abruptly. The decision was officially announced on June 25, 1999, less than two weeks before the national college entrance examination took place. Even insiders in policymaking circles conceded

(Footnote 1 continued)
reverse this trend of development. Between 1961 and 1963, the government shut down 882 higher education institutions, of which 773 were engineering, teacher training, medical, and agriculture institutions.

that was a surprising move (Kang 2005), yet one embraced quickly by higher education institutions. This suggests that there must have been a normative alignment between this government initiative and higher education institutions. In this section, we explore some connections between this policy initiative and the newly formed institutional values, namely the government's interest in creating larger higher education institutions that would be more cost-effective as well as enlarging the comprehensiveness of curricular offerings.

By the mid-1990s and as a result of the Soviet model adopted in the early 1950s, Chinese universities were characterized by a very high degree of specialization. They were small in size and narrow in program offering (often limited to a single discipline and serving the human resource needs of a specific economic or industrial sector). In the late 1980s a World Bank report found substantial room for economies of scale in Chinese universities, and suggested that there would be significant savings if Chinese universities were to expand to an average size of 8,000 to 10,000 students (World Bank, 1987). The World Bank (1987) recommended that smaller institutions operating in close proximity consider the possibility of consolidation under a single administration. Since the early 1990s, Chinese government sponsored some research that investigated economies of scale for Chinese universities. The research found that all Chinese higher learning institutions, no matter how small they were, had to maintain an isomorphic management structure. Therefore, university leaders were supportive of the notion that "without changing the specialization and curricular arrangement, institutional management efficiency could only be increased when enrolment expanded" (Ding and Min 1999, p. 1075).

The economies of scale efficiency perspective helped foster an expansion pattern that stressed increasing institutional size, rather than the more common pattern of aggregate expansion. It resulted in the policy of various forms of consolidation among the institutions, formally termed as "coalition, adjustment, cooperation and amalgamation" (Kang 2000). With this policy, the central government sent a clear message to the higher education sector that encouragement would be given to achieve enrolment expansion through tapping existent resources and extending capacity of the existing institutions. "Big" is thus considered analogous to efficient. In this circumstance, it would be normal to expect the universities were motivated to seek expansion in their enrolments. The 1990s was thus characterized by an emphasis on achieving efficiency through stretching the enrollment capacity of existing institutions, with the regular higher education enrolment increasing from 2.06 million in 1990 to 3.41 million in 1998, while the aggregate total of the institutions actually declined from 1,075 to 1,022 over the same period. Only starting in 2000 did this policy give way to the creation of higher vocational colleges. At the same time, Chinese universities were also motivated to broaden their curricular coverage amid the expansion, since comprehensiveness in curricular offerings had been associated with cross-fertilization opportunity for knowledge in different disciplines and thus effectiveness of teaching and learning.

In general, the widespread notions of economy of scale and operational efficiency led to the impetus for Chinese higher education institutions to expand their

enrolment size. The scale efficiency perspective became so popular that the expansion after 2002 was mostly driven by such a rationale in the local institutions. In 2002, the central government was aware of the resource deficiency as consequence of the fast expansion between 1998 and 2001, at an annual rate of 28.3 %, and set to control its pace at 5–10 % annually. Yet, the local institutions had difficulty stopping this rapid expansion. On the basis of 2.68 million new enrollment in 2001, the central Ministry of Education set a quota of 2.75 million for 2002, but ended up with an actual intake of 3.20 million; it then adjusted the 2003 goal at 3.35 million, but again witnessed a much increased total of 3.82 million; it thus modified the 2004 plan as 4 million, but eventually had to accommodate 4.2 million (*China Youth Daily*, 18 May 2006). This process led many Chinese universities and colleges to broaden their curricular offerings in order to recruit and accommodate more students.

3.4 Reflections on Policy Instruments for Executing the Expansion Policy

In this section, we apply the NATO-scheme to the process of higher education expansion in China, and discern the different policy instruments adopted for the expansion purpose. The NATO-scheme stresses the government's position and ability in making and executing policy change, thus provides a way to analyze this government initiated and dominated process.

3.4.1 Nodality Instruments: Propaganda Utilizes Scholarly Inputs

Compared to the Great Leap Forward in the late 1950s, which happened in a planned economy context where the government could absolutely control every detail, from policy formulation to implementation, the current expansion took place against the backdrop of an emerging market economy. Given this context, policy instruments sought to create a common ideology, and communication of information was crucial in terms of developing an impetus and mobilizing all the available resources. Institutional economists believe a common ideology is instrumental for saving or reducing costs. When people perceive and understand the environment in a common way, this in turn simplifies the policy implementation process. Over the decades, the Chinese government had accumulated a tremendous propaganda capacity, which was brought into full play to prepare for the higher education expansion with Chinese scholars now playing a significant role in this process.

Three nationwide theoretical debates on the future of higher education since the early 1990s illustrate the role Chines higher education scholars have played. The Chinese government launched these national debates in an effort to engage scholars to sort out the pattern and path for higher education growth. The first debate in 1992 focused on relations between higher education and the market economy, the second debate in 1998 focused on the marketization of higher education, and the third debate in 2001 pertained to the impact of globalization on higher education.

The first debate on the relations between higher education and market economy focused on infusing market forces into higher education operations and management. Around the same time, a group of scholars at Peking University studying economies of scale in Chinese higher education institutions found that, if the higher education growth push of the 1980 s had focused on increasing the average institutional size, the system could have saved up to 20–25 % of the operating costs. Based on this finding, they suggested a pattern of "coalition, cooperation and amalgamation" for further expansion in the 1990s (Ding and Min, 1999). This idea was incorporated into the 1993 policy paper *Outline for Educational Reform and Development in China* (Central Committee of Chinese Communist Party and State Council, 1993), and clearly communicated to the higher education sector and the general public via the Second National Working Conference on Education held in June 1994.

The second round of scholarly debate centered on marketization of higher education, i.e., an entrepreneurial approach to higher education growth. Its significance lies in closely linking higher education growth to the marketplace. A number of scholars engaged in this controversial theme and were split roughly into three groups. The first group fully embraced the notion of treating higher education as an industry. The second group partially endorsed the industry notion but asserted that education should reconcile the features of both public good and private interest. The last group firmly opposed this notion, stressing that education should only be seen as public or a semi-public good. No matter what positions the scholars in different groups took, they shared a common ground that education, in particular higher education, could actively contribute to economic growth (Kang 2005). Against this backdrop, the Third National Working Conference on Education took place in June 1999, and gave birth to the expansion policy.

This set the stage for the expansion policy debate on higher education and globalization, which occurred against the backdrop of China's entry into the World Trade Organization (WTO). This round of debate focused on benchmarking China's standards and developing a strategy of human resource development in a global context. This included a formal and systemic introduction of the Western-rooted concept of mass higher education. Some scholars argued that mass higher education meant shifting the focus from serving a small number of elites to attending to the majority of population, thus democratizing higher education. In contrast, others asserted that an elite part of higher education must be strengthened in China even though the system as a whole would undergo massification. The latter perspective maintained that the move to mass higher education should not

center on elite universities but instead on community-college type institutions. These contrasting views were documented in the *Tenth Five-Year Plan for Educational Development* (Ministry of Education of China 2002), which clearly set the 15 % participation rate as a goal for 2005, and the tasks of both expanding higher vocational education and creating world-class universities. In sum, Chinese scholars have been actively involved in recent debates concerning higher education policy formulation and implementation. They have played a key role in introducing new theories and ideas aiming at fostering China's higher education growth.

3.4.2 Authority Instruments: The Legislative Power of Policy Papers

To propel the growth since the early 1990s, the Chinese government took advantage of its "visible hand" in the government-initiated and -dominated expansion and issued a series of policy papers. In spite of the fact that a market economy had gradually come to regulate social life, the patterns of policy making and implementation in China remain, to a large extent, centralized. Therefore policy papers possess almost the same binding power as legislation. The aforementioned policy papers set out clear and specific goals for expanding the enrolment, and guided the patterns of expansion, e.g., from achieving aggregate expansion to expanding size of existing institutions, then to a combined model of both expanding the existing universities and establishing new institutions.

Before the 1990s, the State also used its legislative power to create mechanisms that motivated higher education institutions to expand. Under the planned economy, Chinese higher education institutions were subject to centralized decision-making and detailed resource allocation and administration, thus, they became essentially an arm of the government. Under this centralized control, they lost impetus to innovate and propel institutional development. In contrast, the *Higher Education Law of China*, which took effect January 1, 1999, granted legal entity status to the higher education institutions. Furthermore, the *Law* defined seven domains of autonomy for higher education institutions: (1) student admission, (2) new program development, (3) teaching affairs, (4) research and service, (5) international exchange and cooperation, (6) arrangement of internal structure and personnel management, and (7) property management. These autonomies and the concomitant responsibilities combined to motivate and pressure higher education institutions to strategically plan for their future, which often includes (if not starts with) enrolment growth. This is evident with the local institutions' attempts to continue to grow their enrolments in spite of central government's effort of curbing the tendency, which was elaborated upon earlier in this chapter.

3.4.3 Treasury Instruments: Adopting Enrolment-based Financing and Student Fees

A crucial move in reforming higher education finance in China, along with the massification of access, has been the adoption of a fee-charging policy. From the 1950s up to the early 1990s, university admissions were tightly controlled with quotas set by the State. This meant that students paid no fees and were assigned jobs upon graduation. Starting in 1993, around 30 institutions participated in a pilot scheme whereby all students were required to pay fees. Officially from 1997, all higher education institutions started charging student fees. The fees have been on a dramatic rise ever since. Research shows Chines universities' average fees increased at 20 % annually between 1994 and 2000, while a single year of 1999 (when the enrolment expansion started) registered an exceptionally high increase rate of 40 % (Zhao and Song 2008). This policy change had strong implications for enrollment. Previously, the rationale for setting enrollment quotas was to ensure that needed personnel were trained and the State had the financial capability to finance their training. Once tuition fees were charged to all students, the justification for setting enrollment quotas effectively disappeared. Instead, enrollment would be driven by the social demand for education. Shortly before this substantive policy change, there was an additional change in the governmental approach to allocating recurrent funds. The amount of funds for each institution for the current year had been determined by an "incremental approach," which was based on the institution's funds for the previous year. The government would make some incremental adjustment according to development needs of the institution and its own budget for higher education. Since the early1990s, this incremental approach was replaced by a formula-based approach, which consisted of two parts—a block appropriation based on enrolment and the appropriation for special items, with the former accounting for the largest share. The major allocation parameter shifted to the number of full-time equivalent students.

Cost sharing and cost-recovery characterized the new policy, thus diversifying the traditional mode of higher education finance in which the State was the sole patron. In general, Chinese universities today must raise an increasing proportion of their operating funds from non-governmental sources. It is notable that the ratio of fiscal appropriation in the institutional revenue kept declining from 69.3 % for national universities and 72.6 % for local institutions in 1995 to 51.6 % and 44.5 % respectively in 2004. This decline is more striking if illustrated in per student budgetary appropriation, which went down from 7,309 *Yuan* RMB in 2000 to 5,552 *Yuan* RMB in 2004, which is a decrease of 24 % (Li 2008). Meanwhile, the contribution of student fees to the overall budget rose from 10.3 % in national universities and 17.2 % in local institutions in 1995 to 19.2 % and 40.1 % respectively in 2004 (Kang 2007). This change indicates that a broad pattern of diversification of funding sources had not yet taken shape. Rather, a dichotomous pattern came into being, in which State appropriations and tuition fees comprised the two main sources of revenue. With the overall State education financing on

decline since 2004 (Mok and Lo 2007), the drift towards fee-based funding would essentially condition the survival strategy of many institutions, in particular of local institutions.

3.4.4 Organizational Instruments: Decentralization and Strategic Planning

The 1993 *Outline for Educational Reform and Development in China* aimed at institutionalizing a two-tiered structure of higher education governance. This was the first time in the contemporary history of Chinese higher education. Now the central government was to directly administer a number of so-called "backbone" universities that would have an impact on national development and serve as models. Many responsibilities and powers were delegated to local governments at the provincial level, which now had to coordinate higher education growth in their jurisdictions. The full-scale restructuring movement didn't start until 1998 when a push came in the form of a nationwide restructuring of the government sector. Some of the central ministries were dismantled, and many others were reduced in size to enhance efficiency. Except for the Ministry of Education, now central ministries were generally not permitted to run higher education institutions. Most formerly ministry-run institutions were transferred to local administration and had to find their own means of survival. Higher education institutions became closer to and more active in serving local interests.

The 1998 *Action Plan for Vitalizing Education for the Twenty-first Century* (Ministry of Education of China 1998) set up a timeline of 3–5 years for creating the two-tiered governance structure. The 1999 *Decision on Deepening Educational Reform and Pressing Ahead Quality Education in an All-Around Way* (State Council of China 1999) reiterated decentralization as a major goal of higher education reform, and called for a closer integration of higher education and local economy. As a specific step towards decentralization, this policy paper moved the locus of the authority for approving new higher vocational college down to the provincial governments. Such a policy environment rewarded institutions big in size and comprehensive in curricular coverage, as they offered more opportunities for connecting to the local economy, and encouraged the creation of new higher vocational colleges.

3.5 Conclusion

China's policy, aiming to forge a rapid move to mass higher education, appears to have been effective and successful. and indicates a tendency of attaching more attention to greater equality and equity, as "the higher the proportion of the relevant age group going on to higher education, the more the democratic and

egalitarian concerns for equality of opportunities come to center" (Trow 2006, p. 246). China's move to mass higher education was considerably more complex than previous policy regime and featured a unique (and a bold) approach, which simultaneously sought to expand higher education enrolment and institute a new governance structure, and nurture world-class universities. In retrospect, though the government played a central role in the massification process, it is now clear that the Chinese government did not take an exclusive top-down approach to policy change. Instead it asserted power through an array of policy instruments. We examined these approaches using Hood's (1983) NATO-scheme, which examines four key policy instruments that utilize Nodality (information), Authority (power), Treasury (finances), and Organization (structures). Specifically, we revealed that the Chinese government utilized Nodality instruments such as propaganda, Authority instruments such as policy papers, Treasury instruments including student fees and budget allocations, and Organizational instruments such as the decentralization of decision making.

Admittedly, the reality of policy formation and execution in China or elsewhere might be more complex than the NATO scheme. In this chapter, we adopt it as an analytical framework of ideal types, essential for the purpose of sketching out the crucial components and steps that have served to drive the execution of China's policy for higher education expansion, as well as differentiation of the system. In a sense, the ideal type, as a research method invented by Max Weber, has been widely used in social sciences,. He defined the ideal type as "an attempt to analyze historically unique configurations or their individual components by means of genetic concepts" (Weber 1994, p. 266). He noted further that an ideal type "has no connection at all with value judgments and it has nothing to do with any type of perfection other than a purely logical one" (Weber 1994, p. 271). In this sense, our analysis provides an exemplar of the use of ideal types in the policy context of China's move to a mass higher education.

Utilizing this NATO array of policy instruments revealed that the Chinese government managed to mobilize available resources to encourage a robust expansion process. The massification process led to a gradual shift towards a new higher education policy formation and execution model in China, one that is increasingly based on consensus (rather than exclusive top-down command policy), and one that brings into play the dynamism and initiatives from both the top and the bottom. Perhaps the recent process of preparing and launching the *National Outline for Medium and Long Term Educational Reform and Development (*2010–2020) (State Council of China 2010) may best illustrate this new model. With respect to higher education, this policy paper set the orientation and patterns for growth and development in the post-expansion era. It took the Chinese government nearly two years (August 2008–July 2010) to draft and refine this policy paper, during which two rounds of public consultations were designated. In total, 23,000 people were involved in the consultations, and 2.1 million pieces of feedback and suggestions were collected through the consultations and from other mechanisms or channels, for the improvement of this policy paper. Such a process represented the first time in China's education policy regime.

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Chapter 4
Conflict of Interest and US University Technology Licensing

Joshua B. Powers

Abstract Since the early 1980s, US research universities have rapidly expanded their involvement with technology commercialization, the process by which university innovation is transferred to the marketplace via patenting and licensing activities. A considerable literature has developed around this phenomenon, which has explored its benefits for speeding innovation for societal benefit, others have raised concerns in regards to the implications of privatizing the intellectual commons that has long characterized the conduct of university-based research. This study explores conflict of interest issues as revealed through the study of university licensing documents. Utilizing the tool of content analysis, I investigated 306 licensing deals between 181 companies and 81 US universities. The findings revealed extensive use of exclusive licensing, equity arrangements with faculty and institutions, faculty in managerial positions, and contract language often with considerable firm control over publication or extensive rights to delay publication. Such practices suggest concern in regards to faculty distraction from their primary duties to the institution and individual or organizational interestedness in commercialization outcomes that may undermine the social contract for science.

4.1 Introduction

An emerging area of academic inquiry has centered on higher education's increasing commercial orientation (e.g., Bok 2003). Slaughter and Leslie (1997) labeled the phenomenon academic capitalism, defined as "…institutional and professorial market or marketlike efforts to secure external monies" (p. 8). Stimulated by a confluence of forces—the discovery of recombinant DNA, new national and state economic development policies, resource contraction, and

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_4,

growing institutional competition among others—universities are more than ever seeking to leverage financial benefit from their most strategic asset, faculty intellectual capital.

While commercialization for some universities is not new, most have ventured down this path only within the past two or three decades, most visibly via technology transfer. The Association of University Technology Managers (AUTM) defines technology transfer as "the process of transferring scientific findings from one organization to another for the purpose of further development and commercialization" (AUTM 2012a, p. 1). This is typically accomplished via the disclosure by faculty of an invention to the research or commercialization office staff, the assessment of its patentability, the pursuit of a patent, and the licensing of the technology to an outside firm or institutionally affiliated start up. The ultimate goal is transforming the innovation into a product for sale, a process that serves to stimulate economic development through job growth and enhanced firm value as well as royalty flow or stock equity to the university.

An increasing amount of faculty and institutional energy and infrastructure is being invested in activities designed to stimulate research that has potential commercial appeal, most notably evident by the more than 11-fold increase in academic patenting since 1980 from 390 patents issued to more than 4,500 in 2010 (National Science Board 2012). Furthermore, between just 2002 and 2009, the number of invention disclosures grew from 12,600 to 18,200, a 44 % increase and reflective of the expanding interests in universities and their faculty in the potential opportunities of proprietary science (National Science Board 2012). According to AUTM, in 2011, total royalty income from among responding institutions in their annual survey was $1.5 billion (AUTM 2012b), down from a high of $2.1 billion in 2008 likely due to the economic downturn, but still substantially higher than the $868 million in 2002 (National Science Board 2012).

Considering that universities have been successful at licensing patented technologies to industry and realizing a revenue flow increase of almost 75 % since 2002, it is clear that they have solidly embraced economic development as an important component of institutional mission. However, it is also clear that few universities have enjoyed success with their licensed technologies given that just 65 of the 2,821 licenses issued in 2011 yielded more than $1 million in revenues (AUTM 2012a) and just 19 institutions accounted for more than 50 % of all patent issues in 2010 (National Science Board 2012). Recent research on the costs of technology transfer suggests that around 75 % of all revenues accrue to just 10 universities and it is unlikely that other institutions will realize a significant financial benefit (Powers and Campbell 2009).

So what stimulates universities to pursue practices that are arguably speculative at best? Most research points to a confluence of factors mentioned earlier as well as high profile "success" stories emerging from particular institutions. Some success examples include cancer-fighting pharmaceuticals such as Taxol and Cisplatin, consumer products such as Gatorade, and Internet tools such as the Lycos search engine and Google. In an environment where resources are becoming increasingly threatened or reduced, universities like any organizations seek to pursue other

sources of revenue (Pfeffer and Salancik 1978) such as through licensing programs.

The changed resource environment for higher education, coupled with the growing legitimacy of economic development as a component of an institution's mission, has led to the erosion of the fundamental norms associated with academic science—the free, open, and unfettered pursuit of truth and its dissemination (Merton 1942). For example, reticent to jeopardize their resource flows from industry, some faculty are willing to accept publication restrictions or delays, often so patent protections for which they and an industry sponsor might ultimately benefit can be filed (Blumenthal et al. 1997). This practice has extended to pre-publication review or ghost writing by the contracting firm, especially for studies involving drug trials (Angell and Relman 2002). Faculty themselves are withholding data from colleagues, primarily to preserve their scientific "lead" (Louis et al. 2002) or to increase the chance of obtaining needed resources to advance their research (Kenny 1986). Furthermore, it is common for faculty to have consulting arrangements, board positions, or an equity stake in a company that licensed their technology (Boyd and Bero 2000). Other researchers have reported growing scientific misconduct (Swazey et al. 1994), calling into question the legitimacy of published findings and in some cases, serious breaches in human subject protections.

Considering this new environment for the conduct of academic science, many high profile individuals and organizations have called for reforms (e.g., Angell 2000; Bok 2003). Yet, in light of a research climate increasingly supportive of an applied science and the enormous financial expectations associated with commercialization, the concerns raised appear to have had a limited moderating effect (Blumenstyk 2004; Merrill and Mazza 2010). In this chapter, I discuss the results of a content analysis of licensing deal contracts between universities and industry. Such an approach to the study of ethical practices enables a window into what is actually done in the field, rather than what practitioners may say is followed, perhaps as a function of the normative controversy surrounding whether or not universities should be engaged in commercialization.

The guiding research question for the study was the following:

How prevalent are conflict of interest issues in university technology licensing as manifest through contractual documents?

4.2 Contextual Frameworks

4.2.1 Resource Dependence and Institutional Theory

Slaughter and Leslie (1997) made a compelling argument that the forces of academic capitalism have been driven by changes in national policies guiding academic research and declines in state support for higher education. The combined

effect of these forces, they argued, has been to incite universities to become more entrepreneurial in an effort to generate sufficient revenues to support its labor and increasingly capital-intensive enterprise (Winston 1998).

Like (Slaughter and Leslie 1997), this study utilized a resource dependence framework (Pfeffer and Salancik 1978) for understanding how resources impact an organization's ability to achieve particular goals. Specifically, resource dependence theory suggests that institutions facing threats to traditional revenue flows will be incited to reduce dependence by emphasizing alternatives such as through commercialization. Furthermore, in an institutionalized industry (Dimaggio and Powell 1983) such as higher education, the increased legitimacy around economic development, coupled with a belief that the next big financial success story could be "our" institution, can encourage research universities to take uncharacteristically big risks in an attempt to keep up with the proverbial Jones' next door. Given this climate, licensing language embedded in contract agreements may reflect university risk taking and compromise ethical standards.

4.2.2 Norms of Science

A second contextual foundation for this study centers on the norms of academic science. With the rise of the research university model in the latter part of the nineteenth Century and the professionalization of collegiate faculty in the early part of the twentieth Century, the conduct of science began to take on certain fundamental characteristics. Merton (1942) codified the ethos of science that emerged from these and other forces with his description of four fundamental norms—universalism, community, disinterestedness, and organized skepticism—undergirding academic research.

The first of these, universalism, captured the importance of recognizing that science should be evaluated on its merits and not on subjective criteria such as the reputation or social standing of the researcher. The blind review process of publication is perhaps the most apparent manifestation of this value set. Specifically, a researcher's work is ostensibly evaluated without consideration of the person who produced it. The second norm, communality, was characterized be (Merton 1942) as a value that no person "owns" knowledge; it is shared openly and freely with all. Thus, an academic scientist should be willing to freely share their data and discoveries with others, all in the name of advancing knowledge. Furthermore, he or she has the obligation to communicate those findings widely as manifested in the expectation of publishing work in academic journals and to do so in a timely basis so others can build upon the work. The third norm was entitled disinterestedness. The intent of this value was that a researcher should conduct their work separate from personal motives (Merton 1942). In other words, the academic scientist should selflessly pursue truth wherever it may lead in the name of advancing science and not as a means of personal gain, either financial or through prestige. The last norm, organized skepticism, captured the importance of public

and open critique of research findings, allowing others to attempt to replicate results and/or to build on the ideas (Merton 1942). The most readily apparent manifestation of this norm is the process of presenting papers at academic conferences. This is the forum in which others can openly question and explore the merits, opportunities, and implications of new research findings.

While these four norms continue to be present in various forms today, others have suggested that there are and have been counter-veiling value sets also present in academic science. Mitroff's (1974) study of the apollo moon project offered a language to describe these "counter-norms". In contrast to universalism, for instance, he argued that the forces of particulalism were also at work. Particularism, he suggested, led some to judge the quality of scientific work not on its own merits, but in part on the reputation of the individual or group presenting it. The fact that researchers with a known reputation tend to have enhanced chances at landing a major federal grant, for instance, is one high profile example of particularism. A second counter-norm that (Mitroff 1974) articulated was solitariness. In contrast with the belief that ideas and knowledge are universally shared and "owned" by all, solitariness suggested that scientists sometimes seek to protect their findings jealously and not share their source data. The data best ensure their ability to maintain a stream of research and safeguard future credit for discoveries for themselves. Self-interestedness, in direct conflict with its traditional norm, disinterestedness, was the third counter-norm that (Mitroff 1974) identified in academic science. Self-interestedness, as might be inferred, values the pursuit of new knowledge not for its own sake but to personally gain from such efforts in whatever form that might come—personal accolades, financial, and the like. Thus, particular streams of research might be pursued because it is perceived by the field to be more important, cutting edge, have potential financial gain opportunities, and/or lead to certain valued benefits like access to resources to built a larger and more complex lab. Mitroff (1974) labeled the final counter-norm organized dogmatism, or the practice by which academic scientists would promote or trumpet their own findings, theories, and innovations over those of others, and not for sound research related reasons. Hence, this counter norm affirms that a researcher's key ally becomes their press agent who spins out regular releases to the popular press in the hopes of landing a feature story on their work or the researcher practice of criticizing others' work simply because it is perceived as a threat to his or her own research.

A growing body of literature has focused on the counter norms and noted how they are manifested for academic faculty and their institutions in terms of a growing tolerance or ambivalence about conflicts of interest (Anderson and Louis 1994; Gluck et al. 1987; Slaughter et al. 2002). Campbell (1997) offered some useful examples in her study of university-industry conflicts such as faculty or institutional stock ownership in licensee companies, the powerful influence of corporate sponsors of research, faculty serving in company management posts while simultaneously serving as a faculty member, and faculty and institutions placing profiting on intellectual property over the pursuit of research free of financial motives. Anderson et al. (2010) also studied entrepreneurial academic

scientists and found strong evidence of behavior that was more aligned with the counter norms, including by their student advisees, the closer that a researcher was to the marketplace.

4.3 Methodology

For this study, content analyses of 306 licensing deal documents between 181 companies and 86 US universities were conducted. Two distinct forms of content analysis methodology were used. The first, classical content analysis (Carney 1972), involved the counting and frequency of theme or phrase occurrences, an approach to research that aligns with the quantitative paradigm (Franzosi 2007). The second, theoretical content analysis (Marino et al. 1989), involved classifying themes into nominal categories so as to make inferences, an approach that is embedded within the qualitative paradigm (Creswell 2008).

The licensing deal documents were drawn from securities and exchange commission filings, namely licensing agreements between a university and a firm between 1996 and 2000. Using a specialized search engine designed to do keyword searches of such documents, 86 US universities were found to have at least one licensing deal with a company that later went public. The company affiliates had 311 licensing deals with the 86 universities, some with just one and other universities with as many as 24 separate company deals. Counts of the number of licenses that were exclusive versus non-exclusive in nature, the number and size of licensing deals that involved stock equity to a university and/or the faculty inventor(s), and the number of times that a faculty inventor appeared either as a company officer or board member were also conducted. In the second analysis, the contractual terms associated with faculty inventor publication rights and identified three categories/archetypes represented in the data were examined. In sum, the use of two forms of content analysis allowed for the reporting of descriptive data – counts of certain controversial activities that then could be measured in comparative terms (i.e., the percentage of times that a particular practice was exhibited among the range of practices evident in the data) and the creation of particular typologies of conflicts of interest and/or thematic issues that were apparent in the data.

4.4 Findings

Content analysis methodology was used to investigate four controversial practices associated with technology commercialization that have conflict of interest implications and that could be explored through licensing contracts. These practices include the awarding of exclusive licenses to single firms for technology development, university and faculty stock equity in licensee companies, faculty managerial roles in firms, and the ceding of publication oversight rights to licensee companies.

4.4.1 Licensing Exclusivity

Much commentary has been offered regarding the wisdom and efficacy of ceding broad rights to the development of a university-licensed technology to a single firm (e.g., Press and Washburn 2000). These concerns have been especially acute around the licensing of basic technologies for which no clear application is evident. Some have argued, for example, that the patenting and exclusive licensing of gene sequences and stem cell lines to one company is not in the public interest since it limits rather than enhances the potential development of broad-based applications in any number of health oriented areas (Rai and Eisenberg 2003). Technology transfer practitioners argue, however, that no company would risk licensing a basic technology with a very long, expensive, and unknown incubation period without exclusivity protections. Thus, universities and faculty are seemingly left in a quandary. Their social contract for science would suggest the need to make emergent technologies widely available so the ideas can both advance science and be transformed into any number of products of societal benefit. Yet, precisely because many of these technologies have unknown applications, companies are unwilling to license the technologies without at least some protection against someone else developing the technology into a competing product or producing a product more quickly. Furthermore, if a university cannot license the technology, no revenues are realized to offset patenting costs, let alone result in a new and hopefully substantial revenue stream.

An analysis of the data from this study revealed that at least 75 % of the licensing deals with universities involved the granting of an exclusive, typically worldwide, license to a company. Hence, these typically basic technologies, a majority of which were in two industries, biotechnology and pharmaceuticals, are being licensed to individual firms for which other companies typically cannot have access or can only access via expensive sublicense agreements. The data, then, suggests that universities are in fact ceding broad monopoly rights to single companies to develop particular technologies into actual products. Whether or not such a technology ever gets developed or if it might be developed more quickly and with more diverse applications than if it had been licensed non-exclusively is an open question. However, what is clear is that the majority of these technologies are not being made freely or broadly available.

A case example is illustrative. In 1998, University of Wisconsin professor James Thompson pioneered work in growing stem cells in cell cultures. The work had been financed by a biopharmaceutical company, the Geron Corporation, which was ultimately given an exclusive, worldwide license to use the stem cell lines Thomson developed (Gillis 2002). Shortly thereafter, the Bush administration announced that research could only be done on a limited number of existing stem cell lines like those at the University of Wisconsin, suddenly making every existing line very important to researchers and companies alike. Unfortunately, the University's exclusivity terms essentially ceded everything to the company such that the company could and did lay claim to the use of the cells for a long list of

purposes, making it essentially impossible for the university to license or make the lines available for free to other academic institutions and researchers. It was only through a very public legal suit pursued by the University against the company that the company and the University ultimately agreed to a plan by which Geron would retain the exclusive rights to those lines needed for developing treatments for heart disease, diabetes, and nerve ailments. The University would have the right to non-exclusively license the stem cell lines for bone, blood, and liver treatments. What remains to be seen is if new and better therapies develop quicker through the exclusive Geron route or the non-exclusive University route and if end products are markedly more expensive via the exclusive route as might be suggested in a monopolistic environment.

One way that universities are attempting to maintain some control within an exclusivity framework is to include breach of contract clauses around product milestone achievement targets. The purpose of these mechanisms is to reserve the right to nullify a contract should a company not meet mutually agreed upon product development milestones within a certain time frame. Analyses of the contract documents in this study revealed that relatively few institutions had included such clauses or were clearly vague enough that it was likely to be difficult to prove and enforce such a breach. This finding aligns with others that have explored this particular issue (Edwards et al. 2003). Furthermore, the federal government has never exercised its legal right to step in and claim use of any licensed technology developed with federal dollars, even after considerable external pressure to do so such as was recently true over aids drugs (Connolly 2004). This fact thus exacerbates the concerns some have articulated around exclusive licensing.

4.4.2 Equity

A central conflict of interest concern in university technology licensing involves the controversial practice of universities and faculty inventors accepting stock equity in a licensee firm. Those that deplore the practice see it undermining the norms of disinterested inquiry when a faculty member stands to profit from the application of their research, potentially undermining the legitimacy of research findings surrounding that technology (Boyd and Bero 2000). Others argue that accepting equity in lieu of up front fees from typically cash starved young firms shows institutional commitment to the partnership and creates mutual incentives for firm success (Bray and Lee 2000).

Approximately one-quarter of the licensing deals in this study involved the giving of stock equity. The average allocation to a university and/or to faculty inventors was 188,000 shares valued on average at the time of the allocation at $282,000. However, the range was considerable, running from a low of 2,000 shares to a high of 1.3 million shares. Furthermore, many of these deals also included healthy stock options for both the university and the faculty inventor as

well as anti-dilution clauses, tools used to protect the value of stock for early investors. Thus, it is clear that the quantity of stock deals associated with licensing is substantive, providing support to the argument that university and faculty integrity may be compromised given the financial magnitude of the arrangements.

The allure of big returns on stock appreciation is no doubt strong given some recent high profile success experiences for universities holding stock in their own start-up companies that later go public (IPO). Stanford University, for example, licensed the PageRank technology that powers the Google search engine. Stanford liquidated 184,207 shares of its 1.66 million shares of google stock at the time of the IPO for an immediate $15.6 million gain (Grimes 2004). MIT had a similar success experience when one of its start-ups, Akamai Technologies, saw blockbuster stock appreciation after it went public.

The concern, of course, is that corporate entanglements, especially when stock ownership is involved, may somehow undermine the integrity of the research process. Recent research has shown, for instance, that findings from corporate funded drug studies are four times more likely to show a positive result for the pharmaceutical than studies funded by other sources (Lexchin et al. 2003). Furthermore, some high profile breaches of human subjects protections has been attributable in part to the compromised integrity of researchers who have a financial stake in the company for whom the researcher is testing a new therapy (Thompson 2000). Owning equity in a company is also of dubious benefit in the first place given that it appears to have no affect on future firm performance (Powers 2004).

4.4.3 Faculty Involvement in Firm Management and Operation

Campbell (1997) identified faculty involvement in licensee firm management as a potentially significant conflict of commitment concern. Given the intense time commitments associated with a faculty member's teaching, research, and service responsibilities, running a company on top of all that seems problematic. Furthermore, the teaching–learning relationship between a student and a faculty member can be compromised when a faculty member's graduate students become entangled in the activities of the company, potentially slowing or impeding their ability to complete a thesis/dissertation using proprietary company technology (Slaughter et al. 2002) or preventing their use of company information for strictly educational purposes (Marcus 1999).

Among the 181 companies in the dataset, 27 had faculty inventors serving in key management roles ranging from the chief executive officer to a senior vice-president of some kind. Because some of these companies had a number of university licensed technologies in their portfolios, in some cases these companies had more than one faculty inventor officer or a faculty inventor on the board of directors, the key corporate governance body of a firm. Hence, a total of 57 faculty

inventors had a management and/or a board of directors position in these 27 companies. In addition, in many cases, faculty inventors were also a member of the company scientific advisory board, the body empowered to advise the company on key science and product development issues. In other circumstances, faculty inventors were members of the scientific advisory board only. Because the faculty inventor of a licensed technology is not disclosed in approximately one-half of the documents, it was not always possible to discern their exact role, if any, in the company. Thus, the actual number of faculty serving in a management or Board position in this study is undoubtedly higher. In addition, it was clear that in most cases, when a faculty member did serve as a firm officer, they apparently also remained active as a faculty member at the institution. As mentioned earlier, many also had received stock, either as a term of the licensing agreement and/or their role as a company officer. This inference was drawn based on the language used to describe company officers and their financial holdings as well as the lack of reference to such mechanisms as sabbaticals or leaves of absence that were present in a few of the prospectus documents.

