

James Campbell

Deakin University/Universiti Sains Malaysia

Email: jamesca@deakin.edu.au

Title:

Abstract

The USM APEX strategy and engagement with building alliances, partnerships, collaborations and tying this to a moral project of sustainability and serving the ‘bottom billions’ is a rational and astute response to the practical problems that USM and Malaysia faces within current globalization. In essence APEX is an engagement with transformation of higher education in an increasingly complex and interconnected global environment. APEX is an attempt to show the way the higher educational institutions can provide leadership and legitimacy in a globalized and networked environment of the new economy and new information age. The recognition that higher educational reform in Malaysia must be holistic and that it must combine effort to change mindsets as well as protect culture and values are policy prescriptions that animate Malaysian public policy and are critical to USM’s APEX agenda. The dynamics and forces of globalization have lead to a radical rethink in respect to the role of the University in contemporary society. While many higher educational institutions appear to be following the prescriptions of neo-liberal reform captured in the model of the Washington Consensus others such as USM are seeking an alternative path to reform based on an engagement with local values and needs. The questions that animate this paper in reference to the USM reform model is to what extent USM can maintain its legitimacy reputation and rank given its desire to reform and challenge the neo-liberal status quo. Realising reform for a ‘New Asian Century’ in the higher educational sector requires a rigorous assessment of how educational institutions can maintain their legitimacy, reputation and sense of position as they seek to change.

Introduction

Universities exist in a globalized world that is increasingly interconnected and dependent. This interdependency and interconnectivity also produces a tension, between the desire to compete and prosper in the current world order and the desire to maintain national integrity and integrity of values. How does Malaysia sustain culture and sustain Malaysia’s competitive future? What role does higher education play in this issue? In the Malaysian environment economic development carries with it implicit cultural and social values. The desire to develop economically is itself founded upon an ethical desire to advance social and individual well being. Any reform project in Malaysian universities to be successful must be cognizant of the culture and spiritual values of Malaysian society. At the same time there is a public perception that universities need to perform and compete in a globalized environment. Competitive success for Malaysian higher education rests upon higher educational institutions adapting themselves to the cultural nuances of the host society. Even more importantly successful reform must spring from the culture rather than be alien or foreign to it. The success of USM’s university in a garden project stems from its cognizance of the local culture and traditional aspirations and values as well as its desire to engage modernity and develops in the framework of a knowledge economy.

Modernization tradition and legitimacy

For the USM project to be seen as legitimate in the Malaysian context it must address the basic dialectical tension that characterizes values and change in Malaysia. The essential tension can be

characterized as the tension between tradition and modernization. The problems of tradition and modernization and the tensions which surround it are key problems for Malaysian reform. Ronald Inglehart reminds us that two essential approaches to the relationship between modernization and tradition have contended in contemporary literature. The first sees modernization and a process of convergence and domination. In this sense any institution that wishes to remain relevant to modern society is bound to converge with the dominant values of globalization as expressed through neo-liberalism. The other approach 'emphasizes the *persistence* of traditional values despite economic and political changes.' (Inglehart and Baker 2000, p.20) The significance of culture and tradition to the way modernization is engaged speaks directly to the issue of legitimacy of change in the case of USM.

The essential problem USM has to contend with in seeking to maintain and respect national cultural values is the problem of neo-liberalism and how this ideology and cultural practice manifests through globalization to dissipate and deny diversity and cultural respect. The USM project is an effort to reassert the leadership role that public universities and intellectuals play in Malaysian society in conditions where this role is being challenged. This strategy finds support in the Malaysian cultural respect for moral and intellectual leadership. The framework of sustainability provides a renewed sense of intellectual and moral leadership and purpose to Malaysian universities in conditions of globalization. USM's project is both compatible with reframing the educational mission in a way that is showing leadership in both traditional and modern ways. The ideology of sustainability and commitment to the bottom billions provides USM with a terrain of moral leadership that is both relevant to Malaysian development, culture and spiritual aspirations but also connects to broader threads within globalization. Such a strategy provides USM, at least in principle with an overarching legitimating principle which can be used both to engage globalization in an alternative way to the neo liberal agenda.

In this sense the university in a garden APEX agenda is an example of educational leadership interested in substantive issues of moral and cultural accountability. The philosophy of sustainability and commitment to the bottom billions provides us with a critical touchstone in reformulating and engaging with how USM can pursue the public good as well as advance national interests within a framework of universal globalization. The sustainability/inclusiveness/growth strategy of Universiti Sains Malaysia represents a clear and intellectually challenging re-theorization of what role higher education must play in Malaysian national development. Linked closely with the idea that successful reform requires innovative leadership, the USM project needs to be understood within a cultural and social context in Malaysia where intellectual leadership by educators and a sense of public purpose in higher educational institutions is critical not only for the legitimacy of higher educational institutions as such but of the Malaysian polity in general.

