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ERCCT Online Paper Series:

Analyzing Choices of University Autonomy in Asia – A Case Study of Faculties' Pay in Taiwan

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August 2012

EOPS No. 0009

–Young Scholar Workshop 2012 selected collections –

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Analyzing Choices of University Autonomy in Asia-A Case Study of Faculties' Pay in Taiwan

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Abstract

With the trend of new public management, European and Asian governments authorized universities autonomy of operation to upgrade performance. Among them, two choices with different policy cost have prevailed in Asia. “Complete autonomy” was chosen by South Korea and Japan authorizing universities in a completely changed system while “limited autonomy” adopted by Taiwan and Malaysia delegating universities in an unchanged environment. Though the two models have been implemented for a decade, policy makers still lack empirical evaluation to judge which works better.

This research explores the effect of “limited autonomy” through a case study about “performance-based salary project” implemented in Taiwan since 2010. By a census on 165 universities and in-depth interviews on 10 presidents or vice presidents in research universities, we explore if “limited autonomy” model alters the process and outcome of universities’ performance. In this study, we asked three research questions: (a) what is the policy process led by limited autonomy? (b) Does policies led by limited autonomy influence decision-making mechanism of universities? Coming empirical findings will provide presidents in public research universities and policy makers with specific conclusions. For higher education researchers, university autonomy, having been explored for a long time, will initiate its linkage with practical evaluation of policy.

Key words: higher education, university autonomy, policy process

In Asia Pacific region, two kinds of reform models on universities' governance emerge in this decade. "*Complete autonomy*" chosen by South Korean and Japan is one of the models; a government delegates complete autonomy to universities and this autonomy exercises in a new corresponding system. University corporations practiced in Japan and South Korea shows the exact example. Meanwhile, limited autonomy presents an additional autonomy to universities in existing mechanism instead changing original structure. Those policies can be observed in Malaysia and Taiwan. Though those emerging models have been adopted for a decade, so far there's still no relative research or evaluation about their respective influence on specific aspects in higher education. In this article, we will evaluate higher education policies led by "limited autonomy" in Taiwan.

This article focuses on limited autonomy policy's forming process, its influence on decision-making mechanism of universities and contextual elements. It addresses the following research questions: (a) what is the policy process led by limited autonomy? (b) Does policies led by limited autonomy influence decision-making mechanism of universities? Empirical findings are based on a multi-method study involving a survey of 167 universities in Taiwan, 1 focus groups consisting of vice presidents and deans from universities and 10 in-depth interviews from presidents in public research universities in Taiwan. Study caveats are discussed later.

Universities autonomy has been a contested concept to higher education researchers, diverse interpretations from various lens compete to draw the exact picture of university autonomy. However most extant literatures presented aim at describing essence of autonomy or general phenomena influenced by autonomy, we hardly find analyses about specific effects caused by those autonomies. Elaborating on that research gap, there lacks exploration on the linkage with policy and university autonomy. First, at macro level, how autonomy goes through the policy process to become a formal agenda hasn't been clarified. Then at meso level, if the impact of university autonomy embedded in policies on institutions' decision making hasn't been validated. At micro perspective, in various specific settings of policy, contextual elements in common hindering or facilitating policies of university autonomy hasn't been identified yet. By this case study, we will evaluate policies' process at macro level and empirical effects caused by universities autonomy at meso level.

Limited autonomy in this research is defined as that a government delegates national universities additional procedural and substantive autonomy in the unchanged mechanism. According to Berdahl (1990), relationship between higher education institutions and the government control involve “substantive autonomy” and “procedural autonomy”. Substantive autonomy is the power of the university in its corporate form to determine its own goals and programs while procedural one is the power of the university in its corporate form to determine the means by which its goals and programs will be pursued.

In the end 2010, Taiwanese government initiated Performance-based Salary (PBS) project via infusing additional budget reaching 1.6 billion NTD per year. By this project, universities are authorized to raise top faculties’ salary to a great scale and to recruit excellent researchers. At the same time, those universities will bear more responsibility on the accountability of faculties’ performance and institutional competitiveness since they are delegated more autonomy on personnel arrangements. In PBS project, limited autonomy exercises in an unchanged system. Policy makers decide to put the new measurement in existing operational environment. Thus, the essence of Performance-based Salary project is a practical case to evaluate the policy effect of limited-autonomy oriented policies.

