

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

Achieving Legitimacy in Cross-Border Higher Education: Institutional Influences on Chinese International Branch Campuses in South East Asia

Lan He¹ and Stephen Wilkins²

¹ School of International Languages and Cultures, Yunnan University of Finance and Economics, Kunming, China

² Faculty of Business and Law, The British University in Dubai, Dubai, United Arab Emirates

Abstract

All universities must achieve legitimacy, as this is essential to attract students, staff and resources, including funding. In order to achieve legitimacy in transnational higher education, universities must conform to the rules and belief systems in the host countries. Adopting a case study approach, this research aims to investigate the different institutional influences on three Chinese international branch campuses (IBCs) that operate in South East Asia. The institutional factors behind the strategies taken in establishing and operating such branch campuses are discussed, as well as the different legitimacy building strategies adopted to counteract the liability of foreignness in the host countries. It was found that legitimacy is established through three modes: legitimacy conformity, selective legitimacy conformity/nonconformity and legitimacy creation, which are adopted according to the IBC's dependence on local resources and the strength of the institutional forces in the host country.

Keywords

Transnational higher education, international branch campuses, China, liability of foreignness, institutional theory, legitimacy

Introduction

As a form of transnational higher education institution, international branch campuses (IBCs) have exhibited a rapid expansion over the last ten years. Currently, there are 247 IBCs in operation and 22 new IBCs are planned to open (C-BERT, 2017). The largest exporters of IBCs (in number of branches) are the United States (US), United Kingdom (UK), France, Russia and Australia in descending order, while the largest importer is China (ibid.). There has been a clear North-South direction for IBC export, as identified by multiple researchers (Altbach & Knight, 2007; Edwards et al., 2014; Healey, 2015; Owens & Lane, 2014; Wadhwa, 2016). However, this trend seems to be changing with some developing countries starting to establish IBCs in other developing countries, and even in developed countries. In particular, China has established five IBCs in South East Asia, East Asia and Europe with the approval of the Ministry of Education of China (MOE) (China Daily, 2015; Hu & Zhao, 2016).

China's higher education 'reaching out' in recent years was clearly driven by a series of new education policies of the Chinese government and the MOE. In Chapter 16 of the *Outlines of China's National Plan for Medium and Long-term Education Reform and Development (2010-2020)*, enacted in July 2010, it stated that 'high-quality Chinese educational institutions shall be encouraged to run branches overseas' (Xinhua News Agency, 2010; UNESCO, 2010). In the *Opinions on Properly Conducting the Education Opening-up Work of the New Era*, enacted in April 2016 by the General Office of the CPC Central Committee and the General Office of the State Council, it further urges the

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

development of IBCs: '(China) shall encourage universities and vocational colleges to engage in establishing IBCs abroad to assist Chinese corporations' reaching out in overseas markets, and we shall encourage the society to engage in this cause to promote the stable development of the IBCs' (Gov.cn, 2016).

As novices in the IBC export market, Chinese IBCs, like their predecessors from the developed countries, are confronted with a range of institutional influences, which they must address in order to achieve legitimacy in the host countries. The MOE is fully aware of the difficulties and problems Chinese IBCs have encountered when trying to gain legitimacy in the host countries. In the *Notice on the Education Initiative to Promote the Joint Construction of the Belt and Road* enacted by the MOE in July, 2016, it warned that Chinese universities shall 'conduct feasibility studies and design proper education, management, service and public relation modes in order to enable the Chinese IBCs to integrate with and prosper in the local environment' (MOE, 2016). The Chinese government and the MOE are quite concerned with the legitimacy of these IBCs as they will be proxies for China's education export, culture dissemination and soft power projection. Therefore, they have created policies to facilitate the healthy development of Chinese IBCs outside China.

In this article, the terms 'institutional influence(s)' and 'institutional factor(s)' are used interchangeably to refer to the influences that bear on the IBCs, i.e., environmental conditions in the host country. Terms including 'transnational strategies', 'strategic responses', 'strategic choices', and 'strategies in establishing and operating the IBC(s)' refer to the institutional responses emanating from the IBCs. 'Legitimacy building strategies', 'strategies to build legitimacy', and 'strategies to gain legitimacy' refer to the IBCs either conforming to the local legitimacy requirements, or selectively conforming/not conforming to them, or creating different, new legitimacy requirements.

Three Chinese IBCs in South East Asia were selected as the subjects of the study. These were Soochow University in Laos, Bangkok Business School in Thailand, and Xiamen University Malaysia Campus. They were chosen because their host countries represent, respectively, a mature market for IBCs (Malaysia), a medium level market (Thailand), and an emerging market (Laos). As the host countries demonstrate different levels of market development and openness to IBCs, a study of these branch campuses identifies the spectrum of institutional influences affecting IBCs and the different strategies employed to build legitimacy in these countries.

In the current literature, there has been limited exploration of the relationship between institutional influences and IBCs' responses to such influences. Studies by Wilkins & Huisman (2012) and Shams & Huisman (2012) both proposed frameworks for analyzing the transnational strategies of IBCs. In this study, we build upon the framework developed by Wilkins & Huisman (2012) and continue to apply it to the aforementioned new cases. As institutional theory and the related concepts have undergone extensive research in the fields of management and international business, literature in these areas are drawn upon to enrich our presentation and analysis.

