

Self-governance and Co-governance and Good-governance

Interactive University Governing Structure and Path under Stakeholder Logic

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Abstract—Interactive University is a typical stakeholder organization. According to the influence degree of stakeholders on Interactive University, it is divided into internal stakeholders and external stakeholders. Because of different positions and functions of local university, government, market and society in Interactive University, they have different benefit demands in co-governance. Cooperation mechanism requires integration of self-governance, co-governance and good governance, establishing benefit symbiosis and balance mechanism, constructing relationship of interaction, counterbalance and cooperation between governing subjects, so as to generate the governing structure and path of "limited government, open market, standardized society, autonomous university".

Keywords—stakeholder; interactive university; self-governance; co-governance; good governance

I. INTRODUCTION

From a global point of view, Interactive University is a specific manifestation that is gradually transferred from local university, with an outstanding characteristic of multiple benefit subjects in governing. This university mode came from United States in 1990s aiming to fit new era, new economy, with the core spirit of "centering on others", is essentially a new strategy for reform and development of local universities.

Based on the logic concept of stakeholder, rescan the internal environment of Interactive University, analyze group role and benefit demand of Interaction University, construct the governing structure and path of Interaction University subjects. "Fig. 1"

A. Interactive University Mode

In the 19th century, "New University Movement" appeared in Europe and United States and became an important milestone in the history of western higher education. Although the time was different in which it appeared in different countries, the school philosophy, value pursuit and service functions were broadly consistent. In aspect of social interaction model of regional economic, there were mainly three modes in the development including university dominant mode represented by "Wisconsin", combination of production, education, and scientific research represented by "Fraunhofer Society", symbiosis mode of local university and region represented by "Interactive University". These three modes developed one after another, representing the role transfer of stakeholders including influencers and participants changing into corporate managers, reflecting internalization and understanding process of society in strategy for stakeholders.

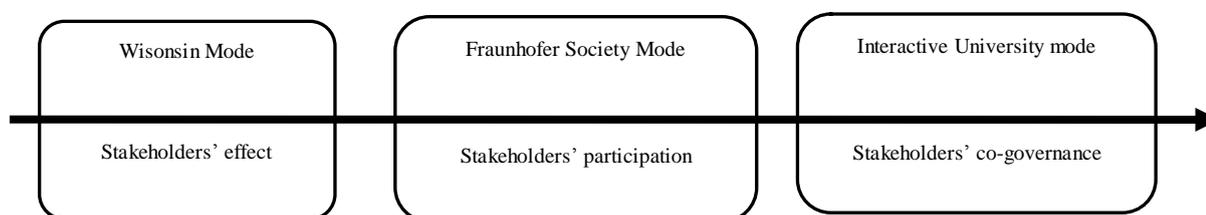


Fig. 1. Development Process of Stakeholder theory-Local University and Region Interactive Mode

In 1980s, with new industry demand and merging urban development, the rise of center city in Guangdong, Liaoning and Jiangsu provinces had promoted a "New University Movement" of Chinese high education, and laid the foundation of high education localization. These local universities have driving force of reform and innovation gene of university management, as an important node in network area system, "we live in an interdependent environment, none of institution has adequate resources and knowledge to solve all problems

alone" [1], they combined and became "ecological community" of different stakeholders, are construction subjects of "Interactive University". They carried out "Interactive Strategy", that is, insist "Centering on Others" of external-centered, establish a positive and interactive strategic partnership with region stakeholders, in order to achieve regional economic and social development. There are five characteristics in forming process: establishing the basic structure, combining university and community, obtaining

respect of university from community, challenge to university from community respect, positive attitude of centering on others [2].

After 30 years practice and exploration, a part of local universities and government, market, society and other stakeholders, using interactive mode of "one to one" or "network", have formed corresponding quality level or characteristic leading of practical undergraduate education, however, in overall, the school-running orientation and transfer development are still in the stage of characteristic development. Practice has proved that, due to different roles of local universities, government, market, social benefit stakeholders playing in the construction process of Interactive University, different objective functions and benefit demands of different benefit subjects, inevitably there are benefit conflict of among them. Therefore, it is needed to construct a corporate governance mechanism among subjects of Interactive University, in order to regulate benefit demands, avoid benefit conflict, and achieve common benefits of all stakeholders.