At a macro level the problem of legitimacy in Malaysian higher educational institutions, especially publicly funded ones is a problem of somehow maintaining a balance between the traditional needs of social values and culture and the needs of economic development and modernization. This balance is nuanced and complex given the ethnic divisions, role of religion and the diverse expectations of the public sector from the Malaysian community. The point being made in the discussion above essentially reiterates the fact that the issue of legitimacy for reform in USM is closely tied to cultural expectations and social mores. To grasp the success and possibilities for legitimacy is to begin to understand the importance of qualities rooted in the Malay and Islamic traditions which (especially in the public sector) confer upon leadership important moral and even spiritual dimensions. The concept of sustainability and the university in the garden must be understood as a renewed form of legitimacy for higher education in conditions of globalization and change.

When viewed through this foregoing analysis the USM university in a garden model becomes clearer to understand from the point of view of the balance between national developmental aspirations and the maintenance of cultural values. The balance between these forces lies in the main in education. How does this tension manifest in the university sector and why is it important for APEX. Firstly the tension manifests in the need for higher educational institutions to engage and reform their managerial practices, research culture and pedagogical culture with reference to the needs of the knowledge economy and institutional modernization. Thus the needs of the knowledge economy, changes in management culture and institutional modernization can have a huge effect on the social relations and values that make up an institution. This may put incredible strain on social stability even in the context of university culture.

Secondly as argued above if the discourse of reform is presented in a language that is stripped of normative and cultural value and richness, then the way such an institution relates to its surrounding culture is concomitantly stripped of depth and legitimacy. In these two ways the reform agenda if not managed properly and understood within cultural context can 'offside' the institution from its own cultural environment and act to delegitimize it in people's eyes. This has implications for efficiency, effectiveness and the capacity to achieve goals. Modernization in such a framework acts not as a form of cultural creativity and innovation between globalization and indigenous culture, but rather as a form of neo-liberal cultural imposition against the cultural norms and beliefs of the host society. According to Dowling:

'Organizations seek to establish congruence between the social values associated with or implied by their activities and the norms of acceptable behavior in the larger social system of which they are a part. Insofar as these two value systems are congruent we can speak of organizational legitimacy. When an actual or potential disparity exists between the two value systems, there will exist a threat to organizational legitimacy. These threats take the form of legal, economic, and other social sanctions.(Dowling and Pfeffer 1975, p.122)

Sustainability legitimacy and creative leadership

Given that the argument of this paper is that USM's strategy is one of transformation in the context of adapting where necessary to convergent global realities and working within the specific cultural and institutional frameworks of Malaysian society, how do we understand the legitimacy of transformation? What kind of leadership is necessary for such transformation? How can legitimacy and leadership be understood from a framework that is not isomorphic? The following discussion will take a look at the concept of sustainability and theorize how this concept engages frames and legitimizes a transformative agenda for USM.

The pressure on the legitimacy of state institutions both as a result of globalization and the way transnational organizational structures and cultural flows now seriously challenge the once certain authorities of the nation state (Appadurai 1996; Marginson and Sawir 2005). This has been compounded by the state sponsored reform process of liberalization and marketization in the Malaysian higher education market. The growth of the private sector and corporatization of public universities in Malaysia poses issues with regards to the values orientation of Malaysian higher education and the public sector in Malaysian society. Created to address the needs of a growing domestic body of students who need access to Malaysian higher education, private higher educational institutions have filled a significant need.

However corporatization and the growth of private higher educational institutions as a way to achieve the goals of nation building also put pressure on the moral leadership of Malaysian public higher education. These pressures on the 'legitimacy' and leadership role of public institutions given the difficulties involved in reconciling corporatization with issues of the public good put pressure not simply on Malaysian public universities to compete but also to retain their leadership role in Malaysian society. The Universiti Sains Malaysia (USM) project, articulated through its overarching concept of the 'university in a garden' is fundamentally a project based on a renewed sense of moral leadership and direction. Moral leadership is 'both a motivating and stabilizing factor in sustaining the performance' (Wong 1998, p.122) of universities in Malaysia. USM's agenda is strongly linked to its ability to both adapt to the objective economic and global forces that frame higher education as well as express itself in a way that is commensurate with Malaysian values and culture.

