International branch campuses in China: quest for legitimacy

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International Branch Campuses in China: 

Quest for Legitimacy 

By 

Li Zhang 

A Dissertation 

Submitted to the University at Albany, State University of New York 

In Partial Fulfillment of 

the Requirements for the Degree of 

Doctor of Philosophy 

School of Education 

Department of Educational Administration and Policy Studies 

2016
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Li Zhang

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Abstract

A new organization often encounters the “liability of newness” that increases its chance of failing as a start-up enterprise (Freeman et al, 1983). New organizations located in a foreign country also face the “liability of foreignness” (Zaheer & Mosakowski, 1997). By gaining legitimacy, organizations can obtain the resources they need to become sustainable. The liabilities of newness and foreignness aptly describe the international branch campuses that have been set up in China.

Scott’s (1995) institutional legitimacy pillars and Suchman’s (1995) legitimacy theory are combined to form a new conceptual legitimacy framework to understand legitimacy issues in China. This qualitative study selects seven cases to answer this research question: What strategies do the international branch campuses use to gain social support from different constituencies? The institutions studied are: The University of Nottingham Ningbo China, Xi’an Jiaotong Liverpool University, New York University Shanghai, United International College Shenzhen, Dongbei University of Economy and Finance Surrey International Institute, Southeast University-Monash University Joint Graduate School (Suzhou), and The Johns Hopkins University-Nanjing University Center for Chinese and American Studies.

Fifty-two interviews were conducted with senior institutional leaders, faculty, staff, students, parents, scholars, and employers. The research found that these international institutions did face the twin liabilities of newness and foreignness. However, being new and
foreign could actually give these institutions legitimacy as well. The international institutions used all four strategies identified in the literature to gain the four pillars of legitimacy. An important caveat of the study is that the environment is significant in institutions gaining legitimacy, but the primary factor in acquiring legitimacy is the quality of their product.

This study has several limitations, including one missing case, fewer foreign interviewees, the uneven amount of information available at each institution, translation difficulties between two very different languages and cultures, and data provided by the institutions might be self-serving. The results indicate four avenues for further research. They are legitimacy thresholds; legitimacy from the perspective of the home institutions; the failed international branch campuses; education quality at these IBCs; and the evolving political dynamics in China.
Acknowledgement

The completion of this dissertation would not have been possible without the support of many people. First, I would like to express my gratitude to my awesome dissertation committee, especially my advisor and committee Chair Dr. Kevin Kinser. Dr. Kinser has provided me with prompt feedback and has always been encouraging and supportive. He has helped me develop and grow professionally over the past three years. I will never forget the amount of effort and time he has invested in me to become a successful professional. We used to meet every week in person to discuss my proposal. He usually sat with me for two or three hours each time to go over comments I received from other committee members. In addition, his enthusiasm and support in my entrepreneurial ideas make me believe nothing is impossible. He also occasionally gave me informal English speaking lessons. More importantly, he taught me the norms, values, and culture in U.S. society, which has been difficult for me to grasp. I can’t say enough how grateful I am to have him as my advisor and my mentor for my doctoral study at UAlbany.

I also want to express my gratitude to Dr. Daniel Levy for serving on my dissertation committee. I especially want to thank Dr. Levy for being tough with me and for pushing me to go beyond my limits. I didn’t come to the department with a solid disciplinary training, and I had been aware how challenging it would be for me to have Dr. Levy on my committee. Now I’m glad that I made the right decision in including him. I really appreciate the effort and time Dr. Levy has put into helping me become a fine scholar. Dr. Levy gave me a good deal of criticism, and suggestions for my proposal, input that I have greatly valued. Responding to Dr. Levy’s
feedback was actually a fun process for me, through which I learned to defend my position, to think more critically, to ask better questions, and to write better, just to name a few.

My thanks to Dr. Mitch Leventhal for being on my dissertation committee. Dr. Leventhal has been quite supportive throughout the whole process. I appreciate the way Dr. Leventhal has shown me what good and accurate academic writing should be. I thank Dr. Leventhal for his extensive comments as well. I would like to thank Dr. Jason Lane for being my external reader. Dr. Lane is the person who led me into the higher education field. He encouraged me to write about international branch campuses as my dissertation topic and to do research in international education, which turned out to be something I’m really passionate about.

I thank Dr. Kathryn Schiller for agreeing to meet with me at Starbucks on a chilly Saturday morning, when I was first accepted into the EAPS program. Her dedication as a faculty member made me believe EAPS at UAlbany would be the perfect place for me. The dedication of its faculty members confirmed that belief in the best possible way.

I also want to express my gratefulness to UAlbany for providing me assistantships for four years, which makes my doctoral study possible. I want to thank the School of Education for the Arvid. J. Burke Scholarship; the Office of the Vice President for Research for the Benevolent Association Awards; and UAlbany for a Dissertation Fellowship Award. Last, but not least, I want to thank the Department of Educational Administration and Policy Studies for providing me all sorts of funding to attend conferences and conduct field research in China. Doing field research in a foreign country can be quite expensive. I wouldn’t have achieved what I have done
today without the generous support of the university, the School of Education, and the EAPS department.

I am very thankful that I have many friends to support me along the way. I want to thank Dr. Daryl Luk for helping me apply to the doctoral program and for encouraging me to higher achievement in life. I’m also indebted to David Cheng and his family. I’m extremely grateful for David’s unconditional love and support. Without his support, I couldn’t have completed this doctoral program as quickly as I have. I also want to thank Mr. Mike Haggett for editing my dissertation. I’m fortunate to have his professional help.

Last, but not the least, I would like to express my gratitude to my family, including my parents, my sister and her family, and my brother and his family. I am so fortunate to have Chenhe Zhang and Fengyin Zhao as my parents. I cannot thank them enough for their unyielding support and their belief in me. I also want to thank my parents for not pushing me to get married, which is what many Chinese parents do. I also want to thank my sister for supporting me financially during my doctoral studies. Her generosity often moves me to tears. I also want to thank my brother for taking care of our parents. His attention and care for them allowed me the luxury of focusing on my studies.
Abbreviations

CAA: Commission for Academic Accreditation

CBHE: cross-border higher education

CCAS: The Johns Hopkins University-Nanjing University Center for Chinese and American Studies

CCRS: Chinese-foreign Collaboration in Running Schools

C-BERT: Cross-Border Education Research Team

CCCE: Commission on Chinese-foreign Cooperation in Education

CEAIE: The China Education Association for International Exchanges

CPC: Communist Party of China

DACC: Dean’s Association of Chinese-foreign Cooperation

DKU: Duke Kunshan University

DIAC: Dubai International Academic City

DUFU: Dongbei University of Finance and Economy

ECNU: East China Normal University
FYP: Five-Year Plan

HEI: Higher Education Institution

IBC: International Branch Campus

IC: International College

IELTS: International English Language Test System

IIEAD: Institute of Leadership and Educational Advanced Development

IU: International University

JGS: Joint Graduate School

MoE: Ministry of Education

MUGS: Modern University Governance System

NCEE: National College Entrance Examination

NYU Shanghai: New York University Shanghai

OBHE: Observatory Borderless Higher Education

OECD: Organization for Economic Cooperation and Development

QAA: Quality Assurance Agency
SAT: Scholastic Aptitude Test

SFCUU: Sino-Foreign Cooperative University Union

SII: Surrey International Institute (SII)

SVFS: Shanghai Vancouver Film School

TNE: Transnational Education

TOEFL: Test of English as a Foreign Language

UAE: United Arab Emirates

UIC: United International College

UNNC: University of Nottingham Ningbo China

WTO: World Trade Organization

XJTLU: Xi’an Jiaotong Liverpool University

ZWU: Zhejiang Wanli University
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Cross-border higher education has received much attention from researchers during the past decade, including research on student mobility, program mobility, and institutional mobility. In particular, institutional mobility has emerged to become a key feature of cross-border education. The establishment of foreign campuses or foreign learning centers is the typical form of institutional mobility. Institutional mobility may also take the form of building a distinctly new rather than affiliated educational institution or the take-over of all or part of a foreign educational institution (OECD, 2004). Kinser (2013) identifies eleven types of institutional mobility, including branch campus, independent site, extension location, outreach location, subsidiary site, academic partnership site, validation campus, research campus/site, government contract campus, government capacity campus, and joint curricular campus/site. Among various modes of institutional mobility, branch campuses have received the most attention from researchers (Lane & Kinser, 2011b; McBurnie & Ziguras, 2007).

The research on branch campuses has explored rationales for establishing branch campuses, variations in organization and management, issues of quality assurance and academic freedom, curriculum, and student demographics (Wilkins & Huisman, 2012; Lane & Kinser, 2011b; Kinser, 2011; Kinser, 2013; Wilkins & Huisman, 2011; Knight, 2008). Questions about the viability of the branch campus model have been raised, but despite media attention to
prominent failures of individual campuses, limited attention has been given to how branch campuses become successful in their host countries.

From a list of international branch campuses (IBC) that combines data from the Cross-border Education Research Team (C-BERT) at the University at Albany, State University of New York and the Observatory for Borderless Higher Education (OBHE) in the United Kingdom, a total of 302 IBCs have been established during the past two decades worldwide. Of those, 41 IBCs are known to have closed, leaving up to 261 IBCs still in existence. But at least 45 more IBCs are planned to open over the next few years (C-BERT, 2014; Lawton & Katsomitros, 2012), suggesting the IBC trend is continuing.¹

Because of the early prominence of IBCs in countries such as the United Arab Emirates and Qatar and the education hubs that hosted them, the tendency might be to think of IBCs as a regional phenomenon particular to Western universities engaging in the Middle East. However, the fact is that higher education institutions from 30 countries have established branch campuses in 79 countries, with over a dozen countries that both export and host IBCs. China has recently emerged as one of the top host countries, hosting nearly 10% of the total number of IBCs worldwide (C-BERT, 2014; Lawton & Katsomitros, 2012). According to separate surveys conducted by OBHE and C-BERT in 2011, the 110 surveyed institutions that responded to the surveys globally enrolled a total number of 86,237 students at both undergraduate and graduate

¹ As of December, 2014.
level, with an average of 783 students at each institution. Nine institutions that responded to the survey in China collectively enrolled 15,278 students, accounting for nearly 18% of total worldwide enrollment (C-BERT, 2011; Lawton & Katsomitros, 2012). In the next few years, another five to ten IBCs are planned in China (Dong et al., 2012).

1.2 International Branch Campus

1.2.1 IBC Definition

There is no consensus on the definition of a branch campus to date (Verbik & Merkley, 2006; Becker, 2009; Garret, 2002; Wilkins, 2010; Lawton and Katsomitros, 2012; Lane et al., 2013). The constant innovations in how universities position themselves internationally also present difficulties in applying definitions objectively (Lawton and Katsomitros, 2012). However, it is important to trace the formation and development of the definition of an IBC to map out the organizational form that is at the center of this study.

The earliest reference to the international branch campus could possibly date back to Wagner and Schnitzer (1991), and they included as branch campuses those off-shore institutions that were non-degree bearing or provided only short-term professional development and continuing education courses. Richard Garret (2002) mentioned that the line between an IBC and a study center or a partnership was blurry and different institutions used different definitions, but

\[ \text{As of December, 2014.} \]
Garret failed to provide his own definition in the report. A formal definition of an IBC later appeared in Knight’s (2005) paper: “A provider in country A establishes a satellite campus in Country B to deliver courses and programs to students in Country B (may also include Country A students taking a semester/courses abroad). The qualification awarded is from provider in Country A.” Knight posits an international branch campus is an institution with physical presence in another country while the home campus awards the qualification. This definition, however, leaves room for those activities that most would not classify as branch campuses. For instance, institution A has set up a satellite campus in place B, but students only stay there for a semester without earning a degree.

Later scholars in this field further refined the criteria for qualifying as an IBC. The most commonly quoted definitions of IBCs come from reports published by the Observatory on Borderless Higher Education (OBHE) (Verbik and Merkley, 2006; Becker, 2009; Lawton & Katsomitros, 2012). Each report defines the term differently, however. For example, Verbik and Merkley (2006) consider an institution with the following criteria as an international branch campus: 1) an off-shore operation of a higher education institution; 2) operated by the provider institution or through a joint venture; 3) students are awarded degrees from the provider institution. Becker (2009) largely adopts Verbik and Merkley’s definition of a branch campus, but emphasizes that the courses have to be “fully taken” at the campus abroad. Becker also expands the boundary of the branch campus by including small independent foreign education offices and small international branch centers established abroad by HEIs. Lawton and Katsomitros (2012) revamp the definition by identifying multiple factors that determine an IBC: 1) whether an institutional partner in the host country is involved in the governance and/or the
delivery of teaching; 2) whether degree-awarding powers reside with the home institution, the host institution, or both; 3) whether accreditation comes from the home or host country, or both; 4) whether the IBC incorporates branding from home and host institutions; 5) whether the proportion of academic staff comes from the home institution, the host country, or a third country; 6) whether there are a breadth of degree programs at various levels available; 7) whether some or all of a given degree program is taken at the branch campus; and 8) whether existing physical infrastructure in the host country is used, or a dedicated campus is built, or both.

Other scholars provide similar definitions on international branch campus (McBurnie and Ziguras, 2007; Wilkins, 2010; Wilkins and Huisman, 2011, 2012; C-BERT, 2010- ). The C-BERT definition is typical:

An entity that is owned, at least in part, by a foreign education provider; operated in the name of the foreign education provider; engages in at least some face-to-face teaching; and provides access to an entire academic program that leads to a credential awarded by the foreign education provider.

There is broad agreement in the literature, then, that an IBC should be an operation that involves a physical presence in the host country that is fully or jointly owned by the awarding institution. The instruction should involve face-to-face teaching of courses that are similar to those offered on the home campus of the institution. On completion of their studies, students should be awarded a degree from the foreign university.

For this study, I combine C-BERT’s definitions of an IBC with the criteria articulated by Lawton and Katsomitros (2012). OBHE and C-BERT separately keep the most comprehensive
lists of IBCs worldwide, so their definitions generally reflect the available data on branch campuses. Following their lead, an international branch campus is a physical entity established by a higher education institution on foreign soil. The home institution may or may not have local partners, whether they are a higher education institution, business, local government, education venture, or other entities. The IBC provides a program of study similar in quality and content to what is offered on the home campus. Some face-to-face instruction must be involved. The host institution operates in the name of the foreign institution and upon successful completion of the study students are awarded degrees from the home institutions. Some IBCs also award their own degree or a partner institution degree in addition to the foreign degree. The campus can range from small scale offices rented in the host country to a full-scale campus with a library, a cafeteria, recreational facilities, and student accommodations.

Based on this definition, these overseas operations can be considered as branch campuses: 1) full-scale branch campuses set up in another country; 2) smaller scale operations, including institutions offering provision in one discipline as well as those with a limited physical presence, as long as there is face-to-face teaching; 3) newly created institutions that are joint ventures between two educational institutions, one each from the home and host country, that offer a foreign degree or degrees from both institutions.
1.2.2 IBC History and Recent Development

Parsons, the New York-based fashion institute, opened a new school to provide education opportunities in Paris in 1921. It is the first documented higher education institution to establish a branch campus in a foreign country\(^3\) (Lane et al., 2013). A bit more than decade later, Florida State University opened a branch campus in Panama in 1933 to “serve the American citizens assisting in the development of the canal” (Lane et al., 2013). And almost two decades after that, in 1950, Johns Hopkins University established a campus in Italy to offer graduate programs in International Relations.

The U.S. higher education system initially expanded beyond U.S. borders through contracts with the military during the post-WWII period (Verbik and Merkley, 2006; Lane, 2011a). Webster University, for example, has expertise in providing higher education opportunities for currently-serving military personnel. It opened its first international branch campus in Geneva, Switzerland in 1978 to offer a flexible, American-style education. Soon, Webster University expanded its campuses in other European countries, including Austria, The Netherlands, and England.\(^4\) In 1999, Webster opened a campus in Thailand. Other universities such as the University of Maryland still have a significant overseas presence providing

\(^3\) The literature on early IBC history is limited and primarily focused on the U.S. There may be additional early examples of IBCs from other countries not reflected in the existing accounts.

\(^4\) Retrieved from Webster University website: http://www.webster.edu/about/mission.html
educational services and programs to military personnel, which were originally offered at military bases and onboard ship (Chambers & Cummins, 1990).

The 1980s witnessed the first significant surge in the development of IBCs beyond the military service model (Chambers & Cummings, 1990; Lane, 2011a). In this second phase of IBC development, educational programs and services from other countries were imported to reform the local higher education sector and to better train the workforce needed by the economy (Knight, 2006). Japan is the central example. In the 1980s, Japan looked toward the United States to elevate its educational system, especially higher education. In this effort, the United States also hoped to strengthen its ties with Japan (Lane, 2011a). Over the course of the decade, more than thirty U.S. colleges and universities established campuses in Japan, bringing American-style education to Japan. The project was largely a failure, however, and only Temple University campus from that original group still exists (Lane, 2011a; Chambers & Cummins, 1990).

1.2.3 Current Expansion of IBCs

The current phase of IBC growth began in the 1990s with diversification in the number of home and host countries (Knight, 2008). Grenadian chartered St. George’s University School of Medicine set up a branch campus in neighboring St. Vincent in 1978, which is the first known non-American institution to open a branch campus (Leventhal, 1995). The University of Bologna in Italy opened a campus in Argentina named Università di Bologna—Representación en la República Argentina in 1998, offering Master degree programs. Higher education institutions in a number of other countries, including Australia, Canada, Chile, Ireland, Mexico, Sweden, and
the United Kingdom, began opening IBCs. The European business school INSEAD, based in Fontainebleau, France, established a full-fledged branch campus in Singapore in 1999. During this period the host countries targeted opportunities in the developing world, including nations in South America, Asia, the Middle East, and Africa (Lane, 2011a). Moreover, developing nations such as Chile and Mexico, also emerged as exporters of higher education. There were 64 IBCs in operation by the beginning of the 21st century.\(^5\)

One hundred and sixty-four IBCs were established between 2001 and 2010, mostly by institutions based in the United States and the United Kingdom. And more than 50 IBCs have opened during the past three years alone (CBERT, 2014; Lawton & Katsomitros, 2012). To date a total of 261 IBCs are operating in 79 host countries,\(^6\) with the Middle East and Asia the dominant locations.\(^7\) According to the combined IBC list of C-BERT and OBHE, 45 more IBCs are expected to open over the next few years (C-BERT, 2014; Lawton & Katsomitros, 2012).

\(^5\) This is my tally based on the combined list of C-BERT and OBHE data. It is different from the number 50 provided by OBHE (Verbik & Merkley, 2006).

\(^6\) In this dissertation, the term “host country” is used interchangeably with the term “importing country”, and the term “home country” is interchangeable with “exporting country”.

\(^7\) as of August 30, 2014
1.3 Motivations to Establish IBCs, Nature of IBCs and IBC Closure

1.3.1 Institutional Motivations to Establish IBCs

There have been limited investigations on institutional motivations to establish an IBC in another country (Wilkins & Huisman, 2012). The most commonly cited reasons in the literature (in no particular order) include: to generate revenue for the home institution; to pursue increased institutional prestige on the international stage; to provide more opportunities for faculty and students at the home campus (Rizvi 2004; Verbik and Merkley, 2006; McBurnie and Ziguras, 2007; Becker, 2009; Naidoo, 2010; Lane, 2011b; Willkins & Huisman, 2012), as well as to strengthen academic standards (McBurnie and Ziguras, 2007; Naidoo, 2009; Harding & Lammey, 2011).

Higher education institutions (HEIs) in countries such as the United States, United Kingdom, and Australia face diminishing governmental funding as a proportion of their total income. They are seeking alternative sources of revenue to achieve expansion and investment targets (Welch, 2011; Lane, 2011b). One such alternative revenue source is often believed to come from opening a branch campus. For example, Monash University in Australia stated that revenue generation and entrepreneurial activities composed an important aspect of their work to
achieve self-reliance and become less dependent on government funding (McBurnie & Pollock, 2000). Monash’s branch campuses in China, Malaysia and South Africa are tied to that goal.8

High-profile universities, such as Duke University, take the establishment of branch campuses as part of their strategy to compete with other prestigious universities at home, as well as expanding their student bases and their ability to attract more competitive talent. For example, Blair Sheppard, Dean of The Fuqua School of Business, says: “Duke University hopes to become one of the best universities involved in this internationalization process, and to some degree will moderate the regrets that Duke can’t ‘beat Harvard’ locally” (Qian & Zhao, 2011). Richard H. Brodhead, the President of Duke University, states, “Duke, like all good universities, needs to attract the best talent, including attracting the best professors, the best students. There is no doubt that a large part of them will be from China” (powerpoint presentation by the Duke Kunshan consulting team in 2014, Albany).

New York University and University College London (UCL) believe that by operating international branch campuses, they will improve their standing both nationally and worldwide, strengthen their international profile and increase the mobility for students between the home campus and host campuses (Wilkins & Huisman, 2011). However, Knight (2006) claims that many non-profit and public universities opening branch campuses are more strongly motivated

8 In fact, Monash’s South Africa campus was a money loser from day one – in contrast to the one in Malaysia, which has been quite profitable.
by their desire to enhance research and knowledge capacity, as well as to increase cultural understanding between countries.

Wilkins & Huisman (2011) suggest that another important factor that propels the HEIs to operate foreign branch campuses is deeply embedded in the imperative to internationalize. They state that it has become a “norm” that university staff are expected to engage in some sort of international activity, especially for those universities in Europe. International branch campuses have received much media attention and are featured aspect of many universities’ public agendas (Redden, 2014).

1.3.2 National Motivations to Invest in IBCs

A nation might have multiple reasons to invest in foreign HEIs or to invite foreign HEIs to set up IBCs instead of or in addition to investing in its own local institutions. Reasons commonly cited in the literature include an interest in reversing brain drain, building a skilled workforce, improving resource capacity in the local market, and enhancing local economic development (Lane, 2010a, 2011b; Wilkins & Huisman, 2012). The host government usually grants preferential benefits to these foreign institutions in order to achieve these goals.

During the last decade, several countries in the Middle and Far East have established higher education hubs, whereby the IBCs usually locate on the same site or in the same city, in order to develop knowledge-based economies (Knight, 2011). It is hoped that the knowledge-based economy will be a solution to capacity shortages in higher education, as well as to skills shortages in the labor force in those countries (Welch, 2011). C-BERT (2014) has identified
education hubs in the UAE, Bahrain, Malaysia, Singapore, South Korea, Qatar, and the Republic of Panama. Some countries with education hubs offer particularly favorable conditions for foreign branch campuses (Becker, 2009). At Dubai International Academic City (DIAC), for example, foreign HEIs enjoy 100% foreign ownership without taxes, and 100% repatriation of profits in addition to exemption from the licensing requirements of the federal Commission for Academic Accreditation (CAA). In Abu Dhabi, the local government completely funded the development of campuses by New York University (NYU) and Paris-Sorbonne, and it also promises to pay their on-going operational expenses (Wilkins & Huisman, 2012).

The governments of countries that encourage the establishment of IBCs have also argued that this will promote competition among the higher education sector, thus improving the quality of higher education (Wilkins & Huisman, 2012). China provides an example of this. Following a massive expansion of higher education during a short period of time, the Chinese government has become concerned with the quality of its higher education. The Chinese government encourages foreign HEIs to establish new institutions in China to bring competition and to improve quality. More specifically, the Chinese government encourages partnerships and collaborations between Chinese institutions and foreign institutions to bring in cutting-edge foreign courses and curricula, teaching and learning styles, management strategies, et cetera, to develop an innovative talent pool to boost local economic development. The idea is that importing an existing institution will allow the country to achieve these goals more quickly than building its own from scratch (Lane, 2011b).
1.4 Cross-Border Higher Education (CBHE) in China

In China, cross-border higher education occurs within an official framework referred to as Chinese-foreign Collaboration in Running Schools (CCRS) by Ministry of Education. The name conveys the important fact that each cross-border activity is a collaboration between a Chinese institution and a foreign education provider. This is a requirement of the regulations and statutes issued by the Ministry of Education.

After the UAE, China is the second largest importer of higher education in the world, if measured only in terms of the number of international branch campuses, with 30 branch campuses already in existence (C-BERT, 2014). The first collaborative research center, the Center for Chinese and American Studies, was established by Johns Hopkins University and Nanjing University in 1986. Until 2000, however, collaboration between Chinese institutions and foreign educational providers developed very slowly due to the government’s focus on the economy and the internal development of Chinese higher education. China partially opened up its education market when it joined the World Trade Organization (WTO) in 2001. Foreign education providers were then allowed to have majority ownership in joint institutions. As of April 2013, a total of 1,841 Sino-foreign collaborative programs are in existence, and among them 793 are programs that award bachelor degrees or higher.9 Forty-three are higher education institutions that provide bachelor and above degree programs. These programs and institutions

9 As of April 26, 2013.
enroll about 80,000 students per year. It is estimated that student enrollment will increase to between 160,000 and 200,000 by 2020 (Tan, 2013). According to the Chinese-foreign Joint Education Ventures Research Panel (2009:5), 73.3% of Chinese overseas partners are from English-speaking countries, namely Australia (22.3%), the United Kingdom (16.8%), Canada (11.7%), and the United States (9.7%).

Like all host countries, China has policies regulating activities conducted within its own borders. Unlike other host countries, however, China uniquely stipulates that in order for foreign institutions to establish new institutions in China, they must partner with a local institution. For instance, Duke Kunshan University partners with Wuhan University, and New York University Shanghai partners with East China Normal University. These IBCs offer dual degrees at the undergraduate level, but only offer home institutions’ degrees at the graduate level, including Masters and Doctoral degrees. However, these institutions are not considered as foreign institutions’ branch campuses in China. They are identified as “independent” international universities or international colleges and are registered as Chinese universities. Nevertheless, because they meet my definition of an IBC, they will be considered branch campuses in this study.

Since all the independent institutions and programs have local partners, it is important to distinguish IBCs from simple partnerships. I developed several steps to determine which institutions should be considered IBCs in China.

Step 1: Identify all the independent and non-independent institutions established by foreign institutions and their collaborating Chinese partner. There were a total of 56 such
institutions approved by the MoE as of May 2014. Programs set up by foreign institutions and the local partners are not included in this list.

Step 2: Eliminate those institutions that do not award foreign degrees. The definition of an IBC requires an institution to award degrees in the name of the home institution. Twelve such institutions are identified and thus eliminated from the list.

Step 3: Eliminate those institutions that have multiple foreign partners.¹⁰ Twelve such institutions are therefore taken off the list. For instance, Europe-China School of Law is a partnership between China University of Political Science and Law and 15 other Europeans universities; thus it is not considered as a branch campus of any foreign institution. This brings the MoE list comes down to 28 institutions that can be classified as IBCs.

Step 4: There are two institutions that meet IBC qualification but are not on the MoE list. I have added those two as IBCs for the purpose of the study. These are the Center for Chinese and American Study set up by Johns Hopkins University and Nanjing University, and the Overseas Education College at Nanjing University of Posts and Communications, in collaboration with New York Institute of Technology.

¹⁰ According to the C-BERT protocols, a Chinese partner cannot serve as a branch campus for multiple foreign institutions because such collaboration is more like a joint-degree program rather than a branch campus.
Based on my definition, therefore, a total of 30 IBCs have been identified in China. These institutions have been established by: United States (11), United Kingdom (7), Germany (2), Hong Kong (2), Australia (2), Canada (1), Ireland (1), Japan (1), South Korea (1), the Netherlands (1), and Russia (1). These IBCs are located in economically developed regions in China, including Liaoning (6), Shanghai (4), Jiangsu (4), Beijing (3), Guangdong (3), Shandong (2), Hebei (2), Sichuan, Zhejiang, Hunan, Henan, Shanxi, and Fujian (1 each).
1.5 Legitimacy

Suchman (1995) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of
norms, values, beliefs and definitions” (p. 574). Establishment and maintenance of legitimacy is one of the critical issues multinational enterprises face when they enter foreign markets (Kostova & Zaheer, 1999). Setting up branch campuses on foreign soil is a high-risk development strategy (Becker, 2009; Borgos, 2013), which simultaneously face the challenge of establishing and maintaining legitimacy (Farrugia & Lane, 2013; Borgos, 2013). The IBC is also a new form of higher education, one that lacks both traditional social standing and any significant track record. New organizations often struggle with legitimacy. As Freeman et al. (1983) put it, when organizations are established in a new locale, they face the “liability of newness”. New organizations also face a “liability of foreignness” when they locate on foreign soil (Zaheer & Mosakowski, 1997). The liabilities of newness and foreignness might apply within the higher education sector when institutions launch campuses abroad.

By gaining legitimacy, the enterprises can acquire the resources and the market acceptance they need for their survival and prosperity (Dowling & Pfeffer, 1975; Zimmerman & Zeitz, 2002). Meyer and Rowan (1977) state that organizational survival (success) is linked to legitimacy and depends on the support the organization receives from its different constituencies. These resources include financial and non-financial resources. Financial resources are fundamental to the survival of branch campuses, including student tuition, government sponsorship, home campus financial support, research grants, and contracts. Non-financial resources can contribute to the stability and reputation of home institutions, including talented faculty and administrators, highly qualified and high potential students, and high-value networks (Lane et al., 2013).
However, it may be difficult for IBCs to achieve legitimacy. It is not easy for new firms to gain legitimacy in existing markets because new organizational forms are not automatically accepted by local constituencies (Stinchcombe, 1965). Institutions typically have long histories in their native countries; thus the faculty, students, and administrators tend to not consider the problem of legitimacy when embarking on an overseas initiative (Lane et al., 2013). However, when colleges and universities move into another country by setting up branch campuses, as new entrants into an established market, home-based legitimacy does not necessarily carry over to the local environment or it may only partially carry over (Farrugia & Lane, 2012). Therefore, most institutions must build their legitimacy—a new legitimacy that will be conferred by different stakeholders in the new host environment. Without legitimacy, an organization’s ability to conduct business, and therefore survive, can be hindered by local governments, other stakeholders, or simply by market indifference or reaction (Suchman, 1995; Tsang, 1996; Ahlstrom et al., 2008).

1.6 Problem Statement and Research Questions

1.6.1 Problem Statement

Newly established organizations often encounter the “liability of newness” (Freeman et al, 1983). At the same time, these new organizations also face the “liability of foreignness” if they are located in foreign countries (Zaheer & Mosakowski, 1997). International branch campuses are new organizations that are set up on foreign soil, and the liabilities of newness and foreignness might be applied to these branch campuses.
In other fields, research has shown an organization’s legitimacy is critically related to its success or failure (Meyer and Rowan, 1977; Singh et al., 1986; Vanhonacker, 2000; Bianchi & Ostale, 2006; Diez-Martin et al., 2013). By gaining legitimacy, organizations can obtain the resources they need to become sustainable. Similarly, a lack of legitimacy can lead an organization to lose (or never establish) its social support, thus increasing its chance of failure. Therefore, international branch campuses have to confront the challenge of establishing legitimacy in order to survive and develop.

International branch campuses are usually regulated as private institutions, even though they are required to serve public functions in the host countries. Research has shown that private higher education worldwide, with a few exceptions (such as the United States), is usually considered inferior to public higher education, and has low prestige (Levy, 2007). Private higher education institutions have had difficulties gaining legitimacy in post-communist European countries (Slantcheva & Levy, 2007). This might also apply to the private higher education institutions, including international branch campuses, in China. However, little research has been conducted on the role legitimacy plays in private higher education in China. There is no empirical research on the legitimacy of cross-border higher education, especially international branch campuses either in China or other countries worldwide. My study will be the first empirical research on the legitimacy in the private higher education sector in China. Moreover, this study will be the first empirical research on the legitimacy of international branch campuses worldwide.
1.6.2 Research Question

What strategies do international branch campuses use to gain acceptance and support from different stakeholders (legitimacy) in China?

1.7 Significance of the Study

This research is significant in three aspects: 1) to fill a research gap on the development of international branch campuses; 2) to extend legitimacy theory to higher education in an international environment, especially to international branch campuses; and 3) to illuminate practices of international branch campuses gaining legitimacy in the context of China, a country that is heavily controlled by the government.

Legitimacy has been used and analyzed in philosophy, political science, sociology, and psychology (Zelditch, 2001). Recently, legitimacy has been broadly studied in understanding organizations, such as businesses, hospitals, restaurants, and even nonprofit organizations in China (Du, 2010; Du & Zhang, 2009; Wang et al, 2011; Ahlstrom & Bruton, 2001; Alstrom et al., 2008; Kostova & Zaheer, 1999; Dowling & Pfeffer, 1975; Meyer & Scott, 1983; Zeng et al., 2009; Li et al., 2012). However, there are few studies of the legitimacy of educational institutions. Slantcheva and Levy (2007) edited a book titled *Private Higher Education in Post-Communist Europe: In Search of Legitimacy*. This is one of the few books that study legitimacy issues pertinent to higher education, and perhaps the only one with a focus outside the United States. Only a few examples of Chinese-language literature on legitimacy in higher education have been found. Zhang and Zhu (2011) studied how higher education institutions tend to look
the same (i.e., education institutional isomorphism), using the lens of neo-institutionalism. Qi (2012) studied the legitimacy issues related to the new ventures created by higher education institutions. Currently there is no empirical research that has been conducted on how IBCs have gained legitimacy in host countries worldwide. My study will fill this gap.