All studies have limitations. First, this studies focus on the change of decision-making mechanism led by limited autonomy, and we won’t explore other facets about university governance and management, which may have indirect evidence about limited autonomy but this extension will lead to over-complexity in this study. Second, although the concept, “limited autonomy”, can be applied in broad polices and theories, we provide empirical results for just a case study. Third, we won’t have comparison between limited autonomy and complete autonomy; the latter was chosen by higher education policy makers in Japan and South Korea.

The higher education in Taiwan equipped several characteristics suitable to discuss university autonomy in East Asia. Taiwan initiated its delegation policy for public universities quite earlier than other counties in East Asia. Hong Kong and Taiwan, have realize their delegation policies for 10 years while the later participants, such as Japan and South Korea. Thus, as to policy implement, we expect to observe more complete phenomena in Taiwan since this country sustains delegation for 10 years. Moreover, transformation in university

autonomy is not a unique trend prevailing in Asia. Since 2000, universities in France, Norway, Finland, and Germany seek institutional autonomy as well ; a spectrum between limited autonomy and complete autonomy emerges in Europe, which used to inherit centralized management system like most Asian countries does. Thus, the case study in Taiwan will not only provide a vivid framework for its neighboring nations in Asia but reformers with closer perspectives in Europe.

Relevant Studies about University Autonomy

After reviewing previous literature on universities' institutional autonomy; those studies can be categorized as following issues chronically:

(1) Definitions of autonomy in various contexts

In the primary stage of exploration, researchers focus on defining universities' autonomy from following perspectives, including institutional autonomy's functions, elements of autonomy, autonomy in diverse political frameworks and autonomy on various external relationships (Encel, 1965; Ashby, 1966; Neave, 1988; Brown, 1990). Relative researches emphasized in cross-border comparison. For example, Yokoyama (2007) compare the definitions of autonomy in the universities of Japan and British respectively.

(2) Catalogues of autonomy

After previous stage, scholars try to generalize and categorize the concept of autonomy to provide a framework for policy analysis. Berdahl (1990) proposed substantive autonomy and procedural autonomy; Anderson and Johnson (1998) identified 7 areas relative to universities' autonomy, inclusive of governance, academic standards, and so on. Compared to previous stage, clear catalogues of autonomy facilitate researchers to do systematic analysis in national or international policies. However, it still remains at conceptual analysis. Moses (2007) adopted Anderson and Johnson's framework to review Austria's universities' autonomy and Billiton and Li (2000) operated Berdahl's concept to analyze autonomy in Canada, China and Britain.

(3) Autonomy's relationship with important concepts

External environment and relationship become influential to universities nowadays, and we can observe the third trend of research lead to discuss the relationships among institutional autonomy, academic freedom, accountability and governance (Marton, 2000; Rosa, 2007; Sirat, 2009). Rosa (2009) explores the interaction among institutional autonomy, academic freedom, and accountability in universities in Latin America and America. Moreover, about Malaysia's higher education, Sirat (2009) explains

autonomy on state-university relationship and the rise of new public management and neo-liberalism.

While most literatures focus on describing essence of autonomy or general phenomena influenced by autonomy; the concept, limited autonomy, which we proposed will make the streams of knowledge step advanced. It will not only define, categorize or explain relationship; in this study, we will evaluate policies' empirical effects caused by universities autonomy.

University Autonomy and Policy Process

University autonomy won't be realized until it's embedded in higher education policies. And policy process, which integrates stakeholders' diverse voices and brews critical elements of policy agenda, shows the exact potential access for university autonomy. However, higher education scholars have increasingly relied on the conceptual body of literature produced by political science and public policy scholars to explain policymaking phenomena (Leslie & Berdahl, 2008; Lesile & Novak, 2003; McLendon, 2003a; Mills, 2007). Especially when it comes to systematic analysis about policy process, we find very limited research in social policies, not mentioning education policy. After reviewing the literature of policy process, there're four streams categorized by the integrative extent. They are rational-comprehensive model, incremental model, advocacy coalition framework and revised garbage can model; when we observe the development process of university autonomy from higher education policies, those streams of policy process show obvious linkage with the role of universities in autonomy at each development stage in Taiwan.

