

CRITICAL SUCCESS FACTORS OF INTERNAL GOVERNANCE STRUCTURE OPTIMIZATION  
IN CHINESE PRIVATE UNIVERSITIES AND COLLEGES

Wu Hao<sup>1</sup>, and Ganratchakan Lertamornsak

Suan Sunandha Rajabhat University

Email: s64584951003@ssru.ac.th<sup>1</sup>

Received 4 August 2024; Revised 17 October 2024; Accepted 17 October 2024.



**Abstract**

This study aims to promote the development of internal governance of private colleges and universities in China to a higher level by investigating the key success factors for improving the internal governance structure of private colleges and universities in China. The study selected 400 private universities in Hainan Province as the research sample. The questionnaire was used as the research instrument. The statistics used were percentage, mean ( $\bar{x}$ ), standard deviation (S.D.), and multiple regression analysis, with the statistical significance set at 0.05.

The research results found that Seven important factors for improving the internal governance structure of Chinese private colleges and universities were identified: 1) institutional guarantee ( $\bar{x} = 3.068$ , S.D. = 0.906); 2) the authority and responsibility of the governing board ( $\bar{x} = 2.824$ , S.D. = 0.863); 3) the authority and responsibility of the principal ( $\bar{x} = 3.149$ , S.D. = 0.757); 4) the authority and responsibility of the supervisory board ( $\bar{x} = 0.757$ ); and 4) the authority and responsibility of the supervisory board ( $\bar{x} = 3.068$ , S.D. = 0.906); of the supervisory board ( $\bar{x} = 2.961$ , S.D.=0.771); 5) the rights and responsibilities of student organizations ( $\bar{x} = 6$ ) profit distribution ( $\bar{x} = 3.335$ , S.D.=0.537); 7) power and responsibility of academic committee ( $\bar{x} = 3.369$ , S.D.=0.758). The results of hypothesis testing showed that all seven factors had the most effect on the most appropriate adjustment of internal governance structure of Chinese private universities.

The research results provide a solution for improving the internal governance structure of private colleges and universities in China, which can improve the management

level by continuously improving the internal governance structure, and then enable private colleges and universities in China to develop in a comprehensive and orderly manner.

**Keywords :** Student affairs administration , Model of Student Affairs Administration , Higher Vocational Colleges

## Introduction

The reform of internal governance structure of Chinese private higher education institutions is an important guarantee for deepening the reform and accelerating the development of Chinese private higher education institutions, and is an important part of the establishment and improvement of modern university system in China. At the same time, the study of the optimization of internal governance structure of Chinese private higher education institutions is also a very important research direction in the field of education management. China's private higher education is showing a vigorous development trend, but because of its short history of development, internal and external management is still imperfect, and many other management problems affecting the development of China's private institutions of higher education continue to emerge, how to crack the bottleneck of development, to ensure the stability of the development of the normative is particularly important, which is the most prominent is the optimization of China's private higher education institutions of the internal governance structure, which can be seen that China's private higher education institutions are entering a high-speed development. As private colleges and universities are entering the stage of rapid development, it is particularly important to build a new type of internal governance structure of private colleges and universities in accordance with the internal logic of governance modernization, based on the theory of stakeholders, to rationalize the internal governance rules and regulations, to improve the mechanism of power checks and balances, and to implement the democratic consultation system (Chen Shuying, 2021).

From 1980, when the first private college was established in New China, to December 2023, statistics from the Ministry of Education of China show that there are 789 private colleges and universities of all levels and types in China. Among them, there are 391 ordinary undergraduate schools; 22 undergraduate vocational schools; 374 higher vocational (specialized) schools; and 2 adult colleges and universities. There are 9,943,800 students enrolled in private general and vocational undergraduate and specialized schools. (Department of Development Planning, Ministry of Education of China, 2024). Regardless of

the number of schools and the scale of enrollment, China's private higher education has become an important part of China's higher education. According to the deployment of China Education Modernization 2035 and the Implementation Plan for Accelerating Education Modernization (2018-2022), the Ministry of Education (MOE), in conjunction with the People's Government of Hainan Province, researched and formulated the Implementation Plan on Supporting Hainan's Deepening Education Reform and Opening Up. The program clearly put forward the construction goal, to 2025, the education governance capacity significantly improved, the system more mature and stereotyped, to 2035, the modernization of the education governance system is fully completed. In addition to this, it also highlights "expanding the autonomy of higher education." Therefore, it is especially important to focus on private universities in Hainan Province.