This study will be useful to scholars and experts in Chinese higher education. Since international branch campuses are a new phenomenon, it is critical to understand their nature, the role they play in the Chinese higher education sector, and their functions. This study will provide policy makers with valid evidence to make future policies.

In addition to the contribution to cross-border higher education and legitimacy, my research also has potential practical implications. To date, 42 IBCs have been closed down in the world\textsuperscript{11}, which in some cases incurred significant costs as well as reputational damage. For instance, the withdrawal of the University of New South Wales from Singapore in 2007 after only 2 months of operation resulted in a loss of US $38 million to the university (Becker, 2009). Suffolk University suffered a loss of US $10 million when it shut down its branch campus in Senegal (Lawton & Katsomitros, 2012). After the University of Waterloo closed its campus in Dubai, it had such a great impact on the institution that campus leaders have no further interest in opening another branch campus (through a personal conversation with the vice provost of

\textsuperscript{11} This does not include Japan-hosted IBCs.
University of Waterloo). Strategies utilized by institutions to gain legitimacy in China can provide insights that may help IBCs in other countries.
Chapter 2 Literature Review

The literature review will focus on the theoretical framework of legitimacy and the strategies used by organizations in other fields to gain legitimacy. The theoretical framework in this dissertation combines Scott’s institutional theory and Suchman’s legitimacy concept to illuminate the notion of legitimacy and its myriad of dimensions (Scott, 1995; Suchman, 1995). The legitimacy building strategies are mainly built on Suchman’s (1995) framework, which includes conformance to, selection, and manipulation of environment. Other scholars also propose a fourth strategy in their research, creation of environment (Zimmerman & Zeitz, 2002; Alstrom et al., 2001, 2008). This fourth strategy is also used as part of legitimation process framework. The following chapter comprises five sections 1) Importance of legitimacy; 2) Concept of legitimacy; 3) Legitimacy gaining strategies; 4) Legitimacy threshold; and 5) Summary.

2.1 Importance of Legitimacy

Legitimacy is a critical issue organizations face (Hunt & Aldrich, 1996). Zimmerman and Zeitz (2002) state that legitimacy plays a key role in understanding the creation, survival, and growth of new ventures by arguing that “legitimacy is a resource for new ventures—a resource at least as important as other resources, such as capital, technology, personnel, customer, goodwill, and networks” (2002: 414). Researchers have recognized the importance of legitimacy for organizations—that is, legitimacy improves chances of attaining all of the various resources needed to survive and grow, such as capital, technology, managers, competent employees,

Although legitimacy is crucial to both new ventures and established organizations, legitimacy is even more critical for new ventures, especially in the early years of a new venture’s existence before they start to generate a profit. Survival is the most frequently recognized effect of legitimacy (Zimmerman & Zeitz, 2002). “Almost by definition, small new firms lack the resources of many larger, established firms. The task of an infant firm, and a measure of its success, is to make a transition from being resource weak to being resource strong” (Zhao and Aram, 1995:349). However, new organizations are generally met with mistrust by the public since they are absent of “traditional social standing, established support, and secure sustenance” (Slantcheva and Levy, 2007:2). Therefore, they face challenges to legitimacy and often struggle to gain societal acceptance (Slantcheva and Levy, 2007; Reisz, 2007). Singh et al. (1995) state that “the early years of the existence of organizations are the period during which they are most vulnerable to the liability of newness.” The absence of a new organization’s track record of performance results in “a justifiable lack of confidence on the part of customers, distributors, and suppliers that the venture will survive and therefore little reason to provide patronage” (Starr and MacMillan, 1990:83). This seems to hold true in China as well: 75% of small businesses in China failed within five years of their establishment due to their inability to endure the impact of economic fluctuations (Du, 2010)
On the contrary, access to resources is less problematic for established organizations than for new organizations simply because established organizations must have some sort of legitimacy from having existed for a long time. Society usually judges an organization appropriate or not by the organization’s past performance. Established organizations can use their performance record to show that they are trustworthy organizations, which help them to acquire legitimacy and access resources (Zimmerman & Zeitz, 2002).

Stinchcombe (1965) describes legitimacy as an antidote for the liability of newness. Scholars suggest that a new organization must demonstrate its desirability by showing that it has or engages in legitimate activities in order to get access to resources, which includes but are not confined to 1) abiding by rules, laws, and standards set by the industry; 2) seeking endorsements from various supporters; 3) complying with the norms and values in its domain; 4) building management team credentials, et cetera (MacMillan, Siegel, & Subba Narasimha, 1985; Muzyka, Birley, & Leleux, 1996; Zimmerman & Zeitz, 2002). Of course, scholars (e.g., Zimmerman & Zeitz, 2002) also argue that “organizations can also access resources through illegal, unethical, and/or unconventional actions; however, this approach, over time, may create problems for organizations, limit their survival and growth, and/or make future attempts to acquire legitimacy and to access resources difficult” (2002: 417). Zimmerman & Zeitz (2002) argue that because a new organization has few resources to leverage, it needs to use activities that can foster legitimacy but cost little or no money, such as endorsements, certification, and network development. If a new organization crosses a certain threshold whereby it is judged legitimate, it can gain access to the various resources it needs to survive and grow (Andrews, 1996). Also,
investors may choose to invest in the new organization, even though they may have doubts about the new organization’s future financial performance (Zimmerman & Zeitz, 2002).

Beyond the mere survival, legitimacy can be used to enhance any of the eight most frequently used measures of performance in the study of new organizations (Zimmerman & Zeitz, 2002). These eight measures include efficiency, growth, profit, size, liquidity, success/failure (i.e., survival), market share, and leverage (Murphy et al., 1996). I argue that growth is the core among the different measures of performance since profit, size, success, market share, and leverage are intuitively related to growth. Only when an organization achieves growth can it generate profits, expand its size and market share, have more leverage, and gain success. Legitimacy plays a critical role in an organization’s growth. Although some new organizations do not pursue growth but, rather, seek a level of sustainability (e.g., Birch, 1987; Hoy et al., 1992), legitimacy is essential for these organizations to achieve sustainability because legitimacy can help the organizations to access resources they need to do so.

Similarly, a lack of legitimacy increases the chance of organizational failure (Bianchi & Ostale, 2006). When a company loses its legitimacy, it risks losing its social support (Vanhonackers, 2000). The literature points to numerous organizations that have failed not for lack of resources or because of faulty products, but due to a complete loss or deterioration of their legitimacy (Ahlstrom & Bruton, 2001; Chen et al., 2006).

In summary, the legitimacy-resource-survival/growth relationship is important to both new and established organizations. This relationship is especially critical to new organizations seeking resources because they typically have little past performance record for the resource
holders to judge (Zimmerman & Zeitz, 2002). As Zimmerman & Zeitz (2002) state, the legitimacy-resource-survival/growth relationship is one of reciprocal causation. Nonetheless, the causal process I will focus on in this dissertation is the sequential one from legitimacy to resource acquisition and survival/growth, since the focus of my research is to study the strategies new international institutions use to gain legitimacy in China. This relationship can be summarized in the following working model (Figure 2.1). Acquiring various resources new organizations need to survive is the most critical thing that they need to consider. Once they pass the legitimacy threshold, they can get access to resources they need to survive. Once they survive, they start to build their performance record, which will provide the organizations legitimacy, persuading resource holders to confer more support, which will impel the organizations’ growth. Organizational growth will then give the organizations more legitimacy, which will garner them more resources.
2.2 Concept of Legitimacy

Legitimacy is an elusive concept. Legitimacy is not something people can see or touch. Also, legitimacy is often viewed retrospectively by studying the already established and successful organizations to demonstrate that the survival and/or growth of an organization indicate that legitimacy is present with that organization (Zimmerman & Zeitz, 2002).

Early scholars (e.g., Ashforth & Gibbs, 1990; Dowling & Pfeffer, 1975) define legitimacy as congruency between the values, norms, and expectation of society and the activities and outcomes of the organization. Scott (1995) understands legitimacy from the institutional perspective. He states that institutions consist of cognitive, normative, and regulative structures and activities that provide stability and meaning to social behavior, thus legitimacy is not just another kind of resource but rather, “a condition reflecting cultural alignment, normative
support, or consonance with relevant rules or laws” (1995a: 45). Meanwhile, Suchman (1995) summarizes the legitimacy literature and provides his own definition of legitimacy, which is cited with the greatest frequency by researchers who study legitimacy. Suchman (1995) defines legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” (p. 574).

Although scholars have provided different definitions of legitimacy, it seems that they all agree that legitimacy is a relationship between the practices, activities, and outcomes of the organization and those norms, values, beliefs, and expectations that are contained within, approved of, and enforced by the social system in which the organization exists. The reasonable definition of legitimacy entails three important aspects. First, the practices, activities and outcomes of the organization must be deemed as appropriate, worthy, and desirable. Second, legitimacy resides in the eye of beholder (Zimmerman & Zeitz, 2002). It is the organization’s stakeholders who perceive the organization’s practices, activities, and outcomes as appropriate, worthy, and desirable, thus they confer legitimacy to the organization. Finally, the practices, activities, and outcomes need to be congruent with the values, norms, beliefs, and expectations within the social system.

The concept of “social system” can be quite broad. Zimmerman & Zeitz believe that “such a system constitutes the environment in which the organization operates and with which it needs to demonstrate consistency” (2002: 416). Zimmerman & Zeitz (2002) further provide sector-based and scale-based segmentations of environment. The sector-based environment can
be categorized into political and regulatory, product, labor, financial, technological, social tastes and preferences, and the like. The scale-based environment can be classified into international, national, regional, or local. They claim that industries constitute an important environment for both new and established organizations. Each organization will operate within multiple relevant environmental forces, and no organization can achieve congruency with all environments. As a matter of fact, some environmental forces might pull the organization into different directions, thus making it impossible to be consistent with all environments. The organizations, especially the new organizations need to decide the particular mix of environmental factors that are critical to their survival.

Zimmerman & Zeitz (2002) claim that “Legitimacy is not directly observable. It ultimately resides within the psyches of social actors, who may or may not be reflectively aware of legitimacy’s role in their thinking and decision making” (2002:418). Indeed, DiMaggio & Powell (1991) argue that “legitimacy has its greatest hold on social actors when its source is not reflected upon” (cited in Zimmerman & Zeitz, 2002: 418). However, researchers have attempted to classify legitimacy into different categories and tried to measure legitimacy using indirect or proxy measures. For instance, Singh et al. (1986) studied whether external legitimacy or internal coordination processes were more prominently related to the failure of younger organizations. Their research found that the external legitimacy was more pertinent to the demise of the organizations than was internal legitimacy. Scott (1995) classified legitimacy into regulative, normative, and cognitive legitimacy. Suchman (1995) summarized the literature on legitimacy and classified legitimacy into pragmatic legitimacy, moral legitimacy, and cognitive legitimacy. Later, Hunt and Aldrich (1996) propose a similar framework that includes three types of
legitimacy: socialpolitical regulatory, socialpolitical normative, and cognitive, which is almost the same as the Scott (1995) framework. Zimmerman and Zeitz (2002) introduce the concept of industry legitimacy in their study on new ventures’ strategic actions in gaining legitimacy to enhance their survival. Dacin et al. (2007) studied the legitimacy of strategic alliances from an institutional perspective. They presented a framework with market legitimacy, investment legitimacy, relational legitimacy, social legitimacy, and alliance legitimacy.

I adopt Scott’s (1995) institutional legitimacy and Suchman’s (1995) legitimacy to build the legitimacy conceptual framework, including sources of legitimacy and legitimacy gaining strategies. I adopt Scott’s (1995) institutional theory in its assumption that bounded rationality and uncertainty are chronic conditions in societies. This is especially true for Chinese society, where people live their lives in a highly controlled political regime, constantly facing regulative uncertainties. In addition, the marketization in China is only at its beginning stage; therefore, it is not as mature as marketization in the Western nations. People do not always make rational decisions. Suchman (1995) provides an additional dimension of legitimacy. Together, they form a more complete conceptual framework for understanding legitimacy and its myriad aspects.

Scott (1995, 2001) suggests using three pillars of institutions as an analytical framework to understand the adoption of structures, practices, and beliefs that conform to normative expectations for legitimacy (Wilkins, 2011). Each of the three pillars provides a basis for legitimacy. Institutionalists view legitimacy not as a commodity to be possessed or exchanged, but “a condition reflecting cultural alignment, normative support, or consonance with relevant rules or laws” (Scott, 1995: 45). These three pillars include: 1) Regulative: the organizations
need to conform to the regulations, laws, and rules, usually by coercion, to build their legitimacy from the government. The regulative pillar is legally sanctioned; 2) Normative: the normative pillar is morally governed. It concerns the appropriateness of an organization’s practices and activities. Organizations build their legitimacy through certification and accreditation; and 3) Cognitive: the cognitive pillar emphasizes “the “taken for grantedness” of a social form or practice” (Scott, 1995: 47). It stresses that this form of legitimacy comes from adopting an orthodox structure or identity in order to relate to a specific situation. It achieves prevalence or isomorphism due to the support of culture and being viewed as the correct way to do things.

Suchman (1995) states that organizations seek legitimacy for the purpose of stability and the comprehensibility of organizational activities (continuity), and organizations being “more meaningful, more predictable, and more trustworthy” (p.575). Some organizations seek passive support from constituencies just to avoid questioning, and only need to “make sense.” Other organizations seek active support to mobilize affirmative commitments by their constituencies.

Suchman (1995) classifies legitimacy into three types: pragmatic, moral, and cognitive. Pragmatic legitimacy refers to the self-interests of an organization’s most immediate audiences and stakeholders. There are three subtypes within pragmatic legitimacy. 1) Exchange legitimacy: constituents’ support for an organizational policy based on that policy’s expected value to them. 2) Influence legitimacy: constituents’ support for the organization because it is responsive to their larger interests, rather than providing them with specific favorable exchanges. 3) Dispositional legitimacy: constituents view the organizations as individuals, and are likely to confer legitimacy to those organizations that “have our best interests at heart,” are “decent,” and
“wise.” Moral legitimacy is more concerned with whether the activity conducted by an organization is “the right thing to do.” More specifically, moral legitimacy is about whether the activity effectively promotes societal welfare as defined by the audience’s socially constructed value system. Moral legitimacy involves evaluations of outputs and consequences, techniques and procedures, and categories and structure. Suchman’s moral legitimacy is very close to Scott’s normative pillar of institutions. Cognitive legitimacy may involve either affirmative backing for an organization or mere acceptance of the organization as necessary or inevitable based on some take-for-granted cultural account.

The following section will describe each source of legitimacy: regulatory, normative, cognitive, and pragmatic, followed by the different strategies to gain legitimacy suggested by Suchman (1995) and other scholars (Zimmerman & Zeitz, 2002; Alstrom et al., 2001, 2008).

2.3 Sources of Legitimacy

2.3.1 Regulative Legitimacy

Regulative legitimacy is possibly what people think of the most when they hear the word “legitimacy.” The institutionalists emphasize the regulative aspects of institutions, which is to constrain and regulate behavior (e.g., Scott, 1995). Regulative processes, according to Scott (1995, 2008) involve 1) rule setting, the capacity to establish rules, laws, and regulations; 2) monitoring, the ability to inspect or review other’s conformity to the rules; and 3) sanctioning activities, which can manipulate sanctions through rewards or punishments to influence future behavior. These processes may operate through informal mechanisms, such as shaming or
shunning activities, or through formal mechanisms, such as rules, regulations, or laws. They also may be highly formalized and assigned to specific actors, such as the police and the courts. To summarize, regulative legitimacy can be derived from regulations, rules, laws, standards, and expectations created by governments, credentialing agencies, and professional associations (Zimmerman & Zeitz, 2002). Zimmerman & Zeitz (2002) also point out that legitimacy can be derived from powerful organizations, such as those manufacturing companies that require their sub-suppliers to have some type of certification as their proof of quality. Monitoring and sanctioning activities are usually involved to ensure that organizations comply with the rules, regulations, standards, and expectations. Scholars believe organizations using these activities gain legitimacy among a wide variety of stakeholders (Deephouse, 1996; Scott, 1995; Singh et al., 1991). However, organizations comply with the regulations, rules, standards, and expectations not just to simply avoid sanctions, but may want to present to the public that they are good citizens of society (Zimmerman & Zeitz, 2002).

Regulative legitimacy is important for both new and established organizations, but it takes on additional significance for new organizations. Indeed, the mere establishment of an organization already shows that the organization has complied with the regulative requirements. New organizations have to pay special attention to regulative legitimacy because failing to acquire regulative legitimacy may prevent them from operating legally or preclude them from acquiring resources they need to survive, temporarily or permanently (Zimmerman & Zeitz, 2002). When new organizations lack the track record of established organizations, gaining regulative legitimacy can at least help them demonstrate to the stakeholders that these new
organizations are trustworthy and appropriate in the legal sense, which most of the stakeholders emphasize when they are unable to judge the financial prospect of these young organizations.

In China, the power of conferring regulatory legitimacy resides in the legal authority of the state officials in the forms of regulations, rules, and laws. More specifically, it can be operationalized by authorization, license, accreditation, and certification in higher education sector. The state exerts coercive power for institutions to comply with these rules or laws (which is indeed the expedient way for institutions to acquire legitimacy from the state), or the state can exercise sanctions upon them. *Regulations of The People’s Republic of China on Chinese-Foreign Cooperation in Running Schools (Regulations of CCRS)* stipulate:

The education administrative department of the State Council (Ministry of Education) shall be responsible for the overall planning, comprehensive coordination and macro control for all Chinese-foreign cooperative activities in running schools nationwide. The education administrative department, the labor administrative department and other relevant administrative departments of the State Council shall be responsible for the work in relation to CCRS in accordance with their functions and duties as defined by the State Council. The education administration departments of the people’s governments of the provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for overall planning, comprehensive coordination and macro control for all CCRS activities within their respective administrative regions. The education administrative departments, the labor administrative departments and other relevant administrative departments of the people’s governments of the provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for the work in relation to CCRS within their respective administrative regions in accordance with their functions and duties.

The State Council is the supreme governmental body to issue laws and regulations regarding education. The Ministry of Education (MoE), the administrative organ of the State Council in China, sets regulations and rules regarding international branch campuses in the following aspects: establishment, authorization and review, certificate registration and
accreditation, and evaluation. The MoE sets requirements for setting up IBCs in terms of their establishment, organization and administration, education and teaching, assets and financial matters, alteration and termination, and legal liabilities. The MoE developed indicators to evaluate these institutions, including

1)Mission: institutional positioning and guiding principles;
2)Management system: organizational structure and management team;
3)Assets and financial management;
4)Quality assurance: admission and student enrolment, teaching, quality assurance and supervision, and certification;
5)Faculty: faculty employment, faculty qualification and faculty professional development;
6)Infrastructure: infrastructure status and infrastructure construction;
7)Quality of education: quality appraisal of graduates’ academic product, student satisfaction and social appraisal;
8)Social benefits: internal benefits and external benefits; and
9)Institutional unique characteristics.

Proposition 1a: International branch campuses in China gain legitimacy by conforming to the regulations, rules, standards, and expectations of the government.
2.3.2 Normative Legitimacy

While the regulative pillar refers to the coercive power of regulations, rules, and laws, legitimacy gained through the normative pillar focuses on “normative rules that introduce a prescriptive, evaluative, and obligatory dimension into social life” (Scott, 1995: 37). The normative legitimacy, or moral legitimacy by Suchman (1995), is more tacit and part of the “deep structures” of a country (Gersick, 1990). It is more difficult to sense and to interpret, particularly for an outsider, than regulative legitimacy (Kostova and Zaheer, 1999). Organizations gain legitimacy through normative isomorphism, in that they tend to respond similarly to the pressure of social norms and values. This is especially the case in new environments (DiMaggio & Powell, 1983).

Normative structures consist of values and norms. “Values are conceptions of the preferred or the desirable together with the construction of standards to which existing structures or behavior can be compared and assessed” (Scott 1995: 37). Norms specify how things should be done and what are the legitimate means to pursue valued ends. Normative systems define goals or objectives for organizations and also designate the appropriate ways to achieve them (Scott, 1995).

March and Olsen (1989) developed a broad conception of rules in normative systems, including “routines, procedures, conventions, roles, strategies, organizational forms, and technologies…beliefs, paradigms, codes, cultures…” (p.22), but they suggest that the focus remains on social obligations. They do not view those behaviors oriented and governed by rules as unreasonable or automatic. Rather, March and Olsen (1989) insist that rules must be
both selected and interpreted, adapting to the demands of the particular situation. Searing (1991, p. 1253) argues that actors do not become slaves to social conventions by observing the rules; rather they are rational people that adapt to the rules of institutions.


Institutionalists put culture as their locus for organizations to gain their legitimacy. Hutchings & Weir (2006) states that because institutions and cultures overlap and reinforce each other, their boundaries become blurry. In China, guanxi, or “social connections”, is part of the culture that plays a very important role in organizations’ obtaining legitimacy. Ahlstrom et al. (2001, 2008) state that exercising normative conformance to the demands of a local environment in China is often done through establishing guanxi or social connections with important individuals, government, and party cadres that can confer legitimacy. Guanxi is often mentioned as something organizations doing business in China must have, and it helps the organizations build legitimacy, especially during disputes over resources, land ownership, employment issues, et cetera (Peng & Luo, 2000; Yeung & Tung, 1996; Hung, 2004). Peng & Zhou (2005) claim
that guanxi with key government official and other influential individuals in China will continue to be an important source of legitimacy, even though perhaps less important and durable than in the past.

Guanxi with certain officials can provide an organization some protection from ambiguities in the law (Peng & Luo, 2000; Tung & Worm, 2001). Officials usually interpret the rules and regulations from the perspective of the organization if the organization maintains a good relationship with them. There is a chance that the organization does not have to conform to the rules and regulations, because officials further shape regulations to satisfy the firm’s needs (Alstrom et al., 2008).

Proposition 1b: The IBCs can acquire normative legitimacy by addressing norms and values held by those that control resources. To be specific, IBCs need to emphasize their social obligation to the society and will leverage their Guanxi in order to gain normative legitimacy from the government; IBCs need to conform to the values and norms held by the parents in order to acquire normative legitimacy from the parents.

2.3.3 Cognitive Legitimacy

Normative theorists emphasize the power of roles and normative expectations’ guidance in shaping organization’s behavior and practices. However, cognitive theorists believe that routines are followed because they are taken for granted, and that is the way things are normally done. Other types of behavior are inconceivable (Scott, 1995). Although scholars of neo-institutionalism have tried to differentiate between cognitive and normative legitimacy
conceptually, it is difficult to distinguish them empirically (Zeitz et al., 1999).

Scott (1995) explains that the cognitive pillar of legitimacy includes two aspects of social systems. One is the identity of an organization and what role it plays or is expected to play in the society; the other is rule of action (like rules in a game) that constitutes what the system is. Actors learn who they are (identities), what is expected of them (roles), and how they should behave from contact with ongoing systems (Zimmerman and Zeitz, 2002). Zimmerman & Zeitz (2002) claim that “the identities and roles preselect the types of actions considered appropriate, as well as instrumentally effective” (2002:420). Organizational researchers are increasingly favoring the cognitive pillar over the others, and scholars such as DiMaggio, Powell, and Scott stress its importance among institutions (Scott 2008: 57). The cognitive framework stresses the significance of social identities, an individual’s conception of who they are and the actions that make sense for them in any given situation.

One source of cognitive legitimacy is endorsements. An endorsement is a favorable opinion or actions given by an influential individual, a group of people, or one organization to another. The endorsing organization’s legitimacy may spill over into the recipient organization, which is especially beneficial to newly established organizations, because the endorsement serves as a vote of confidence in the new organizations (Deephouse, 1996; Starr and MacMillan, 1990; Stinchcombe, 1965). There are two important types of endorsements new organizations can leverage. One is positive press coverage (Deeds et al., 1997; Elsbach, 1994) and the other is government officials’ visits (Ahlstrom et al., 2000, 2008). Positive press coverage of the new organizations indicates that the press believes in the new organizations, and the press can
influence the public’s judgment, thus the legitimacy of the press spills over into the new organizations.

Ahlstrom et al. (2000, 2008) find that when a company has high-level government officials pay a visit, the company’s prestige will increase, and it may be more favored by local officials when they learn of such visits. This explains the many publicity photos one sees of such occasions. The Ahlstrom study shows that small private businesses believe they will receive preferential treatment, particularly in terms of bank loans and government support, if they can demonstrate connections with top officials and principles of important state enterprises.

To summarize, the organizations can acquire cognitive legitimacy by supporting and implementing the routines, practices, and concepts that are widely accepted and considered desirable in the social system in which they operate (Scott, 1995; Suchman, 1995). The organizations first need to identify who they are and what their roles are in the social system they are in. Then, the new organizations can gain cognitive legitimacy by associating or affiliating themselves with established or successful entities; by being orthodox and imitating the behaviors and actions of the established organizations; and by seeking endorsements from those institutions that can transfer legitimacy to them.

Proposition 1c: The international branch campuses in China can acquire cognitive legitimacy by stressing their identity and role with the Chinese higher education system, by affiliating/associating themselves with the home foreign institutions, and by seeking endorsements from the media and the governments.
2.3.4 Pragmatic Legitimacy

Pragmatic legitimacy refers to the self-interests of an organization’s most immediate audiences and stakeholders. The organization’s external stakeholders act as a mechanism for conveying environmental demands and conferring legitimacy (Lane et al., 2013). Recognizing the value of legitimacy and the role that stakeholders play in granting legitimacy, many organizations act strategically to identify and address the expectations of their stakeholders (Suchman, 1995).

Suchman (1995) summarizes three types of pragmatic legitimacy. They are:

1) Exchange Legitimacy: Constituents support an organization based on that organization’s expected value to them (e.g., Dowling & Pfeffer, 1975);

2) Influence Legitimacy: Constituents support an organization not necessarily because they believe that the organization provides them specific value, but rather because they believe the organization can meet their larger interests. Organizations can gain influence legitimacy by incorporating constituents into their policy-making structures or adopting constituents’ standards of performance as their own. Meyer & Rowan (1991) state that displaying responsiveness to constituents’ larger interests is often more important (and easier) than producing immediate results; and

3) Dispositional Legitimacy: Organizations are often personified and regarded as individuals possessing certain goals, tastes, styles, and personalities (cf. Pfeffer, 1981; Tuzzolino & Armandi, 1981). Constituents tend to confer legitimacy to those organizations that “have our
best interests at heart,” that “share our values,” or that are “honest,” “trustworthy,” “decent,” and “wise” (Suchman, 1995: 578). Wartick & Cochran (1984) claim that in time of adversity, widespread belief in an organization’s good character may mitigate the negative effects of isolated failures and miscues.

Traditionally, governments have been the primary conferrers of legitimacy in higher education through the power vested in their regulatory and funding roles, but as higher education has evolved toward diversified funding sources and decentralized decision-making, universities are increasingly called to justify their legitimacy to a range of stakeholders beyond the government (Jongbloed et al., 2008). Jongbloed et al. (2008) identify 12 categories of university stakeholders: governing entities, administration, employees, clientele, suppliers, competitors, donors, communities, government regulators, nongovernmental regulators, financial intermediaries, and joint venture partners. Stakeholders have different levels of influence in legitimacy evaluation (Bitektine, 2011; Ruef & Scott, 1998), and given the multiplicity of stakeholders, it is likely that a university will not be equally responsive to each.

The market is an important source of legitimacy (Levy, 2007; Slantcheva, 2007; Pachuashvili, 2007; Nicolescu, 2007). Levy (2007) argues that the market is an increasingly important legitimation source for even the public sector. Higher education services, especially private higher education and the newly developed IBCs, have to be sold twice. First, IBCs need to convince prospective students and their parents that their education services are worth what they pay for it. Second, IBCs need to convince the labor market of the value of their programs when graduates seek employment (Nicolescu, 2007). Therefore, as Levy (2007) claims, “the
market is more about success on ‘institutional’ or ‘pragmatic’ terms rather than on normative legitimacy terms as typically specified and understood” (p.6). The prospective candidates, students and graduates, parents, and employers thus become important legitimation sources for IBCs. Nicolescu (2007) studied institutional efforts for legislative recognition and market acceptance in Romanian private higher education. Market legitimacy is the cost-benefit analysis conducted by the main beneficiaries when purchasing higher education service: students, graduates, and employers.

One of the important means of acquiring pragmatic legitimacy is through networks (Aldrich & Fiol, 1994; Deeds et al., 1997; Zimmerman & Deeds, 2002). Zimmerman & Zeitz (2002) mention that such networks consist of ties between individuals, established organizations, and associations outside the organization. Stinchcombe (1965) suggests that networks lessen the “liability of newness” faced by the newly established organizations. Networks can enhance the survival of the new organizations by providing support, endorsement, and contact for new organizations; building a positive image; and facilitating the new organizations access to resources (Ostgaard & Birley, 1996; Zhao & Aram, 1995). Starr & MacMillan (1990) propose that the new organizations can piggyback on the legitimacy of established organizations by building networks with them.

Proposition 1d: International branch campuses will attempt to gain the multiple forms of pragmatic legitimacy. Building networks with different constituents is one of their important strategies to acquire pragmatic legitimacy.
2.5 Legitimacy Gaining Strategies

Given the importance of legitimacy for the survival and growth of new organizations, it is important for us to understand how new organizations can acquire legitimacy. The early institutional scholars suggest that organizations receive legitimacy by conforming to the scripts, rules, norms, and beliefs (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Scott, 1995a,b). Suchman suggests “legitimacy building is generally a proactive enterprise, because managers have advance knowledge of their plans and of the need for legitimation” (1995: 587). Organizations can act strategically to change the type and amount of legitimacy they possess (Deeds et al., 1997; Scott, 1995a; Suchman, 1995) by manipulating the environment and selecting the performance standards within which they operate (Child, 1972). Zimmerman & Zeitz (2002) name this approach the “strategic legitimation,” where the term legitimation emphasizes that acquiring legitimacy is a working process, rather than just receiving it. This dissertation adopts “a managerial perspective and emphasize[s] the ways in which organizations instrumentally manipulate and deploy evocative symbols in order to garner societal support” (Suchman, 1995: 572). In order to gain legitimacy, an organization will take proactive actions (1) to change itself, such as by creating a new structure, managerial team, and/or business model (Zimmerman & Zeitz, 2002); and (2) to change its environment and/or other organizations operating within an environment by strategies like issue advertising and lobbying for change in regulations (Suchman, 1995). The effectiveness of strategic action is a function of both the nature of the new organization and the nature of its environment (Zimmerman & Zeitz, 2002).
Some scholars claim that new organizations spun off from large corporations may have the power to exert influence on their environment (Brint & Karabel, 1991; DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Powell, 1991). However, new organizations with few resources are incapable of impacting the larger environment, but they can select microenvironments and try to influence public opinion or local governmental regulations (Zimmerman & Zeitz, 2002).

Suchman (1995) explains that legitimacy-building strategies roughly fall into three clusters: (a) efforts to conform to the dictates of preexisting audiences within the organization’s current environment; (b) efforts to select among multiple environments in pursuit of an audience that will support current practices; and (c) efforts to manipulate environmental structure by creating new audiences and new legitimating beliefs.

Some scholars propose creating new environments as the fourth strategy to acquire legitimacy (Ahlstrom et al., 2000, 2008; Zimmerman & Zeitz, 2002; Zeng et al., 2009). Ahlstrom and his colleagues did research on how private firms successfully gained legitimacy in an emerging economy like China and discovered an interesting fourth strategy to gain legitimacy: create the regulatory environment. Newly established organizations can create the rules and regulations for an industry if they are the pioneers in an area, and there is lack of government regulation. They can create norms and standards for the entire industry, sometimes in concert with government and other firms through collective action and self-regulation.

Organizations have the capacity to select, conform, manipulate, or create the environment when they build their legitimacy. Zimmerman & Zeitz (2002) state that, “These four strategies vary in terms of how much change is made by the organization in elements external to it.
Conformance involves the least external change, whereas creation involves the most” (2002: 422). The following section will describe each strategy.

2.5.1 Conformance as a Strategy

Conformance to the environment is the easiest and the most expedient way for organizations, especially new organizations, to acquire legitimacy (Suchman, 1995). Suchman (1995) points out that organizations can achieve conformity by acting alone, on a continuum of changing their own superficial appearances to manipulating their own structures. Meyer & Rowan (1991) indicate that conformist strategies signal compliance to the culture order and pose few challenges to established social structure. The nature of conformism varies somewhat, depending on whether the organization seeks primarily regulative, normative, cognitive, or pragmatic legitimacy (Suchman, 1995).

To be specific, organizations can acquire regulative legitimacy by complying with the regulations and laws set by the government and by avoiding sanctioning. They can also gain legitimacy by conforming to the standards and expectations created by credentialing agencies, professional associations, and (maybe) powerful organizations (Zimmerman & Zeitz, 2002).

A newly established organization can gain normative legitimacy by conforming to the demands and expectations of the existing social structure, including norms, values, and scripts, in which the organization is currently positioned (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Suchman, 1995). The new organization generally has little power and few resources to challenge the established social structure. It needs support and resources to survive and grow,
simply by “following the rules” and not question, change or violate the social structure (Zimmerman & Zeitz, 2002). Utterback (1994) mentions that conformance is an especially appropriate strategy for a new venture operating in a social structure with well-established norms, values, and scripts. Suchman (1995) suggests that one obvious moral legitimation (termed normative legitimacy by Scott [1995]) strategy is for the organization actually to “produce concrete, meritorious outcomes” (588).