The purpose of this study is to investigate the differences in institutional influences on the aforementioned IBCs. The different responses of IBCs to these influences are identified and discussed. The different legitimacy building strategies adopted to counteract the liability of foreignness in the host countries are also analyzed. A case study approach was adopted by administering a series of semi-structured interviews with the managers of the three IBCs at the sites of their operation. Thematic analysis was conducted to identify the common themes in the interview data. The frameworks for analyzing the differences in institutional influences, and the IBC responses to these influences, were based on the identified themes resulting from the thematic analysis.

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

Although, in the current literature, there are in-depth studies that focus on managing the stakeholders of IBCs (Farrugia & Lane, 2012), human resource management and staffing (Healey, 2016; Salt & Wood, 2014), quality assurance issues (Coleman, 2003; Yokoyama, 2011), as well as the organizational structure (Edwards et al., 2014) and organizational culture of IBCs (Tierney & Lanford, 2015), studies on Chinese IBCs in South East Asia are rare. Through the prism of institutional theory, this study examines the strategies taken by Chinese IBCs. It reveals how IBCs from an emerging economy deal with both liability of foreignness and legitimacy issues.

The following section provides a brief review of the literature on institutional theory, legitimacy, and liability of foreignness, as well as the strategies and practices of IBCs. Then, in the next two sections, we present the research methodology and the findings resulting from our data analysis. Finally, we discuss the results and draw conclusions with regards to our contributions, the research implications, research limitations, and we suggest future research possibilities.

Literature Review

Institutional theory has served as a conceptual framework and research tradition since the mid-19th century. It has been adopted and applied extensively in the field of economics, political science, and sociology (Scott, 2008). Institutions are resilient social structures that, together with associated activities and resources, provide stability and meaning to social life (Scott, 1995). DiMaggio and Powell (1983) distinguished three mechanisms for institutional effects to influence an organizational field: coercive, normative and mimetic. They emphasized structural isomorphism (similarity) as an important consequence of institutional processes. Organizations adopt practices similar to other firms in their local environment in order to conform to institutional pressure to gain legitimacy.

Scott (2008) proposed three pillars for analyzing institutional influences, namely, the regulative, normative and cultural-cognitive pillars. The regulative pillar includes rules, laws and sanctions; the normative pillar refers to morally governing legitimacy through certification and accreditation; and the cultural-cognitive pillar is based on taken-for-grantedness and shared understanding (Scott, 2008). In this article, we will analyze the institutional influences on IBCs based on all three pillars.

At the core of institutional theory is the concept of organizational legitimacy. Suchman (1995, p. 575) 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.” There are three broad types of legitimacy: pragmatic legitimacy, moral legitimacy, and cognitive legitimacy (Suchman, 1995). An organization gains legitimacy if it serves for the audience’s pragmatic interests, promotes social welfare and behaves in a taken-for-granted way.

Universities must achieve legitimacy as this is essential to attract students, staff and resources, including funding (Wilkins, 2016). It is interesting to note, however, that much of the criticism of international branch campuses is based on ethical concerns, many related to host country issues such as academic freedom (Wilkins, 2015). It should be emphasized that universities must achieve legitimacy in both home and host countries if an IBC is to be successful (ibid.). Suchman (1995) proposed three clusters of legitimacy-building strategies: (1) efforts to conform to the dictates of preexisting audience within the organization’s current environment, (2) efforts to select among multiple environments in pursuit of an audience that will support current practices, and (3) efforts to manipulate environmental structure by creating new audiences and new legitimating beliefs. In this study, we adopt the three clusters of strategies and apply them into the IBC case.

Yildiz and Fey (2012) argue that when the subsidiary of a multinational corporation (MNC) has a

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

high dependence on locally available resources, there will be greater pressure for local isomorphism. However, when the host country's institutional forces are not strong, there will be alternative routes to achieve legitimacy. In the IBC context, the interaction of the two conditions will result in different strategies to build legitimacy in the host country, which are analyzed in the discussion section. Most of the studies in the international business literature that have applied institutional theory to MNCs have focused on the liability of foreignness, i.e., the social and economic costs firms face when operating in foreign markets (Eden & Miller, 2001; Kostova & Roth, 2003; Lau & Ngo, 2001; Rosenzweig & Nohria, 1994; Rosenzweig & Singh, 1991; Scott, 1987). These MNCs must overcome this liability to survive in a new country by gaining legitimacy. Arguably, many features of an IBC align with those of an MNC, and both types of organizations face two common competing pressures: (1) to be globally integrated and (2) to respond to the local environment (Edwards et al., 2014).

Based on this notion, Shams and Huisman (2012) proposed the I-R paradigm (global integration–local responsiveness paradigm) of the transnational higher education institutions (Figure 1). This paradigm involves three areas: curriculum, staffing and research. The institution makes choices regarding the extent to which these three areas are globalized or localized. For example, in Figure 1, the PQR triangle shows an IBC with high degrees of localization in terms of staffing and research, while the teaching materials have been largely standardized. In contrast, the ABC triangle represents an IBC that has localized staffing and curriculum to a high degree, but its research may not focus on local issues.