B. Analytical Framework: Stakeholders of Interactive University

What is "stakeholder"? In 1984, Freeman had pointed that in "Strategic Management: A Stakeholder Approach": stakeholders are "all individuals and groups can affect the realization of an organizational goal, or affected by the realization of an organizational goal" [3]. The stakeholder theory is based on the resource dependence theory, in which the item of "benefit" represents the quality of stakeholders which is mean that benefit bases on inputs(economic or non-economic); the item of "correlation" represents the quantity of stakeholders. Therefore, the stakeholders of Interactive University, refers to various subjects that have taken input in the local university and obtained a certain benefit and influence.

University is a typical stakeholder organization [4]. Based on coupling relationship between logic analysis framework of stakeholder and organizational characteristics of Interactive University, co-governance of stakeholders can realize transfer of external change to internal change, reduce external uncertain risk and cost of corporate governing, be conducive to build more links in more diverse environments and ensure organization recognition and effective maintenance of base benefit of stakeholders.

Using stakeholder theory, it is the start point of study to determine the stakeholders of Interactive University. According to previous studies, there mainly are three methods including "one-dimensional analysis" in view of close relations with university, "multi-dimensional analysis" classify in aspects of validity, authority and urgency, "qualitative and quantitative analysis" use statistical tool to analyze the relationship of stakeholders. However, the description of stakeholders above is just a static description of stakeholders. In fact, these stakeholders classification is not immutable and frozen, but varies with changing of role, probably because of the cross and changing of double or even multiple identities which causes multi-role and complicated relations between them, are more tangled. Of course using these static

dimensions to analyze benefit relation and benefit demands with dynamic development, may lead to multiple stakeholders within opposition or fragmented analysis framework, and lead to deviation and failure of analysis result.

According to influence degree of stakeholders on Interactive University, internal stakeholders include teachers, students, and administrators of university, while external stakeholders include government, market (occupation industry), society (public, social organization, donators, schoolfellows).From the point of internal and external view, analysis of their respective benefits expectations in view of interactive relationship between stakeholders of Interactive University will reshape the construction subjects of internal stakeholders, make sure the status of input and benefit sharing of external stakeholders, realize benefit demand balance of all stakeholders, pursue whole and base common benefit, and avoid responsibility and obligation weakening due to dispersed benefits.

II. GOVERNING STRUCTURE: BENEFIT DEMANDS OF INTERNAL STAKEHOLDERS

As Karl Marx said, all the people are fighting for are related to their benefit[6].Benefit differentiation and benefit game is a normal social phenomenon. Through some resources needed for normal operation of Interactive University, local university, government, market and society try to push or pull it to different direction. In reality through a certain interactive relationship of interactive roles, they form respective benefit association and benefit demands fit or contrary to university mission.

A. Internal Stakeholders

Christopher, a Public Policy Professor of Houston University, once pointed out: "it is the fourth mission to promote region economic and cultural development which is same important as traditional teaching, scientific research and service. [7]" In view of outward, external value represents a philosophical view of "political philosophy ". The local university, as the implementer of high education policy of government, should actively adapt region demands, lead society development, and enhance competitiveness and radiation force of high education, furthermore play active participant roles into society to strive for external supporting. In view of inward, of course, local university, also is not a dependency and tool of government, has a intrinsic value represented by a philosophy view of "epistemology", insist the mission of talent training, advocate truth and civilization development, promote the transfer of scientific knowledge and technological achievements. It is a non-profit social institutions combination of teachers, students, administrators, and other "stakeholders combination", of which the teachers require a democratic and free academic environment, the students require high quality learning environment and good employment prospects, the administrators require of efficient operation, including occupation promotion, salary and reward, such as material and spiritual aspects of performance incentive. Therefore, the fundamental benefit demand of local university that is as a construction subject of Interactive University,

appears pursuit of a balance in the contradiction of external value and internal value.

B. External Stakeholders

1) *Government*: The public welfare of high education and publicity of government provide a realistic basis to govern Interactive University.

a) From the point of national benefit, government, as the university investor, fund provider, manager and supervisor of university, through legal system, policy guidance, financial support, collaborative development, supervision, influence reform and development of Interactive University, require Interactive University should spread its political will, train multi-level applied talents, promote innovation of knowledge and technology, lead civilization progress and harmonious society, realize the function of national economic and social development.

b) From the point of public benefits, as the representative of public benefit, the government should "always put public benefits on the first place, take public satisfaction as the basic standard [8]", through performing oversight function promote the quality of university education and overall efficiency, maintain the right to education of all citizens, so that public can share university education.

c) From the point of organizational effectiveness, government is required to exercise public power in accordance with the statutory authority and procedures, and change government functions, improve administrative efficiency and performance, promote modernization of governance system and governance capabilities, pursue political performance, economic performance, cultural performance, social performance in construction of Interactive University.