Corporatization of the public sector is not sufficient to maintain the legitimacy credibility and competitiveness of public institutions in the contemporary scene. This is largely due to the more complex social and cultural role and expectations that are placed upon public universities and the sense that they face competitive disadvantage under current conditions of globalization. Corporatization without a concomitant values agenda for Malaysian higher education may in fact accentuate contradictions between an increasingly privatized and efficiency oriented higher educational sector and the substantive moral and social values of inclusiveness and public purpose that Malaysians expect of their higher educational institutions. The existence of a strong interventionist and regulatory state framework for both the private and public sector does not dissipate the very real social and cultural issues that must be attended to in the higher educational debate (Lee 2004). How do we maintain the legitimacy and competitiveness and leadership of Malaysian public higher educational institutions in an increasingly challenged, globalized and fluid terrain? How do we regain the competitive advantage for Malaysian public universities? How do we ensure that neo-liberal prescriptions for Malaysian higher education don't undermine the substantive national goals of ethnic cohesion, social justice and moral purpose that are expected from Malaysian higher education?

Assailed from without by neo-liberal managerial and isomorphic pressures and from within by state sponsored decisions to open up the educational market place to private competition, state institutions face what Jurgen Habermas refers to as a legitimation crisis (Habermas 1989) (Habermas 1973). Yet this crisis offers the path for innovative responses. Malaysian higher educational institutions are caught between external and internal pressures as well as the shift towards a network society, where interconnected and interactive and shifting relationships are increasingly challenging statist and static forms of social organization. USM's APEX strategy is an effort to regain the momentum in the current environment by reflexively modernizing its institutional aims and reasserting its moral vision. The need for USM to articulate its mission in a way that reinforces and establishes its social legitimacy within Malaysia is now strongly connected to how it establishes its legitimacy outside of Malaysia. The two aspects now intertwine in an 'inside out' strategy that seeks to engage globalization leveraging from institutional strengths and cultural values (USM 2008). In a sense the role of USM is to rearticulate legitimacy for the Malaysian public sector in conditions where legitimacy can no longer be assumed simply from its location or generation from state ownership and power. Such rearticulation entails a reflexive engagement with globalization.

The concepts of sustainability (Etzkowitz and Zhou 2006) and the blue ocean strategy (Kim and Mauborgne 2005) which gives it direction provide an important discursive answer to the new Malaysian higher educational dilemma. Sustainability as a conceptual paradigm provides an overarching ideological basis for renewed justification of Malaysian public institutions. It does this

because it establishes a link through network society and global civil society to principles of legitimation that are arguably equal to the power of neo-liberalism. It gives added impetus to developing the competitive position and the values of public institutions and is a way of squaring public purpose with the shifting forces that network society represents. It provides a critical link between the need to engage the diverse networks within higher education and the scholarly world as well as provide a continued more broadly 'globalized' legitimacy to the role that higher education can play in Malaysian society. It addresses the legitimation crisis of Malaysian higher education. It also provides a plausible solution for the competitive crisis of Malaysian higher educational institutions. To outline the theorization behind this we need to go a little deeper.

The principle or key way sustainability can legitimate itself in the Malaysian polity and higher educational scene is through establishing an *overlapping consensus*. This principle is drawn from the political philosophy of John Rawls (Rawls 1996). Overlapping consensus seeks to find points of agreement based on mutual recognition of commonly experienced problems. Overlapping consensus can only occur in conditions where inter-subjective dialogue, mutual respect and trust permeate the society. Sustainability provides an intellectual framework to achieve overlapping consensus. It does this through fusing and articulating critical interests together in a functioning overarching and unifying ideology. Sustainability as a doctrine provides a globalized intersubjective 'project' that situates USM and provides 'legitimacy' to USM as a public institution in an increasingly globalized world. In short, the strategy of USM provides a practical example of how public educational institutions can engage the problem of the declining legitimacy and authority of democratic sovereignty and authority within globalization. The core role of Malaysian higher educational institutions in maintaining and representing the critical social values of Malaysian society and the legitimacy for that society is reinvigorated by USM. Sustainability as a value system provides USM with a multi-pronged way to engage both the local and global problems that Malaysian higher education faces. How is this so?