4.4.4 Publication Oversight by Licensee Firms

Previous research has shown that increased partnerships with industry can lead to company encroachment on the publication process (Blumenthal et al. 1997). Although the extent of company control remains unclear, it is not uncommon for companies to expect a minimum of 30 days delay in publication to afford them time to consider patent applications prior to a technology being released into the public domain via the usual academic publication process (Cho et al. 2000). Given that the free exchange of ideas has been a bedrock value of academic science for advancing knowledge, impediments to this process are considered by many to be troubling at best and fundamentally wrong at worst.

An analysis of the language surrounding a publication gatekeeper role for a licensee company revealed essentially three kinds of relationships. Among the licensing deals that discussed this issue in adequate detail (approximately 60 % of the 311 licensing deals investigated for the study), circumstance one involved clear and emphatic language indicating the faculty inventor's right to publish with little or no restriction or delay (approximately ¼ of the licenses). Circumstance two (approximately ½ of the licenses) articulated some control by a company to delay publication, sometimes with and sometimes without a specific stated number of days to be able to exercise this right. Typical contractual terms of this type are shown in Table 4.1 below:

Circumstance three (approximately ¼ of the licenses) only articulated a company's rights of refusal on publication when it involved what they alone deemed proprietary information. Hence, if a faculty inventor wished to publish research related to work on the licensed technology, it appeared that they would have to rely on the benevolence of the licensee.

Table 4.1 Typical contract language regarding rights to publish in circumstance two

Rights to publish language
(a) University right to publish. Licensee acknowledges that the basic objective of the research and development activities of the University is the generation of new knowledge and its expeditious dissemination. To further that objective, the University retains the right, at its discretion, to demonstrate, publish or publicize the Licensed Technical Information and a description of the Licensed Program and any results of research conducted by the University with the Licensed Work subject to the provisions of clauses (b) and (c) below
(b) Notification. Should the University desire to disclose publicly, in writing or by oral presentation, Confidential Information related to the Licensed Work for which an appropriate form of intellectual property protection has not been filed, the University shall notify Licensee in writing of its intention at least thirty (30) days before such disclosure. The University shall include with such notice a description of the oral presentation or, in the case of a manuscript or other proposed written disclosure, a current draft of such written disclosure. Licensee may request the University, no later than 30 (30) days following the receipt of the University's notice, to file an appropriate form of intellectual property protection related to the information to be disclosed. All such filings shall be subject to the provisions of Sect. 8.1 Of this Agreement. Upon receipt of such request, the University shall arrange for a short delay in publication, not to exceed sixty (60) days, to permit filing of an appropriate form of intellectual protection by the University, or if the University declines to file such application, to permit licensee to make such a filing
(c) Modification. If the University desires to demonstrate, publish or publicize Confidential Information related to the Licensed Work that is not protectable under intellectual property law in the United States, and Licensee objects to such proposed disclosure within the time period specified in clause (b) above, the parties will negotiate in good faith toe whether the proposed disclosure can be modified or withheld, consistent with the objectives of each party. In no event shall the University be prohibited from proceeding with any such publication

4.5 Discussion and Implications

The key findings for both researchers and practitioners is that conflict of interest issues are evident in licensing contracts. First, many of the technologies are being licensed exclusively, of potential benefit to a company but of possible detriment to the advancement of science since access to the data and development work is largely limited to a small group of company insiders and university researchers bound by confidentiality restrictions. Because so much of university licensing activity is in the life sciences arena, it suggests concern over the speed at which innovations will reach the marketplace and benefit public health.

Second, the practice of accepting stock equity in a licensee company appears to be extensive. Furthermore, the amounts of stock involved are substantial, potentially of many magnitudes greater than a faculty member's salary and possibly worth millions to an institution and a faculty member if it appreciates even at a moderate rate. As such, it clearly raises the concern that the integrity of the research process can become compromised as other researchers have sometimes found with corporate funded research. Examples of note include universities or faculty failing to ensure the safety of human subjects because they have a financial

stake in the outcome of a study (Thompson 2000), universities becoming reticent to resist industry encroachment on the design and execution of lucrative clinical trials (Angell and Relman 2002), and faculty biasing research results to please an industry-sponsor (Bekelman et al. 2003). Furthermore, the findings provide a possible explanation for why faculty may be increasingly lured away from basic research topics to more applied ones. Blumenthal et al. (1996), for example, found that faculty members with industrial support were significantly more likely than those without such support to report that their choice of research topics had been influenced somewhat or greatly by the likelihood that the results would have commercial application (35 % vs. 14 %, $p < 0.001$). Serious attention to the conflicts that this can create are warranted, especially given pressures for easing rather than tightening policies that address these kinds of concerns (Mangan 2000).

Third, while only approximately 15 % of the 181 companies in the dataset had faculty serving in key management positions, it is nevertheless worrisome for two reasons. First, many of the licensing contracts did not make clear one way or the other as to the role of faculty inventors. Hence, the numbers who are in company management is certainly higher than 15 %. Second, there was little evidence that universities hold their faculty commercialization stars accountable for their time as manifested in awarding leaves of absence or sabbaticals to do commercially oriented work. The time intensive nature of running a major high technology company is no doubt substantive and likely to be a major hindrance to a faculty member's ability to complete their academic duties appropriately. It is also probably more time intensive than the one day per week for consulting that many institutions allow.

Finally, while most universities seem sensitive to restrictions on publication, some appear to cede de facto contractual rights to delay or even prevent the publication of a piece of research that the company alone deems a confidentiality violation. This latter finding is an especially troubling one given the sacred trust that society places on universities to pursue truth wherever it leads and to build on other's work to advance knowledge. Fortunately, most universities are sensitive to this important issue and agree to only limited restrictions and/or for short time durations. Nevertheless, the allure of a lucrative licensing deal may be compromising the integrity of some institutions.

In summary, in this chapter, I discussed how ethical practice in university technology licensing is manifesting in the US Given the unlikely chance that higher education will experience a reversal in fortune in terms of traditional resource flows, the pressure on alternative revenue streams such as through technology licensing will likely continue to grow. To date, it appears that those pressures do have ethical manifestations and ones that should give leaders in academe pause to consider its costs and benefits for the public good, the espoused goal of US R&D activity and increasingly the goal of academic R&D around the world, including in China.

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Part II
Strategies Used to Address Core Issues in Higher Education

Chapter 5
Beyond Summative Evaluation: Improving the Quality of Teaching and Learning in China's Higher Education

Qi Li

Abstract While the national undergraduate teaching and learning evaluation is a major initiative to improve the quality of teaching and learning in China, it is not as robust as originally intended. This is largely attributable to the tension between its use for accountability and for improvement purposes and to the tension between the bureaucratic hierarchy and the need for a mode of social coordination. Due to these tensions, policy makers and higher education leaders are confronted with a range of critical challenges. As such, institutional initiatives must be undertaken to give appropriate weight to the voice of various stakeholders, to engage faculty as catalysts for change, and to transform colleges and universities into learning organizations. This chapter examines national and institutional initiatives to improve the quality of teaching and learning in China's higher education and anticipates their implications for future development.

5.1 Introduction

In the global knowledge economy, human capital is an essential determinant of sustainable economic development. To create competitive advantage, a nation tends to strategize how to develop adequate human resources and to sustain these resources, which would otherwise outflow to more advanced economies. As such, many countries have shifted from elite to mass higher education (Dill 2007; Trow 2005). The same characterization also applies to China, whose innovative national strategy is to reinvigorate China through science and education and to strengthen the nation through human resource development (Wen 2010).

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_5,

In 1999, the State Council made the decision to increase traditional undergraduate enrollment, anticipating that it would develop more human resources to keep pace with projected economic growth. Between 1998 and 2002, total student enrollment in public higher education more than doubled, increasing from 6.4 million in 1998 to 15.1 million in 2002 (UNESCO 2003). During this period, the gross enrollment rate ranged from a low of 9.8 % in 1998 to a high of 10.5 % in 1999, 12.5 % in 2000, 13.3 % in 2001 and 15 % in 2002 (Bai 2006). In 2002, China entered the mass higher education era, 8 years earlier than planned by the Ministry of Education (MOE) in its *Action Plan for Revitalizing Education in the twenty first Century*.

With the dramatic expansion of undergraduate enrollment, parents and the public began to be skeptical about the rationality of the massification policy on the grounds that it had far outpaced the capacity of many institutions, especially when faced with such issues as skyrocketing tuition, inadequate on-campus living and learning facilities, high student-faculty ratios, high unemployment rates and low entry-level wages for young college graduates, to name a few. As a result, in 2003, the MOE launched the Quality and Reform of Undergraduate Teaching and Learning Project, generally called the Quality Project, which began to be upgraded and co-sponsored by the Ministries of Education and Finance in 2007.

Obviously, the Quality Project has generated momentum for quality improvement initiatives in higher education. During the 11th five-year-plan period from 2006 to 2010, the central government planned to spend RMB 2.5 billion (approximately US $398 million) on six types of granting programs, including (1) program revamping and specialized accreditation; (2) curriculum, textbook, and resource sharing; (3) teaching–learning and talent-nurturing innovation; (4) instructional-team and eminent faculty team building; (5) evaluation and public disclosure of general teaching and learning conditions; and (6) support for postsecondary institutions in the western regions of China. In addition, both the central and the provincial governments have granted a variety of awards to recognize contributions made by individuals and teams in the reforms of teaching and learning.

To maintain the momentum, in 2010, the Central Committee of the Communist Party of China (CPC) and the State Council jointly issued *China's National Outline for Medium- and Long-Term Educational Reform and Development Plan* (2010–2020). According to this plan, teaching and learning or, in the words of the plan, talent nurturing is identified as the centerpiece of higher education and quality improvement as the fundamental task of reform and development in higher education over the coming decade.

In this chapter, quality in higher education is conceptualized as a multidimensional concept which should embrace all organizational functions and activities of the academy, including "teaching and academic programs, research and scholarship, staffing, students, buildings, facilities, equipment, services to the community and the academic environment" (UNESCO 1998). This concept is examined in light of the National Undergraduate Teaching and Learning Evaluation (NUTLE) and major internal measures for improving the quality of teaching and learning in the academy.

5.2 Dimensions of Quality in China's Higher Education

Quality in higher education can be envisioned as a multilevel and dynamic concept that relates to the contextual settings, to the mission and objectives, and to specific standards within a given system, institution, program, or discipline (Vlãsceanu et al. 2004). This is indicative that quality cannot always be defined in the same terms for all systems, institutions, programs, or disciplines; instead, it must be defined in terms of institutional missions, student learning outcomes, and customer satisfaction. Meanwhile, quality must be defined in a dynamic manner in order to reflect the academic ethos to improve continuously. Since most higher education institutions (HEIs) in China have no specific public statements of missions and student learning outcomes and faculty and students are rarely, if ever, surveyed regarding their needs, expectations, experiences, or satisfactions, it would be difficult to evaluate quality in higher education either as a multilevel concept or in a dynamic manner.

Quality in higher education can be conceptualized as excellence, zero errors, fitness-for-purpose, threshold, value for money, and improvement (Harvey and Green 1993). As these properties may have significantly different implications for stakeholders, it is all the more important that stakeholders be involved in the institutional evaluation process (UNESCO 1998). Actually, in many countries, a variety of measurement instruments have been used to engage stakeholders, such as college student experience surveys, faculty satisfaction surveys, graduate destination surveys, alumni surveys, employer surveys, and public attitudes surveys, to name a few. In contrast, this is not the case in China. Overall, it is primarily the government and the experts that define quality in higher education while the "voice of the customer" is largely missing. Based on the NUTLE indicators, quality in China's higher education seems to be overwhelmingly focused on fitness of purpose, especially for that of the government.

Quality in higher education can be categorized into three dimensions: the presage, process, and product dimensions. According to Biggs (1993) and Gibbs (2010), the presage dimension comprises the context of higher education, which involves funding, student selectivity, quality of faculty and students, and the nature of the research enterprise. The process dimension consists of variables that affect the process of teaching and learning, such as "class size, the amount of class contact, and the extent of feedback to students" (Gibbs 2010, p. 12). The product dimension pertains to the outcomes of teaching and learning, embracing "student performance, retention, and employability" (Gibbs 2010, p. 12). Against this backdrop, the NUTLE indicators in the first cycle (see Table 5.1) are thus distributed: indicators 1, 2, 3 constitute the presage dimension; indicators 4, 5, 6 make up the process dimension; and indicator seven forms the product dimension. Put another way, based on the context, input, process, and product model (Stufflebeam and Shinkfield 2007), the NUTLE indicators are distributed as follows: context (indicator 1), input (indicators 2, 3), process (indicators 4, 5, 6), and product (indicator 7). As such, it is plain that the NUTLE is not outcome-based; rather, it is heavily focused on input and process.

Table 5.1 The NUTLE indicators for regular HEIs (2003–2008)

Tier 1 indicators	Tier 2 indicators
1. Guidance and Ideas about institutional operations	1.1 Institutional positioning
	1.2 Ideas about institutional operations
2. Faculty	2.1 Size and structure of the faculty
	2.2 Instructional faculty
3. Teaching and learning facilities and utilization	3.1 Teaching and learning infrastructure
	3.2 Funding for teaching and learning
4. Specialized program construction and teaching and learning reform	4.1 Majors
	4.2 Curricula
	4.3 Practicums
5. Teaching and learning administration	5.1 Administrative staff
	5.2 Quality control
6. Academic climate	6.1 Faculty professionalism
	6.2 Learning climate
7. Teaching and learning effectiveness	7.1 Basic theories and skills
	7.2 Graduation theses or Projects
	7.3 Ideological and ethical cultivation
	7.4 Physical education
	7.5 Social reputation
	7.6 Job placement
Programs with characteristics	

5.3 The Institutional Configuration of the NUTLE

Over the past two decades, the NUTLE has been pushed as a means to improve the quality of teaching and learning in higher education. As a result, an institutional configuration has taken shape, in which the central government is the dominant initiator and ultimate enforcer of the NUTLE rules. A survey of the relevant literature can reveal at least two features. Vertically, the NUTLE has evolved over three distinct stages, ranging from the preparation stage to the experimentation stage and the modification stage. Horizontally, the institutional configuration of the NUTLE can be conceptualized both as an objective structure that exists independent of human action and as a socially constructed one. Since the new institutionalism assumes that "before institutions can gain authority as objective social structures they must be endowed with meaning by cognitive acts of individuals" (Meyer and Rowan 2006, p. 6), it is necessary to examine how objective this institutional configuration is.

Vertically, the period from 1985 to 1993 can be deemed as the preparation stage of the NUTLE. During this period, two public policies formulated the basic "rules of the game". One is titled the *Decision on the Reform of the Educational System*

issued by the CPC Central Committee. It calls for reforms in the education pipeline, reiterates the need for the devolution of power from the government to the academy, and advocates, among other things, greater autonomy for HEIs. The other is titled the *Provisional Regulations for Educational Assessment in Regular HEIs* issued by the State Education Commission in 1990. It outlines the purpose, principles, tasks, forms, and bodies of assessment in higher education, thus serving as a foundational policy for higher education assessment (Liu 2005a, b).

The period from 1994 to 2002 can be considered as the experimentation stage of the NUTLE. During this period, 254 regular HEIs participated in the NUTLE which manifested itself in the form of accrediting evaluation, excellence evaluation, and quality evaluation based on random sampling. As mandated by the *Provisional Regulations for Educational Assessment in Regular HEIs*, regular HEIs established after 1976 participated in the accrediting evaluation, with ratings of Pass, Fail, and Probational Pass; Project 211 institutions participated in the excellence evaluation, with their evaluation results released in the form of institutional rankings; and those in between participated in the quality evaluation based on random sampling, with ratings of Excellent, Good, Pass, and Fail. Given the nature of the rating system and the observation that "when institutions are presented with an intervention that is claimed to embody both accountability and improvement, accountability wins" (Ewell 2009, p. 8), there is ample reason to believe that the NUTLE was conducted largely for the purpose of accountability during the experimentation stage.

With the passage of the *Higher Education Law of the People's Republic of China* in 1998, this institutional configuration has been consolidated by the statute which mandates that the state is obligated to improve quality in higher education and, as such, it is vested with oversight authority while HEIs are obligated to ensure that their quality must meet the state standards and criteria.

The period from 2003 to 2008 can be deemed as the first phase of the modification stage of the NUTLE. During this period, the MOE issued the *NUTLE Plan* in 2002 and revised it in 2004. This plan integrates the aforementioned three forms of the NUTLE into a single form, with the principle that "the NUTLE must be conducted to foster construction, facilitate reform, enhance management, integrate evaluation with construction, with a primary focus on construction". In a policy titled the 2003–2007 *Action Plan to Revitalize Education* made by the MOE, it is stipulated that the NUTLE shall rotate in a five-year cycle, with the first cycle starting in 2003 and drawing to a close in 2008. In 2004, the MOE established the Higher Education Evaluation Center (HEEC), an administrative body responsible for organizing and implementing the NUTLE based on the guidelines, regulations, and criteria of the MOE (HEEC 2013).

During the first cycle of the NUTLE from 2003 to 2008, 589 regular HEIs were evaluated, 424 of them being rated "Excellent", making up 72 % of all participating institutions; 144 rated "Good", making up 24 %; and 21 rated "Pass", making up 4 % (Liu 2012). Behind the rosy picture of the high percentage of "Excellent" and "Good" ratings, however, there were criticisms about the organized and intentional misrepresentations of fact, forgery, alteration, and misuse of

official documents and student records that had occurred in some institutions (Jiang 2010, Ye 2006). Due to the discrepancy between the public perceptions of quality in higher education and the high percentage of "Excellent" and "Good" ratings (Zhong et al. 2009), people cast suspicion on the credibility of the evaluation results.

The period from 2009 to the present and the near future can be thought of as the second phase of the modification stage. During this period, the MOE issued a policy titled the *Opinions on the NUTLE in regular HEIs*. It envisions to establish a national teaching and learning evaluation system that will be predicated on the self-evaluation of the academy, integrating the monitoring functions of national teaching and learning databases with institutional evaluation, specialized accreditation and assessment, and international assessment, with the participation of the government, the academy, specialized agencies, and society. According to this policy, the NUTLE in the second cycle will be shifted from the current unitary form to two separate forms—accrediting evaluation and auditing evaluations. Specifically, it stipulates that newly established institutions that have never participated in the NUTLE since 2000 shall participate in the accrediting evaluation while those that participated in the NUTLE and received the rating of Pass or above shall participate in the auditing evaluation. The accrediting evaluation will adopt ratings of Pass, Provisional Pass, and Fail while the auditing evaluation will be conducted without ratings; instead, the evaluation results will be released in the form of a technical written report.

To summarize, it is safe to state that the institutional configuration of the NUTLE has at least four features. Firstly, the NUTLE has undergone three stages of development, ranging from the preparation stage to the stages of experimentation and modification. Secondly, the NUTLE is regulated by an institutional configuration in which top-down and "state centric steering" (Pierre 2000, p. 3, cited by Lee 2003) is the dominant institutional mode, with a somewhat negative impact on institutional complementarities. Thirdly, the constant change of the NUTLE over the past two decades is largely indicative of its low level of legitimacy and concordance between the normative environment and the reality. Fourthly, it can be assumed that the institutional configuration of the NUTLE is not as objective as desired, as evidenced by the organized and intentional misrepresentations of fact, forgery, alteration, and misuse of official documents and student records that occurred in some institutions during the first cycle of the NUTLE.

5.4 The Robustness of the NUTLE Indicators

The robustness of norms and rules can be assessed with three criteria: their simplicity, durability, and concordance (Legro 1997 cited by Hollingsworth 2002). Against the backdrop of these three criteria, what are the most salient features of the NUTLE indicators (see Table 5.1)?

To begin, an examination of the criterion of simplicity would be in order. As shown in Table 5.1, the NUTLE indicators consist of a single one-size-fits-all set of indicators and designated observation points for evaluating the quality of teaching and learning in regular HEIs. As these indicators and observation points are mostly grounded in factual information relating to instructional input and process without reference to the mission or the customer satisfactions, they are not difficult to interpret or quantify. However, this simplicity also contains hidden dangers. For example, while "institutional positioning" is a NUTLE indicator, few institutions have publicly stated their missions and student learning outcomes, but most institutions have scored extremely high on this indicator. This partially explains why there is a large discrepancy between the high percentage of the "Excellent" and "Good" ratings in the first cycle of the NUTLE and the public perceptions of the quality of teaching and learning in the academy (Xie 2008; Zhong et al. 2009).

Durability addresses the issue of how long norms and rules have been in effect so as to assess their level of legitimacy (Hollingsworth 2002). In this regard, the NUTLE indicators have been changing constantly over the past two decades. During the experimentation stage from 1994 to 2001, three sets of indicators were concurrently used in three tiers of regular HEIs; then, in the first cycle of the modification stage from 2003 to 2008, the three sets of indicators were integrated into a single set; and later in the second cycle of the modification stage starting in 2011, this single set of indicators was once again replaced by two different sets of indicators. The constant change of the NUTLE indicators over the past two decades is largely reflective of its low level of legitimacy.

Concordance refers to how widely applied a rule is, whereby it addresses the degree to which it incorporates the heterogeneity of other rules (Hollingsworth 2002). While the NUTLE has been pushed and embraced as a form of government oversight, it is not so instrumental in bridging the gap between top-down expectations and bottom-up engagement, in deferring to academic freedom and institutional autonomy, in creating a better balance between structure and flexibility, and in fostering a culture of evidence and integrity in the evaluation process. In short, the NUTLE, as well as its institutional configuration, has a lot waiting to be tapped.

Research shows that the positive effects of the first cycle of the NUTLE can be summarized as follows: it has raised institutional awareness of the importance of teaching and learning; increased instructional investment in the form of funding, equipment, facilities, library's collection size, and student-faculty ratios; enhanced instructional administration; and promoted interactions between institutions across the country in areas such as institutional operations and instructional administration (Chen 2008; Gao 2009; Liu 2012; Sun 2009; Zheng and Yang 2008; Zhong et al. 2009). Notwithstanding these positive effects, it is also markedly flawed. Overall, the one-size-fits-all approach does not fit in very well with the diverse system of higher education. Additionally, the high-stakes evaluation has induced fraud and falsification in the evaluation process and some of the NUTLE indicators are too broad and vague to be "SMART." Moreover, the cost of evaluation is so

high that it can barely be sustainable (Chen 2008; Gao 2009; Liu 2012; Zheng and Yang 2008).

To sum it up, it is safe to state that the NUTLE indicators are characterized with at least four features. Firstly, the constant change of the NUTLE indicators over the past two decades is indicative that they are not as robust as desired. Secondly, the tension between the NUTLE's use for accountability and for improvement purposes did not seem to be well addressed. Although the NUTLE proposes to embody the purpose of institutional improvement, it is the purpose of accountability that dominates. Although the modified NUTLE for the second cycle seems to be helpful in reducing the tension between the two, it will probably be achieved at the expense of accountability. Thirdly, the NUTLE indicators are tilted overwhelmingly toward teaching, with much less emphasis on learning, as evidenced by the fact that the indicators of teaching far outnumber those of learning and that the NUTLE is frequently translated as the "National Undergraduate Teaching Evaluation". Finally, it is primarily the experts and leaders that define the quality of teaching and learning. In 2005, for example, 1,369 NUTLE experts were recruited nationwide, 95 % of whom were full professors while 97 % were institutional leaders and/or the head of the Central Instructional Affairs Office (CIAO) of their institutions (Zeng and Chen 2007).

5.5 Institutional Initiatives for Better Teaching and Learning

As most colleges and universities in China are public institutions that are embedded in the same institutional environment, they tend to conform to the same rules and norms and converge in behaviors and strategies, resulting in isomorphic change in practice and organization (DiMaggio and Powell 1983). This is clearly evident in the current major initiatives to improve the quality of teaching and learning in most institutions.

Instructional supervision is an initiative in most institutions. It began to be adopted by an increased number of institutions following the dramatic expansion of college enrollment in the late 1990s (Liu 2005b; Zhu 2005). Based on the findings of a study involving 35 institutions, an instructional supervision panel (ISP) exists at institutional and college levels. The institutional level ISP has three organizational patterns: it is affiliated with (1) CIAO (51.4 %), (2) the CIAO and the office of the vice president for instructional affairs (42.9 %), and (3) the office of the vice president for instructional affairs (5.7 %) (Li 2004). In addition, the institutional level ISP has three staffing patterns; it is: (1) entirely staffed by retired full professors, (2) jointly staffed by institutional administrative and council leaders and full professors, and (3) jointly staffed by the CIAO director and associate deans for instructional affairs (Zhao and Wang 2008). Normally, the institutional level ISP has 20–30 members while the college level ISP has 2–3 members. In terms of

responsibilities, the ISP members are generally expected to visit classrooms for at least 5 h per week, supervise curriculum and learning project design, review records, examine new academic program conditions, submit written reports to the CIAO, and more. Due to the lack of empirical research, it is not clear how effective this initiative is in improving the quality of teaching and learning, but research does show that it is faced with a number of challenges, such as (1) whether teaching should be supervised by a central administrative office such as the CIAO or by an academic unit, (2) whether teaching should be supervised by "general practitioners" or by peer colleagues from the same field (Chang 2011), (3) whether the panel is understaffed given the sheer size of the student population in most institutions (Li and Chen 2010), (4) whether the ISP members' knowledge is adequate for them to perform their duties, especially in the cutting edge fields (Li and Chen 2010), and (5) how to select competent ISP members and to coordinate their work at both institutional and college levels (Zhou 2011).

Instructional evaluation is another initiative in most institutions. Specifically, it is students who evaluate the effectiveness of their classroom instructors. As elaborated in the policy of many institutions, the purpose of this initiative is to (1) obtain student feedback in order to improve the quality of teaching and learning, (2) assist decision-making relating to academic promotion and allocation of bonuses and incentives, and (3) facilitate students' selection of courses and advisors (Cai and Zhang 2005). Prior to the early 1990s, students' course evaluations were conducted in the traditional form of paper and pencil surveys; from the mid-1990s to 2003, machine-readable bubble sheets were widely used. Since 2003, online course evaluations have become the norm. Organizationally, it is usually the CIAO that is responsible for organizing such evaluations and reporting its findings to the relevant units on a regular basis. While a few institutions and academic units choose to release their evaluation results to the public, most institutions and academic units tend to disclose this information only to the relevant individuals, institutional leaders, and department chairs (Wang 2007). Overall, these evaluations are conducted primarily for summative purposes. Some institutions have the policy in place providing that the per-course stipends paid to the faculty shall be multiplied by a coefficient ranging from 1.15 to 1 and 0.7 or the like, pending the students' course evaluation results (Bai and Tan 2012). Others stipulate that, in case an individual's score from the evaluation falls below certain minimum standards, he/she shall be considered ineligible to apply for promotion and his/her annual performance evaluation shall be given a Fail rating automatically. As students' course evaluation instruments are often perceived to be flawed in one way or another (Zhang et al. 2012; Zhao and Shen 2009) and the evaluation results tend to be used for summative purposes without using multiple methods for cross-checks and increased validity, there is ample reason to believe that these course evaluations are conducted more for external control than for instructional development purposes.

Competition is an additional initiative in most institutions. Since 2003, various grants and awards have been made available on a competitive basis under the auspices of the Quality Project, which include, but are not limited to, the awards

for distinguished teachers, premium courses, premium textbooks, and instructional teams at the state, provincial, and institutional levels. According to the selection criteria for the distinguished teacher award at the three levels, these awards are similar in that their criteria tend to have five components which require, among other things, that eligible applicants: (1) be full professors who are steadfast in their political beliefs and have twenty or more years of work experience in higher education; (2) be authors of a certain number of publications and principal investigators of at least one instructional reform project which won at least an award from a government agency at the provincial level or higher; (3) be mentors of junior faculty members; (4) be principal investigators of a certain number of research projects, which won at least an award from a government agency at the provincial level or higher; and (5) have publications in a foreign language. Obviously, these criteria would unjustifiably deprive many individuals of the opportunity to apply for the award solely because they are associate professors, or they do not have 20 or more years of work experience, or they have never served as principal investigators of an instructional reform project because such a project proposal is mostly submitted in the name of a unit and the unit head tends to be the principal investigator regardless of his/her actual contributions to the project. Due to conflicts of interest, it is not clear whether the awards have motivated faculty to engage in the scholarship of teaching and learning and whether there are bottom-up initiatives to mesh with top-down strategies.

Apart from the foregoing initiatives, most institutions tend to address the quality of teaching and learning from two perspectives. One is to address it primarily as a management issue. This is evidenced by the policy initiatives requiring that institutional leaders inspect classrooms at the outset of every semester to ensure a smooth start to the new semester, that institutional leaders and some middle managers make classroom visitations for a minimum number of hours ranging from 1 to 10 h per semester, that student informants be recruited to report inappropriate ideas and behaviors in the classroom setting, that students who flunk a certain number of courses be placed on academic probation or be dismissed, etc. (Li 2008). The other is to address it essentially as a professional issue. This is evident in the initiatives to foster faculty development through in-service learning, award travel grants to individuals for academic purposes, encourage junior faculty to participate in basic instructional skill contests, encourage faculty and students to participate in national and international contests in their respective disciplines or in a closely related field, require undergraduate students to take and pass a national standardized English language test and/or computer application test before they are endorsed to apply for baccalaureate degrees, and more.

To conclude, there is reason to believe that the foregoing institutional initiatives are characterized with at least five features. Firstly, while they are driven by both mission and customer desires, the overriding mission is restricted to national concerns and priorities and the most important customer is invariably the government. Secondly, except for the awards established under the Quality Project, the institutional initiatives are not directly tied with the NUTLE indicators, as exemplified by the fact that, although "institutional positioning" is a NUTLE

indicator, few institutions have specific public statements of mission and student learning outcomes. Thirdly, while improving the quality of teaching and learning is basically a professional issue, most institutions address it more as a management issue. Fourthly, the institutional initiatives may have successfully engaged some faculty in instructional improvement activities, especially those at the top of the bureaucratic hierarchy of their institutions, whereas they may have alienated many more faculty as well, particularly those at the bottom of the hierarchy. Finally, despite the rhetoric of the importance of teaching and learning, few institutions have an office in place to provide direct support for or to nourish the scholarship of teaching and learning.

5.6 Critical Challenges to Improving the Quality of Teaching and Learning

As elaborated, the institutional configuration of the NUTLE has gradually emerged since 1985, which is a bureaucratic hierarchy embedded with features of political and professional models of accountability. In this configuration, public policies and rules are the key levers; bureaucrats and policy makers are the agents; efficiency, quality, and priorities are the goals; inputs and processes are the essential indicators, stability is the major condition; regulation and planning are the major techniques; centralized direction is the major mode of governance; public policy and scientific management are the major theories; and evaluation, accreditation, and academic audits are the major programs (Burke 2005). To improve the quality of teaching and learning in this institutional setting, policy makers and higher education leaders must address an array of critical challenges, with the top five listed as follows.

The first challenge is to redefine the quality of teaching and learning. Quality is neither an objective reality nor an abstraction; rather, it is tied to institutional mission and customer satisfactions. Although the first cycle of the NUTLE was completed in 2008, few institutions publicly stated their mission and learning outcomes and their customers' needs and satisfactions are rarely, if ever, surveyed. It is, therefore, vital that the participating institutions of the NUTLE in the second cycle be mandated to define their quality of teaching and learning against their own public statements of mission and learning outcomes and to provide evidence accordingly. Meanwhile, they should conduct surveys on a regular basis regarding their customers' needs and satisfactions, particularly those of faculty and students, whereby these criteria can complement and verify one another. It is likely that such criteria will motivate HEIs to pursue an ethic of continuous improvement and foster a willingness on the part of actors to be professionally accountable not only to one another but also to their customers. Since the new definition may challenge traditional authority and power and have significant implications for the higher education market as well, it will not be easy to facilitate the change.

The second challenge is to think strategically but act locally. Being strategic means thinking systematically, "using the levers available to change the underlying dynamics in a system, in a way that changes everyone's behavior" (Osborne 2007, p. 1). According to Osborne (2007) engage faculty as the most salient pieces of bureaucratic public systems are their purpose, incentives, accountability systems, power structure, and culture. As such, it would be rational to use these levers to bring about systematic change. Although the NUTLE could serve as such a lever, it has not been very successful in bringing about systemic change due to the one-size-fits-all indicators, the designated observation points, and the high-stakes nature of the NUTLE. To remediate, HEIs should be afforded the discretion to define their quality of teaching and learning and to provide evidence accordingly based on their stated mission and learning outcomes. Meanwhile, teaching and learning decisions should be made at the lowest level possible, including decisions about faculty professional development, what and how to teach, what to be assessed and how, how to use assessment results to inform decision making, and more. In short, faculty members should be adequately empowered and genuinely motivated to engage in bottom-up initiatives to improve the quality of teaching and learning.

The third challenge is to increase the NUTLE's legitimacy. Over the past two decades, the NUTLE has been changing constantly without a permanent form, which is largely reflective of its low level of legitimacy and concordance between the normative environment and the reality of China's higher education. To increase its legitimacy, it is necessary to redefine the NUTLE in at least three dimensions: (1) The NUTLE should be redefined in order to reduce the tension between summative and formative purposes of assessment. To be more exact, the NUTLE should be used primarily for accountability purposes while assessment for improvement should be conducted by the academy. (2) The NUTLE indicators and their observation points should be designed in a way to enable institutions to gauge their quality of teaching and learning against their own stated mission and student learning outcomes. (3) The NUTLE must be grounded in a consensus that improving the quality of teaching and learning is basically a professional issue, which is reliant on the commitment and dedication of faculty and students. In this context, if the NUTLE indicators mesh well with the internal measures for quality improvement, it will inevitably enhance the NUTLE's legitimacy.

The fourth challenge is to engage in the scholarship of teaching and learning. In China's higher education, improving the quality of teaching and learning is addressed more as a management issue, with institutional leaders often acting as superiors while instructional faculty members as subordinates. This is potentially problematic in that not all instructors are clear how to actively engage students effectively, especially in an environment where there is lack of scholarly research on teaching and learning and rigorous knowledge about teaching and learning is rarely shared publicly. Therefore, unless the scholarship of teaching and learning is well defined, understood, accepted, and valued, it will not likely be applied to promote the practice of teaching and learning. As such, it should be a priority to forge a consensus about the scholarship of teaching and learning. Once there is a broad consensus, specific measures can be taken to understand and organize

faculty professional development, to integrate the scholarship of teaching and learning with assessment, to value and evaluate the work of teaching and learning (Hutchings et al. 2011) and to engage faculty as catalysts for change.