In 1970, rational-comprehensive model emerged. At the heart of this model reside a series of rigorous analytical procedures that decision makers employ to calculate the cost and benefits of considering certain problems and pursuing alternative solutions (MacRae & Wilde, 1979; Simon, 1957; McLendon, 2003). While we traced back symbolic policies in Taiwan from 1971 to 1985; central government focus on law revision to provide legal basis for stakeholders in higher education. During this period of time, University law, the Private School Law, the Junior College Law and the Teacher's College Law were revised under the central plan rationale and the roadmap has great emphasis on the economic shift and development strategies of this country.

Under the constraints of time and information, policy makers often fail to reach rational-comprehensive model. Thus, from 1980, incremental model is proposed. They prefer to solve problem gradually but in time. Lindblom (1959) elaborated on Simon's "bounded rationality" to characterize policy process as a long series of

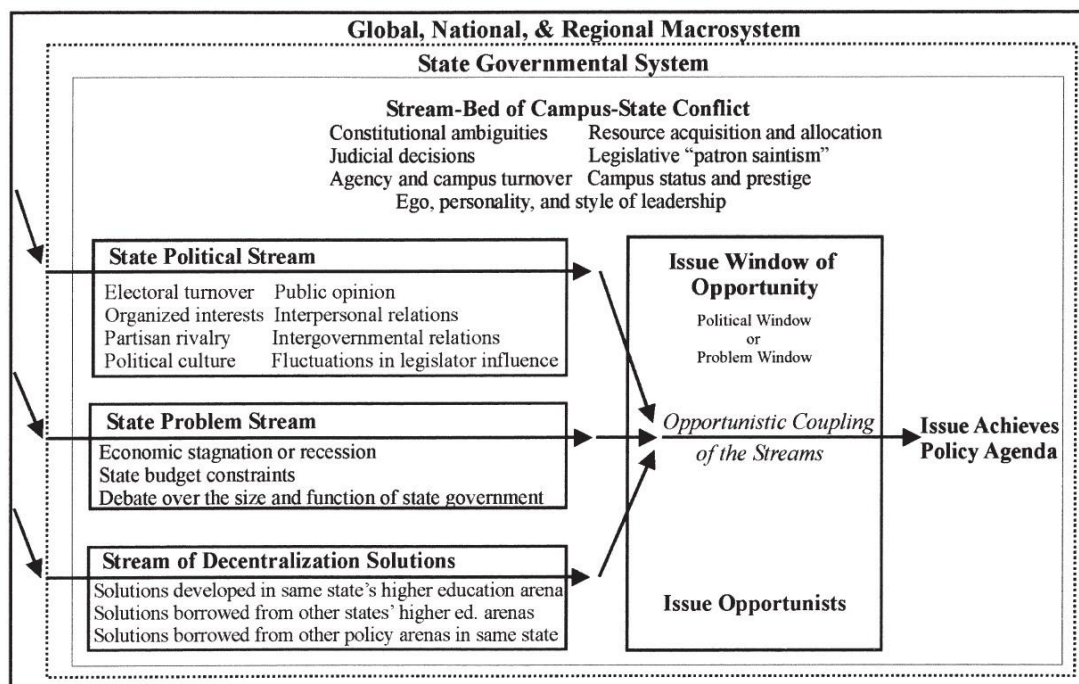
political, and only semi-analytical, steps with no clear beginning and ending (Cobb & Elder, 1983; Lane, 1983). Meanwhile, advocacy coalition framework followed up.

This framework focuses on the participants in policy formation, Sabatier and Jenkins-Smith (1993, 1999) conceptualized that policy process is chiefly characterized by coalitions of policy actors. These coalitions, stable over time and sharing common belief systems, consist of elected officials, governmental agency staff, interest group leaders, media representatives, and researchers (McLendon, 2003). We look back the higher education development from 1985 to 2000 in Taiwan, flourishing economy, social liberalization and democratization facilitated universities to seek their autonomy in 1990. That period of time exact stands at the overlapping zone between incremental model and advocacy coalition framework. University Law was revised again, but the revision no more relied on the central government rationale alone. The appeal from stakeholders of higher education was included; university autonomy was made substantial by the articles emphasizing academic freedom and administration by academics. At the same time, policy tools weren't restricted to formal regulations. "Development Plan for World Class Universities and Research Center in Excellence" was initiated, which facilitate international collaboration and domestic integration. In this intuitive, we found the policy process broadens its flexibility and participation, for faculties could have more actions and involvements in program than Law Act, and that program also allow universities develop their own strategies rather than follow national plan strictly.