2) *Market*: The benefit demands represented by enterprise are mainly embodied in the "product" provided by Interactive University, firstly require Interactive University providing quality graduates to market, facing popularization, employment relationship and new market requirement for talent quality, so as to save human cost of enterprise and create greater value; secondly require providing scientific research and technical service, through science and technology into productive forces transfer, seeking to benefit economically from science and technology service; thirdly provide various training services to market. Local University, as a main training base of enterprise, provides training and consulting services, so as to bring potential benefits for enterprises of occupation sector.

3) *Society*: The benefit demand of public as individuals (taxpayers) to Interactive University, abstractly require the university providing high quality educational services to meet individual needs and improve personalized education, also explore individual potential to achieve all-round development. Form the point of reality, accepting university education and taking educational investment aim to seek more development, obtain higher political, economic and social status benefits.

Social organizations in group form, include profit organization and nonprofit organization, with the fundamental benefits demand of "serving society, self-development", in which serving society is decided by its social function, self-development is determined by its own mission, ultimately through interaction with local university obtain maximize benefits of the organization. As important social networks of local university, donors and schoolfellows network mainly aim to enhance connection and corporation between them, through participation in the construction of local university, show exterior effect and obtain a good social image, in order to expand deeper collaborative innovation and cooperative fields and achieve the purpose of mutual benefit and win-win progress.

III. CO-GOVERNANCE PATH OF INTERACTIVE UNIVERSITY STAKEHOLDERS

The key to establish a modern university system is to construct and improve governing structure [9]. Co-governance of stakeholders is an important symbol of university governance transfer from modern to post-modernity. The mechanism of multi-subjects cooperative game of Interactive University is to seek a compatibility of benefits in regional social and economic development. Building the cooperative game mechanism between benefits requires establishing benefit symbiosis and balance mechanism, and jump out from a vortex of "one-element management", promote governance framework of "multi-governance".

A. Respect for Difference of Benefit Demands, Pay Attention to Benefits Expression of Multiple Governance

Benefit expression mechanism is a necessary precondition for continuous reform and common governance of Interactive University. According to social selection theory, equal consultation and dialogue can make control power structure more open and more diverse, the larger the space of co-governance of stakeholders, the lower transaction costs, even some scholars believe that stakeholders co-governance mode is not a system, but a continuous interaction [10]. From the point of external environment, the investment subject of local university is mainly government; from the point of internal environment, internal governance of local university is mainly a hierarchy model, emphasizes rank and order, with less participation of teachers and students. These two aspects have not formed a good expression and effective feedback mechanism.

Benefit expression mechanism is the basis of mutual consultation, compromise and appeal, namely the construction process of Interactive University is the process of benefit expression and realization.

- Establish a network organization and information platform covering vertical and horizontal integration. Set up a stakeholders committee or strategic alliance composed local university, government, market, society a variety of forms of stakeholder committees or strategic alliances in various forms, take effective collective action. They can proactively express their

own benefits to fight and realize their own benefits, but also can passively express benefits demand when their own benefits are damaged in order to protect their own benefits. This can not only cut off the phenomenon of "internal control", but also eliminate the tendency of "external control" tendency, make it become a decision-making platform for university construction.

- Establish a modern university system based on self-governance, co-governance, and good governance. Firstly, affirm and respect benefit differences, understand respective value demands or expectations to local university of government, market and society, timely adjust or improve management mechanism and policy system. Some scholars put forward 4A steps of stakeholder management: awareness, acknowledge, admiration and action [11]. When stakeholders have more "overlapping consensus", giving legitimacy and feasibility of co-governance is bigger, similarly the conflicts and contradictions of stakeholders may also from an ecological benefits through full expression and effective integration, and find their the combination points of value orientation and benefit binding domain, realize good governance with coexistence of democracy, law and efficiency.

B. *Forming Concept of Common Benefits, Establishing Equal Benefit Incentives*

Benefit driving mechanism is an endogenous power to promote university construction. In the process of transfer from planned economy to market economy, the factors that affect the development of high education have changed from "single factor" to "multi factor". The interaction strategy implemented in local university is a governance of from "single centers" to "multi centers". However in fact there is a sluggishness to promote system structure changing from old management system of all stakeholders, which is caused by paradox of public products and missing of benefit driven mechanism.

Governance, as a form of management, the first element is the goal, that is, performance [12]. To more extensive extent, Interaction University fulfills "coordinated development", must break out the narrow stereotype that "coordinated development" equal to "economic coordinated development".