The high efficiency and flexibility of the management system and the market-oriented operation mode are the biggest advantages of private colleges and universities (Tian Bo, 2019). The internal governance structure of Chinese private colleges and universities essentially refers to the operational mechanism of Chinese private colleges and universities to adapt to the complex environment of modern society and improve the level of internal governance, which is the result and performance of the balance of power achieved by the stakeholders in the interactive game that follows their internal development logic and fits the changes in the external environment. Strengthening the leading role of the board of directors, promoting academic freedom, and guaranteeing the realization of democratic power within private universities. Innovating the governance structure and framing the balance of interests mechanism of benign interaction among stakeholders are of great significance to whether it can effectively stimulate the vitality of running schools and improve the quality of education in Chinese private colleges and universities.

Under the trend of deepening comprehensive reform, simplifying government and decentralization, combining administration and optimizing services, Chinese private colleges and universities can not only realize the vision of maximizing the overall interests of the stakeholders of Chinese private colleges and universities, but also realize the orderly, healthy and lasting development of Chinese private higher education by optimizing the internal governance structure in order to enhance their own school-running and governing ability and form a new situation of good and orderly school operation. The road to high-quality development.

### Research objectives

1. To study the level of critical success factors of the internal governance structure optimization of Chinese private colleges and universities.
2. To study internal governance structure optimization in Chinese private colleges and universities
3. To analyze the influence of critical success factors of internal governance structure optimization in Chinese private colleges and universities.
4. To propose the influence of critical success factors of internal governance structure optimization in Chinese private colleges and universities.

### Literature Review

Based on a series of studies, this paper reviews the literature on the critical success factors of internal governance structure optimization in Chinese Private Universities and Colleges, which to understand how much item is related to this model.

1. Concepts and theories related to Optimization of Internal Governance structure
  - 1.1 ASD Theory
  - 1.2 System Theory
  - 1.3 Theory of Elements of University Governance
2. Concepts and theories related to Internal Governance structure
  - 2.1 Governance Theory
  - 2.2 Principal Agent Theory
  - 2.3 Stakeholder theory
  - 2.4 Organizational Theory
3. Related research
  - 3.1 National research
  - 3.2 International research
4. The context of Chinese Private Universities and Colleges
5. Conceptual framework

## Research Conceptual framework



Figure 1: Research conceptual framework

## Research Method

**The population of this research** is the teachers, staff and students of all 9 private higher education institutions in Hainan Province, totaling 114,030 people.

**Sample** The researcher determined the sample size used in this research at a 95% confidence level using the Taro Yamane (1973) sampling table. The total sample size used in this research was 400 people and then conducted simple random sampling.

## Research Tools

The research tools in this study are questionnaires, with the steps to create the questionnaires divided into 3 parts as follows:

**Part 1:** Questionnaire on the personal status of the respondents, consisting of 6 questions: 1) the gender of the respondents, 2) the identity of the respondents, 3) the age of the respondents, 4) the teaching or study experience of the respondents, 5) the position and position of the respondents, and 6) the nature of the organization in which the respondents work.

**Part 2:** Questionnaire on the key success factors in improving the internal governance structure of private universities and colleges in China, totaling 7 dimensions, with 7-8 items per dimension, totaling 53 items.

**Part 3:** Questionnaire on improving the internal governance structure of private universities and colleges in China, totaling 5 dimensions, with 7 items per dimension, totaling 35 items.

## Data Collection

The researcher collected data on the impact of transformational leadership on key

success factors of internal governance structure improvement in private universities and colleges in China. The data collection steps were as follows:

1) The researcher sent a request letter to a sample of full-time employees and students of 9 higher education institutions in Hainan Province, China, informing them of the research objectives and requesting permission to collect data in their schools.

2) The sample of full-time employees and students of 9 higher education institutions in Hainan Province sent questionnaires to schools in the region as a sample, distributing a total of 400 questionnaires.

3) The researcher collected the questionnaires and checked each questionnaire for accuracy and completeness to facilitate data analysis and conclusion. The researcher was able to collect 400 questionnaires, with a response rate of 100.00%. Data Analysis

The researcher analyzed the data using descriptive statistics (i.e. percentage, mean) and inferential statistics using Pearson's correlation analysis and multiple regression analysis, with statistical significance set at 0.05.

## Research Results

### Part 1 Personal factors of the respondents

From the study of a sample group of 400 people, it was found that there were 211 males (52.75 percent of the total proportion), 189 females (47.25 percent of the total proportion), 246 lecturers (61.5 percent of the total proportion), and 154 students (38.5 percent of the total proportion). There were 240 personnel who were undergraduate students of private colleges and universities (60 percent of the total proportion) and 160 personnel who were students of specialized private colleges and universities (40 percent of the total proportion).