In 1990, Kingdon (1994) offers a dynamic set of policy process in his "revised garbage can model". Unlike previous concepts for policy process, he regards policy formation as a dynamic movement; policy makers should couple streams of politic, problems and solutions. Then they can propose their "pet solution" to formal agenda. After that, before reaching the formal agenda, policy makers also need to wait for the policy window, opportunity to show the solution or problem. McLendon(2003) and Ness(2010) adopted this model to analyze policy issues in higher education field. To Taiwan, there've been more interaction and diversification happening in higher education policies since 2000. First of all, the major map planner for higher education, higher education committee, consists of faculties from universities. For higher education institutions, they have freedom to conduct intra-institutional and inter-institutional integration. In 2004, Ministry of Education proposed "Development Plan for World Class Universities and Research Center in Excellence" and "Plan to Encourage Teaching Excellence in Universities". Those projects provide competitive fund for recruiting excellent research or teaching development proposals from

universities. The hidden value from those programs represents a more dynamic and interactive policy process for higher education agenda.

Clearly, policy process will reflex university autonomy, no matter substantial or procedural one, completely; and through analyzing policy process, we can figure out how university autonomy interacts with input, forming elements, and output in a concrete higher education policy. Thus, following the development of relevant theories, we use “revised garbage can model” as our tool of analysis.



APPENDIX A: A Policy Streams Model of Decentralization Agenda Setting

University Autonomy and Decision-making mechanism

In Eastern Asia countries, centralized higher education system can represent for the conventional choice for government. Thus, unlike American universities with full institution autonomy, certain public universities in Eastern Asia obtain and get accustomed to their autonomy gradually from 1990. According to OECD (2003), when it comes to institutional authorities, universities in East Asia still have limited power in comparison to those in Western countries.

When the relationship between university autonomy and decision-making mechanism is discussed, the latest report “University Autonomy in Europe: The Scorecard” provide practical explanation. For higher education equipped with autonomy, this organization should own 4 kinds of autonomies: organization autonomy, financial autonomy, staffing autonomy, and academic autonomy. Thus, in this section, we

explore the connection between decision-making mechanism and university autonomy based on that rationale.

Organization autonomy and academic autonomy

To public universities in Taiwan, there're different decision-making mechanisms for academic affairs and operational ones respectively. According to University Act in Taiwan, the academic affairs meeting have decision or discussion right on following critical proceedings: (1) development plans and budget of academic affairs (2) organizational procedure and various important rules (3) establishment, alteration and suspension of colleges, departments, graduate institutes and auxiliary organizations. (4)academic affairs, student affairs, general affairs, research and other important internal affairs (5) methods of teaching evaluation (6) decisions of committees or task forces established by the academic affairs meeting (7) resolutions of the meeting and suggestions of the president. And this meeting organized by the president, deputy presidents, representatives of teachers, academic and executive supervisors as well as representatives of research personnel, staff, students and other related personnel. Usually, in a university with 15,000 students, members in the academic affair meeting may reach 100 people. In brief, the rationale of this meeting emphasizes on sufficient representatives from every party of stakeholders within universities.

Nevertheless, the role academic affairs meeting plays conflicts with the governing power from government and management power from university presidents. In this committee, the representatives from different departments and institutes may provide appropriate advice about academic proceeding, such as methods of teaching evaluation or students' affairs. But, owing to their large-scaled combination and diverse backgrounds from each college, members in this meeting are not necessarily capable of providing the president with professional suggestions about operation affairs (budget and general affairs) and public affairs that are related to social and industries (school development plan, establishment and adjustment of school, department and institution).

If we examine the decision-making platform further, the academic affair meeting still has constraints in making final decision. Critical proceedings authorized in University Act still need the final check from Ministry of Education and governmental agencies on finance and personnel.

Finance autonomy and personnel autonomy

In universities, many payment standards are still the close to that for government,

including giving a speech, a lecture, reimbursement of overseas trip and basic salary. It is difficult for schools to adjust the payment according to the speech and lecture content. Examining the regulation for national university's personnel payment in Taiwan, we found more than 80% institutions adopt identical salary structure as the National Science Council or governmental agencies for special professional personnel. The flexibility power given to the schools does not allow them to pay for the professionals in substance. The schools are not entitled to the substantial financial autonomy of the self-providing fund.

In addition, personnel manager and the accounting manager of national universities are equivalent to a company's CFO and HR manager relatively. However, university presidents are not allowed to participate in the selection of those posts and the review procedures. In other words, those positions are selected and evaluated by the Central Personnel Administration and Directorate General of Budget, Accounting and Statistics. The above situation has caused uncertainty for the president's administration team and to the financial operation.