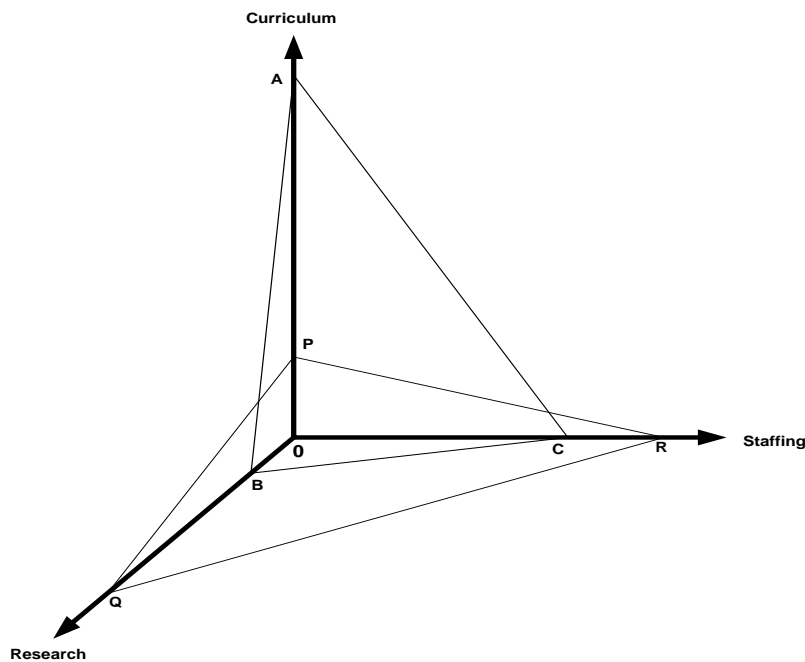


Figure 1. The I-R dichotomy for research, staffing and curriculum (Shams and Huisman, 2012).

Another important concept for understanding institutional influence is institutional distance, which is the difference between the institutional environments in an organization's home country and host country (Kostova and Zaheer, 1999). Phillips et al. (2009) extended the concept of institutional distance

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

to include institutional uncertainty in the host country and proposed a framework to categorize the strategies an organization may take under various combinations of institutional difference and institutional uncertainty. Wilkins and Huisman (2012) adapted this framework and applied it to the context of IBCs, which is shown in Figure 2.

		Low	High
Institutional difference in host country	High	<p>Adapt Moderate risk, complexity, effort Establish international branch campus but adapt structures and processes to suit institutional context in host country</p>	<p>Avoid High risk, complexity, effort Do not establish international branch campus in this host country – the risks are too high</p>
	Low	<p>Transfer Low risk, complexity, effort Establish international branch campus using the same structures and processes used at the home campus</p>	<p>Hedge Moderate risk, complexity, effort Establish international branch campus but as a joint venture with a local partner or obtain funding and assurances from host country government</p>

Figure 2. Transnational strategies for a university (Wilkins and Huisman, 2012).

As the theories and frameworks discussed above have already been applied to IBCs from different source countries and in different host countries, we propose that they are also applicable to Chinese IBCs. However, two gaps in the literature need further exploration: the influence of institutional forces on an IBC's decision-making and the legitimacy-building mechanisms of IBCs. Therefore, the following research questions are proposed:

- (1) What strategies have been implemented by Chinese universities in the establishment and operation of IBCs that face different institutional influences?
- (2) What strategies have been implemented by Chinese universities to establish the legitimacy of IBCs that face different institutional influences?

To better present the relationships between the different concepts and notions, as well as the gaps in literature, a conceptual map is provided (Figure 3).

Methodology

As only three representative Chinese IBCs were selected as the subjects of this study, a case analysis approach was adopted to conduct an in-depth explanatory study of these typical IBC cases. Currently, detailed information on these three IBCs is not publicly available. In order to answer the study's research questions, interviews were believed to be most suitable method for collecting primary data

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

on the three IBCs. In addition, as there are many pieces of information and facts regarding the IBCs, a repertory grid was used as a data presentation technique, to simplify and properly organize the information and facts for further analysis.

This research adopted the framework for analyzing the institutional influence on IBCs proposed by Wilkins & Huisman (2012), as shown in Table 1. This is the only existing framework that identifies the specific institutional influences on IBCs under each of the three pillars. For the regulative pillar, the main institutional influences in host countries are external funding and regulatory forces, which includes regulatory inhibitors.