**Table1:** Pearson correlation analysis Table of correlation coefficients

	X1	X2	X3	X4	X5	X6	X7	y
X1	1(0.000***)	0.736(0.000***)	0.756(0.000***)	0.633(0.000***)	0.331(0.000***)	0.299(0.000***)	0.444(0.000***)	0.774(0.000***)
X2	0.736(0.000***)	1(0.000***)	0.753(0.000***)	0.457(0.000***)	0.206(0.000***)	0.288(0.000***)	0.475(0.000***)	0.676(0.000***)

X3	0.756(0.000***)	0.753(0.000***)	1(0.000***)	0.562(0.000***)	0.303(0.000***)	0.437(0.000***)	0.56(0.000***)	0.763(0.000***)
X4	0.633(0.000***)	0.457(0.000***)	0.562(0.000***)	1(0.000***)	0.504(0.000***)	0.405(0.000***)	0.554(0.000***)	0.763(0.000***)
X5	0.331(0.000***)	0.206(0.000***)	0.303(0.000***)	0.504(0.000***)	1(0.000***)	0.409(0.000***)	0.57(0.000***)	0.488(0.000***)
X6	0.299(0.000***)	0.288(0.000***)	0.437(0.000***)	0.405(0.000***)	0.409(0.000***)	1(0.000***)	0.512(0.000***)	0.482(0.000***)
X7	0.444(0.000***)	0.475(0.000***)	0.56(0.000***)	0.554(0.000***)	0.57(0.000***)	0.512(0.000***)	1(0.000***)	0.665(0.000***)
y	0.774(0.000***)	0.676(0.000***)	0.763(0.000***)	0.763(0.000***)	0.488(0.000***)	0.482(0.000***)	0.665(0.000***)	1(0.000***)

Note: \*\*\*, \*\*, \* represent 1%, 5%, and 10% significance levels, respectively.

X1: Institutional guarantee

X2: Powers and responsibilities of the Board of Directors

X3: Powers and responsibilities of the principal

X4: Powers and responsibilities of the Board of Supervisors

X5: Rights and responsibilities of student organizations

X6: Profit distribution

X7: Powers and responsibilities of the Academic Committee

Y: Internal governance structure optimization in Chinese Private Universities and Colleges

In interpreting the results of Pearson's correlation analysis, we need to focus on the value of the correlation coefficient (r), its sign (positive or negative), and the accompanying significance level (indicated by the p-value in parentheses). The following is a rigorous, concise, accurate, complete, coherent and logical interpretation based on the data table:

The results of the Pearson correlation analysis of this study show the strength and direction of the linear relationship between variables X1 to X7 and y. The correlation coefficients of the variables X1 to X7 were found to be highly significant. All correlation coefficients show high significance ( $p<0.001$ , marked \*\*\*), implying that these relationships are statistically robust and not occurring by chance .

### 1. positive correlations:

- The correlation coefficients between X1 and X2, X3, X4, X7 and total Y are 0.736, 0.756, 0.633, 0.444 and 0.774 respectively, which are positive and highly significant, indicating that there is a strong positive correlation between these variables. That is, when one variable increases, the other variable also tends to increase.

- Similarly, X2, X3, X4, X5, X6 and X7 show multiple significant positive correlations between them, especially the correlation coefficients between X2, X3 and X4 are high, reflecting the strong linear link between them.

### 2. Correlation strength:

- According to the absolute value of the correlation coefficient, the strength of the

correlation can be judged. For example, a correlation coefficient of 0.774 between X1 and Y indicates a strong positive correlation between the two. Similarly, X1 shows strong positive correlation with X3 (0.756) and X2 (0.736).

- In contrast, the correlation between X1 and X5 (0.331) and X6 (0.299) is weak. These lower correlation coefficients indicate that although a relationship exists, the synchronization of changes is not as strong as in the case of variables with high correlation coefficients.

### 3.Significance level:

- All the correlation coefficients reached the 1% significance level ( $p<0.001$ ), which strengthens our confidence in the veracity of these relationships. The significance level suggests that the observed correlations are unlikely to be caused by random errors, but rather reflect a real link between the variables.