Since 1997, national universities have started using the academic fund system. Averagely, 50% of the school budget comes from the self-governed and self-raised fund. However, so far, the public budget and the academic fund apply the same financial accounting system in terms of budget execution and budget audit procedures. Thus, though the regulation has already given the university financial autonomy, when the money flow is operated in accordance with the conservative system, the complicated administrative guidance decreased the financial flexibility that was meant to authorize universities.

In the report on national university's academic fund assessment in 2008, it showed that in the past 10 years, the planning for the self-providing fund is still quiet conservative. Also, school affairs development strategy is not in sync with financial planning, because the flexibility that is given to higher education institutions from the system is still with limitations.

Research Relationship

The first research relationship in this study explores the essence of policy process led by limited autonomy. We expect to identify the exact process of performance-based salary project via the lens of revised garbage can model. How government in Taiwan coupled streams of politics, problems and solutions and how bureaucracy provided their "pet solution" through what kind of opportunity window.

Our second research question aims at observing relationship between limited autonomy and decision-making mechanism of universities. According to resource dependence theory, organizations will strive to control external resources especially when the external competition is getting fierce and uncertain. When it comes to our study, there're two kinds of resources which public universities will compete for intensively: competitive grants from PBS project and international top faculties. In global or regional competition of higher education, top human resources and financial capital are no doubt the critical external resources for universities to survive. Moreover, according to the institutionalism theory, organizations need to conform to the rules, norms and values of their institutional environment in order to obtain legitimacy and the resources needed for survival. Thus, for research universities in Taiwan, when performance-oriented determinants of faculties' recruitment forms the new value in the institutional environment successfully, then we can expect most of universities will follow the value and create better research performance. Compared to previous research, our proposed relationship forms a more in-depth exploration.

Extent researchers emphasize on clarification of the essence of faculties' scholarly performance, diverse salary satisfaction or different demographical or geographical conditions. In our study, influential determinants will be identified for the practical concerns from universities' presidents or policy makers.

Moreover, the third research relationship explores critical contextual elements influence policies of limited autonomy.

In this study, our rival hypothesis focuses on the relationship between determinants uninfluenced by limited autonomy and the research performance of an institution. This hypothesis supposes certain determinants uninfluenced by limited autonomy can still lead to a research university's research performance. As bureaucratic model shows academia performance is a contested concept within academia, and public research universities are still in an unchanged bureaucratic personnel system. Thus, according the logic of bureaucratic model, those universities may cope with salary determination with fixed rules, like seniority, rather than an accountability model (Grofman, 2009).

Performance-based Salary Project in Taiwan

From 1997 to 2009, a series of polices on recruiting international talents initiated intensively. Most countries in Asia required high-skilled talents to facilitate their national transformation after financial crises in 1997. First of all, Ministry of Manpower in Singapore initiated plan on recruiting international talents to develop

economy with the drives of innovation and technology. From 1997 to 2002, this country gradually implemented a series of policies improving national talents treatment and working environment, including tax incentives, friendly immigration regulations, deregulation on visa application. In higher education, universities in Singapore followed American universities to implement merit pay during this period of time. After that, Mainland China proposed a “Thousand Talent Plan” to recruit 1000 international talents globally; this plan focus professions from high tech, science, academia, business management, and finance. Government in Mainland China will not only subsidize all the qualified talents with 1 million RMB, but offer 3 million to 5 million RMB for each person to improve their working environment. In East Asia, South Korean establish “Contact Korea” project to recruit global professions via improving their immigration policies. Among these policies, “The World Class University” aims at appealing top experts to conduct research in South Korea by high pay and build up specific departments in charge of that. And “Brain Korea 21” also provides privileged offer to graduate students, post doctor and professors.

In the June of 2006, the hottest headline in China Times is top professors in economy was headhunted by Beijing Universities. Then Taiwan’s media was bombarded by the following announcement that universities in Hong Kong will recruit 1,000 faculties to facilitate their transformation of higher education. In 2009, companies in Mainland China recruited 200 professions on panels from one of the top tech company in Taiwan. And in 2011, the vice prime minister in Singapore, Tharman Shanmugaratnam, commented the brain drain in Taiwan is a serious example Singapore should keep in mind during an open speech.