The fifth challenge is to reshuffle the winner-take-all game. As mentioned above, in competing for the Quality Projects's grants and awards, the winners tended to be individuals with blended roles. For example, 300 individuals were honored as the State Level Instructional Team Leaders between 2007 and 2009, with 83 % of them holding academic and/or administrative leadership positions at various levels. Similarly, between 2008 and 2009, 194 individuals won the State Level Distinguished Teacher Award, 91.8 % of whom held such positions, ranging from university presidents and university council chairs at the top to associate department chairs at the bottom of the hierarchy (Du and Yao 2012). Interestingly, even among winners without any leadership positions in the hierarchy, some were academicians and others were former deans, department chairs, or heads of an academic or advisory board of their institutions. This reality has aroused not only suspicion as to whether the "winners" can ensure fair play in their units but also criticism about the credibility of the award itself, which is demoralizing for ordinary faculty members (Li 2010).

5.7 Concluding Thoughts

The constant change of the NUTLE over the past two decades is indicative that it is not as robust as desired. On the one hand, this is partially attributable to the tension between the NUTLE's dual use for accountability and for improvement purposes and to the lack of due attention to institutional mission and learning outcomes. On the other hand, this is also reflective of the tension between bureaucratic hierarchy and the need for a better mode of social coordination in which actors are motivated to meet their role expectations. To reduce these tensions, it is vital to use the NUTLE as a form of accountability based on how well HEIs have accomplished their mission and satisfied their customers' needs. At the same time, HEIs should take the initiative to conduct internal assessment on a regular basis for the purpose of improvement. In addition, the government, the market, and the academy should reconceptualize their roles and redefine their relationships so that the top-down and "state-centric steering" mode of governance can be transformed into a mode of co-steering, co-regulation, and co-guidance with more dynamic institutional complementarities.

Needless to say, it is beyond the scope of the NUTLE to establish such a mode of social coordination. Since this mode of social coordination is less likely to gain authority as an objective one before it is endowed with meaning by cognitive acts of individuals, it is desirable that faculty members, rather than the chief representatives of the academic units, have primary responsibility for determination of teaching and learning policies and procedures. To start with, public policy makers and higher education leaders must grapple with an array of critical challenges,

ranging from how to redefine the quality of teaching and learning to how to think strategically but act locally in the process to improve the quality of teaching and learning, how to increase the NUTLE's legitimacy, how to engage in the scholarship of teaching and learning, and how to reshuffle the winner-take-all game in the arena of today's higher education. In addition, internal measures must be taken to give appropriate weight to the voice of stakeholders, to engage faculty as catalysts for change, and to transform colleges and universities into learning organizations.

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Chapter 6
The Dilemma of Assessment in the US

Craig K. Pepin

Abstract Assessment is the evaluation of student learning in specific learning outcomes such as integrative thinking, writing, civic engagement, or appreciation of diversity. When conducted well, it produces evidence of learning that should lead to improvements in pedagogy and curriculum. But many educators at American colleges and universities remain suspicious or fearful of assessment. This fear or suspicion of a function so obviously linked to the purpose of education is rooted in the tension between different purposes to which assessment evidence can be put: Assessment can be used positively to encourage thoughtful reflection on pedagogical practice, or negatively to threaten "underperforming" teachers and institutions. This is the dilemma of assessment in American higher education. However, a number of developments in higher education over the past few decades—online learning, the problem of transfer credits, discontent with the credit hour—have their own dilemmas that only quality assessment can address. Assessment is a critical component in moving higher education out of the regimented industrial age into the personalized, flexible learning of the post-industrial twenty-first century.

6.1 Introduction

The goal of assessment is to improve student learning, by providing evidence of student progress in specific areas. This evidence can then be used by educators to identify areas where their pedagogy is working, and not working, leading to changes in practices and more successful students. To the casual observer, it seems both straightforward, and uncontroversial. Who could be opposed to improving

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_6,

student learning? And yet on American campuses, assessment is a dirty word, often spoken in hushed or angry tones, laced with scorn, derision or animosity.

To explain this apparent rejection, we need to move beyond the basic principles of assessment itself, to the way that it has been implemented, and the many different ways in which its goal—improving student learning—can be achieved. Assessment can be used positively to encourage thoughtful reflection on pedagogical practice, or negatively to threaten "underperforming" teachers and institutions. As the idea of accountability spreads from primary and secondary to postsecondary education, college educators increasingly perceive assessment as a threat rather than an opportunity. External pressures for accountability can lead to focusing on the most easily assessable areas (often content knowledge, communication skills) at the expense of the more difficult to assess attributes (such as integrative learning, creative thinking, or intellectual curiosity) that many educators nonetheless believe are hallmarks of American higher education. Assessment holds a great allure for reasons that are superficially about student learning but are in actuality more about serving the managerial university.

Despite these challenges, assessment is not an educational fad that will pass away, soon to be replaced by some new shiny object that grabs the attention of legislators, administrators, and the public. This is because a number of developments in higher education over the past few decades have their own dilemmas that only quality assessment can address. These include the increasing discontent with the credit hour ("seat time") as a measure of educational achievement, the growing adoption of online learning in higher education, and the problem of transfer credit as students now increasingly move between institutions to complete their baccalaureate. Assessment is a critical component in moving higher education out of the regimented industrial age into the personalized, flexible learning of the post-industrial twenty-first century.

6.2 The Evolving Role of Assessment in the US

Although external testing has a long history in the United States, the modern push for independent assessment of postsecondary student learning can be said to originate in the 1980s with renewed calls for external accountability (Shavelson 2010, p 8). This spawned a mini boom in books and articles about assessment starting in the early 1990s, and was followed by the six regional higher education accrediting bodies stating to adopt assessment as part of the criteria for reaccreditation. The language of accountability covers a wide range of areas and measures, including not only assessment of student learning, but also faculty productivity, retention and graduation rates, and efficient use of university resources. Well done assessment of student learning can meet one facet of accountability, but it is not synonymous with accountability. As will be explored later, accountability in fact poses one of the dilemmas that assessment needs to overcome.

Another milestone came with a 2006 report by a commission chaired by then Secretary of Education Margaret Spellings. Although the Spellings report focused primarily on easily measured metrics like tuition costs, student retention rates and graduation rates, it also suggested an increased focus on learning outcomes. Of particular concern to higher education leaders, was the suggestion that learning outcome data be transparent and comparable across many different institutions, in the service of (in the words of the report), the "consumer," i.e. the students, parents, and state governments who funded public institutions (US DOE 2006, p. 6, 12–13).

The Spellings report resulted in movement on a number of fronts. In the immediate aftermath, the Department of Education attempted to exert much more control over the previously independent regional accrediting agencies, particularly in the area of student learning outcomes. This increased oversight in learning outcomes was ultimately blocked by Congress, but accrediting agencies nonetheless began emphasizing this aspect in their reviews. Some states have acted on their own to implement some of the "transparency" recommendations of the Spellings report, but primarily in indirect measures or indicators. The report also invested significant hope in external tests like the Collegiate Learning Assessment (CLA) or the Collegiate Assessment of Academic Proficiency (CAAP), but adoption of these instruments has remained very limited to date (Field 2011).

Despite repeated emphasis of their commitment to "evidence-based" reform, the Obama administration has not pursued assessment of student learning as part of federal oversight. Since 2009, the federal government has tightened federal scrutiny of for-profit universities, using measurements such as graduation rate. In 2012, the Obama administration shifted emphasis to the growth in tuition costs. Although the growth of college tuition has consistently outpaced inflation, with a average annual rise of over 3 % (adjusted for inflation) from 1987 to 2008 (Archibald 2010, p. 6–7), the price of attending college became a particular focus in the public arena after 2010 because of two related developments: the dramatic growth in student loan debt (and fears that widespread defaults on student loans might lead to another financial crisis similar to the mortgage debt crisis of 2008), and the drastic cutbacks in state level higher education funding (a direct result of the same 2008 financial crisis). As a result, the assessment aspect of accountability has shifted primarily to the higher education accrediting bodies.

Unlike in many other countries, higher education in the United States is not directly overseen by the government, but by private, non-profit accrediting agencies, that periodically evaluate colleges and universities for quality of education, financial stability and other factors. Evaluators are most often drawn from other colleges and universities, so the accreditation process is primarily peer-review. Although theoretically voluntary, colleges and universities have very strong incentives to maintain their accreditation because federal financial aid to students is not available to schools without it. Although the federal government ultimately declined to act in the area of student learning outcomes, the accrediting agencies have responded in part to the Spellings Report and subsequent debates by emphasizing even more strongly the importance of assessment in reaccreditation.

The New England Association of Schools and Colleges, one of the six regional accrediting bodies, requires member institutions to engage in "systematic and broad-based assessment of what and how students are learning…" (NEASC Standards for Accreditation 2011). However, NEASC does not require the information to go beyond the institution, but rather that it "helps the institution to improve the experiences provided for students, as well as to assure that the level of student achievement is appropriate for the degree awarded" (New England Association of Schools and Colleges 2011). Likewise, the Southern Association of Colleges and Schools, responsible for accreditation in 14 southeastern states, "expects institutions to dedicate themselves to enhancing the quality of their programs and services within the context of their resources and capacities …" without specifying exactly *how* to measure the educational quality. (Southern Association of Colleges and Schools 2012) Although strongly emphasizing the need for some form of assessment of student learning, accrediting bodies, to this point, have not pushed for evidence of student learning that would be comparable across different institutions.

As a result, the Spellings report's emphasis on accountability that would provide cross-institutional data, has not borne much fruit. The CLA has not found widespread traction despite its promotion in the Spellings report and subsequent prominent usage in the controversial book *Academically Adrift*, by Arum and Roksa. It has been employed by 200 colleges and universities (Field 2011). The test itself, a written exam of up to 90 min in which students evaluate a defined set of evidence and make detailed written recommendations to the problems posed, is rigorous, reliable, and a large improvement over existing multiple choice college level assessment instruments. The challenge has been to get students to take seriously, a test that has no direct impact on their grades or professional aspirations. Champlain College (where the author teaches) experimented with the test but found that students' lack of motivation at the sophomore and senior tests led to inaccurate measures of student learning. Entering first-year students would generally take the activity seriously when it was administered during orientation. However, despite incentives for participation linked to course grades, sophomores and seniors would often complete the test in as little as 10 min with minimal written responses to complex questions. The crucial role of motivation in test scores has been corroborated by researchers at the Educational Testing Service (Liu et al. 2012).

6.3 Diversity at the Local Level

Following the dictum "Assess thyself or assessment will be done unto you," colleges and universities, and some philanthropies, have launched or funded initiatives to address the concerns of the Spellings report. Some initiatives are at the national level. These include the VALUE rubric program from the American Association of Colleges and Universities (AAC&U), which (with some funding

from the government's Department of Education) developed fifteen rubrics on learning outcomes that many institutions share, such as written communication, critical thinking and civic engagement. AAC&U developed the rubrics with the intention that they could ultimately provide cross-institutional data, and they are currently being used in some way by over 2000 institutions, although cross-institutional data remains elusive. (Pepin and Miller 2012; Field 2011) The Degree Qualifications Profile, backed by the Lumina foundation, seeks to identify levels of achievement at the community college, baccalaureate, and master's level across five broad areas of learning outcomes. It has also received some support, but the locus of assessment of student learning has been focused almost exclusively at the institutional level.

There is almost as much diversity in assessment activities as there is diversity in American higher education, but increasingly, because of motivation issues, institutions are adopting assessments that are embedded in classes. Assessments can encompass portfolios, research papers, artwork or electronic games; oral communication of learning as in oral exams or presentations; or performance based assessments such as observation of student teachers or laboratory procedures (Suskie 2009). For example, Carleton College requires all students to select work for a reflective portfolio that demonstrates their achievement of college learning outcomes including written communication, analysis, and interpretation; these are analyzed independently by faculty outside of the regular coursework. At the University of North Dakota, faculty design courses and student assignments that meet certain general education learning outcomes, conduct the assessments themselves and forward results and action plans to a central office. Miami Dade Community College designed a 50 min test of critical thinking and problem solving that is embedded in selected senior level classes. Field tests or licensure exams supervised by professional associations (such as in Nursing, Accounting or International Business) provide a further point of assessment of specific abilities and knowledge domains pertinent to those fields. Champlain College embeds common assignments in each of its general education courses, which are then assessed by faculty against learning outcomes, either in parallel with the grading process, or independently (like Carleton College) through collective evaluation sessions between semesters.

These tremendously varied approaches all produce valuable evidence at the local level that can help faculty and other stakeholders better understand the progress students are making (or not making) towards the education goals of the institution. Such assessments are frequently called "authentic" because they are embedded in the normal flow of courses and learning experiences, and most directly correspond to the learning goals of the faculty and institutions where they take place. Conducting such authentic assessment does require a commitment of resources by local institutions, and the active involvement of faculty (recognizing that the time of faculty is also itself a valuable, and at times scarce, resource). The evidence generated by such assessments may not be as statistically reliable as external measures like the CLA or MAAP, but then again, it does not have to

aspire to such high standards of rigor or objectivity—it merely has to be rigorous enough to provoke conversation and examination of teaching practices by the teachers themselves (Suskie 2009, p. 36–38). Such assessments, built on judgments that are subjective but still valid, can also address abilities and habits of mind such as creative thinking, or integrative learning, that are much harder to reach through standardized tests. And because such authentic assessments are rooted in local practices, they often provide evidence that faculty find most compelling, and are therefore most likely to result in improvement of teaching and learning.

6.4 Challenges and Tensions

Evidence is being generated in many ways across widely diverse settings in American higher education. However, the biggest challenge in assessment today is not the generation of evidence, but the use of that evidence to adjust or reform courses, teaching methods and curricula in order to positively impact student learning (Banta and Blaich 2011). Faculty may comply with the gathering of evidence, but often prove remarkably resistant to examining what the evidence might mean. And the roots of this resistance lie in several factors.

One is that, as Banta and Blaich (2011) note,

Assessment is, at its core, a subversive activity…Although most institutions operate the way they do because faculty, staff, students, and administrative leaders genuinely believe that the current structures promote learning, the current state of affairs at almost every institution is based on a delicate set of compromises and optimizations in which many parties have participated and which few care to alter. Assessment evidence can call into question long-standing agreements, priorities, and modes of practice because these do not support student learning in the ways in which the people who created them imagined. (p. 27)

This is true not only at an institutional level, but also at an individual level as well. Having invested enormous time and energy into developing pedagogical tactics and "teaching styles" that they think work, faculty are understandably reluctant to examine, much less to modify their teaching. The reasons for this reluctance can be internal—because of an emotional and intellectual attachment to a certain way of doing things in the classroom. But it can also be, and often is, external—through fears that poor performance of one's students on assessments might lead to repercussions or even dismissal.

Although the winds of accountability are in the ether of higher education, the chief pressure comes not so much from federal or state demands, which as noted above, have been relatively light and channeled through the accreditation bodies. Instead, the main pressures external to faculty come from within universities themselves, from the ways that assessment data could be employed in the service of the managerial university. The concept of "managerial university," embodies a shift from shared decision-making authority among faculty, administrators and

trustees, to a model in which power increasingly resides with administrators or managers. It is partly due to an increasing focus on efficiency and the "bottom-line" to meet the demands of decreasing state funding and constrained economic conditions, but the tendency long predates the recent economic crises in the United States. It is also rooted in the increasing commodification of higher education, in the perception that a college degree is the ticket to job security and better earnings (Engell and Dangerfield 2005; Toma 2007; Vidovich and Currie 2011; Kezar 2013). The language of the Spellings report that casts students and parents in the role of "customers" reinforces this commodification. In a mindset based on market-based efficiency, and governance structures that concentrate authority in management, the allure of assessment evidence can be very strong.

Assessment evidence is often built on the considered judgments of faculty (although others also sometimes participate in the evaluation of student work, by reason of their abilities and concerns, it is most often faculty). However, to move beyond anecdotal evidence to assessment data, these judgments are almost always transformed into numerical form and aggregated. For example, the Association of American Colleges and Universities' Valid Assessment of Learning in Undergraduate Education (VALUE) rubrics have multiple criteria, each with levels that go from 1 to 4 (Rhodes 2010). Student work is evaluated according to the rubric, and given a single score for each criterion. This is crucial to revealing trends that are meaningful across larger groups, but it also lends itself to potential misuse.

One possible area of misuse is in faculty performance reviews. Faculty performance reviews at many universities are primarily rooted in student evaluations, which are considered indirect measurements of learning. Student self-perception of learning is of course one valuable source of evidence, but it may not be as accurate as faculty evaluation of student performance, or other similar direct measures. Unlike student evaluations, direct measures of student learning, such as those produced by high-quality assessment practices, could serve as an alternative source of evidence for faculty reviews. In fact, the No Child Left Behind Act (2001) does precisely this at the elementary and secondary levels, by labeling some schools "failing" based on student achievements on standardized tests.

However, associating assessment with faculty performance review is problematic on a number of levels. Authentic assessment of student learning invariably involves faculty at multiple stages of the process, if not in judging the work, then certainly in the collection of evidence from assignments that are embedded in classes. Tying direct assessment of student learning to performance reviews introduces incentives to "cheat" by messing with the assessment or data collection. Moreover, it sets up an oppositional relationship between faculty and administration that strongly reduces the likelihood that assessment evidence will be taken seriously, much less lead to changes in classroom practices or curricula.

Thus there remains this tension within assessment efforts, like a tug of war between two forces pulling in opposite directions. At one end, there is authentic assessment which is difficult to quantify, expensive to gather and yet provides the best evidence of student learning that can be used for faculty and curricular improvement. At the other end, there are more easily quantifiable measures that

are broadly comparable across institutions, yet suffer from issues with student motivation, only address the most easily measured learning outcomes, and are vulnerable to instrumentalization on behalf of the managerial university. The first is most effective at providing evidence that is actionable to the people on the front lines of ensuring educational quality—the faculty. The second is most effective at satisfying the demands of external stakeholders—legislators, administrators, parents of college students—for evidence that allows them to choose among different institutions and programs.

It is this tension, which is the dilemma of assessment. How to measure student learning in a way that is authentic and valid, in order to ensure quality education, without resorting to instruments that are not motivational or superficial? Given this dilemma, it is unsurprising that assessment has faced so many challenges, or been so misunderstood. Despite these challenges, assessment is not going away, because it lies squarely at the center of currents that have the potential to fundamentally remake the landscape of higher education. These currents include increasing dissatisfaction with the current system of measuring student learning; the credit hour; pressures to accommodate increasingly mobile students who transfer multiple times between institutions; and the rise of online learning.

6.5 Drivers of Competency-Based Assessment

For over a century, student learning has been measured primarily in time spent in the classroom, through the widespread adoption of the "credit hour" also sometimes called the Carnegie Unit. Introduced in 1906 by the Carnegie Foundation for the Advancement of Teaching as a way of standardizing secondary education, the Carnegie Unit was transposed to colleges as a credit hour measuring the amount of contact time with an instructor. Because this was relatively easy to measure, it became the standard measure of student learning: Courses were given a set number of contact hours, and a baccalaureate degree consists of courses adding up to roughly 120 credit hours.

The idea that student learning can be measured solely through contact hours or "seat time", and not through what the students learn (although some student learning is reflected in grades attached to the contact hours), has always been seen as imperfect measurement of learning. Laitinen (2012) is only the most recent in a long line of observers to point out that "time does not equal learning," and even the initial Carnegie Foundation report promoting the concept of the credit hour cautioned against it being a measure of student achievement (Laitinen 2012, p. 5). Scholarly studies and popular works critical of the degree of learning that takes place at colleges and universities have repeatedly questioned whether American colleges and universities are delivering on their educational promises (Arum and Roksa 2011), indirectly questioning the credit hour system. Powerful well-founded private groups such as the Lumina Foundation and the Gates Foundation, are increasingly committing vast resources to promoting competency based education (Fain 2012).

In December 2012, the Carnegie Foundation itself, the originator of the Carnegie Unit, initiated a study to propose "a revised unit, based on competency rather than time" (Carnegie Foundation 2012).

Another driver of competency based assessment stems from new patterns in student enrollment. The rosy picture of 4 years in residence at a single institution, has increasingly faded as more students enter higher education, and seek to shape a path to a college degree around family concerns, moves, and economic challenges. This has led to many different patterns of student enrollment, sometimes called "swirling" and "double-dipping", that include frequent transfers between institutions, intermittent stretches of full-time and part-time study, or gathering credits from multiple institutions at the same time (McCormick 2003). Concerns about the transferability of student credits, particularly within large and varied state university systems, has led to state level efforts to "align" coursework and learning outcomes for courses throughout the systems, to facilitate easier movement between two year community colleges and four schools, and among different state universities. A number of states including Utah and California have begun such initiatives, but the example of the state of Kentucky is particularly instructive in the role that assessment could play. In 2010, the Kentucky legislature passed House Bill 160, which calls for agreement on common learning outcomes for general education courses throughout the state-funded system of universities and community colleges. It also provides for the acceptance of outside examinations for general education credit, including Advanced Placement tests and the College Level Examination Program (Kentucky HB 160 2010; Kerouac and O'Hara 2012). But the tension of authentic assessment and accountability likewise surfaces in the bill's language: One goal is to "develop a system of public accountability related to the strategic agenda by evaluating the performance and effectiveness of the state's postsecondary system" (Kentucky HB 160, § 2 para. 3).

The rise of online learning in the past two decades has further problematized the use of credit hours. With asynchronous course interactions mediated through computers, the notion of seat time or contact hours becomes increasingly meaningless. The US Department of Education tried to reflect these concerns by expanding the definition of credit hour to include an amount of work equivalent to the expectations of one contact hour with an instructor and two hours of work outside of the contact hour per week (an equation that corresponds to the traditional notion of a credit hour). As Laitinen (2012) points out, "*Work* turned out to be the Department's middle ground between *time*, an easily measured but poor proxy for quality, and *learning*, a difficult-to-measure but real indicator of quality"(p. 9).

These concerns have been turbocharged in the past few years with the widespread publicity of self directed online learning projects such as Khan Academy, the Massively Open Online Courses (MOOCs) such as Coursera or edX, and the concept of badges as in Mozilla's Open Badges project. What all these have in common is a focus on proficiency-based learning, which moves away from measuring student achievement by credit hours, towards what students can actually do. Given this profusion of new tracks for higher learning, how do colleges or potential colleagues or employers find out what students can do? Assessment.

To be sure, each of these potential drivers of assessment pose challenges, or raise the underlying tensions within the assessment dilemma. MOOCs raise the problem of scalability of authentic assessments—can common assessments be scaled up to the tens of thousands who are currently completing some MOOCs, and still reliably measure complex learning outcomes? State driven competency based assessment could easily become instrumentalized in the service of managerialism, and become just another mandate to be ignored or fought by local faculty. But even if MOOCs and similar experiments turn out to be a passing fad, assessment will remain.

6.6 Conclusions and Implications

All of these initiatives embody in some form the dilemma underlying the assessment debate today in the US—the tension between authentic assessments that lead to accurate measures of student learning in higher order thinking skills and habits of mind; and measurements that are reliable, scalable and transferable across different institutions and contexts. On another level, the tension can also be understood as between internally derived motivation for improvement in teaching and learning, and external pressures for accountability in an increasingly market-driven, competitive higher education environment.

Can this tension be resolved? Tension can be destructive, but if the stakeholders at the table recognize the tension itself and the validity of each of the competing viewpoints, then tension can be productive. What is critical, is constantly reminding all participants in the debates that the overarching purpose of assessment is improving student learning. Evidence that does not lead to recognition (when practices are successful) or improvement (when practices are not) is a waste of everyone's time. One positive aspect of the institutionally based diversity in American higher education is that many different models of assessment are being implemented and tested. We haven't found the best possible solution yet, but there is great potential for new innovations that address this dilemma that lies at the heart of higher education assessment.

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Chapter 7
The Evolving Role of the "Ombuds" in American Higher Education

Cathryn L. Claussen

Abstract In the United States, many universities have established an Ombuds office charged with informal dispute resolution and problem-solving for issues and concerns arising within the university community. This chapter discusses the evolving role of the university ombudsman from the 1960s to the present. The current status of the university ombudsman is described relative to reporting structures, selection processes, demographics, evaluation and reward structures, as well as ombuds' self-perceptions of their functions vis-à-vis the four pillars of the profession (confidentiality, informality, independence, neutrality). Current trends and issues are identified that are creating internal and external pressures on the ombuds role, including social, technological, and legal changes, as well as issues arising due to the internal political environment of universities and the changing nature of American higher education. Where relevant, the International Ombudsman Association's standards of practice are also discussed. The chapter concludes with some recommendations aimed at encouraging increased administrative support for and efficacy of offices of university ombudsmen.

7.1 Introduction

While the position of ombudsman has been a part of American higher education since the 1960s, the first modern ombudsman was appointed in the early eighteenth Century by the king of Sweden to help ensure that government officials properly followed and implemented the law (Bexelius 1968; Stewart 1978). In current times, the term "ombuds" is frequently used as a gender-neutral alternative for "Ombudsman," a word which derives from the Swedish term for "agent" or

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_7,

"grievance representative" (Stewart 1978; Wiegand 1996). In the United States, approximately 250 universities have established an ombuds office charged with informal dispute resolution and problem-solving for issues and concerns arising within the university community (Kosakowski 2012). The following is a general description of the role of the university ombudsman:

> The ombuds office is…an institutional response to curb wrongdoing or unethical behavior, a facilitator of appropriate conduct by both individuals and the organization itself, and an agent for promoting systemic change where necessary….[T]he operation of the ombuds office is also subject to significant checks and balances: it is generally an appointed position, and it has no policy or decision-making authority. Its influence derives from its integrity, persuasion, and ability to provide an alternate channel for information to flow to policy makers (Howard 2010, pp. 80–81).

Examples of issues typically brought to the office of the university ombudsman include: student concerns about grade disputes or other instructor unfairness; student misconduct issues; faculty and staff concerns regarding conflict with co-workers, supervisors, and administrators; inappropriate behavior in the workplace; inequitable or improper application of university policies and procedures; and unfairness in performance assessments and tenure and promotion review processes. This chapter outlines the evolving role of the university ombuds, from its genesis during the 1960s to the current state of the profession, and concludes with a discussion of internal and external forces likely to shape the role of the ombudsman into the foreseeable future.

7.2 Historical Context: Development of the Role of the University Ombudsman

In the 1960s and 1970s, the position of governmental ombudsman expanded rapidly in many countries of the world, as well as in local government entities (Caiden 1983). Under the classical governmental ombuds model, the ombudsman was typically authorized to protect the citizenry by investigating complaints and issuing public reports on government wrongdoing (Howard 2010).

A different ombuds model—the organizational ombudsman—evolved as other types of organizations, including private and non-profit organizations and universities, began to appoint ombudsmen and adapt their role to their own organizational needs. The establishment of university ombuds offices began in the mid-1960s in the United States in response to social upheaval surrounding the civil rights movement and student protests concerning the Vietnam War. University administrators determined there was a need for an informal mechanism to address student unrest related to these issues, and responded by appointing an individual, usually from the existing faculty, to fulfill the role of ombudsman (Griffin 1995; Stieber 1991). Informal dispute resolution was thought to meet the special needs of

universities by providing for a pro-active approach that would forestall violent demonstrations and facilitate directing students to helpful resources before conflict escalated to a point necessitating formal investigations and sanctions (Griffin 1995).

The first universities to appoint an ombudsman were Eastern Montana College in 1966 and Michigan State University in 1967 (Stieber 1982). Shortly thereafter, in 1970 President Nixon's Commission on Campus Unrest issued a formal recommendation that universities consider establishing an ombuds office that would utilize informal dispute resolution methods to supplement the potentially polarizing and politicized existing formal grievance processes. This was followed in 1971 with a similar recommendation from the Carnegie Commission on Higher Education (Howard 2010). The role of the ombudsman envisioned by the Commission on Campus Unrest was articulated as follows:

> The ombudsman is an individual who acts as a mediator and fact-finder for students, faculty members, and administrators. To be successful, the ombudsman must have both great autonomy and the support of the university president. He must not be penalized by the college administration if his findings and recommendations embarrass university leaders (Howard 2010, quoting from *Report of the President's Commission on Campus Unrest, College and University Reports*, Special Edition, (29 September 1970), at 6/30).

By 1971, 69 colleges had appointed an ombudsman, a number which grew to approximately 100 by 1982 (Wiegand 1996). During that period, those ombudsmen shaped their practices to fit the unique needs of universities and their own particular institutions, contributing to an array of varying definitions of the ombuds role. Also during this time many university ombuds offices expanded their constituent base to include faculty and staff as well as students (Griffin 1995). Many of the early ombudsmen began with different titles, such as "troubleshooter," "dean of university relations," or "special assistant to the president," and thus varying responsibilities, but over time a set of common expectations began to gel into what eventually became the four conceptual pillars of the organizational ombuds profession: independence, informality, neutrality, and confidentiality (Howard 2010). Aiding in the development of these foundational concepts, the first professional organizations for university ombudsmen were established during this period—the California Caucus of College and University Ombuds (CCCUO) in 1973 and the University and College Ombuds Association (UCOA) in 1985. In neighboring Canada, the Association of Canadian College and University Ombudsmen (now Ombudspersons) (ACCUO) was formed in 1983.

During the 1980s, American corporations also began to recognize the potential benefits of utilizing organizational ombudsmen to informally mediate conflict—in their case, between labor and management—and over 200 corporations established an ombuds office (Howard 2010; Rowe 1987). The Corporate Ombudsman Association (COA) formed in 1985 with a membership that included many university ombuds, and attempted to generate some consensus on goals and functions for organizational ombudsmen. In support of fair and proper communications and processes, the principal functions of the ombuds were thought to include feelings management, fact-finding, provision of helpful information, counseling and problem-solving aimed

at empowering individual self-help, shuttle diplomacy (a form of third-party intervention with the ombuds serving as a go-between), mediation, investigation, adjudication, arbitration, and upward feedback regarding systemic problems (Rowe 1987). Initially, some questioned whether ombuds participation in upward feedback and helping to shape conflict resolution mechanisms would compromise the informality and neutrality of the ombuds office, but doubt receded and now 94 % of university ombudsmen offer recommendations to administration as to dispute resolution structures, and over 57 % advise and assist with the design and implementation of conflict management systems (Newhart 2007).

In 1992, the COA changed its name to The Ombudsman Association (TOA) to reflect the varied nature of its membership which by then included governmental and international ombudsmen as well as those from corporations and universities. In 2005, the TOA merged with the UCOA to form the International Ombudsman Association (IOA), which is now the primary professional organization worldwide for organizational ombuds working in university, corporate, governmental, and international sectors (Howard 2010). The mission of the IOA is "to support and advance the global Organizational Ombudsman profession and ensure that practitioners work to the highest professional standards" (IOA, n.d.). In addition to hosting an annual conference, the IOA provides multiple training courses yearly on such topics as setting up an ombuds office, the foundations of ombudsman practice, mediation in the ombuds context, and legal issues facing the organizational ombudsman.

The IOA has also developed a Code of Ethics, a Standards of Practice document, and a set of Best Practices guidelines that supplements the Standards of Practice (IOA 2007, 2009a, b). By 2007, 88.5 % of university ombuds offices were relying on the IOA Standards of Practice to guide their practice (Newhart 2007). The IOA Standards of Practice explicitly affirm the four pillars of the profession—independence, informality, neutrality, and confidentiality—and, together with the Best Practices guidelines, clearly delineate the role and functions of the organizational ombudsman. The IOA also offers certification to ombudsmen with at least 2000 hours of experience practicing in adherence to the IOA Code of Ethics and Standards of Practice who successfully complete the certification examination (IOA, n.d.). It should be noted here that some university ombudsmen, while committed to the four pillars, prefer to negotiate the specific character of their role and functions within their own university structure rather than adhere to an externally designed set of standards. Some of these ombuds belong to the California Caucus of College and University Ombuds, which continues to exist and provides professional development opportunities to ombuds in the western region of the United States at its annual conference and through its professional journal, the *Journal of the CCCUO* (CCCUO 2012).

7.3 Current Status of the University Ombudsman

A snapshot of the current status of the university ombudsman is provided by examining the typical reporting structures, selection processes, demographics, and evaluation and reward structures related to the position, as well as ombuds' self-perceptions of their functions vis-à-vis the four pillars of the profession.

7.3.1 Reporting Structures

Standards 1.1 and 2.3 of the IOA Standards of Practice and Best Practices documents specify that the ombudsman should report to the organization's highest authority in order to assure access to that authority and in order to best facilitate the independence from supervisory control (and potential interference) that is essential to the neutrality and effective functioning of the ombuds office (IOA 2009a, b). However, Newhart (2007) reports that while 35.7 % of university ombuds report to the president, 17.3 % report to the provost (the chief academic officer), and 23.5 % to a vice president (most often a vice president of student affairs). The remainder report to a variety of other administrators and officials, including deans and university legal counsel.

A problem with reporting to a provost or vice president is that vice presidents only have decision-making authority over the particular units in their area of jurisdiction and provosts only preside over the academic side of the institution. Because of these jurisdictional limits, these types of administrators can be reluctant to be perceived as encroaching upon the authority of another vice president whose unit may be the source of a problem facing the ombudsman. Ombuds that bring upward feedback to a provost in their annual report that identifies, for example, persistent poor management of a unit within the purview of another vice president might see that feedback languish. The president, on the other hand, has the authority to make decisions for all areas of the university; therefore, if the ombuds office serves staff as well as faculty and students, it is likely to be more effective with a reporting line directly to the president.

Another problem with a majority of ombuds offices reporting to a lower authority than the president is that the independence of the ombuds office is more likely to be threatened by internal university politics because provosts and vice presidents serve at the pleasure of the president. The resulting lack of job security can lead these administrators to fail to take appropriate action recommended by the ombuds that challenges administrative mismanagement, abuse of discretion, or unfair application of university policies and procedures.

7.3.2 Selection and Demographics of Ombuds Positions

Selection of university ombudsmen is usually by appointment, either directly by the administrator who serves as the reporting authority or after vetting through a search committee process. Because a high percentage of ombuds also hold a faculty position (see below), it is logical to conclude that the selection process is often conducted internally. Newhart's (2007) research identified the following demographic characteristics of university ombudsmen:

- 78 % are over the age of 51
- 55 % are female
- 80 % are white
- 38 % have a Master's degree as their highest degree; 37 % hold a doctorate; 10 % hold a Law degree
- 40 % hold a faculty appointment; of these, 42.5 % are female.

56 % of university ombuds serve faculty and staff as well as students, 10.2 % serve only faculty and staff, 7.1 % serve faculty only, 4.1 % serve students and faculty, and 20.4 % serve students only (Newhart 2007). Approximately one-third of university ombudsmen serve in the role part-time (IOA 2012).