Suchman (1995) suggests that organizations can gain cognitive legitimacy primarily by conforming to established models or standards. Since the essence of an organization’s cognitive legitimacy is its identity and role, the organization can gain cognitive legitimacy by emphasizing its identity and the role expected within the environment in which it operates. DiMaggio & Powell (1983) and Deephouse (1996) observe that organizations in uncertain environments often pursue legitimacy by 1) associating themselves with well-understood and accepted entities; 2) by mimetic isomorphism, that is, by mimicking the most prominent and secure entities in their fields (DiMaggio & Powell, 1983).

DiMaggio and Powell (1983) underline the extent to which organizations attempt to be isomorphic in their structures and activity pattern with specified cultural patterns present in their environments. Orthodoxy is the underlying logic for the organizations because orthodoxy is culturally supported and conceptually correct. The new organizations seek to behave in conventional ways that will not cause them to stand out or be noticed as different. They also imitate those organizations that are regarded as superior and more successful. The purpose of cognitive legitimacy is to achieve a sense of being “taken for granted”—in essence, belonging.
Ahlstrom et al. (2000, 2008) found that some private enterprises in China try not to look like successful private businesses; instead, they seek to appear like state-linked firms, because private enterprises are not fully accepted in China. The affiliation or association with other legitimate entities is extremely important for new organizations to gain cognitive legitimacy in uncertain environments.

To gain pragmatic legitimacy through conformity, Suchman (1995) suggests an organization must either meet the substantive needs of various constituencies or co-opt the constituencies into the decision-making process, or both. Meeting the needs of various audiences, in essence, is quite similar to responding to client tastes. Co-opting constituencies would be technically easier, but managerially more problematic without undermining the organization’s goal displacement (Suchman, 1995). Due to the lack of track record, newly established organizations can rarely rely on purely dispositional appeals to gain the dispositional aspect of pragmatic legitimacy (Suchman, 1995).

Propositions 2a: In China, the international branch campuses will acquire four pillars of legitimacy by conforming to the environment. To be specific, the IBCs attempt to acquire regulative legitimacy by following governmental rules; the IBCs attempt to acquire normative legitimacy by conforming the governmental expectations of a new model of higher education; the IBCs attempt to gain cognitive legitimacy by conforming to governmental standards of a new model of higher education; the IBCs attempt to gain pragmatic legitimacy by following governmental and parental expectations of international universities.
2.5.2 Selection of the Environment

Selecting the environment is more strategic than conforming to the environment. Organizations, especially newly established organizations, tend to select an environment that is advantageous to their survival and growth. Zimmerman & Zeitz (2002) point out that environment can be extremely complex, and organizations tend to select the environment that comprises well-established norms, values, rules, and scripts that are most consistent with and advantageous to them. Suchman (1995) points out that selecting among environments can help an organization avoid being remade in the image of the environment.

Organizations can select a regulative environment where the local government provides preferential policies for the organizations’ survival and development. For instance, in order to attract foreign higher education institutions to set up education ventures in their area, Jiangsu Province provides preferential policies for those foreign institutions that consider setting up degree programs or other type of education programs in Jiangsu, such as lower or no taxes and free access to local facilities.

Zimmerman & Zeitz (2002) suggest that a new organization can locate in an area where there are organizations that address similar scripts, norms, and values, providing the new organization with legitimacy. The new organization also can choose to select an environment where the values, norms, and scripts are consistent with the organization. The new venture can select an environment in which the ideas, models, practices, etc. are more accepting of the venture (Zimmerman & Zeitz, 2002). The environment the new venture chooses to associate itself with can give the public the initial cognitive legitimacy. For example, Italy is considered
the center of fashion. A new clothing company established in Italy might be perceived as more in touch with the latest fashion trends, especially by consumers in Asian countries. The new organization also can select to locate in an environment where their identity and role are easy to get recognized and accepted.

More importantly, the new organization should locate in an area that can help it acquire pragmatic legitimacy from various stakeholders, which may directly provide the new organization with the resources and networks it needs to survive, including personnel, financing, business partners, and customers who are likely to purchase the products. Suchman (1995) believes selecting an environment is a matter of market research in that “the organization must identify and attract constituents who value the sorts of exchanges that organization is equipped to provide” (589). For instance, new fast-growing companies that rely on IT technology, such as Facebook and Chegg, opt to locate in Silicon Valley, where they can leverage the network of technology, partners, and human resources. The location helps them appear to be more legitimate to customers, partners, employees, and potential investors.

Proposition 2b: International branch campuses tend to select environments that help them to acquire the four pillars of legitimacy.

2.5.3 Manipulation of the Environment

While conforming to the environment and selecting the environment do not actually make changes to the environment, manipulating the environment involves changing the environment to achieve consistency between the organization and its environment. Suchman
indicates that manipulation of the environment involves preemptive intervention “to develop bases of support specifically tailored to the distinctive needs of the organization” (1995:591). Oliver describes manipulation as a legitimation strategy, “the purposeful and opportunistic attempt to co-opt, influence, or control institutional pressures and evaluations” (1991:157). Suchman (1995) states that environment manipulation is “less controllable, less common, and, consequently, far less understood than either conformity or environment selection” (591).

Scholars point out that a single new organization, by itself, generally lacks the resources or power to significantly impact its environment (Brint & Karabel, 1991; DiMaggio & Powell, 1983; Meyer and Rowan, 1977; Powell, 1991; Zimmerman & Zeitz, 2002). However, a new organization can manipulate its environment by teaming with successful, well-established organizations. It can also manipulate its environment by forming an industry association, union, or alliance with other new organizations in the industry (Zimmerman & Zeitz, 2002). Together, they can make a stronger case and lobby for legislative change in rules and regulations impeding their growth and development.

Organizations can manipulate the normative environment by changing existing norms and values. Zimmerman & Zeitz (2002) provides an example of a biotechnology new venture’s manipulation of environment to acquire venture capital. In many other industries, the norm is that the ventures usually generate profit before or by the time of its IPO (initial public offering). However, many of biotech ventures at their IPO are unable to make a profit or project profits in the short-term. They secured VC’s investment by refocusing their attention from profits to the potential for scientific breakthroughs.
Organizations can foster comprehensibility and taken-for-grantedness merely by persisting and accumulating a record of success (Suchman, 1995). However, it might take an organization a long time before it can demonstrate its success. In order to acquire cognitive legitimacy, it can skillfully manipulate impression management to appeal to potential legitimacy conferrers. The organizations can also choose to alter existing ideas, models, practices, etc. to acquire cognitive legitimacy (Zimmerman & Zeitz, 2002).

Suchman (1995) claims that pragmatic legitimacy is the easiest pillar to manipulate. This is because pragmatic legitimacy shows direct exchange and influence relations between an organization and its constituents. An organization can manipulate the environment by 1) advertising and molding constituent tastes in order to gain exchange legitimacy; 2) by using strategic communication to highlight (or exaggerate) the extent of constituent influence and by channeling demands for constituent participation into nondisruptive arenas in order to acquire influence legitimacy; and 3) by employing imaging advertising to gain dispositional legitimacy (Suchman, 1995).

Proposition 2c: International branch campuses attempt to acquire any or all of the four pillars of legitimacy by manipulating the environment in which they are positioned.

2.5.4 Creation of the Environment

Of the four legitimation strategies, creation of the environment involves the most changes to the external environment. It is more challenging than manipulation of an existing environment. The organizations need to create something that did not exist before in order to
acquire the legitimacy they need. Organizations can create new regulative, normative, cognitive environments and maybe pragmatic environment. New ventures, especially new ventures in new industries, often find that existing rules or regulations impede their growth, thus they lobby the government to create new government rules or regulations that can promote their development. For instance, the internet retailers lobbied for federal legislation to create sales tax-free interstate internet sales, which benefited them by increasing sales (Zimmerman & Zeitz, 2002).

New ventures need legitimacy, but their operation may not match the existing norms, values, or scripts. The new venture can act as a pioneer and establish new norms, values, and scripts that differ from the old ones (Anderson & Zeithaml, 1984; Miller & Dess, 1996). For example, with the development of the internet, growth and market share, rather than profitability, have become primary investment criteria for online companies (Zimmerman & Zeitz, 2002).

Organizations can create new operating practices, models, and ideas to help people, especially stakeholders, to understand who they are and what they do (Zimmerman & Zeitz, 2002). Although there is no existing literature discussing the creation of pragmatic legitimacy, I assume that new ventures, especially new ventures in a new industry, make great efforts persuading why people need their services/products.

A new organization demonstrates institutional entrepreneurship by creating and getting others to accept its new norms, values, beliefs, and expectations consistent with the organization’s identity and current practice (Aldrich & Fiol, 1994; DiMaggio, 1988; Rao, 1994; Suchman, 1995). Etzioni refers to institutional entrepreneurs as “the shock troops of innovation” (1987:179) as their endeavors and new practices usually shock the society. However,
Zimmerman & Zeitz state that institutional entrepreneurship is certainly not for every sector. For areas like accounting, “it may be best for the new organization to conform to expectations of the social structure, when conforming does not erode its competitive advantage over existing organizations” (2002: 425).

The new organization needs to be clear about what single aspect of legitimacy environment it seeks to create. A new venture can choose any or all of the legitimation strategies they need to acquire legitimacy and to gain resources for their survival and development. Table 2.1 provides examples of a new venture’s four legitimation strategies discussed below, as well as for each of the four sources of legitimacy: regulatory, normative, cognitive, and pragmatic.
<table>
<thead>
<tr>
<th>Strategies</th>
<th>Type of Legitimacy</th>
<th>Legitimation Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conformance</td>
<td>Regulative</td>
<td>Adhering to government rules and regulations, as well as the standards and expectations created by credentialing agencies, professional associations, and (maybe) powerful organizations.</td>
</tr>
<tr>
<td></td>
<td>Normative</td>
<td>Following the demands and expectations of the existing social structure, including norms, values, and scripts.</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Complying with established models or standards; Emphasizing the organization’s role and identity expected within the environment in which it operates; Associating themselves with well-established entities or by mimetic isomorphism.</td>
</tr>
<tr>
<td></td>
<td>Pragmatic</td>
<td>Meeting the needs of various constituents.</td>
</tr>
<tr>
<td>Selection</td>
<td>Regulative</td>
<td>Selecting a geographic location where favorable regulations are provided for new ventures</td>
</tr>
<tr>
<td></td>
<td>Normative</td>
<td>Selecting domains in which the norms and values are more accepting of the venture’s products/service and or/vision.</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Selecting domains in which the ideas, models, practices, etc. are more accepting of the new organization; Selecting an environment where the new organization’s role and identity are easy to get accepted.</td>
</tr>
<tr>
<td></td>
<td>Pragmatic</td>
<td>Selecting an area where constituents value the sorts of exchanges the organization is equipped to provide.</td>
</tr>
<tr>
<td>Manipulation</td>
<td>Regulative</td>
<td>Lobbying for legislative change in existing rules and regulations impeding organizations’ growth and development. Organizations can do so by teaming with successful, well-established organizations, or by forming an industry association, union, or alliance with other new organizations in the industry.</td>
</tr>
<tr>
<td></td>
<td>Normative</td>
<td>Changing existing norms and values.</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Manipulating impression management to appeal to potential legitimacy conferrers. Organizations can also choose to alter existing norms and values.</td>
</tr>
<tr>
<td></td>
<td>Pragmatic</td>
<td>Advertising and molding constituent tastes in order to gain exchange legitimacy; using strategic communication to highlight (or exaggerate) the extent of constituent influence and by channeling demands for constituent participation into non disruptive arenas; employing imaging advertising to gain dispositional legitimacy.</td>
</tr>
<tr>
<td>Creation</td>
<td>Regulative</td>
<td>Creating rules and regulations that benefit the new venture by lobbying.</td>
</tr>
<tr>
<td></td>
<td>Normative</td>
<td>Developing new norms and values.</td>
</tr>
<tr>
<td></td>
<td>Cognitive</td>
<td>Creating new operating practices, models, and ideas.</td>
</tr>
<tr>
<td></td>
<td>Pragmatic</td>
<td>Persuading the public the importance of their services/products and then become their customers.</td>
</tr>
</tbody>
</table>
Now, after this review of the literature, the legitimacy-resource-survival/growth relationship can be expanded into the following working model (Figure 2.2). Organizations use different strategies to pursue various aspects of legitimacy in order to acquire the resources they need for their survival and growth. In the higher education situation, growth means increase in enrollment, better facilities, more competitive faculty and staff, larger endowment, etc.

Proposition 2: The international branch campuses in China will use a combination of different strategies to pursue multiple pillars of legitimacy.

![Figure 2.2 Expanded Legitimacy-Resource-Survival/Growth Relationship (adapted from Zimmerman & Zeits, 2002)](image)

### 2.6 Legitimacy Threshold

Traditionally, scholars have viewed legitimacy as a dichotomous feature of organizations—an organization either has legitimacy or it doesn’t have legitimacy (e.g., Aldrich, 1995; Scott, 1995a). Later, scholars treat legitimacy as a continuum, ranging in value from low to high (Deeds et al., 1997; Zimmerman & Zeitz, 2002). New organizations can take strategic
action to increase the amount of legitimacy conferred to them by external stakeholders who hold resources. Meyer and Scott (1983: 202) argue that the “legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts of how it is to function.” A new organization can build its level of legitimacy by addressing multiple types of legitimacy: regulatory, normative, cognitive, and pragmatic. Following this, Levy (2007) describes the amount of legitimacy different higher education institutions need to sustain survival and development.

Different organizations may draw from all, most, some, or just a few sources of legitimacy. This is sometimes a matter of choice, sometimes of necessity, and often a mix of the two. In any event, the number of sources is not fully correlated with the amount of legitimacy received from sources. Meyer and Scott (1983, p.202) argue that the ‘legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts of how it is to function.’ Some sources provide much more legitimacy than others. This depends not only on the source but also on the recipient. Thus a source dynamic that provides ample legitimacy to one institution may have little impact on another. Much here turns on the nature of the institution or sector, as well as on broader matters of the context within which higher education functions. At the same time, not all institutions require the same aggregate contribution from sources to have adequate legitimacy (Levy, 2007, P.6).

Although the legitimacy threshold concept per se is not studied in this dissertation, it rather is used to hypothesize the order and significance of various pillars of legitimacy. This follows from Zimmerman & Zeitz (2002) suggestion that sources of legitimacy may need to be added in a certain sequence. To be specific, a new organization can build its normative legitimacy before or after its regulatory, cognitive, and/or industry legitimacy. However, based on the threshold literature, I would argue that regulatory legitimacy should be acquired first in order for the organization to become established. Regulative legitimacy can impact the very existence of the organization, thus it remains important throughout the life cycle of the
organization. Cognitive legitimacy comes before normative legitimacy because stakeholders, constituents, and supporters of the organization need to first understand the organization’s identity (what it is) and its role (what it does) before they make decisions about whether the organization is consistent with the social structure in which it operates. Normative legitimacy is much more elusive than cognitive legitimacy, thus it may take the organization longer to figure out the norms, values, and scripts of the environment before the organizations can take action to gain normative legitimacy. Pragmatic legitimacy is the ultimate goal because organizations can ultimately acquire resources if they get pragmatic legitimacy. Some organizations may be able to acquire resources by having just one type of legitimacy, but it is more common for organizations to have support and resources from different stakeholders if they have a higher degree of legitimacy. Zimmerman & Zeitz (2002) also suggest that a new organization can also build legitimacy by addressing multiple sources concurrently.

2.7 Summary

Scholars have studied legitimacy extensively in other disciplines, including but not confined to politics, economy, and sociology. Nowadays, legitimacy is an often studied topic in strategic management. Legitimacy was classified into different typologies based on researchers’ diversified interests. This dissertation combines Scott’s (1995) institutional legitimacy and Suchman’s (1995) legitimacy concept to provide a legitimacy conceptual framework, including regulative legitimacy, normative legitimacy, cognitive legitimacy, and pragmatic legitimacy.

Organizations can use conformance, selection, manipulation, and creation of environment to build their legitimacy strategically. Zimmerman & Zeitz (2002) suggest that organizations can
adopt these strategies in any combination. For example, the new organization may first conform to the environment in order to acquire regulative legitimacy for their establishment, and then try to manipulate the environment to gain normative legitimacy. These strategies can be used concurrently or sequentially as fits the situation. Since new ventures have limited resources they can leverage, they need to be cautious and select those actions that have the greatest payoff. Further actions may have to wait until the new organization acquires initial resources (Zimmerman & Zeits, 2002).
Chapter 3 International Branch Campuses in China

3.1 Higher Education Context for the Emergence of IBCs

The higher education sector in China has experienced expansion and quality improvement since 1990. Expansion of higher education became the national priority in the 1990s through the implementation of a national strategy initiated by the Central Government invigorating the country through science, technology and education. During that decade, more than 400 colleges and universities were involved in the process of merging and consolidation (Huo, 2010, as cited in Yuan 2013, P.34 Chinese). China began expanding university enrollment in 1999, and by 2002 the net enrollment rate reached 15% of the university age population, signaling that China had entered a mass higher education stage. In 2010, China had a total of 2,723 higher education institutions, with an enrollment of 31,050,000 students (Wang, 2012).

In order to improve the quality of higher education and to compete on the international stage, the Chinese government initiated Project 211 in 1993, allocating financial resources to 112 (originally 100) top universities to advance science and technology research, as well as to promote innovation and reform. Later, in 1998, Project 985 was implemented to help 38 elite universities compete for world-class ranking (see endnote 1). The funding designated to these universities not only helps develop new research centers and improve facilities, but also is being used to hold international conferences, attract world-renowned faculty and visiting scholars, and assist the Chinese faculty and students to participate in international conferences. Chinese universities use these funding opportunities to build networks and partnerships with top
universities worldwide, which help the foreign academic community become aware of the importance of engaging in research and collaboration with China (World Education News and Reviews, 2006).

In March 2011, the National People’s Congress approved the 12th Five-Year Plan (FYP) 2011–2016. The FYP has several imperatives. It states that economic transformation in China requires scientific progress and innovation. China should implement a strategy of reinvigorating the country through science and education, and focus on human resource development. In order to train a more innovative and skilled workforce and improve education for workers, China should upgrade its capabilities in indigenous research and innovation in science, technology, and administration. In 2011, the State Council initiated a new national project for improving innovation in the higher education sector: the Plan for Institutions of Higher Learning Innovation Ability Enhancement (also referred to as 2011 Plan). The core of the 2011 Plan is to advance China’s innovation capabilities in talent, academic disciplines, and scientific research. More specifically, the 2011 Plan is to deepen the system reform in higher education and transform the innovation mechanisms in higher education by constructing coordinated innovation in cutting-edge science, culture transmission, industries, businesses, and regional coordinated development. Fourteen innovation centers were set up at elite universities in 2011. These 14 elite institutions are: Peking University, Nanjing University, Harbin Institute of Technology, Beihang University, Sichuan University, Henan Agricultural University, Beijing Jiaotong University, Tianjin University, China University of Political Science and Law, Central South University, Zhejiang University of Technology, Soochow University, Nanjing Tech University, and University of Science and Technology of China.
Within this context, China is emphasizing and further deepening collaborations with prestigious universities in other countries in the hope of elevating higher education quality and enhancing higher education reform in China. Moreover, China wants to compete globally by building world-class universities. Partnerships with foreign education providers in programs, research, and students and faculty exchanges have mushroomed during the past few decades. Among these models of collaboration, the establishment of branch campuses has garnered the most attention from the central government, provincial education bureaus/commissions, and individual institutions. A series of regulations and documents have been issued by the State Council and the Ministry of Education to monitor the quality of Sino-foreign partnerships and to strengthen the capacity building of the Chinese universities.

3.2 Cross-Border Higher Education Policy In China

Cross-border higher education activities within China have a specific term, “Chinese-foreign Collaboration in Running Schools” (CCRS), which applies broadly to all joint programs and institutional collaborations in China. CCRS policy in China has evolved through phases of diversifying higher education to promoting education quality. Specifically, there were three phases of policy transformation. Phase one began with a regulatory vacuum and the cautious attitude of the state (1986–1994). Phase two moved to a gradually revised legal system on CCRS and the conditionally supportive attitude of the state (1995–2009). Phase three has moved to the active encouragement of CCRS by the state (2010–present).
3.2.1 Phase One: Regulatory Vacuum and Cautious Attitude of the State (1986–1994)

In 1986, with the signatures of four Vice Prime Ministers, the State Council approved the establishment of the Center for Chinese and American Studies, to be based in Nanjing and cooperatively run by Nanjing University in China and Johns Hopkins University. As the first CCRS activity in modern China, this event showed the government’s highly cautious attitude toward cross-border education at that time. Especially during a period for several years after Tiananmen Square, foreign institutions became very reluctant to build partnerships in China. Even John Hopkins University faced a great amount of pressure from the US media to terminate the relationship with Nanjing University.\textsuperscript{12} During this stage, there were no rules or laws regulating CCRS and, other than Johns Hopkins, no foreign universities established branch campuses.

3.2.2 Phase Two: Gradually revised legal system on CCRS and conditionally supportive attitude of the state (1995–2009) (13 IBCs)

The Higher Education Law was passed in 1995, laying out state encouragement of foreign exchanges and cooperation in education. Article 3 of the Temporary Provisions on Chinese-Foreign Collaboration in Running Schools (1995) promotes CCRS as the main mode of international educational exchanges and cooperation in China and, as a complement to CCRS, beginning in 1999 the government initiated the merger of universities on a large scale and

\textsuperscript{12} Personal conversation with the American director of the center.
expanded access to higher education. As a result, the overall enrollment rate of higher education was markedly increased. However, expanded access still failed to meet the demand for higher education, as well as failing to meet the demands of the rapidly growing economy. This opened the door for the rapid development of Chinese-foreign collaboration in running schools.

*Regulations on Chinese-Foreign Collaboration in Running Schools (2003)* emphasize that CCRS is an undertaking beneficial to the public interest in addition to being a component of China’s educational objectives. The regulations are based on the assumption that the state should adopt a policy of opening more widely to the outside world, promote the development of CCRS, and encourage Chinese HEIs to cooperate with world-renowned foreign higher education institutions in establishing new institutions. Furthermore, the state encourages CCRS institutions to introduce internationally advanced programs and curriculum that are urgently needed in China. New full-scale branch campuses were established right after the passage of *Regulations on CCRS*. With the approval from the Chinese MoE, Nottingham University of the United Kingdom established Ningbo Nottingham University in Zhejiang Province in 2004, in partnership with Wanli University. Hong Kong Baptist University established United International College in 2005, in partnership with Beijing Normal University. In partnership with Xi’an Jiaotong University, Liverpool University of the United Kingdom established Xi’an Jiaotong Liverpool University in Jiangsu Province in 2006.

Tempted by the huge potential in China, many foreign higher education institutions and organizations vied for a share of the market. Chinese HEIs saw the benefits too. For example, they could collect higher tuition fees from joint-degree programs. Students were attracted to
these programs because they had greater opportunities to study abroad upon their graduation. Driven by the short-term economic interests, many low-cost joint programs emerged during this period. Even though most programs met the government quality assurance guidelines, some of them still suffered from lower quality, damaging the reputation of the Chinese institutions and their partner institutions. These high-tuition but low-quality programs violated the original intent of the Chinese government (Enrollment in China, 2011; Fang, 2011; Zhang, 2012;). Because of this, the state became extremely cautious in approving CCRS programs after several years of leniency. The government intended to introduce quality foreign education resources to enrich the educational opportunities for Chinese students and improve the quality of domestic higher education. Under this context, between 2006 and 2007, the Chinese MoE successively issued several new regulations addressing specific problems identified with enrollment, admission, quality control, granting of degrees and certificates. From 2006 to 2008, there were hundreds of applications for CCRS programs submitted to the Chinese MoE; almost none were approved. In 2009, the Chinese MoE formally started the project of evaluating existing CCRS programs to assure the quality of joint programs.

3.2.3 Phase Three: Active encouragement of CCRS by the state (2010–present).

During this period, state policy encouraged the development of CCRS at a higher level, with an emphasis on quality. In 2010, the Chinese government issued the ten-year National

13 Personal conversation with an education department official in Jiangsu Province.
Medium and Long-term Educational Reform and Development Plan. This is the first time that a publicly-released central government document has referred to the concept of educational internationalization. The plan explicitly emphasized the significance of CCRS. The policy makers’ views on the tradeoffs of CCRS seemed to have changed greatly. In the latter half of 2010, the approval rate of highly qualified programs increased markedly. More strikingly, a group of independent joint institutions that had experienced a long waiting time for approval were officially approved. In 2011, New York University together with East China Normal University established New York University Shanghai in Shanghai, and Kean University established Wenzhou Kean University in Zhejiang Province. In 2012, Duke University together with Wuhan University established Kunshan Duke University in Jiangsu Province. Two more post-secondary education institutions received approval to open branch campuses in China: Moscow State University14 and Shanghai Vancouver Film School15. Another 5 to 10 IBCs are planned to open in China in the next decade (Dong et al., 2012)

14 It is a partnership between Beijing Institute of Technology and Moscow State University.

15 Shanghai Vancouver Film School is a partnership among Shanghai University, Vancouver Film School and Shanghai government.
International branch campuses are regulated as private higher education institutions in China. The private nature of IBCs is manifested in the major legal framework *Regulations on CCRS*, which is formulated based on the Education Law of the PRC, the Vocational Education Law of the PRC and the Law of the People’s Republic of China in Promotion of Privately-run Institutions. *Implementation measures for CCRS* in 2004 further specifies the private nature of IBCs by stipulating that Sino-foreign collaborative institutions are entitled to support and reward incentives reserved for private institutions.

Even though international branch campuses are considered private in nature, they are often expected to serve public functions (Lane & Kinser, 2012). IBCs in China are expected to bring a new model in university formation, curriculum, management, faculty composition, teaching, and student learning, that the government hopes can provide some experience to the higher education reform in China. Meanwhile, these IBCs are regarded as experiments by the central government to test the best approaches to improve higher education quality and improve the Chinese higher education profile on an international stage.

International branch campuses (IBCs) in China present a complex picture. IBCs in China can be classified into different categories based on these features: legal person status, whether to require financial return, whether partnering with a private or public institution, and years of operation.
3.3.1 Legal Status

IBCs can be classified into two categories according to their legal person status in China: 1) independent institutions with legal person status and 2) independent institutions without legal person status. The independent institutions with legal person status are usually referred to “international universities” and the independent institutions without legal person status are termed “international colleges”. I will discuss each separately.

3.3.2 International Universities

International universities are more like full-fledged branch campuses with classroom buildings, research centers, cafeterias, etc. Currently there are eight such institutions: Chinese University of Hong Kong-Shenzhen Campus, Kunshan Duke University, Wenzhou Kean University, Sino-Russia University, Xi’an Jiaotong Liverpool University, The University of Nottingham Ningbo, Shanghai New York University, and Beijing Normal University-Hong Kong Baptist University United International College.

The international universities adopt curriculum from their home institutions. Faculty are selected by the home institutions. The language of instruction at these international universities is generally English, with the possible exception of Sino-Russian University, which is still under construction. Teaching and learning at these branch campuses are intended to be similar to those at the home institution. These international universities usually charge much higher tuition: from
9 to 26 times more\textsuperscript{16} than tuition at Chinese public institutions, free-standing private higher education institutions, and independent colleges in China.

Even though the international universities have a separate undergraduate admission process for non-Chinese students, the Chinese students who apply to the Chinese campuses still have to take the National College Entrance Examination (NCEE)\textsuperscript{17} in China and their NCEE score will finally determine whether they get accepted or not. For instance, at New York University Shanghai, all applications must go through the NYU online application, where applicants choose the campus they wish to attend. For the NYU home campus, all Chinese students must take TOEFL or IELTS and the SAT, but they do not need the NCEE. If Chinese students choose to attend the NYU Shanghai campus, they do not need to take TOEFL or SAT, but they are obligated to take the NCEE.

Unlike the requirements for undergraduate admission, each international university has full autonomy in admission requirements for prospective graduate students and some of them

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\textsuperscript{16} The figure is based on my calculation of tuition at IBCs versus tuition at public institutions.
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\textsuperscript{17} The National College Entrance Examination is commonly referred to as Gaokao.
\end{tabular}
\end{center}
claim that the admission standards are identical or even higher than those of the home institutions.\textsuperscript{18}

Independent institutions with legal person status are also distinctive in two other ways: 1) the membership of their management boards (Trustees or Board of Directors) and 2) the insertion of a Communist Party of China (CPC) Committee into the governance structure. All the international universities in China have a board of directors, usually composed of representatives from Chinese partner institutions, home institutions, and government officials. Government officials serve on the board to protect the local government investment which usually accompanies the initiative. For example, the Kunshan government provides Duke Kunshan University (DKU) with 1,280 acres of land in total and about US $200 million for the first phase of construction. The DKU Phase One project includes facilities for Duke’s Fuqua Business School, Incubator Center, Conference Center, staff, and student dorms.

Several international universities also place the CPC Committee as a parallel management team to the Board of Directors. When the University of Nottingham Ningbo was established, the structure was similar to public universities in China with the campus president under the leadership of the CPC committee. Now, however, the party secretary is the director of the education bureau of Ningbo, and also serves as an advisor to the institution. The deputy party secretary is in charge of student affairs. Wenzhou Kean University has a different model. There

\textsuperscript{18} Face-to-face interview with some international branch campuses in China, June, 2014.
the CPC Committee is an independent institution parallel to the Board of Directors. Underneath the CPC Committee, there is a Commission for Discipline Inspection, the CPC Committee Office and Youth League Committee, and other mass organizations. The strong presence of the party committee at Wenzhou Kean might be because they received full support from the CPC Zhejiang Committee, then led by Xi Jinping, former Secretary of the Committee and the incumbent president of China.

3.3.3 International Colleges

The other type of international branch campus— independent institutions without legal person status—is usually called an international college (xueyuan) in China. These institutions are considered integral parts of the Chinese partnering institutions. They are independent only in the sense that they have their own leadership team, which is usually a joint management board composed of representatives from the home institution and the partnering Chinese institution.

Unlike what international universities offer to their students, the curriculum at these international colleges is not intended to be the same as that of the home institutions. These international colleges have to offer at least one third of the curriculum as the same or similar to the home institutions, and one third of the faculty must come from the home institution. Some institutions, such as Sun Yat-sen University-Carnegie Mellon University Joint Institute of Engineering and Sichuan University-Pittsburgh Institute, require students to study at the home institution for some certain period of time in order to receive the degree awarded by the foreign institutions. These institutions generally charge much lower tuition than the international universities, ranging from 15,000 RMB ($2,500) at the Sydney Institute of Language and
Commerce at Shanghai University to 60,000 RMB ($10,000) at Beijing-Dublin International College at the Beijing University of Technology for Chinese students. The tuition at these international colleges is usually from 2 to 10 times higher than tuition at Chinese public institutions, free-standing private higher education institutions, and independent colleges in China.

These institutions are required to use NCEE to decide on their admissions at the undergraduate level. They often have more autonomy at the graduate level of education.

3.3.4 Institutions Requiring Financial Return vs. Institutions not Requiring Financial Return

The law in China regulates that all the higher education institutions are run for the public good and must be non-profit. However, the *Law of the People’s Republic of China on Promotion of Privately-run Schools* allows the investors to obtain a reasonable amount of reward from the net cash surplus of the school, after the cost of the privately-run school is deducted, the funds for its development are withheld, and the sum of money for other necessary expenses is drawn in accordance with the regulations of the state. Specific measures for obtaining reasonable amounts of reward are determined by the State Council.

The *Regulations on the Implementation of the Law of the People’s Republic of China on Promotion of Privately-run Schools* stipulate that private higher education institutions can determine how much financial return investors can receive based on these following factors: (1) the items making up the collected fees and the amount of the fees; (2) the share of the expenses
spent on educational and teaching activities and on the development of the institutions themselves; and (3) the level of the institution and its educational quality.

The law and regulations on privately-run institutions apply to IBCs in China as well. It is clearly specified in the *Regulations* that all of the independent institutions with and without legal person status must state whether they seek reasonable return or not. Twenty-three IBCs do not require reasonable return, and seven of them do. These latter institutions include Sino-Dutch Biomedical and Information Engineering School of Northeastern University, Surrey International Institute at Dongbei University of Finance and Economics, College of International Business Shenyang Normal University, Sias International College (University) at Zhengzhou University, Beijing Normal University-Hong Kong Baptist University United International College, and Shanghai Vancouver Film School. The last two institutions have legal person status in China, and the other five institutions are independent institutions without legal person status and have been in existence more than five years.

3.3.4 Partnership Model

Foreign institutions utilize different partnership models when entering China, including only partnering with an HEI, partnering with an HEI and private companies, and partnering with an HEI and a government entity. The majority of foreign institutions choose only to partner with a Chinese higher education institution, so as to comply with the *Regulations on Chinese-foreign Collaboration in Running Schools in China*. All of the foreign institutions, except the University of Nottingham, partner with public institutions in China. Nottingham has partnered with the private Zhejiang Wanli University.
In addition to a Chinese higher education institution, nine foreign institutions partnered either with business enterprises or governments when setting up branch campuses. Specifically, Sias International University is a partnership among Fort Hays State University, Zhengzhou University, and Sias Group, Inc. Sias is the financial investor behind the branch campus. Similarly, the University of Nottingham Ningbo is a partnership with both Zhejiang Wanli University and Wanli Education Group, with the latter being its major investor.