However, universities in Taiwan has been defined as a public institution which shares most mechanism of operation from bureaucratic agencies, thus faculties salary, accounting and financial system, personnel policy and decision-making model are all quite close to other governmental agencies. To Taiwan, a country heavily relies on human capital and has limited natural resources, encountered emerging crises pointed out in an open announce “Declaration on talents” signed by director of Academia Sinica and 11 important representatives from industries, universities, media, and culture. In past decade, there’re 490 thousand immigrants in Taiwan; 80 percent of this group come from blue-collar workers while high-skilled professions occupies only 4 percent. On the other hand, 20 to 30 thousand professions in Taiwan shift their working career abroad every year; most of them come from white-collars. In term of human capital, Taiwan becomes a net export country in this condition.(Academia Sinica, 2011)

Methods

From 2010 to 2011, we undertook a multi-method research effort that involves a survey of 167 universities in Taiwan, a focus groups consisting of vice presidents, deans and global talents from universities and 10 in-depth interviews from presidents in public research universities in Taiwan.

In order to ensure the representation of our data, first we conducted a survey on 167 universities in Taiwan to get the information about policy implement from September 2010 to September 2011. The analysis of survey provides a clear picture via following figures-characteristics of salary receivers, budget implementation efficiency, and major rules of Performance-based salary project in those universities. After that, we adopt 10 in-depth interviews from presidents or vice presidents in public research universities in Taiwan. In Taiwan, universities which received “Top Universities Grant” will be identified as “top research universities” in this setting. Our primary secondary phase is achieved by interviewing 10 presidents or administrative vice presidents with at least 3-year management experience about the current position in those 11 universities. This semi-structure interview aiming at obtaining qualitative information, snowball sampling will facilitate us to choose interviewees with better motivation and rich information. And via those interviews, we have better capability to explain figures from the survey mentioned.

About the interview protocols, after reviewing weighty delegations in this project from Ministry of Education, we selected 5 delegated authorities as sensors to evaluate the impact of limited autonomy. Those delegated authorities are listed below. And our interviewees will be invited to express their experience when exercising those authorities through university decision-making mechanism.

(1) Setting up evaluation indexes

Universities are delegated to set up their own accountability criteria rather than follow government’s unified standards to evaluate their operational and academic performance.

(2) Autonomy of financial management

Universities can exercise financial autonomy completely to plan and execute their self-provided income via creating their own system and don’t have to follow strict governmental accounting rules and financial system.

(3) Academic audit

Universities are delegated to set up their own mechanism for faculties’ promotion and recruitment. That facilitates universities to develop their own academic strategies and criteria.

(4) Recruiting international talents

Government's delegates universities to recruit foreigners to take administrative or academic posts. By that, universities can have better human resources to develop their international competitiveness.

(5) Academic audit

Universities are delegated to set up their own mechanism for faculties' promotion and recruitment. That facilitates universities to develop their own academic strategies and criteria.

Moreover, 4 section chiefs of Ministry of Education with at least 2-year management experience are consulted, too. By that stage, we integrated practical viewpoints into the research design and conceptual framework.

Discussion

In this study, the first research question explores the policy process of performance-based salary project, a case study of limited autonomy. Our research finding follows.

Policy process of limited autonomy

Problem stream

Losing international talents is identified to go through the problem stream in terms of policy process in Taiwan. However, the broad scope of problem includes following relative issues. First, seniority-based salary mechanism has conflicted with international competition of higher education; however, this issue isn't integrated into problem stream. To government in Taiwan, changing conventional pay system requires sufficient financial support and long-term societal perception. Moreover, it can be understood the faculties' evaluation mechanism for a completely merit-pay system can't reach its maturity and feasibility right away, and mentioning this issue will bring the problem stream with more complexity.

Rising general pay standard of all faculties is excluded by problem stream as well. That's the other issue proposed by faculties' unions during policy process of this performance-based project. Faculties' associations and media criticized that faculties' pay standard is low in comparison to that in Singapore, Hong Kong and South Korea. Obviously, this issue was cut from problem stream as well for possible solution will involve a new salary structure and new pension system. As previous discussion, totally changing a system will lead to large-scale impact to the public and high cost of policy and that doesn't exist in the preference of "limited autonomy".

