

Research on the Optimization of Internal Governance Structure of Higher Vocational Colleges under the Mixed-Ownership School-Running Model

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Abstract: Mixed-ownership school-running is regarded as a pivotal institutional innovation for China to deepen the integration of industry and education and stimulate the vitality of school operation. However, its internal governance practice often falls into the predicament of “formal integration but substantive disconnection”. The crux lies in the lack of a scientific typology of governance models, leading to overly general policy recommendations. Adopting the normative theoretical research method, this paper integrates the incomplete contract theory and the legitimacy mechanism of neoinstitutionalism to construct a two-dimensional governance typology with the depth of property right integration and the ownership of dominant power as the core coordinates. The research finds that different types of mixed-ownership higher vocational colleges face distinctly different core governance contradictions and are constrained by multiple legitimacy demands. On this basis, differentiated optimization principles are proposed: for the resource cooperation - school-led type, the model of “power and responsibility list + collaboration platform” should be implemented; for the legal entity - enterprise-led type, a framework of “public welfare priority and dynamic checks and balances” must be established. This typology framework provides a theoretical tool for clarifying complex governance practices and points out the key path from formal integration to substantive co-governance.

Keywords: Mixed-ownership school-running; Higher vocational education; Internal governance structure; Governance typology; Incomplete contract theory; Legitimacy mechanism

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1. Introduction

Under the background of the new era, deepening the integration of industry and education has become a core issue for promoting the high-quality development of vocational education in China. As an institutional exploration aiming to integrate public and private capital and activate the school-running vitality of multiple subjects, mixed-ownership school-running has thus been entrusted with important expectations^[1]. However, the

contradiction between policy expectations and actual governance practices has become increasingly prominent. A large number of practices show that many so-called “mixed-ownership” projects have absorbed social forces in form, but due to vague property right boundaries and the absence of governance rules, it is difficult to construct an internal governance structure adapted to them, and ultimately fall into the predicament of “formal integration but substantive fragmentation” — cooperation remains at the level of resource exchange, synergy efficiency is low, and even power and responsibility conflicts arise^[2]. The root cause of the problem is not operational technology, but vague theoretical cognition: existing discussions generally regard “mixed-ownership” as a homogeneous concept, lacking both the analysis of its internal differences and the establishment of an effective classification analysis framework, resulting in governance recommendations that cannot be tailored to different types and lack practical guiding significance. Therefore, this paper advocates returning to the theoretical basis and providing a more explanatory and targeted analysis path for the optimization of internal governance of mixed-ownership higher vocational colleges by constructing a governance typology based on institutional foundation and power structure.

2. The crux of governance dilemmas in mixed-ownership higher vocational colleges: Conceptual generalization and lack of typology

The state has taken mixed-ownership school-running as an institutional breakthrough to break the deep-seated barriers of industry-education integration, and the “Vocational Education Law of the People’s Republic of China (Revised in 2022)” has provided a legal basis for it. However, there is a huge gap between policy vision and practical reality. A large number of cooperative projects named “mixed-ownership” essentially remain at the shallow stage of university-enterprise resource exchange, without touching the fundamental reform of property right structure and legal person status^[3]. This common state of “separation of name and reality” makes the design of internal governance structure fall into a dilemma: it is difficult to follow the administrative governance paradigm of public colleges and universities, and it is also impossible to simply transplant the market-oriented corporate governance logic of enterprises^[4].

Existing research has responded weakly to this problem. On the one hand, many achievements are limited to empirical descriptions of isolated cases, which can present local details but are difficult to refine laws with universal explanatory power; on the other hand, more extensive discussions regard “mixed-ownership” as a homogeneous concept, and generally call for strengthening “board construction” or “improving corporate governance”, completely ignoring the structural differences in property right foundation and power allocation of different mixed forms. It is this generalization of concepts and lack of typology that constitute the deep-seated crux of the current governance dilemma. Without a scientific classification of mixed-ownership, any one-size-fits-all optimization plan will be aimless. Therefore, constructing a rigorous governance typology is the logical starting point for breaking the predicament.

3. Dual theoretical perspectives for understanding governance tensions: Contract failure and legitimacy demands

An in-depth analysis of the governance dilemmas of mixed-ownership higher vocational colleges in China relies on complementary theoretical perspectives. This paper holds that the incomplete contract theory and the legitimacy mechanism of neoinstitutionalism together form a complete analytical framework, revealing its

internal tensions and external manifestations, respectively.