Seven institutions partnered with governmental agencies in addition to their Chinese partner institutions. These include: Xi’an Jiaotong Liverpool University, Chinese University of Hong Kong Shenzhen Campus, Shanghai New York University, Duke Kunshan University, Wenzhou Kean University, Sino-Russia University, and Sun Yat-sen University-Carnegie Mellon University Joint Institute of Engineering at Sun Yat-sen University. All of these institutions are independent institutions with legal person status (international universities), except the Carnegie Mellon initiative. These institutions have partnered with governments partly because these international universities require a huge amount of initial financial investment and government is willing to foot the bill. Governmental agencies are willing to invest in such ventures because this new type of institution can attract many different kinds of resources to their region. For instance, Suzhou Industrial Park invested US $250 million in the buildings and facilities for Xi’an Jiaotong Liverpool University. The Suzhou municipal government signed an agreement with Xi’an Jiaotong Liverpool University to support the university positioning and to provide it with preferential policies and financing.
3.3.5 Length of Operation

The Center for Chinese and American Studies at Nanjing University is considered to be the oldest IBC in China, established by John Hopkins University in 1986 (C-BERT, 2013). Only two IBCs were approved before 2000, one is Sias International University established by Fort Hays State University in Henan Province in China; and the other is The Sydney Institute of Language & Commerce (SILC), founded in 1994 by Shanghai University and the University of Technology, Sydney.

Nine of the 29 IBCs in China have existed more than five years, with an average of 10 years duration. They are located in Liaoning (4), Jiangsu (2), Guangdong (1), Henan (1), and Zhejiang (1). Four institutions are established by the United States, three by UK institutions, and one each one by Hong Kong, and The Netherlands.

Twenty IBCs have been founded since 2010, with two of them having just been approved by the Ministry of Education in 2014 and plan to enroll students in the next two years. To be more specific, five institutions were established in each of 2012 and 2013, and seven in 2014. The United States and the United Kingdom continue to be the dominating exporting countries. Six IBCs are U.S. institutions and four are U.K. institutions. Other nations with IBCs in China include Australia (2), Germany (1), Ireland (1), Japan (1), South Korea (1), Canada (1), and Russia (1).
Overall, about 24% of all the IBCs in China have been operating for five years or more. The rest of the institutions have been operating for two years or less, except the Sino-German School of Shanxi University of Finance and Economics which has existed for about four years.
<table>
<thead>
<tr>
<th>Branch Campus Name</th>
<th>Legal Status of Institution</th>
<th>Reasonable Return</th>
<th>Partnership Model</th>
<th>Years of Operation</th>
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<tbody>
<tr>
<td>Southeast University-Monash University Joint Graduate school</td>
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<td>Sydney Institute of Language and Commerce, Shanghai University</td>
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<td>College of International Exchange, Shandong Agriculture University</td>
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<td>Beijing-Dublin International College at Beijing Institute of Technology</td>
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<td>Shanghai Jiaotong University-University of Michigan Joint Institute</td>
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<td>Holads University-University of Central Lancashire, School of Media, Communication and Creative Industries</td>
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<td>Chinese Culture and American Study, Nanjing University</td>
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<td>Sun Yat-sen University-Carnegie Mellon University Joint Institute of Engineering at Sun Yat-sen University</td>
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<td>Sino-Dutch Biomedical and Information Engineering School of Northeastern University</td>
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<td>College of International Business, Shanghai Normal University</td>
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<td>Sun International University</td>
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<td>Beijing Normal University, Hong Kong Baptist University United International College</td>
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<td>Shanghai Vancouver Film School</td>
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19 This data is from the website of the Ministry of Education. October 15, 2014. Retrieved from http://www.crs.jsj.edu.cn/index.php/default/index/sort/1006
Chapter 4 Research Design and Methodology

4.1 Research Design

4.1.1 Case Study

Multiple case studies will be conducted to understand and compare strategies IBCs use to gain legitimacy in China. Yin (2014) provides a twofold definition of case study. The first part defines the scope of a case study. A case study is an empirical inquiry that 1) investigates a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when 2) the boundaries between phenomenon and context may not be clearly evident (p.16). The second part of the definition delineates the features of a case study. A case study inquiry 1) copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result 2) relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result; and 3) benefits from the prior development of theoretical propositions to guide data collection and analysis (p.17). Yin (2014) also points out that a case study answers “how” and “why” questions about a contemporary phenomenon over which a researcher has little or no control.

International branch campuses as a contemporary mass phenomenon started about twenty years ago, and is continuing to develop with at least 25 new campuses currently being planned globally. My overarching research question is, “What strategies IBCs have used to gain their legitimacy in China?” To answer this question, I examine multiple sources of evidence,
including university documents, newspapers and websites, and have also conducted numerous personal interviews.

4.1.2 Case Selection

There are four design types for case studies: single-case (holistic) designs, single-case (embedded) designs, multiple-case (holistic) designs, and multiple-case (embedded) designs (Yin, 2014). The single-case designs are appropriate under five rationales—that is, having a critical, unusual, common, revelatory, or longitudinal case (Yin, 2014).

The unit of analysis in this study is the institution, and these institutions present diverse typologies. Multiple-case designs have distinct advantages in comparison to single-case designs in that the evidence from the former is often considered more convincing and the overall study is therefore regarded as being more robust than the latter (Herriott & Firestone, 1983, as cited in Yin 2014). Therefore, multiple-case design is appropriate for this study. The cases in this study only involve one level of analysis, that is: what institutional strategies are used to gain legitimacy. The study does not involve subunit(s). This study only has one level of analysis: the strategies the international branch campuses use to gain legitimacy, thus there is no embedded cases. As a result, this study uses a multiple-case (holistic) design.

Multiple-case designs have an underlying replication logic, which is analogous to that used in multiple experiments (Yin, 2014). Robert Yin (2014) notes two types of replication inherent in multiple-case studies: (1) a literal replication that predicts similar results; and (2) a theoretical replication that “predicts contrasting results but for anticipated reasons” (p.57). Yin
further points out that the number of cases included in the study should be discretionary, rather than formulaic. He states that the researcher’s sense of the strength and importance of rival explanations should be used in determining the number of cases. “The stronger the rivals, the more additional cases you might want, each case showing a different result when some rival explanation had been take into account” (p.61).

4.1.3 Case Selection Process

The first round of case selection was informed by my initial face-to-face interviews with administrators at four international branch campuses in June 2014. These IBCs included New York University Shanghai, Duke Kunshan University, Xi’an Jiaotong Liverpool University, and John Hopkins University Nanjing Center. I also collected information about IBCs in China at The Inaugural Meeting and First Council Meeting of the Sino-Foreign Cooperative University Union held on June 4, 2014 in Suzhou, China. The information gathered at these occasions informed my understanding of IBC diversity and helped me to identify the distinctions I wanted to explore in the study.

The cases first selected represented the independent institutions with legal person status and independent institutions without legal person status; institutions that demand reasonable returns and institutions that do not require reasonable returns; institutions that partner with public Chinese HEIs and business or government; and institutions that partner with private Chinese HEIs and business. Cases in this dissertation also included institutions with less than five years of operation and institutions that have operated for more than five years. In addition, only those cases that could provide rich information were selected for this case study. Access to information
is essential to successfully conduct the study. I built personal rapport and ongoing connections with some of the institutions during my China trip in June, 2014.

Based on the aforementioned criteria, these following institutions were selected for inclusion in this case study:

1. John Hopkins University Nanjing Center (Nanjing) (An independent institution without legal person status that does not require reasonable return and has operated for more than five years).

2. Southeast University-Monash University Joint Graduate School (Suzhou) (An independent institution without legal person status that does not require reasonable return and has operated for less than five years).

3. Xi’an Jiaotong Liverpool University (Suzhou) (An independent institution with legal person status that does not require reasonable return, partners with government, and has operated for more than five years).

4. Duke Kunshan University (Kunshan) (An independent institution with legal person status that does not require reasonable return, partners with government, and has operated for less than five years).

5. Sias International College (An independent institution without legal person status that requires reasonable return and partners with business).

6. Beijing Normal University-Hong Kong Baptist University United International College (An independent institution with legal person status that requires reasonable return).
7. University of Nottingham Ningbo (an independent institution with legal person status that partners with a private higher education institution and business in China).

All of the independent institutions without legal person status were all under five years of operation except for the Center for Chinese and American Study and Liaoning Normal University-Missouri State University College of International Business. The Center for Chinese and American Study was chosen as a case because it presented itself as a unique situation during my prior interviews with the directors of the center. All of the institutions that required reasonable return had more than five years of existence, except Shanghai Vancouver Film School (SVFS). Beijing Normal University-Hong Kong Baptist University United International College was selected because it was the only case that had legal person status and is in operation. SVFS was still in its planning phase, so it was not included in this study. Sias International College was selected because it was the oldest institution from among similar institutions. The above cases represent each of the categories of IBCs in China.

However, when I conducted my field research in China, I replaced Duke Kunshan University (DKU) with New York University Shanghai (NYU Shanghai) because DKU declined my interview requests. I learned subsequently (B. Jiang, personal communication, May 15, 2015) that the major reason for this was strong opposition to the initiative at the home institution in North Carolina, where faculty and students argued that DKU would dilute their institution’s reputation and many faculty were concerned about issues of academic freedom. Other sources of
controversy at Duke related to the university’s investment of five million dollars into this endeavor, and related perceptions of financial waste, and low enrollments.\textsuperscript{20}

New York University Shanghai, on the contrary, was regarded by the Chinese government and media as a successful model for what they did in China. NYU Shanghai was highly acclaimed by the Ministry of Education. They reached the enrollment goal each year by getting the targeted number of students from mainland China as well as students worldwide. NYU Shanghai was perceived to be more open to the outside world, including researchers, peer institutions, and the like. NYU Shanghai was in the same category as DKU, an independent institution with legal person status and had been in operation less than five years. Accordingly, it is justifiable to switch NYU Shanghai for DKU.

Sias International College (SIC) was replaced by Surrey International Institute at Dongbei University of Finance and Economics. The major reason for this change was that Sias International College was not qualified as an international branch campus. Even though six of

\textsuperscript{20} The leader of the consulting team informed me that the Duke team went back and forth to China more than 20 times during the negotiation of the partnership. More importantly, the first-year enrollment was far less than expected. DKU expected to enroll 150 students for its first cohort, but eventually they only managed to get some 50 students for its Masters’ programs. In addition, another 60 undergraduate students from the elite higher education institutions in China were enrolled to study at DKU for a semester.
the programs awarded both Chinese and foreign degrees, the programs at this institution looked quite similar to the 2+2 articulation program between Sias International College and Fort Hays State University. Unlike the other international colleges that had a governing board composed of senior leaders from both the home institution and the host institution, Sias International College had a leadership team that was composed of Chinese citizens. These disqualifications were not seen initially because I only verified Sias information through MoE website, not through Sias website, which had more information. Surrey International Institute at Northeastern University of Finance and Economics was in the same category as SIC, an independent institution without legal person status that required reasonable return.

Beijing Normal University-Hong Kong Baptist University United International College (UIC) had to be dropped from the case studies because UIC declined all interview requests and was the only institution in its category: an independent institution with legal person status that required reasonable return. I first contacted UIC by myself, but got no response from the institution. Then I requested help from the international office at the University at Albany, State University of New York (UAlbany) to make the connections for me because UAlbany had a partnership with Hong Kong Baptist University. However, there was no response from UIC. Then I made my third attempt by asking a professor at Beijing Normal University who participated in the establishment of UIC to make the connection for me. However, that effort failed as well. It still remains unclear why UIC declined to be interviewed.

In conclusion, the cases in this research include:
1. John Hopkins University Nanjing Center (Jiangsu Province) (An independent institution without legal person status that does not require reasonable return and has operated for more than five years).

2. Southeast University-Monash University Joint Graduate School (Jiangsu Province) (An independent institution without legal person status that does not require reasonable return and has operated for less than five years).

3. Xi’an Jiaotong Liverpool University (Jiangsu Province) (An independent institution with legal person status that does not require reasonable return, partners with government, and has operated for more than five years).

4. New York University Shanghai (Shanghai) (An independent institution with legal person status that does not require reasonable return, partners with government, and has operated for less than five years).

5. Surrey International Institute at Dongbei University of Finance and Economics (Liaoning Province) (An independent institution without legal person status that requires reasonable return and partners with business).

6. University of Nottingham Ningbo (Zhejiang Province) (an independent institution with legal person status, partnering with a private higher education institution and business in China).

4.2 Data Collection Methods

Robert Yin (2014) suggests six major forms of evidence sources for doing cases studies: documentation, archival records, interviews, direct observations, participant-observation, and
physical artifacts. As Yin (2014) states, no single source has a complete advantage over all of the others and they are highly complementary. A good case study utilizes as many sources as possible. This part will first discuss what sources of evidence will be used and then the purposes for using multiple sources of evidence.

For this study, interviews and documentation were the major sources of evidence\(^\text{21}\) (see also endnote 2).

**Interviews:** Interviews were the major method to collect the first-hand data for this project. In this study, interviews were conducted with university administrators, staff and faculty members, students, graduates, and academic experts. Focus group interviews were conducted with students. Students were recruited on a voluntary basis. Each interview lasted from 20 minutes to 90 minutes. The students were told that their responses would be anonymized.

Interview questions were generated beforehand from the legitimacy theoretical framework. However, during the interview process, all of the interviews were maintained as semi-structured in order to have a natural conversation with the interviewees. The interview

\(^{21}\) Survey was originally considered to be an option for this study, but was dropped because of the small sample size and difficulties to get a meaningful response.
questions were constantly revised and modified during the whole process to provide information more relevant to the research question.

At the very beginning, in order to find the interview candidates who would provide rich information, I looked through each institution’s website and news reports and then identified two or three people that I thought would be familiar with the establishment and development of the institution. The types of people included high-ranking administrative staff, researchers at these institutions, senior administrators from the home institutions, faculty members, and staff at the career offices. For some institutions located in Jiangsu Province, specifically Southeast University-Monash University The Joint Graduate School, I requested help from my connections in the Division for International Cooperation and Exchange at Jiangsu Provincial Department of Education. For the remainder of the institutions, I contacted them myself. I had had initial contact with NYU Shanghai, Xi’an Jiaotong Liverpool University, and University of Nottingham Ningbo China before; therefore, I could easily gain access to these three institutions on my own.

Snowball sampling\textsuperscript{22} was the major strategy throughout the process of data collection. When I entered one site and conducted my first interview, usually with senior leaders of the

\textsuperscript{22} “A snowball sample is one in which the researcher collects data on the few members of the target population he or she can locate, then asks those individuals to provide information needed to locate other members of that population whom they know.” April 6, 2016. Retrieved from http://sociology.about.com/od/Types-of-Samples/a/Snowball-Sample.htm
institution, I asked them to recommend informative candidates to me for further interviews. It turned out that these people were quite open and helpful, not only in agreeing to do the interviews, but also in providing me with additional contacts. Most of them also made arrangements for additional interviews.

I was very cautious about what the administrators, especially the senior leaders, said about their institutions because they might have a view to promote, thus they might be self-serving. Therefore, I framed questions to elicit a variety of responses and attempted to triangulate information among different sources. I conducted interviews with students and other faculty and staff at these institutions. In addition, I attempted to conduct interviews with interviewees at X institution about Y institution, but in most cases, they declined such questions by claiming that they were not clear about the strategies other institutions used.

Students of focused groups were selected at these institutions to provide a mix of freshmen, juniors, seniors, and graduate students. In many cases, I just approached students in study halls, classrooms, or common areas and green spaces on campus. It turned out that the students were willing to talk to me, and they were candid about their institutions. Also, some graduates of institutions, mainly graduates of Xi’an Jiaotong Liverpool University and University of Nottingham Ningbo China, were interviewed to understand how institutions gained legitimacy from students and other stakeholders as well. These graduates were recruited through the snowball sampling strategy.

Information about employers of graduates of the IBCs was obtained from interviews with career offices at these institutions. Xi’an Jiaotong Liverpool University (XJTLU) was used as a
case study to get insights from the employers. XJTLU was selected because they were the most proactive in building connections and networks with employers. XJTLU provided me with the contact information for the human resource departments of the employers and the contact information for their external mentors.

In addition to helping me connect with employers, XJTLU also introduced me to the parents’ social network, QQ groups\textsuperscript{23}. I joined three different QQ groups, through which I had multiple unplanned interactions with parents. The different QQ groups included parents of XJTLU alumni as well as the parents of current and prospective students.

Academic experts were identified through two conference attendee lists. The first conference was The Inaugural Meeting & First Council Meeting of Sino-Foreign Cooperative University Union/ The Sino-Foreign Cooperative University Presidents Forum 2014 and International University Leaders Symposium (Shenzhen), which was held at Xi’an Jiaotong Liverpool University on June 4, 2014. The second conference was The Fifth Annual Conference on Chinese-foreign Cooperation in Running Schools, held between November 8 and 11 in Shenzhen, China. Other experts who published in China in this field were contacted and interviewed. Some institutions had a research center on Chinese-foreign Collaboration in Running Schools, and researchers at these centers were interviewed to obtain more information.

\textsuperscript{23} QQ is a social media tool that many people use to get connected with each other in China.
In addition, one local civil servant and one staff at Jiangsu Provincial Education Department were also interviewed to understand the local government’s role in these institutions’ pursuit of legitimacy.
A total of 52 interviews were conducted. Some institutions were very open to outsiders, and I could interview any person within those institutions, such as XJTLU and UNNC. Some institutions were very cautious and more restricted in allowing researchers to talk to students or people working in those institutions. Faculty members needed to obtain approval from the leadership, such as at NYU Shanghai. Some institutions just didn’t have much information, like Southeast University-Monash University Joint Graduate School. They do not even have their own website. I used different ways to gather as much data as possible.

Documentation: Memoranda, minutes of meetings, progress reports, formal studies or evaluations related to the cases, news clippings and other articles appearing in the mass media or
in community newspapers were collected. The most important function of documentary evidence was to corroborate and augment evidence from other sources.

I also attended a total of three conferences on Chinese-foreign Collaboration in Running Schools held in China over the data collection period. Even though most of the presentations were self-promoting, I was able to interview some key people in this field to help me understand the legitimacy issues the international institutions faced.

4.2.1 Rationale for using multiple sources of evidence

1) **Multiple data sources as the hallmark of a good qualitative case study.** Creswell (2013) states that a good qualitative case study provides an in-depth understanding of the case. Many sources of qualitative data should be collected to achieve this goal. Only relying on one form of data is insufficient to develop in-depth understanding. Yin (2014) states that a major strength of case study data collection is the opportunity to use many forms of evidence.

2) **Triangulation.** Another important purpose of using multiple sources of evidence is to converge the lines of inquiry and corroborate the same findings. A finding or conclusion based on multiple sources of data is more likely to be convincing and accurate (Yin, 2014).

4.3 **Detailed Data Analysis**

Miles et al. (2014) suggest fundamentals of qualitative data analysis encompass first cycle codes and coding, second cycle coding (pattern codes), jottings, analytic memoing,
assertions and propositions, and within-case and cross-case analysis. The analysis of interviews in my study included all these fundamentals.

Saldana (2013) divides coding into two major stages: (1) First Cycle: assign codes to the data chunks; (2) Second Cycle: work with the resulting First Cycle codes and look for patterns by summarizing them into a smaller number of categories, themes, or constructs. Hahn (2007) suggested four levels of coding, which includes

a. Level 1 Coding: Initial and Open Coding by focusing on and labeling large quantities of raw qualitative data;

b. Level 2 Coding: Focused Coding and Category Development by reexamining Level codes and further focusing the data;

c. Level 3 Coding: Axial/Thematic Coding by studying previous codes in order to develop highly refined themes; and

d. Theoretical concepts: Theoretical concepts emerging from saturated categories and themes.

I combined both Saldana (2013) coding schemes and Hahn (2007) coding cycles to understand the data thoroughly. In my first cycle of coding, I mainly used Descriptive Coding and Attribute Coding for my study (Miles et al., 2014). Descriptive codes briefly summarize basic ideas or topics in qualitative data. Miles et al. (2014) suggests descriptive coding is extremely helpful for studies with multiple data forms. Descriptive coding is an appropriate choice for my study because I included different types of documentation, interviews, and archival records. Attribute coding is appropriate for virtually all qualitative research, but
particularly for cross-case studies like my proposed study. This method codes for attributes of the participants and research sites to distinguish their various relevant characteristics for the research. The first level coding was intended to significantly reduce the qualitative data to allow a more manageable focus. I used Altas.ti to help me manage all the data. I assigned more than 100 codes after the first round of coding. Some patterns and themes already emerged in the first round of coding. Then, I started to outline the initial categories and findings and put them in the matrix tables.
4.3.1 Second-Cycle Coding: Pattern Codes

Miles et al. (2014) suggest pattern codes usually include four often-interrelated summarizers: categories or themes, causes/explanations, relationships among people, and theoretical constructs. For my study, theoretical constructs and categories and themes were the summarizers used in my study. Matrix display was mainly used for analyzing data. “Matrix displays chart of table the data—including codes—for analytic purposes. They organize the vast array of condensed material into an ‘at-a-glance’ format for reflection, verification, conclusion drawing, and other analytic acts” (2014: 91)

In my second round of coding, I merged some codes together, and the initial 104 codes were reduced to 29 codes. Essentially, these codes represented the categories fundamental for the analysis of the findings. The categories and themes became much clearer at this stage. I continued to refine the themes by doing the third cycle of coding. The ATLAS.ti24 software kept all the categories and themes for me. I reorganized the data by grouping different categories and themes.

24 ATLAS. ti is a computer program used mostly, but not exclusively in qualitative data analysis and research.
4.3.2 Jottings

Jottings are a useful way to capture researchers’ fleeting and emergent reflections, thoughts, or commentary during their data collection phase and/or data analysis (Saldana, 2013). In order to better manage and retrieve data, all the jottings were transferred to the computer software program as soon as possible.

4.3.3 Analytical Memoing

Analytical memos are not just descriptive summaries of data but higher-level synthesis of data in an analytical way. They go beyond codes and tie together different pieces of data into a recognizable cluster. Miles et al. (2014) claim that analytical memos are one of the most useful and powerful sense-making tools. Analytical memos were written throughout the whole data collection and analysis phase.

4.3.4 Assertions and Propositions

Assertions and propositions were generated after I gained a good understanding of the data to help me better analyze the data during the whole data collection and analysis process.

4.3.5 Cross-case Analysis

Mixed strategies that combine case-oriented and variable-oriented approaches were adopted in my study. Miles et al. (2014) suggest each of the cases will be written up first, using a more or less standard set of variables. Then matrices and other displays will be used to analyze
each case in depth. After that, the case-level displays will be stacked in a “meta-matrix” for systematic comparison. Different matrix displays were generated during the data analysis phase.

4.3.6 Transcription

After the interviews were conducted, I hired multiple people to transcribe the interviews for me. For the interviews conducted in Chinese, I hired two college students to transcribe all of the interviews for me as soon as possible. For the interviews conducted in English, I hired a freelancer to transcribe all of the English interviews for me. I personally checked each of the interview transcripts to make sure they were accurate.

4.3.7 Translation

The majority of the interviews were conducted in Chinese, even though most of the people I interviewed had the English language capability to conduct conversations in English. I chose Chinese because that helped me build rapport quickly with the interviewees. More importantly, interviewees had the freedom of expressing themselves more freely. They were more accurate with their ideas.

I did all of the levels of data analysis in the Chinese language. After I grouped all the data into categories and themes, I hired three professionals to translate the materials into English. These professionals received their Master degrees in Chinese-English translation from Chinese institutions. I constantly referred back to the Chinese texts to make sure the translation was accurate. They translated roughly 50 pages of Chinese text, about 50,000 Chinese words.
4.4 Summary

This dissertation is a qualitative case study. Seven cases were first selected based on prior interviews and they represented the dynamic IBCs’ cases, but I could only gain access to six of them. They were John Hopkins University Nanjing Center (Nanjing), Southeast University-Monash University Joint Graduate School (Suzhou), Xi’an Jiaotong Liverpool University (Suzhou), Duke Kunshan University (Kunshan), Northeastern University of Finance and Economics Surrey International Institute, and the University of Nottingham Ningbo China. Interviews and documentation were the primary source for data collection. Interviewees included administrators, faculty and staff, students and parents, researchers, local government officials, and employers. Prior personal contact with these institutions helped me gain access to some of the institutions. Personal connections were also leveraged in order to gain access to the field. Snowball sampling was used to identify the majority of interview candidates. Students were recruited on a voluntary basis.

Multiple rounds of coding were conducted to generate the categories and themes. The software Atlas.ti was used to help me manage the large amount of data. Interviews were immediately stored in the software and then transcribed. A handful of people were hired to help me transcribe both the Chinese and English interviews. The transcription was checked again to ensure the quality of transcription. Professionals were hired to help me translate the texts that were already grouped by themes and categories.
Chapter 5 Findings Part I: International Branch Campuses-International Universities

5.1 Introduction

China is a major player in cross-border education activities worldwide, especially when it comes to hosting international branch campuses (IBCs) ventures. IBCs are often newly established organizations that face the twin liabilities of “newness” and “foreignness”. Previous research has shown that legitimacy is a critical factor for organizations’ survival and development. By acquiring legitimacy, organizations can obtain material resources, financial resources, and other types of support they need in order to further develop. This dissertation aims to answer this question: What strategies do IBCs use to gain legitimacy in China? This research tries to answer a unidirectional research question using a conceptual framework derived from Suchman (1995), Scott (1995), and Zimmerman & Zeitz (2002), as shown in the following diagram:

Figure 5.1 Strategies to Obtain Legitimacy
In order to answer this question, I classified IBCs into four categories based on the following features: 1) legal person status (whether it is a legal entity); 2) years in operation; 3) whether the home institution requires financial return or not; and 4) public or private nature of the host institution. My research finds that whether or not the institutions have legal person status is the most important feature of IBCs, which can impact these institutions differently in many respects. Another important feature of IBCs is years of operation. However, this feature functions under the bigger umbrella of IBCs’ legal person status. The remaining two features did not distinguish much between institutions.

*Legal person status (whether it is a legal entity).* Whether an IBC has legal person status or not can impact an institution greatly. This criterion affects the institutions in all of the legitimacy pillars, including regulative, normative, cognitive, and pragmatic, as well as their strategies to gain legitimacy. Therefore, the findings section will focus on IBCs with legal person status (i.e., international universities) and those that do not have legal person status (i.e., international colleges) in each of the four legitimacy pillars and strategies the organizations have used to gain that dimension of legitimacy.

*Years of operation.* An institution’s operation period can influence an institution in a couple of ways. First, older institutions, like XJTLU and UNNC, have already established their reputations. These reputations can affect how similar new institutions are perceived. Second, compared to older institutions, new institutions usually respond with more caution regarding the regulatory environment in China. The places where an institution’s operation period matters will be specifically noted within the findings section.
Whether the home institution requires financial return or not. Even though almost all of the foreign home institutions that require financial return hoped to make a profit in this education venture, the reality is that even after several years of operation they barely achieve break-even (G. Rivers, interview, April 8, 2015). Whether a home institution requires reasonable return in the first place appears to have no impact on the new institution’s operation.

Public or private nature of the host institution. The University of Nottingham is the only institution that partnered with a private higher education institution in China, Zhejiang Wanli University (ZWU). IBCs that have legal person status in China usually place their partner host institution in a secondary role; the host institution is just there to fulfill the regulatory requirement and have limited involvement with the associated IBC (S. Morgan, interview, March 31, 2015). Therefore, the nature of the host institution does not play an important role.

Legitimacy is congruency between the norms, values, standards, and expectations of a social system and the actions and outcomes of organizations. The previous research suggests that social actors may or may not be reflectively aware of legitimacy’s role in their thinking and decision-making (Suchman, 1995; Zimmerman & Zeitz, 2002). But my research shows that international branch campuses in China have used purposeful and strategic actions to pursue all four pillars of legitimacy.

The findings will be divided into two chapters. Chapter 5 will focus on one group of IBCs (international universities) and their strategies to gain legitimacy in China. The international universities are: Xi’an Jiaotong Liverpool University (XJTLU), University of Nottingham Ningbo China (UNNC), and New York University Shanghai (NYU Shanghai).
Chapter 6 will focus on the other group of IBCs (international colleges) and their strategies to gain legitimacy in China. These international colleges include: The Johns Hopkins University-Nanjing University Center for Chinese and American Studies (CCAS); Surrey International Institute (SII), Dongbei University of Finance and Economics; and Monash University-Southeast University Joint Graduate School (JGS). Since these two types of IBCs are commonly referred to as international universities and international colleges, respectively, in China, international universities and international colleges are used in Chapter 5 and Chapter 6 respectively in order to make such a distinction within IBCs.

My research finds that regulative legitimacy is the most important pillar, followed by pragmatic, cognitive, and normative legitimacy. Therefore, both Chapter 5 and 6 will be organized based on the importance of legitimacy pillar, from the most important to the least important. In addition, the strategies will be organized from the easiest to the most challenging suggested by the literature, namely, conform, select, manipulate, and create environment (Zimmerman & Zeitz, 2002).

5.2 Regulative Legitimacy and Gaining Strategies

Regulative legitimacy is commonly understood as the rules, regulations, and laws that govern institutions. Scott (1995) specifies that regulative processes involve three parts: 1) rule setting: the capacity to establish rules, laws, and regulations; 2) monitoring: the capability to inspect or review other’s conformity to the rules; and 3) sanctioning activities: the ability to influence future behavior through rewards or punishments. These processes may operate through informal mechanisms, such as shaming or shunning activities, or through formal mechanisms,
such as acts of a legally designated oversight body. Regulative legitimacy can be derived from regulations, rules, standards, and expectations created by governments, credentialing agencies, and professional associations, as well as powerful organizations.

In China, the formal power of conferring regulative legitimacy to the international universities resides in the Ministry of Education (MoE), with the Department of International Cooperation and Exchanges (Office for Hong Kong, Macao, and Taiwan Affairs), being the implementing body. MoE regulatory functions follow each of three parts identified by Scott (1995):

(1) **Rule setting**: MoE has issued dozens of regulations and rules regarding the establishment, authorization, license, certificate registration and accreditation, and evaluation of Chinese-foreign Collaboration in Running Schools (CCRS) ventures (Appendix A).

(2) **Monitoring**: MoE monitors the performance of CCRS, having developed indicators and processes to evaluate institutional mission, management systems, assets and financial management, quality, faculty, infrastructure, and social benefits. MoE assessment includes self-evaluation and field evaluation conducted by MoE officials and experts in the field.

(3) **Sanctioning activities**: MoE has the power to sanction programs. It can require changes in the institution to correct what it determines to be deficiencies, or even close inadequate programs. Given this power of the government, it is no surprise that institutions put great emphasis on gaining regulatory legitimacy.
The China Education Association for International Exchanges (CEAIE), a not-for-profit organization in China, has a new role related to CCRS ventures. Its sub-committee, Commission on Chinese-foreign Cooperation in Education (CCCE), with the support from the Chinese MoE, is pioneering a new quality audit system, which focuses on the CCRS market. The CCCE will test the international education organizations against standards by reviewing the institution’s web pages, administrative processes, and students’ learning experience. The CCCE would likely be treated seriously by the international institutions because the outcome could be a potential negative report against the institutions. The administrators at these institutions hope that when the CCCE audits them, it verifies and supports their good practices, which will then bestow legitimacy upon the effort (G. Rivers, interview, April 8, 2015).

Those international institutions established by UK universities are also subject to the review conducted by the UK Quality Assurance Agency for Higher Education (QAA): an independent British entity monitoring and advising on higher education standards and quality.

The pertinent Chinese regulation\(^{25}\) states that Chinese-foreign collaboration education ventures serve the following functions:

1) to borrow foreign expertise and to import high quality education resources;

2) to accelerate opening-up China’s education process to the world;

3) to explore multiple approaches for developing student talent;

4) to narrow the education gap between China and the developed countries;

5) to improve the governance of the Chinese HEIs;

6) to strengthen the development of the disciplinary programs at Chinese HEIs in order to meet the ever-growing demand for quality higher education;

7) to cultivate global citizens who can understand and tolerate diverse cultures and work with people from diverse backgrounds; and

8) to serve as an experiment and pilot program for higher education reform in China.