Firstly, the sustainability ideology provides an important border crossing value discourse that situates USM globally and provides moral authority locally. In other words the ideology of sustainability provides an important platform or site for USM to project itself into the global environment and an important platform for rearticulating its competitive aims in an asymmetric and difficult world. In economic language the doctrine of sustainability reposition USM competitively which can advantage it in terms of its 'ethical' position in the higher education market place but also help to forge synergies and complementarities between its research and teaching agenda and the global higher educational sector. USM in this fashion establishes research credibility in under tapped research markets and links with global civil society and trans-national educational organizations which provide access to a discourse that is trans-global and innovative. This engagement with 'global civil society' concerned with issues of social justice and the focus of USM with sustainability issues articulates a moral agenda in the Malaysian public sphere which aids in providing ideological legitimacy to USM as a public institution dedicated to the public good. This does not necessarily lessen the authority of the Malaysian state in the process. In fact the opposite may be the case. The ability of USM to articulate its mission in a global discourse that is coherent with broader global civil society and global organizations (such as UNESCO) provides it with the ability to articulate not simply national but also global leadership in higher education. This reflexively then stimulates USM's position of leadership within Malaysian society and reinvigorates its leadership role through moral leadership.

The sustainability framework is also complementary to the public sector and nation building role that the Malaysian state expects from its higher educational institutions. As a legitimating ideology sustainability reflects and addresses many of the fears held in Malaysian society regarding the market

ideology and possessively individualistic values of neo-liberal competition. The value of sustainability not only provides linkage between USM and the Blue Ocean external to Malaysia; it also provides renewed legitimacy to the leadership role that higher educational institutions play in Malaysian society. The need for Malaysian higher educational institutions to maintain, indeed among some, re-establish their moral leadership is increasingly critical in the face of the competitive position it faces in Malaysian society.

The USM strategy is thus an important articulation of a renewed competitive edge for Malaysia higher education but also evidence of a renewed social and cultural leadership that such an institution plays in Malaysian society. Such an approach to the higher educational mission in Malaysia is an attempt to square one of the fundamental tensions that exists in Malaysian society with regards to higher education. This tension is between competition and its connection to neo-liberal values and social and cultural stability and the necessity of public institutions to maintain a moral leadership role in Malaysian society. This: competition, stability and leadership now remanifests with current globalization in new and novel forms. In other words, the USM APEX strategy with its focus on sustainability provides moral leadership and integration globally but also leadership locally in terms of articulating and establishing public universities to a clear public good that is inter-subjective and profoundly important. Such a theorisation is evidence of the way USM's strategy transforms globalization and is neither an example of neo-liberal convergence nor an example of indeterminate difference from globalization, but rather a form of transformative adaptation of globalization within dynamic national and global contexts.

Newness, advantage or disadvantage?

There is however a problem faced by USM in regards to the legitimacy of its strategic aims. One key problem is 'liability of newness' (Stinchcombe 1965) that characterizes institutions that seek to do new and innovative things means that pressure on their legitimacy within the relevant environment will be acute. Compounding this Di Maggio and Powell point out that isomorphic pressure can actually increase for institutions seeking to do new things since the pressures on their social legitimacy are great. In other words, 'uncertainty, new entrants, which could serve as sources of innovation and variation, will seek to overcome the liability of newness by imitating established practices within the field.' (DiMaggio and Powell 1983, p. 156) This pressure to conformity which paradoxically is most powerful on institutions seeking to change is a critical issue for USM and its reform agenda. Isomorphic pressure on USM, stemming from fears over the legitimacy of its aims and strategy may inhibit its ability to achieve its goals effectively. Given this problem there are several critical reasons to suggest that the 'liability of newness' thesis and its concomitant critique of the high chance of failure in organizations that seek innovative change may be attenuated in the USM example.

Firstly, one of the key aspects of the 'liability of newness' thesis relates to the age of the institution. New start ups are exposed to all the problems in social legitimacy that newness brings. USM however in Malaysian terms is not a new university. It has a settled and good reputation and established record of achievement. Originally known as Universiti Pulau Pinang, USM is the second oldest university of Malaysia, established in 1969. USM's achievements in science and technology are significant and bring it significant kudos and respect both locally and internationally. Because of these factors the liabilities that accrue from its desire to radically transform are attenuated and ameliorated. However possible areas of concern still exist. For example when an organization such as USM seeks to change and innovate, it needs to establish strong 'exchange relationships' with critical environmental

constituencies. Such relationships include building links to likeminded organizations, research institutes business government and non government organizations. Forging effective partnerships and networks is a critical issue for USM's strategic thrust and the practicalities of doing this well weigh heavily on the minds of USM leadership.