7.3.2.1 Evaluation and Reward Structure

Ombuds offices are thought to be cost-effective based on estimates that decreased litigation and personnel turnover costs save 1.5–6 times the cost of the office (Harrison 2004). Formal evaluation of university ombudsmen consists largely of self-evaluation due to the confidential and independent nature of the office (Harrison 2004). According to Newhart, "Most offices seem to be evaluated on the basis of intuition, word of mouth, and satisfied client letters" (Newhart 2007, p. 23). Some evaluation methods utilized by university ombuds include anonymous "customer satisfaction" surveys completed by visitors, compilations of thank you messages received, and surveys administered to constituent groups on campus such as deans, student organizations, faculty senates and staff councils. Evaluation of effectiveness is complicated by the sometimes competing goals of ombudsmen relative to their visitors, with the disputant hoping for a desired result while the ombuds might be satisfied with a fair process (Harrison 2004).

Often, ombudsmen do not receive formal annual performance evaluations from their reporting authority because of the non-supervisory nature of that reporting relationship. The reporting structure is there primarily to enable administrative and budgetary actions relevant to the administrative functioning of the ombuds office. As a result, there is often no formalized reward structure in place to provide pay raises or promotions to ombudsmen. Nevertheless, 39 % reported receiving a salary increase between 2009 and 2010 (IOA 2012).

7.3.2.2 Ombuds' Attitudes and Beliefs About Their Role and Functions

Collected by Newhart (2007), the data summarized in this section provide a sketch of the current status of university ombudsmen with regard to their own perceptions of their role, functions, and effectiveness relative to the four conceptual pillars of the profession: confidentiality, informality, independence, and neutrality.

7.3.3 Confidentiality

69 % of university ombuds offices do not keep formal case files, and only 17.5 % keep records on behalf of the institution. 92 % believe that communications with the ombuds office should be completely confidential and should be protected by a privilege of confidentiality, with the sole exception being when, in their judgment, there appears to be an imminent risk of serious harm to the visitor or others.

7.3.4 Informality

98 % conduct informal investigations of complaints and provide informal means of dispute resolution. 60 % conduct forums and workshops on such topics as conflict management, alternative dispute resolution, interpersonal and communications skills, and avoidance of problems with university policies and procedures. 94 % act as change catalysts by providing upward feedback recommendations regarding university dispute resolution structures, 70 % work with policy-making groups, and 57 % assist in designing conflict management systems.

7.3.5 Independence

87 % have sole discretion in deciding how to act on a visitor's concern, which is one of the basic principles found in the IOA's Standards of Practice (Standard 1.3) (IOA 2009b). 78 % believe they can criticize their institution's governance without fear of retaliation. 90 % felt they have access to all individuals and information in the organization, as needed and as permitted by law, another tenet of the IOA Standards of Practice (Standard 1.4).

7.3.6 Neutrality

Standard 2.2 of the IOA Standards of Practice states: "The Ombudsman strives for impartiality, fairness and objectivity in the treatment of people and the consideration of issues. The Ombudsman advocates for fair and equitably administered processes and does not advocate on behalf of any individual within the organization" (IOA 2009b).While 94 % of ombuds surveyed affirmed that part of their role is to serve as a neutral facilitator to resolve disputes, only 76 % were committed to maintaining impartiality and only 67 % agreed that their practice did not advocate for the interests of their clients.

These somewhat contradictory numbers might be explained by two phenomena. First, as noted earlier, some ombudsmen choose not to adhere to the IOA Standards of Practice, often precisely because they want the freedom to choose to advocate for a visitor when in their judgment justice demands it. Second, there is some confusion amongst university administrators, human resource personnel, and ombudsmen about the bounds of ombuds neutrality. Many ombuds like the phrase "neutral but not neutered." Those espousing this position assert that IOA Standard 2.2 means that while the ombuds is not to be an advocate for a particular visitor and his or her desired result, ombudsmen ARE to serve as advocates for fair and equitable treatment by administrators applying policies and procedures. Thus, "Where an ombuds is established as a confidential resource for people, the ombuds will hear of conflict and allegations of misconduct that otherwise would not have been reported. If the ombuds also has access to the highest levels of an organization, he or she can help bring the existence of these issues to the attention of senior management (while still preserving confidentiality) to help the organization correct unfairness or wrongdoing in specific cases" (Howard 2010, p. 80). According to this view, remaining neutral should not mean remaining passive when, in the ombuds' judgment, a process or policy has been applied unfairly to an individual or group. In such a case, the ombuds might choose to represent the interests and rights of that party in seeking to correct the unfair treatment, without crossing the line into advocating for a particular result or outcome. Others, however, are troubled by the blurry nature of that line and have called upon the IOA to clarify what it means by neutrality in Standard 2.2 (Sebok 2011).

Finally, the four pillars—Independence, Informality, Neutrality, Confidentiality—are interdependent. If one is compromised, so are the others, with the result that the effectiveness of the ombuds office is placed in jeopardy. Independence from administrative oversight and working informally outside of existing formal structures and processes is essential for neutrality (both real and perceived), and supports the confidentiality of communications with the office. Likewise, confidentiality and neutrality support the visitors' trust in the ombudsman and the organization's confidence in its commitment to the informality and independence of the office.

7.4 Current Issues and Projected Trends

The role of the university ombudsman continues to evolve as social and technological changes interact with structures and practices in higher education, bringing both external and internal pressures to bear. Among the external pressures are demographic shifts, developments in information technologies, globalization, and the legal environment. Internal pressures include the changing nature of higher education, as well as the political landscape of the typical university.

7.4.1 Demographic Shifts

Current demographic trends indicate that the US workforce will increasingly be composed of more women, more non-white groups, and older workers than in the past (Howard 2010). The National Center for Education Statistics (NCES) projects that from 2010 to 2019 there will be a 23 % increase in the number of students age 25 or older (NCES 2011). Women earning Bachelor's and Master's degrees significantly outnumber men, and women are now earning upwards of 52 % of doctoral degrees (NCES 2010). Foreign students and immigrants comprise 50 % of scientific researchers in the US (Zakaria 2008). In 2009 the average college student population was comprised of 34 % ethnic minorities, up from 15 % in 1976 (NCES 2011). The increased diversity of university students, staff, and faculty reflective of these demographic shifts presents the likelihood of new variations of misunderstandings and conflict stemming from age and cultural differences. For example, varying ideas about what constitutes respectful communication, as well as differing expectations regarding working hours over weekends and holidays, may contribute to workplace disagreements. In order to meet such challenges, ombudsmen will need to expand their cross-cultural understandings as well as identify a basic set of relational dynamics that transcends cultural differences, and perhaps modify some of their dispute resolution methods accordingly.

7.4.2 Developments in Information Technology

With the increased use of new information technology in higher education that includes social media and online and distance education instructional formats, come challenges such as varying abilities and comfort levels with new modes of communication, as well as the risk of an increasingly isolated student population and university workforce that may feel less invested in the university community, thus creating the potential for feelings of alienation and less incentive to avoid conflict. As online and distance education have become increasingly popular with

state legislatures seeking to reduce the cost of state support to higher education, such feelings may intensify. For example, students accessing classes from afar may feel that university support systems, such as student counseling services or the financial aid office are less accessible or less responsive to their concerns. University ombudsmen, as part of their "feelings management" function, will need to be attuned to the climate of both the campus and the distance environments. In addition to directing people to appropriate counseling and employee assistance resources on campus, ombudsmen will need to consider possible recommendations to administrators for managing alienation-based stressors faced by off-campus students and employees.

Another technology-based challenge for ombuds offices is the increasing difficulty of maintaining strict confidentiality in a digital world. As email, internet access, meeting calendaring, use of cell and smartphones, door entry via swiped identification card, video surveillance cameras, and use of social media have become commonplace in university operations, the accompanying trace-able digital trail of electronically stored information, including meta-data, has made locking file cabinets and shredding paper documents seem positively archaic as sufficient means of ensuring information confidentiality. Electronically stored information is subject to discovery under public records laws and by court order, so the ombuds office will need to become familiar with its university's data and document retention and destruction policy, and consider added safeguards such as encryption and warnings to users of the office regarding the confidentiality problems associated with various types of communications with the office (Mousin 2011).

7.4.3 Globalization of Education

Study abroad programs have flourished in recent years, with the number of participating American students more than tripling from 1990 to 2010, and now exceeding 313,000 (Belyavina and Bhandari 2012). Graduate school applications from foreign students desiring to study in the US rose four percent in 2009 (Kalita 2009). With the increased back and forth flow of students across national borders, ombudsmen will need to establish closer relationships with campus offices of international programs and distance degree programs in order to be better prepared to assist students with a myriad of potential complaints regarding related issues, including financial aid, transfer credits, and student visa complications. For example, miscommunication due to language differences has caused delays in progress toward degree for international students who relied upon inaccurate understandings of credits transferred in from coursework completed in their home countries.

7.4.4 Legal Environment

Currently, the major issues in the legal environment that are likely to affect the university ombuds pertain to the confidentiality of the office. In the aftermath of the recent sex abuse scandal at Pennsylvania State University, most states have enacted laws requiring the reporting of child abuse. While most college students are adults, many universities have childcare centers and sponsor educational programs involving minors, and ombuds with knowledge of child abuse will be required by law to report it. With regard to sexual assault occurring in the adult college student population, the United States Department of Education's April 2011 Dear Colleague letter explains that sexual assault is to be considered a form of sexual harassment within the reach of Title IX's prohibition of such behavior (Ali 2011). This new position on the part of the federal government is causing consternation as university Title IX coordinators, health and wellness and counseling personnel, Dean of Students Offices, and ombudsmen struggle with interpreting the agency's reporting requirements to determine when and by whom the university is put on notice of such events having occurred and thus becomes legally obligated to act.

The IOA Standards of Practice clearly delineate its position that the ombuds office, independent as it is from any supervisory structure, and created for the primary purpose of providing an alternative, informal and confidential channel for information, should not, from its position in "the twilight zone," be considered an agent of the university positioned with the responsibility to accept legal notice of wrongdoing (IOA 2009b). The IOA's position is that to treat the ombuds office as an office of notice undermines the very purpose of its existence. The American Bar Association (ABA), embracing the alternate dispute resolution role of the organizational ombudsman in its 2004 Resolution adopting revised standards for ombuds offices, strongly supported the essentiality of the confidentiality of the ombuds, and appeared to suggest support for treating communications to the ombuds office as privileged so that ombudsmen would not be obligated to disclose the content of communications with their office (ABA 2004).

The issue of an ombudsman privilege remains unclear, however, because no state has enacted legislation granting such a privilege. Consequently, in Standard 3.2 of its Best Practices document the IOA encourages ombudsmen to assert such a privilege so that if an ombuds' confidentiality is challenged in court, a privilege might become established state by state as a matter of case law (IOA 2009a). With 88.5 % of university ombuds offices relying on the IOA Standards of Practice to guide their practice, and 92 % in agreement that complete confidentiality and a legal confidentiality privilege are important, it seems likely that assertion of this privilege by university ombuds offices is a growing trend.

A problem here is that some universities' legal counsel will advise the administration not to allow the ombuds office to assert such a privilege, fearing that their state courts will not recognize it, which would subject the university to potential liability if the ombudsman is found not to have reported a crime or other

violation of law. Many ombudsmen have, however, successfully articulated to their university's legal counsel and central administration the importance of asserting a privilege of confidentiality, and have placed a statement in their charter, governance document, and webpage that the ombuds office is not an office of notice to the organization. Examples can be found on the ombuds office webpage at many universities, including, for example, the University of Idaho, the University of Wisconsin-Madison, and the University of California at San Diego.

Additionally, virtually all states have enacted legislation regarding mediation as a recognized form of alternate dispute resolution, and many have provided statutory authority for a privilege of confidentiality for mediators engaged in informal mediations and preparation for the same. In those states, ombuds using this form of informal conflict resolution might be able to claim this privilege for at least that portion of their work (Howard 2010). Howard also explains that there is an argument for complete confidentiality based on implied contract, as long as the ombudsman has been careful to document the purpose, role, and standard practices of the office with respect to confidentiality, and has faithfully adhered to those promises.

7.4.5 Changing Nature of Higher Education

Generally speaking, higher education is being run more as a business than in the past, which has implications for the ombuds office. Students are increasingly treated as consumers, legislatures are increasingly calling for accountability in spending and in educational outcomes, and declining state financial support has led to steep increases in tuition and increased reliance on grant-funding, donor support, and other fundraising. These changes have created internal pressures, such as larger class sizes with fewer faculty and other educational resources, and understaffed and under-resourced academic department offices and other administrative unit offices. These pressures tend to cause work and learning environment complaints, personnel conflict, and low morale across all campus stakeholders. For example, according to the 2009 National Business Ethics Survey, workplace misconduct increased by 26 % during a period of recessionary turmoil, when employees were subjected to organization survival measures such as layoffs, compensation or benefit reductions, adjusted work schedules, and hiring freezes (Ethics Resource Center 2009). In an era of persistent declining state support for public universities, stressors like these are likely to increase the workload of university ombudsmen that serve faculty and staff as well as students.

Furthermore, as workplace misconduct increases, the potential for hyper-correction by supervisors and human resources offices also increases. When hypervigilance in the form of zero- or near-zero tolerance of workplace misconduct occurs, and the smallest infringements are reported and result in corrective and/or disciplinary actions, over half the observers of misconduct will begin to fail to report it due to fear of being labeled a complainer, or of being retaliated against, or

of losing co-worker or supervisor loyalty for being a tattle-tale (Rowe and Bendersky 2003). According to Rowe and Bendersky (p. 124), "An organizational culture that is hierarchical and oriented toward punishment, ironically, may inhibit the willingness to act or to come forward." Rigorous compliance efforts by human resources officers can discourage people from bringing serious issues to them, particularly since they often cannot assure confidentiality to the affected individual. The very nature of their compliance role creates a psychological barrier to reporting for some individuals who may, therefore, need an alternative means of bringing an issue forward—and thus will need an ombudsman.

A fairly recent trend related to the commercialization of American higher education has been the rapidly escalating spending on intercollegiate athletics and its consequent transformation into "big business." Financial pressures on student-athletes, coaches, athletics directors, and university presidents often contribute to rules and ethics violations. Because of the perceived power of athletics programs, fear of the consequences of reporting such misconduct has led to cover-ups, such as that recently exposed in the Penn State football program's sex abuse scandal. The Penn State debacle has led to a call for the National Collegiate Athletic Association (NCAA) to establish an ombuds office which would facilitate confidential reporting of misconduct, report its findings, and recommend punishments (The Ombuds Blog 2011a). The suggested reporting and recommendation functions would seem to imply a vision for more of a governmental-style ombudsman than is typical for universities. Additionally, a few university athletics directors have expressed interest in appointing an ombuds for student-athletes who can provide confidential assistance relative to rules and ethical issues they typically face (The Ombuds Blog 2010, 2011b).

7.4.6 Political Landscape

Due to the compliance functions of the human resources office and the equal opportunity office that handle complaints of discrimination by the university, their inherent bias toward protection of the institution can sometimes create tension between them and the office of the ombudsman. For example, typically, human resources personnel conceive of their day-to-day role as neutrally and fairly applying the university's policies and procedures, as well as state and federal law. But when individuals come to the ombuds office complaining of being harmed by an inconsistent, unfair, or inequitable application of policy, sometimes human resources personnel will support an unfair administrative decision by retreating behind vague language or technicalities in order to avoid the appearance of institutional non-compliance with rules or policies. If the ombudsman brings this to light, conflict between the two offices can spin out of control if the concern is not handled delicately. In such situations, the ombudsman must navigate a treacherous path between seeking a correction to improper university action and inadvertently awakening a visitor's desire to litigate.

Informal allegiances between high-level administrators and university legal counsel or human resource personnel can also result in improper retaliation against the ombudsman under their supervision, or in interference with their work. There is no perfect solution to the problem of potential administrative interference with the function of the ombuds office because university presidents could also violate its independence for political reasons. Ideally, the organizational commitment to the independence of the office should be publicly affirmed and privately honored, in recognition of the fact that without it the ombuds office will be perceived as a non-neutral arm of the administration and lose credibility among its constituents, resulting in diminished effectiveness. Indeed, the very purpose for the existence of the ombuds office is undermined when this occurs, because neutrality, informality, and confidentiality are impossible without independence from administrative supervision. Constructively confronting the university with institutional wrongdoing, while most certainly one of the functions of a university ombudsman, is one of his or her biggest challenges.

7.5 Conclusion

The university ombudsman operates outside existing structures and supervisory authority to engage in informal conflict resolution, advocate for fair and equitable application of policies and processes, and provide upward feedback to the administration regarding systemic problems—all in a confidential manner while remaining neutral with respect to individuals and the organization. The role of the ombudsman has become increasingly well-established in the university setting, but continues to evolve as external and internal forces, both old and new, act on the practitioner and shape the practice and profession of ombudsing. As universities recognize the heightened need for informal and effective conflict management and resolution that is arising as a result of the social, technological, and globalization changes discussed herein, the role of the ombuds office is likely to be viewed as more important than ever. There is great value in appointing ombudsmen who also hold faculty or staff positions, or those who have that experience in their background, because such people have an understanding of the unique university landscape that others simply do not possess. They also tend to have established networks that can facilitate their effectiveness in resolving issues within the university community, however they tend to lack knowledge and skill development in conflict resolution. Universities that appoint faculty and/or staff to serve as part-time ombudsmen should, therefore, provide them with ongoing opportunities to acquire formal training in basic ombudsing practice, conflict resolution, and mediation techniques, as well as basic education about legal issues and cross-cultural concerns.

University administrators and legal counsel should also seriously examine the value, to both the institution and to individuals within the university community, of supporting protection for the complete confidentiality of communications with

the ombuds office. With the protection afforded by a legal privilege of confidentiality, ombudsmen could maximize their effectiveness in getting information that would not otherwise surface, getting help for individuals that might not otherwise come forward, and getting conflicts resolved informally before they have a chance to escalate to the point where only formal complaint or litigation options remain.

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Chapter 8
Grassroots Leadership: Responding to Declining Shared Governance in the Neoliberal World

Adrianna Kezar and Sean Gehrke

Abstract Many campuses in the United States have experienced a decline in shared governance and a centralization of decision-making as a result of neoliberalism being entrenched into campus management. As a result, campuses are looking less like a shared environment for decision-making and instead taking a more oppositional character through faculty and staff activism on college campuses. This chapter examines theoretical and empirical research to describe the changing nature of governance in higher education from shared governance to faculty grassroots leadership. We utilize Clark's (1983) framework to identify academic, state, and market forces that have resulted in a trend away from shared governance and examine grassroots leadership as a countermovement to reclaim academic values. We conclude by considering potential avenues for regaining academic voice in governance in the future.

8.1 Introduction

In the last ten years, many campuses in the United States have experienced a decline in shared governance and a centralization of decision-making as a result of neoliberalism being entrenched into campus management. This trend results in campus management and operations being run in increasingly hierarchical ways, that focus on the bottom line (i.e., funding and revenue generation) over student learning, a deskilling of workers, and treating faculty less as professionals and more as contract laborers (Rhoades 1996; Slaughter and Rhoades 2007). Yet this phenomenon is not unique to the United States; a variety of other countries that have exhibited varying degrees of shared governance have seen a retrenchment of shared governance toward more corporate approaches to decision making that are

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_8,

aligned with the deprofessionalizing of faculty roles, operating colleges as a business, and top-down decision-making. As Trakman (2008a) notes:

> Whatever their limits, corporate governance models are widely used in public colleges and universities worldwide. They have evolved out of concern over financial deficiencies in shared governance models. Their use, however, has raised doubts about whether they are adequately adapted to the academic enterprise, since producing a high-quality education obviously differs from returning a profit to shareholders (p. 42).

Various scholars (Kezar and Eckel 2004; Kezar and Lester 2011; Rhoades 1996) and higher education leaders (Burgan, 2006) have identified the problems that result from moving away from the tradition of shared governance, including diminished faculty voice on matters for which they have the most expertise, poor decision-making, strategic directions that are not aligned with the goals of campuses, less shared interests among stakeholders, and decreasing collegiality and communication to mention a few. Shared governance emerged out of a belief that empowered faculty operating in a climate of reason and persuasion as opposed to a centralized command and control would create better results.

As a response, grassroots leadership has emerged on many campuses as faculty and staff have limited input into formal policy and decision-making. Campuses are looking less like a shared environment for decision-making and instead taking a more oppositional character through faculty and staff activism on college campuses. Neoliberalism appears to be shaping a college context where fewer shared interests exist, more bargaining and confrontation take place, and power conditions are more rampant within college operations and decision-making. This chapter examines theoretical and empirical research that describes the changing nature of campus governance—moving from shared governance to grassroots leadership. The chapter utilizes a framework for examining governance through a heuristic device of identifying academic, state, and market forces (Clark 1983) to explore the challenges and opportunities of the trend away from shared governance. We review how the shift away from shared governance and move to decision-making influenced more by market forces shapes the character and integrity of higher education institutions. We also look at the emergence of a countermovement to reclaim academic values—grassroots leadership. Lastly, we consider avenues for regaining academic voice within governance in the future.

8.2 Academic, State, and Market Values in Governance

Examining the shifting nature of governance globally necessitates an understanding of different forces that influence governance structures.[1] In his oft-cited book, *The Higher Education System,* Clark provides a useful conceptual

[1] Governance in higher education refers to the structures and processes of institutional decision-making (Birnbaum 2004; Kezar and Eckel 2004), both within individual universities and larger state university systems (Lazzaretti and Tavoletti 2006).

framework for governance as a system of decision-making influenced by three forces: the state, the market, and academe. These forces correspond to ideal-types that describe possible systems of governance, in which entirely state-controlled systems would be guided by a central governmental education ministry, academic systems governed by professional academics (i.e., faculty), and market systems governed by "social-choice or market-type interactions" (p. 138). In actuality, governance systems around the world are influenced to varying degrees by these forces, and few resemble these ideal-types. This framework is a useful lens for examining recent shifts in higher education systems from being influenced predominantly by state and academic forces to being more heavily influenced by the market.

For the past 40 years, the United States has widely ascribed to a more academic-driven form of shared governance, which was spurred by the issuance of a joint statement by three national associations, including the American Association of University Professors in 1966. This joint statement outlines an approach to shared governance in which the responsibility for decision-making is shared by the faculty, administration, and trustees of an institution (AAUP 1966). It emphasizes the importance of faculty involvement in a broad range of institutional decisions (e.g., personnel and budget decisions), in addition to detailing the primary responsibilities of faculty as pertaining to curriculum, subject matter and methods of instruction, research, faculty status, and other aspects of student life related to the educational process. While the joint statement provides guiding principles for shared governance, it does not mandate a specific approach to structuring such collective decision-making, which can range from Academic Senates to assemblies of faculty, staff, and administrators to delegation of responsibilities from presidents to various departments. Shared governance and academic forces on governance are not one in the same, but shared governance models work hard to ensure academic values play a prominent role. While shared governance does not preclude influence from state or market forces on decision-making, it rests the decision-making authority predominantly within the institution among its key stakeholders.

Governance systems around the world are influenced differently by academic, state, and market forces. While market forces have always been present, our initial discussion of shared governance is best situated as a dichotomy between state and academic forces that have historically held greater influence over governance structures from around the world. The U.S tradition of shared governance was modeled on earlier European models of academic governance. The early universities of Paris and Bologna, along with some of the English universities such as Oxford and Cambridge, began under a "collegium" governance model in which institutions were both financially independent and autonomous of state control (Lazzaretti and Tavoletti 2006). Few collegiums exist today, as the rise of national state policies pertaining to funding and financial aid have led to more state control over institutions, giving way to a bureaucratic-oligarchic model. The tradition of governance in continental Europe, most notably Italy and Germany, most closely resembles this model of governance, in which the state holds tight procedural

control over university functioning, but "substantial freedom of academic personnel regarding programmes, research and management of universities" is still evident (p. 22).

Prior to the current era when market-forces are more strongly influencing governance in higher education, shared governance models around the world could be situated along a continuum between institutional autonomy and state control, from Latin American higher education that historically exhibited a large degree of autonomy and shared governance (Rhoades et al. 2004), to Chinese higher education in the post-Mao era (Mok 2001, 2002b) and higher education in the Arab states (Mazawi 2005) exhibiting a greater degree of state control despite some decentralization and institutional autonomy. In the following section, we will outline how neoliberal philosophies and trends have led these models of governance to decline toward a form of governance more influenced by market forces than academic values of collegiality and shared decision-making.

With the shift to more market based approaches to governance, it is important to note that models of shared governance have been found to have many positive outcomes not just in the academy, but in various sectors. Some have claimed academics falsely hold onto idealized views of a golden past (Benjamin and Carroll 1998). But these same commentators tend to ignore the vast multi-disciplinary body of research on shared governance and decision-making that identifies significant benefits ranging from improved organizational performance (Zelauskas and Howes 1992) to financial savings (DeBaca et al. 1993; Jenkins 1988) to increased innovation (Finkleret al. 1994) to more complex decision-making (Bensimon and Neumann 1993).

8.3 The Rise of Market Forces: Neoliberalism and the Decline of Shared Governance

Our focus on grassroots leadership comes at a time when market forces are increasingly influencing governance structures away from shared governance in many colleges and universities. While the principles of shared governance have been widely accepted in many systems of higher education, the reality of shared governance reveals that it does not always garner the aspired level of faculty involvement and voice as was put forth in the 1966 Joint Statement (Birnbaum 1989). Recent trends reveal that shared governance has been on the decline on many campuses; not only do faculty experience less input and involvement in campus governance, but the areas of campus management they once were responsible for has declined (Schuster and Finklestein 2006). Systems that once adhered more closely to the principles of shared governance have shifted to more top-down governance structures, in which administrators take greater responsibility for more decision-making and fewer responsibilities are delegated to academic departments and faculty (Slaughter and Rhoades 2004). This shift in

authority for campus decision-making is indicative of neoliberal trends that have taken hold in higher education, the emergence of which Barrow (1996) traces to the intersection of two structural shifts in economic developments in the mid-1970's: resurgence of global competition and a shift to a post-industrial economy (also known as the knowledge economy). Neoliberalism refers to the philosophy that privatization (being run by corporations and business) of public operations that have traditionally been run by government, such as medicine or prisons, better serves the public interest (Slaughter and Rhoades 2004). In essence, neoliberalism touts the benefits of market forces holding greater influence over governance structures. This philosophy is at the heart of recent trends toward new managerialism on college and university campuses, in which corporate-like practices of management have replaced more collegial and shared approaches to governance. New managerialism, coupled with academic capitalism, in which campuses focus on revenue generation through marketing and other business practices (Slaughter and Leslie 1997; Slaughter and Rhoades 2004), have created a landscape in higher education in which universities are increasingly managed by administrators who do not engage faculty and staff in governance procedures and shared decision-making, and who are driven by market forces to focus more greatly on revenue generation and the bottom-line. This push toward new managerialism fosters campus environments in which faculty are at odds with administration over the core mission of their institutions, and faculty have less of a voice in campus decision-making, particularly in the United States (Cummings and Finkelstein 2009).

The effects of neoliberalism on higher education are not only limited to the United States, as governance structures globally have been shifting away from shared decision-making to more top-down administrative structures guided by market principles (Cummings and Finkelstein 2009). However, the effects of neoliberalism are not uniformly felt. In a study of campus governance structures across 14 different countries world-wide, Shin and Harman (2009) identify three predominant modes of governance in higher education that closely resemble the three forces on governance described by Clark (1983): market models, state models, and professional models. On the one hand, Shin and Harman identify continental European (Germany and Italy), Scandinavian (Norway and Finland), and Latin American (Mexico and Argentina) systems as ones still resembling professional models of governance, more in line with shared governance. On the other hand, systems that now resemble more market-based models of governance, coinciding with new managerialism and academic capitalism, include those in the United States, United Kingdom, Australia, and Hong Kong. The model of state-control in governance is most pronounced in East Asian countries, including China, Japan, Korea, and Malaysia. The effects of neoliberalism on these countries are more nuanced, however, than a simple classification might indicate.

The trend toward neoliberal policies, new managerialism, and academic capitalism is most pronounced in the United States, United Kingdom, and Australia (Marginson 2000; Trakman 2008b), and many scholars have focused on this trend in recent years (Lapworth 2004; Marginson 2004; Middlehurst 2004;

Slaughter and Rhoades 2004; Toma 2007; Vidovich and Currie 2011). The evolution of university governance in other regions of the world is not as pronounced. Scholarship exploring governance systems in East Asian countries, including China (Mok 2001, 2002b, 2005b, 2009; Xin-Ran 2003), Hong Kong (Mok 2005a), Taiwan (Mok 2002a), and Korea (Byun 2008), reveals similarities and differences in governance evolution. The state has long played an active role in higher education governance in East Asian countries, from setting enrollments and approving senior staff appointments to approving new academic programs (Mok 2002a, b). Developments in the 1970 and 1980's brought about trends in decentralization that led to greater autonomy and some shared governance in higher education, coinciding with reforms during the post-Mao era in China and the democratization movements in Taiwan and Korea. Although higher education institutions in these countries experienced greater autonomy, the state continued to play a large role in higher education governance, moving from complete control to a more shared responsibility in decision-making between the state and universities. Following this period of greater autonomy with less state control, neoliberal forces and market pressures have played an increasing influential role in university governance within these countries. As a result, many priorities for higher education are being set at both the national and institutional level in which institutions are focusing more on the entrepreneurial nature of higher education for revenue generation within the academy and for the benefit of the nation states within which they are situated. This trend toward greater influence of market forces on governance has created similar tensions between academic and administrative decision-making to those seen in the U.S, U.K., and Australia, although the state continues to play a larger role in these governance tensions within the East Asian world.

We are now at a point where market values are very strong worldwide and academic values in many countries seem to be in significant decline, while state control seems to be somewhat constant. Some suggest that market forces came to the fore because of weaknesses in shared governance, such as being too slow to respond to external pressures (Birnbaum 2004) and not truly operating in a manner that empowers faculty with a voice in decision-making (Birnbaum 1989). These critiques, coupled with transforming governance structures that place more value on the bottom-line and revenue generation over traditional educational outcomes, call into question the possibility of shared governance in a neoliberal world. In some countries, faculty no longer have influence in matters in which they hold the most expertise, namely the academic functioning of colleges and universities, while in other countries faculty have generally not had much voice in such matters. The current climate in higher education globally is one of little shared interests between faculty and administrators, one in which the mission of higher education is contested, and one of less collegiality in institutional functioning. If shared governance no longer provides its traditional functions of providing faculty and staff voice, seeking expertise from those closest to the core educational mission, the cultivation of shared interests, the development of collegiality and community, and inserting broader perspectives into decision-making and policy, how are faculty and staff trying to reassert these important and fundamental functions into

the university? We now turn to the notion of grassroots leadership as a means for faculty and staff to engage once again in the shaping of higher education institutions. Our ultimate hope is that grassroots leadership can lead to the development of new models of shared governance in the future.

8.4 Reviving Academic Voice in Campus Affairs: Grassroots Leadership

Through case study research on a set of U.S. campuses, Kezar and Lester (2011) identified how faculty and staff are increasingly playing a bottom-up or grassroots leadership role outside the formal governance system. Through their involvement, typically collectively with other faculty and staff, they are informally shaping policy and decisions and creating important changes for campuses. Thus, in the current neoliberal environment, faculty and staff have adapted and are trying to insert their expertise and knowledge to reshape campuses away from a corporate and prestige-seeking agenda. While this chapter focuses on this particular study, other researchers (Rhoads and Liu 2009; Slocum and Rhoads 2009) have examined the activism of faculty and staff in South America, Europe, and Asia, demonstrating this is a growing worldwide phenomenon and way that faculty are reasserting their voice and academic values. But, what is grassroots leadership exactly?

Grassroots leaders are individuals who do not have formal positions of authority, are operating from the bottom up, and are interested in and pursue organizational changes that often challenge the status quo of the institution. Grassroots leadership is not without its challenges. On the one hand, grassroots leaders typically have to create their own structure, network, and support systems, as they no longer have the formal structure of shared governance. On the other hand, those in positions of authority have a structure in place to enact leadership through committees, agenda setting, rewards, established networks, formal positions and responsibilities, and delegating authority. Grassroots leaders encounter tremendous power dynamics from those in positions of authority as well as their own colleagues who resist changes to the status quo. Because they have no formal mechanisms to rely on, resistance from others often result in persecution that takes a much more personal and direct attack.

What does this type of leadership/activism look like? Grassroots leaders might be a set of chemistry professors, who after realizing that students are graduating without an understanding of environmental problems come together to devise and advocate for fundamental changes in undergraduate education. Another example might be two staff members who recognize that gay and lesbian students are not safe on campus and then develop a resource center to help those students be successful and feel included. A grassroots leader can also be the assistant professor who decides to create awareness and develop solutions for helping custodial staff

after he learns that their recently reduced benefits program compromises their rights, as well as campus service. Formerly, these faculty and staff may have been able to create policy changes to address these issues, but because they are increasingly marginalized from decision-making and policy venues, they must work outside these formal structures.

What does it look like to operate outside the existing structures? An example will be helpful. Nadine is a biologist who has watched students struggle in her classes for years—particularly those who cannot overcome math deficiencies. Few institutional supports exist and she has no place to send students for additional academic assistance. After talking to several other colleagues, she realizes the issue is prevalent in other science majors, but no one has been able to get administrators to focus on and address this issue—they have other priorities focused on increasing research funding for campus. Nadine discovers some helpful teaching techniques and new texts she can use with students and begins offering an informal math support skills group that gains great popularity. Students tell her she is fundamentally changing their understanding of math. Yet, this effort begins to create a great deal of additional work. She speaks with her department chair about getting a course release to offer the support group, but he feels his hands are tied because of tight finances and refuses. Nadine organizes several colleagues to contact the chair to discuss the importance of the support group. After a few months of communication by colleagues and students, the chair accedes and temporarily allows her a course release. In the meantime, Nadine sets out to get broader campus support for math support skills. She collects data (pre- and post-tests related to performance) in her support group to demonstrate the impact of her tutoring efforts. She presents this data to the Academic Senate and administration. Within the year, a math support center opens. Although resources are temporary, if the center demonstrates outcomes similar to her support group, campus administrators agree to provide on-going funds. Over the next two years, Nadine works with the center director to set up an advisory board of faculty, gain campus support, and collects data on the efficacy of the center. While this problem had existed for years on campus, it had never been addressed and maybe never would have without Nadine's efforts. Nadine's story is a typical example of grassroots leadership.

Having a better understanding of what grassroots leadership looks like on college campuses, we now address how it serves the purposes once provided through shared governance—and its potential at least in the interim—until another approach or structure emerges to meet these important functions. One of the original intentions of shared governance was to obtain input from faculty and staff related to educational issues ranging from curriculum, teaching and learning, and student affairs. In studies of grassroots leadership, these individuals advocate for educational initiatives and maintain a focus on academic issues within the institution. As the example provided above demonstrates, faculty and staff are deeply involved in thinking about ways to make the experience of students more positive. Faculty are advocating for alternative pedagogies such as service and collaborative, cooperative, active, and problem-based learning. Grassroots leaders are

developing support services, such as remediation or tutoring. Faculty grassroots leaders adopt new curriculum such as first-year experience seminars, retool individual classes, and rethink general education curriculum. Staff and faculty are working together to revise co-curricular experiences, such as leadership symposia or dialogues about environmentalism.