The CCRS ventures, especially international universities, are expected to have these many functions in the Chinese higher education system. Indeed, this is the prerequisite for their establishment. In addition, the fact that the international universities are usually established by world-renowned universities in the United Kingdom, the United States, Australia, and Hong Kong, together with prestigious Chinese government institutions, means that these institutions are not temporary or *ad hoc* operations. Legitimacy, however, cannot be assumed simply because these institutions exist under some government oversight and authority. In fact, the research finds that international universities have used conformance, manipulation, and creation of the
environment to pursue regulative legitimacy. Please see the following table for an overview of the strategies international universities have used to gain regulative legitimacy in China.\textsuperscript{26}

Table 5.1 Strategies to Acquire Regulative Legitimacy

<table>
<thead>
<tr>
<th>Legitimacy (Rule setting, Monitoring, and Sanctioning)</th>
<th>Realities</th>
<th>Strategies to Acquire Regulative Legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulative Legitimacy (Policy being vague and inconsistent (Academic freedom))</td>
<td>Policy being vague and inconsistent (Academic freedom)</td>
<td><strong>Comply with the environment.</strong> Conformance is the prerequisite for the international universities to become established. Academic freedom is one of the manifestations where policy is vague and inconsistent. The foreign international leaders assure the stakeholders back home that they uphold academic freedom in China, but the international universities have to conform to the regulative environment in China, which has constraints on academic freedom.</td>
</tr>
<tr>
<td>Policy lags behind practices (Academic autonomy)</td>
<td><strong>Manipulate the environment.</strong> International universities manipulate their ties with the home institutions to offer the graduate degree programs that are not approved by the regulations in China. <strong>Create the environment.</strong> International universities form a union to lobby the national government for their development. Professorial appointment is an example where all the private institutions in some provinces can appoint their faculty to the rank of professor.</td>
<td></td>
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</table>

Table 5.1 Strategies to Acquire Regulative Legitimacy

**Strategy #1: Comply with the environment.** The most obvious way for the international universities to gain regulative legitimacy is to comply with the regulations and laws regarding Chinese-foreign Collaboration in Running Schools (CCRS). For example, all have Chinese presidents and a Chinese-majority Executive Board. The international university leaders state

\textsuperscript{26} Since each pillar of legitimacy has its own emphasis, the table is slightly different among the four pillars of legitimacy.
that they have to comply with the laws, regulations, and rules in China because they face so many uncertainties about their long-term development that their long-term sustainability is not assured. Compliance with the laws, regulations, and rules is the most expedient way for them to gain regulative legitimacy from the government. The following quote from a researcher, Xiaojun Zhang, at Xi’an Jiaotong Liverpool University (XJTLU), echoes the institutional leaders’ statement.

The institutions right now are very weak, and there are only a few of institutions like us, therefore, the international universities [as a group] are fragile. The long-term sustainability cannot be guaranteed at this point. It is more important for us to leverage the national policy to develop ourselves (X.J. Zhang, interview, March 16, 2015).

The international universities are still like “babies” (W.Q., Shen, interview, April 2, 2015), therefore, they rely on national policy to protect them as they develop and improve themselves. The goal, then, is not just to align their practices with the policies in order to gain authorization to operate. Rather, the international universities wish to gain the favor of the regulatory agencies. This policy alignment, in other words, is not only passive action from the international universities, but more a proactive strategy the international universities use to gain legitimacy from the government. The international universities have to pay special attention to regulative legitimacy because failing to do so may prevent them from operating legally or preclude them from acquiring resources they need to survive, temporarily or permanently (Zimmerman & Zeitz, 2002).

Policies regarding Chinese-foreign Collaboration in Running Schools (CCRS) in China have dual realities. One important reality of CCRS policy is that they are vague and are interpreted inconsistently, both by government officials, and by administrators at the
international universities. Concerns over educational sovereignty and academic freedom are major manifestations of the inconsistency. International universities choose to comply with the regulative environment in order to gain legitimacy. The other reality of CCRS policy is that policy lags actually practice, which constrains international universities’ development. Other aspects of academic autonomy are the major manifestations of the lagging nature of policy, including tuition setting, student enrollment, faculty promotion, and degree program offering. International universities choose to manipulate and create the environment in order to overcome the constraints caused by this lagging nature of policy, which will be described later in this section.

The national government has concerns that Western values and culture will lead to the corruption of traditional Chinese culture and values. Therefore, the Chinese leaders are protective of China’s educational sovereignty—their control over the educational system within the country—thus they impose tight ideological control in China. This is a contradiction, given the goals laid out in the CCRS regulation previously. The regulatory environment seemed to become more stringent when the Minister of Education, Yuan Guiren, made claims at a meeting about how to strengthen the ideological control at Chinese higher education institutions. He demanded that Western textbooks should be supervised and censored, that defamatory attacks against Communist Party of China leadership and socialism should never be allowed in the classroom, and that higher education institutions should enhance their supervision of Internet posts (Xinhua News, 2015).
The senior foreign administrators at the international universities express their confusion over such claims (H. Meng, interview, March 20, 2015; S. Morgan, interview, March 31, 2015). The following quote illustrates his confusion over ideological control in China.

We are committed to delivering what we see as an international critical and liberal education. That is potentially at odds or, in fact, it is at odds with what is currently being required of Chinese state universities. Let's not mince words….We're discussing Western values, Western theory. How can you deliver an international education without doing so? That goes for Chinese state universities. How can they possibly give the students any understanding of the West if they don't engage them with this sort of literature? (S. Morgan, interview, March 31, 2015)

The institutional leaders at NYU Shanghai responded with greater concern. An administrator at NYU Shanghai agreed the statement from the minister was problematic.

What Minister Yuan said really stunned us. The NYU leaders back in the US got really concerned. They took it as a government signal that China did not welcome the schools like us. After Minister Yuan’s speech, President Lehman was recalled back to NYU immediately to explain what was exactly going on (in China) (H. Meng, interview, March 20, 2015).

There is also conflict among the top national leaders regarding the stringent ideological control in China. It is difficult for foreign institutional leaders to perceive the nuances and navigate the regulative environment in China, especially when it comes to ideological control in China. Henry Meng at NYU Shanghai shared this story with me: Before President Lehman’s return to the United States, he went to Beijing to attend the New Year Party for foreign specialists held by the State Administration of Foreign Affairs Experts. At the party, President Lehman asked Premier Li Keqiang about his thoughts on Minister Yuan’s speech. Premier Li said that the economies in the United States and China were, respectively, law-based and morality-based. He suggested that Chinese people read the Wealth of Nations written by Adam
Smith to know more about Western economy. Then, President Lehman asked Minister Yuan whether China still needed institutions like NYU Shanghai. Minister Yuan answered that China needed schools like NYU Shanghai and he would be delighted for the Chinese people to be able to receive higher education from New York University.

The Chinese top national leaders, on one hand, exert control on Western values, ideas, and cultures; on the other hand, they welcome Western institutions. Stephen Morgan, Dean of Social Sciences at UNNC, still shows great concern over the ideological environment in China.

We do have those tensions here. Frankly, I don't know. I don't really know what's going to become of this situation. It's going to be interesting over the next two years watching how this unfolds. This is purely speculation that there could come a time when the university might have to confront the fact that it cannot deliver what it calls the Nottingham experience. The Nottingham experience is developing a critical well-informed citizen who is able to ask questions, engage with the world, think critically (S. Morgan, interview, March 31, 2015).

I mean, one of my senior colleagues who is currently head of the school of contemporary Chinese studies, he actually thinks that it's almost impossible to run a school of contemporary Chinese studies in China because of controls or perceived controls or restrictions on what books we can get into the library. Often we try ordering certain books and we get told you can't bring those in or we get told, well it's going to be at least 20% censorship of the book, do you still want the book or maybe 50% of the book will be covered, do you still want the book (S. Morgan, interview, March 31, 2015).

That wasn't the case a couple of years ago. If we go back three or four years ago, there were hardly any of those problems. It has only been since the run up to Xi Jinping's appointment and then with his emphasis on ideological matters in particular, I guess we're just kind of struggling a little bit in areas that deal with anything deemed sensitive (S. Morgan, interview, March 31, 2015).

Even though senior leaders from the foreign institutions usually respond with caution and concerns, their Chinese nationals who work at the IUs take the ideological environment in China
as a given. The Chinese side claims that each country has its own laws, and the foreign institutions need to abide by the law in order to get established. Also, they state that it is impossible not to discuss Western cultures and values since they are working with foreign institutions. The vice president at UNNC used an analogy that Deng Xiaoping once used regarding the economic opening up policy in China. Deng said that, “an open window not only brings in the fresh air but also the mosquitoes and flies. The fresh air is important whether there are mosquitoes and flies or not. But in order to avoid the insects, install window screens”. The Chinese practitioners use the analogy to demonstrate that the development of CCRS ventures is essential in invigorating the traditional Chinese higher education system. However, in order to protect education sovereignty and limit Western influence on China, all the CCRS education ventures in China should be operated under the rules and laws within the Chinese constitution. The senior Chinese administrators at these international universities nevertheless emphasize the freedom they have to explore this new model of higher education institutions.

In China, the Sino-foreign collaborative education ventures sector is quite similar to the special administrative zones like Hong Kong and Macau. (The Beijing government gives Hong Kong and Macau some freedom for them to explore their own economic and governance model.) Similarly, the central government (MoE) does not exert great control on international institutions, possibly except Chinese culture. The international

27 The United States sees these IBCs as agents to help open and democratize China, so it might be true that in many respects the US institutional leaders in China take the political-ideological controlled environment as a given. The nuanced difference might be that foreign institutional leaders hardly know how far they can push in the regulative environment in China.
institutions have the freedom to explore their own models (W.Q. Shen, interview, April 8, 2015).

…(We) believe that the government also gives the international universities many supports and great space (to develop). It does not mean that there is a red line that you cannot touch. A lot of reforms we have tried were not stopped by the limitations (W.Q. Shen, interview, April 8, 2015).

Furthermore, it seems that young institutions, like NYU Shanghai, tend to react with more caution and concern, while older institutions (XJTLU and UNNC) know how to better deal with such situations.28

I think it is necessary to have this sensitivity because the government is one of our stakeholders. What they (other IUs) have encountered is just the beginning. Many things still need to be learnt by trial and error. They (other IUs) should be more concerned about the extent of sensitivity and how to respond. After all, our university (UNNC) has existed for ten years and we have met many (such) problems, so we know how to deal with this kind of situation (L.Y. Sun, interview, April 1, 2015).

The tension regarding ideological control is not easily resolved. Most international universities, in fact, have their own Chinese Communist Party Committee to deal with the students’ ideological and political training, party building, and Chinese culture transmission. As a matter of fact, Chinese institutional leaders view it important to shape students’ political views, which might ease the government’s concern over losing its education sovereignty. The following

28 This is one place where years of operation does matter in institutional reactions to regulative environment. However, this difference also could be that American and British institutions behave differently because of different norms and values at the home institutions, or because of different home faculty politics and pressures.
A quote from the Vice President at University of Nottingham China (UNNC) illustrates the importance of shaping students’ political views.

Like us (University of Nottingham Ningbo China), we also have CPC party committee, and we do party building and students’ ideological shaping as well as Chinese culture transmission. We will not let go of these things. When people are young, in their 20s, it is a critical time for them to form their world views and values. (We) need to guide (the people) to form the core mainstream values. That’s what we should do (W.Q., Shen, interview, April 2, 2015).

However, these Party Committees function differently from similar entities at Chinese universities. For example, even the most elite Chinese universities will immediately endorse and support national policies the moment that the policies come out, in order to demonstrate their correct political orientation. This is not the case at international universities. Leaders at these institutions claim that their aim is to improve the home and the host institutions instead of favoring the government. Therefore, even though the international institutions have constraints in the regulative realm, they are not as tightly controlled as fully Chinese public universities.

Strategy #2: Manipulate the environment. While conforming to the environment does not actually change the environment, manipulating the environment involves changing the environment “to develop support specifically tailored to the distinctive needs of the organization” (Suchman, 1995:591). The other important reality regarding CCRS policy is that the laws, regulations and rules regulating CCRS lag the actual practices of the international universities, which confines their development (Y.M. Xi, interview, March 15, 2015; W.Q. Shen, interview, April 2, 2015). They view the current regulations and laws regarding CCRS as dated, since they are oriented toward the traditional Chinese HEIs. The following quote from the Vice President at UNNC illustrates this reality.
The existing laws, regulations, and rules are generated from the operations of the public higher education institutions. They were made to ensure the quality and development of the public institutions. However, we are a brand new model in the higher education sector, and we have a new operational system. (The policies) certainly have conflicts with (our practices) (W.Q. Shen, interview, April 2, 2015).

International universities were set up to explore a new model in Chinese higher education, but in reality the concept of university autonomy demonstrates these institutions’ conflicts with current regulations. University autonomy is an important value for universities in Western countries. Specifically, the international universities are highly regulated in terms of the student enrollment, tuition setting, degree program offering, and faculty promotion. For instance, the international universities need to go to the Pricing Bureau to set up their tuition. The education department determines the number of students the international universities can enroll, and they even need to get approval from different bodies of the provincial education department to revise information on their website. These are clear constraints to university autonomy in the Western sense.

However, it is very difficult to change the existing regulations and rules, therefore, the international university leaders often think of different ways to break through the constraints on their development. Manipulating the environment is one of their strategies to do so. The degree offering at Xi’an Jiaotong Liverpool University (XJTLU) provides an example in how XJTLU manipulates the environment, especially its resources and ties with Liverpool University, to overcome the constraints exerted by the regulative environment as well as to advance their development.

International universities are regulated as private institutions in China, under The Law of
the People’s Republic of China on Promotion of Privately-run Schools, issued in December 2002. The law does not allow private higher education institutions to offer doctoral degree programs. There are only five Chinese private higher education institutions that can offer professional Master degree programs nationwide. The government did not intend to change the policy on the degree offering requirement. Therefore, XJTLU took advantage of their connections with Liverpool University and decided to only award doctoral degrees from Liverpool University at its China campus, rather than offering the degrees from XJTLU itself. In this manner, XJTLU was able to offer its students access to a doctoral degree through the foreign partner, even as it remained ineligible to offer the degree as a Chinese institution. In this case, XJTLU manipulated its environment by teaming with a successful, well-established organization to achieve what they wanted to do in the Chinese regulative environment, as suggested by the literature (Zimmerman & Zeitz, 2002).

Strategy #3: Create the environment. Creating the environment involves the most changes to the environment. New organizations, especially new organizations in new industries,

29 These institutions are Beijing City University (BCU), Jilin Huaqiao University of Foreign Languages (JHUFL), East University of Heilongjiang (EUH), Xijing University (XU), and Heibei Institute of Communication (HIC). These institutions, except EUH, were allowed to offer Master degree programs not because they were the strongest in research, but because the founders of these institutions had strong connections with national leaders (Y.T. Wang, interview, April 3, 2016).
often find that the existing regulations, rules, or laws inhibit their growth, therefore, they lobby the government to create new government rules and regulations to promote their development (Zimmerman & Zeitz, 2012). As previously mentioned, the international university leaders often find that the existing policy and regulations regarding Chinese-foreign Collaboration in Running Schools (CCRS) constrains their autonomy. Therefore, the institutional leaders have used multiple venues to create a regulative environment advantageous to their development by lobbying the national government, mainly officials from MoE.

The international universities have been trying to exert stronger influence on MoE by joining together to form the Sino-Foreign Cooperative University Union (SFCUU). SFCUU founding members include University of Nottingham Ningbo China (UNNC), Xi’an Jiaotong Liverpool University (XJLTU), New York University Shanghai (NYU Shanghai), Duke Kunshan University (DKU), Wenzhou Kean University (WKU), and Chinese University of Hongkong Shenzhen (CUHS). SFCUU mainly has two functions. One is that SFCUU holds The Sino-Foreign Cooperative University Presidents Forum annually to enhance exchanges and communication among union members; to discuss common problems and issues emerging in their operation; to discuss the solutions for problems; and to share their practices, experiences, and lessons they have learned through their operation. The other major function of SFCUU is to unite the union members’ strength, to promote the exchanges and common understanding among the union members; to construct and develop Chinese-foreign collaboration in running schools discourse system in order to make voice in the society and government; to exert stronger
influence on higher education reform in China; and to provide recommendations to the national government to deepen the higher education reform.  

The international university leaders think they are still at a weak stage, thus they need to collaborate to make a bigger voice (W.Q. Shen, interview, April 2, 2015). This aligns with research (Zimmerman & Zeitz, 2002) that new organizations, especially new organizations in a new industry, tend to form associations, unions, or alliances with other new organizations in the industry. This is because a single new organization generally lacks the resource or power to significantly impact its environment by itself (DiMaggio & Powell, 1983; Meyer and Rowan, 1977; Zimmerman & Zeitz, 2002). The SFCUU serves as a venue for IUs to express their opinions and make themselves heard and to solicit support from the government, especially policy support, for the development of their member institutions.

International university leaders push for policy interpretations that are more favorable to their preferred practices. Furthermore, the IU leaders usually try to influence government officials who interpret the rules through several different venues. For instance, they communicate with the government officials about their challenges when these officials visit them.

(We) invite the government officials to discuss what we can do and what is the right thing to do, so we can change the regulations and rules that currently confine us to do what we want to do (Y. M. Xi, interview, March 15, 2015).

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Regarding the lag behind nature of the policies, we need to communicate with different bodies, letting them know what challenges we face, and how we want to solve these challenges. That’s the way how it works (W. Q., Shen, interview, April 2, 2015).

In addition to institutional leaders, the local government also aligns with the international university leaders to solicit support from the provincial and/or national government to gain preferential policies or resources for the universities (H. Meng, interview, March 20, 2015; Z.Y. Zhang, interview, April 18, 2015). In addition, some of the foreign leaders from the home institutions are also members of the State Administration of Foreign Affairs Experts, the agency responsible for certifying foreign experts to work in China. Through this body, these foreign experts working at these international universities seek to influence the development of internationalization of higher education in China (H. Meng, interview, March 20, 2015).

Take faculty tenure and promotion for example. Since international universities are regulated as private institutions in China, they do not have the right to appoint their own professors. Instead, they must go through their provincial education department, and each institution has a quota on the number of people who can be promoted to the rank of professor (Y.M. Xi, interview, March 15, 2015). International universities view this as irrational because the quality of the professors from different institutions can vary greatly. Also, faculty members are usually evaluated in research and publications in order to be promoted to the rank of professor. However, private higher education institutions, including international universities, emphasize teaching over research. Thus it is difficult to promote the faculty to the rank of professor. Instead of following the regulation, XJTLU uses its own system and determines the criteria for professorial appointment. Now all of the private higher education institutions in
Zhejiang Province have the right to appoint their own professors. This policy change might be pushed forward by international universities (Y. T. Wang, interview, April 3, 2016).

### 5.2 Pragmatic Legitimacy and Strategies to Gain Pragmatic Legitimacy

Organizations gain pragmatic legitimacy by meeting the needs of their most immediate audiences and stakeholders. Stakeholders can confer three types of legitimacy to organizations: exchange, influence, and dispositional legitimacy (Suchman, 1995). The international universities have several major categories of stakeholders in China, including government, students and parents, employers, the home institution, and the host institution. Parents and students are their most important stakeholders because their operations rely on the students’ fees.

We are, for all intents and purposes here, a private university. Basically any year somewhere between 82 and 84% of our revenue comes from student fees, come from students who walk in the door. This is very different, from say, the situation in the UK where you have significant government money, you also have very significant research income, along with alumni and commercial income. Here we don't have much of that at all (S. Morgan, interview, March 31, 2015).

International universities rely heavily on the market in order to survive and prosper, and must convince parents and students that they are a worthwhile investment. Employers are a stakeholder for the international universities, but not as essential as parents or the government because the majority of the students pursue further education abroad after their graduation.

*Parents and Students.* Parents and students confer all three subtypes of pragmatic legitimacy to these institutions, as summarized by Suchman (1995). Parents provide Exchange Legitimacy when they pay for the international universities in exchange for a better future for their children after four years of study. In addition, parents and students provide Influence
Legitimacy as avid supporters of IUs and they use their status to convince others of the value of IUs as an example of higher education reform in China. Finally, because they view IUs as doing something different and, in fact, better than the traditional Chinese public institutions because of their affiliation with prestigious Western universities, parents and students give Dispositional Legitimacy to the Chinese-foreign partnerships. They use multiple outlets to promote the international universities.

It is important to note the double identities parents have as stakeholders. One is that they confer legitimacy to the international institutions by sending their children there. The other is that they actively help these institutions to gain legitimacy from society. When the international universities were first established, the parents and students had no idea about what these institutions would provide them. The institutions had to work hard to demonstrate that they were trustworthy and were able to provide a much better quality of education. The placement of graduates was and continues to be the most important feature of these institutions.

The majority of the undergraduates of XJTLU and UNNC choose to pursue further education abroad, mainly in the United Kingdom, the United States, and Australia. Among 838 graduates of XJTLU in 2014, for example, 837 students chose to study abroad while only one student decided to continue his graduate education in China. At UNNC, three fourths of the graduates further their study and nearly all of the rest are employed within a few months of graduation.

Within three or so months of graduation, at least 99% of UNNC graduates have been placed either in further education or employment. Our graduates normally go to any of the major universities around the world, including Cambridge, Oxford, Imperial College,
et cetera in the United Kingdom; Stanford, NYU, Harvard, UC, et cetera in the United States; Vancouver, Simon Fraser, Toronto, et cetera in Canada, and universities in Europe as well. In terms of employment, our graduates’ employment prospects are very positive. They are hired by the major Chinese banks, big multinational companies, as well as government agencies (S. Morgan, interview, March 31, 2015).

The graduates voluntarily become spokespersons for the school out of appreciation for the education they received, and their parents voluntarily promote these institutions in multiple ways, including communicating with the high schools where their children graduated from and promoting these institutions through marketing channels. For instance, one parent writes a blog named The Next Step Focus\(^{31}\) and he documents his child’s study and life at New York University Shanghai. He writes down many details, including the activities his child takes part in. As a university practitioner himself, he makes comparisons between Chinese universities and those foreign institutions. His blog is a great way for the other people to get to know these institutions.

When the admissions staff at these international universities go on recruitment tours in other cities, the local parents will voluntarily host them and help them promote their institutions in the local area. Because many of these parents are elites and well-educated in Chinese society, they can be very influential. Current students are often invited to go on the recruitment tours with the admissions staff at these institutions. The prospective students and parents believe that it is far more reliable to hear from the students than from the admissions staff. The parents and students have been helping the institutions build their reputation through word of mouth referral.

\(^{31}\) http://weibo.com/u/1049382844?source=blog&is_hot=1
Local Government. The local government is another important stakeholder for the international universities since it invests heavily in these international institutions. The Shanghai government, for example, promised to provide financial support for NYU Shanghai for its first five years of operation. The government made a series of agreements with NYU Shanghai, including hiring high quality and high profile faculty worldwide, with at least the same level of quality as the faculty of New York University in the United States. They made sure that students in Shanghai would be provided with the same resources as those at the home institution, and that the admissions standards at NYU Shanghai would be in line with the enrollment procedures and standards of New York University. The financial support from the Shanghai government ensured that NYU Shanghai could provide state-of-the-art facilities from the very beginning.

Local government typically confers Exchange Legitimacy to the international universities because the local government wants the IUs to attract education resources, technologies, and highly educated human resources to their region in order to boost local economic development. Suzhou city is a good example. Suzhou first promoted its development through an export-oriented economy, mainly by providing lower taxes and cheaper land and workforce to attract investment. However, unlike some capital cities such as Beijing, Shanghai, and Nanjing that possess rich educational resources, Suzhou only has Suzhou University of Science and Technology and Suzhou University. In other words, Suzhou lacks higher education institutions that can serve as a driver for local economic development. Therefore, Suzhou established a “Higher Education Park” that included junior colleges, colleges, and universities that offered undergraduate and graduate degrees. After several years of development, Suzhou renamed the education park to “Education and Science Innovation Park”. In order to attract universities,
especially international institutions, to relocate to their area, the Suzhou Industrial Park government provides free buildings, lower taxes, and other resources to these institutions. Now they have built 26 Chinese-foreign collaborative institutions\(^32\) in this small education park.

International universities also attain Influence Legitimacy from local government by having government officials sitting on Board of Directors. Because local government invests heavily in these institutions, they play a part in their decision making process.

The local government also confers Dispositional Legitimacy to the international universities because the IUs will bring fame, reputation and status to the region. XJTLU and UNNC have become landmarks for Suzhou Industrial Park and Ningbo City respectively. Kunshan City would be the best example of the government conferring Dispositional Legitimacy to the institution DKU. Even though Kunshan claims that it is the wealthiest city in China, it is not well-known in China. However, things changed markedly after Duke Kunshan University was established there. Kunshan has been experiencing free media exposure and high-level visits from national government officials, peers at higher education institutions and researchers who conduct research on Chinese-foreign collaboration education ventures and internationalization of higher education. By hosting Duke University, Kunshan has certainly become much more well-known in China as well as internationally.

\(^{32}\) These 26 Chinese-foreign collaborative institutions are more like articulation programs, rather than branch campuses of foreign institutions.
Employers: Employers confer Exchange Legitimacy to the international universities by hiring their graduates. Since the majority of their graduates choose to study abroad, not many students choose to enter the workforce. For those employers who do hire graduates from international universities, they state that compared to graduates from traditional public universities, IU graduates have better communication and presentation skills, higher English language proficiency, and better problem-solving skills. In addition, IU graduates can think more critically and are better prepared in a cross-culture working environment (J. Wang, interview, March 21, 2015).

Employers also confer Dispositional Legitimacy to international universities. My research finds that many human resource managers at different companies think that international universities exhibit an energetic and positive ethos, that is different from public universities. The faculty and staff at international universities care about students and connect their students with all sorts of opportunities; for instance, internships, job fairs, workshops, and presentations, which are seldom seen at public institutions (X. Zhou, interview, April 1, 2015). Many senior business leaders are willing to associate themselves with these international universities and mentor their students. Xi’an Jiaotong Liverpool University receive many requests from successful business leaders inquiring whether they are eligible to serve as external mentors for their students (Y. M. Xi, interview, March 15, 2015).

By building connections with successful business leaders and established local companies, the international universities also gain Influence Legitimacy spilled over from them. Suchman (1995) states that organizations can gain Influence Legitimacy by incorporating constituents into
their policy-making structures or adopting constituents’ standards of performance as their own. Jerry Wang (interview, March 21, 2015) said that the faculty and staff at XJTLU usually collected local business information, took their students to tours at local companies, incorporated the local companies as their case studies, and prepared their students with what the real-world business needs and standards were.

Home Institution: Home institutions usually seek Exchange Legitimacy and Influence Legitimacy when they engage in cross-border activities. Home institutions confer Exchange Legitimacy to the international university hoping that they will bring revenue to the home institution as well as bring students to study at the home campus.

If you look at the history of government financing (in Australia and UK)… the financing had been going down for some time. Consequently, the government sector then opened up for potential engagement or inspired engagement into developing countries where they could deliver educational services… I think many foreign institutions came to China thinking that they were going to make a profit…. The reality is the foreign universities will make money when the Chinese students either go directly to the university or they transfer from this type of institution to the (home institution) (G. Rivers, interview, April 8, 2015).

The home institutions confer Influence Legitimacy to the international university because they have their own international agenda. They present themselves as a truly international university by having multiple campuses and/or learning centers around the world. By doing so, these universities hope to enhance their international presence and move up the league table.

If you take into account that university's rankings, particularly both national and international rankings, always have one criterion about internationalization. Some do go into more detail. You might find they talk about the international student mix. They might talk about the international staff mix. There is recognition for international engagement whether it's in teaching of programs. Of course that's one form of research.
It's another typical research element of education. You found both of those (G. Rivers, interview, April 8, 2015).

For instance, NYU Shanghai is one of NYU’s three degree-granting campuses worldwide. UNNC is University of Nottingham’s full-fledged campus in China, with another campus in Malaysia. Duke University take the establishment of branch campus as part of their strategy to compete with other prestigious universities at home.

Duke University hopes to become one of the best universities involved in this internationalization process, and to some degree will moderate the regrets that Duke can’t ‘beat Harvard’ locally” (Blair Sheppard, former Dean of The Fuqua School of Business, quoted in Qian & Zhao, 2011).

*Host Institution.* The host institution rarely confers any type of legitimacy to the international university. The existence of the host institution is only to satisfy the MoE requirement in order for the IUs to get established. Once the IUs get established, the host institutions usually sit in the background and contribute very little.

They've (Wanli University) not been at all involved in, let's say, the academic dimensions. All academic dimensions are primarily the responsibility of the University of Nottingham. Wanli from time to time got sort of fairly hands on over issues that might arise about finance, financial sustainability, those sorts of issues, although that has not been a particular issue in general. The university was setup in 2004. We basically broke even by the third year of operation and then in the last two years we've had some, what you might call, operational deficits in the sense that we've been making a lot of investments, you can see all of the building going on. I guess from my point of view as a dean and from an academic perspective, Wanli has not been a good partner in that it's basically a third tier university. It doesn't have much of a reputation, full stop. They've been a good business partner, but not necessarily a good partner in terms of reputational dimensions. It's really a bit of an unknown, but if we had done with someone else, whether we would be stronger in various ways, I don't think anyone could really answer that (S. Morgan, interview, March 31, 2015).

The following table summarizes different types of pragmatic legitimacy stakeholders confer to international universities and strategies IUs use to gain pragmatic legitimacy.
Table 5.2 Strategies to Gain Pragmatic Legitimacy

Organizations have used different strategies to gain pragmatic legitimacy. Some of the strategies were not mentioned in the previous reviewed literature.

**Strategy #1: Quality of Education.** The most expedient way for the international universities to gain legitimacy from different stakeholders is for them to deliver their promise to the different stakeholders to provide a good quality education.
**Government.** NYU Shanghai can serve as an example how the international universities gain legitimacy from government through provision of quality education. NYU Shanghai met the demands of Shanghai government and fulfilled the promise they made in the contract about providing high quality education. They invited 28 Nobel laureates as well as academicians of the National Academy of Sciences in the US to teach and give guest lectures. NYU Shanghai exceeded the Shanghai government’s expectations, thus the government has been satisfied with NYU Shanghai so far and provides more support to NYU Shanghai (H. Meng, interview, March 20, 2015). The local government acts as the institution’s partner to solicit more policy support from the central government, rather than exert control on these institutions.

**Parents and Students.** Some older international universities claim that they have established credibility because of the quality education they provide to the students. This can be demonstrated in the fact that the students who could have attended 985 and 211 Project institutions chose to attend their institutions knowing that they required higher entrance scores and much more tuition. The international universities are more competitive because they are leaning toward the marketing elements of their identity, including the students’ prospective future, the employability rates of these students, student testimonials about their initial studies at these institutions, and the students’ parents’ testimonials.

The universities emphasize teaching and putting the student’s experience at the core of their operations. Compared to traditional Chinese institutions, students have a very different learning experience at the international universities. The students at these institutions get the impression that the professors pay more attention to their ideas and their interactions in the
classroom than to their final product (Students at UNNC, focus interview, March 31, 2015). The professors always point out the merits in students’ work rather than just criticisms that are given in traditional Chinese universities. The students feel well respected and their ideas are important. The students can go to the counseling center if they feel frustrated or experience struggles with academic work. The students also can give the professors their feedback. For instance, According to a news article about NYU Shanghai, a student at NYU Shanghai told the professor that he spoke too fast and that she couldn’t follow him. The professor adjusted his speaking speed in the next class. She didn’t know how to write a paper, and the professor helped her through e-mails and face-to-face meetings, encouraging her to think critically, “Your opinion is more important than your words”. When she asked her foreign classmates for the right answers, her classmates told her that there was no right or wrong answer as long as she could express her ideas and convince the other people (anecdote cited in Li & Jiang, 2012).

Employers: The international universities have created career centers to connect their students with businesses and enterprises starting their freshman year. The students can build the connections with them through job fairs, dinners, one-to-one interviews, and guest lectures.

For example, at XJTLU, the senior administrators established an Industry and Commerce Advisory Committee for the business school. The committee is in charge of providing market information for the program design, development, and future employment. In addition, XJTLU actively reaches out to businesses in the local area and arranges student visits. Staff at Career Office also come up with different ways to strengthen their relationship with the businesses. For instance, they formed a club with their human resource (HR) managers and invited the managers
to join their activities, therefore, the HR managers became familiar with the education students received at these international universities and understood how it was different from the education at the public universities.

**Strategy #2: Comply with the environment.** In order to gain legitimacy from the government, especially from the local government, the international universities offer degree programs that are compatible with local economic needs. For example, Ningbo is a big seaport city in China and UNNC has established an Institute of Marine Economics that links the local economy and business enterprises.

**Strategy #3: Select the environment.** The international universities also choose to locate in the economically developed regions in China, such as Shanghai, Shenzhen, Guangzhou, and Suzhou. The location of the partner institution was not as important as the location of the IU. In fact, several of the partner institutions were nowhere close to the location of IU campus. There are multiple reasons for this decision. On the one side, local governments have economic needs and have opened up to the outside world and implemented economic reforms. This openness is a necessary prerequisite for many Western universities to engage with international partners in China. Plus, because of previous efforts at economic development, these regions are adjusting their economic structure from labor-intensive to resource-intensive. This requires new knowledge and skills. Moreover, these highly economically developed regions can afford to make large investments in the establishment and operation of the universities. Hence, they provide preferential policy and financial support to attract the international universities to locate there.
Strategy #4: Create the Environment: Building a Network of Similar Minds. Zimmerman & Zeitz (2002) point out that networks are one of the important means for new organizations to gain legitimacy. Such networks include ties between individuals, established organizations, and associations outside the organization. The leaders of the international universities turn their stakeholders, including parents, the local government, and employers, into their partners and they have strived to form a consensus and common value with the stakeholders. The institutional leaders appeal to their stakeholders’ hearts and minds by presenting their image as an institution that is 1) doing a right thing, which is to focus on one of the innate functions of a university: education; and 2) serving a noble purpose, which is to provide reference to higher education reform in China.

Xi’an Jiaotong Liverpool University (XJTLU) demonstrates this appeal to stakeholders. The first thing XJTLU tried to achieve is to get people excited and enthusiastic about what they do as an institution. XJTLU leaders convince people that by working for their institution, employees will achieve more happiness and satisfaction they could get from anywhere else. Then XJTLU leaders help people understand that certain risks should be taken in order to do something different, but the risk is affordable. By now some people will choose to become the institution’s partner. Next XJTLU leaders assure their partners that they have feasible approaches to achieve their goal. XJTLU gradually build a network comprised of professionals, senior managers, donors, parents, and people who are passionate about higher education, etc.