Another area that may affect the legitimacy of USM is the problem of the adequate and efficient working out of internal processes within the organization.(Jitendra V. Singh 1986, p.172) USM's liability of newness in regards to its shift in strategic orientation will be accentuated or ameliorated by the level of external and internal legitimacy this new direction has. Internal factors are critical and the uptake of staff to the values and orientation of USM must rely on more than simple 'following the leader' for deep and embedded legitimacy to take root among staff. In other words there must be buy in by staff to the reform agenda and the way the reforms are articulated within the organization must be functionally efficient, clear and understandable. External legitimacy is also critical since a failure to 'sell the brand' to the market will mean that external restraints will curtail the ability of USM to achieve at the highest level. Reduction in market status for example may affect recruiting of quality staff; attract research monies, and selection by students. In other words external legitimacy has material impact. Any dissipation of external legitimacy may have compounding effects on the way an institution engages with its environment. In this respect the legitimacy of USM is of critical importance.

The relationship *between* internal and external legitimacy is also important. This area of investigation requires significant research. The critical issue is to what extent internal problems with legitimacy cohere with external problems to conjure a 'perfect storm' effect. In other words, if USM cannot get take up from its staff in accepting the legitimacy of its goals and if this combines with an inability to gain market leverage for itself in a sceptical environment that it may face a crisis of legitimacy. This problem needs to be understood clearly. What then are the reasons or influences that can ensure USM avoids a problem in legitimacy? To grasp how USM can avoid problems of legitimacy and how it can build and increase its legitimacy USM's goals need to be unambiguous and clear. Lack of clarity in its goals will affect both external and internal legitimacy. As Di Maggio and Powell point out it may even lead to a shift towards older and established practices within the respective fields. In other words paradoxically newness if combined with ambiguity could lead to a conservative 'restoration' through isomorphic practices which seek stability over ambiguity. In the case of USM ambiguity over the meaning and nature of sustainability and the university in a garden project could lead to a retreat by staff back to what is known and predictable. In short:

'Legitimacy, a social judgment of acceptance, appropriateness, and desirability, enables organizations to access other resources needed to survive and grow. It provides a means to overcome the "liability of newness" that con-tributes to the high percentage of new venture failure.'(Zimmerman and Zeitz 2002, p.416)

Legitimacy is therefore closely connected to the cultural, social and normative frameworks within which an institution exists. In the case of USM, for it to succeed its university in a garden strategy must connect to the normative and cultural values of its environment. It must also show that it works. In other words it must show that it performs. This is critical for USM's success. The extent to which USM succeeds in its goals will have a significant effect on how its legitimacy is perceived. Given that we have briefly discussed the significance of legitimacy what other issues must USM face in its reform agenda?

Reputation

Another significant issue for USM is the issue of reputation. Reputation is related to legitimacy although it is not the same. Reputation refers to how an organization ranks among similar or like organizations. Reputation is 'a prized asset' whose value to an organization cannot be underestimated. Reputation is a critical influence on an organization's competitive advantage. This is a highly significant issue given the need for Malaysia to move out of the middle income trap. Yet reputation like legitimacy is related to the context within which an organization finds itself in. For USM reputation is extremely important. According to the USM Strategic Plan USM's academic reputation for example as cited by the Malaysian Quality Assessment Framework is extremely high and USM is justly proud of this. USM specifically recognizes the significance of reputation and argues that by 'positioning USM as a sustainability-led university, we hope to strengthen the university's global image and reputation.' (USM 2008)66 Indeed according to USM:

'USM needs to recruit the best to be the best. It may be able to do so when the positive image of USM attracts the best. Staff would like to work at USM for all the positive reasons, while students would like to enrich themselves through the system provided by USM, because of its reputation. It is absolutely critical for the university to lay out branding strategies and to ensure that the correct impression is created. Indeed, impression will not last without sustained performance and actual satisfying experience.' (USM 2008, p.49)

Corporate reputation is therefore critical to USM's performance and how its performance appears. Reputation rests on how the relevant public perceives or sees the university. Good reputations increase or engender competitive benefits (Fombrun and Riel 1997). The importance of shared cultural norms and understandings also is of critical issue in reputation. For example university corporate culture influences how managers perform and this directly connects to the way a reputation is upheld or dissipated. Shared cultural values and a strong identification with these values help to guide managers and academics in how they engage with and interact with external bodies. Such cultural values impact decisively on reputation (Camerer and Vepsäläinen 1988). In discussing the way a firm gains reputation Fombrun and Riel state:

'Thick cultures homogenize perceptions inside a firm and so increase the likelihood that managers will make more consistent self-presentations to external observers. By creating focal principles, that is, general understanding of the right way of doing things in a firm, thick cultures contribute to the consistency of firms' images with stakeholders' (Fombrun and Riel 1997, p.8)

A critical issue with USM in regards to reputation is the extent to which its desire to improve its reputation may in fact curtail its strategy to be different. In other words the desire to conform to a set of external standards and measures as a way of shoring up its reputation may in fact undermine its program of reform. In this sense there is a possible tension between the pressure to conform and the desire to be different (King and Whetten 2008, p.195). This tension manifests in the recognition that reputation relies on articulating difference within the higher educational market but at the same time reputation is also closely connected to how a higher educational institution compares to like institutions in the market. This tension between reputation as the pursuit and elaboration of difference to gain competitive advantage and reputation as comparison against a set of institutions exposes a significant tension in USM's program. The existence of this tension requires USM to engage with and attain strategic balance. The need to gain strategic balance is critical for USM to succeed (Deephouse 1999).