Another traditional role of shared governance was to obtain input from those closest to the issues and decisions being made. This research reveals that faculty and staff have the solutions to many key problems on campus, and we hope this chapter encourages administrators and those in positions of authority to look to faculty and staff for ideas and implementation. For example, Nadine, the faculty member described above, identified a problem among students in terms of their math ability affecting them being successful as science majors or even enrolling in STEM disciplines. The low number of students in STEM disciplines is a major problem in the United States and thousands of campuses as well as major organizations such as the National Science Foundation are trying to address these vexing problems. The solution lies in providing support and avenues for people like Nadine who identify local solutions to critical national and organizational problems.

While not a traditional function of shared governance, grassroots leadership provides a counterbalance to the bottom-line orientation and prestige seeking that is part of the corporate model of current colleges and universities. As seen in Nadine's example, grassroots leaders focus on changes that impact the core academic mission rather than focus more exclusively on prestige seeking and revenue generation.

Grassroots leaders are also playing a key public spokesperson leadership role previously played by college presidents and administrators. College presidents were once intellectual leaders on campus and took political stands about key issues in society; yet this approach is increasingly unlikely as college presidents do not want to alienate potential fundraisers through their public presentations (Slaughter and Rhoades 2004). Grassroots leaders are open advocates of key importance on societal and political issues ranging from human rights to immigration to public health. They write editorials, create conversations on campus, and engage in activism on and off-campus.

A traditional purpose of shared governance is providing a venue for voice and agency as well as empowering employees, which leads to a host of individual outcomes that are positive for college campuses including greater job satisfaction, higher morale, and a sense of involvement and participation. Fifty years of management research supports that individuals that are allowed to participate in decision-making within organizations feel more satisfied about their workplace, which then results in a host of positive organizational outcomes (Herzberg et al. 1959). Grassroots leaders are regaining their voice and sense of agency by acting collectively and supporting each other through informal avenues even though they no longer have the vehicle of shared governance. In the example above, Nadine spoke about her frustration when trying to work through traditional venues like shared governance but also described the efficacy of working collectively with other campus leaders for change.

Lastly, another historic purpose of shared governance is professionals being allowed to shape the nature of their workplace. One of the primary distinctions of being a professional is that they understand best what working conditions will help them to thrive and perform. As a result, faculty members were historically awarded decision-making ability over issues such as hiring, evaluation, mentoring, and professional development. The belief was that faculty would have the best understanding of a colleague who would best fit into their department, procedures that would help understand his or her performance, and the best avenues for advancement and development of the faculty member. As these working conditions become increasingly out of their control, grassroots leaders attempt to persuade and shape these policies. Yet, this was an area that we saw they had the least success and input as the corporate management structure of colleges and universities is increasingly defining the working conditions of faculty and staff.

8.5 Challenges of and Opportunities for Grassroots Leadership

We have described the ways that grassroots leadership can help fill in the gaps as shared governance falls into decline, but we also must acknowledge that these two models differ in some significant ways. Grassroots leaders recognize that the administration and others in positions of authority may not have shared interests. In shared governance, there is a greater assumption that the two groups may be working towards a common good. Grassroots leaders acknowledge that often they are working without a shared vision or interest for higher education as they work with administrators. Faculty and staff grassroots leaders often felt they could work more effectively through unions or alone rather than through shared governance, which was mostly symbolic and not a true opportunity for input on many campuses.

The study of grassroots leaders also identified that these individuals are not common within higher education and face many barriers in their work. While some individuals had their jobs threatened, more common were the daily microaggressions from administrators or colleagues who resisted their activism. They felt the true strain of limited time, being overburdened in supporting their cause, difficulty in identifying allies, and the problems of maintaining resilience in the long term that it often takes to achieve their ends. Thus, recreating some form of authentic shared governance is important because the number of people willing to take on the challenges we documented is likely small in number. Grassroots leadership is not rare, but it is also not common as shared governance once was.

Still, there are ways that campuses can create more support for grassroots leaders and can make this activity less draining for individuals involved and perhaps make more individuals interested in playing this role. For faculty, department chairs who support their leadership and help provide time by either giving a course release or replacing their service obligation with their change

initiative provide tremendous support. While faculty relied heavily on department chairs for support, staff relied on supervisors, including associate deans and directors. These supervisors assisted by either allowing staff to conduct their change work during their normal work hours, providing emotional and/or financial support, or leveraging political connections and authority to move an initiative forward. Another vehicle to support grassroots leadership is providing funding for faculty or staff to attend professional conferences where they can obtain information and strategies to move their efforts forward. Those who want to support grassroots leadership can also create networks or connect people with similar interests in certain forms of teaching and learning or political or intellectual interests. Supporters hosted lunches, informal gatherings, and receptions so that faculty and staff with similar interests could meet. By connecting individuals with similar interests, individuals could create more broad-based support for changes they were interested in. Particularly important is creating policies for supporting non-tenure-track faculty, whether through more intentional hiring, fair evaluation, more systematic and early scheduling of courses, or inclusion in decision-making. Any of these avenues will free up time as well as provide support that will allow these individuals to consider taking on leadership roles. Also, mentors and role models played a key role, and new faculty members felt much more encouraged to take on leadership when a more senior person (or at least someone who had been at the college campus for a while) provided advice for navigating politics, creating coalitions, and strategies for being successful. This saved invaluable time and frustration. Those who want to support can connect individuals to mentors and role models or serve in that role.

While some administrators are happy with this direction (both the neoliberal agenda and the move away from shared governance) and like the expediency it provides, other leaders are concerned and have felt pressured by boards and trustees to centralize decision making and move away from shared governance. For these leaders, supporting faculty and staff grassroots leadership is a way to reinvigorate a sense of shared governance and input from faculty and staff into decision-making where shared governance has been diminished or no longer exists. While some boards and trustees no longer feel obligated to include faculty in decision making, presidents and other administrative leaders can balance the corporate and revenue model present on many campuses by fostering and supporting grassroots leadership.

8.6 Beyond Grassroots Leadership-Contending Factors in Reviving Shared Governance

While we thoroughly believe in the grassroots efforts occurring on college campuses and encourage leaders on campuses to initiate some of the measures we outlined for creating a more supportive environment, we worry that these will not

be enough to combat the corporate emphasis that erodes the integrity of many campuses through such a strong focus on market values. The corporate model and neoliberal philosophy is responsible for a variety of problems that have emerged ranging from conflicts of interest to illegal activity related to falsified research, to more rote delivery methods for education that are cheap rather than quality, to a consumerist approach to education that emphasizes the social over the academic in the pursuit of enrollments, to a pursuit of research based on the amount of money it can produce rather than its value, to the decline of the liberal arts, and to higher education institutions not playing a societal and political leadership role (Kezar 2004). Because of these significant problems, one of the major grassroots efforts that we envision worldwide is that of faculty and staff reclaiming their role in shared governance and a revival of shared governance as a tradition.

It is important to remember that governance in the United States has always focused on including and balancing multiple perspectives. Colonial institutions of higher education chartered in the early eras included a board (usually made up of members of the community) that was invested with authority to provide an external check and to bring in community interests (now seen through state and market interests). This system of vesting authority in an external board continued throughout the history of higher education in the United States. The principles of shared governance articulated in the Joint Statement also speak to the importance of various groups—faculty, administration and the Board that represents external (state and market) interests. While the history and principles of shared governance have always focused on balancing differing voices and interests, the reality on some campuses has not met this ideal. It is also important to not become sidetracked by stereotypes of shared governance as being an overly deliberate process run by unknowledgeable faculty self-centeredly focused on academic values; this inaccurate portrayal can prevent people from seeing the value of shared governance. Academic Senates are not shared governance and we are best served by dissociating particular structures and traditions as necessary for or representing shared governance. Thus, while we argue in this section that shared governance needs to be modified to fit today's' circumstances, we also argue for a return to the historic values and principles long associated with shard governance in its ideal form. Unfortunately, this ideal has not always been lived or practiced on individual college campuses.

We also acknowledge that the world has changed, and higher education as an enterprise has become very closely tied to economic interests and state aspirations. For a new system of shared governance to emerge, it must adapt to the new landscape in which higher education is situated, while maintaining the principles set forth by the 1966 Joint Statement. Talburt (2005) aptly describes this new landscape in which to reconsider shared governance:

> At this historical juncture, it seems impossible and naive to imagine the de-corporatization of public research universities, or even that a critical mass of university members would advocate a rejection of market practices. It is impossible to assume that faculty will resist corporatization or that they will succumb to it wholesale. Likewise, it is impossible to assume that they will or will not participate in different levels of shared governance. It is

> also difficult to imagine that reliance on traditional defenses of shared governance, such as talk of collegiality, community, and the common good, will challenge corporatization's hold, for neoliberalism is able to use these terms as its own (p. 498–499).

A new model needs to work effectively within a much larger and changing enterprise—one that necessitates more timely decisions, can facilitate dialogue between increasing and multiple stakeholders, and includes more groups in a single process. While we have predominantly examined market forces in this chapter as playing a more significant role in governance, we do not discount the role that the state will continue to play. Government agencies and policymakers want a greater sense of accountability for their increased investment in higher education. Burke and associates (2005) suggest that effective accountability in this new era needs to incorporate a balance between academic and market factors, as well as state interests often missing from existing models of shared governance that favor market or internal factors.

While the principles of shared governance outlined in the 1966 Joint Statement remain relevant for the future, the exact structures and processes that ensure shared governance likely need to be revised. For example, Academic Senates, complex committee structures, and departmental and school authority structures may need to be rethought. Academic Senates often operate independently of administrative governance processes, creating parallel systems that duplicate policy and decision-making. Faculty and staff governance structures often work in isolation without enough coordination with other decision-making bodies. Departmental and school interests are often in conflict with larger shared goals of the institution. These structures often do not represent the ideal of shared governance (i.e., the inclusion of multiple voices and delegated authority to those who have the expertise), but are held onto even when they are not serving their purpose. Traditional structures and processes need to be reexamined within the new environment, but the original principles of shared governance maintained. Philosophy, which was a guide for the Joint Statement, not structure, should shape efforts moving forward. Finding a balanced approach to shared governance that accounts for all three forces of Clark's (1983) framework is vital if shared governance is to re-emerge and challenge the neoliberal environment with its overemphasis on market values.

What might this look like? Unfortunately, the literature is not replete with examples of governance systems that balance these three forces in an effective manner. Kogan and Marton (2006) note that although balancing these three forces appears more an ideal in theoretical writings, the Swedish system appears to have adopted features that help to move toward a balanced system through the adoption of a learning organization model for their National Agency's audits. They also mention that Clark's (1998) entrepreneurial university and Sporn's (1999) model of the adaptive university serve as models for moving toward balancing these forces and their respective studies highlight a few institutions that may provide insights and future direction. Certain countries like New Zealand or Canada that have been less forcibly hit by market forces may serve as an example, but the there is no direct research on this topic. One study identified that faculty in Canada,

Japan, Italy and Portugal express they are relatively powerful (although they did not necessarily say they had input on decision-making beyond their departments) and may be sources of models for thinking about shared governance (Cummings et al. 2011). This study only examined 18 countries and in general there is little comparative data that helps understand these issues in more detailed ways that could help identify a model or aspects of a model.

We have seen a few encouraging efforts on individual campuses. Some campuses have developed professional development for faculty who are interested in participating in governance and playing a larger leadership role on campus. They recognize that faculty have expertise in their discipline but not necessarily campus operations. They train faculty on budgeting, planning, national and regional higher education issues and trends, and have them meet with stakeholders across and beyond the institution. They have seen success by helping faculty to understand state and market interests so their involvement in shared governance is informed by these other interests and they can best serve in their role. This is a good step toward meeting this ideal of balancing shared interests. Also, some Boards of Trustees receive training in academic values. While Boards often are familiar with state interests and to some degree market interests, they often lack understanding of academic issues and concerns. Effective Boards are educated by their president about the key challenges that academics face related to retention, changing demographics, challenges with integrating technology, or the value of certain parts of the institutions such as the liberal arts curriculum, support services, or residential learning programs. More of these types of efforts are needed to increase understanding of one other's interests.

As a step forward, we suggest that parties rethink shared governance and acknowledge that the growing adversarial climate between market stakeholders, faculty, staff, administration, and state levels within higher education hinders sound decision-making. State (government agencies) and market (students, parents) forces invite more stakeholders to decision-making, and academic leaders need to find effective ways to maintain their voice while including these new perspectives. The best chance of reinvigorating shared governance lies in creating a new model that balances the political demands of policymakers and increasing market pressures on administrators with the knowledge and expertise of faculty and staff closest to and working with students—the central educational mission. The examples of faculty and Board training above begin to create these connections and break down the adversarial environment. They also support the different value/interest groups in learning from and about each other. What is important is that faculty and staff not ignore the legitimate claim of state and market interests (even in the face of the excessive market forces) or hold on to the traditional structures, which do not operate effectively for integrating the increasing number of voices and interests. If the goals of higher education are changing, the only way it will succeed is to actively engage all voices in governance to ensure success, both in student learning and securing the bottom line.

One of the most difficult challenges of creating such a model is the power inequalities that have been exacerbated in more recent years, as faculty have been

de-professionalized and moved on to semester-to-semester appointments, and staff are largely silenced by the administration in order to meet the entrepreneurial goals of the university rather than the needs of students (Rhoades 1996). The neoliberal environment has created a destabilizing unbalance and de-emphasis of academic values. Without re-professionalizing faculty and staff on campuses and recognizing their value, the creation of any shared governance process is likely on shaky ground; it is simply too easy for market and state voices to dominate in this new era. It will take leadership among those with authority to ensure redistribution of power and inclusion, coupled with grassroots leadership among faculty and staff to regain their voice, to create meaningful change. Most importantly, all stakeholders need to compromise (faculty on the specific governance structures, administrators on their centralization of power, the state on the balance between centralized power and institutional autonomy) and shift their positions if we are ultimately to move toward a new model of shared governance.

8.7 In Conclusion

Our goal in this chapter was to present grassroots leadership as a way faculty are regaining a voice in academic governance in the United States. Neoliberal philosophies and market forces are permeating higher education, resulting in adversarial relationships between the state, the administration, and the faculty, as institutions change their goals and focus. These changes have come over time, and we currently face a landscape in which faculty feel removed from the decision-making structures on college and university campuses. Grassroots leadership is currently providing faculty and staff with strategies for increased engagement in campus decision-making, but we hope that renewed dialogue of what shared governance can mean in a neoliberal environment can lead to a revival of this declining system. We also believe it has been and can continue to be a principle to balance academic, state, and market forces.

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Part III
New Directions and Future Possibilities

Chapter 9
Professional Development for Chinese University Leaders: Collaboration, Not Competition

Constance Ewing Cook

Abstract While universities compete for students, resources, and prestige in the global economy, they can also collaborate to mutual advantage. One aspect of global collaboration in the higher education arena is professional development for university leaders on campuses abroad. Many U.S. universities, as well as those in other countries, have hosted programs for university leaders from the People's Republic of China. This chapter reports on the long-time collaboration between the Chinese Ministry of Education and the University of Michigan (UM) to provide training for the leaders of top-ranked Chinese institutions as they build world-class research universities. It describes the best practices that have evolved over time for hosting international professional development programs, and it explains the "elasticity" of the UM program—i.e. that it is tailored to the Chinese cultural context and reflects the specific needs of program participants—which helps Chinese leaders adapt what they learn to the realities of their own campuses.

9.1 Introduction

While universities compete for students, resources, and prestige in the global economy, they can also develop collaborations designed to be of mutual benefit. One aspect of global collaboration in the higher education arena is professional development for university leaders on campuses abroad. Many U.S. universities, as well as those in other countries, have hosted programs for PRC universities. This chapter reports on the long-time administrative collaboration between the Chinese Ministry of Education and the University of Michigan (UM) to provide training for

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_9,

the leaders of top-ranked Chinese institutions as they build world-class research universities.

Professional development, especially university faculty development, is a growing priority in many parts of the world (Chism et al. 2010). As higher education expands across the globe, its success depends to a great extent on quality assurance (Lee et al. 2011), and professional development for university faculty and administrators is a key step in fostering quality. It is often academic developers from countries with well-established higher education institutions who are asked to provide professional development for those in newly-established institutions in other parts of the world (or for those in established institutions for whom professional development initiatives are relative new). Lee et al. (2011) have written about best practices for experts from well-established institutions attending international conferences and consulting with colleagues at relatively new institutions. This chapter concerns best practices for hosting international colleagues from new institutions who have come to a well-established university to consider how best to do their own jobs by examining the work of their counterparts on other campuses.

Any international professional development program, in order to serve its participants well, should grow from an understanding of the participants' context and respond to their specific interests and expressed needs (Lee et al. 2011; Carew et al. 2008). The modes of engagement should be "elastic," i.e. tailored to the participants' needs and interests. The professional developers in the program should draw upon a "full professional toolkit (techniques, experiences, ideas, values, theories)" and "meld…(them) to support an adaptive, responsive approach to practice" (Carew et al. 2008, p. 1). The expectation of those who host the program should be that the participants will adapt what they learn to fit their own context, rather than adopting it "as is." As Taylor has noted, "academic development is "a field of practice and scholarship that is shaped—in fundamental ways—by the national, institutional and disciplinary contexts in which we work" (Taylor 2010, p. 1–3, as cited in Lee et al. 2011). Therefore, elasticity is a critical component of a successful program. The literature on professional development focuses on the importance of elasticity, but there are no examples of how elasticity can be built into a program. The description of the University of Michigan (UM) program, which follows, describes the efforts made by UM program developers to provide elasticity—resulting in program success.

9.2 Background

In the post-Mao era, as the Chinese higher education system tried to recover from its decimation during the Cultural Revolution, Deng Xiaoping's national leadership encouraged modernization by exploring foreign traditions and norms. Originally, the Soviet higher education model was embraced in China, but in the last two decades, Western (especially U.S.) higher education principles are the ones that the Chinese have most valued and sought to embrace. Often, the U.S.

university system is used as the benchmark for China's higher education reforms (Welch and Cai 2011) and the harbinger of future reforms as the Chinese system evolves. The Chinese look to elite U.S. institutions for guidance about standards and policy innovations as they try to create world-class universities (Yang 2011). They have also sought to learn about these American practices through professional development abroad.

The Chinese Ministry of Education (MOE) organizes professional development programs for capacity-building for the leaders of the top 72 Chinese universities, which it oversees. Some of the training is done by the National Academy for Education Administration (NAEA), a subsidiary of MOE with its own campus outside of the city of Beijing. Additional training is arranged and funded by MOE at top universities in the United Kingdom, Germany, France, Australia, Canada, New Zealand, Japan, Korea, and most popular with MOE, the United States.

The University of Michigan has been a good professional development partner for MOE because it has a long history of collaboration with China. Since 1880–1881 when University of Michigan President James B. Angell took a leave to serve as U.S. Minister to China, Michigan has had close relations with the Chinese government. In the last decade, there have been more than one thousand students from the People's Republic of China on the UM campus in Ann Arbor each year; in fact, there were 1,747 PRC students in 2011–2012 (Office of the Registrar (2011)). Faculty from many U-M schools and colleges engage in research partnerships with Chinese colleagues, and many Michigan students go to China for study abroad.

The current president of the University of Michigan, Mary Sue Coleman, has especially valued these collaborations. In 2005, she made a trip to China her first international venture. She visited officials at China's Ministry of Education who had requested that the University of Michigan provide professional development for highly-ranked university leaders through its Higher Education Overseas Training Project so they would have training in how to manage world-class research universities. The Ministry officials said they were especially eager to collaborate with the University of Michigan, rather than with some of the private U.S. universities. UM's large student body, large number of professional schools, and substantial public service orientation is similar to those of the top Chinese universities. Furthermore, UM has an ethic of mutuality in international collaborations: UM administrators are as eager to learn from the Chinese and to develop new cross-cultural collaborations, as they are to share their own management systems and strategies.

Five times, President Coleman has hosted large delegations of university leaders chosen by the Chinese Ministry of Education (MOE) to come to the University of Michigan (UM). UM leaders have been pleased that MOE has chosen for the Forums the presidents, vice presidents, or party chairs (chairs of the University Council) of these institutions—all those who are responsible for academic leadership, policymaking, and budget. And, given that the University of Michigan is an elite public institution, MOE has selected for inclusion in the Forums the top Chinese universities, which are the ones it oversees. The Chinese

take titles and rankings very seriously, so it has made sense to have the Forums bring together key people from the most prestigious institutions.

At each Forum, the Center for Research on Learning and Teaching (CRLT) has been responsible for designing and running the professional development program. CRLT, established in 1962, was the first university teaching center in the world. Its primary role is to serve the UM campus by supporting faculty as they engage in pedagogical innovation and curriculum reform (Cook and Kaplan 2011; see http://www.crlt.umich.edu). Like many other teaching centers, in recent years CRLT has been called upon by university leaders and by international colleagues to help improve higher education abroad, beyond our own campus.

9.3 Methodology

After President Coleman agreed to host the Chinese delegations, CRLT began the Michigan-China University Leadership Forum, the name given by UM to the Chinese visits. These Forums have been held on the Ann Arbor campus for about 2 weeks each in May 2006, 2008, 2010, 2011, and 2012. The delegations have usually included 25–30 Chinese leaders. The participants have been Chinese university presidents, vice presidents, and party leaders (i.e. university council chairs) from the nation's leading universities, along with officials from MOE and NAEA. From these experiences, and trial and error, we have learned to make our professional development programs as elastic as possible in order to serve the Chinese leaders' interests, as well as our own.

9.4 Advance Planning

The Forum planning process has been similar every time. Before each Forum, CRLT leaders visit with Ministry officials to learn about their program priorities and current preferences. It is the CRLT leadership who design each of the Forums, with input from the Ministry. For Forum participants, we provide a large number of advance readings in both English and Chinese selected to provide current research and information and create an accessible website that includes the readings as well as information and photos of our university, city, and state. The website has biographical sketches of all the participants and their institutions, plus all the presenters, so that participants can find common ground for conversations. As we plan the housing, transportation, meals, medical care, and other logistics of the visit, we try to be culturally sensitive and attentive to details and quality because we want participants to be able to focus on our program, not on the details of daily life. To help the participants connect with Michigan colleagues of interest to them, we also send in advance a draft agenda for the program so they can identify free evenings. A list of our guidelines for program planning appears in Table 9.1.

Table 9.1 Best practices for hosting international professional development programs

I. Program planning
• Do research in advance of program to get an understanding of the institutional and cultural context[a]
• Design program in collaboration with international partners—through visits, video conferencing, and email communications[a]
• Conduct a needs assessment process in advance of program[a]
• Pilot some aspects of program, when possible, in advance of actual program[a]
• Negotiate program structure and costs in great detail so there are no misunderstandings
• Make sure that home country leaders express support for program and participate in it
• Clearly communicate cultural norms to event planning staff prior to the program to prevent misunderstandings[a]
• Make sure lodgings, food, transportation, medical care and other aspects of the program are culturally sensitive, and prepared with attention to detail and quality[a]
• Provide advance readings in native language
• Send a draft agenda to participants in advance so they understand the schedule and can arrange personal meetings during the program breaks, if desired
II. Program topics
• Start by contrasting partners' and own institutional and cultural contexts, and get feedback on that comparative assessment[a]
• Understand and address issues that might be culturally sensitive, e.g., faculty governance, academic freedom, faculty compensation/rank, privacy and confidentiality[a]
• Make sure that participants understand campus norms and systems
• Allow time for participants to discuss and apply lessons to own context and present their applications to each other[a]
• Include in the program some nationals from your own campus, i.e., graduate students and faculty from that country
• Engage the home university's leaders, faculty and students in the program
• Provide concurrent sessions when the topics do not interest the entire delegation
• Ask participants to share information about their higher education system at a public lecture so that the information flow goes both ways
• For multi-institution programs, recognize that needs differ and allow focused time to satisfy individual interests
III. Program logistics and pedagogy
• Build in flexible activities at the start of the program to accommodate travel delays
• Allow some extra time throughout the program to respond to participants' requests and special needs[a]
• Use carefully selected native language speakers for consecutive translation at meals and during tours
• Do expert translation of key materials and presentations, and provide both English and native language handouts from speakers every day
• Use professional simultaneous interpreters and sophisticated translation equipment
• Use mixture of interactive presentations, case studies, role plays and simulations and other active learning pedagogies to model exemplary practices
• Provide citations and bibliographical information for every topic
• Allow time for reflection, exercise, social events, and relaxation every day[a]
IV. Program evaluation
• On the first day, survey participants about their individual goals for the program[a]

(continued)

Table 9.1 (continued)

IV. Program evaluation
• Do formative evaluation at midpoint of program[a]
• Have both the host institution and the sponsoring partner do evaluations at the end of the program to determine the extent to which individual and institutional program goals and expectations were met[a]
• If possible, evaluate program accomplishments with participants a year later to gauge the longer-term impact of program[a]

[a] Examples of elasticity in program planning, implementation and evaluation

9.5 Program Topics

The Ministry's goal for its foreign training is to help the participants transform their universities into world-class research universities. The five key topics chosen by the Ministry over the past 5 years have been: (1) strategic planning and budgeting, (2) research administration and technology transfer; (3) undergraduate, graduate, and professional education; (4) building world-class faculties; and (5) managing medical schools. We design a program that features these elements and also highlights topics that UM considers timely and useful for the Chinese, such as faculty governance, academic freedom, intellectual property, and student mental health issues. The latter are topics of special concern at UM. The topics covered by CRLT at the various Forums are listed in Table 9.2. List of Topics for Michigan-China University Leadership Forums. Ministry identified topics are italicized and additional topics identified by UM are shown without italics. The Ministry officials have always been gracious about accepting the agenda suggested by UM.

Because the Chinese visitors are high-level officials, they want to interact with UM leaders. Consequently, we ask the UM president, provost, key vice presidents, key deans, and leading faculty members to make presentations for the Chinese delegation. We also make sure that our Chinese visitors have plenty of opportunity to interact with Chinese students and faculty at UM so they can hear firsthand about how UM differs from Chinese universities.

The Forum program has had one big change in emphasis over the years. The new Chinese strategic plan for education, State Guidelines for Medium-to-Long-Term Education Reform and Development Plan between 2010 and 2020 (http://www.chinacurrents.com/spring_2010/cc-wang.htm), first implemented in 2010, commits the country to educational improvements at all levels, including higher education. Consequently, the Forum at UM in 2011 was devoted entirely to issues of educational quality, which was highlighted in the plan. The 2012 Forum then became a combination of the research university management issues, with special emphasis on issues related to quality undergraduate education and faculty development. The Center for Research on Learning and Teaching mission is to provide faculty development and improve higher education, so CRLT was especially well-suited to handle this new emphasis in the agenda for MOE.

Table 9.2 List of topics for Michigan-China university leadership forums

Management issues
Strategic planning
Budgeting
Research administration
Management of medical schools
Role of the board of regents
Responsibilities of the president, provost and deans
Decentralized management
Research libraries
University/museum relations
University outreach
Relations with government, community and industry
Technology transfer and economic development
Collaboration among universities
Globalization
Fundraising, alumni relations and development
Faculty issues and pedagogy
Faculty hiring
Evaluation of faculty
Interdisciplinary teaching and research
Tenure system
Faculty governance
Academic freedom
Intellectual property
Liberal arts education
Faculty development and pedagogy
• Creating a culture of teaching
• Teaching center services
• Research on effective learning and teaching
• Incentives for improving teaching
• Teaching creativity and critical thinking
• Curriculum development and assessment
• How to evaluate teaching
Student issues
Undergraduate education and liberal arts
Graduate and professional education
Student-centered management, including attention to diversity
Career planning for students
Student mental health issues

Italicized topics were suggested by the Ministry of Education; non-italicized topics were added by the University of Michigan

9.6 Program Logistics and Pedagogy

There is considerable literature on the topic of academic development, with whole journals devoted to studies of how best to improve pedagogy on a university campus (see especially *To Improve the Academy*, the journal of the Professional and Organizational Network in Higher Education (POD), and the *International Journal of Academic Development*, from the International Consortium for Educational Development). A summary of the approaches to academic development appears in Carew et al. (2008), which details three of the theories that underlie most academic development programs for both campus colleagues and international visitors: reflective practice, collegiality, and the scholarship of teaching and learning (SoTL). CRLT draws upon all three theoretical approaches for its MOE programs.

In regard to reflective practice, every UM administrator reflects on the aspects of her practice that seem to be most effective and then we ask the Chinese participants to discuss which of these aspects might apply to their own practices. Trying to build collegiality, we routinely create a sense of community by forming delegates into small groups based on their job responsibilities so they can share lessons across institutions and learn from one another. Additionally, we draw on our own SoTL practices by describing the research findings that influence our own work and by carefully evaluating the Forums to determine and build upon best practices for professional development. In addition, during the Forum programs, we use professional simultaneous interpreters and sophisticated translation equipment. Throughout the Forum, we vary the pedagogy, using small group learning, case studies, role-playing and simulations, and other active learning methods to supplement lectures and question-and-answer dialogues. We have been pleased to find that language barriers do not prevent the delegates' enthusiastic participation in active learning.

In terms of supporting collegiality, for example, built into the Forums is flexible timing so we can respond to participants' requests and special interests as they arise during the professional development activities. We also build in plenty of social activity and recreation, all designed to teach and inform. The social breaks help to create social networks by providing deeper and more relaxed conversation. We hire a cadre of Chinese-speaking graduate students to accompany delegates on tours and at meals. Additionally, we arrange dinners for small groups in the private homes of UM administrators so that the delegates can get to know them more informally and see how they and their families live. We also ask the delegation to select one prestigious member with fluent English who can give a lecture for our campus community on Chinese higher education. At each Forum, that lecture has been very well attended by UM faculty and students. It ensures that we learn from our visitors so that the visit is mutually beneficial. Listed in Table One are the pedagogical best practices we have learned from the five Forums we have led for the Chinese presidents. They reflect the theoretical principles in Carew et al. (2008) but also respond to the special interests of the Chinese delegation.

9.7 Program Evaluation

The fact that the Ministry has funded the Michigan-China University Leadership Forum five times and evaluated it highly each time is indicative of UM's success in running these programs. Over the years, we have used participants' feedback to choose speakers and topics and alter the balance between the program, social activities, and time for rest and reflection; but basically, each Forum has followed the initial formula we created in 2006. We believe that the keys to success include mutual respect, careful listening, patience, detail orientation, and flexibility—the same traits that would apply to any collaborative arrangement. We have listed in Table 9.1 what we consider to be the best practices for evaluating international professional development programs.

The Chinese are especially concerned about the quality of the programs they fund, as well they should be (Jie 2010). With the assistance of MOE, we have worked to evaluate the Forums systematically through careful formative and summative program evaluation. We have used an individualization model, which tries to match Forum services to the needs of the participants (Patton 2002). On the first day, we ask participants about their individual goals for the program. We always do a formative evaluation at midpoint in the program so we can address suggestions and concerns in a timely manner and make the program serve our guests' needs. We also give the delegates a survey at the end of their visit, with both open-ended and closed questions so we can get an understanding of their experience at the Forum and the extent to which their goals were satisfied. All of the university leaders sent to UM have attended professional development programs in China, and typically, about two-thirds have already participated in other international training programs. Therefore, we ask them to rate the quality of the UM program "compared to other study/training programs in which [they] have participated." Of the 104 participants who have evaluated the four Forums, 100 have rated it "excellent" and four have rated it "good." All of them have also agreed that the Forum "enhanced [their] understanding of U.S. research universities" and "helped [them] with current challenges [they] face in [their] university position."

After the first Forum, we conducted our most thorough summative evaluation. It involved individual 1 hour confidential interviews in China with all the members of the 2006 delegation and was done 1 year after the 2006 Forum. We asked the participants which of the Forum topics had been useful, how they had used what they learned, and what actions they had taken to change their university as a result of the Forum (Cook 2008). We were pleased about the impact that the Forum had on the actions they took on their own campuses. Since that first evaluation, we have assessed subsequent Forums by assembling focus groups of Forum participants in Beijing or Shanghai—a less thorough but still useful way to find out what has or has not been effective in our programs.

From our interviews with university officials, we have learned that the Forums are especially useful in demonstrating systems for handling the issues faced by

university leaders. With its long history and excellent management, the University of Michigan has developed careful and comprehensive systems to handle everything from budgetary issues to faculty evaluation to research administration. The leaders who attend the Forum have returned home to develop or improve systems at their own universities. Since the Ministry handpicks the members of the delegation, they have an imprimatur to effect change when they return. Many have done detailed presentations for their university colleagues about what they learned and then announced their plans for new initiatives. Our evaluation data indicates they returned to China with the capacity to institute reforms and been able to implement changes in their own institution.

The areas of special emphasis the Chinese higher education leaders have focused on include: (1) improving the student experience through better pedagogy and student-centered management; (2) new efforts at fund-raising and alumni relations to garner revenue and loyalty for their universities; (3) technology transfer to support their local economies and collaborate better with government and industry; (4) better practices for hiring and evaluating faculty; (5) more interdisciplinary teaching and research; (6) more decentralized management (deans have more authority and resources); and (7) more emphasis on recruiting international faculty and students to globalize their universities. We have learned from the evaluations we conduct subsequent to each Forum that different universities have taken different initiatives, of course, but the list above summarizes the principal improvements in top Chinese universities that have been fostered and supported by attendance at the Michigan Forums.

9.8 Elasticity

It has been clear from our evaluations that, rather than adopting the University of Michigan practices wholesale, the Chinese leaders have adapted the information from the Forums to the realities they face on their own campuses. MOE officials have explained to us that they never intend to copy UM but rather to use the Forum as a catalyst to think carefully about how to do their own work better. Similarly, as we present a program for them, we attend to the nuances of adaptation (see Lee et al. 2011) regarding issues of adoption versus adaptation). Our work has shown that organizers and planners of these programs need to make sure that the practices and activities in the program design are elastic, i.e. tailored to the requirements of the cultural context and reflecting the specific needs of the program participants (Lee et al. 2011; Heffernan and Poole 2005; Carew et al. 2008).

To help others in their design of programs of this nature, we have identified best practices that have been successful in the UM program. Table 9.1 Best Practices for Hosting International Professional Development Programs provides and overview of these. We added an asterisk to all the practices that reflect elasticity in the programs we have run. These critical components include:

- Research to understand the institutional and cultural context in advance of hosting the program
- Collaboration with international partners in the design of the program components
- Needs assessment of participants in advance of the program
- Piloting of some aspects of the program in advance
- Clear communication of cultural norms to event planning staff
- Cultural sensitivity in planning of lodgings, meals, transportation, medical care and other aspects of program
- Initial survey about individual participants' goals for the program
- Contrasting of the institutional and cultural contexts of the home institution and international visitors to get feedback and understanding of the differences
- Addressing culturally sensitive components of the program
- Time for visitors to apply new information to their own context
- Flexible timing of the program to accommodate participants' requests and special needs
- Time for reflection during the program
- Formative evaluation at midpoint in the program
- Summative evaluation by host institution at end of the program
- Summative evaluation by sponsoring partner
- Follow-up focus groups or interviews with participants a year later to gauge the long-term impact of the program.