C. Yan (interview, March 20, 2015) states that XJTLU is very proactive in building connections with local community through networks. She first heard about XJTLU through her
friends. Her friend got to know XJTLU through Human Resource Club in Suzhou Industrial park. Later, through all the connections, XJTLU established their own Human Resource Manager Club, where some of the managers serve their students as external mentors. These different networks help the international universities less their “liability of newness”, as suggested by Stinchcombe (1965).

5.3 Cognitive Legitimacy and Strategies to Gain Cognitive Legitimacy

Cognitive legitimacy is concerned with the nature of an organization being “taken for granted”. This pillar includes two aspects of social systems. One is the identity of an organization and the role it is expected to play. The other is rules they are going to follow in interacting with ongoing systems. Endorsements from media and high government officials are important sources for cognitive legitimacy (Zimmerman & Zeitz, 2002; Ahlstrom et al., 2001, 2008).

In order to gain cognitive legitimacy, an organization can comply with established models or standards, emphasize their identity and role expected within the environment in which they operate, and/ or associate themselves with well-established entities or by mimetic isomorphism. Organizations can also select an environment welcoming their identity and role, ideas, practices, etc. Organizations can also choose to manipulate impression management to appeal to potential legitimacy conferrers. Lastly, organizations can create environment for them to gain cognitive legitimacy.
The international universities enjoy a high profile stature when they are first established due to their nature of collaborating with well-known foreign institutions and the role they are expected to play in the Chinese higher education arena. They have attracted a lot of attention from national and international leaders, corporations, scholars, and experts on higher education.

However, the international universities are still new institutions, and they have to work hard to gain recognition from society. At the very beginning, people said that they had never heard of these international universities. According to a president at an international university, the initial impression, in fact, of XJTLU and UNNC was that they were third-tier universities because they were very different from the elite Chinese 985 and 211 Project institutions. NYU Shanghai, because it was established later, had more credibility. But even as some people chose to believe that it was a fine institution, they had no idea why it was good. They wondered what the difference was between studying at NYU Shanghai and at the home campus, and whether NYU Shanghai was equivalent to the other prestigious universities in China, such as Tsinghua, Peking, or Fudan Universities.

During the first few years of the international university’s operation, before their first generation of graduates, it was very difficult to recruit students. For example, for the first cohort of 160 students that attended Xi’an Jiaotong Liverpool University, President Professor Youmin Xi stated that it was a gamble for the parents. Even the admissions staff at XJTLU told the parents that they applauded their courage in choosing XJTLU because there might be risks in making that decision. The parents, on the other hand, knew their children would not be eligible to attend a first-tier Chinese university, yet they could get into a school that was associated with
a world-class international university. Therefore the choice to attend XJTLU was not because they were confident in the school, but because it was potentially the best option available to them. Still, it was a risk.

After years of development, the international universities have gained some reputation from the public (P. Waters, interview, April 1, 2015). However, some people still mispronounce the name of Xi’an Jiaotong Liverpool University by calling it “Philips” (an electronics tycoon in China) because the Chinese translation of Liverpool sounds very close to Philips. Some people still think that University of Nottingham Ningbo, especially its translated Chinese name, makes it sound like a fake institution33. People still have concerns over their quality and their long-term sustainability.

Since international universities are brand new institutions in China, they understand that the first step is for them to gain cognitive legitimacy by showing that they are indeed trustworthy universities. In fact, these international universities have been trying to show the public that they are better universities than the public institutions in China. They have used several strategies to

33 Businesses in China tend to use names that sound like translations from English words, which gives customers a misconception that the businesses are related to foreign entities. However, customers tend to view these businesses as fake by calling them copycats, Shanzhai in Chinese. The Chinese name of UNNC, Ningbo Nuodinghan Daxue sounds Shanzhai to Chinese people.
emphasize their cognitive legitimacy. The following table is a summary of institutional strategies to gain cognitive legitimacy.

Table 5.3 Strategies to Gain Cognitive Legitimacy

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<th>Legitimacy</th>
<th>Nature of Cognitive Legitimacy</th>
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| Cognitive Legitimacy | Identity and role of organizations | • *Quality of Education and State-of-the-Art Facilities.*  
• *Conform to the environment.* The international universities seek quality assurance mechanisms to demonstrate that they are trustworthy institutions and provide quality education.  
• *Create the environment (Catfish effect).* The international universities seek influence on the other institutions by multiple venues, such as conferences, training faculty and staff from other institutions, and collaboration with well-known research centers and foundations.  
• *Distinctiveness.* The international universities emphasize their distinctiveness among themselves as well as from other public institutions as a way to showcase their identity and role in the Chinese higher education system. |

*Strategy #1: Quality of Education and State-of-the-Art Facilities.* International universities claim that they provide better quality of education than public institutions do because they truly emphasize teaching and student development. They make several specific arguments for why their model of education is superior. They teach in English. They evaluate students based on multiple measures and not just tests. Their faculty are world-class, hired globally according to the home institution’s standards. They rely on the foreign institutions and high quality administration for curricular excellence. They have better teaching facilities, and allow for greater measures of academic freedom.

Take NYU Shanghai, for example. Even during its first year when NYU Shanghai was still located on the East China Normal University (ECNU) campus, NYU administrators believed
that their faculty team and the resources they could provide for students could meet or even exceed students’ expectations. Currently, NYU Shanghai has only 300 students, but they have 28 Nobel Laureates who have taught or conducted seminars or workshops at their institution (H. Meng, interview, March 20, 2015). When NYU Shanghai hires new faculty, they usually take their research areas and capabilities into consideration. They attach importance to the quality of papers instead of the quantity. NYU Shanghai emphasizes research that can expand the scope of human knowledge.

Academic freedom and student participation is particularly important. For example, Yang Fujia, the former Chancellor of UNNC, emphasizes that students are free to ask any questions and debate anything. Every student has the opportunity to ask questions in the classroom. Every student participates in class discussion, and students are taught to think critically and work together. Students are at the center of learning in the classroom. Although this is not “taken-for-granted” in China, it is in the foreign university.

Strategy #2: Comply with the Environment. The best way for the international universities to show the public that they provide better quality of education is to tout the graduate schools their students are accepted to and where students are employed, just as previously mentioned in pragmatic legitimacy. However, before the international universities can produce graduates, they tend to gain cognitive legitimacy primarily by conforming to established models or standards (Suchman, 1994). For the international universities, they comply with quality assurance mechanisms offered by third-party international organizations. Quality Assurance Agency (QAA) and Transnational Education (TNE) reports are the major quality assurance mechanisms
for IUs established by the UK institutions. For the IUs established by US institutions, they emphasize the quality assurance from the home institutions. QAA and TNE reports often evaluate the international universities in these following dimensions: academic uniqueness, governance system, supervision mechanism, recruiting procedure, faculty and teaching, and students’ satisfaction and placement.

DiMaggio & Powell (1983) and Deephouse (1996) observe that new organizations in uncertain environments often gain legitimacy by associating themselves with well-understood and accepted activities. When the international universities were first established, the majority of them were established by well-known Western universities and top Chinese universities and with lots of money pumping in from the local government, the international universities were born with some sort of cognitive legitimacy.

DiMaggio & Powell (1983) also claim that organizations can gain legitimacy by mimicking the most prominent and secure entities in their fields. However, this is not the case for international universities in China. International university leaders claim that they are not mimicking any institution in China; rather they are a pioneer and leader for higher education institutions to follow (Y. M., Xi, interview, March 15, 2015). This is best illustrated in the following strategy.
Strategy #3: Create the environment: Catfish effect. The catfish effect is a Chinese expression that refers to how strong competition makes weaker entities better. To apply this concept into the higher education field, the international universities invigorate the Chinese higher education institutions and improve their quality of education, especially their teaching. The international universities believe they have an impact on the Chinese higher education system. Almost all the IUs have established, or have considered establishing, a research center on higher education innovation in China. XJTLU, for example, has a research center named the Institute of Leadership and Educational Advanced Development (ILEAD). ILEAD has organized training programs to serve as a great outlet for public institutions in the province to get to know them. For instance, when Hunan University sent their first cohort of 20 newly recruited faculty members to XJTLU, they questioned what kind of institution it would be and why they should receive training there. After the training program, they were very impressed with what XJTLU offered to students, and ultimately sent 60 faculty members the second year (X. J. Zhang, interview, March 16, 2015).

XJTLU also seeks international influence by collaborating with foreign institutions to conduct research that can make an impact on Chinese higher education. For example, they are conducting a new project under the support of the Ford Foundation, which explores the student-

34 This originates in the idea that a catfish in a school of sardines forces the sardines to keep active and strong.
centered learning model in China. They will compile their research findings into a handbook for the other higher education institutions to use for reference.

The role and status of the IUs are evolving, especially XJTLU and UNNC because they have been there the longest and they have built their own reputation. The reputation of XJTLU and UNNC has spilled over to the other similar international universities in China. The local traditional Chinese higher education institutions are feeling the pressure imposed by the international universities. Students with similar grades four years ago, graduated from the two types of universities with totally different futures---most of the graduates from international universities will continue their further education in Western countries, while graduates from traditional Chinese universities either continue their study in China or enter the workforce (Q. J. Xie, interview, March 16, 2015).

UNNC’s role and status is evolving. Nobody knew the university at first, but with 10 years of development, it grew a lot. In the university circle, UNNC receives requests from public institutions to look for “magic solutions” to their programs. UNNC also does teacher training. They have a team of researchers conducting research on Sino-foreign collaboration institutions (P. Waters, interview, April 1, 2015).

This perspective, however, is not universally felt. Dr. Lifeng Li, a faculty member at Nanjing University says that these international universities have limited effects. While they acknowledge the efforts made by the international universities, they do not believe that the IUs will bring earthshaking changes to other universities in the short term and will have to wait for a long time to see reform in the Chinese higher education system. He uses The Johns Hopkins-Nanjing University Center for Chinese and American Studies as an example.
Even though they have made certain achievements, they still have not made an impact on the traditional Chinese universities. The Johns Hopkins-Nanjing University Center for Chinese and American Studies hasn’t exerted any influence on Nanjing University. It is also impossible for the Chinese universities to do what the international universities do due to the lack of resources, faculty capabilities, and the overall environment (L. F. Li, interview, March 24, 2015).

Some of the Chinese scholars believe that the Chinese students who perform well on the College Entrance Examination will first consider the prestigious public universities in China, such as Peking, Tsinghua, or Fudan Universities, or other 985 or 211 Project institutions. Only when the students’ scores are inadequate for them to attend their dream schools, will they choose the international universities. The international universities cannot attract the very top students under the current College Entrance Examination system. Students may choose to embark immediately on overseas study if they are highly qualified (L. Ye, interview, March 11, 2015).

In addition, the international institutions rely heavily on students’ tuition and fees, which might shift the institution’s focus from education quality to market promotion, which might impair the system. Students at the international institutions prefer to choose such majors as the economy, business, or finance, thus the liberal arts majors are left out. Marketization is a double-edged sword that can provide the vitality to the institution and yet may affect the institution negatively at the same time (T. Meng, interview, April 8, 2015).

Strategy #4: Distinctiveness. Distinctiveness is one strategy the international universities have used to gain cognitive legitimacy. However, the previous literature reviewed did not mention this as a strategy that organizations used to gain legitimacy. The international universities view themselves on par with the top 10 to 20 universities in China. More importantly, they see themselves as being unique, offering a product that is an international education and a prestigious Western university degree. Overall, they are trying to develop a Western education in China, using English language media. They perceive they have been very
successful transplanting the home institution culture and way of education to China. At the same time, each of these international universities is unique with its own mission and positioning.

**XJTLU.** Xi’an Jiaotong Liverpool University consists of Xi’an Jiaotong University and Liverpool University, as indicated by its name. XJTLU states that they are not a branch campus of Liverpool University, but rather an independent institution that combines the advantages of three different models in the world: 1) American education: an emphasis on liberal arts education; 2) British education: strong quality control system; and 3) Chinese education: very practical and knowledge-based. Another unique part of the program is the peer-mentor system at XJTLU that helps new students adjust to their new lives. The societal mentors are composed of some well-known entrepreneurs who advise students on their career and job employment. Students also have a life mentor as well as an academic mentor.

The most distinctive character of XJTLU is in its new forms of university management. University leaders first proposed XJTLU as a networked organization, in which the units and departments of the university are loosely coupled together. The difference between a networking organization and a bureaucratic or matrix organization is that in the networking organization, the governance structure is flat, rather than hierarchical. Everybody knows their role and each role is supportive of the other roles to make it a holistic institution. The networking organization emphasizes each individual’s self-motivation rather than individuals needing supervision. In addition, the networking organization put an emphasis on service, rather than on power and authority, which is a salient feature of an authoritative organization.
International universities combine Western and Chinese ideals, values, and norms, which can be drastically different. How to make the institutions financially sustainable can be very challenging, especially in a Chinese society full of uncertainties, ambiguities, and complexities as well as rapid change. XJTLU proposes harmonious management, quite similar to the old Chinese way of *Yin* and *Yang*. XJTLU Leaders have, in fact, adapted Mintzberg’s Art-Science-Craft triangle style management to a new “five-star style management”, including Art-Experience-Philosophy-Science-Craft (Techniques). The five-star model combines the Western emphasis on experiment and quantitative analysis with the Chinese philosophical stress on harmony and cooperation.35

**NYU Shanghai** NYU Shanghai is the first Chinese-foreign university co-established by a Chinese institution and a US institution. It has a double identity. For China, NYU Shanghai is an international university within China. But to NYU, it is one of their three degree-granting campuses and part of their Global Networked University (Lehman, 2015). The distinctive element of NYU Shanghai also relates to its international student body. Half of the undergraduates come from China, and half come from the rest of the world. Every Chinese student has a non-Chinese roommate. Students experience an intense education every day by living and studying in a multicultural world.

A second distinctive characteristic lies in how NYU Shanghai delivers an undergraduate liberal education in the humanities, social sciences, and natural sciences, promoting the skills of critical and creative thinking. All of NYU Shanghai undergraduate students pursue a core curriculum in Shanghai for the first two years, and then spend their junior year studying at other NYU campuses in New York and Abu Dhabi, or at NYU academic centers in eleven cities around the world. Students then return to Shanghai for their final year to complete their degrees.

A third distinctive characteristic is how NYU Shanghai selects its potential students. All international students apply through NYU Shanghai’s office in New York. Soft skills and personality determine which students will be accepted at NYU in the US or NYU Shanghai. There is a Chinese admissions team specifically focused on applicants who are Chinese citizens. For Chinese students who apply for NYU Shanghai, they have to go through several major steps: 1) Apply through the NYU general application system; 2) Provide high school transcripts; 3) After review of the first two rounds of application materials, eligible students are invited to attend Candidate Weekend, which comprises six sessions: hotel registration; dinner with faculty and leadership team, English only environment; 20 second speech about an object; Interview; demo class; and group activities. Students are evaluated mainly by three parts: the participation in the demo class, faculty recommendation, and evaluators; and 4) Conditional admission will be offered to students. These conditionally admitted students have to take the Chinese College Entrance Examination, and only if they score higher than the cut-off point for first-tier universities will they be officially accepted by NYU Shanghai.
NYU Shanghai claims to be unique in that it boasts its cohesive relationship with the local community. It is “in and of the city of Shanghai”, just as NYU is “in and of the city of Manhattan” (Lehman, speech at Huihu Higher Education Internationalization Forum, April 17, 2015, Suzhou Industrial Park, China). The university takes advantage of the resources offered by the local community and have built close relationship with the Financial Bureau, Lujiazui Financial Trade Zone, and the Shanghai Science and Technology Museum and Oriental Art Center. The university also takes enhancing the local economy as its mission. NYU Shanghai has set up a Financial Fluctuation Research Center in Pudong and is led by Robert Engel, a Nobel laureate in Economics and a professor at NYU, in the hope of boosting the local economy.

UNNC. The UK side on UNNC is mainly responsible for academic governance, while the Chinese counterpart takes charge of Chinese culture and student services. The distinctive aspect is that the whole teaching system intends to be the same as that of the University of Nottingham. The senior leadership team of Nottingham University claims that the three campuses of Nottingham University are a whole family. The website design is the same. They have the same system and the content is consistent over the three campuses. If UNNC students study at the home campus, their ID will automatically be transferred to the system at the home

36 Nottingham has another branch campus in Malaysia.
campus. UNNC is part of Nottingham University’s overall strategy.\textsuperscript{37} The following quote by the Dean of Social Sciences at UNNC illustrates the overall Nottingham system.

We would try to position ourselves as being basically on par with the top, as competing with the top 10, top 20 universities. Those are the universities we would see that we are competing with. Again, we see ourselves as being unique, offering a product which is an international education, a UK degree because the degree we offer is the University of Nottingham degree. It's the same degree we offer in the UK or in Malaysia. There is basically no difference. Many of the modules are exactly the same content. Sometimes textbooks are even the same. Depending upon the particular school and discipline (S. Morgan, personal interview, March 31, 2015).

A second unique characteristic of UNNC is that they build their reputation by word of mouth referral, free press coverage, and conferences rather than through paying a lot of money for marketing promotion. The senior administrators choose not to pay for promotion through advertisements or marketing venues because it is unusual for the international universities, as new organizations, to have many resources at their disposal, as suggested in research by Zimmerman & Zeitz (2002).

All three international universities seek to be unique to separate themselves from the traditional Chinese higher education institutions, as well as among themselves. They see the weaknesses of the traditional universities, even within the world first-class universities, which gives these institutions confidence as well as provides them an opportunity to be on par with the

\textsuperscript{37} The campus itself also reflects this, as the distinctive Nottingham clock tower dominates the campuses in England and China.
world-class universities. The international universities have both late-mover advantages\textsuperscript{38} and first-mover advantages.\textsuperscript{39} The international university leaders believe that traditional universities need to be reconstructed, but it is very difficult, if not impossible for them to do because of their historical burden and their organizational inertia. However, the international universities do not have a historic burden or organizational inertia. Therefore, being late in the higher education field gives the international universities many advantages; for instance, flexibility and fewer constraints compared to public higher education institutions. More importantly, the international universities believe they have advantages in being late arrivers in China’s higher education sector. March 20, 2016. Retrieved from http://dictionary.cambridge.org/us/dictionary/english/last-mover-advantage.

\textsuperscript{38} Cambridge Dictionaries Online defines later-mover advantage as “the advantage that a company has when it is the last to introduce a new product, service, or technology, because it can learn from developments that have taken place, or from what others have done”. The international universities believe they have advantages in being late arrivers in China’s higher education sector. March 20, 2016. Retrieved from http://dictionary.cambridge.org/us/dictionary/english/last-mover-advantage.

\textsuperscript{39} Cambridge Dictionaries Online defines first-mover advantage as “the advantage that a company has when it is the first to introduce a new product, service, or technology, and so does not have competition from other companies”. The international universities view that they have an advantage by being pioneers in the Chinese higher education system. March 20, 2016. Retrieved from http://dictionary.cambridge.org/us/dictionary/english/first-mover-advantage.
universities want to be leaders and pioneers of higher education, rather than followers. In the Chinese higher education arena, just because the international universities are new institutions with high expectations, they have first-mover advantage in achieving what they plan to change in the Chinese higher education system (Y. M. Xi, interview, March 15, 2015).

On the other hand, the isomorphism of public higher education institutions has resulted in the establishment of the same type of universities in China. In the past ten to twenty years, Chinese universities have witnessed rapid expansion and amalgamation, with colleges upgraded to universities and specialized colleges and universities upgraded to comprehensive institutions. For instance, some polytechnic colleges started to offer social science degrees, and some single-discipline colleges started to offer degrees in liberal arts, science, agriculture, engineering, and medicine. The isomorphic development of HEIs leads to vicious competition among themselves, the waste of resources, and the lack of specializations.

In conclusion, the international universities have a high status since their foundation. They were born from the reform of Chinese higher education, and they were expected to set the new benchmark for the Chinese HEIs. Their leaders expect that in the future, the IUs will be generally acknowledged as outstanding universities around the world. They understand that they still have a long way to go. As a matter of fact, these institutions aspire to be the leaders in the Chinese higher education system, and some of them claim that they already are.

Since the international universities, including longer-existing institutions such as Xi’an Jiaotong Liverpool University and the University of Nottingham Ningbo have few monetary resources to leverage, they use activities that can foster legitimacy, but cost little or no money,
such as media endorsements, certification, and network development (W. Q. Shen, interview, April 1, 2015).

5.4 Normative Legitimacy and Strategies to Gain Normative Legitimacy

Normative legitimacy refers to the normal way that institutions operate, and the kinds of activities typically performed by other organizations in a similar institutional field. Normative legitimacy stresses whether an organization is “doing the right thing”. It entails consequential legitimacy (evaluations of outputs and consequences), procedural legitimacy (evaluations of techniques and procedures), structural legitimacy (evaluations of categories and structures), and personal legitimacy (evaluations of leaders and representatives of an organization) (Suchman, 1995). Norms, values, expectations, and standards can be quite different depending on constituencies.

Organizations can choose to use any or a combination of the four legitimation strategies. Organizations can follow the demands and expectations of the existing social structure, including norms, values, and scripts. Organizations can select domains or a geographic location where the norms and values are more accepting of organizations’ products/service and/or vision. They can also choose to manipulate and/or create norms, values, and standards in an industry.

The ability of the international universities to act differently from the Chinese public institutions is often taken as a point of pride and distinctiveness when it comes to their education program. IUs specifically reject, in fact, certain norms practiced at the Chinese public HEIs, which include: 1) four years of disciplinary education; 2) treating students as children; 3)
teacher-centered teaching and learning; 4) faculty’s emphasis on research, rather than on teaching; and 5) the parallel political administrative structure at the Chinese HEIs. Accordingly, the international universities boast of their unique differences in: 1) general education; 2) treating students as adults; 3) student-centered teaching and learning; 4) emphasis on faculty teaching and research; and 5) administrative professionalism. In addition, the international universities emphasize their campus ethos, which they believe distinguishes themselves from the Chinese public universities. Descriptions of these differences follow.

General education. In rejecting four years for a discipline-based education, IUs instead ground their undergraduate degrees in general education. In Chinese, this is termed 博雅教育 (bo ya jiao yu). Former University Nottingham Ningbo China (UNNC) President Professor Fujia Yang (2015) provided his interpretation of bo ya jiao yu, which can be seen as similar to the perspective at other IUs. Bo refers to the broad and enriching education at IUs that includes both arts and sciences, instead of either arts or sciences. Ya means that the education the college students get should be advanced and sophisticated. Jiao refers to teaching and the emphasis on the professors as teachers. This not only focuses on the traditional classroom, but also emphasizes the education students get outside of the classroom. This perspective also recognizes that sometimes the latter is more important than the former. Yu emphasizes the importance of the process the students by which students are educated, and not just whether or not students have memorized facts.

Treating students as adults. In traditional Chinese HEIs, college students are treated as children, and the institutions serve as their guardians. However, at the international universities,
students are treated as young adults. For example, the students have privacy over their grades, and the institutions refuse to disclose their grades to the parents. The international universities arrange fewer classes for the students compared to the Chinese universities, and the institutions do not regulate students outside of the classroom as much as the Chinese universities do. Thus the students at the IUs are expected to be more self-disciplined and independent.

**Student-centered teaching and learning.** Unlike the instructor-centered lecture style of teaching at Chinese universities, at the international universities the class size is much smaller and students have more opportunities to interact with the professors. The students are encouraged to participate in classroom discussions as well as ask questions. The students at the IUs are evaluated in multiple aspects, including class participation, assignments and projects, quizzes and tests, while the students at the Chinese HEIs are evaluated only by mid- and final-term scores.

**Emphasis on faculty teaching and research.** At the traditional Chinese HEIs, faculty are evaluated by the number of their publications and the projects they are working on, rather than being assessed by their teaching. Also, the faculty’s bonus is tied to their research productivity. Therefore, faculty are not incentivized to focus on teaching. However, at the international universities, faculty members are encouraged to accentuate teaching and students’ learning. They invest heavily in students’ learning experience at their institutions.

**Administrative professionalism.** Administrative professionalism is another element that sets these institutions apart from traditional Chinese institutions. The selection of public university leaders, such as the president, vice president, and even some middle-level
administrative positions, are made by the government. It is not uncommon for the government to appoint someone who with no university administration experience as the president of a higher education institution. Also, university administrators have a governmental rank. For instance, the president of a prestigious university ranks the same as the minister of a governmental body, and vice presidents or deans rank the same as city or county mayors.

All the public universities have a Communist Party of China (CPC) Secretariat, and the CPC Secretariat serves as the highest governing board of the institution. The president needs to report to the institution’s Party Secretary. The majority of the administrators and faculty are CPC members, with very few exceptions, and they are incentivized to move up the political ladder. Once people land a job with a public university, they are in the national system. University leaders cannot lay off the faculty or staff easily.

However, at the international universities, the institutional leaders are selected through open application, and they are usually recognized in academia and/or have held senior leadership positions before.

We implement administrative professionalism at our university. All our faculty and staff, including president and typist, are contract-based. We don’t have ranks. Today the Board hired me as the vice president, and tomorrow they may fire me. It is that simple. We don’t have the bureaucracy at the public universities, nor do we have the governmental ranks (Q. W. Shen, interview, April 1, 2015).

Therefore, employment at the international universities relies on whether the person can do a good job by providing students with real learning experiences and a high quality student life. It is an institutionally-focused professional model, not a government-focused political model.
Campus Ethos. The international universities state that they are different from the public universities in that they focus on “doing the right thing”, which is to explore what a modern university should be like, how to satisfy students’ curiosity, how to maintain students’ well-being, and how to support students to pursue the things they would like to do. They are not interested in following different criteria in order to pursue certain awards because they are concerned that these awards might incentivize their faculty and students in the wrong way.

Unlike many public universities that would bribe the government in order to get approval to offer Bachelor, Master or Doctoral degrees, or to earn certain awards, the administrators at the international universities claim that they want to do the right thing. They believe that their faculty should focus on what they are supposed to do, which is to explore the unknown world in education, not to chase some awards or titles.

At XJTLU, you won’t see us having dinners with certain high-level people or rushing to different meetings, et cetera. Bribing certainly goes against our philosophy. That sends out a vicious signal to the public, especially as an educational institution. Even we can get certain awards by following the right process, we are reluctant to do so because I don’t want our faculty to be misled to superficiality (Y. M. Xi, interview, March 20, 2015).

Because the IUs explicitly reject many normative activities in Chinese higher education, they need to make a special effort to gain and maintain normative legitimacy. This is particularly the case when they are dealing with parents of the students who have certain expectations of universities in China. For example, the parents have a difficult time understanding why these international universities charge more tuition but require the students to take fewer courses than the public institutions. The parents also would like to know their children’s grades, and they do not understand why the institutions do not give access to their grades. The most difficult piece
for the parents to grasp is the institutions’ repetition system. The students have to repeat a year or two if they fail some of the courses. It is unacceptable for the parents if their children are not able to complete the college/university in four years. The IUs in my study employed the following strategies for normative legitimacy. The following is a summary of normative legitimacy and their strategies to gain normative legitimacy.

Table 5.4 Strategies to Gain Normative Legitimacy

<table>
<thead>
<tr>
<th>Normative Legitimacy</th>
<th>Types</th>
<th>Normative Practices at IUs</th>
<th>Strategies to Gain Normative Legitimacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consequential Legitimacy</td>
<td>• General education; • Treating students as adults; • Student-centered teaching and learning; • Emphasis on faculty teaching; • Administrative professionalism; • Campus ethos.</td>
<td></td>
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<tr>
<td>Procedural Legitimacy</td>
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<tr>
<td>Structural Legitimacy</td>
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<td>Personal Legitimacy</td>
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*Strategy #1: Comply with the environment: Localization of the International Universities.*

In addition to gaining normative legitimacy from the parents, the international universities also
need to gain normative legitimacy from the government, which is to satisfy the government’s original intention in approving the establishment of the IUs. One role of the IUs is to bring in strong degree programs from the Western universities that might take quite a long time for China to develop from scratch. Meanwhile, the international universities are expected to enhance such degree program development by combining the Chinese university’s strengths. Simply put, the Chinese government does not want the international universities to simply copy the Western curriculum, but to adapt them in order to train a skilled workforce for Chinese society.

Even though the international universities usually claim that their curriculum is quite similar to that of the home institutions, the international universities still adapt the curriculum to some degree. The adaptation of the curriculum is termed localization in the Chinese context. Ke Sun (2015), a researcher at UNNC, did some research on the localization of the curriculum. She analyzed the curriculum into three components: the curriculum objectives, the curriculum content, and the curriculum structure. She analyzed all seven international universities in China and found that Wenzhou Kean University was the only institution that literally copied the curriculum of its home institution; its seven degree programs are exactly the same as that of the home institution. Chinese University of Hong Kong (Shenzhen) uses the home institution’s curriculum least among the IUs studied.

Interestingly, the international universities established by the US institutions have more academic control of the curriculum at the branch campuses, and keep the majority of the degree programs the same as the home institutions. This might be driven by US accreditation standards. British UNNC has roughly half of the degree programs the same as those at the home institution.
XJTLU made a great number of changes to the UK curriculum, which is actually in accordance with their claims to being a unique university, not an affiliate of a UK or a Chinese institution. The international universities founded by the Hong Kong institutions have the least similarity in terms of curriculum with the home institutions.

Sun (2015) also identifies three ways to localize the foreign curriculum, including adaptive localization, supplementary localization, and reforming localization.

*Adaptive Localization* refers to the incompatibility of the Western curriculum with students’ learning capabilities. Therefore, the international universities need to change the curriculum structure so that the students can be successful in their studies. The international universities established by UK institutions usually use adaptive localization. The international universities have changed the UK three-year bachelor degree program into four years, with the first year offering intensive English language training and foundation academic courses.

*Supplementary Localization* is needed when the Western curriculum objectives do not necessarily match the curriculum objectives required by the Chinese government. Indeed, the international universities are actually Chinese universities, not branch campuses of foreign institutions, and IUs have the mission to educate Chinese citizens for Chinese society. This is especially the case when the national government is concerned about losing its educational sovereignty. In order to meet the expectations of the government, some international universities provide “Chinese Culture Courses”, which usually include classroom teaching on Chinese culture, history, and Chinese society and is usually handled by the Student Affairs Office, which
is led by CPC. The purpose of such Chinese culture courses is to inculcate students’ patriotism and duty to the country.

Reforming Localization refers to the fact that the international universities per se reconsider their positioning in the world and their strategy of combining the strengths of both Western and Chinese education and develop some innovative degree programs. United International College (UIC), established by Beijing Normal University and Hong Kong Baptist University, provides an example. In addition to offering the strong degree programs from Hong Kong Baptist University, the UIC developed new degree programs that can meet the demands of Chinese society. These degree programs include Culture, Innovation and Management, Food Science and Technology, and Environmental Science,

Strategy #2: Manipulate the environment. The second strategy is to use their home institutions to explain some of their practices, especially when parents ask about their privacy policy and their student management. The IUs emphasize that they are either a branch campus of, or closely related to, the foreign institution. Therefore, they need to comply with the common practices at the home institutions regarding student privacy and management. Because the foreign institution is considered to be world-class, this strategy seeks to leverage the influence of the foreign entity to promote the practices in China.

Strategy #3: Create the environment. The third strategy the international university leaders use is to take advantage of multiple communication outlets to help parents understand and support their practices. They use social media to promote their unique methods, and use personal meetings with parents to emphasize the international education model. For example, the
senior leadership team, including the president, usually meets with the parents in person at the matriculation to answer their questions and concerns. These international universities also use the attention they have from the public and the media to seize every opportunity to stress these new norms and practices at their universities. This has created a preferable environment for the public to understand and accept their practices.

Normative legitimacy emphasizes the “the right thing to do” and it involves evaluations of outputs and consequences, techniques and procedures, and category and structure (Suchman, 1995; Scott, 1995). The international university leaders believe what they are doing now is the right thing to do and call for Chinese universities to follow their lead. These aforementioned five dimensions of what international universities practice can be considered as techniques and procedures, in Suchman and Scott’s terms, of an organization. These five dimensions are: 1) general education; 2) treating students as adults; 3) student-centered teaching and learning; 4) emphasis on faculty teaching and research; and 5) administrative professionalism. The international university leaders promote their education ideals and vision to the public, emphasizing that they are doing important work and making history in this era. More importantly, they believe that they are doing the right thing by providing a high quality education and taking students’ development and learning as the core of their operation.

The Vice Chancellor at NYU Shanghai, Jeffery Lehman, was formerly the President of Cornell University. He views NYU Shanghai as a revolutionary institution, just as Cornell was in the United States when it was founded in the 19th Century.
Lehman believes that the future of the world depends on whether China will achieve success as a whole. It is necessary for China to set up an education system to enable the students to develop their creativity. NYU Shanghai has been making efforts toward that direction and Lehman believes it will exert strong influence on China’s higher education. The president of NYU Shanghai Yu Lizhong also feels it is their mission to make history.

It is meaningless to build more (the same type of) universities in China. What (China) needs is a high-level university with a distinctive running model. New York University Shanghai is such a university (as cited in Y. L. Liu, 2016).

Some institutional leaders view that the China-foreign partnership model helps the new institutions, especially the international universities, in avoiding the old institutional constraints and enabling the IUs to operate a modern university system in China. The major elements of the modern university system include academic freedom, faculty-led administration, student self-discipline, and university independence. They believe they are putting these elements into practice at their institutions.