Strategic balance entails USM being able to show organizational similarities to its higher educational environment while on the other hand advancing its program of differentiation. On the one hand USM needs to maintain its reputation in the global higher educational market. It needs to ensure that its performance in research and teaching is world class and recognized as such. To do this USM has been focusing on improving research outcomes as well as ensuring that its research is marketed and explained to relevant parties. For example, USM is, 'recognised as Malaysia's premier research university' and its standing in research is competitive (USM 2008, p.iii). However how does USM maintain and achieve strategic balance? How does USM ensure that its global reputation is kept intact while at the same time differentiating itself according to its values? This problem is critical for the USM project to succeed it needs to maintain its reputation in the conventional global market place while at the same time differentiate and build new reputation capital. Striking this strategic balance as it moves forward entails a balancing act between maintaining legitimacy and reputation in the global market and striking out in new directions. One way of understanding this tension is to see it as a tension between ameliorating the liabilities of newness that come with reform and attaining first mover advantage that comes with transformation and moving in new directions. Why is it important to maintain strategic balance? Why would USM's approach minimize liabilities of newness and accentuate first mover advantage?

On the one hand a significant literature on higher educational organization and a broader literature on general organizational theory illuminates the fact that diversity and differentiation are critical to competitive advantage and hence to maintaining reputation. Differentiation meets diverse student need; it also provides new and diverse avenues for success by students and staff. Diversity and differentiation also meets the needs of complex labour markets where a one size fits all approach simply does not meet the needs of a complex economy and complex national interests. Diversity also meets the need of diverse constituencies within society. In the example of Malaysia an increasingly diversified economy and sophisticated society entails greater diversity of outcomes in higher education. Diversity increases the level and nature of effectiveness and allows higher educational institutions to innovate and experiment. In other words diversity and differentiation in higher education allows institutions to meet complex needs and demands and allows institutions to innovate in creative ways which connect to social, cultural and economic needs and constituencies. (Vught 2008, pp.154-156) These advantages of diversity and differentiation must be tempered by two observations. Firstly, that organizations such as USM contend within the problems and limitations of population ecology (Hannan and Freeman 1977; Hannan and Freeman 1989). Population ecology refers to the way organizations compete for limited resources. These resources include capital, human resources and social legitimacy (Vught 2008, p.21). The necessity of USM maintaining its position and ability to draw upon these resources in a process of change is imperative. Competition between different higher educational organizations for good students, research funds, quality staff is a core characteristic of the contemporary higher educational environment. Ensuring that USM can maintain its position in the market and that students recognize the quality of the positional goods they receive from studying at USM is a key practical necessity for reform. A failure by USM to maintain the status of the positional goods it confers upon students will inexorably lead to a break down in its ability to leverage from its legitimacy, maintain reputation and ultimately achieve its goals. In this sense the values agenda of USM is intertwined with the necessity of USM also achieving its goals in the global market place it critiques.

Reputation however is not a zero sum game. The approach of population ecology theory with its suggestion that higher educational institutions need to conform to traditional models of development

to maintain status and reputation does not take into account the significant role that USM through leadership can play in redefining reputation. Resource dependency theorists argue that, 'Rather than taking the environment as a given to which the organization then adapts, it is considerably more realistic to consider the environment as an outcome of a process that involves both adaptation to the environment and attempts to change that environment' (Pfeffer 1988, p.222). This is an important theoretical insight into our discussion of USM. It challenges the idea that organizations must simply adapt themselves to a static set of external demands and that these demands are zero sum in nature. In other words, the problem of legitimacy and reputation for USM is dynamic and diachronic. USM has the ability through intelligent engagement with its environment to rework the issue of legitimacy as long as it does so with an eye on the realities of contemporary power. Trying to avoid the drift to sameness that characterizes isomorphic pressure on USM can be achieved but this is dependent upon leadership and strategic balance.