9.9 Conclusion

The University of Michigan has gained substantially from its collaborations with the Chinese Ministry of Education. UM has developed more research collaborations with Chinese universities and new study abroad opportunities for UM students. Although there is no way to know for sure, we suspect too that there are better Chinese student applicants to UM because of the substantial branding of UM in China caused by the Forums' impact in publicizing UM at the top universities from which Forum participants have come. The Forums have given UM faculty and administrators a better understanding of Chinese higher education, and the Forum's success has led us to focus more attention on professional development for UM administrators. Thus, the Forum for Chinese higher education leaders has been as valuable for our university as it has been for our visitors. We believe we have learned a lot about how to do high-quality professional development programs for international colleagues—lessons we hope might prove valuable for our peer institutions as well. We encourage our peers to develop more extensive collaborations with Chinese universities because the future of Chinese higher education will influence the future of all higher education across the globe.

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Chapter 10
Transforming from "Economic Power" to "Soft Power": Transnationalization and Internationalization of Higher Education in China

Ka Ho Mok and Kok Chung Ong

Abstract In recent decades, trade in higher education services has become increasingly popular in Asia. Realizing the importance of higher education and the potential of the education market not only for generating additional national incomes but also for asserting soft power in the highly competitive world, the Chinese government has put serious efforts in developing transnational higher education to diversifying student learning experiences and asserting soft power of China in the highly competitive global environment. This chapter reviews major policies and developments of transnational higher education in mainland China. The chapter also critically examines student-learning experiences after enrolling in transnational higher education programmes. The chapter also critically analyzes how the Chinese government has made attempts to assert its soft power in the context of transforming the country from an economic power to a culturally strong power.

10.1 Policy Context for Transnational Higher Education in China

In the last decade or so, we have witnessed the rise of transnational higher education in Asia. The rise of transnational higher education in Malaysia, Singapore and Hong Kong in general and the quest for regional hub status, in particular, has

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*, New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_10,

clearly suggested these Asian governments are keen to expand the education market not only for income generation but also for 'soft power' assertion to enhance their national competitiveness in the global market place (Mok and Ong 2012). Similarly, the expansion of transnational higher education in China is not only related to the state's strategy by making use of overseas programmes and academic institutions to help transform and internationalize the higher education system in mainland China (Mok and Chan 2012) but also as part of its strategy to transform the country from a strong economic power to a country with strong cultural and soft power influences. In this chapter, we will examine the policy context, which gave rise to transnational higher education in China, especially in terms of how transnational higher education has become more prominent after China has become a member of World Trade Organization (WTO).

10.1.1 China Joining WTO and Transnational Higher Education

Since the 1990s, there have been a series of major legislative policies governing transnational education in China. The most important national legislation is the *Education Act of the People's Republic of China* issued in 1995, which encouraged exchange or cooperative education with foreign partners (Huang, 2005). Based upon this Act, two other documents concerning transnational education were promulgated and implemented: (1) The *Interim Provisions for Chinese-Foreign Cooperation in Running Schools* (IPCFC) issued by the State Education Commission (SEC, renamed as the Ministry of Education in 1998) in 1995 and (2) the *Regulations of the People's Republic of China on Chinese-Foreign Cooperation in Running Schools* (RPRCCFC) in 2003. According to the first legal document, transnational education was introduced with a Chinese name of *Zhongwai Hezuo Banxue*, which means that overseas higher education institutions can not provide academic programmes in China without collaborating with a local institutions in China.

In addition, the 1995 Education Act also restricts the levels and forms of academic programmes by stipulating that "Chinese and foreign parties may run educational institutions of various forms at varying levels, excluding China's compulsory education and those forms of education and training under special provisions by the state" (SEC, 1995, Chap. 1, Article 4). Most important of all, the 1995 Education Act also explicitly states that the running of academic programmes by overseas institutions should not be for-profit:

> Chinese-foreign cooperation in education shall abide by Chinese law and decrees, implement China's guideline for education, conform to China's need for educational development and requirement for the training of talents and ensure teaching quality, and shall not seek profits as the objective and/or damage the state and public interests (SEC 1995, Chap. 1, Article 5).

The notion of "profit-making" in transnational education in China is very different from overseas institutions in countries such as Australia, the United States, and the United Kingdom, since most of the higher education institutions in these countries set up off-shore academic programmes in order to generate additional income. Before China joined the WTO and gave its consent to General Agreement on Trade in Services (GATS), the government adopted transnational education as a policy tool to help create additional higher education learning opportunities for local high school graduates, instead of viewing it as a commercial enterprise. In 1997, the Academic Degrees Committee of the State Council (ADCSC) issued another document entitled "Notice on Strengthening the Management of Degree-granting in Chinese-Foreign Cooperation in Running Schools", as an important supplement to the 1995 Education Act, which further emphasized that all Chinese-foreign higher education enterprises in China should be governed by the legal framework in China. Nonetheless, the Chinese administration experienced difficulties in implementing the newly-enacted laws when confronted with the increase of these overseas programmes.

After joining the WTO, the Chinese government revised its legislation to allow overseas institutions to offer programmes in the mainland in line with WTO regulations. In September 2003, the State Council started implementing the "Regulations of the People's Republic of China on Chinese-Foreign Cooperation in Running Schools (CFCRS)", thus providing further details concerning the nature, policy, principles, application processes, leadership, organization, teaching, financial management, supervision, legal liability, and other aspects of the collaboration. Unlike the 1995 IPCFC that attaches importance to vocational education, the 2003 CFCRS encourages a broader range of transnational higher education. Specifically, the 2003 CFCRS encourages local universities to cooperate with renowned overseas higher education institutions in launching new academic programmes in order to improve the quality of teaching and learning, as well as to introduce excellent overseas educational resources to local institutions (State Council 2003, Chap. 1, Article 3). More importantly, the 2003 CFCRS removes the restriction on overseas institutions of higher learning making profits for running courses in China. According to Huang (2006), the fundamental changes in the 2003 CFCRS showed that transnational education has gone through "a transfer from the previous informal, incidental and laissez-faire phase to a more structured, systematic and well-regulated phase after 1995." (Huang 2006, p. 25). It should also be noted that, unlike the policies of other states which are practising the ideas of neoliberalism to enable the evolution of an "education market", China has created a "governed market" or "state-guided market", characterized by heavily regulation, as part of a transitional economy (Lin et al. 2005; Mok 2006a, b).

The State Council, based on the above-mentioned WTO commitments, has thus finally promulgated the 'Regulations of the People's Republic of China on Chinese-Foreign Cooperation in Running Schools' (中華人民共和國中外合作辦學

條, hereafter as the '2003 CFCRS Regulations') in 1 March 2003 to further regulate activities concerned and to assert legal rights of stakeholders involved (王劍波 2005: 188–189; 張曉鵬 2005: 130).[1] This is undoubtedly the most significant CFCRS regulations by far, and the Ministry of Education subsequently released a set of corresponding measures (中外合作辦學條例實施辦法) in June 2004 to deal with more specific issues in relating to the implementation of CFCRS. The 2003 CFCRS Regulations not only reveal the state's blessing in developing CFCRS, but more importantly, it does not forbid foreign institutions from making profits through such activities by now.

The motivations for developing Transnational Higher Education (TNHE) in China have varied over time, focusing variously on the concerns of the consumers, of the state, and of individuals, while the concerns of institutions of higher education are situated somewhere in the middle (Zheng 2009), p. 36. In the 1980s, right after the initiation of economic reform and its open-door policy, higher education was regarded as a priority by the state for realizing the 'four modernizations' of industry, agriculture, national defense, and science and technology, in face of the desperate need for qualified professionals and new technologies. Students and scholars were sent by the state for overseas studies as a direct, immediate and major effort to tackle this problem. The burgeoning TNHE programmes within the national education system during this period were unregulated and informal and scattered throughout the coastal provinces like Shandong and Jiangsu and big cities like Shanghai and Beijing.

However, by the 1990s, several factors had advanced the development of TNHE in a dramatic way. On the one hand, there was the pressing need to boost the enrollment rate of the Chinese tertiary education in order to sustain China's soaring economic growth and to meet the challenges posed by globalization. TNHE programs, in this regard, could be very helpful both in terms of the internationalization of Chinese universities' curricula and their quest for 'world-class' status. On the other hand, concerns over the 'brain drain' of human capital and the outflow of financial capital spent on overseas education also prompted the government to rethink its monopolistic approach to the governance of education, resulting in a more cautious and yet encouraging attitude towards transnational higher education (Wang and Liu 2010).

Recently, the State Council published the National Strategic Plan for Educational Development ('The Plan') in July 2010. One of the major goals of the Plan is to further internationalize the higher education sector on the mainland through collaborations with leading universities overseas or within the region. In investing more in education in order to develop strong human capital, the Chinese government is seeking further collaboration with overseas higher education institutions through joint programmes, high-level professional and research training

[1] The enforcement of the Regulations, however, only started from September 2003 onwards.

programmes, and international research projects as a means to advance the knowledge base and to develop state-of-the-art technology for the country (State Council 2010).

10.1.2 Phases of Transnational Higher Education Development

It is within this wider socio-economic context that transnational higher education in China has evolved from an informal, incidental and rather laissez-faire activity into a more systematic and regulated one, after the issue of the 'Notice on Cooperation with Foreign Institutions and Individuals in Running Schools in China' in 1993, and the promulgation of the 'Provisional Stipulation on Chinese-Foreign Cooperation in Running Schools (CFCRS)' by the then State Education Commission[2] on 26 January 1995. The Provisional Stipulation on CFCRS was particularly significant in the sense that it symbolized the formal inclusion of CFCRS activities under the management of the state bureaucracy. The necessity of initiating CFCRS in China, its coverage, its application procedure and the defining authority over its programme appraisal and approval, managerial framework for its institutions, as well as the awarding mechanism of its degrees/diplomas have all been clearly specified in this Stipulation.[3]

On 11 December 2001, transnational higher education had again been given a momentous promotion in China when the country has eventually gained access to the WTO. China has consequently promised to open up its education sector for commercial activities in the five sub-items of primary, secondary, higher and adult education, as well as "other educational services,"[4] thus giving a green light to transnational higher education under the legal framework of the international agreement. Foreign partners are now allowed to secure a majority ownership of CFCRS institutions concerned, yet they remain prohibited from establishing and the running an institution solely on their own. Also, the privilege of enjoying

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[2] The Chinese Ministry of Education was called the 'State Education Commission' from 1985 to 1998. The authors want to thank the Research Grant Council of the Government of the HKSAR for offering funding support to the project [HKIEd 7005-PPR-6].

[3] Regarding the management of CFCRS degrees, the Academic Degrees Committee of the State Council (國務院學位委員會) subsequently issued 'Notice on Improving the Management of Degree-Awarding in Activities of CFCRS' (關於加強中外合作辦學活動中學位授予管理的通知) in 22 January 1996, so as to legalize and systemize the format of degrees awarded by CFCRS institutions and programs.

[4] Nevertheless, compulsory education (local primary and junior secondary education) and special sub-items regarding military education, police education, political education as well as party schools' education, are excluded from the list since no corresponding commitment was made by the Chinese government.

'national treatment' may not be granted to them as an entitlement during this process.

The development of transnational higher education in China thus far could, therefore, be broadly divided into three main phases in accordance with the shift of national policies (王劍波 2005: 189–190), namely:

(1) The first stage of laissez-faire exploration, i.e., before the promulgation of 'Provisional Stipulation on CFCRS' in January 1995;
(2) The second stage of progressive standardization initiated by the state, i.e., from 1995 to the promulgation of CFCRS Regulations in March 2003;
(3) The third stage of progressive legalization and regulation advanced by the state, i.e., from March 2003 onwards after the promulgation of CFCRS Regulations up to the present.

10.2 Major Features of Transnational Higher Education Programmes in China

CFCRS programmes in China today vary considerably in terms of their quality, source of students, curriculum, and degree or certificate conferred, as well as transnational arrangements. Despite a certain degree of liberalization to allow both *minban* or private and transnational education to develop, the predominant pattern remains state-planned, which is a tradition originating from the Soviet-style of education system entrenched under Mao Zedong from the 1950s to 1970s. As far as the CFCRS programmes are concerned, the source of students is the first characteristic of state planning. Broadly speaking, students recruited for SFCRS programmes are either state-planned students or non-state-planned students. The former refers to students who pass the National Entrance Examination to universities and could therefore secure a place in a certain university according to the national quota; the latter refers to those who are not offered a place through this mechanism—they may be fee-paying or simply mature students.

In terms of the degree(s) awarded, the CFCRS programmes confer either a single degree or a double/dual degree. A single degree refers to a foreign degree from the partner HEI involved in the collaboration, while a double or dual degree comprises a degree award from both the local HEI and the foreign partner HEI. Zheng (2009) suggested that there was, indeed, a correlation between the type of students recruited and the type of degree awarded: state-planned students are always awarded a double degree, whereas non-state-planned students are always awarded merely a single degree. This is due to the fact that state-planned students are guaranteed a Chinese HEI's degree provided they can fulfill all the academic

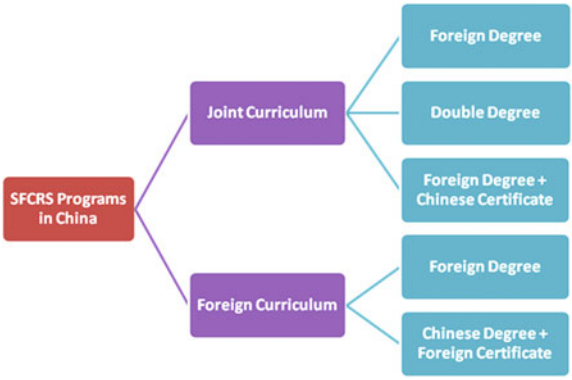

Fig. 10.1 Typology of CFCRS programmes in China (based on curriculum offered and degree/certificate awarded[5])

requirements set by the university. In contrast, the non-state-planned students are not automatically entitled for a Chinese HEI's degree because they are not part of the national quota for higher education, and so they are allowed to receive only the degree awarded by the foreign HEI (Zheng 2009: 40). Indeed, these subtle differences have impacted in diverse ways on how the Chinese HEIs offer SFCRS programmes to students.

If we combine the nature of curriculum offered with the type of degree or certificate awarded, a total of five categories of CFCRS programmes may be identified:

(1) Joint curriculum and foreign degree: The programme is offered collaboratively by the local Chinese HEI and the foreign HEI, but only the foreign HEI confers the degree.
(2) Joint curriculum and double degree: The programme is offered collaboratively by both pthe local Chinese HEI and the foreign HEI and the double degree is conferred jointly.
(3) Joint curriculum and foreign degree + Chinese certificate: The programme is offered collaboratively by the local Chinese HEI and the foreign HEI, and confers a foreign degree plus a Chinese certificate.
(4) Foreign curriculum and foreign degree: The programme is offered exclusively by the foreign HEI, and confers its own degree.
(5) Foreign curriculum and Chinese degree + foreign certificate: The programme is offered exclusively by the foreign HEI, and confers a Chinese degree plus a foreign certificate (Fig. 10.1).

[5] CFCRS institutions could have one more option than CFCRS programmes in terms of the degree/certificate awarded. If they succeeded in acquiring approval from the State Degree Office, they could then confer their own degree. Such institutions include the China–Europe International Business School (a collaboration between Shanghai Jiaotong University and the European Foundation for Management Development) and the Cheung Kong Graduate School of Business (founded by the Hong Kong tycoon Li Ka Shing).

However, in terms of the transnational arrangement of CFCRS programmes at the undergraduate level, closer scrutiny of the details of these programmes reveals that, at present, twinning (meaning an academic programme jointly offered by two institutions) is the prevailing model. Among the numerous twinning programmes, it seems that 2 + 2 and 3 + 1 are currently the most popular kinds of arrangement. The popularity of these twinning programmes is due, first and foremost, to their financial affordability compared to overseas programmes abroad. In fact, these programmes not only charge less than the equivalent overseas programmes, they are in general also more affordable than programmes offered by the CFCRS institutions in China. For instance, the tuition fee charged by The University of Nottingham in UK for its international undergraduate students in arts, law and social sciences is a whopping £10,880 (around RMB 113,000) for the 2010 intake[6]; while in comparison, the University of Nottingham-Ningbo, a CFCRS institution in China, charges the domestic students RMB 60,000 (around £6,500) for all its undergraduate programmes.[7] The Xi'an Jiaotong-Liverpool University, another CFCRS institution in China, charges exactly the same amount of money (RMB 60,000) for all its undergraduate programmes in 2010.[8] However, the 3 + 1 twinning programmes offered collaboratively by the Qingdao University in Shandong and the Holmes Colleges Australia (International Business, Business English, Marketing, Accountancy) charge only RMB 16,000 per annum for its first three years of study in China (2008–2009 academic year).[9] And finally, unsurprisingly, the local undergraduate programmes offered by the public Chinese universities are the cheapest, with their tuition fees usually only around a few thousand yuan per annum.

The second advantage that contributes to the popularity of twinning programmes in China is their transitional role in enabling Chinese students to continue their studies abroad. First, they could facilitate the Chinese students' overseas visa applications for the second phase of their studies, an important consideration given that, US visa applications, for instance, are problematic as Chinese students individually sometimes encounter difficulties and rejection by the American Embassy. They could also assist Chinese students in overcoming the language barrier by introducing a teaching and learning environment in a foreign

[6] http://www.nottingham.ac.uk/ugstudy/introduction/finance/international-students.php (Retrieved on 7 July 2010).

[7] http://www.nottingham.edu.cn/content.php?d=112 (Retrieved on 7 July 2010).

[8] http://www.xjtlu.edu.cn/admission/undergraduate-students/2009%20financial-issues (Retrieved on 7 July 2010). It is however worth noting that both The University of Nottingham-Ningbo and the Xi'an Jiaotong-Liverpool University charge their international students with foreign passports 1/3 more than the domestic Chinese students. Thus the tuition fee for international students of 2010 intake is RMB 80,000 per academic year for all undergraduate programs.

[9] http://www.cfce.cn/web/Recruit/Bachelor/200806/533.html (Retrieved on 7 July 2010).

language prior to their studies abroad. Last but not least, their popularity may also have something to do with a common perception among the Chinese students and their parents that a genuine overseas experience matters, and a degree incorporating an overseas component is more valuable than one that was awarded after an entirely domestic 4 + 0 programme.

Again, the prevalence of twinning programmes as a recent development in transnational higher education in China is reminiscent of the past scenario in Malaysia. This is, indeed, a logical and sensible development given their similar socio-economic contexts, as well as the pressing educational demands in today's China and Malaysia during the 1980s and 1990s (Mok 2008). During a training programme for senior university administrators organized by the MOE in Beijing in September 2010, Professor Zhang Li, Director of National Research Centre for Educational Development of the MOE, stated that the Chinese government has taken a positive approach in encouraging and facilitating foreign universities to set up their branch campuses or programmes in the mainland. When asked about what the most acceptable model of TNHE, Professor Zhang pointed to the University of Nottingham at Ningbo campus. Recognizing that the Nottingham University embarked upon a highly innovative project in offering non-profit TNHE for Chinese students, the Chinese government would like to see more collaborations and projects of this kind to flourish. However, despite the Chinese government's policy of welcoming such initiatives, the growing popularity of TNHE poses various challenges for higher education governance.

10.3 Research Design

The current chapter is based upon a research project funded by the Hong Kong Government to compare and contrast the development of transnational higher education in Hong Kong, Singapore, Malaysia and mainland China. A series of focus group discussions conducted under this research project had engaged students from a total of 17 HEIs throughout the four societies. These focus group discussions, in most occasions, were held within the campus of HEIs concerned, and each took around an hour to be completed. The questions asked were rather similar with those that we have asked in the on-line survey developed by our research team, yet they were usually followed up with an in-depth discussion, with the aim of exploring more first-hand information from students concerned of their actual learning experiences. Appendix I shows the details of field interviews conducted in China during 2010 and 2011. The findings reported below are based upon the field interviews conducted in China mainland, especially analyzing how students whom we met in focus discussions shared with us their learning experiences. With the aid of a semi-structured questionnaire, we were able to interview 75 participants who had enrolled in different transnational higher education programmes in Harbin, Suzhou, Shanghai, Zhengzhou, Ningbo and Zhuhai.

10.3.1 Backgrounds of Respondents

Students interviewed in the study were mostly undergraduates. Among them, some had experienced their overseas studies under the various TNHE arrangements, particularly under the 2 + 1 + 1 twinning arrangement in which students still have to return to the local HEIs after completing their one-year studies abroad. Participants engaged in our discussion at Harbin Normal University on 17 November 2010, for example, all belonged to this category. As TNHE programs in the postgraduate level have also become increasingly popular over the past few years, we have tried to engage postgraduate students in the discussions as well. Thus occasionally, the focus groups consisted of both the undergraduate and postgraduates students. Notably, in the case of East China Normal University where the discussion was held on 17 December 2010, all student participants were engaged in postgraduate studies.

In most cases, focus groups had five to eight participants who were from diverse fields of study. This is again a deliberate arrangement in order to cover the diversity of TNHE programs today as much as possible. For instance, our focus group discussion organized in the Sino-British College, University of Shanghai for Science and Technology[10] on 16 December 2010 included a total of eight undergraduates. Among them, three students majored in Electrical Engineering, two in Mechanical Engineering, two in Events Management, and the remaining one in Accounting and Finance. In order to ensure confidentiality we assured all the participants that their personal data would be protected in order to encourage a free and candid discussion. As regards the case of Mainland China specifically, our five trips to Mainland China taken from November 2010 to March 2011 had tried to cover most of the geographical regions with emerging or substantial TNHE development in recent years. Consequently, we had approached students from HEIs concerned, which are located throughout Heilongjiang, Jiangsu, Henan, Zhejiang, Guangdong provinces and Shanghai City.

10.3.2 Learning Experiences: Student Evaluations

A total of 11 focus group discussions were held in Mainland China, which engaged 75 participants from various geographical regions. This series of discussions,

[10] The Sino-British College of the University of Shanghai for Science and Technology (上海理工大學中英國際學院) is by itself a highly complicated product of TNHE collaborations in China. Under the legal framework of 'Chinese-Foreign Cooperation in Running Schools' (CFCRS, 中外合作辦學) in Mainland China, foreign partners which collaborate with the University of Shanghai for Science and Technology in this case are a total of nine British universities. This long list includes: The University of Bradford, The University of Huddersfield, The University of Leeds, Leeds Metropolitan University, Liverpool John Moores University, Manchester Metropolitan University, The University of Salford, The University of Sheffield, and Sheffield Hallam University.

conducted between November 2010 and March 2011, were not only featured by its comprehensive coverage, but the great variety of cases in terms of TNHE arrangements as well. Although students from as many as 10 HEIs in Harbin, Suzhou, Shanghai, Zhengzhou, Ningbo and Zhuhai were involved in this series of discussions, based on the nature of their TNHE programs, we could in effect categorized these HEIs into three groups, in which discussions concerned tended to reflect similar issues or concerns. These broad categories are:

(1) Institutions of the ‘Chinese-Foreign Cooperation in Running Schools’ (hereafter CFCRS Institutions, 中外合作辦學機構).[11] HEIs concerned are:
(a) Sino-German College of Applied Sciences, Tongji University (CDHAW-Tongji);
(b) Sino-British College, University of Shanghai for Science and Technology (SBC-USST);
(c) University of Michigan—Shanghai Jiao Tong University Joint Institute (UM-SJTU Joint Institute);
(d) University of Nottingham Ningbo (UNN);
(e) Beijing Normal University—Hong Kong Baptist University United International College (UIC).
(2) CFCRS programs (中外合作辦學項目) offered by the prestigious HEI. HEI concerned is East China Normal University (ECNU).
(3) CFCRS programs offered by the less prestigious HEIs. HEIs concerned are:
(a) Harbin University of Science and Technology (HUST);
(b) Harbin Normal University (HRBNU);
(c) Shanghai Normal University (SHNU);
(d) College of International Education, Zhongyuan University of Technology (ZUT).

10.3.3 Tranationalizing and Internationalizing Higher Education: Student Perspectives

After conducting focus group discussions with 75 students enrolling in transnational higher education programmes across different parts of the mainland, we are able to develop a better understanding of how these respondents evaluate their learning experiences. The following reports the findings generated from the field interviews. In general, students whom we interviewed have positive learning experiences. However, they also raised some concerns such as the quality of the

[11] This acronym of CFCRS may alternatively be used as an equivalent to ‘transnational education’ in the following discussion. It is notable that CFCRS as a concept for TNHE development in China has become increasingly tricky over the last few years, which implies a great variety of collaborations from equal partnership to extremely unbalanced cases.

programmes and teachers, language issues and different treatment of students between home and overseas campuses. Let's now turn to the details of the field observations and findings from the focus group discussions.

10.3.4 Positive Learning Experiences

Intriguingly, albeit concerns and issues of discussion varied in each category, the most conspicuous common ground of this series of discussions in Mainland China is the high degree of satisfaction generally expressed by the students. It seemed that most of them—though they had grievances—commonly bore a considerably positive attitude towards TNHE. Such a positive sentiment among students of CFCRS programs/institutions has also been reaffirmed by the results of our survey taken between April 2010 and March 2011.

Generally speaking, discussants in Mainland China tended to suggest that they benefited from the CFCRS programs/institutions in two major aspects, namely:

(1) The accessibility to quality educational resources as well as superior pedagogical approaches from abroad with affordable costs; and
(2) The transitional role that CFCRS programs/institutions could play in facilitating students to continue their studies abroad eventually.

For the first point, almost all of the Mainland Chinese discussants have commented in one way or another that the pedagogical approaches adopted by foreign (mostly Western) lecturers were indeed 'very different' from those by the local lecturers, and they really appreciated that. This usually referred to a friendly and egalitarian teaching style of the foreign lecturers, which provided a contrast to the authoritative and patriarchal teaching style of the local lecturers.[12] Moreover, according to them, staff from the overseas HEIs was in general pedagogically superior to the locals in the sense that they could explain difficult concepts in a vivid way with good examples; inspire students during classroom discussions; and, in the case of foreign language teachers, maintain a good interaction with students even beyond classrooms.[13] Apart from pedagogical issues, participants from the two 'branch campuses' of overseas HEIs in China, namely the University of Nottingham Ningbo and Beijing Normal University—Hong Kong Baptist

[12] For instance, many discussants from CFCRS institutions remarked that they were particularly impressed by the respectful gesture of overseas lecturers in treating them as peers rather than as students. A discussant from The University of Nottingham Ningbo also forthrightly noted that: 'I like this sort of education system… Another important point is that in our university, lecturers usually request us to find answers by ourselves. In contrast, students in most Chinese universities would simply learn the contents "taught" by their lecturers' (27 January 2011).

[13] Foreign language teachers tend to station in the Chinese HEIs for a much longer period than those who teach professional subjects under the various CFCRS arrangements, as students concerned would have to take English courses for the first two years of their studies.

University United International College,[14] were also deeply impressed by the different philosophies of management adopted by their HEIs compared to local HEIs, which they thought have contributed to a significantly freer and transparent milieu of campus life that facilitates academic debates as well as the creativity of students[15] (27 January 2011 and 9 March 2011).

10.3.5 Major Concerns of Students

It is nevertheless worth noting that students enrolled in the CFCRS programs, particularly in the CFCRS programs offered by less prestigious HEIs, would have fewer exposure to foreign teaching staff than those enrolled in the CFCRS institutions, as most of the CFCRS programs were struggled to meet the mere 1/3 requirement set by the authorities for teaching hours conducted by staff from the overseas partners concerned. Discussants did complain about the transient nature of their foreign lecturers for professional subjects, who usually spend a mere 2 weeks to 1 month in China, as the programs simply could not afford the expenses needed for their longer stay. It therefore implies an intensive process of teaching and learning during that very short period of time. CFCRS programs in China however usually be split into Phase 1 and Phase 2, which is 2 years of study each, and foreign language teachers responsible for the foundation courses of Phase 1 would station in China in most cases. 'Branch campuses' of the overseas HEIs, on the contrary, tend to have more foreign lecturers (though not necessarily foreign

[14] According to the current legal framework of CFCRS, these institutions are by no means 'branch campuses' of overseas HEIs concerned. For instance, The University of Nottingham Ningbo (UNN) is legally run by The University of Nottingham UK together with its Chinese partner—Zhejiang Wanli University. However, in reality, Zhejiang Wanli University as the local partner only provides logistic support to the operation of UNN, yet leaves its administrative and academic management to The University of Nottingham UK. UNN is therefore a branch campus of The University of Nottingham UK in effect.

[15] We were particularly impressed by the outspoken articulation and critical mindset shown by the five bachelor graduates of The University of Nottingham Ningbo (UNN) while conducting a group discussion with them on 27 January 2011. As the first and second batch of graduates of the UNN (Year 2008 and Year 2009), they admitted that they might not perform well enough in the National Higher Education Entrance Examination (*gaokao*) before entering UNN, yet UNN has transformed them significantly, particularly in honing their skills of critical thinking and in boosting their self-confidence. Equally intriguing were remarks made by discussants from the United International College (UIC) on 9 March 2011. UIC is a CFCRS institution collaboratively established by the Hong Kong Baptist University and Beijing Normal University in Zhuhai, Guangdong province. In fact, UIC's campus is located just side by side with the Zhuhai Campus of Beijing Normal University, which implies that students from these institutions are actually living together in a larger community. However, according to discussants from the UIC, the milieus in these two campuses were 'rather different', with population in the UIC being 'generally gentler, more considerate to others, and dare to express their different opinions', even though Beijing Normal University did recruit students with higher scores of *gaokao* in the first place.

staff from the overseas HEIs) who station in China, and discussants from these 'branch campuses' realized the implications of this pedagogical privilege dearly. In fact, some of them even claimed that foreign lecturers have opened up both their eyes and minds (27 January 2011 and 9 March 2011).

As most CFCRS programs/institutions were established only over the last decade and have continuously confronted by lots of uncertainty in their operations, occasionally, discussants did have something to grumble about the arrangement of teaching regarding foreign lecturers. For instance, a full-time undergraduate from the University of Michigan—Shanghai Jiao Tong University Joint Institute (UM-SJTU Joint Institute) pointed out that lecturers, in particular foreign lecturers, came and went frequently in her Institute, so much so that the same course might be conducted by different lecturers every year. It could therefore affect the quality of teaching due to hasty preparation of new lecturers as well as their disconnection from the previous teaching experiences.

In regard to the second point of facilitating students to continue their studies abroad, Discussants from both the CFCRS programs and institutions agreed overwhelmingly that these TNHE arrangements could offer them a well-fitted transitional period to prepare for overseas studies ahead. In fact, this is particularly the case for Mainland Chinese undergraduates, and most discussants suggested that apart from financially benefited from these TNHE arrangements where they could spend less for the same overseas qualifications, their fractional or entire study period in China (2 + 2, 3 + 1, 2 + 1 + 1, or 4 + 0).[16] They could also equip them with the much needed foreign language competency as well as a boost to their confidence in facing challenges abroad. And last but not least, they could facilitate students' overseas visa application for their Phase 2 studies, particularly concerning USA visa application where Chinese students may sometimes encounter troubles and rejected by the American Embassy.[17]

As far as CFCRS programs were concerned, it was very clear that most discussants prefer to opt for the TNHE arrangements of 2 + 2, 3 + 1 or 2 + 1 + 1 rather than 4 + 0, since a common perception among the Mainland Chinese discussants were: a genuine overseas experience matters, and a degree associated with such a genuine overseas experience was more valuable than that awarded through the entirely domestic 4 + 0 program. However, understandably, only a fraction of the discussants could in effect opt for their Phase 2 studies abroad, either due to personal financial constraint or because of a less qualified academic record, and intriguingly in several cases, also due to the fact that their parents preferred to keep

[16] The TNHE arrangement of 2 + 1 + 1 refers to the design of spending the initial two years in China, then another year in the collaborative overseas HEIs, and finally return to China for the very last year of the program. As for the 4 + 0 arrangement in China, students could indeed finish their entire studies domestically, yet they could merely earn the degree of the local HEI upon graduation. The only exception is programs offered by 'branch campuses' of overseas HEIs in China.

[17] This is indeed an important selling point that Chinese HEIs which offer such programs tend to highlight it in their related webpages.

them in China since they are only children. Yet discussants from the two 'branch campuses' of overseas HEIs have a different story to tell: Most of them had come from well-off families and adamantly expressed their intentions to continue their studies abroad without any hesitation or consideration on the exuberant expenses incurred. It seems that these 'branch campuses' of overseas HEIs have become exclusive institutions for wealthy students in China.[18] These HEIs are too costly for students with limited financial resources making them accessible for only wealthy Chinese families thus limiting their educational contributions to contemporary Chinese society.

Most participants were aware that the Mainland Chinese society, in generally, did not possess a positive perception towards CFCRS programs and institutions. Although they all acknowledged that irregularities and malpractices in management were prevalent among CFCRS programs/institutions, discussants tended to refute negative allegations as far as their programs were concerned and expressed their chagrin at the 'misperception' of that the programs are less rigorous than Chinese institutions. For instance, a discussant from the Sino-German College of Applied Sciences, Tongji University (CDHAW-Tongji)[19] lamented that 'in fact, we have to learn harder and to face more challenges in CDHAW than in other "ordinary'' colleges. Yet people may still bear the misperception that we are enrolling in CDHAW simply because we have failed to meet the recruitment criteria of "ordinary'' colleges. This is not true, and we are really annoyed by that' (15 December 2010).

10.3.6 Diverse Learning Experiences

Undeniably, however, sources of students recruited by CFCRS programs/institutions affiliated to prestigious HEIs could be very different from those affiliated to less prestigious HEIs in the Mainland Chinese context. Interviewees from the latter were less concerned about the 'misperception' of others, and were more grateful for the extra opportunities offered through TNHE arrangements. They saw the CFCRS programs as a 'second chance' to seize a valuable college degree—either an overseas or locally—after failing to perform well enough in the National Higher Education Entrance Examination (*gaokao*). Those who eventually wish to study abroad could utilize their Phase 1 studies in China as a mere preparatory period to

[18] For instance, The University of Nottingham Ningbo charged its domestic Chinese students a sum of RMB 60,000 for tuition fees for its 2010 intake. In comparison, tuition fees charged by the local public HEIs are recently merely around RMB 5,000.

[19] CDHAW-Tongji is a CFCRS institution co-founded by Tongji University and a consortium of German universities of applied sciences in 2004. Initially, the consortium had included only 11 German universities. However, it has expanded to cover 26 universities by mid-2011.

improve their foreign language competency. In fact, a few discussants admitted that they might head for other 'non-partner' foreign university after spending one or two years in specific CFCRS program/institution. Their wealthy parents might already have an alternative arrangement for their studies abroad, and some have also admitted that they preferred to work and stay permanently in foreign countries after wrapping up their studies abroad.[20] In short, TNHE provided the opportunity to facilitate their exodus out of China.