From an economic perspective, the inherent long-term nature, complexity and immeasurability of educational services determine the incompleteness of the initial cooperation agreement between universities and enterprises. No matter how detailed the agreement is, it cannot exhaust all possible future scenarios and decisions. This fundamental attribute will inevitably give rise to a large number of residual control rights, the decision-making power over matters not clearly agreed upon. The government, universities and enterprises compete fiercely in these “residual” fields based on their own interests, which constitutes the economic root of governance conflicts. For example, on the key issue of curriculum system adjustment, frictions arise because enterprises pursue agility in market response while universities adhere to the stability of talent training.

From a sociological perspective, organizational behavior is not only driven by the logic of efficiency, but also deeply shaped by legitimacy pressure in the institutional environment. Neoinstitutionalism theory points out that in order to obtain social recognition, organizations will actively seek regulative legitimacy (in line with laws, regulations and official requirements), normative legitimacy (in line with community morality and value expectations) and cognitive legitimacy (being regarded as a matter of course by society). As an emerging and boundary-blurred organizational form, the choice of governance structure of mixed-ownership higher vocational colleges is often not a pure technical rational calculation, but a symbolic strategy^[5].

4. Constructing a governance typology framework for mixed-ownership higher vocational colleges

The typology framework proposed in this study is not for simple classification, but an attempt to reveal the deep logical differences in the operation of mixed-ownership higher vocational colleges under different institutional arrangements. This framework takes the depth of property right integration and the ownership of dominant power as the two core dimensions, corresponding to the structural constraints of the institutional foundation and the actual allocation pattern of governance power, respectively^[6].

The depth of property right integration is not only reflected in the proportion of investment, but also essentially defines the legal attribute of cooperation and the risk-sharing mechanism. Shallow integration mostly stays at the resource level such as equipment donation and curriculum co-construction, and the original legal person structure has not undergone substantive changes; while deep integration reconstructs the property right relationship through the co-construction of independent legal person entities, forming a responsibility community with equal rights and responsibilities. The ownership of dominant power reflects the actual distribution of residual control rights in the game of multiple subjects. It is not only affected by the equity structure, but also deeply shaped by the policy environment, organizational capacity and historical path dependence.

In practice, dominant power generally presents three typical forms. The government-led type is common in scenarios where local governments strongly promote vocational education reform to serve the development of regional industries. Its governance logic is highly administrative, decision-making often follows political cycles and industrial planning, and the market feedback mechanism is institutionally weakened. The school-led type continues the institutional inertia of public higher vocational colleges and emphasizes the regulatory function of academic autonomy on market logic. Under this model, enterprise participation is mostly absorbed into the existing teaching system, and its demands can only be implemented after being “filtered” by educational logic. The enterprise-led type marks the in-depth penetration of capital logic into the educational field. Relying on investment or operational advantages, enterprises hold a majority of seats in the council and have substantive

control over major matters such as major setting, curriculum development, teacher recruitment and even financial budget, and their behaviors naturally tend to prioritize efficiency and maximize investment returns.

Crossing the two dimensions can theoretically derive six ideal types. This paper focuses on two extreme forms, because they respectively represent the mainstream predicament of current practice and the deep tension of reform exploration. The resource cooperation - school-led type exists widely, but due to the lack of property right ties and the mechanism of equal rights and responsibilities, university-enterprise synergy often falls into an inefficient equilibrium of “enthusiastic agreement but sluggish implementation”; the legal entity - enterprise-led type has the potential for institutional innovation, but directly faces the fundamental institutional conflict between the public welfare of education and the profit-seeking nature of capital, and may slide into the risk of educational commercialization if not handled carefully.

Through these two typical types, the core proposition of mixed-ownership governance is clarified: the problem is not whether to introduce market forces, but how to establish a sustainable coordination and check-and-balance mechanism between multiple institutional logics through institutional design^[7].

5. Differentiated Optimization Paths For Mixed-Ownership Governance Based On Typological Differences

The optimization of governance structure cannot rely on a one-size-fits-all model, but must be based on the unique contradictions faced by different types and design solutions adapted to their institutional logic. The effectiveness of such differentiated paths depends on the accurate grasp of the internal tensions revealed by the aforementioned typology.

5.1. Optimization path for the “Resource Cooperation - School-Led Type”

The governance bottleneck of this type is concentrated in low synergy efficiency caused by vague power and responsibility boundaries. Due to the lack of rigid constraints of property right ties, the depth and sustainability of enterprise participation are highly dependent on their own strategic will and the coordination capacity of universities, and cooperative relations are easily reduced to formality. The key to breaking this predicament is to institutionalize the loose cooperative relations.