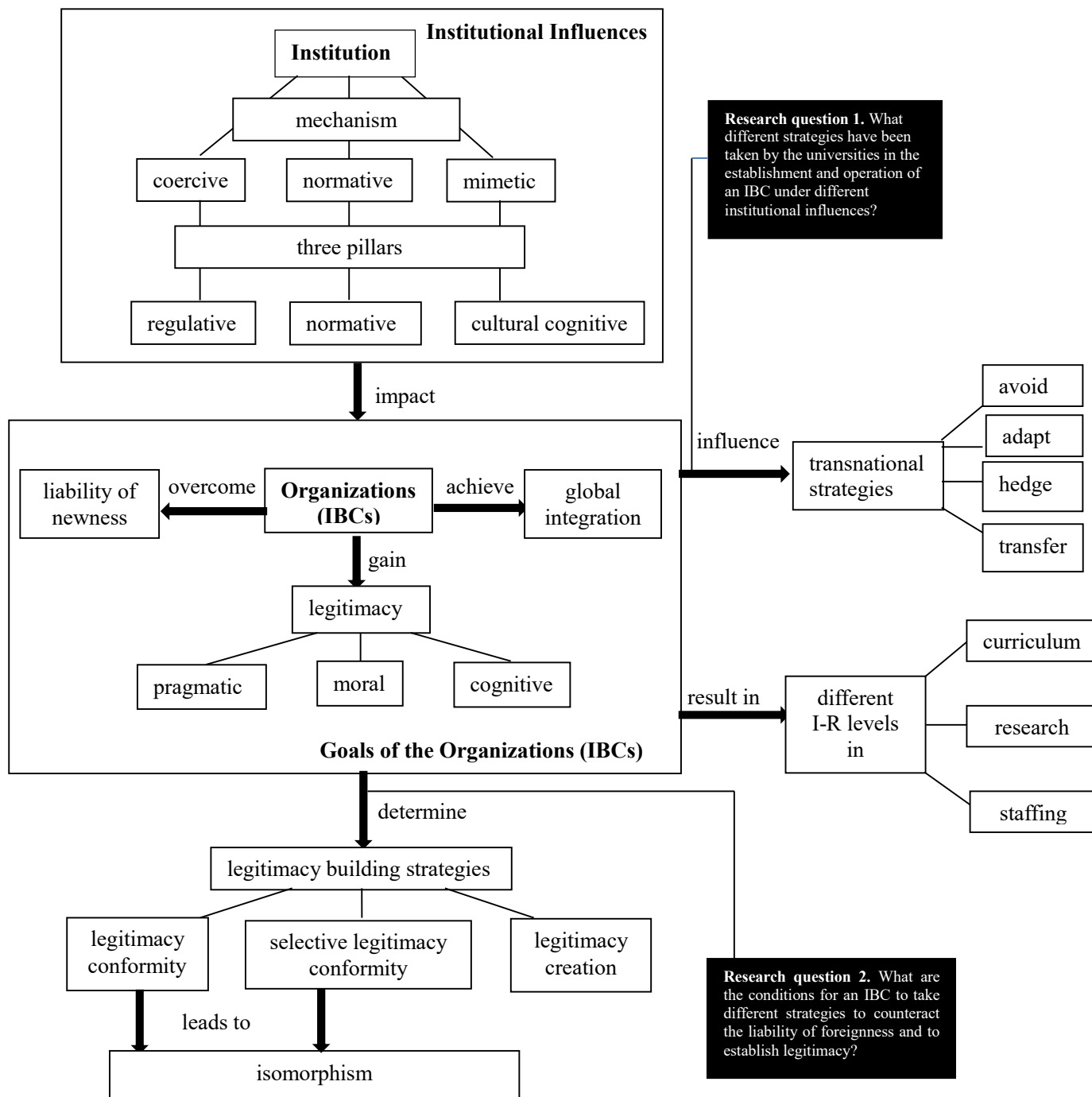


Figure 3. Conceptual map for the literature on institutional theory and IBCs.

For the normative pillar, the main components are the distance between the culture and business practices of the host country and those of the home country, the degree of autonomy in relation to the state, and the influences of globalization and marketization of higher education. Finally, for the cultural-cognitive pillar, the main aspects are the prevalent language of instruction at the IBCs and the taken-for-grantedness in the host countries of the quality of the education provided.

This is an appropriate theoretical framework for the study, as institutional theory has already been applied to the field of transnational higher education, and to IBCs in particular, so it enabled us to systematically analyze the key institutional influences on IBCs. These institutional factors may be present or absent in the environment of a specific IBC. For example, the host country of one IBC could have strong regulative forces supporting it, while the host country of another IBC may not have them. Therefore, this framework can be used as a general model to evaluate and compare the institutional influences on different IBCs, with each institutional influence representing an index of the evaluation.

In this framework, we assigned a ‘+’ or ‘–’ value to each index of institutional influence, for the convenience of comparing and contrasting the three IBCs in the discussion section. It should be noted that the ‘+’ value only indicates that there *is* an institutional influence, versus a ‘–’ value for when there is no influence. Neither value is intended to suggest that the influence has a positive or negative effect. For example, if there is external funding for an IBC, then the score of this index for this IBC is ‘+’, otherwise it’s ‘–’. Based on this framework, we evaluated the institutional influences on each IBC in this study by putting all IBCs under this model and giving them ‘+’ or ‘–’ scores based on the presence or absence of each specific institutional influence. The actual data for each IBC was collected using a series of semi-structured interviews, which were based on a list of questions related to nine key areas of institutional influence.

Table 1. Framework for analyzing the institutional influences on IBCs (Wilkins & Huisman, 2012).

Regulative Pillar	Normative Pillar	Cultural-cognitive Pillar
<i>Funding:</i> If there is external funding supporting the IBC, then its value is +, otherwise it’s –.	<i>Culture and business practices:</i> If the culture and business practices of the host country resemble that of the home country, then its value is +, otherwise it’s –.	<i>Language of instruction:</i> If the prevalent language of instruction at other IBCs in the host country is the local language, then its value is +, otherwise it’s –.
<i>Regulatory forces in the host country:</i> If the regulatory forces in the host country supports IBC, then its value is +, otherwise it’s –.	<i>Degree of institutional autonomy in relation to the state:</i> If there is strong autonomy, then its value is +, otherwise it’s –.	<i>Taken-for-grantedness of the quality of education:</i> If the host country has a positive attitude of the quality of education offered at the IBC, then its value is +, otherwise it’s –.
<i>Regulatory inhibitor:</i> If the host country’s policies put a brake on foreign establishments, then its value is +, otherwise it’s –.	<i>Influence of globalization:</i> If the globalization process has an influence on the IBC, then its value is +, otherwise it’s –.	
	<i>Marketization of higher education:</i> If the marketization of higher education has an influence on the IBC, then its value is +; if not, then it’s –.	

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

Examples of questions asked include the following:

- (1) How was this branch campus originally funded, and how did this impact upon the decision to open this campus?
- (2) What are the host country's policies, legislation and regulations that encouraged the establishment of this branch campus?
- (3) How do the host country's policies, legislation and regulations impact upon this branch campus now?
- (4) What are some of the host country's policies, legislation and regulations that hinder branch campus operations?