The motivation of prestigious public HEIs in establishing CFCRS programs/institutions with overseas HEIs is rather different from that of the less prestigious public and *minban* HEIs. The former seem to have more concern about their own agenda of internationalization and of learning something from others for self-improvement than the potential profits generated by CFCRS programs/institutions. Thus, as noted by a master's graduate from the East China Normal University, students enrolled in the University's CFCRS postgraduate programs have to endure an intensive learning pressure throughout this process since 'we have to satisfy program requirements set by both the institutions', which happened to be prestigious HEIs in China and France respectively and equally serious about their CFCRS programs (17 December 2010). Likewise, prestigious overseas HEIs may not aim primarily for earnings in their collaboration with Chinese public HEIs. As Professor Sun Wei (孫瑋) put it,[21] they 'tend to look for good students rather than profits. And the reason why they do not care much about profits is exactly because they are prestigious HEIs' (Interview with Professor Sun Wei, 6 January 2011). Professor Zhang Shensheng (張申生)[22] had also offered an almost identical observation in our interview with him on 16 December 2010.

Above all, these prestigious overseas HEIs aim to recruit qualified Chinese students with great potential in research; and, if possible, try to further their collaborations with academic staff of the Chinese partner HEIs to advance their research interests in contemporary China. Discussants from the CFCRS programs/institutions concerned—for example CFCRS programs offered by the East China Normal University, or the UM-SJTU Joint Institute, which is affiliated to Shanghai Jiao Tong University—seemed to be aware of this privilege of status. Moreover, among those who had already spent a period of time in prestigious overseas HEIs, a high degree of contentment could be detected in relation to their learning experiences.

A unique yet interesting issue was raised specifically by participants from the two 'branch campuses' of overseas HEIs, namely the University of Nottingham

[20] For instance, during the focus group discussion held in Sino-British College, University of Shanghai for Science and Technology (SBC-USST) on 16 December 2010, most of the discussants (full-time undergraduates) expressed their eagerness to work and stay abroad, and by and large with a strong support from their parents.

[21] Professor Sun Wei was then the Director of the Department of Educational Cooperation and Exchange, Zhongyuan University of Technology.

[22] Professor Zhang Shensheng was then the Deputy Dean of the University of Michigan–Shanghai Jiao Tong University Joint Institute.

Ningbo (UNN) and the United International College (UIC). A full-time undergraduate from the UNN groused about the suspicious 'double standard' adopted by the University's main and branch campuses in student assessment. 'I am not sure whether the marking criteria are exactly the same as that of the main campus, because our average marks are often lower than that of the students who exchanged to the main campus' (27 January, 2011). Similarly, several full-time undergraduates from the UIC also complained that it was unfair for the main campus (i.e. Hong Kong Baptist University, HKBU) to impose its strict GPA policy indiscriminately on the Zhuhai branch campus, in which the allocation of 'A' grades were strictly confined to only 10 % among the students. In their views, it was indeed a reflection of HKBU's 'lack of understanding of the actual situation in UIC' (9 March 2011). The crux of the issue, as suggested by focus group participants, was that students at 'branch campuses' might feel that even though they may have performed as excellent as—or even better than—their counterparts in the main campus, they were 'discriminated' against by the grading policy that restricted 'A' grades to only 10 % of students.

10.3.7 Limitations of Transnational Education Programmes

The insufficient facilities, resources and administrative supports offered by CFCRS programs/institutions remain a very common issue among discussants, particularly in the case of CFCRS programs offered by less prestigious HEIs. There were also grievances from discussants enrolled in CFCRS institutions on 'discrimination' imposed by the local partner HEIs in using the campus facilities. Harsh criticisms could likewise be heard among discussants from the 'branch campuses' of overseas HEIs in this regard. For instance, discussants from the United International College (UIC) commented that in 'contrast with the quality of teaching, the administrative efficiency of UIC needs to be improved'; 'the administrative staff are much inferior to academic staff'; 'unsatisfactory student services'; as well as 'collections in the library are both limited and outdated' (9 March, 2011).

The use of foreign languages as a medium of instruction was not as prevalent as most CFCRS programs/institutions claimed. This was particularly the case for CFCRS programs offered by the less prestigious HEIs. Interviewees enrolled in these programs tend to have substantial problems with foreign languages being used as a medium of instruction. On the one hand, they were not 'first-batch' students who had excelled in the *gaokao*; on the other, Chinese HEIs with less prestigious status were generally much weaker in their academic provisions in terms of student support service and language support, thus less capable of facilitating this process of language transition. Respondents commonly reported frustrations regarding the language barrier. In fact, the issue of the language barrier was not only raised by students in the discussions, but echoed by senior administrators in interviews. For instance, Professor Sun Wei, Director of the Department of Educational Cooperation and Exchange of the Zhongyuan University of

Technology (ZUT),[23] admitted that one of the great challenges ZUT was facing in advancing CFCRS programs remained the unsatisfactory English competency of its students. Interviews suggested that the foreign partner of its CFCRS programs—the prestigious University of Manchester—was 'surprised' to learn about this during the earliest stage of their collaboration.[24] According to Professor Sun, the UK University were disappointed by the English competency of students from the early stages of the program. 'They keep reminding us about this weakness of students throughout the collaboration, and have tried hard to improve it together with us.' (Interview with Professor Sun Wei, 6 January 2011)

The creative approach adopted by the College of International Education, ZUT (中原工學院國際教育學院) in dealing with language barrier faced by its students is worth mentioning. For professional courses which involved foreign lecturers throughout students' last two years of study, each foreign lecturer would have to collaborate with a local lecturer in every aspect of the course. This process covered course design, teaching, as well as the final assessment of students.[25] Student discussants from the ZUT claimed that they have indeed benefited from this pedagogical adaptation, while from the perspective of senior administrators, local lecturers involved could both help the students and also learn something for themselves from their foreign partners including pedagogical skills and English language learning.

10.4 Discussion

CFCRS programs/institutions in Mainland China are by and large conducted by or affiliated to public HEIs in a self-financed manner, and are likewise catering primarily to local students by far. The role of *minban* HEIs in CFCRS is almost negligible. However, TNHE development in Mainland China is far more diversified, booming and chaotic than that of Hong Kong's, and could in fact be regarded

[23] The Zhongyuan University of Technology (ZUT) is currently not a prestigious HEI in China, or more specifically, not even one of the best HEIs in Henan Province where it is located. Having said that, ZUT is a rising technology-based HEI which keeps making great efforts in advancing its cooperation with overseas HEIs in various forms over the last decade. Moreover, it is sturdy enough in the field of Textile Engineering.

[24] In terms of CFCRS programs, by far the University has four undergraduate and three vocational CFCRS programs. The four undergraduate programs concerned are on Textile Engineering, Marketing, Accounting, and Arts and Design (紡織工程、市場行銷、會計學、藝術設計). Apart from the one on Arts and Design, these are all CFCRS programs in collaboration with The University of Manchester, UK.

[25] For instance, in terms of assessment, students concerned would have to deal with two papers in each examination: one prepared by the foreign lecturer in English, and the other by his/her local counterpart in Chinese. These papers are equally important in the assessment of students (50 to 50%). The rationale behind this innovative arrangement was the attempt to reduce bias of judgment caused by English language barrier as far as possible.

as the most diversified and chaotic case among the four territories. It is 'chaotic' not only in the sense that it lacks a set of common and basic rules that regulate TNHE (or CFCRS in the Mainland Chinese context) development, but short of a truly effective mechanism in regulating HEIs throughout the whole China as well. There are of course rules and regulations promulgated by the central and local governments from time to time, but the effective enforcement of these rules as well as the related coordination between the central and local governments are different stories. Nevertheless, the lower starting point of TNHE programs in Mainland China in terms of its socio-economic development level, coupled with a powerful educational demand among the locals, have resulted in a by and large highly positive judgment on CFCRS programs/institutions among the discussants.[26]

It is against such a context that student concerns are many, but student study participants may tone down their responses due to their gratefulness for the opportunities offered by TNHE arrangements and an optimistic conviction that things have changed towards a better direction. Also, both the central and local governments, albeit less coordinated in many occasions, are aggressive enough in advancing the development and experiments of CFCRS. Our focus group discussions with TNHE students situated in mainland China did show that in general, international students who traveled outside China were much more critical than their local counterparts when it came to the provision of TNHE providers, as well as to the larger issue of their overall learning experiences. Thus an outward-looking TNHE development (i.e. globally or regionally oriented in terms of student recruitment) may need a stronger regulation/intervention from the state, or else it risks an uncertainty in quality assurance.

10.4.1 Beyond Education: Assertion of Soft Power and Cultural Influence

Our above discussions have suggested that China's higher education has gone through significant transformations not only in reforming its management and governance styles but also in diversifying the learning experiences of students and modes of delivery in higher education. A better understanding of the rise of transnational higher education in general and the call for internationalizing higher education in particular could be obtained by contextual analysis of how and why transnational higher education is encouraged by the Chinese government. According to the 12th Five Year Plan of the People's Republic of China, one of the major national goals is to transform the country from purely an economic power to

[26] This by and large highly positive judgment on CFCRS programs/institutions was in accordance with the result of our survey which examined the same theme. For instance, among the 75 respondents who enrolled in CFCRS programs/institutions, 74 of them (98.7 %) of them were either strongly agreed (31, 41.3 %) or agreed (43, 57.3 %) that 'overall speaking, the transnational arrangement of the program has benefited my study'.

a power with strong cultural and soft power influences globally. Similarly, the Medium and Long-term Development Strategy (Education 2020, in short) published by the Ministry of Education in 2010 further reinforces the importance of diversifying higher education delivery modes by inviting overseas higher education institutions (including those from Hong Kong, Macau and Taiwan) to cooperate with institutions in the mainland for offering a more diversified learning experiences for promoting students' innovation and creativity.

Realizing that depending upon universities based in mainland China to transform their structures and systems for enhancing student learning experiences would take a longer time span to achieve the national goal, particularly the transformation from "within" would definitely encounter structural barriers which would delay the reform processes. For this reason, the Chinese government has made serious attempts to encourage local education institutions to work with overseas partners in order to inject new energy and ideas to make changes to higher education in China. Well aware of the importance of the role of higher education in transforming the Chinese economy from heavily relied upon manufacturing to engagement in knowledge based production activities, the call for transnationalizing and internationalizing higher education has a significant historic mission for the country not only in education but also for nation building and assertion of soft power in the global world (Mok and Yu 2012).

10.4.2 Implications, Limitations of the Study, and Future Research

This chapter has reviewed major policies governing transnationalization of higher education in China, critically examining different phases and unique features of transnational higher education, as well as discussing how students who have enrolled in transnational higher education programmes reflect upon their learning experiences. This chapter has also highlighted the social and political significance of the rise of transnational higher education in China moving beyond education to politics and international relations. With the growing popularity of cooperation between local institutions in mainland China with overseas campuses and partners, one major issue related to education is to monitor the quality assurance issues when transnational higher education is mushrooming in China. Nevertheless, as far as the research methodology is concerned, we are definitely constrained by a critical yet insurmountable limitation: apart from the two occasions of discussion conducted in our base of Hong Kong as well as the other three occasions in Singapore, Malaysia and Mainland China respectively where we could invite participants on our own initiative,[27] we had to rely on the HEIs concerned for the

[27] Such occasion in Singapore was the one held in Informatics Academy, whereas in Malaysia it was the one held in Nilai University College, and in Mainland China, The University of

arrangement. Thus, despite our requests for diversity and for more participants, our requests were not always accommodated. And on top of that, participants invited through this channel may tend to bear a more positive attitude towards the related TNHE programs and be less critical against it. In other words, opinions expressed by the participants in this study may not be representative of their fellow students. Having critical reflections upon the research experiences of the present project, this chapter has contributed to a more systematic understanding of most recent development of transnational higher education in China, particularly offering first-hand analysis of student evaluations of their learning experiences after enrolling in transnational education programmes. Future research in this area in needed that focuses more on in-depth interviews of student learning, and examines how overseas transitional education institutions may distinguish their programmes to become competitive in the 'education market' on China mainland.

10.5 Appendix I: Field Interviews Conducted in Mainland China 2010–2011

Trip to Harbin, Heilongjiang Province, China		
16 November 2010	Five full-time undergraduates from the Harbin University of Science and Technology (HUST)	HUST's campus: 52 Xuefu Road, Harbin City, Heilongjiang
17 November 2010	Seven full-time undergraduates and one full-time master's student from the Harbin Normal University (HRBNU)	HRBNU's campus (松北主校區): 1 Shida South Road, Harbin City, Heilongjiang.
Trip to Suzhou, Jiangsu Province and Shanghai, China		
15 December 2010	Seven full-time undergraduates from the Sino-German College of Applied Sciences, Tongji University (CDHAW-Tongji)	CDHAW-Tongji's campus (嘉定校區): Room 255, Cao'an Highway, Jiading District, Shanghai
16 December 2010	Eight full-time undergraduates from the Sino-British College, University of Shanghai for Science and Technology (SBC-USST)	SBC-USST's campus: Room 203, Admin. Building, 1195 Fuxing Road Middle, Shanghai

(continued)

(Footnote 27 continued)
Nottingham Ningbo. In the latter occasion, we refer to our discussion with the University's bachelor graduates (Year 2008 and 2009).

(continued)

16 December 2010	Eight full-time undergraduates from the University of Michigan–Shanghai Jiao Tong University Joint Institute (UM-SJTU Joint Institute)	UM-SJTU Joint Institute's campus: 800 Dong Chuan Road, Shanghai
17 December 2010	Three full-time undergraduates and three staff members from Shanghai Normal University (SHNU)	SHNU's campus (徐匯校區): 100 Guilin Road, Shanghai
17 December 2010	Five full-time master's students, one master's graduate, one full-time doctoral student and two staff members from the East China Normal University (ECNU)	ECNU's campus (中山北路校區): 3663 Zhongshan North Road, Shanghai
Trip to Zhengzhou and Luoyang, Henan Province, China		
6 January 2011	Eight full-time undergraduates from the College of International Education, Zhongyuan University of Technology (ZUT)	ZUT's main campus: 1 Huaihe Road, Xinzheng Shuanghu Economic Development Zone, Zhengzhou City, Henan
Trip to Ningbo, Zhejiang Province, China		
27 January 2011	Five full-time undergraduates from The University of Nottingham Ningbo (UNN)	UNN's campus: Administration Building, 199 Taikang East Road, Ningbo City, Zhejiang
27 January 2011	Five bachelor graduates (Year 2008 and Year 2009) from The University of Nottingham Ningbo (UNN)	UNN's campus: Aroma Coffee Shop
Trip to Zhuhai, Guangdong Province, China		
9 March 2011	Seven full-time undergraduates from the Beijing Normal University–Hong Kong Baptist University United International College (UIC)	UIC's campus: Reboot Cafe, 28 Jinfeng Road, Tangjiawan, Zhuhai City, Guangdong

Note: Part of the historical material reported in this chapter is adopted from authors' previous publications and revised for this paper.

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Chapter 11
Strategic Planning: Devising the Way of US Higher Education Institutions

Joni Mina

Abstract Strategic planning is the lynchpin of all the internal and external forces that make up US institutions of higher education (IHEs) as they change to adapt to the dynamic environment of the market today. Effective strategic planning requires (1) creating an inclusive, collaborative process that accounts for all stakeholders' input and (2) fostering an environment that reflects an ongoing commitment to collaboratively guide the institution toward meeting its goals.

11.1 Introduction

> American colleges and universities are indeed exceptional, made so by characteristics built deeply into our history and institutions that share their capacity to respond to unanticipated events (Trow 1997, p. 573).

A study of the processes of generating human capital in today's global economy is always an interesting foray into the quirks and shortcomings of countries' educational systems. Still, each country will assert that its "way", despite the pros and cons, is fundamentally sound; what was instilled for myriad years to educate their masses continues to work today despite economic failures, changing mindsets of the political powers, and the notion that change must occur to assimilate into the global economy.

One understood belief in America is that higher education is the "ticket to the good life"; it is the gateway to society's economic, cultural, and social benefits. Higher education today is more of an opportunity for the masses, as opposed to the traditional notion that it was a privilege for the elite only. It is available to all

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_11,

"motivated and qualified individuals regardless of race, ethnicity, income, or background" (Martinez 2004, p. 9).

As more doors of institutions of higher education (IHEs) have opened to the masses, however, higher education, since its heyday in the late 1970s, has undergone serious transformation on several fronts that compromise this country's ability to afford that opportunity. Those fronts include fierce budget slashing and a reevaluation of the traditional higher education cost structure, the demand for a greater return on educational investment, the undermining of the concept of tenure, and a changing demographic in the amount and types of students entering the ranks. Leaders of colleges and universities are pressed to reduce costs and increase operating efficiency in the face of dwindling revenue sources (Callan 2007; Dougherty 2004; Heller 2001; Moody's Investors Service 2013). Indeed, they must summon their most creative resources to strategically plan so their institutions can receive increased funding from states, no small feat given their decreased revenues.

In this chapter, the author underscores the need to focus such creative resources on effective strategic planning. To begin, the paper examines the state of higher education in the United States, and the concept of strategy as the mechanism to effect change in an institutional context. Next, the paper focuses upon strategic planning and describes the Tromp and Ruben (2010) model that exemplifies an inclusive and collaborative process. Finally, a case study of the strategic planning process at a small baccalaureate college is described.

11.2 The State of US Higher Education

Higher education in America today leads a "uniquely charmed yet schizoid existence" (Montez 2002, p. 4). IHEs' governance goes by the moniker "shared governance system," one that balances the institutional authority among administrative, academic, and regent (or trustee) factions. Still, it is structurally hierarchical—the administration is led by the president (or chancellor), and executive (vice presidents) and academic (provost) administrators carry out the mission of the institution. In addition, that body functions at the behest of the regent faction, which represents the public's will. Functioning efficiently or effectively is no small feat, as oftentimes the size of the administration exceeds that of "some in central ministry or a governmental agency" (Trow 1997, p. 574). Faculty also figure prominently into the mix with their academically collectivist orientation.

Therefore, while the figurehead of the IHE may be the president, the crux of the institution's leadership vests in a group that functions and administers within an interactive, interdependent networked system; a "polycentric authority" (Montez 2002; Walker 1979). By necessity, then, all of the IHE's decisions, functions, work, and outcomes are joint. As a consequence, change occurs in different ways, at different rates, and at different times.

By design, the US Constitution, which establishes the federal government's power, does not specifically provide for the education of its citizenry. Governance in American IHEs has long been held to be a state-designated right, not a nationalized one. Higher education in America is rooted in the belief that the federal government's authority should be limited in shaping higher education so that the institutions would resemble "living organisms' behavior in an ecological system—competitive for resources, highly sensitive to the demands of environment, and inclined, over time, through the ruthless process of natural selection, to be adaptive to those aspects of their environment that permitted their survival" (Trow 1997, p. 576).

As a result, one of higher education's many defining features is the typology of the various institutions. Where most countries in the world attempt to retain uniformity in the structure of their IHEs, American citizens are offered enrollment at colleges and universities that are privately or publicly funded (or both), in 2- and 4-year institutions that offer abbreviated and specialized training, or in virtual colleges and universities that provide course work for baccalaureate and advanced degrees over the internet. Trow (1997) astutely observed that the US has a "multitude of institutions of every sort, offering academic work of every description and at every level of seriousness and standard" (p. 576).

Several factors account for the diversity of typology in American IHEs: the size of the institution, its function and curricular offerings, its sources of support, its academic standards, and the configuration of its authority (Trow 1997). All these factors combine to give each institution its "fingerprint," its unique ability to draw from various sectors of the society it must serve.

And, the numbers reflect the effect of this unique nature of an IHE. The US has seen the growth in number of IHEs in states. Indeed, American higher education has followed "the pattern of success in small businesses in modern capitalistic economies" in the rapidity in which they rose and fell, all tied to the fluctuations in the market (Trow 1997, p. 574). For example, in the years following World War II, there were 2.3 million students enrolled in 1,800 colleges and universities. In the period between 1969 and 1975, the US saw approximately 800 new colleges created, while 300 of them closed down (or were consolidated with others). In 1986, there were 12.4 million students in the 3,300 public and private IHEs in this country. In 2006, the number of public and private 2- and 4-year colleges and universities totaled 4,140 and, as of 2010, there are 4,495 of those institutions (Dougherty 2004; National Center for Education Statistics 2006, 2010; Trow 1997). With public 2- and 4-year institutions accounting for 73 % of the country's total enrollment, then, one can imagine the astronomical amount of funding required to sustain their institutions.

While the types of IHEs are many, public institutions are generally subject to the plenary authority of the state government that created them. Statutes that are enacted by individual states often include laws that (1) establish and regulate state postsecondary institutions or systems, (2) create statewide coordinating councils for postsecondary education, and (3) provide for licensure of postsecondary institutions (Kaplin and Lee 1995). Their funding is also controlled, in large part,

by the state government. But as the economy in the US took a huge downturn, as it did most recently in 2008, at the state level, legislatures continued to slash their higher education budgets to forestall bankrupting their states. This budget-slashing has severely affected higher education, in part due to its clustering with other social programs, but in large part given "its less powerful political presence, its lack of organization, inefficiency, and resistance to change" (Dougherty 2004, p. 12).

As an example, in 1985–1986, the collective budgets of IHEs (private/public, 4- and 2-year) in the US exceeded $102 billion (Trow 1997). In 2009–2010, well over $506 billion was spent to fund higher education in public postsecondary degree-granting institutions, private institutions, and private for-profit institutions. Although that figure is extraordinarily high, it should be noted that revenues for that period were one percent less (and still dropping) than in 2004–2005 (Aud et al. 2012).

With dwindling public funds, IHEs have been left to their own devices to increase revenue. Some of the ways that IHEs have attempted to boost revenue in the face of declining support has been to raise tuition, attract better paying students through new programs, engage in more aggressive marketing and fundraising, outsourcing services to external providers, hiring more part-time faculty, and retrenchment (Dougherty 2004).

The federal government, beginning with the Higher Education Act of 1965, began the process of funding higher education through grants and loans to students instead of directly supporting or managing the institutions (Trow 1997). As the number of institutions has grown, then, so has federal funding for student loans; in 1970–1971, about 29 % of student aid came in the form of loans but, in 2002–2003, 54 % of student aid comprised loans (Dougherty 2004). The number of students receiving financial assistance has gone from 75 to 85 % in the period between 2006 and 2010. Thus, with more than half of the financial aid dollars coming in the form of loans, more students are assuming higher debt loads to complete their education.

Given the diminution in available resources and the increased debt load on students, IHEs must step up their delivery of education in ways that supersede their competition; they must compete creatively for more money from resources previously untapped while at the same time keep a college education affordable. They are also challenged in their fight for dollars because they are grouped with other social and educational programs that require more immediate funding, such as Medicaid, elementary and secondary education, prisons, and police (Dougherty 2004).

Finally, and while struggling with fewer dollars, IHEs have been plagued with greater reporting responsibilities from their governing bodies or accrediting commissions to account for what funds they do receive and what accomplishments they achieve. Some examples of the criteria to track the efficacy of states' educational investments have been stated in terms of accountability measures in the following areas (Dougherty 2004).

- Persistence and retention
- Remediation effectiveness
- Graduation rates
- Transfer rates from community colleges
- Job placement rates
- Average starting salaries
- Passage rate on professional licensure exams
- Student and others' satisfaction with the institution.

11.3 Strategy

As one can imagine, there is a negative outlook for the future of higher education in the US, which places emphasis on all revenue sources. What is needed is "bolder actions by university leaders to reduce costs and increase operating efficiency" (Moody's Investors Service 2013, p. 1). These bolder actions translate into a dual course of action: One to tap the intellect of its inhabitants to find alternative forms of funding and the other to continue to improve upon the offerings of IHEs to "transform a youthful population into a productive workforce" (Martinez 2004, p. 9; Moody's Investors Service 2013). The imperative, then, is to come up with a definitive and innovative strategy, one couched in terms of measured change, that "assures realization of long-term goals" that set them apart from other institutions (Alfred 2006).

Callan (2007) recognizes the difficulty in effecting a change strategy. The mere issue of aligning the forces—the institution, the government, and the public—creates the possibility that one faction may be overlooked. However, the task of fostering the nexus between the institutional vision, the interests of the policymakers, and that of the public, is what effectuates change. David Ward, former president of the American Council of Education and Chancellor Emeritus of the University of Wisconsin-Madison, observed that the "heart of the alignment must be reconstruction of the relationship between government and higher education, and the creation of a baseline for public investment in both democracy and economic stature" (Callan 2007, p. 49).

Of course, the process of change invariably gets bogged down by the very makeup of IHEs; the shared governance model slows the process just because of the countless number of people making decisions or the great number of different (and potentially conflicting) goals promulgated by the many stakeholders. In addition, the tenure system keeps a static flavor in the mix; with the long-standing academic guard in place it's difficult to bring new and innovative perspectives to the institution of change. Finally, the makeup of the governing boards and president often comprise scholars who lack an entrepreneurial spirit, boldness, and courage in their approach to change (Callan 2007).Thus, leadership is tasked with devising strategies that must juggle diminished resources in already-lean

programs, educate a populace at lower cost, encompass unique programs and services, and provide for quick(er) response to changing needs (Alfred 2006).

As an example, a large concentration of strategy in IHEs today has focused on distance and online courses to reach audiences beyond the institution's walls. Online courses have burgeoned in the last ten years. The total number of students enrolled in postsecondary education in the US totaled 16,611,710 in fall 2002 and has slowly increased (albeit for a decrease between 2010 and 2011) to 20,994,113 in fall 2011. Of those totals, in fall 2002, approximately 9.6 % (1 in 10) of all postsecondary students were enrolled in an online course. Ten years later, nearly 32 % (1 in 3) students were so enrolled (Allen and Seaman 2013).

Phoenix University, a for-profit American IHE, is a prime example of an institution that used strategy to set itself apart from other IHEs. It targeted the working adult learner market and structured its course delivery by use of technology to create a strategy of convenience for their consumers. By designing curricula that directly targeted the career marketplace it managed to tap into a market in which traditional providers did not have offerings.

Another recent phenomenon that has captured the interest of IHEs is the MOOC, or massive open online courses, that were developed to reach even more expansive (up to millions) groups of students on a global scale. They are dissociated from established degree programs (no credit or degree is received) and are not without their shortcomings, such as difficulty in grading, questionable feedback, cheating, and high attrition. Still, the advent of MOOCs "bring to higher education a completely new perspective that could turn the conventional practices in institutions of higher education on their heads" (Pappano 2012, p. 1). On a larger scale, though, despite measures put in place by IHEs to boost revenue, these institutions can ill afford to jettison existing modes of operation. Too much has been invested.

11.4 Strategic Planning

> Today, there remains no better method of determining what changes the campus needs to make and how to put those changes into place than strategic planning (Rowley and Sherman 2001, p. 7).

Without a doubt, higher education in the US is a valuable long-term investment. To protect that investment, IHEs must engage in very creative and innovative planning to maintain equilibrium in the face of dwindling resources and a greater demand for the best-trained workers. Governing boards and accrediting commissions, in response to external demands for accountability, now require that IHEs have strategic assessment plans in place in order to meet accrediting, funding, and regulatory oversight requirements. In the past, strategic plans were generated to describe the institution but little was done to implement them; indeed, IHEs practiced "reactive, incremental problem-solving" instead of instituting long-term

goals (a general direction) and short-term objectives (specifics on attaining the goal) (Hinton 2012, p. 8).

Strategic planning has long been a standard practice in business and not-for-profit organizations. It is best defined as "the means by which the most effective organizations establish priorities and goals and coordinate their efforts to anticipate, direct, and manage change" (Tromp and Ruben 2010, p. 7). However, strategic planning in IHEs is a much different animal than it is for businesses. The very system of governance they employ can bog down the decision-making process or even lead their constituents to conclude that they do not want change. In short, a strategic plan must be based on real needs and real solutions. In the implementation of the plan, the leadership of the IHE must "be knowledgeable about what they expect the strategic plan to do, and then put it into practice" (Rowley and Sherman 2001, p. 7).

In the past, many IHEs attempted strategic planning processes that were akin to their corporate counterparts. Unfortunately, given the stark contrasts in business and higher education governance, strategic plans that were produced often were relegated to bookshelves or became wastebasket fodder (Rowley and Sherman 2001) because they failed to account for the very quirks and factors inherent in higher education that sets it apart from the corporate world.

However, strategic planning is the lynchpin of governance in higher education—it brings together the constituents, all of whom have institutional knowledge, into an inclusive dialogue, to improve upon the path of the institution. The process must take into account the current state of the institution, its vision, and the means by which it is to attain its vision. The process is not always the same in institutions, but the outcomes are the same: all strategic plans look to align the institution's vision to "anticipate, predict, and ideally control future activities or outcomes" (Tromp and Ruben 2010, p. 3).

The outcome of strategic planning, however, is not as critical as the process the organization implements to get to that point. What is put on paper in the final strategic plan must, of necessity, come from a *process* that accounts for the internal and external factors that influence the IHE as well the insights, expertise, and commitment of its stakeholders.

11.5 The Process of Strategic Planning

Tromp and Ruben (2010) describe how the "four critical determinants" of effective leadership of an IHE—leadership, communication, assessment, and culture—must be woven together to facilitate the strategic planning process. This requires coordinated, sustained, and committed action on the part of the many factions of an IHE.

The institution's leadership must guide the plan's development and the means by which implementation takes place. The acquisition and sharing of information with respect to the development, promotion, and implementation of the plan is the

product of coordinated communication. Ongoing assessment is defined by the analysis and evaluation of the plan's development and its implementation. Finally, the cultural component deals with the assimilation of the plan into "the customs, norms, and common practices to manage change and guide and shape behavior" (Tromp and Ruben 2010, pp. 7–8). With these overarching themes in place, the IHE then begins the process of working through the various phases of strategic planning.

While there are many strategic planning models in place in the US, a fine example of a comprehensive model of pragmatic strategic planning for IHEs is described in Tromp and Ruben's (2010) *Strategic Planning in Higher Education: A Guide for Leaders*. The following is a summary of that process; for more in-depth treatment of the subject, the reader is directed to this very valuable resource.[1] The strategic planning process comprises seven phases which encompass the following actions:

1. Establish the mission, vision, values of the institution.
2. Identify the institution's collaborators and beneficiaries (stakeholders).
3. Analyze the environment of the IHE and identifying what aspects of it are to be targeted by the plan targets and timelines.
4. Establish the goals (long-term aspirational outcomes) of the organization.
5. Set strategies and action plans to complete the goals.
6. Create a plan that incorporates the goals and strategies and establish a means and timeline for implementing the plan.
7. Conduct timely progress reviews to assess achievements or areas that require further refinement.

Phase 1: Mission, Vision, and Values: The first phase of the process necessarily involves clarification of the institution's mission, values, and stakeholders, elements that comprise the IHE's organizational identity. The mission statement describes the purpose of the institution. Its vision describes what the IHE aspires to become in the future, and the institution's values describe the culture of the organization—what principles guide its operation and the relationships therein.

Essential to this phase is that the mission, vision, and values statements all accurately and realistically capture the organization's work, ideals, and aspirations. In this self-evaluation, collaborative efforts are paramount, as they invariably will yield more accurate and realistic statements.

Phase 2: Collaborators and Beneficiaries: Identifying the IHE's stakeholders and their relationship to the institution comprises the next step. Those with whom the institution collaborates are included: the governing board, state government, donors, and industry partners. The groups that benefit from the institution comprise students, parents, alumni, and partner institutions. In this phase, the planning process will identify and document the needs, interests, and concerns of all these people. Without their input, the planners cannot get a realistic view of

[1] The author thanks Drs. Tromp and Ruben for allowing us to summarize their model.

stakeholders' needs, expectations, perceptions, and sources of satisfaction and dissatisfaction. Various methods of data collection may be used in this phase, such as surveys, interviews, complaints, observations, focus groups, and ad hoc conversations. Activities to engage the stakeholders can help to prioritize goals, strategies, and desired outcomes.

Phase 3: Environmental Scan: The third phase of strategic planning involves an "environmental scan" (Tromp and Ruben 2010; also see Hinton 2012; Rowley and Sherman 2001). In this next step of the process, the planners must assess the environment in which the IHE exists, taking into consideration the ever-changing assumptions, threats, and opportunities that affect it. Where governing boards (or state government) mandate a strategic planning process, the coordination of this phase may get (and certainly does) get tricky. The leadership of the IHE must deal with planning strategically to stretch dollars while at the same time accommodating more and more beneficiaries in order to garner greater revenue.

This phase comprises the "introspective" part of strategic planning—the part where a SWOT analysis is conducted by the planners to see how attuned the leadership is to society, the economy, the political and legal climate, technology, and to the internal workings of the institution itself. Here, the stakeholders are tasked with identifying strengths, weaknesses, opportunities, or threats of or to the institution that affect either the planning process or the plan's implementation. The information yielded from this exercise is then translated into categories that identify talking points about potential issues in the planning process (e.g., knowing how to discern what people want, transparency of the process, buy-in) or the logistics of putting the plan into action (e.g., timing, boundaries, and constraints).

Phase 4: Goals: The fourth phase of the strategic planning process is the creation of goals. Goals, according to Tromp and Ruben (2010), are those expressions of aspirations that establish "a clear purpose and a reference point against which to gauge their work and accomplishments" for the IHE's departments, programs, and individuals (p. 65). Goals derive from the SWOT analyses and stakeholder engagement exercises conducted earlier and should identify the aspirations that best align the institution with its mission, vision, and stakeholders. It goes without saying that a collaborative group process is the best approach to further stakeholders' understanding and secure their buy-in.

It is in this phase that the IHE's direction begins to take form as the data collected are distilled into four or five "high-level aspirations or achievements that lead the organization closer to achieving its vision…" (Tromp and Ruben 2010, p. 65). The construction of goals begins with their prioritization, and the potential for achievement in a given timeframe. Goals should be simply expressed, and should be easily measured. During this phase, it is necessary to assess resource availability and constraints but, above all else, goals should be achievable and should "require a 'stretch' in creativity, innovation, and energy to achieve" (p. 66).

Phase 5: Strategies and Action Plans: The fifth phase of the strategic planning process involves the nuts and bolts of goal attainment—devising the strategies (or action plans) to fulfill them. Creating these strategies include establishing priorities for the steps to be taken in attaining the goals, assigning responsibility for

completion to the appropriate team, and ensuring involvement from relevant stakeholders. The strategies must also ensure sufficient resources are in place to carry out goals, identify potential facilitators or barriers to achievement of the goals, create a communication plan (message and the media) to assure success and, finally, delineate methods of implementation.

To ensure success, the process must create channels of communication that address needs as action plans are implemented. This translation of goals into action, monitoring, and assessment will define the plan's success. Action plans should specify whether the strategies employed are short-term or long-term and provide detail about the persons or teams responsible, what they must accomplish, and the time within which they have to get the job done.

Phase 6: Creating the Plan: The sixth phase involves writing the strategic plan—the culmination of the process of establishing goals and strategies to fulfill the institution's mission (the short-term) and its vision (the long-term). Whether written as the process progresses or after the creation of goals and strategies, the writing in the end should address the following issues:

1. The plan's audience and expectations;
2. Whether it responds to the outcomes of the environmental scan;
3. Whether it reflects the organization's capabilities and resources;
4. An assessment of whether beneficiaries' and collaborators' needs and expectations are taken into account;
5. An explanation for facilitating feedback, information sharing, comprehension, updating, and progress reporting;
6. Its use; and
7. Anticipated reactions to it.