In our observation, the problem stream shaped by policies led by "limited autonomy" fit what Kindon's theoretical propositions in following aspects (a) they challenge

certain societal values or ideals, (b) they represent poor performance in comparison to other countries or governmental units (Kendon, 1995). However, more than what revised garbage model assume, policy makers for “limited autonomy” policy slim down the relative issues to their handleable scope due to the financial constraints and cost to adjust societal value. As we defined previously, to countries choosing “limited autonomy” aim at reforming with limited policy cost and controlling potential resistance.

Policy stream

In the policy stream, networks of actors working within “policy communities” generate a short list of ideas from which policy makers can choose to address particular problems (Kendon, 1995). As to the policy stream, Ministry of Education and National Science Foundation are the main policy communities to form the solution. Ministry of Education increased the flexibility of “Development Plan for World Class Universities and Research Center in Excellence” and “Plan to Encourage Teaching Excellence in Universities”. Those projects provide competitive fund for recruiting excellent research or teaching development proposals from universities. Moreover, they also broaden the permission range of university fund, that amounting to 50 percent of all public universities’ budget, close to 40 billion NTD. National Science Foundation provided an extra subsidy for universities and this budget is allocated based on the submission rate from each universities. During the process, the representatives from university presidents also play an important role in policy communities.

In our observation, the policy stream of limited autonomy caters Kendon’s certain perspectives- technical feasibility, value acceptance, the anticipation of future constraints and recombination of current measurements. However, there’re some unique features from policies led by “limited autonomy”. First, it allows governmental institutions involved keep their respective measurements rather than integrating with each other completely. Thus, though the policies come from Ministry of Education and National Science Foundation, but they are allowed to follow different administrative procedure and standards respectively. Second, the legal basis for this performance-based pay project was built through flexible regulations. For controlling the policy cost and implementing the project timely, the legitimacy is established through administrative regulations rather than formal acts.

Political Stream

Kendon (1995) asserts that agenda setting may be impacted by activity in the

“politics stream,” which may include changes in administration as the result of elections or reappointments, politicians’ perceptions of public opinion, or shifts in power that might result from reorganization within government. In politic stream, this proposal should go through various expectations from different posts in administrative institutions. In other words, this solution should meet diverse departments’ demand and should care their individual concern.

Opportunity Window

Talents competition policies in the neighboring countries pose as severe risk to government before Performance-based policy was design. Interestingly, that crisis transformed into an opportunity window for this policy. As we discussed, harmony from Confucian value keep seniority-based pay mechanism stable for decades. In 2004, government in Taiwan initiated a partial merit-based pay measurement; however, owing to lack of effective opportunity window, there’re very rare universities implement that policy. In 2006, this value was shaken by losing global talents and neighboring countries’ talent recruitment action reported intensively by media. Thus, policy makers in Taiwan can have room for Performance-based salary policy.

Decision-making mechanism influenced by limited autonomy

After a survey on 167 universities, we get a picture of policy implementation about performance-based salary project. Out of 167 universities, 102 universities established their mechanism for performance-based salary while 63 universities choosed to maintain current status quo. And about the effect of annual budget from government, 167universities only execute 47% of annual budget. Among them, research universities only spent 350 million NTD on this project, which occupies 35% in the overall budget for research universities. Teaching-oriented universities implemented 90 million NTD, which only reaches almost a quarter of the totally budget for those universities. And in terms of university mechanism, those findings indicate the extent and aspects influenced by limited autonomy; it also revealed certain contextual elements which can’t be altered easily by policy.

Problem Stream

Though recruiting or retaining international talents is declared as problem steam by government in Taiwan, the problem steam becomes thinner when it goes through each universities. According to our survey, there’re 7,435 receivers of performance-based salary project, but only 1% of them come from international faculties. Most of receivers are senior and domestic faculties who serve in universities in Taiwan. In

order words, though the problem stream at macro level was narrowed to losing or recruiting global talent while some tough issues, such as average salary standard for faculties and seniority-based structure of pay, are set aside. We can see when policy goes into the meso stream in each university, those issues won't be missed. Reversely, those omitted issues become the focus rather than losing global talent in the problem stream in universities. Elaborating on this phenomenon, several presidents pointed out this policy aiming at reverse completely the existing tradition, salary system based on seniority completely. When faculties' mindset, system design and campus culture still mostly remain at the old system. There's very little room for president to enforce performance-based salary. If government thinks so, they hope president to change the culture or mindset formed for decades overnight. Thus, to them, what presidents can do is to reward some excellent professors rather than change all people's salary.