In addition, the international universities demonstrate to the public that they have normative legitimacy in terms of outputs and consequences. Their graduates are their best outputs. The majority of the graduates of IUs continues their studies at world-renowned universities, or work for international companies. These outcomes are considered highly valuable in the Chinese society.
5.5 Conclusion

International universities are welcomed in China as one way to enhance the development of the Chinese higher education system. Even though international universities are established by prestigious Western universities and top Chinese universities, and the international universities might enjoy the cognitive legitimacy spilled over from the home institutions, they still need to work hard to gain legitimacy for their survival and development.

International university leaders understand the need for legitimation and have taken strategic actions to pursue multiple types of legitimacy. Instead of mere conformance to regulative environment, the international universities act proactively to lobby for preferential policy because the existing regulations and laws constrain their development.

The normative environment has multiple segments, and international universities need to decide to respond to the normative environmental segments differently (Zimmerman & Zeitz, 2002). For instance, the international universities choose to conform to the larger governmental expectations about their curriculum by localizing the Western curriculum. However, they choose to defy the values and norms practiced at the Chinese public universities by providing a general education emphasizing Western norms and values.

Western education is often regarded as superior to Chinese education, thus international universities might have some cognitive legitimacy from being affiliated with Western universities, especially world-renowned universities. However, the international universities still need to work hard to gain cognitive legitimacy because they lack a track record in China.
International universities indeed stress their superior quality to gain cognitive legitimacy. The international universities also exert their influence on peer institutions as well as the whole higher education system to obtain cognitive legitimacy. The international universities also underscore their distinctiveness from each other and from the public institutions in general to get cognitive legitimacy.

Quality of education is the core for the international universities to achieve pragmatic legitimacy from different constituencies. International universities also select an environment where it might be easier for them to recruit students and get the resources they need for the initial phase of their survival. International universities also have tried to build a network of constituencies in order to get the support they need for their survival and development.
Chapter 6 Findings Part II: International Branch Campuses-International Colleges

6.1 Introduction

As I have explored what strategies the international branch campuses (IBCs) use to gain legitimacy in China, I have considered IBCs were in different categories based on four features: 1) legal person status (whether it is a legal entity); 2) years in operation; 3) whether the home institution requires financial return or not; and 4) public or private nature of the host institution. As discussed in Chapter 5, my research found that legal person status was the most important feature of IBCs, which divided IBCs into international universities (e.g., IUs and IBCs with legal person status) and international colleges (e.g., ICs and IBCs without legal person status). Years of operation are another important feature of IBCs, which functions under the larger umbrella of an IBCs’ legal person status. The remaining two features (financial returns and public-private nature) did not distinguish much between institutions.

Whereas Chapter 5 focused on international universities, this chapter focuses on international colleges, both chapters of course analyzing strategies to gain legitimacy in China. The case studies included are: The Johns Hopkins University-Nanjing University Center for Chinese and American Studies (CCAS); Surrey International Institute (SII), Dongbei University of Finance and Economics; and Monash University-Southeast University Joint Graduate School (JGS). The rest of the chapter describes how international colleges gain legitimacy in China. It proceeds in this order: regulative, pragmatic, cognitive, and normative legitimacy are gained by using conformance, selection, manipulation, and/or creation of the environment. The strategy
order is arranged from the easiest to the most challenging, as suggested by Zimmerman & Zeitz (2002).

Even though both international universities and international colleges are independent institutions in China, they have significant distinctions caused by their legal person status. International universities have legal person status, which make them private institutions in China, and they are treated as private higher education institutions both in the legal sense and in practice. However, an international college does not have legal person status. It is the host institution that does. This means that even though the international colleges are regulated as private institutions in China, in practice they are not treated as private institutions. Instead, they are conceived of and treated as a college within a Chinese university. The private/public nature leads to many differences between international universities and international colleges, which are described below.

*Liability of newness.* International universities encounter much greater liability of newness than international colleges. International universities are brand new institutions that are built from scratch, and they lack a track record of establishment. Therefore, they make greater efforts to make themselves known to the public. However, international colleges are built within Chinese universities, and they are usually located on Chinese university campuses. The Chinese institutions are well-known either locally or nationally. The international colleges recruit students through the host institutions; thus they do not face the same level of liabilities of newness as the international universities do.
Liability of foreignness. International universities might have an advantage derived from partnering with prestigious Western universities; however, the norms and values practiced at international universities become liabilities to one of their most important stakeholders: parents. The foreign senior leaders at the international universities are also part of the liability of foreignness in the Chinese regulative environment. Chinese university hopes to elevate their reputation by having an international college, thus international colleges are usually treated superior to the other schools/colleges within that university.

Academic freedom. International universities emphasize academic freedom, which is one of the most important features of Western universities. The home institutions of the international universities often face great pressure from the home country and media in regards to academic freedom. The United States is a good example in trying to hold the US universities’ international branch campuses to the same standards of academic freedom as the home institution. However, the international colleges claim that they are part of a Chinese university, and they will conform to the regulative environment regarding academic freedom in China.40

40 The Johns Hopkins University-Nanjing University Center for Chinese and American Studies (CCAS) is an exception in that it claims to have academic freedom as they receive no interference from either the home institution or the host institution (C. F. Huang, interview, April 22, 2016).
**Funding sources and academic autonomy.** International universities mainly receive funding from local government for the first few years. They then rely on students’ tuition for their operation. The international colleges receive funding from both home institution and host institution, with the latter actually being from central government. The funding sources determine the institutions’ autonomy in some way. International universities enjoy more autonomy than international colleges, mainly in the following areas: 1) student admission criteria and process; 2) teaching and learning; 3) curriculum design and degree programs; 4) faculty appointment and dismissal; and 5) marketing and promotion.

**Strategies to gain legitimacy.** All the differences in the above respects lead to differing amounts of legitimacy institutions need in order to survive and develop. It is not difficult to conclude that international colleges need less legitimacy than international universities, and international colleges use different strategies, mainly conformance to the environment, to gain legitimacy from society. Table 6.1 presents differences in their strategies to gain legitimacy in China between international universities and international colleges.
The remaining chapter will describe what strategies the international colleges use to gain regulative, pragmatic, cognitive, and normative legitimacy. The following table summarizes what strategies the international colleges use to gain legitimacy in China.

<table>
<thead>
<tr>
<th></th>
<th>Legitimacy Strategies</th>
<th>Regulative Legitimacy</th>
<th>Normative Legitimacy</th>
<th>Cognitive Legitimacy</th>
<th>Pragmatic Legitimacy (Exchange, Influence)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Quality Distinctiveness</td>
</tr>
<tr>
<td>Universities</td>
<td>Conform</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>Quality</td>
</tr>
<tr>
<td></td>
<td>Select</td>
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<td></td>
<td>YES</td>
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<td></td>
<td>Manipulate</td>
<td>YES</td>
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<td>Create</td>
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<td>Colleges</td>
<td>Conform</td>
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<td></td>
<td>Create</td>
<td>YES</td>
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</tbody>
</table>

Table 6.1 Differences in Strategies to Gain Legitimacy between International Universities and International Colleges
### Table 6.2 Strategies to Gain Legitimacy

<table>
<thead>
<tr>
<th>Legitimacy</th>
<th>Strategies to Gain Legitimacy</th>
</tr>
</thead>
</table>
| **Regulative Legitimacy** | • *Comply with the environment.* The international colleges comply with regulations imposed by MoE and quality assurance bodies.  
   • *Create the environment.* The international colleges form an alliance in order to lobby for changes in CCRS policy. |
| **Pragmatic Legitimacy** | • *Quality of education at an affordable price.* International colleges emphasize their high quality of education at an affordable price.  
   • *Comply with the environment.* The international colleges conform to the self-interests of different stakeholders in China, mainly by offering the degree programs that can boost local economic development. |
| **Cognitive Legitimacy** | • *Quality of the education is the core.* The overall strategy for the international colleges to gain cognitive legitimacy is to provide quality education.  
   • *Distinctiveness.* Another strategy for the international colleges to gain cognitive legitimacy is to emphasize their distinctiveness from each other as well as from the traditional public institutions. |
| **Normative Legitimacy** | • *Comply with the environment.* The international colleges gain normative legitimacy by conforming to the norms, values, and practices at the host institution. |

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**6.2 Strategies to Gain Regulative Legitimacy**

International colleges do not have legal person status and they are physically located on a Chinese university campus, and they are subjected to Chinese universities’ overall governance. International colleges use the following strategies to gain regulative legitimacy.
Strategy #1: Comply with the Environment: Very similar to the international universities, the international colleges have to comply with the environment in order to gain regulative legitimacy, which is the prerequisite for their establishment. In addition to complying with the regulations of the MoE, the international colleges also actively comply with the other requirements, especially the quality assurance requirement exacted from the home institutions. For institutions established by UK universities, they do not need approval from the UK Ministry of Education, but they are subject to monitoring by the UK Quality Assurance Agency (QAA). The QAA conducts audits of these education ventures abroad and then publishes the report on QAA website. The public can get access to all of the individual reports for all of the institutions, as well as the transnational education (TNE) overall report. The international colleges are very sensitive to both QAA and TNE reports because, if they get a bad report, it affects the institution’s reputation. Campus leaders in China, therefore, pay a lot of attention when an external body comes in and conducts a quality audit and tests them about how they handle students, how they’ve set up their procedures, and how they deliver the promises they have made on their websites (G. Rivers, interview, April 8, 2016).

The national Ministry of Education usually delegates this power to the education department at the provincial level. For instance, in Liaoning Province, the Liaoning Education Department would be acting on behalf of the Ministry of Education. Similar to the UK system (although perhaps not as rigorous), they would come out and ask questions, make observations, talk to students, and so on (G. Rivers, interview, April 8, 2015). Some international colleges actually actively seek compliance with quality assurance mechanisms from the government in order to obtain their support (T. Meng, interview, April 8, 2015). The following quote
summarizes how one of the international colleges has tried to attain support from the government by conformance to the rules and regulations.

There are three ways to gain support from MoE. First and foremost, (we) comply with the regulations and laws; Second, (we) proactively respond to MoE’s call to build information platforms, publicize our information, and receive supervision from the society. We also report to MoE every year; and third, (we) actively participated in quality audit implemented by MoE as well as the provincial education department (T. Meng, interview, April 8, 2015).

*Strategy #2: Create the environment.* Similar to the international universities, some of the international colleges formed their own alliance named Dean’s Association of Chinese-foreign Cooperation (DACC), under the guidance of the Department of International Cooperation and Exchanges of the MoE. DACC engages in exchanges and cooperation among these institutions. DACC is headed by ten international colleges. The members of DACC hold meetings and conferences regularly to share their practices and discuss issues they encounter. The meetings provide a forum for the institutions to solicit support from MoE or the provincial education department. They invite people from these governmental bodies and discuss their problems openly at the meetings, and directly to the key people in private conversations before the meeting. DACC also publishes a newsletter on a regular basis, and they can also provide policy recommendations in the newsletter.

The regulative policy can be flexible in China. The Chinese leaders of the international colleges understand that the actual operation can be different from the policy and regulations. Tax policy is an example. International college leaders can ask for a reduction in taxes for their institutions, and the government usually decides in their favor (G. Rivers, interview, April 8, 2016). Tuition is another example. The Provincial Pricing Bureau is a governmental agency that
usually determines the fees the international colleges can actually charge. The institutions’ operations greatly rely on students’ tuition and fees. If they want to increase their tuition, they have to go to the pricing bureau and make a case to increase their fees for students. They have to justify the cost. Therefore, maintaining a good relationship with the Chinese government is very important and it is usually the job of the dean (G. Rivers, interview, April 8, 2016).

International colleges do not tend to be concerned with academic freedom, which might be infringed by education sovereignty in China. Since they are located within the Chinese public universities, they have the CPC Secretariat at the university level. Having a CPC secretariat at the international colleges is already a manifestation of limited academic freedom in the Western sense.

The students’ curriculum requires them to study Marxism, Deng Xiaoping Theory, and Mao Zedong Thoughts. However, foreign institution leaders usually have liberal interpretations of these requirements, viewing them as similar to Western universities’ requirements for studying the democratic processes of their society (G. Rivers, interview, April 8, 2016).

The party influence is still in international colleges but it is more restrictive than in the public higher education institutions. The required ideological courses are currently limited to a few modules. At international institutions, this does not impact a Chinese degree much because essentially the students receive a liberal Western education. Take the students who pursue business degrees as an example. The political ideology education on China would be a small part of the total business education and would have very little impact in terms of students’ life after achieving the business degree (G. Rivers, interview, April 8, 2016).
For The Johns Hopkins University-Nanjing University Center for Chinese and American Studies (CCAS), they attach great importance to academic freedom. According to a former Chinese director of the center (C.F. Huang, personal interview, April 22, 2015), the host institution exerts no limits on academic discussion and has no intention to interfere with academic affairs. One important reason that The Johns Hopkins University is not so concerned with academic freedom is that CCAS is geographically located far from the national political center Beijing. Also, the Chinese side, Nanjing University as well as Jiangsu government, is very protective of CCAS. For instance, during the Belgrade Bombing on May 7, 1999 where Chinese embassy was hit and three Chinese reporters were killed, there were protests against US actions in Nanjing. The police were very protective of CCAS and the American students, not allowing people to demonstrate near the Center (L. B. Meng, interview, April 15, 2015).

6.3 Strategies to Gain Pragmatic Legitimacy

Since an international college is considered an institution of a Chinese public university, the host institution is a much more important stakeholder for the international college as compared to the international university. Parents and students, government, and employers are an international college’s other important stakeholders.

The host institution exerts great control over the international college on its campus, which includes student recruitment, curriculum design and degree programs, faculty appointment and dismissal, marketing and promotion, and student’s ideological training. Meanwhile, the host institution gives the international college initial legitimacy, especially for the public to recognize the existence of such institutions. The host institution also gives the ICs legitimacy when their
graduates look for employment because the employers usually only care which Chinese institution they graduate from. The host institutions confer the ICs Dispositional Legitimacy. By having an international college within their institution, the Chinese university can quickly elevate its reputation in China and compete with peer institutions. Also, host institutions confer Exchange Legitimacy to the ICs because it is very difficult for the public universities to improve their education quality within a short period of time due to the quality of their faculty, governance, and techniques and skills. However, the international colleges are expected to bring in the strong degree programs from the home institutions, which in the end will help the host institution to build their own degree programs.

Within the Chinese university, the international college is usually the highest profile in terms of the resources and attention they get from the host institution. Take Surrey International Institute (SII) at Dongbei University of Finance and Economics, for example. The governance of this particular institute has the party Chairmen and Surrey University vice chancellor and president. SII has secured the most senior people in both institutions to serve on their governing board (G. Rivers, interview, April 8, 2015).

The rest of the stakeholders, including the government, parents and students, and the employers confer Exchange Legitimacy to the ICs. Since the international colleges do not enjoy as high a status as the IUs do, the government expects the ICs to train the workforce it needs to boost its economy. The parents confer legitimacy to the institutions by sending their children to study there, hoping their children will have a bright future. Lastly, the employers confer
legitimacy to the institutions by hiring their graduates. The international colleges are usually the best option available to students when they decide which institution to attend.

In addition to the government, the students and parents, and the home and host institutions, the ICs have other non-major stakeholders as well, as described in the following quote by associate dean Dr. Gary Rivers at SII.

Other ones you might say are society and consumers at large. I say society because our students obviously go out there. We talk about employers, some of them will start their own businesses. If they go down that particular route then that's a creation that's going on as well as implications for taxation and benefits for society. They become consumers in their own rights. Let's say society, in terms of consumers, might get new products and new services. You can trace this through multiple end degrees of where it may end up.

The international colleges mainly use two strategies to gain pragmatic legitimacy: emphasizing the quality of their education and conform to the environment.

**Strategy #1: Quality of education at an affordable price.** The international colleges have an overall strategy of producing excellent students that can achieve wonderful things. The institutions understand the most crucial way for them to get legitimacy from students and parents is to provide the students with an exceptional learning experience as well as help students land good, high-paying jobs or send students to well-known institutions for their further study (Huang, interview, March 17, 2015). The following quote illustrates why one international college takes parents and students as some of their most important stakeholders.

That’s critically important in terms of thinking about marketing and how the students and parents perceive the institutions and what they’re looking for. For students, it’s even more complex because it’s not just about them making a choice to come here. It’s the skill sets that they end up with. It is the qualifications and the experience that they gain in the various pathways that they go down. Once they’ve finished their qualifications, their
employability becomes a relevant factor for them. The other one is the continuity for those that are going on to post-graduate qualifications whether Australia, America, or in the United Kingdom… (G. Rivers, interview, April 8, 2015).

The Dean of the Joint Graduate School (JGS) at Monash University-Southeast University claims that students can benefit more from ICs than from any other domestic university (Huang, interview, April 17, 2015). These institutions are more expensive than the other Chinese institutions, but within a very reasonable range and very affordable to the parents. Some international colleges, like Southeast University-Monash University Joint Graduate School, also provide multiple scholarships to attract students to study at their institution. The students mainly receive a high quality Western curriculum conducted in English. In the end, the students can get separate degrees from two institutions, rather than one degree from a Chinese institution. Students have opportunities to study abroad during the duration of the program (Huang, interview, April 17, 2015).

Strategy #2: Comply with the Environment. The basic strategy the international colleges use to gain pragmatic legitimacy from different constituencies is conformance to the environment. The international colleges provide degree programs that are needed to train the local skilled workforce. They choose to offer degree programs that are not in conflict with those at the host institution. Some international colleges can offer strong and reputable degree programs from the home institution, which can help the host institution elevate its reputation in China. In addition, the international colleges still consider college students as children and keep the parents informed of their grades, etc. International colleges have much less challenge in meeting different constituencies’ demands than do their counterparts.
6.4 Cognitive Legitimacy and Strategies to Gain Cognitive Legitimacy

As previously mentioned, the international colleges are considered as an integral part of the host institution. The host institution usually determines what students the international colleges can enroll. The international colleges are not allowed to do their own marketing promotions to attract students. They provide basic information to the host institution, which the host institution will put in their booklet. Except for The Johns Hopkins University-Nanjing University Center for Chinese and American Studies (CCAS), the other well-established schools or colleges of the host institution usually enroll students first. The host institution then transfers those students who are not qualified for the other schools or colleges to the international college. CCAS is the only exception due to its historical status and long-standing reputation, thus it can enroll the best students that apply through Nanjing University.

Unlike international universities that are brand new institutions, the international colleges have their original legitimacy from both the home institution and the host institution, with the latter being a more important conferrer of legitimacy. The fact that the international college is physically located within a well-established Chinese public institution and promoted as part of that Chinese institution makes it easier for the public to accept such institutions. However, students from the international colleges (except Johns Hopkins Nanjing Center) often encounter difficulties in blending in with students from the other schools/colleges within the host institution. SII can serve as an example.

The students who attend SII were unable to be admitted into the degree programs at other schools/colleges they applied for at DUFE, so they were transferred to SII. The students are
usually from well-off families. The students from the other schools/colleges viewed these students as people who just purchased their degrees. They could get in DUF E because they had the money to do so, not because they were smart. The students who attend SII tend to have outgoing personalities and are active in extracurricular activities. The students from other schools/colleges viewed that SII students spent too much time on extracurricular activities and not enough time on academics. The SII students reported receiving other criticism, as well. The following quote from SII students shows how the students from other schools/colleges at DUF E view them.

No matter what we do, we always get criticism from students from other schools/colleges, even though sometimes it is not actually related to SII. The students from the other schools/colleges thought we were dumb and we only knew how to show off our wealth…The students from other schools/colleges are just jealous of us. At the very beginning, even the Chinese professors had prejudice against us thinking that we were dumb and our academic performance would be poor. They doubted our intelligence capabilities (Students, interview, April 8, 2015).

Within several years after its establishment, the international colleges have gained some legitimacy from the public, especially from the other schools/colleges within that institution. For instance, with several years’ development, SII has become the largest college at DUF E. SII enrolls about 400 students, and its students have won numerous awards in different areas. SII enjoys the best resources at DUF E, including the largest number of foreign faculty members. SII has higher requirements for graduation than the other colleges at DUF E do. More importantly, perceptions toward the students at SII have changed as well (T. Meng, M. X. Qian, interview, April 8, 2015). The following quote from students at SII demonstrates the perception change towards them.
The professors now have changed their perceptions on us as they say that we are equally intelligent with students from other schools/colleges (students, interview, April 8, 2015).

The same is true for Southeast University-Monash University Joint Graduate School (JGS) Suzhou. At first, JGS Suzhou was known by very few people. They could only enroll those students who were unable to be admitted to their desired degree programs at Southeast University. However, after a couple of years the admission standards were increased higher than the admission standards at other colleges at Southeast University. Most of their students could have attended 985 project universities because of their test scores, but they chose to study at JGS Suzhou.

The international colleges have used different strategies to gain cognitive legitimacy.

Strategy #1: Quality of the Education is the Core. The overall strategy for the international colleges to gain cognitive legitimacy is to provide quality education. Usually this seems to be done by evaluating the success of their graduates. The international institutions actively seek quality assurance mechanisms, especially conducted by the UK QAA.

What they (QAA) are looking for in quality assurance is built into our quality systems. What we say we are, and what we say we can achieve, can be demonstrated through evidence to back up those particular claims. The tactics are not so much anything other than compliance in a sense. Recognizing what are the key things that make an outstanding institution. Ensuring that we develop our systems and then we produce the evidence. Surrey sends out the deputy vice chancellor every year to reinforce that to make sure that it's in line with those expectations (G. Rivers, interview, April 8, 2015).

Strategy #2: Distinctiveness. In order to gain cognitive legitimacy, the international colleges emphasize their unique identity from each other, as well as their distinctiveness from the traditional public institutions.
The Johns Hopkins-Nanjing University Center for Chinese and American Studies (CCAS). The first distinctive character of CCAS is in its unique historical status in China. It is the oldest Chinese-foreign collaboration institution in China. CCAS also had a very high profile at its establishment. The institution was approved and signed by China’s four Vice Premiers. It was established cooperatively by the (then) Education Department and Ministry of Foreign Affairs. Its establishment carries historical significance, as well. It aligned with Deng Xiaoping’s call to gear higher education to the needs of the world, the future, and modernization. Especially during the political turmoil in 1989 many people predicted CCAS would cease to exist. The fact that CCAS survived this eventful time in Chinese history gives it reputation and influence in China.

The second distinctive character of CCAS is its role in China-US relations over the past thirty years. CCAS is perceived as an indicator for China-US relations because it has been there through all the ups and downs. The historical significance of CCAS, especially its significance in cultivating communication and understanding between China and the United States, makes it an indicator in predicting China-US relations, as the person says in the following quote:

CCAS has gone through tough history, including the 1989 Tiananmen Square movement, Belgrade bombing, which strained China-US relations, but meanwhile, they tested the strength of China-US relations. Now, the CCAS is perceived as a compass to predict China-US relations (Shao, interview, April 23, 2015).

The major courses CCAS offers are related to international politics and international relations, especially US-China relations. The leaders of the home and host universities, the center directors, and the former alumni of the center have played a key role in promoting China-US diplomatic relations.
The third distinctive character of CCAS is that the center enjoys great autonomy, having its own facility, including teaching building, gym, café, and student dormitory. Neither the home institution nor the host institution interferes with the center’s internal affairs (C. F. Huang, interview, April 22, 2015).

It is like a special zone in Nanjing University. The faculty members and students from other schools or colleges in Nanjing University are not allowed to enter the property without permission. Neither Nanjing University or The Johns Hopkins University interferes with what we do at CCAS. Both of the institutions have trust in each other. The presidents of the two institutions share the same vision. They understand the differences in regulative environment and they seek common grounds out of the differences (C. F. Huang, interview, April 22, 2015).

The last distinctive character of CCAS is that the student body is very diversified, with students hailing from Europe, Japan, Korea, Latin America and, of course, the United States. All international students must take courses taught in Chinese first. They can only take the courses taught in English as electives after they have a good foundation in Chinese and complete the required courses in Chinese. It is the same for the Chinese students. They are allowed to take the courses taught by Chinese professors only if they finish the required courses in English. In addition, each two person dormitory room is shared by a Chinese student and an international student (J. Patent, interview, 2014).

Southeast University-Monash University Joint Graduate School (Suzhou). The distinctiveness of JGS Suzhou lies in the fact that it offers the globally well-known degree programs from Monash University, which are mechanical and industrial design programs. The home university sends their faculty members over to teach in Suzhou (K. Huang, interview, March 17, 2015).
The second distinctive feature of JGS Suzhou is that it is the only international graduate college that is in the nation’s planning system.\textsuperscript{41} The leaders of JGS Suzhou believe that this is good in terms of the students they can recruit. They believe that the nationwide graduate examination\textsuperscript{42} is a good mechanism because it enables the universities to enroll qualified students at the lowest cost.

We don’t want unplanned enrollment at this point because unplanned enrollment means flexibility in admissions requirements. Those years’ practice has shown us that the students who are enrolled through the national examination system have no great difference in quality, but (those students who come through) the unplanned enrollment do. The students (who come through national examinations) typically have strong self-discipline and strong motivation to succeed (K. Huang, interview, March 17, 2015).

The third distinctive feature of JGS Suzhou is that the students who attend this institution receive significant funding from different sources, which makes this institution the most cost-effective school from the students’ perspective. The tuition at JGS Suzhou is 20,000RMB ($3,100) per year and after two years of study students will get two separate

\textsuperscript{41} If an institution is in the nation’s planning system, it means it receives approval from MoE, and thus be treated as a public institution and enjoy the benefits of a public institution, such as funding from MoE. Students have to take national examinations in order to be accepted into the institution. If an institution isn’t in the nation’s planning system, it means that it applies and is registered through a provincial education department, but not approved by the MoE.

\textsuperscript{42} Xi’an Jiaotong Liverpool University and University of Nottingham Ningbo do not use the national examination system to select their graduate students.
degrees, one from each institution. Some of the students will get a national scholarship, the university scholarship, or the scholarship from Suzhou government. In the end, the students only need to pay half the tuition to get a quality education from JGS Suzhou (Students, interview, April 26, 2015).

Surrey International Institute (SII) at Dongbei University of Finance and Economy (DUFE). SII offers student-centered learning, interactive classes, student services, as well as alumni center and career development center, which are rarely seen in other Chinese universities.

The administrators of SII believe that they have made an impact on faculty from other schools/colleges in DUFE, which is not the case of CCAS and JGS. By working with the British institution the faculty at DUFE have learned all of those quality assurance and curriculum elements. The faculty and administrators at DUFE also learn from their British counterpart when the two institutions show their content and do curriculum mapping between them (G. Rivers, interview, April 8, 2015).

I am employed between two institutions and oversee the operations of the institution to ensure the programs are run successfully. I require the home institution to set the module descriptor, including explaining what the objectives are of a particular module. What textbook are they going to use? How is it going to run on a weekly basis? What's the learning and teaching objectives? What's the overall aim of the module? If they [faculty at DUFE other schools/colleges] weren't doing that before, and they're doing it now, then the transferring of that knowledge is just one small example of what actually goes on. Over time, they learn from those processes because usually one is either going to be more advanced than the other. It just so happens that the British institution, in terms of how they run things, are more advanced certainly from a quality assurance perspective. (G. Rivers, interview, April 8, 2015).

Another unique feature of SII is that it established a university-level research center conducting research on Chinese-foreign collaboration education ventures. Through their
research, they are able to provide policy recommendations to the provincial government and MoE to improve the regulations.

### 6.5 Normative Legitimacy and Strategies to Gain Normative Legitimacy

Unlike the international universities that have been trying to establish new norms, the international colleges comply with the existing norms and values of the host institution in order to gain normative legitimacy.

*Comply with the Environment.* The Chinese leaders of the international colleges believe that their institutions should not adopt all the practices in the Western universities, but keep the good Chinese practices, especially the Chinese-style supervisor system, and treating college students as minors. In Western universities, college students are treated as adults, at least legally, and they determine how they would like to spend their free time. They do not have a supervisor who closely monitors their welfare and academic progress, as their counterparts do in China. In China, the students grow up with the close supervision of their parents, teachers and maybe school administrators from Kindergarten to high school. The Chinese leaders of the ICs are concerned that if they treat their students as adults, they would behave irresponsibly. For instance, they are concerned that if they do not manage their students’ extracurricular activities,

43 In China, most colleges still have homerooms and homeroom teachers who serve as students’ advisors. The students are supervised in a more controlled and systematic way than the students in Western institutions.
their students would do nothing but play computer games in the dormitory. The Chinese supervisor system exerts greater control on students’ freedom. For example, Surrey International Institute (SII) at Northeastern University of Finance and Economics demands their faculty, including the foreign faculty members, monitor students’ class attendance. They will cancel students’ test eligibility if they skip more than the prescribed number of classes (T. Meng, interview, April 8, 2015).

The leaders claim that they are unable to do what the international universities do in treating students as adults, thus do not refuse to disclose students’ grades to their parents. It is impossible for the international colleges to do this because other academic institutions within the same university usually inform the parents of their children’s grades. Even though some parents lack interest in knowing their children’s grades, the other institutions still take the initiative to get connected with the parents and help the parents understand their children’s grades. The international colleges face great pressure if they do not disclose the students’ grades to the parents. Whereas the international universities can counter this pressure by identifying themselves as the branch institution of the Western universities, the international colleges are not successful in doing so (T. Meng, interview, April 8, 2015).

In addition to the Chinese supervisor and treating the college students as children, the Chinese leaders of the international colleges also believe that their students should inherit Chinese culture and preserve Chinese political ideology by studying politics and Marxism. In addition, the Chinese students take a very large number of courses. Under the Chinese system students can be potentially in a classroom for thirty hours a week. Some Westerners also take
physical education at the Chinese universities as one of the historical carryovers that over time needs to be modernized (T. Meng, interview, April 8, 2015).

6.5.1 Localization is another dimension of complying with the environment.

At the ICs, even though they want to copy the curriculum of the home institution, they have many constraints, including students’ language ability, and the potential competition between the host institution and the ICs. Surrey International Institute is unable to offer finance or economics courses due to the fact that host institution Dongbei University of Finance and Economy (DUFÉ) is well-known for these programs. DUFÉ is concerned that SII might cannibalize its very best students, so does not allow SII to offer these courses.

Both DUFÉ and SII want to attract tier one students, but DUFÉ can only offer one Chinese degree, while SII is able to offer two types of degrees. Thus, DUFÉ needs to think long and hard whether they want to open that door. They need to consider whether the supply of students is big enough to accommodate this and what is the various breakdown of that market. DUFÉ certainly want to protect potentially their strategic position when it is in competition (G. Rivers, interview, April 8, 2015).

It seems that Chinese institutions are fine with degrees that are not in competition with their own, but restrict foreign institutions from offering degree programs that might draw students away.

The Joint Graduate School co-founded by Southeast University and Monash University does not have such a problem because Southeast University is happy with Monash University offering the degree programs they are incapable of offering themselves. The Johns Hopkins-Nanjing University Center for US and Chinese Studies created brand new degree programs for its students.
Not all students at SII and the Joint Graduate School will receive dual degrees. The students at SII need to decide in their third year whether they would like to pursue two degrees. If yes, they have to pass IELTS 6.5 and maintain a minimum GPA of 70 in their academic studies. If they meet these requirements, they will take two years of academic courses in English and be awarded two degrees. If not, they will receive only their Chinese bachelor degree. All students at Johns Hopkins-Nanjing center will receive two degrees.

The international colleges, except the Johns Hopkins Nanjing Center, take maintaining a balance between the localization and internalization as one of their greatest challenges. One great example is the potential conflict between the international colleges and the other colleges within the same host institution, mainly in the allocation of resources. The international college needs to employ international faculty and/or administrative staff that have overseas educational backgrounds, which usually requires offering a higher salary. This tends to cause faculty from other host institution colleges to complain about the unequal pay (T. Meng, interview, April 8, 2015).

### 6.6 Conclusion

Unlike international universities, are regulated as private institutions in China, the international colleges are normally conceived of as public institutions. Therefore, compared to international universities, the international colleges encounter much less “liabilities of newness” and “liabilities of foreignness”. Consequently, the international colleges use fewer and simpler strategies to gain legitimacy in China. Complying with the environment is the primary strategy they use to gain regulative, pragmatic, and normative legitimacy. In addition, the international
colleges accentuate their quality of education as another main strategy to gain pragmatic and cognitive legitimacy in China.
Chapter 7 Discussion: Interpretations of Findings, Future Considerations, and Conclusions

7.1 Significant Key Findings and Interpretations

The literature asserts that IBCs are always considered as private institutions by the host government, even though they may serve public functions (Lane, 2011; Lane & Kinser, 2011). However, my research finds that international universities in China are considered private institutions, but the international colleges are normally considered as a college within a public university. This affects their liabilities of newness and foreignness as well as the strategies they use to gain legitimacy.

7.2.1 Liability of newness

International branch campuses, especially international universities, rely on an accommodating policy from the national government that has allowed them to open and build a unique educational program. But the government only opened the doors slightly to this new initiative, keeping a tight rein on who is welcomed into China and what the institutions are allowed to do. In addition, the leaders and supporters of the IBCs from both home country and host country have continually promoted their activities, reminding the public of what they do and how it is an important activity in China. They continue to address skeptics of their newness, both within China and from the international community, who wonder whether these new institutions are of the same quality of education as their famous home institutions. International branch campuses in China clearly do not have the “taken-for-granted” legitimacy that Suchman (1995)
suggest is an important benefit of long-standing organizations. The liability of newness in that respect is still much in evidence.