The interviews were conducted face-to-face with 12 managers at the sites of the three IBCs. Interviewees included a vice president, an assistant of a vice president, a dean, a vice dean, directors of divisions of teaching and student affairs, a director of the office of admissions, and directors of human resource departments. Most of the interviews were conducted on a one-to-one basis while a few interviews were conducted in the form of a focus group at one campus. The audio recorded interviews each lasted between XX and XX minutes. For background information, the fieldwork also included campus tours and informal meetings with other staff, as well as with students and parents. In addition, one of the IBCs provided a written report on the status of the branch campus. The interviews were conducted in both Chinese and English, but the transcriptions were produced only in English. After the interviews were completed, the conversations in the interviews were transcribed and then thematic analysis was used for the data analysis. This involved coding the data in order to find the common themes and patterns. In addition, online media reports on the three IBCs were also collected to provide supplementary information and data for our study.

Based on the results of our thematic analysis, we put all three IBCs into a repertory grid to compare the presence or absence of each institutional influence on them. In the next step, we grouped the IBCs with similar institutional influences into different clusters. Then, the strategies of each cluster of IBCs in establishing and operating the branch campus were listed and compared. Finally, based on the two conditions for legitimacy building strategies proposed by Yildiz and Fey (2012), namely (1) dependence on locally available resources and (2) strength of the host country's institutional forces, we then analyzed the legitimacy building strategies of each IBC in this study.

Results

In this section, we summarize the results of our thematic analysis and compare the different institutional influences on the three IBCs. Then, the framework for the different strategies in the establishment and operation of the IBCs, as well as the framework for analyzing different strategies to deal with legitimacy, are presented in the discussion section.

Funding

The Chinese IBCs in Laos and Thailand did not receive any external funding for the establishment or operation of the branch campus. In fact, Soochow University in Laos attempted two rounds of fund raising but could not obtain any investment due to regulatory constraints in the home country. The Bangkok Business School of Yunnan University of Finance and Economics was established with the home university's senior managers' intention to 'at least make some profits' for the home university.

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

However, Xiamen University Malaysia campus has benefited from various sources of funding. Besides the investment from Xiamen University, it has also obtained bank loans. The third source of funding is the donations received from overseas Chinese in South East Asia. Funding clearly has direct effects on the modes of establishing and operating the IBCs. Soochow University in Laos has to rent a local building as its administration and teaching premises, and Bangkok Business School shares its building with the International Chinese College of Rangsit University, which is its local partner. With ample funding and investment, Xiamen University's Malaysian campus engaged in large-scale infrastructure development by building a campus from scratch. It has finished the first phase of construction of its campus, and is now starting the second phase.

Regulatory forces in the host country

One of the senior managers of Soochow University in Laos said, "We haven't had much of a problem with the laws, policies and regulations of Laos. In fact, they have given us a very important favorable treatment. For example, we are the only foreign university in Laos that can confer Bachelor's degrees." Bangkok Business School is not, in fact, a joint venture or independent campus; it is actually affiliated to the International Chinese College of Rangsit University. This IBC only recruits juniors and seniors from Rangsit University. The local regulations do not have any specific stipulations about this type of branch campus, and this can be regarded as a positive regulatory force for this IBC.

Xiamen University actually received an invitation from the Ministry of Education of Malaysia to establish a branch campus in Malaysia. The Malaysian regulations are quite supportive of IBCs because the Malaysian government is trying to position the country as a regional education hub (Knight, 2011). It is clear that when the regulatory forces in host countries support IBCs, Chinese universities will very likely make the decision to open branch campuses in these countries.

Regulatory inhibitors

The interviewees at all three IBCs admitted that there were not many host country policies that put a brake on foreign institutions establishing branch campuses. As the Lao government's formal policies prohibit foreign universities from conferring degrees above the associate degree level, these policies are likely to deter the establishment of IBCs. However, given that Soochow University has been allowed to award bachelor's degrees, it is clear that it has scope for negotiating 'special deals' with the Lao government. Bangkok Business School is totally integrated into the system of Rangsit University, which serves as a buffer for this branch campus, and thus it does not have to deal with any direct regulatory barriers. As mentioned earlier, the Malaysian government invited Xiamen University to establish a branch campus in Malaysia. Thus, there appear to be no strong regulatory inhibitors for IBCs in the host countries examined in this study, and this fact undoubtedly played a key role in the decision to establish each of the IBCs.

Culture and business practices

For Soochow University in Laos, its managers stated that because of the relatively small number of Laotian Chinese, they recruited mainly local Laotian students. They also pointed out that the culture and business practice in Laos are quite different from those of China. For Bangkok Business School and Xiamen University in Malaysia, most of the students are actually second or third generation Chinese descendants due to the close cultural and historic ties between these two countries and China. In fact, both IBCs have leveraged the similar culture and business practices between the host country and

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

China to promote their branch campus, recruit students and solidify their organizational culture in the host countries. It can be seen therefore, that homogeneity between the culture and business practices in home and host countries can influence students to enroll at an IBC.

Degree of institutional autonomy in relation to the state

The interviewees from both Soochow University in Laos and Bangkok Business School admitted that they had received a great amount of policy support from the central government of China and that they had quite a lot of autonomy in relation to the home country. However, at the provincial and university levels, they still face a lot of constraints with regard to the investment of public funds in a foreign country, obtaining loans from banks, gaining approval for the business trips of seconded staff, credit transfer, as well as degree conferring and accreditation. Xiamen University differs from the other two home universities in that it is not supervised by its provincial government, but instead is under the direct supervision of the Ministry of Education of China (referred to as Ministry-supervised universities in China). Therefore, Xiamen University Malaysia Campus enjoys the greatest level of autonomy and it is allowed to set up independent joint ventures or companies to run the branch campus. However, Xiamen University still has to cope with the stringent rules and formalities that regulate transnational higher education in Malaysia. For example, entry qualifications and tuition fee levels must be approved by the Malaysian Ministry of Higher Education and programs must be approved by the Malaysian Qualifications Agency (Wilkins, 2016).