Policy Stream

To national universities in Taiwan, university council, which consists of representatives from each party within this organization, operates as a major decision-making platform. Differing from board or trustees mechanism in Western universities, important decisions should reach consensus in this large-scale universities council. Based on the feedback of our interview, faculties in Taiwan believe that university council reflects democracy in campus.

When we have important acts, we should propose to the university councils. And I value the democracy we have, though democracy has its restriction in efficiency, but we value democracy more.

When Performance-based project goes through its policy stream in universities, the spirit of equity from university council is strong embedded in their rules for receivers. First, we found 61% receivers' annual extra pay is lower than 200 thousand NTD, and faculties whose extra pay is over 1 million only occupied 1.2%. Policies stream in universities still emphasize on equity rather than accountability.

Political Stream

If the approach of performance-based policy conflicts with the norm of Asian culture, especially the value of harmonious relationship, hierarchy and collectivism, university will avoid exercising that or create alternative way to replace it. In our interview, university council and voting system become major decision making way to pass pay rules and even receivers. President should get most parties in this council to agree and that signals the value of harmonious relationship. Most president provide exact

condition in their university.

If we need to recruit some international or professional person with different treatment, the boundary from department will beat the possibility of excellence. They need to pass the votes (100%) from each level. Even though I surpassed this procedure, I can't escape from the university council.

No matter what kind of measures, we need to communicate with faculties and students very patiently and widely, especially for senior faculties.

Moreover, hierarchy out-weights the value of accountability in Asian culture. We found most universities have identifying rules of pay even government empower them have autonomy to set up their own rather than following the same format. However, most universities choose the most conservative way by coping leading university's rule for they still need to face a hierarchical policy environment outside their organization.

First, the financial authorities are restricted by several public agencies' perception or regulations. Most of them work in top-down fashion. Thus, not only the amount of money is limited but their interventions will diminish the flexibility of this fund.

Externally, this autonomy keeps scrutinizing by several kinds of political representatives or is intervened by governmental agencies. For example, we organized an investment group to manage some self-provided fund. However, that becomes the issue challenged by legislators even we just execute our legal autonomy by professional judgment.

If the performance-based project diminishes individual constituent's benefit, especially faculties, university presidents will hardly choose to take leadership based on this authority. For example, when this project implemented in universities, some faculties failing to receive this extra pay show their disappointment by boycotting other important agenda within campus.

For example, we build up a unit to manage self-funded capital, but university council intervene the quota even that control doesn't come from professional judge but only worrying the total pension will be influenced.

Meanwhile, the committee responsible for the management and audit, which are composed by faculties elected, exercise their authorities to boycott polices harming their colleges' benefit.

Conclusion: How about constituent-led policy?

In centralized higher education system, such as countries in Asia and Europe, top-down policy formation has been conventional culture. From agenda setting, problem identifying, solution prioritizing and measurement legalizing, governments in those nations mentioned usually plays a major role in these processes while universities only join certain minor stage of policy process, for example public hearing and pilot survey. In limited autonomy policy, though government authorize universities certain autonomy, we found the policy process conducted by government will becomes totally different picture in each university, even university presidents or representatives joining the forming process in government. When the external and internal higher education structure still fix, it's not easy for government to delegate stagnant power to universities.

However, with the prevailing of global competition and rapid transformation of higher education nowadays, we found some uncommon examples emerge. In Asia, public universities started to take active role in policy forming. In South Korea, National Seoul University became one of the leaders in a national policy of university corporatization. Also in Japan, national universities rather government take leadership in the self-evaluation mechanism for public higher education institutions. This non-conventional trend reveals new policy forming approach in a changing higher education arena. Higher education institutions start to take leadership in national policy used to led by government, and those leading universities are major constituents in those polices they get involved.

Thus, unlike conventional policy formation in top-down manner, constituent-led policy process is initialed and led by major constituent in every public policy process, including problem identifying, solution prioritizing, policy choice making and agenda setting. When planning a national policy in higher education, policy makers still regard teaming up with universities as an immature experiment though more and more concrete examples represent this coming trend. While relevant research or literature in higher education fields remain limited, those policy makers have been learning by doing. When globalization and privatization have infused diverse resources and pressure in higher education arena, universities are forced to go through dramatic and rapid transformation promptly. Thus, for governments, the

task to plan an effective policy in higher education is getting challenging if they still stick to government-led policy. And how about letting constituents in higher education lead the policy change?

Reference