The resulting plan should be well written and organized and include, at a minimum, the following basic components:

1. A charge letter that explains the strategic planning process and expected outcomes;
2. An executive summary which explains the process and its assumptions, threats, opportunities, goals, and actions;
3. An explanation of why the process was undertaken;
4. A statement of the institution's mission, vision, and values;
5. A description of the beneficiaries and collaborators of the process;
6. A complete "picture" of the organization (its assumptions, threats, and opportunities) to assist in the understanding and interpretation of the plan;
7. An overview of the planning process;
8. The goals and related strategies and action plans to carry them out;
9. A timeline for implementation;
10. Outcomes and achievements in the process to date;
11. Conclusions; and
12. Appendices, if required.

As the audience for the plan is larger than those involved in the planning process, continued, inclusive engagement is necessary. Tromp and Ruben recommend broad participation in the plan's drafting process, and sharing and reviewing the drafts thereafter with the larger group of stakeholders. They recommend "continued attention to the priorities that have guided the process thus far—two-way communication, broad involvement, clarity and precision in communication, and care in linking understood and accepted assumptions and desired outcomes" to ensure the institution has produced an accurate, easily understood, and useful document (Tromp and Ruben 2010, p. 82).

Phase 7: Outcomes and Achievements: This is the phase of the planning process where the institution channels Ed Koch by telling the stakeholders "how we're doing" (Tromp and Ruben 2010, p. 87). In this phase, Tromp and Ruben emphasize the use of measures of both activity (what and how much happened) and impact (an evaluation of the extent to which change was achieved).

Leadership's role in this last phase is to foster an outcomes-oriented culture, emphasize systematic documentation, and to evaluate and communicate results. Stakeholders and all others involved in the planning process will want to know that their input and efforts were not in vain; they will want to know what has been accomplished, how much was done relative to other institutions, what the accountability data reflect in light of strategic planning, what was successful in executing the plan, and what needs continuing work. In short, "ongoing assessment and follow-up is essential" (Tromp and Ruben 2010, p. 88).

Final Thoughts on Tromp and Ruben's Model: Implicit in the Tromp and Ruben (2010) model are the inclusive nature of the ideation and formulation processes, the encouraged communication and collaboration of all stakeholders in the process, and constant self-evaluation during the planning and implementation phases. Where the corporate model of strategic planning presumes the advancement of the entity according to the mandate of the corporate board, a higher education strategic planning model must necessarily include the participation of all involved stakeholders (in addition to its board) to ensure success. While a seemingly slower process, the inclusive nature of a model such as the one devised by Tromp and Ruben goes a long way in ensuring buy-in from its inception through to the phase of assessing achievements and outcomes. It is a dynamic process, building upon action, communication and feedback, revision and execution, and further communication and follow-up.

11.6 Case Study: Strategic Planning at a Small Baccalaureate College

The following is a case study that draws from the author's own experience of the strategic planning process at a rural regional college in a small state in the Pacific Northwest. Regional College is classified by the Carnegie Foundation as a

baccalaureate/diverse college, a small, 4-year, primarily non-residential campus. It enrolled approximately 3,900 students in fall 2011. This college is unique in that it is driven by a tripartite mission of offerings in academic programs, professional-technical programs, and community programs. In other words, it combines within its walls open enrollment in liberal arts programs, vocational training, and community outreach offerings to a four-city region and outlying counties (spanning two states) with a combined population of nearly 175,000. Interestingly, within that four-city area there are also two land-grant, research universities.

Regional College's one-mission, one-team approach allows it to fulfill its governing board's vision of "preparing citizens from all walks of life to make the most of their individual potential and contribute to the common good by fostering respect and close teamwork among all [the state's] citizens". Its mission is embodied in the institution's motto: "Connecting Learning to Life" through its offerings in academic, professional-technical, and community programs.

In 2011, a new president was appointed. His appointment dovetailed with the college's accreditation process and the need for a new strategic plan as required by the Board of Education, the trustee for all of that state's colleges and universities. The impetus for the new strategic plan was fueled in part by a statewide program undertaken by the Board of Education (in concert with the national *Complete College America* initiative) that, among others, sought an expected graduation rate of 60 % by 2014 in order to meet the needs for a skilled workforce. The mandate was clear: With a low average graduation rate, Regional College had to set its sights on higher levels of performance, all while dealing with a new-student populace that comes from "traditionally underrepresented and underserved populations such as Latinos, Native Americans, and first-generation families with low income" (CCI 2012, p. 3). And, as is the case with most (if not all) IHEs today, the state's support of 4-year public higher education had dropped from $285 million in 2009 to $209.8 million in 2012 (CCI 2012, p. 16).

The new president set about the task of creating the new strategic plan in the spring of 2012. The process was begun in a brainstorming retreat with a larger group of various campus constituents. The president made clear that the objective in creating a new strategic plan was to establish goals, objectives, and action strategies that were consonant with the college's role and mission. The goals would serve to coordinate efforts to anticipate, direct, and manage the changes the future would bring in terms of enrollment, curricula, administrative function, and the overall management of the college.

The brainstorming retreat was attended by 35 people drawn from all sectors of the college: faculty, professional staff, classified staff, administration, students, and members of the public. Topics they discussed included marketing of the college, student success, academic programs and delivery, outreach and public engagement, administrative organization and communication, facilities and infrastructure, technology, and performance measures. Five discussion groups were formed and each group contributed ideas and commentary about all topics. Within each area of discussion came questions about, and suggestions for, the future, suggestions for institutional improvement, identification of shortcomings, and discussions of the

Complete College initiative. All topics were fair game. Areas of dysfunction were identified; primary among them was the issue of funding for faculty salaries and programs. Issues also raised concerned allocation of resources, dismay with the quality of incoming students (and the subsequent need for remediation), and online (distance) learning and the role it will play in the college's future. The data were summarized, distilled, and categorized, and served as the foundational material to inform the strategic planning process.

The president then appointed a Strategic Planning Steering Committee (SPSC) to begin the work of creating the new strategic plan. The SPSC was headed by an administrator who had the least amount of institutional knowledge and bias so as to ensure an equitable outcome. The steering committee comprised members of the faculty, classified staff, professional staff, administration, and students, all of whom were chosen for their leadership roles in their positions.

The committee was given responsibility for refining the issues brought forward from the brainstorming retreat into a workable set of goals that would inform the creation of the college's 5-year strategic plan. The president charged the SPSC with producing a "roadmap" to provide context for future decision making in the form of goals. He also sought objectives (strategies) that would facilitate attainment of the goals and to ensure they were consonant with the college's role and mission. The committee was advised to build the set of goals around the college's tripartite mission. An adjunctive study was conducted to identify concurrent planning efforts within the college to provide a comparative look. Efforts to look at environmental factors also took place asynchronously (via email) to fine-tune the themes of concern or influences on the planning process.

The committee met on several occasions to "hash out" the issues they thought to be covered under the college's goals. A list of four goals that encompassed major groupings of priorities and issues was thus created. These major groupings included instruction, students, partnerships, and resources. In addition, several objectives and the strategies to accomplish them were fashioned through further brainstorming sessions of the SPSC.

Once the goals, objectives, and strategies were identified, the SPSC set out to involve all stakeholders in the planning process. Faculty took these goals, objectives, and strategies to their faculty meetings; students were encouraged to network with fellow students to get feedback; officers of the alumni association were encouraged to get input from their members. Members of the external community were contacted and their feedback was elicited as well. In short, communication and the invitation to provide feedback were essential elements of the process. Further distillation by the SPSC of the goals, objectives, and strategies followed.

As a critical facet of the strategic planning process, the SPSC then presented the list of four goals to the college's stakeholders: the faculty, the staff, the students, and the public in several live presentations (the "Strategic Planning Roadshow"). The "roadshow" presentations were also recorded for broadcast over the internet to allow for further viewing by those who were unable to attend. In these presentations, the constituents were given another opportunity to comment on the goals. The SPSC then refined the list of objectives and strategies to a workable

Table 11.1 A summary of Regional College's strategic planning goals and objectives

Goal	Objectives
Goal 1: Sustain and enhance excellence in teaching and learning	Objective 1A: Strengthen existing courses and programs, and enhance curricula to meet 21st century needs and opportunities
	Objective 1B: Ensure that the General Education Core achieves its expected learning outcomes
	Objective 1C: Optimize technology-based course delivery, resources, and support services for students, faculty, and staff
	Objective 1D: Maximize direct faculty and student interactions inside and outside the classroom
	Objective 1E: Recruit and retain a highly qualified and diverse faculty and staff
	Objective 1F: Provide a safe, healthy, and positive environment for teaching and learning
Goal 2: Optimize student enrollment and promote student success	Objective 2A: Focus marketing efforts on clearly identified populations of prospective students
	Objective 2B: Retain and graduate a diverse student body
	Objective 2C: Maximize student satisfaction and engagement
Goal 3: Strengthen and expand collaborative relationships and partnerships	Objective 3A: Increase volunteer, internship and career placement opportunities consonant with student career and life goals
	Objective 3B: Collaborate with relevant businesses, industries, agencies, practitioners, and organizations for the beneficial exchange of knowledge and resources
	Objective 3C: Increase cooperation and engagement with the alumni in the advancement of the college
	Objective 3D: Advance the college with community members, business leaders, legislators, and current and future donors
Goal 4: Leverage resources to maximize institutional strength and efficiency	Objective 4A: Allocate and reallocate funds to support priorities and program areas that are significant in meeting the role and mission of the institution
	Objective 4B: Assess and modify organizational structure and institutional processes to ensure the most effective use of resources
	Objective 4C: Continuously improve campus buildings, grounds, and infrastructure to maximize environmental sustainability and learning opportunities
	Objective 4D: Create a timetable for the sustainable acquisition and replacement of instruments, machinery, equipment, and technologies, and ensure required infrastructure is in place for support
	Objective 4E: Identify and secure public and private funding to support strategic plan priorities

number and, with the data collection now complete, provided the framework for the strategic plan to the president. A summary of Regional College's goals and objectives are shown in Table 11.1. (The SPSC chose to identify further strategies to carry out the objectives but they are omitted here for economy of space.)

Drafting the strategic plan was recently completed at Regional College. The president and his administrative team formulated the plan based on the goals derived in the all-community process, and has circulated the draft for approval to all stakeholders at the college's strategic planning website. Making the plan available to all stakeholders allows for constant access by the public. It also will provide them with instant notice of any changes or reports of any outcomes or achievements attained as the college effects change over the course of the 5-year cycle. Stakeholders' input was given the greatest weight in formulating goals and in devising the means by which to implement them. And, while the strategic plan is still being finalized as of this writing, the stakeholders of Regional College have been assured that they will have similar opportunities to weigh in on the plan's implementation as the institution wends its way through its 5-year cycle.

In the end, the process employed by Regional College in the creation of its 5-year strategic plan closely follows the process employed in the Tromp and Ruben (2010) model. It incorporated an inclusive approach, one which tapped the needs and concerns of its constituents, rather than only those perceived to be important by the administration. It sought buy-in by involving stakeholders at every phase of the process. It engaged in collaborative efforts to articulate the means by which the college will fulfill its vision and mission. It brought to the fore all of the needs, concerns, and issues that the stakeholders believed are critical to address as the institution advances into the future and, more important, provided the impetus to drive change in the institution with these strategies.

11.7 Conclusion

As IHEs in the US today enhance their sustainability through global connections, they are very mindful of the need to strike a balance with those efforts and the need to keep their presence at home as consistent and appealing to its public as possible. Doing so requires innovative strategy; creativity, credibility, and a realistic approach are all necessary ingredients. The execution of a strategy cannot and should not be left to chance or to a few in the administration. Higher education has seen this happen too many times.

The investment in strategic planning is the foundation upon which to build an innovative strategy. Putting a collaborative, inclusive process into place strengthens the pillars of that foundation. Drawing upon the collective wisdom of all of the stakeholders in an institution provides insightful, relevant input. Faculty's specialization in academically substantive matters will clarify the academic goals for the institution. Without this information, any guidelines that address the academic directives may miss short of the mark. The staff perspective puts an

administrative emphasis on goals that exemplify their knowledge of the day-to-day running of the institution. Input from the students comes from the ground level, that area to which filters all of the intellectual churning of the wisdom from the other groups. And, finally, the perspective of the external community brings the ultimate "reality check" to the process by incorporating the wisdom of the captors of the institution's human capital. Without that connection to the real world, an institution cannot realistically mesh with the global market.

The fittest in the competitive world are those institutions that not only reach external connections into which it infuses its human capital. They must begin with an inner cohesion, a structurally sound foundation built on the creative and innovative genius of the internal stakeholders as well. The process of strategic planning, when well executed, goes a long way to assure that foundation.

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Chapter 12
The False Promise of Market-Based Conceptions of Human Capital: Higher Education as a Public and Private Good

Cynthia Gerstl-Pepin

Abstract This chapter explores some of the challenges facing higher education in both China and the United States. Human capital theory is critically explored in terms of its role as a justification for the shift towards academic capitalism for higher education institutions. An argument is made for expanding the notion of higher education's role in supporting the development of human capital as both a "private" and a "public" good.

12.1 Introduction

The authors in this volume have highlighted the challenges and emerging trends related to economic, social, political, and ideological issues facing higher education in China and the US. Both countries have significant economic disparities between the wealthiest and the poorest citizens (Fleisher, Li, and Zhao 2010; Knight and Song 1999; Kopczuk, Saez, and Song 2010). These are compounded by economic disparities across different regions that restrict educational opportunity due to geographic location, combining to create serious challenges concerning the affordability, access and availability of higher education (Zhou and Hill 2009). And yet, leaders in both countries see higher education as key to building future national economic growth. They rely on the rhetoric of competition (between schools, teachers, students) derived from the ideology of the market-based economics, and describe education as means of developing human capital (students) in order to meet economic challenges. In this type of policy environment, some Higher Education Institutions (HEIs) are winners—in terms of gaining additional resources through grant competitions, for example, and grow stronger—

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Q. Li and C. Gerstl-Pepin (eds.), *Survival of the Fittest*,
New Frontiers of Educational Research, DOI: 10.1007/978-3-642-39813-1_12,

while others loose and do not receive extra governmental support. Thus, at the same time that educational and political leaders tout higher education as a key to national economic vitality, free-market assumptions that drive policy discourses can increase educational inequities.

What are some of the factors/arguments that stem from the market emphasis, which drives the policy discourse in higher education? First of all, leaders link college education with the economic competitiveness of the nation (Li and Gerstl-Pepin 2013). Political leaders also promulgate policy that seeks to ensure that universities are economically accountable and sustainable without providing significant funds equitably across institutions in order to meet these goals (Rhoades and Slaughter 2004; Li 2013). Market-based discourse also encourages seeing higher education in terms of competition through ranking systems, metrics that measure "effectiveness", and competition between HEIs for additional funding resources.

As Lane and Owens (2013) note, both higher education systems view the collaborative potential with each other in economic terms. The US has been fortunate to have the majority of higher education institutions ranked in the top tier of HEIs globally (Wolverton 2013) making it enticing to Chinese students chasing "elite" education. China's economy has been experiencing explosive economic growth (Lane and Owens 2013), making it an enticing potential revenue market for US HEIs. For example, in addition to increasing diversity and enriching the learning environment, bringing in international students who can pay full tuition and thus generate revenue is seen increasingly as an important component of financial stability for struggling HEIs in the US (Marginson 2006). A US education can also be attractive to excellent students in China who can gain admittance to and afford an elite HEI, however, it also can offer opportunity for students who may not score high enough on the *gaokao* to gain admission to a desired Chinese university or for who, may assume a US degree will strengthen their job marketability (Mok and Ong 2013). In both these instances HEI ranking and reputation play a role in competition over students as does economics and finance.

However, something is missing in the market-based discourse that suggests the key role of Higher Education Institutions (HEIs) is in strengthening economic development: The unique set of national cultural values that should also be considered when conceptualizing future challenges for higher education in both countries. This chapter explores some of the unique challenges facing each system, and suggests that market-based assumptions that view the purpose of education as a private good (in terms of individual student success) should be expanded to encompass viewing the purpose of education as a private good (where community success is also valued). Human capital theory is critically explored in relation to academic capitalism and challenges are identified as both countries look to the future of higher education.

12.2 Conceptualizing Higher Education as a Public/Private Good

> I believe that the community's duty to education is, therefore, its paramount moral duty. By law and punishment, by social agitation and discussion, society can regulate and form itself in a more or less haphazard and chance way. But through education society can formulate its own purposes, can organize its own means and resources, and thus shape itself with definiteness and economy in the direction in which it wishes to move Dewey (1897/1972, p. 94).

> A man may be said to be a true gentleman only if he takes fairness as his basic life principal, observes the rights in his behavior, speaks with modesty, and acts…earnestly.—Analects of Confucius 15.18 (p. 249–250)

> He who rules his state on a moral basis would be supported by the people, just as the polar star is encircled by all the other stars.—Analects of Confucius 2.1 (p.12)

Just as the work Confucius—considered to be the greatest Chinese philosopher— provides insight into Chinese culture, the philosophy of John Dewey—one of the greatest educational philosophers in the US—provides insight into US culture. The three above quotes by John Dewey and Confucius, taken together, highlight cultural values held by both countries that relate to conceptualizing HEI as having the potential to serve as both a public (societal) good and private (individual) good, a conception that is sometimes submerged in the current discourse on competition, markets, and global economic pressures, which has tended to focus on education as a private good in terms of individual student success within a free-market economy.

No one can challenge the fact that the philosophical thought of Confucius has been an important force in shaping Chinese culture. The first quote by Confucius highlights the importance of the development of an individual's virtue embodied in *ren* or "humanity", (Sim 2009) while the second quote suggests the importance of *ren* for government. Both of these quotes taken together provide insight into the importance of equity and fairness for Chinese culture; a value further evident in the ideology of China's ruling Communist Party. Equity and fairness, however, are not egalitarian notions meaning that everyone will be treated the same, rather in practice these concepts are meritocratic, meaning that everyone should have the same opportunity to rise through the system. Confucianism on one level is not egalitarian because it demands a rigid hierarchy of obedience through "the five relationships". However, virtue, or ren/humanness is the softening feature of hierarchy because it demands humane treatment from those in positions of authority. And the meritocratic component is of course, the access to the highest levels of leadership because of talent−formerly the Palace (Imperial) Examination System (Suen and Yu 2006)−now the *gaokao*.

Dewey's educational thought reflects important US cultural values of a well-educated citizenry in shaping society. The quote highlights Dewey's belief in the critical role that education can play in shaping the ethical values that can

egalitarian decision-making. Dewey had strong ties to China, having visited from 1919 to 1921, and made many connections with Chinese scholars. Dewey and Confucianism share some common beliefs concerning the importance of equity and then "…significance of learning throughout one's life, the importance of adjusting to changing circumstances, and the futility of an appeal to abstract ethical rules" (Sim 2009, p. 87). Both suggest the value of education as not only a private good (for the individual) but also as a public good (for society).

While both philosophical viewpoints suggest that economic discourses are only one component to a successful and healthy country, they differ in terms of how they conceptualize democracy and government rule. For Dewey, education plays a key role in educating citizens so they can fully participate in democratic deliberation. Dewey firmly believed in the role that education could play in supporting democratic politics by increasing citizenship participation through education. Chinese democracy, in contrast, owes debts to Confucius thought and aligns with the Chinese concept of "minben (people as the essence of a nation)," a deep Chinese cultural value, "the belief that the rulers rule by consent from the common people and for the well-being of the common people"(Liu, p. 650). Schools in China therefore play a key role in identifying the elites (the meritocracy) who will ultimately make democratic decisions on behalf of citizens (Shi and Lu 2010). Thus, "Government legitimacy depends on its ability to provide welfare and good governance" (Wang and Pavlicevic 2012, p. 132). However, despite Dewey's progressive belief in the egalitarian role that democracy could play as a "public good" that could equalize society, the market-based economic approach has been firmly ensconced in US culture as well (Labaree 1997). The notion of "The American Dream", where everyone has the opportunity to be successful has not translated into a society where egalitarianism prevails, rather it is held in tension with increasing economic and educational inequality (Bowles and Gintis 1975, 2013).

The capitalist market political approach tends to emphasize "private rights", that is, the accumulation of "capital" for the individual, in contrast to a more communal approach that emphasizes "public rights" or equity in "capital" for the nation as a whole (Labaree 1997, p. 40). Although this has been a dominant discourse in the US, it has also begun to emerge in China in the past two decades. These differing concepts of democracy should be taken into consideration when reflecting on the purposes of higher education in both countries as well the future challenges for HEIs as they both place a high value on individual human capital, sometimes at the expense of equity. The emphasis on private rights sees no problem in inequitable distributions of wealth. Equity of opportunity, not equity of outcome, is seen as an essential "right" in a free-market economy (Labarree 1997). The work of Confucius and Dewey, however, problematize focusing on the individual at the expense of the collective and point to the importance of valuing HEIs as both a private and public good that benefit society as a whole.

12.3 The False Promise of Human Capital Theory and Academic Capitalism

Although controversial, the assumptions of human capital theory undergird most educational policy discourses in both countries, leading to public assertions that education is central to the economic health of the nation (Toutkoushian 2009). Human capital theory holds that "…inequality in the distribution earnings and income is generally positively related to inequality in education and other training" (Becker 2009, p. 12). Therefore, many policymakers assume that higher education leads to greater wealth for individuals, suggesting that this ultimately benefits the nation as a whole.

Viewing higher education as a private good and meritocratic assumptions that assume success or failure is due entirely to individual ability, do not take into account how existing income inequality or a student's regional location may limit their access to higher education. Students living in poverty are less likely to access, attend, and complete a college degree. Those who do not have a college degree are not only less likely to make larger salaries, they are also more likely to have greater health problems and limited access to quality health care (Chen, Yang, and Liu 2010; Trostel 2010). Meritocratic or human capital ideals often see this as a ideals natural, expected outcome due to lack of ability of the individual student.

The problem is that human capital theory commodifies human life on an individual level as an economic resource (Bowles and Gintis 1975). This approach focuses on higher education as a private good elevating the working capacity of the individual who then reaps personal benefits from their education. This harkens back to popular notions that public good is accomplished through individual achievement, a fundamental premise of rational, free-market capitalism. However, the fallacy embedded in this approach is that it assumes that individual success will benefit society as a whole.

One only has to look at reports on income inequality in the US and China to see that this is not the case, as the majority of the population is not reaping the benefits from educational opportunity. For example, if we look at the GINI coefficient, a measurement of family distribution of income inequality by country, China is ranked 29th and the US is ranked 41st out of 136 countries with lower ranked numbers indicating countries with the greatest income inequality and the higher ranked numbers indicating the least income inequality (Central Intelligence Agency 2013). As two of the largest economies in the world, China and the US also have much higher income inequality than other large economies. This is important to consider when looking at differences in educational achievement.

Condron's (2011) research examines the relationship between the GINI coefficient and academic achievement. He suggests that income inequality is connected to education inequity. Countries where the distribution of wealth is more equitable and egalitarian (through governmental intervention through taxation), such as Sweden (ranked 136), generally have more equitable educational achievement outcomes. While a country such as the US (ranked 41), which has greater income

inequality, also has greater inequity in terms of academic achievement (Condron 2011). A surface view of human capital without attention to how income and wealth may be distributed will not necessarily lead to economic or academic success for the nation/society as a whole.

The notion of academic capitalism centers on "…the ascendance of neo-liberal and neo-conservative politics and policies that shift government investment in higher education to emphasize education's economic role and cost efficiency". (Rhoades and Slaughter 2004, p. 38). In both China and the US, the governmental role has shifted increasingly from financial support to developing policies and regulations designed to hold HEIs accountable for performance. This shift reflects market-based governmental attitudes in both countries whereby higher education institutions compete with each other for limited additional governmental funds such as grants.

12.4 Human Capital Challenges for Higher Education in the US

While the US is considered to have most of the top ranked HEIs in the world (Wolverton 2013), it also contains a vastly different array of institutions in terms of quality, reputation, size, funding streams, purpose and goals (public, private, for profit), diversity, student body, governance structure, and government influence. The K-12 system varies greatly depending on geography with better schools located in wealthier neighborhoods, and failing schools often located in inner-city neighborhoods or where there are high concentrations of rural poverty. Students at high schools with less resources tend to be less prepared, attend lower ranked HEIs, and are less likely to graduate (Darling-Hammond 2009). The US faces many human capital challenges linked to the HEI reputation (often linked to quality in terms of graduation and retention rates) and resources of an institution.

Making education affordable has become one the greatest issues facing higher education in the US. The cost of higher education in the US has risen dramatically: Since 1983 college costs have risen at "three times the rate of inflation" (The Economist 2012, § 5) without an equal rise in revenue or governmental support. Rising overhead has caused institutions to assume debt and continually raise tuition to make ends meet. The types of financial aid often offered to make up the cost difference are unsubsidized student loans with high interest rates. Student debt in the US has reached $1 trillion US dollars (Economist 2012). The Parent PLUS Loan, for example, may include a 4 % origination fee taken off the full loan amount and starts accruing interest at a rate of 7.9 % the moment funds are disbursed (Carey 2013). These and other loan programs superficially appear to give increased access, but they can send students and their families spiraling into debt in an unstable economy, placing unsustainable burdens on those who can least afford it. Wealthier students have more choices in terms of where they can attend

college while financial challenges are limiting the choices of low-income, and middle-class students.

Private institutions generally do not receive state support and must raise their own funds through such mechanisms as tuition, grants, and fundraising, often relying on endowments to make up budgetary shortfalls. Public institutions engage in these activities as well but they also receive some funding from the state and discount their tuition accordingly. The emergence of for-profit institutions has added to the HEI diversity. For example, Burlington College, a private institution in Vermont, has approximately 185 students while the non-profit, public University of Arizona State has an enrollment of over 72,000 and the for-profit University of Phoenix claims an enrollment of over 300,000 students nationally. As long as national federal regulations are satisfied, any of the students in these schools can have access to federal financial aid if they qualify. Depending on the institution and its reputation, however, HEIs differ greatly in terms of quality, cost, and graduation rates.

While for-profit institutions are often open access, they tend to have lower graduation rates and higher debt margins for students, particularly lower income students who are less likely to graduate (Lynch, Engle, and Cruz 2010). Despite the reputations of the elite higher education institutions in the US, funding mechanisms at higher education institutions can vary dramatically as well as the quality of services provided. The higher ranked elite schools (both liberal arts colleges and universities) with high graduation rates tend to serve students from wealthier families, while lower-ranked institutions with open enrollment policies and lower graduation rates, such as community colleges and for-profit institutions, tend to serve low-income students. The reality in the US is that not all college experiences are equal and translate into graduation and economic success (a "private good") for students.

The role of faculty of governance and assessment in education in the US is also varied as Claussen (2013), Kezar and Gerkhe (Kezar and Gehrke 2013) and Pepin (2013) note. Some institutions (generally more elite institutions) value faculty governance and input into decision-making concerning budgets and curriculum, some are unionized so that faculty and staff are protected from arbitrary and capricious decision-making, and some prize the protection of tenure and academic freedom. However, an increasing number of institutions (for-profit or with high acceptance rates or open enrollment) either do not have tenure, removed tenure, or rely heavily on adjunct teachers who work often without benefits or job security. This has reflected a desire for some HEIs to have flexibility in hiring, firing, and curriculum changes in order to be more responsive to market changes and shifting student (client) interests (Wood 2012). The faculty at these institutions are more likely to struggle financially, lack job security, benefits, and teaching support. Consequently teaching quality can be more uneven for students at these institutions—who may be less prepared and require more institutional support—leading to lower graduation rates further increasing the divide between institutions.

While President Barack Obama has explicitly highlighted the importance of students graduating from high school who are college and career ready

(White House, The White House 2010), unfortunately this goal does not acknowledge the unevenness of college preparation at high schools or the unevenness of higher education intuitions as a whole. At the same time student debt is rising, the US government debt is also rising, topping $16 trillion in 2013. The national debt and economic uncertainty also limits the ability of the US and individual state governments to provide financial resources to address these inequities. Additional federal resources, such as competitive grants, further strengthen institutions that are already stronger. Moreover, students from wealthier families are more likely to complete college, while students from low-income families are not (Rumberger 2009). If current inequitable trends continue, the divide between wealthy and financially strapped HEIs will worsen. Elite, high quality educations increasingly reserved for those who can afford to pay, thus, emphasizing the notion of human capital as a private good accentuates rather than addresses the underlying inequities

12.5 Human Capital Challenges for Higher Education in China

While education in China has a deep and rich history dating back over 1200 years to the Palace (Imperial) Examination System (Suen and Yu 2006), its more recent history experienced great challenge during the Cultural Revolution (Deng and Treiman 1997) when college education was viewed with deep suspicion, many HEI's were closed, and faculty were purged or sent to farm and work the land. This mistrust of intellectualism reversed itself after Mao Zedong's death, as Chinese leaders begun to identify college training and advanced scholarship as crucial to economic growth (Liu 2012). Just as China's economy has experienced explosive growth in the past few decades so has its higher education system. With massification China has impressively expanded its higher education system from serving only 3.4 % of students in 1990 to serving 23 % by 2007 (Zha and Lin 2013). Yet scores on the college entrance exam, the *gaokao*, determine what options a student can have in terms of a major and HEI, so choice remains somewhat limited as it can in the US when a student's family has limited funds.

The inequality between rural and urban educational opportunities, however, presents another challenge. In rural areas (and where many minority communities are situated) where there has been limited economic growth and where a limited number of HEIs are situated (Fleisher and Zhao, Fleisher et al. 2010; Knight and Song 1999; Fu and Ren 2010), the *hukou* residency system in China can limit a student's opportunity to attend a top HEI. The *hukou* determines where a student is allowed to attend primary school and high school and can limit college opportunities. If a rural student's family moves to an urban area, the residency permit often still remains in the province in which the student was born. Entry to high schools in urban areas generally requires a residency permit for the city/province

in which the high school is situated. In some instances, students whose families have funds or governmental connections may be able to purchase a residency permit. The children of rural immigrants who lack *hukou* permits do not have the same opportunities to access high schools and thus universities in the urban areas where their parents work. In addition, HEIs generally take a larger percentage of students from the city/province in which they are situated. More of the top, key, high schools that produce students with higher test scores are situated in urban areas and admissions test criteria are often higher for students who do not live in the city in which a university is housed (Wu and Treiman 2004). While on the surface China's highly centralized college examination seems equitable, the rural-urban divide can limit student opportunity.

Furthermore, China sends more students to study in the US then any other country in the world (Institute of International Education 2012a; 2012b). US higher education can be very attractive to those who can afford it: A student can determine what they want to major in and has the opportunity to strengthen their English language skills. However, much like the US, access to higher education outside China is dependent on family wealth.

China has just as many equity issues related to higher education as the US. Families with wealth can send their children abroad if they are unable to secure university admission. Parents with resources can also pay for private tutoring if their child needs help and students lucky enough to be born in an urban center have more educational choices of higher quality from which to choose from. Despite these realities, "…education as a way to address inequality has never been a significant concern in the recent Chinese context—educational equality was never mentioned in policy documents from the late 1970 s up to the most recent years" (Liu 2012, p. 651). This is not surprising, however, given China's meritocratic assumption in the Chinese testing system going back to Confucian ideals, which stress individual achievement and meritocracy as the mechanism of equity.

In China and the US then, the assumption is often that students who do well do so because of merit rather than familial resources, finances, or geographic location. Both countries tend to gloss over the role societal inequity can play in educational outcomes. Viewing higher education's role in developing human capital then as a private, individual good, will not necessarily lead to better outcomes for society as a whole. If anything, both countries should attend to their internal equity issues as much as they do viewing individuals as forms of capital.

12.6 *Nota Bene*: Innovation, Technology, and the Economic Divide

Much has been made of technology and innovation as a means for resolving educational inequities in both China and the US (Wolverton 2013). When thinking about technology integration in schools, however, many challenges remain.

The tech industry in the US has the success stories of such firms such as Microsoft, Facebook, and Google heralding the importance of technology in the new economy. This has created much pressure on K-12 schools and HEIs in the US to integrate technology as a way to develop future human capital. As Arne Duncan (2010), US Secretary of Education noted, "…just as technology has increased productivity in the business world, it is an essential tool to help boost educational productivity" (¶ 101).

However, it is important to be cautious in seeing technology exclusively in terms of its potential to promote equity. US pundits are placing much faith in free Massive Open Online Courses (MOOCs) offered by such elite institutions as the Massachusetts Institute of Technology (MIT) and Stanford University as low cost learning. The reality, though, is that many of these courses do not lead to degrees nor do they address underlying inequities related to student preparation or HEI institutional inequities (Craig 2012).

Technology can strengthen HEIs but it can also underscore weaknesses. Schools with resources to keep up on the current technology and support faculty to utilize technology effectively have to potential to become stronger, while schools without resources can struggle just to keep up. Rather than leveling the playing field, it may be that technology widens the divide between the haves and the have-nots by not addressing underlying inequities in a student's financial resources or the quality of their K-12 schooling (Baines 2012) or the resource of individual HEIs. For example, as Powers (2013) notes technology transfer has not lead to greater wealth for all HEIs, rather its benefits are restricted to elite institutions. The success of technology elites in both China and the US then will not necessarily translate to wealth for individuals without access to technology or education.

12.7 Conclusion

This chapter has suggested that the current overarching focus on economic discourse focusing on competition and capitalistic behaviors can overlook structural inequalities in educational access and the critical role that education can play in strengthening society as a whole. Is it just the ability of a graduate to obtain a job that should be valued or should this be expanded to include the ability of a person to be a productive member of society who is healthy and happy? Ignoring social issues and focusing on employability at the expense of individual health and well-being seems dangerous. The rush to embrace new technologies, particularly in HEI in the US, and the rush to be entrepreneurial does not necessarily yield equal results, as Powers (2013) research on technology transfer indicates.

Higher education leaders should not assume that success for an individual (private good) will benefit society as a whole (the public good). It is critical that administrative discussions do not center on revenue generation, selectivity, and faculty production at the expense of exploring how the institution as a whole might contribute to a greater societal good and address underlying inequities.

I would like to suggests that educational policymakers and the leaders of HEIs in each country need to strategically focus on ways in which HEIs can cooperate together, rather than in just engaging in the revenue, ranking and comparison game. Li (2013), Mina (2013) and Wolverton (2013) underscore the importance of looking to the future in which there is greater access to quality education instead of just a select few. *Crucially important I believe is the need for the higher education systems in each country to focus intentionally on education as a common good in addition to the dominant focusing on the role of developing human capital.*

In conclusion, this chapter suggests that there is a need for universities to focus on creating collaborations of mutual benefit that support equity across both countries. I firmly believe a stronger world is one in which both higher education systems survive and thrive collaboratively (Cook 2013) and where human capital is measured not only in terms of individual economic value but in term of the personal happiness, health, and a measure of equality within the society as a whole. This goes beyond meritocratic assumptions that only the strongest (or the best) HEIs should survive and instead suggests the need for HEIs to work together not only competitively but also collaboratively in order to survive and thrive in the shifting contours of higher education in an increasingly uncertain world.

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