- Establish the concept of taking benefit in justice, give full play to the benefit driven mechanism of positive effect. The benefit of co-governance does not deny the pursuit of self-benefit, but depends on the inherent unification of egoism and altruism. Therefore, correctly distinguishing positive effects and negative effects, tangible benefits and intangible benefits, only establish a cooperation relationship on market principles, public benefits and self-identity, so as to achieve "Pareto optimal". On the surface, the stakeholders of Interactive University have not obtained the maximum benefit, but can achieve more favorable result than expected single action.

- Establish the concept of co-benefit, perfect the incentive mechanism of quits input and output. According to stakeholders' input, risk and actual contribution, on the basis of the principles of benefits and contribution of symmetry, benefits and risk of symmetry, utility maximization and dynamic adjustment, establish corresponding benefit evaluation, distribution of standards and a long-term mechanism to excite participation enthusiasm of various stakeholders, and avoid co-governance changing into "vacuum state".

C. *Fusion of Co-governance and Contingent Governance, Standardization of Benefit Control System*

The benefit control mechanism is an effective means to regulate and monitor the stakeholders' behavior. Incentive and control are complementary and indispensable in governing Interactive University, so as to achieve equal of benefit and responsibility. Different organization culture and behavior normative system among various stakeholders of Interactive University and external control comes from resource dependence of external stakeholders, threat to internal autonomous power of local university. A certain regulatory authority should be given to stakeholders to check, monitor, and supervisor the co-decision-making behaviors and results of benefit community, so that make sure dynamic balance of internal and external tension in governing local university.

From the point of time, the mechanism of benefit control mainly includes three stages: pre-seo regulation stage, pro-seo regulation stage and post regulatory stage. From the point of content, the mechanism of benefit control can be divided into two types:

- Institutional mechanism in strong meaning, namely establishing treaty, agreement and rules of action in accordance with the laws and regulations, policies system of, is also a materialization totem shaping university governance. The key point of implementation of mandatory procedural supervision mechanism is the responsibility ownership, which is characterized by responsibility transfer that is different from responsibility shirk or shift, through re-allocation of responsibility, makes stakeholders realize recognition from weak responsibility to strong responsibility, from non-full responsibility to full responsibility, as well as from denying any right to giving basic rights.
- Non-institutional mechanism in weak meaning, namely, taking the form of deliberative democracy and negotiation, according to the actual state and specific conflict situations of stakeholders, to solve contradictions together, enhance mutual benefits, promote establishment of interactive, counterbalance and cooperative relationship among governing subjects. This coordination mechanism is an organic combination of co-governance and contingent governance to realize configuration from giving participation rights to grant of governing right.

D. Promotion of Cooperation and Benefit Sharing, Improving Direct and Indirect Benefit Compensation

Benefit sharing and compensation mechanism is a risk guarantee mechanism to promote co-evolution and cooperative innovation. Hollander John, a British management expert, said: "the management of stakeholders is indeed a problem of coordination and balance." Benefit sharing and compensation mechanism is a process of benefit adjusting, plays a role of "temperature regulator", in essence, it is the problem of benefit distribution and redistribution. But benefit sharing is not equalitarianism, which does not mean that various stakeholders have equal benefit in university governing, allowing benefit differential transfer to achieve "non-zero-sum-game" and common development.

Benefit compensation not only includes determination of benefit compensation content, but also includes recognition of benefit compensation subjects, determination of benefit compensation standard, selection of benefit compensation mode and means. Usually benefit compensation includes two ways: direct compensation and indirect compensation. Direct compensation is a realistic and deterministic compensation method, while the indirect compensation is a kind of potential and elastic compensation method. However benefit sharing and compensation mechanism is not equal benefit, and also is not the simple result of "you loss, I compensation". In the benefit sharing and compensation mechanism, adhere to the principle of "equity and efficiency", and the principle of "main role of indirect compensation, subsidiary role of direct compensation", and principle of "timeliness and appropriate [13]", strengthen protection mechanism for "vulnerable" stakeholders, coordinate relationship of justice and efficiency, try to avoid "reverse discrimination".

IV. CONCLUSION

The reform course of Chinese high education shows that "the major factor determines them (stakeholders) finally whether and how much participate or support education reform, is not philosophy insisting, but benefit balance"[14]. Therefore, in accordance with logic requirements of stakeholders' co-governance, in school running, we should deal with fundamental benefits of local university, government, market, society. The construction of Interactive University must re-adjust structure positions of local university, government, market and society in university governing to obtain coordinate orientation of "limit government, open market, normative society, independent university".

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