Table2: Statistical table of results of linear regression analysis

	Linear regression analysis results (n=400)								
	$\beta_i$		$\beta_i^*$		t	P	VIF	$R^2_{Adj}$	F
	B	SE	Beta						
C	0.664	0.081	0	8.196	0.000***	-			
X1	0.164	0.025	0.268	6.612	0.000***	3.349			
X7	0.141	0.022	0.193	6.337	0.000***	1.889			
X4	0.228	0.023	0.317	9.993	0.000***	2.054	0.807	0.804	$F=273.571$ , $P=0.000***$
X3	0.128	0.03	0.175	4.285	0.000***	3.398			
X6	0.075	0.028	0.072	2.699	0.007***	1.461			
X2	0.057	0.024	0.089	2.383	0.018**	2.816			
因变量: Y									

Note: \*\*\*, \*\*, \* represent 1%, 5%, and 10% significance levels, respectively.

C: constant

$\beta_i$ : Non-standardized coefficient

$\beta_i^*$ : Standardized coefficient

SE: Standard error

X1: Institutional guarantee

X2: Powers and responsibilities of the Board of Directors

X3: Powers and responsibilities of the principal

X4: Powers and responsibilities of the Board of Supervisors

X5: Rights and responsibilities of student organizations

X6: Profit distribution

X7: Powers and responsibilities of the Academic Committee

Y: Internal governance structure optimization in Chinese Private Universities and Colleges

Analyzing the data in Table 2, we can learn that the stepwise regression analysis in this study aims to explore the predictive effect of multiple independent variables (X1 to X7) on the dependent variable "Y", and to identify the predictors that have a significant contribution to "Y" while controlling for the effects of other variables. The predictors that contribute significantly to "Y" are identified, controlling for the effects of other variables. The sample size of 400 ensures the stability and reliability of the analysis results.

The stepwise regression process introduced and excluded variables step by step, and finally retained X1, X4, X7, X3, X6 and X2, which are the six variables that significantly affect "Y". The unstandardized coefficients (B) of each variable and their standard errors show the strength and direction of the influence of each predictor on the dependent variable. Specifically:

- X4 (coefficient of 0.228, standardized coefficient Beta of 0.317) has the largest and most significant effect on the dependent variable "Y" ( $t=9.993$ ,  $P<0.001$ ), indicating that each unit increase in X4 will lead to a significant increase in "Y", and its effect is not significant at all. significantly, and its effect remains significant after controlling for other variables.

- Next is X1 (coefficient of 0.164, Beta=0.268), whose effect is also significant ( $t=6.612$ ,  $P<0.001$ ), indicating that X1 also has a positive and significant effect on "Y".

- The effects of X7 (coefficient of 0.141, Beta=0.193) and X3 (coefficient of 0.128, Beta=0.175) are smaller than those of X4 and X1, but they are also statistically highly significant ( $t=6.337$  and 4.285, respectively,  $P<0.001$ ), suggesting that they also play an important role in the model.

- The effects of X6 (coefficient of 0.075, Beta=0.072) and X2 (coefficient of 0.057, Beta=0.089) are small but still show a significant effect after controlling for the variables ( $P<0.05$ ), and in particular, the significance of X6 is close to the 1% level ( $P=0.007$ ), showing its robustness in the model.

The model's goodness-of-fit indicators show that the stepwise regression model has good explanatory power. the  $R^2$  value of 0.807 indicates that the independent variable in the model explains 80.7% of the variance in "Y", and the adjusted  $R^2$  of 0.804 further confirms the model's robustness, indicating that the model does not overfit the data. the F-statistics are was highly significant ( $F=273.571$ ,  $P<0.001$ ), verifying the validity of the overall model.

In addition, the variable inflation factors (VIF) were all lower than the critical values (it is generally believed that there is a multicollinearity problem when  $VIF > 10$ ), indicating that there is no serious multicollinearity problem among the predictor variables in this model, which ensures the stability and reliability of the regression coefficients.

## Discussion

The analysis of the respondents shows that the proportion of men (52.75%) is significantly more than that of women (47.5%), and the proportion of faculty members (61.5%) is significantly more than that of students (38.5%).

Due to the difference in the scale of operation, the number of people surveyed in private undergraduate colleges and universities (60% of the total) is significantly more than that in private specialized colleges and universities (40% of the total).

In addition, according to Pearson correlation analysis and multiple regression analysis to analyze the relationship between independent variables and dependent variables, we can see that six of the independent variables have a significant effect on the dependent variable, of which the fifth variable "Rights and responsibilities of student organizations "belongs to the organization of the student group, the statistical process of the student group accounted for 38.5%, which will lead to data deviation, so this variable in the results of this survey presents a relatively insignificant characteristics, but through the Pearson correlation analysis, the independent variable and the dependent variable correlation coefficient of 0.488, significance is  $p < 0.001$ , marked as  $***$ ) from this data, its substance also shows a high degree of significance, but analogously the relationship between the other six independent variables and the dependent variable shows relative insignificance.