Ranking

One of the major ways in which reputation is achieved in the contemporary competitive environment of higher education is through a universities place in ranking tables. Ranking tables are now being used as a critical way of engaging the issue of quality assurance and are seen as a major way of assessing the performance of universities in an 'objective' and 'verifiable' manner. The three most significant rankings measures globally are the the *Shanghai Jiao Tong University (SJTU) Academic Ranking of World Universities*, *Times Higher Education Supplement (THES) World University Rankings* and the *Newsweek Global Universities Ranking*. The ranking that appears in the Malaysian context to have the most important cache is the THES ranking. This may be due to its location in Britain, the old colonial ruler of Malaysia. The impact of rankings on the national media in Malaysia is profound. Politicians, media commentators, bloggers and nervous Vice Chancellors all wait for the latest rankings to come out. Yet critics of rankings argue that:

'One of the main causes of institutional unease is the tendency of institutional ranking schemes to use weighted aggregates of indicators to arrive at a single, all-encompassing quality "score," which in turn permits institutions to be ranked against one another. By selecting a particular set of indicators and assigning each a given weight, the authors of these rankings are imposing a specific definition of quality on the institutions being ranked. The fact that there may be other legitimate indicators or combinations of indicators is usually passed over in silence. To the reader, the author's judgement is in effect final.' (Usher and Savino 2006, p.1)

A close investigation of rankings tables as currently constituted reveals quite significant differences in what is measured and hence what constitutes quality. These differences point to a significant problem with those who seek to base a universities reputation and legitimacy on rankings. Which rankings do you choose? Why? How valid and reliable are they? The comparative ranking of league tables, 'are designed specifically as a comparative measure, pitting institutions against each other.' (Usher and Savino 2006, p.5) One critical issue with regards to rankings and the isomorphic pressures current rankings put on higher educational institutions is the issue of their corrupting influence. Often over looked strong isomorphic pressure, the desire to conform may lead some staff to manipulate the numbers, tailor the data to suit and otherwise generally distort the actual facts so as to get a good position in the rankings. A second corrupting influence which is more insidious and potentially more damaging is the tendency to change university objectives to suit rankings. In other words there may be pressure to choose between what is good for the university and its teaching and learning goals and doing what gets a higher ranking. One way around that issue is for universities to take notice of

several rankings systems. This would lead to ambiguity in terms of the validity of the rankings but would be balanced by more diversity. The problem with that strategy is that it tends to 'exacerbate the short-term orientation that rankings foster while marginalizing more deliberative, nonquantitative methods of evaluation' (Saunders and Espeland 2006, p.207). Ordinal rankings are a good way to compare institutions across the sector if we accept a) the validity of what is measured, b) the incorruptibility of what is measured and c) appropriateness of what is measured. However this begs the issue as to the extent to which we do accept the validity, incorruptibility and appropriateness of what is measured in the first place. Sponsler makes a significant point:

'Ordinal rankings and benchmarking dilute the relevance of information policymakers derive from college rankings. Presenting information in this way might be appropriate to assess how institutions are doing comparatively, but it is of limited use in crafting answers to questions important to policymakers such as "Are we producing the educational outcomes we desire?", "Are students learning?", and "What improvements have resulted from policy changes?"' (Sponsler 2009, p.2)

A deeper critique of the measurement culture in university rankings reveals problems which go to the heart of reputation issues. One significant criticism of rankings is that it represents an instrumentalist agenda in education at odds with the substantive and at times intangible values that a university seeks to instil and pursue. Three critical problems characterize rankings; these include that fact that limitations on data restrict and inhibit the usefulness of rankings data to policy makers, the way rankings are structured limits their relevance to policy makers and finally that rankings can make institutions shift their behaviours in ways that are inimical to the public good. Institutions and the people within them are reactive. What this means is that they react to stimuli and this reaction to stimuli such as measurement and rankings systems changes the very thing that is measured. This reactivity is a critical characteristic of all higher educational institutions as they respond to rankings. A reactive measure such as rankings, 'modifies the phenomenon under study, which changes the very thing that one is trying to measure'. (Campbell 1957, p.298) (Espeland and Sauder 2007, p.3) The reduction of higher educational achievements to numeric form has important consequences for policy. Numbers transform and change the people and institutions they describe, social quantification in higher education is deeply politicized; our images of higher educational life 'are shaped by the realities that statistics appear to disclose.' (Rose 1991, p.673) While superficially the desire to mitigate and avoid conflict, inculcate trust and coordinate our understandings of organizations across distance has spurred the growth of ranking the impetus for rankings stems from deeper sources as well. Sauder and Espeland argue using Foucault that, 'Disciplinary power is a central, constitutive feature of modern selves.' (Sauder and Espeland 2009, p.69) In other words rankings constitute a kind of disciplinary regime in the Foucauldian sense. Ranking systems 'through processes of surveillance and normalization, change how internal and external constituencies think' about higher educational institutions (Sauder and Espeland 2009, p.64). Surveillance occurs through processes of 'public' forms of accountability and the social power that quantification and rankings has. According to Sauder and Espeland,