The different regulatory rules and requirements in different countries have resulted in diverse strategies being adopted by IBCs. The Chinese IBCs in Laos and Thailand are not able to invest in their campuses, and managerial and faculty positions have been filled mainly with seconded employees from the home campuses. In contrast, Xiamen University's Malaysian campus is quite independent in its operation and it recruits a large number of local employees.

Influence of globalization

When asked whether the influence of globalization has led the curriculum, teaching methods and management of the branch campus to resemble other branch campuses, the managers at all three IBCs stated that due to the local regulations of either the host country government or the quality assurance bodies, the curriculum of the IBCs must conform to the local standards. Therefore, their curricula are quite similar to those of other branch campuses. However, with the approval of the local governments, all of the IBCs also include a certain number of Chinese language and culture classes to add some special features to the standard curricula. By contrast, in terms of teaching methods and management of the IBCs, interviewees at Xiamen University in Malaysia and Bangkok Business School said that they used a combination of Chinese and local modes, while those at Soochow University in Laos mainly used the Chinese mode, as most of their staff are from China. The interviewees admitted that they had sometimes experienced problems using the Chinese mode to teach students and manage local staff.

For example, in Thailand and Malaysia, students are often less driven by career ambitions and achieving academic excellence than students in China, and even local staff have a more 'laid back' style of working. As a tradition in the Chinese education system, Chinese faculty members almost always teach their students to 'face up' to the competition and to work incessantly to achieve good grades. However, when Chinese modes of teaching and management are transferred to IBCs, they are often not well-received by the students or local staff. The interviewees perceived that in future they probably needed to adapt more to the local modes of teaching and management.

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

Marketization of higher education

Regarding the question of whether the marketization of higher education had an impact on the IBC, the interviewees at all three IBCs perceived that their institution was operating primarily for the public good, i.e., the marketization of higher education didn't have much influence on them. In fact, the managers at Soochow University in Laos and Bangkok Business School said that they were not making any profits, and so far have only been able to 'make ends meet' financially. Although Xiamen University's Malaysian campus has more than 1,000 registered students, approximately half of these students have received a scholarship from Xiamen University. Therefore, the main purpose of the three IBCs is to provide a public good for the host country and the neighboring regions, and the marketization of higher education does not seem to have an impact on any of them.

Languages of instruction

In Laos, the prevalent language of instruction at IBCs is the Laotian language. Soochow University in Laos uses both Chinese and Laotian as the main languages of instruction. For Bangkok Business School and Xiamen University in Malaysia, the prevalent language of instruction in IBCs is English, so both IBCs use English as their language of instruction. It is clear that an institution's strategic choice of language of instruction is influenced by the nationality, ethnicity and language competence of its target students, and the needs and wants of these students. For example, students who want a career in international business or to work for a multinational firm are more likely to want a degree taught in English.

Taken-for-grantedness of the quality of education

The interviewees at each of the three branch campuses stated that the quality of education offered at the branch is highly regarded and well-received by the local government, students, and their parents. In fact, perceived quality of education was likely a key reason why the Chinese universities were invited/welcomed by the host country governments to establish IBCs in the host countries.

Discussion

The results indicate that there is clear link between the presence or absence of a specific institutional factor and the IBC's strategic choices in establishing and operating the IBC. Shams and Huisman's (2012) I-R paradigm effectively demonstrates different patterns of I-R level in terms of research, staffing and curriculum. Our analysis further identifies the institutional influences that are at work behind the different patterns of I-R level. In addition, the results of this study also resonate with the four transnational strategies for a university based on institutional differences and institutional uncertainty proposed by Wilkins and Huisman (2012).

Based on our findings and analysis, we summarize in a repertory grid the results of the nine indices of institutional influences on the three IBCs (Table 2).

With this representation of the presence and absence of institutional influences on the three IBCs, and the analysis of these influences on the strategic choices of establishing and operating the IBCs in the results section, we further propose that a number of institutional factors are at work for each strategic choice (see Table 3).

The three IBCs use three modes to gain legitimacy: legitimacy conformity, selective legitimacy conformity/nonconformity and legitimacy creation. The choice of any one of the three modes depends on two factors: (1) the dependence on local resources and (2) the strength of the institutional forces in

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

the host country. For example, Xiamen University's Malaysian campus built premises in Malaysia and a large number of its employees are hired locally, so its dependence on local resources is high and it needs to strictly conform to the local standards when managing the IBC. The institutional forces are quite strong in Malaysia, and thus this IBC has to conform to the local requirements in curriculum standards and language of instruction. Bangkok Business School is also heavily reliant on local resources (including its building, which it has to share with its partner university in Thailand), and it has to recruit students from the juniors and seniors already enrolled at the partner university. However, the institutional forces are not very strong for Bangkok Business School as Thailand is quite open and supportive to IBCs. Thus, Bangkok Business School only needs to selectively conform to the some of the local standards.

Table 2. Repertory grid for the presence of absence of the institutional influences on the three IBCs.