The synthesis of the various statistical results in the area of rule of law in colleges and universities is also consistent with Zhang and Chen (2023), who argued that: Comprehensively promoting the rule of law in colleges and universities is the inevitable requirement of implementing Xi Jinping's thought on the rule of law, and it is the path of optimizing and perfecting the internal governance system of universities, improving the internal governance capacity of universities. universities, improving the internal governance capacity of universities, and improving the modern university system.

In the field of organizational structure and governance mechanisms is in line with the

views of John McCormack (2013), Nicholas Bloom (2015). They argue that: the internal organizational structure of the school, the management mechanism and so on for the quality of school teaching plays a vital role, with greater independence of the management mechanism is more conducive to the development of the school and talent cultivation.

In the area of supervision and monitoring system, institutional setup and implementation is also in line with Chen Zixuan (2023), who argues: in the company supervision, the supervisory subject is authorized by laws and regulations or the articles of association of the company, so that it has the right to supervise the company's decision-making, operation, management, business. The supervisory subject is authorized by laws and regulations or the articles of association of the company, so that it has the right to supervise the company's decision-making, operation, management, business implementation and other acts of people, institutions or organizations. The object and object of supervision is the company's decision-making, operation, management, business execution and other activities that have an impact on the interests of the company. The purpose of supervision is to maximize the profit of the company and maintain the legitimate rights and interests of the company and shareholders.

In the area of academic power, the findings show a high degree of consistency with the views of Li Haiping (2010), who argues that the structure, nature and function of the university dictate that academic power should be a major part of the university power structure. It becomes a power that is prevalent within the university and is a fundamental power, which is a manifestation of its specificity.

### **Suggestion**

1. The features of the development of university management system, most of the universities will ensure that the system will strictly implement the rules and regulations of the university charter in the administration of the university.

2. The committee establishes a system of supervision, supervision and management regularly, establishes a system of supervision and management, and ensures the system is implemented in a systematic manner. The supervision system in the board of governors, principals, academic tables and other organizations and school council members, teaching staff of various parts and other stakeholders in the systematic inspection, monitoring and

reporting of the results of the work, rectification and improvement of efficiency, joint work and rectification of the research tracking system, the effective efficiency of the effective performance.

3. The features of maintaining the authority of various schools, research education system, school research coordination work, regularly guide the development of the school's academic work. The status and right of discussion of academic guidance, respect and research. General school academic conference.

## References

Bryce, H.J., 2017. Financial and strategic management for nonprofit organizations. Walter de Gruyter GmbH & Co KG.

Cao, B., Wang, X., Zhang, W., Song, H. and Lv, Z., 2020. A many-objective optimization model of industrial internet of things based on private blockchain. *IEEE Network*, 34(5), pp.78-83.

Chen, Y., Xu, Y. and Zhai, Q., 2019. The knowledge management functions of corporate university and their evolution: case studies of two Chinese corporate universities. *Journal of Knowledge Management*, 23(10), pp.2086-2112.

Du Plessis, P. and Mestry, R., 2019. Teachers for rural schools—a challenge for South Africa. *South African Journal of Education*, 39.

Etzkowitz, H. and Zhou, C., 2017. The triple helix: University–industry–government innovation and entrepreneurship. Routledge.

Gu, J., Li, X. and Wang, L., 2018. Higher education in China. Springer Singapore.

Genin, A.L., Tan, J. and Song, J., 2021. State governance and technological innovation in emerging economies: State-owned enterprise restructuration and institutional logic dissonance in China's high-speed train sector. *Journal of International Business Studies*, 52, pp.621-645.

Gao, X.A. and Zheng, Y., 2018. 'Heavy mountains' for Chinese humanities and social science academics in the quest for world-class universities. *Compare: A Journal of Comparative and International Education*.

Hillman, J.R. and Baydoun, E., 2019. Quality assurance and relevance in academia: a review. *Major challenges facing higher education in the Arab world: Quality assurance and relevance*, pp.13-68.

Hu, J., Liu, H., Chen, Y. and Qin, J., 2018. Strategic planning and the stratification of Chinese higher education institutions. *International Journal of Educational Development*, 63, pp.36-43.

Hristov, I., Chirico, A. and Ranalli, F., 2022. Corporate strategies oriented towards sustainable governance: Advantages, managerial practices and main challenges. *Journal of Management and Governance*, 26(1), pp.75-97.