Being new is a liability for international branch campuses in China. According to my interviews, when students in China decide which university to attend and what major to study, they usually consider Chinese public institutions first based on that institution’s overall ranking and prestige. To be specific, students will first consider whether an institution is a “985 Project” or “211 Project” institution. These are key higher education institutions in China. If they are eligible, students usually choose to attend first-tier public universities over international universities (See endnote 3). My research finds that some students in the researched cases who are unable to make it to first-tier universities tend to choose international universities over second-tier public universities if they can afford the tuition. When students at the public universities decide on majors, they usually choose to enroll in the long-established degree programs that an institution is well known for. Similarly, my research shows that those students who are declined by the degree programs they apply to will be transferred involuntarily to other less well-known degree programs, including being transferred to international colleges. The liability of newness not only affects students’ choice of institutions and degree programs, but also impacts students per se who attend the international colleges. The students I interviewed at one of the international colleges told me that they were perceived as inferior and not as smart as those students who enrolled in the well-known public institutions. The same rationale can be applied to degree programs. The students who attend international colleges are often criticized for showing off their wealth by students from other schools/colleges within the same public university.
Even though international universities are established by well-known Western universities and enjoy a high entry status into the higher education sector, the lack of serious track record has made it difficult for them to recruit students. Although some of them have gained some support from society, they still face great constraints regarding their development, such as lack of financial resources, restrictive regulations, and doubts from many parents in China. However, being new enables international universities to act flexibly and with greater freedom. This, then, allows them to be positioned as needed reformers within and apart from the Chinese system. The traditional public higher education institutions have shown many serious defects over the past decades. Some scholars state that political administrative appointments (行政化)\(^\text{44}\) and isomorphism are two major issues with the public HEIs (Z. J. Zhao, interview, March 12, 2015; L. F. Li, interview, March 24, 2015; T. Meng, interview, April 8, 2015). The long-established public institutions have their inertia, making it very difficult for them to change.

My research also shows that international university leaders believe their institutions to be on the vanguard of the future of higher education. The Chinese institutions cannot make changes in administrative professionalism or isomorphism easily, so the international institutions, as first-movers, are able to use this to their advantage by establishing alternative norms and values for

\(^{44}\) The administrative appointments are considered political appointments in Chinese higher education institutions. The term “political administrative appointments” means 行政化 in Chinese.
the higher education system. The new international institutions do not have organizational inertia or an historical burden as do Chinese public institutions. The interviewees at the international universities claim that they have the flexibility and capability to test their education ideals and make immediate adjustment if things go wrong. The evidence shows, in fact, that the parents and students who took the risk and first enrolled promoted the new model as something new and different, presenting this as an important advantage for others to consider.

7.2.2 Liability of Foreignness

The liability of foreignness suggests that organizations that come from the “outside” face greater scrutiny and have a more difficult time developing local legitimacy. My research showed some evidence of this. Questions from parents, for example, suggested that the class size and smaller teaching loads were incompatible with the local expectations for higher education. The cost of the education also raised additional concerns. But perhaps the biggest impacts of this liability were in the requirements that a local university needed to be a senior partner, that Chinese citizens need to retain majority representation in the leadership, and that the institutions needed to serve mostly Chinese citizens. There was limited trust of the foreign entity and much concern that the educational sovereignty of China should be protected.

The liability of foreignness not only lies in the nature of the international institutions being foreign, but also in people who work at these institutions. The different reactions the foreign leaders have taken in regard to the regulative environment show their “liabilities of foreignness”. The regulative norms and culture are intact and very difficult for the outsiders to perceive. In most cases, the foreign institutional leaders usually take the government officials’
claims or regulations at face value. It is already very difficult for new organizations to survive and grow, even in their own country with a familiar environment. It is even more difficult to operate in countries like China that have a flexible and constantly changing regulative environment. Even veterans like NYU Shanghai vice chancellor Jeffery Lehman, who has 20-plus years of experience establishing and running education institutions in China, still have doubts and uncertainties regarding China’s regulative environment. This is exacerbated in new institutions that begin with fewer connections in China.

However, being foreign can give international institutions legitimacy, as well. An international college as a new institution is usually regarded as better than other colleges and schools within a particular Chinese university. The Chinese university relies on the international college to elevate its reputation in China and attract more qualified students in the future. Therefore, the international college usually receives preferential treatment from the host institution. The host institution typically assigns senior administrators and senior faculty to teach at the international college. The host institution also invests significant resources into the international college.

Moreover, the liability of foreignness appeared to be having much less impact on the international universities than the theory suggested. The fact that the partnerships were usually
with well-known foreign universities added credibility\(^{45}\). And the emphasis on the fact that the international universities were in fact in partnership with existing Chinese universities, was also very important. Each of our case institutions navigated this foreignness differently, however. As the oldest of the international universities, University of Nottingham Ningbo China (UNNC) also was partnered with the only private Chinese institution, which meant that the local status of the Chinese partner was not very high. UNNC therefore relied on the Chinese citizenship of the University of Nottingham President to alleviate concerns about foreignness. Xi’an Jiaotong Liverpool University (XJTLU) emphasized the relationship with Xi’an Jiaotong University as an elite partner, putting the name of the Chinese institution first. NYU-Shanghai perhaps had it easiest in this regard, focusing on its status as an elite American university with longstanding relationships in China. Even though NYU has a prestigious local partner in East China Normal University, it used its standing as a world-class university to make clear that the education would be second to none. It is also important to note that, as the newest IU in our sample, NYU-Shanghai benefited greatly from the legitimacy already gained by its predecessors, UNNC and XJTLU, as demonstrated by its early success in meeting enrollment targets.

This study shows that even though the international branch campuses might carry over some amount of legitimacy from their home institution, the regulative policy needs to be

\(^{45}\) One administrator at University of Nottingham Ningbo China indicates that partnership with Wanli University is a liability to UNNC because Wanli is a low-tier private institution in China.
supportive for them to gain legitimacy. And even with regulatory legitimacy in place, the organizations still have to work hard to gain other dimensions of legitimacy in order to become sustainable.

7.2.3 Four Pillars of Legitimacy and Legitimization Strategies

7.2.3.1 Regulative Legitimacy and Legitimization Strategies

Regulative legitimacy is the prerequisite for the international institutions to become established in China. It continues to play an important role in those institutions’ ongoing development. The regulative environment in China has dual realities. First, that rules, regulations, and policies usually lag practice, confining institutional autonomy. Second, that the rules, regulations, and policies regarding Chinese-foreign collaboration in running Schools (CCRS) in China are vague and are interpreted inconsistently. Concerns over educational sovereignty and academic freedom are two major manifestations of this inconsistency. Institutional leaders, usually the Chinese citizens who work at the international universities, interpret policies opportunistically.

My research shows that some scholars and practitioners in China view it as common that policies usually lag the practice. Existing policies regulating CCRS encourage the development of such ventures, but fail to stipulate specific regulations and obligations to support international institutional development. Leaders of international institutions feel restrained and seek more freedom for operating their institutions from the national government. On the other hand, the international university leaders state that they adopt a Western curriculum, thus abiding by
Western university governance practices by seeking to establish a modern university governance system (MUGS). The core of MUGS involves: academic freedom, professorial governance, student self-regulation, and university autonomy. Even though some international universities claim that they are already practicing MUGS, their claims need to be evaluated with caution.

International institutions proactively seek compliance with the regulative environment in order to become established. They acknowledge that their organizations are very young and relatively weak, thus survival is their biggest concern. Their basic strategy has been conforming to the regulations and rules in order to obtain regulative legitimacy. It is compulsory, not voluntary, to abide by the law and regulations in China. However, international branch campuses in China proactively conform with the laws and regulations. It is meaningless for them to defy the regulations since they lack the resources and power to do so. In the China context, conforming to the regulative environment has three dimensions: 1) Responsibilities outlined by law must be fulfilled; 2) Items not forbidden by law are deemed permissible; and 3) Items not authorized by law are deemed not permissible (Premier Li Keqiang’s Speech in 2014). According to a scholar I interviewed who is associated with the MoE, the laws and regulations regarding CTRS in China does not list many things international institutions are not allowed to do in operating. Therefore, institutional leaders have the freedom to interpret the law in their favor by deeming them “permissible” (J. Z. Zhao, interview, March 12, 2015).

In addition to conforming to regulations, institutional leaders have used other strategies to gain regulative legitimacy, including both manipulating and creating a favorable environment. As regulations are often impossible for institutions to change, international institutions have to
work around the regulations by manipulating their environment to get what they want for their institution. For instance, Xi’an Jiaotong Liverpool University (XJTLU) was first approved to offer bachelor degree programs. After several years of development, they wanted to offer graduate degrees. They needed to obtain approval from the Department of Degree Management & Postgraduate Education (DDMPE) (formerly named the Office of the State Council Academic Degrees Committee) in order to offer doctoral degree programs. However, the private institutions are not eligible to offer doctoral degrees. Instead, XJTLU turned to Liverpool University and decided to offer doctoral programs awarded only by Liverpool University with no authorization required.

In addition to manipulating their own resources and environment, international institutions have made great efforts to lobby the national government to create new regulations that are beneficial for their development. Institutional leaders take advantage of the flexible nature of the policies, test policy limits, and interpret policies to their advantage. They did so by forming an alliance with other similar institutions. International universities forged the Sino-Foreign Cooperative University Union (SFCUU) and international colleges formed the Dean’s Association of Chinese-foreign Cooperation (DACC). Both SFCUU and DACC aim to share best practices, and they encounter challenges and risks together as well. More importantly, they strive to make a stronger voice and exert a larger impact on the national government for new preferential policies.
7.2.3.2 Normative Legitimacy and Legitimation Strategies

The literature indicates that norms and values are considered part of the “deep structures” of society, which are difficult for outsiders to perceive. A new organization can demonstrate it is being appropriate and desirable by addressing norms and values held by those who control needed resources. The values, expectations, and standards for international institutions are not tacit or elusive as the literature suggests. Rather, they are clearly stipulated and stated in regulations, media reports, speeches, etc. It is easy for international universities to decide what norms, values, and expectations they need to follow in the Chinese normative environment.

There are three different categories of norms and values in China. The first category is the larger normative environment set by the Chinese government, especially the MoE, about the values and expectations from the Chinese-foreign education ventures. International institutions are expected to serve as an experiment and pilot program for higher education reforms in China; to accelerate China’s educational opening-up process; as well as to reduce the higher education gap between China and more developed countries. The second category of norms and values are those practiced at the institutional level. To be specific, those values and norms are currently held at Chinese public higher education institutions. They include four years of specialized study, treating students as minors, teacher-centered instruction and learning, faculty’s emphasis on research, and the parallel political administrative structure in Chinese HEIs. The last category of norms and values are held by the parents, whose ideas about university norms and values are formed by the Chinese public institutions.
In order to obtain normative legitimacy, international universities choose to defy the norms and values held by public institutions and parents, but to follow the expectations and standards specified by government. There are several underlying rationales for their choice. First, the international universities take government as their most important legitimacy conferrer, which is self-evident. Second, the norms and values practiced at the Chinese public higher education institutions are highly criticized by the government, and even by people working in the public university system. It makes great sense for the international universities to differentiate themselves by emphasizing their departure from the norms and values of the public institutions. International institutions take pride in practicing Western academic norms and values, which are deemed appropriate and desirable by the government, higher education experts, and people who work at international institutions.

International universities boast unique differences in general education, treating students as adults, student-centered teaching and learning, emphasis on faculty teaching, administrative professionalism, and campus climate in order to distinguish themselves from the traditional public institutions. They first need to comply with governmental expectations, that is, to enhance the development of degree programs development in China by borrowing foreign expertise. International universities also use their connections with well-known Western institutions to dispel parents’ doubts and concern regarding their privacy policy, student management, smaller workload, etc.

However, the most important strategy for international universities to achieve normative legitimacy is to show the public that they have attained consequential legitimacy by emphasizing
the graduate school their former students attend, or by promoting the world-class quality of their academic programs.

On the other hand, international colleges, for the most part, have to comply with the values and norms held by the public higher education institutions in China. The major reason for this is that they are perceived and treated as part of the public university, rather than an independent entity that can make their own decisions. The best selling point for the international colleges is that students can get two separate degrees by attending these institutions, and the tuition is reasonably affordable for most of the families.

Researchers (Ahlstrom et al., 2001, 2008; Peng & Luo, 2000) found that guanxi, or “social connections”, play an important part in organizations gaining legitimacy in China. They claim that guanxi is something organizations doing business in China must have because guanxi with important individuals, government, and/or party cadres can help organizations build legitimacy, especially during disputes over resources, land ownership, employment issues, etc. However, my research shows that international institutional leaders state that they focus on doing the right thing, which is to provide a quality education for students, rather than spending time developing and maintaining guanxi. First, they believe that it is wrong to focus on guanxi, which has a negative connotation to the public that they are trying to get things done through backdoor relationships. Second, institutional leaders are concerned that if they focus on building guanxi, their faculty members might follow them in doing the same thing instead of focusing on teaching and research.
7.2.3.3 Cognitive Legitimacy and Legitimation Strategies

Cognitive legitimacy stresses the “taken-for-granted” nature of an organization. Organizations emphasize their identity and role in order to gain cognitive legitimacy. Both international universities and international colleges highlight their distinctive identities among themselves, as well as their distinctiveness from the public institutions. This distinctiveness finding does not agree with the previous literature indicating that orthodoxy is the underlying logic for organizations gaining cognitive legitimacy. Orthodoxy pushes organizations into isomorphism, with organizations looking or acting like each other. However, international institutions emphasize their distinctiveness in order to acquire cognitive legitimacy.

The role of international institutions is clearly spelled out in regulations regarding the Chinese-foreign Collaboration in Running Schools, which is to serve as an experiment and pilot program to explore a new sustainable model in the higher education system and to enhance higher education reform. Therefore, international institutions portray themselves as pioneers in setting new norms, values, and standards for the higher education system within China. International institutions boast their quality of education and state-of-the-art facilities to argue that they provide superior quality of education for their students. In order to make it more convincing, especially for those institutions that have not had graduates so far, they accentuate their quality assurance mechanisms, especially quality assurance conducted by Western organizations, such as Quality Assurance Agency and Transnational reports.

In addition, international universities underscore their positive influence in the higher education sector in China. They have been striving to exert influence through organizing
conferences, training faculty and staff at the public institutions, and receiving researchers and
visitors from other institutions. However, the magnitude of the influence of the international
universities is not universally agreed upon by scholars and researchers (L. Ye, interviews, March
Some scholars believe that they have started to make an impact on the other higher education
institutions in China, while others believe it is still too early to determine the impact. It might be
true that the international institutions have not exerted too much influence yet because the oldest
such institution has only been in existence for a decade, thus most are still too weak to sustain
themselves, let alone exert influence on other entities.

The literature suggests that one source of cognitive legitimacy is endorsements: favorable
opinions or actions endorsed by an influential individual, a group of people, or one organization
to another organization. International institutions have tried to obtain all sorts of endorsements,
from free press coverage to hosting government officials and celebrities. The endorsement from
the press coverage and government officials might have led the public believe that the
international universities have already made an impact by just being there. For instance, the fact
that the incumbent President Xi Jinping made the initial connections for the establishment of
Wenzhou Kean University (WKU) bestows WKU enormous legitimacy from the government.

7.2.3.4 Pragmatic Legitimacy and Legitimation Strategies

Organizations gain pragmatic legitimacy by satisfying the self-interest of their most
immediate audiences and stakeholders. International institutions have multiple constituencies,
including government, students and parents, employers, and home institutions. Pragmatic
legitimacy can be further classified into exchange legitimacy, influence legitimacy, and dispositional legitimacy. The first type of legitimacy is built on exchange values between organizations and their constituencies. Organizations can acquire influence legitimacy by responding to their constituents’ larger interests, rather than producing immediate results. Constituents confer dispositional legitimacy to organizations if they believe organizations share their values and consider the organizations as being honest, trustworthy, decent and wise.

Local government and parents confer all three types of legitimacy to international universities. Local government confers exchange legitimacy to international universities by investing heavily into these institutions in the hope of attracting resources, technology and prestige into their region. Local government also expects that international universities can train a skilled workforce to boost local economic development. International universities also demonstrate influence legitimacy by having government officials to sit on the board of directors. Local governments confer dispositional legitimacy to international universities because IUs will bring fame, reputation, and status to the region.

Parents confer exchange legitimacy to the international universities by sending their children to these institutions, especially before these institutions produce graduates. Parents and students also confer influence legitimacy to IUs by becoming their avid supporters and supporting their recruitment activities. Parents who are capable of sending their children to international universities are affluent middle and upper-middle class. Most of the parents hold managerial positions and can be quite influential. Having parents’ strong support gives international universities a boost in legitimacy. Parents voluntarily participate in those
institutions’ promotional tours and help institutions recruit students. Some of the graduates become active spokespersons of the institution out of appreciation for the education they are receiving. Current students also play an important part in helping international universities obtain pragmatic legitimacy from the parents. NYU Shanghai has students working at the Welcome Center to answer visitors’ questions. The students at XJTLU and UNNC participate in recruitment tours. Having students on the enrollment team make it more appealing both to parents and potential students. Word of mouth referral is more reliable and powerful than market promotion in the newspaper or on TV. Parents also confer dispositional legitimacy to these institutions because parents normally personify these institutions and believe they are joining a “noble” or “lofty” cause by revolutionizing Chinese higher education (parents, focus-group interview, March 20, 2015).

Both international universities and international colleges treat the quality of the education they provide as the most critical factor in meeting constituency’s demands and receiving societal support. They take providing a good quality of education as their promise to different constituencies. Therefore, international institutions constantly promote their quality of education to gain support from stakeholders. The quality of education they refer to has several indicators: using English as the primary instructional language; student-centered teaching and learning; small class size; well-known faculty from both the home institution and the host institution; treating students as adults, and emphasizing students’ independence and self-regulation; Western curriculum; and accreditation by independent Western entities (Y. M. Xi, interview, March 15, 2015; H. Meng, interview, March 20, 2015; W. Q. Shen, interview, interview, April 2, 2015; ).
A second important strategy international universities use to gain pragmatic legitimacy is to build a network of people who are passionate about the new model the international institutions have built for the higher education system. This network consists of ties between individuals and established organizations and associations outside of the organization. As the literature points out, networks with influential individuals and established organizations can help the newly established international institutions lessen their “liability of newness” because the legitimacy of existing entities can provide cover to new institutions (Zimmerman & Zeitz, 2012). Networks can enhance those international institutions’ survival by providing support, endorsement, and contacts. Networks also help international institutions build a positive image and facilitate the new organizations access to resources. For instance, XJTLU invites human resource managers to be external mentors for their students and coach their students about work and life. Some students are directly hired by the mentors’ companies when they graduate from XJTLU.

International institutions, especially international universities, emphasize their role in local economic development. First, they tailor their degree programs to train a skilled workforce for their local economy. UNNC is located in Ningbo, which has traditionally been dependent on its marine economy. UNNC is investing about 70 million USD to build the International Academy for Marine Economy and Technology, which will house a special academic unit wholly focused on research policy and specific technologies related to the marine economy.

According to Suchman (1995), some organizations seek passive support from constituencies just to avoid questioning, and only need to “make sense” in order to maintain
legitimacy. Other organizations seek active support to mobilize affirmative commitments by their constituencies (Suchman, 1995). International colleges seek passive support from constituencies, largely governmental, to avoid questioning, but the international universities seek active support for affirmative commitment by various constituencies. There are several possible reasons for the difference in their institutional strategic actions. First, international colleges usually receive significant resources from both the home institution and host institution, while international universities normally receive funding from the host country local government that expect them to become financially self-sustaining, usually within five years. Therefore, international universities face greater challenges, which require them to be more proactive in obtaining pragmatic legitimacy in order to gain resources they need. Second, international colleges are usually perceived as part of public universities that are already well established, with strong reputations and high status. However, international universities are new without a track record, thus they need to work harder to gain legitimacy from constituencies. Third, the international colleges recruit their students from the host institution’s allocation system. That is, students usually apply to well-known degree programs at the host institution. When these students cannot meet program requirements, they are sometimes transferred to the international college.\textsuperscript{46} Hence, international colleges have a steady pool of students. In contrast, international

\textsuperscript{46} Nanjing University and John Hopkins University Center for Chinese and American Studies are exceptions because they can attract the best students to their programs due to their high status and long history.
universities have to be more aggressive in attracting qualified students, especially during the first few years after establishment.

Meyer and Scott (1983:202) argue that the “legitimacy of a given organization is negatively affected by the number of different authorities sovereign over it and by the diversity or inconsistency of their accounts of how it is to function”. This does not seem to be the case in Chinese polity. The norms, values, expectations, and standards of different stakeholders in China are centered on the national government’s expectations. Therefore, the legitimacy of a given organization is not negatively affected by the number of different authorities sovereign over it. Even though parents, as an important constituency, have different expectations from the norms and values from what international institutions have practiced, parents do not play a significant role in institutions’ gaining normative legitimacy, thus the legitimacy of an organization is not negatively affected by parents’ disagreements. This contradiction in parental support of the institutions deserves further explanation. Parents usually have doubts regarding the international institutions before the institutions can prove that they deliver high quality education, especially if an institution goes against parental norms and values. However, when parents see that their children can attend better graduate schools or get a better job following graduation, they become avid supporters of the institutions. In this regard, parents are a significant constituent in terms of pragmatic legitimacy, but not normative legitimacy.

In sum, both international universities and international colleges have pursued all four pillars of legitimacy, but they are not all equally important. Following my initial hypothesis, regulative legitimacy is the most important pillar in that it determines an organization’s
establishment. It continues to be critical to an organization after its initial establishment because it regulates organizations and can exert sanctions such as closure if organizations lose regulative legitimacy. Pragmatic legitimacy is the second most important legitimacy pillar because constituencies directly determine whether to support an organization or not, which may determine a new organization’s survival or failure. Cognitive legitimacy and normative legitimacy are closely intertwined. Cognitive legitimacy is a broader concept than normative legitimacy as the former emphasizes two aspects of an entity, including its identity and role; while the latter concerns whether an organization complies with the norms, values, expectations, and standards of society, which stress the organization’s role and functions.

7.2.4 Legitimacy Gaining Strategies: Quality of Product versus Environment

The literature on organizations’ strategies to gain legitimacy has been mainly derived from Suchman (1995) and Scott (1995), which focus on organizations using different strategies to create a preferable external environment for their organizational survival and development. My research shows that external environment is indeed important for the organizations to gain legitimacy. However, the core of the organizations—the quality of the product—becomes the leading strategy for the organizations to gain legitimacy from different stakeholders. To be more specific, the legitimacy of these international institutions, especially international universities, is derived significantly from their ability to demonstrate successfully that the quality of education they provide is better than other options. The most obvious indicator of educational quality is that institutions enroll fewer qualified students, but their graduates usually attend well-known Western graduate institutions upon graduation. More difficult to measure quality indicators
include using English as instructional language, student-centered teaching and learning, smaller class size, western curriculum, and accreditation by independent western entities.

This is an important caveat to the study of legitimacy. Legitimacy is dependent on organizational activities. If the quality of the international university slips, or if it is shown to not be as good as it claims to be, it is possible that legitimacy would quickly erode. This possibility, therefore, suggests that a new higher education institution would be better off developing and enhancing the quality of the education they provide, rather than focusing on building preferential external environments alone.  

7.3 Limitations

This research has a few limitations that may impact the findings and conclusions I have described here.

- **Missing Case.** Originally seven cases were identified. The geographic locations of the home institutions included the United States, United Kingdom, Australia, and Hong Kong. However, the United International College (UIC) established by Beijing Normal University and Hong Kong Baptist University rejected all interview requests made through different channels. UIC is the only independent institution that has legal person

   47 However, there is lack of evidence for this conclusion at this point. It would be interesting to pursue this as further research.
status and that requires reasonable return. My research shows that whether an institution requires reasonable return or not actually does not make any difference because none of the institutions have made significant revenues so far. The majority of institutions still face great challenges with their survival. However, UIC being the oldest full-fledged IBC in China could have provided information in understanding institutional strategies in acquiring legitimacy in China. Also, it is the only non-Western institution in the selected cases, so it would provide a different home campus relationship to explore, as well as different academic values.

- **Few Foreign Interviewees.** A second limitation of this research is that not many foreign interviewees were included in data collection. Two major reasons account for this. One is that some foreign administrators are unable to provide rich information on strategies their institutions have used to acquire legitimacy. They claimed that they didn’t know much about it. The other reason is that there are many fewer foreigners working at these institutions. Some of the key leaders were out of China at that time and it was difficult to schedule Skype interviews with them. The foreign faculty and administrators that I did interview seemed more straightforward and less political than their Chinese counterparts in answering questions. Additional foreign interviews may have mattered because they might provide more data that would make this research less skewed.

- **Uneven Amount of Information.** While some institutions welcome researchers and take it as a great opportunity for the outsiders to get to know them, some other institutions were more restrictive in accepting interviews. Xi’an Jiaotong Liverpool University, University of Nottingham, John Hopkins University Nanjing Center, and Surrey International
Institute at Dongbei University of Finance and Economics provided extensive information about their institutions. The faculty and staff at these institutions actually recommended some informative people to me that I should interview for their perspectives on institutional development. They also put me into contact with those people. However, NYU-Shanghai is a rather closed community. Faculty members rejected my interview requests claiming that they didn’t want to answer sensitive questions. Southeast University-Monash University Joint Graduate School did not even have their own website, and I could not obtain information other than from my interviews with the Dean of the school and the students.

• *Lost in Translation.* The majority of my interviews were conducted in Chinese in order to get a thorough and accurate understanding of the data. Even though I hired three professional Chinese-English translators to help me translate the texts into English, as well as I can understand my interviewees’ hints and connotations perfectly in the Chinese context, there may still be nuances in their messages that I am unable to convey in this research due to translation limitations.

• *Self-serving Data.* Even though I framed questions to elicit a variety of responses and attempted to triangulate information among different sources, the sources of my data would typically be considered self-interested. I tried to minimize this as much as possible by triangulation, but in the end that is a limitation of the study.
7.4 Future Research Considerations

One important area of research scholars can pursue in the future is the nature of the legitimacy threshold (Zimmerman & Zeitz, 2002), which is an important concept in understanding legitimacy and organizational survival and growth. The legitimacy threshold was not a topic I intended to study in this research. However, it merits more attention in the future. Once the organizations pass the survival threshold, what strategies do they use to maintain legitimacy?

A second important piece of research scholars can carry out is legitimacy issues relating to the home institutions. Setting up a branch campus is a huge task and it requires enormous financial and non-financial investment. The branch campuses might also dilute the home institutions’ reputation and prestige, as the scholars suggest in their research. How did the foreign institutional leaders gain consensus from different stakeholders in setting up such a venture? Is it a democratic decision-making process or is it an authoritarian decision-making process? How does the decision-making process impact the legitimacy of the international branch campuses from the home institutions? It would be interesting to find out the legitimacy issues from the home institution perspective.

A third research direction would be to investigate failed international branch campuses. This is more difficult to do because the institutions are not there anymore; scholars might obtain more candid responses because nothing is at stake any longer. It would be worth the effort to understand why these institutions failed and if there is a causal relationship between the
institutional failure and lack of legitimacy. If yes, what pillar of legitimacy was important to account for their failure?

A fourth important piece of research scholars can conduct is the quality of education at the international branch campuses, which is deemed the most important strategy for the institutions to gain legitimacy in China. It is valuable to explore whether the quality at the IBCs is the same or comparable to the home institutions, or to what degrees is similar to that of the home institutions.

A fifth research direction scholars can pursue is the political dynamics of international branch campuses within the regulative environment in China. On the one hand, the Chinese government invites the foreign institutions to establish education endeavors in China; on the other hand, the government is concerned with the infringement of western values and culture on education sovereignty. It would be interesting to explore the evolving state-society dynamics in China.

7.5 Conclusion

There are two major types of international branch campuses in China: international universities and international colleges. International universities are brand new and full-fledged independent institutions in China, and they are regulated as private entities by the MoE, thus they are excluded from many of the benefits public higher education institutions enjoy. An international college is physically located on the host institution and under the overall leadership of the host institution, thus it is normally considered as part of a Chinese public institution.
Therefore, it is not difficult to imagine that international universities face much greater challenges to their survival and growth. Consequently, international universities have been more strategic in gaining different pillars of legitimacy in China.

International universities face greater “liability of newness” and “liability of foreignness” than international colleges do. Liability of newness lies in the organizations’ lack of significant track record of establishment. Liability of foreignness resides in the new education values, norms, and practices the international universities have brought to China, which parents have doubts about. The liability of foreignness also lies in the foreign institutional leaders’ understanding of the nuanced culture and norms in the Chinese society, which might impact their actions in China. However, newness and foreignness can also give the international institutions legitimacy because these two features are wanted by the Chinese government as well as their peer Chinese public institutions. Both international universities and international colleges have pursued all four pillars of legitimacy. Both international universities and international colleges have used multiple strategies to acquire legitimacy, including conforming, selecting, manipulating, and creating the environment.

My research finds that international institutions in China do not use guanxi to gain support from government, influential individuals, or party cadres as prior research has indicated. The institutional leaders state that guanxi has a negative connotation. They are concerned that if they focus on building guanxi, it will lead their institutions and faculty and staff the wrong way. International institutions use endorsements, especially free media publication, national
governmental officials’ and influential individuals’ visits as a way to gain cognitive legitimacy. International institutions also use interpersonal networks to gain pragmatic legitimacy.

Environment is very important for institutional survival and growth. However, my research finds that the quality of an organization’s products is most significant in an organization’s ability to obtain different pillars of legitimacy. International institutions all highlight their educational quality as the most important strategy to gain legitimacy in China.

Last, international universities are regulated as private institutions in China. Prior research has shown that private higher education worldwide, with few exceptions, such as the United States, is usually considered inferior to public higher education (Levy, 2007). Private higher education institutions have had difficulties gaining legitimacy in post-communist European countries (Slantcheva & Levy, 2007). However, my research shows that the international universities normally consider themselves to be on par with the best higher education institutions in China. As a matter of fact, these international universities consider themselves as elite compared to the traditional private higher education institutions that are placed at the lowest rank of higher education in China. IBCs are regarded as elite by virtue of their foreign ties (to generally highly ranked institutions), as well as their ties to generally top Chinese institutions and their uniqueness in the market. The international university leaders regard their institutions to be superior to the Chinese public higher education institutions because of their affiliation with prestigious Western universities. More importantly, the institutional leaders consider their universities as leaders in pioneering a new model for the whole Chinese system. The institutional leaders boast of their impact on other Chinese institutions.
Notes:

1. Project 211 and Project 985

Project 211

Project 211 is a national priority set by the Chinese government to in order to strengthen about 100 Chinese higher education institutions and key disciplinary areas. Through this project, the government hopes to achieve several goals, which are: 1) to train high-level professional manpower to enhance social and economic development; 2) to improve these institutions’ quality of education, scientific research, management and institutional efficiency, so they can play a key and exemplary role for the Chinese higher education system; and 3) to push forward the development of science, technology and culture as well as to enhance China’s overall capacity and international competitiveness.

Project 985

On May 4, 1998, former President Jiang Zemin declared that “China must have a number of first-class universities at the international advanced level”. So Project 985 was launched, aiming to build world-class universities. Currently there are 39 Chinese higher education institutions are included in the Project 985. For more information, please go to http://www.chinaeducenter.com/en/cedu/ceduproject211.php

2. Survey might be an option to study strategies institutions use to gain their legitimacy in China. However, doing surveys encounters several problems. First, there are only a total of 29 IBCs in China; thus the sample size is not large enough for statistical analysis. Second, it would likely be very difficult to get full responses from all these 29 institutions, meaning the results could not be comprehensive. Third, even if I get responses from all these institutions, the survey format would not allow for an in depth understanding of the differences among different types of institutions. With interviews being the primary data collection method, the case study approach is the most appropriate qualitative research method for my study to gain substantial understanding of IBCs in China.
3. Chinese public higher education is classified into five tiers according to their prestige (Han, 2011). The first tier includes Tsinghua University and Peking University, and their goal is to strive to become world-class universities. There are about forty universities beneath them that compose the second tier. Most of these universities are “985 project” and they get a large amount of construction funding and research grants from the central governments. Their aim is to become the best universities in China. The third tier includes about one hundred “211 Project” universities. They get a lot of funding from the central government bodies as well, and their mission is to become high-level universities. The next tier is the universities that are funded by both provincial and central governments. There are about 10 such universities. The last tier is made of the average universities, colleges, and professional and vocational schools. Some private universities and professional schools have gained some reputation in China, however, they are lower in national and international status than the first four tiers of public universities.
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Appendix A: Regulations regarding Chinese-foreign Collaboration in Running Schools

Cooperatively-run Schools and the Implementation of Chinese-foreign Cooperative Educational Programs in the field of Higher Learning at the Post-graduate Level, issued in September 2004.


17. The Notice of the General Office of the Ministry of Education of the People’s Republic of

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<td>Ke Sun</td>
<td>Researcher University of Nottingham Ningbo China</td>
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<td>Sophie Zhao</td>
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<td>University of Nottingham Ningbo China</td>
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<td>Tao Lin</td>
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<td>Libo Meng</td>
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