'Meticulous surveillance is a key feature of disciplinary power. Foucault's famous panopticon, where surveillance is continuous, anonymous, invisible, and encompasses both regulators and the regulated, represents the ideal. Spatial surveillance is complemented and often supplanted by conceptual arrangements such as statistical or actuarial surveillance'. (Sauder and Espeland 2009, p.69)

Compounding the process of surveillance is the process of normalization. 'The penalty of the norm' functions 'by defining a class of subjects as the same and then using normative criteria to establish

individual differences. This process of simultaneously linking and distinguishing is a distinctively modern form of power.’(Sauder and Espeland 2009, p.72) Foucault identifies and analyses five processes of normalization that shape and form discipline in social settings. These are, ‘comparison, differentiation, hierarchization, homogenization, and exclusion. Each of these processes clarifies how rankings simplify and stratify information’. (Sauder and Espeland 2009, p.72) This process of surveillance and normalization produces status anxiety in higher educational institutions. This anxiety acts to propel managers and leadership in higher educational institutions to attempt to subsume their educational goals and objectives to the need to improve in the rankings tables. In the field of higher education status anxiety manifests most acutely in conditions where the quality of the product is hard to assess prior to its exchange. In other words in the higher educational environment, because the quality of students is often determined by market forces that judge such quality at the end of a long educational process, and because USM is undergoing significant change where the issue of quality is front and centre in people’s minds, the problem of status anxiety manifests acutely in the minds of managers. USM recognizes the market demand and what it expects from the university.

Such anxiety may be a spur to greater effort in the direction of USM’s goals and objectives. However it also may spur a retreat by managers and staff back to the known and easy path of isomorphic behaviours. Uncertainty engenders status anxiety and the process of reform is a typical moment of status anxiety. While uncertainty in the environment can lead to status anxiety it is also possible threat to a convincing uptake of reformed values in USM. Rankings can fuel such anxiety especially in times of change(Gould 2002). Rankings fuel status anxiety and through their hegemonic pressure influence managers to dovetail their actions to suit perceived needs of ranking tables. For USM this poses a significant problem. Given the fact that significant status anxiety characterizes the Malaysian higher educational environment in general, and given the fact that the imaginary power of rankings as a tool for deciding higher educational reputations is currently ideologically hegemonic, the necessity to define strategies to overcome this pressure is manifestly important for USM. The question remains however, can actions by USM themselves completely overcome the problems that status anxiety and the current rankings regime pose for the reputation and legitimacy of USM as an institution and of its strategic goals and aims? Significant external or endogenous forces influence and mitigate any internal strategic approach that an institution such as USM pursues to engage the problems fuelled by status anxiety and the hold that rankings has on policy makers. In short; rankings as currently constituted act to potentially divert USM from focussing on its strategic mission in an effort to shore up legitimacy and reputation for itself against criteria that are externally imposed.

Conclusion

In this paper I have argued that the APEX strategy of USM is an effort to pursue a new direction for Malaysian higher education. Such an effort has significant reasons to suspect that it may succeed. However there are also important problems and issues which act to inhibit USM’s strategic direction. These problems manifest in the issues of legitimacy, reputation and positional ranking. Understanding how USM’s reform agenda engages and contends with these issues in the process of change and modernization while at the same time defending cultural dignity and the right of difference is the critical problem. The extent to which the legitimacy of USM’s strategy is reliant on it successfully managing the problems of newness and the problems of internal institutional coherence and external social and market acceptance of its philosophies is an important issue. The extent to which USM is able to maintain its reputation during change and ensure that can avoid dovetailing its agenda to meet a narrow concept of institutional ranking will be an ongoing problem. The concepts of sustainability and the commitment to the bottom billions provide a way for USM to rearticulate traditional

Malaysian values of inclusiveness and social justice in a fashion that has global recognition and local relevance. Understanding the balance between external and internal forces is critical to any effort at analysing the way USM can succeed in its mission. Such understanding has broader import, for it through understanding the push and pull on USM's efforts to change that we can get an insight into the difficult terrain that public policy in general faces in attempting to articulate a different course from the Washington Consensus and advance the agenda of a 'New Asian Century'.

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