	Soochow University in Laos	Bangkok Business School	Xiamen University Malaysia Campus
Funding	-	-	+
Regulatory forces in host country	+	+	+
Regulatory inhibitor	-	-	-
Culture and business practices	-	+	+
Institutional autonomy in relation to the state	-	-	+
Influence of globalization	+	+	+
Marketization of higher education	-	-	-
Prevalent language of instruction at other IBCs is the local language	+	-	-
Taken-for-grantedness of the quality of education	+	+	+

Table 3. Strategies in establishing and operating IBCs under different institutional factors.

Strategies	Decision to establish an IBC	Investing in IBC and recruiting a large number of local staff	Enrolling mainly local Chinese descendants, and using English as the language of instruction
Factors	Regulatory forces in the host country support IBCs Globalization has an impact on the IBCs Taken-for-grantedness of the quality of education No strong regulatory inhibitor in the host country	There is external funding The degree of institutional autonomy in relation to the state is great	Culture and business practices similar in home and host countries English is the prevalent language of instruction at the IBCs in the host country

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

	Main purpose of branch is to provide a public good		
Examples	All three IBCs	Xiamen University Malaysia Campus	Xiamen University Malaysia Campus and Bangkok Business School

Unlike the other two IBCs, Soochow University in Laos enjoys a lot of regulatory and policy support, and even favorable treatment, from the Laotian government, so the institutional forces are quite weak in constraining this IBC. Furthermore, the management mode of the home university is adopted in running this IBC, and almost all of its employees are seconded from the home university in China. Thus, this branch is able to use Chinese in combination with the local language as the main languages of instruction and is allowed to confer bachelor's degrees, which contribute strongly to creating legitimacy in the host country, instead of only conforming to the local requirements. In Table 4, we propose a framework for analyzing the conditions under which different strategies are taken by the IBCs to counteract the liability of foreignness and to gain legitimacy in the host countries.

Table 4. Conditions under which different strategies are taken to gain legitimacy.

	Legitimacy conformity	Selective legitimacy conformity/nonconformity	Legitimacy creation
Conditions	High dependence on local resources Strong institutional forces	High dependence on local resources and weak institutional forces or Low dependence on local resources and strong institutional forces	Low dependence on local resources and weak institutional forces
Examples	Xiamen University Malaysia Campus	Bangkok Business School	Soochow University in Laos

Conclusion

When analyzing the institutional influences on the IBCs, we cannot neglect the different characteristics of the various host countries. Host countries with mature, moderately developed or underdeveloped higher education markets for IBCs will present varying levels of institutional forces to the IBCs in these countries. These different institutional factors will influence the strategies and different modes that a university chooses in establishing and operating the IBC (cf. Wilkins, 2016). In addition, the combined conditions of the levels of dependence on local resources and the strength of the institutional forces in constraining the IBCs will lead to different legitimacy-building strategies, i.e., conformity, selective conformity/non-conformity and legitimacy creation.

This research applies the current theories and frameworks for institutional influences on IBCs, and it expands and builds upon them by proposing the frameworks for analyzing the institutional factors behind the strategies of establishing and operating IBCs, as well as the conditions under which different strategies are implemented to build legitimacy in the host country. It also provides first-hand experience and lessons learned from the IBCs established in South East Asia by an emerging economy. This article provides insights into the institutional influences on the IBCs from an emerging economy and it serves as a basis for further comparative studies on such influences on IBCs from both developed

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

and developing countries. However, due to the constraints of time and resources, only three case IBCs were used in this study, which will undoubtedly undermine the generalizability of the results and proposed frameworks. Future research with more cases and evidence may further amend or add to the results and conclusions of this article and offer valuable inputs and contributions to the application of institutional theory in the area of transnational higher education.

References

- Altbach, P. G., & Knight, J. (2007). The internationalization of higher education: Motivations and realities. *Journal of Studies in International Education*, 11(3-4), 209-305.
- China Daily. (2015). China-UK relations to build stronger joint education system, *China Daily*, October 16. Retrieved from http://www.chinadaily.com.cn/world/2015xixisituk/2015-10/16/content_22204908.htm
- Coleman, D. (2003). Quality assurance in transnational education. *Journal of Studies in International Education*, 7(4), 354-378.
- Cross-Border Education Research Team (C-BERT). (2017). Quick Facts. Retrieved from <http://cbert.org>
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147-160.
- Eden, L., & Miller, S. R. (2001). Opening the black box: The multinational enterprise and the cost of doing business abroad. In: D. H. Nagao (Ed.), Best Paper Proceedings. Academy of Management Meeting, Washington, DC (2001) IM C1-C6.
- Edwards, R., Crosling, G., & Lim, N. C. (2014). Organizational Structures for International Universities: Implications for campus autonomy, academic freedom, collegiality and conflict. *Journal of Studies in International Education*, 18(2), 180-194.
- Farrugia, C. A., & Lane, J. E. (2012). Legitimacy in cross-border higher education: Identifying stakeholders of international branch campuses. *Journal of Studies in International Education*, 17(4), 414-432
- Gov.cn. (2016). General Office of the CPC Central Committee and the General Office of the State Council enacted the Opinions on Properly Conducting the Education Opening-up Work of the New Era, April 26. Retrieved from http://www.gov.cn/home/2016-04/29/content_5069311.htm
- Healey, N. M. (2015). Managing international branch campuses: What do we know? *Higher Education Quarterly*, 69(4), 386-409
- Healey, N. M. (2016). The challenges of leading an international branch campus: The “lived experience” of in-country senior managers. *Journal of Studies in International Education*, 20(1), 61-78.
- Hu, M., & Zhao, X. (2016). Overseas campuses lead the charge in soft power push, *China Daily*, February 26. Retrieved from http://www.chinadaily.com.cn/china/2016-02/26/content_23651205.htm
- Knight, J. (2011). Education hubs: A fad, a brand, an innovation? *Journal of Studies in International Education*, 15(3), 221-240.
- Kostova, T. & Zaheer, S. (1999). Organizational legitimacy under conditions of complexity: The case of the multinational enterprise. *Academy of Management Review*, 24(1), 64-81.
- Kostova, T., & Roth, K. (2003). The use of multinational corporation as a research context. *Journal of Management*, 29(6), 883-902.
- Lau, C. M., & Ngo, H. Y. (2001). Organization development and firm performance: A comparison of multinational and local firms. *Journal of International Business Studies*, 32(1), 95-114.
- Ministry of Education. (2016). The Notice on the Education Initiative to Promote the Joint Construction

- He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.
- of the Belt and Road, the Ministry of Education of China, July 15. Retrieved from http://www.moe.gov.cn/srcsite/A20/s7068/201608/t20160811_274679.html
- Owens, T. L., & Lane, J. E. (2014). Cross-border higher education: Global and local tensions within competition and economic development. *New Directions for Higher Education*, No. 168, 69-82.
- Rosenzweig, P. M., & Nohria, N. (1994). Influences on human resource management practices in multinational corporations. *Journal of International Business Studies*, 25(2), 229-251.
- Rosenzweig, P., & Singh, H. (1991). Organizational environments and the multinational enterprise. *Academy of Management Review*, 16(2), 340-361.
- Salt, J., & Wood, P. (2014). Staffing UK University campuses overseas: Lessons from MNE practice. *Journal of Studies in International Education*, 18(1), 84-97.
- Scott, W. R. (1987). The adolescence of institutional theory. *Administrative Science Quarterly*, 32(4), 493-511.
- Scott, W. R. (1995). *Institutions and organizations*. Thousand Oaks, CA: Sage.
- Scott, W. R. (2008). *Institutions and organizations: Ideas and interests* (3rd ed.). Thousand Oaks, CA: Sage.
- Shams, F., & Huisman, J. (2012). Managing offshore branch campuses: An analytical framework for institutional strategies. *Journal of Studies in International Education*, 16(2), 106-127.
- Suchman, M. C. (1995). Managing legitimacy: Strategic and institutional approaches. *Academy of Management Journal*, 20(3), 571-610.
- Tierney, W. G., & Lanford, M. (2015). An investigation of the impact of international branch campus on organizational culture. *Higher Education*, 70(2), 283-298.
- UNESCO. (2010). The Outlines of China's National Plan for Medium and Long-term Education Reform and Development (2010-2020), Portal of Education Plans and Policies, Retrieved from http://planipolis.iiep.unesco.org/sites/planipolis/files/ressources/china_national_long_term_educational_reform_development_2010-2020_eng.pdf
- Wadhwa, R. (2016). New phase of internationalization of higher education and institutional change. *Higher Education for the Future*, 3(2), 227-246.
- Wilkins, S. (2015). Ethical issues in transnational higher education: The case of international branch campuses. *Studies in Higher Education*, published online November 11, doi: 10.1080/03075079.2015.1099624.
- Wilkins, S. (2016). Establishing international branch campuses: A framework for assessing opportunities and risks. *Journal of Higher Education Policy and Management*, 38(2), 167-182.
- Wilkins, S., & Huisman, J. (2012). The international branch campus as transnational strategy in higher education. *Higher Education*, 64(5), 627-645.
- Xinhua News Agency. (2010). Authorized Issuance: The Outlines of China's National Plan for Medium and Long-term Education Reform and Development (2010-2020), Xinhua News Agency, July 29. Retrieved from http://news.xinhuanet.com/edu/2010-07/29/c_12389320_2.htm
- Yildiz, H. E., & Fey, C. F. (2012). The liability of foreignness reconsidered: New insights from the alternative research context of transforming economies. *International Business Review*, 21(2), 269-280.
- Yokoyama, K. (2011). Quality assurance and the changing meaning of autonomy and accountability between home and overseas campuses of the universities in New York State. *Journal of Studies in International Education*, 15(3), 261-278.

He, L., & Wilkins, S. (2018), Achieving legitimacy in cross-border higher education: institutional influences on Chinese international branch campuses in South East Asia. *Journal of Studies in International Education*, 22(3), 179-197.

The authors gratefully acknowledge the support of Yunnan Provincial Administration of Foreign Expert Affairs, which awarded a 2016 High-Level Foreign Expert Grant to provide funding for this research (Grant number: YNG2016005).

Author Biographies

Lan He is a Vice Dean of the School of International Languages and Cultures at Yunnan University of Finance and Economics, China. She was previously a Deputy Director of the International Exchange and Cooperation Office of the same university and supervised the cross-border higher education programs at her university from 2010 – 2014. Lan was also personally involved in the application and establishment of the Bangkok Business School. She has a MA in Linguistics and an MS in Information Management from Syracuse University, USA.

Stephen Wilkins is an Associate Professor in Business Management at The British University in Dubai, UAE. He is also a visiting Senior Foreign Expert Scholar at Yunnan University of Finance and Economics, Kunming, China, and a visiting lecturer at Hong Kong University, School of Professional and Continuing Education. He has a PhD in Management from the International Centre for Higher Education Management (ICHEM) at the University of Bath, UK. Stephen has authored over 40 refereed journal articles, the majority of which are concerned with international and transnational higher education. In 2011, he was the winner of the first EAIE Tony Adams Award for Excellence in Research.