A feasible idea is to implement the mechanism of “power and responsibility list + collaboration platform”. The “University-Enterprise Cooperation Governance Power and Responsibility List” here should not be a static memorandum, but a dynamic governance contract. It needs to clearly define the role boundaries and responsibility scope of enterprises in different governance units, such as the professional construction committee, curriculum development group, and internship training management. The formulation process of the list itself is an in-depth consultation, which helps universities and enterprises reach a consensus in advance and reduce subsequent frictions.

At the same time, a normalized joint governance platform must be established as a supporting measure. For example, a University-Enterprise Joint Governance Committee composed of university leaders in charge, deans/department heads, enterprise executives and technical experts is set up to hold regular meetings every quarter to review cooperation progress, coordinate sudden problems and plan future actions. Only by clarifying responsibilities through the list and guaranteeing deliberations through the platform can loose cooperation be transformed into efficient and orderly collaborative governance.

5.2. Optimization path for the “Legal Entity - Enterprise-Led Type”

The deep-seated dilemma of this type stems from the structural conflict between capital logic and the public welfare of education^[8]. As the main investor, enterprises naturally pursue the maximization of investment returns, which is in fundamental tension with the long-term nature and public welfare of educational undertakings. Without effective checks and balances, it is easy to deviate into the wrong track of “emphasizing skill training over moral education” or “prioritizing short-term benefits over long-term development”.

Therefore, the core of governance optimization is to construct an institutional framework that can endogenously guarantee the public welfare of education, which we call the “public welfare priority and dynamic checks and balances” model. This framework includes two pillars:

First, multi-dimensional checks and balances of governance subjects. In the board of directors or council, mandatory seats for public welfare independent directors nominated by competent education departments, industry organizations or independent scholars should be set up^[9], and they should be given the veto power over major education-related matters (such as talent training programs, moral education systems, and teacher standards).

Second, public welfare-oriented incentive mechanisms. The traditional fixed dividend model cannot link enterprise interests with educational quality. We can explore the establishment of a dynamic income distribution mechanism based on education effectiveness: directly bind enterprise dividends to their performance on key public welfare indicators such as student skill certification pass rate, high-quality employment rate, and curriculum resource investment. Full or excess returns are enjoyed if the indicators are met, and corresponding deductions are made if not^[10-12]. This “performance binding” design can effectively guide enterprises to shift from passively fulfilling social responsibilities to actively investing in high-quality educational resources, realizing the unification of capital appreciation and educational value^[13].

6. Conclusion: From typology to precision governance

The governance dilemma of mixed-ownership higher vocational colleges stems from the divergent goals of multiple subjects and the dislocation of institutional logic. Although the government, universities, and enterprises are incorporated into the same cooperation framework, they often fall into the practical predicament of low synergy efficiency and vague power and responsibility due to the lack of adaptive governance rules^[14].

To address this problem, this paper abandons generalized discussions and instead constructs a two-dimensional analytical framework with “the depth of property right integration” and “the ownership of dominant power” as coordinates. This framework systematically reduces the complex mixed forms into several typical types, thus providing a cognitive basis for accurately identifying governance contradictions.

With the help of this framework, it can be seen that different types of mixed-ownership face distinctly different core tensions. Taking the current mainstream resource cooperation - school-led type (such as most industrial colleges) as an example, its governance focus is on how to improve the efficiency of university-enterprise synergy; while the exploratory legal entity - enterprise-led type must directly face the structural conflict between the profit-seeking nature of capital and the public welfare of education^[15].

Thus, governance optimization must abandon the one-size-fits-all thinking and shift to classification-based policies. For the former, the key is to institutionalize loose cooperative relations: the boundaries can be clarified by formulating the “University-Enterprise Cooperation Power and Responsibility List,” and the negotiation process and decision-making procedures can be standardized by setting up an institutionalized joint governance

platform.

For the latter, the core is to embed public welfare constraints at the institutional level, such as setting up seats for public welfare independent directors in the board of directors and establishing a dynamic income distribution mechanism linked to education effectiveness.

This study constructs a classification analysis framework with both explanatory power and inspiration. It reminds policymakers and school operators that an effective governance structure must be consistent with its specific property right foundation and power pattern. Future research can, under this framework, empirically test the operational efficiency of various models, further refine their applicable conditions and evolution paths, thus promoting mixed-ownership from formal “co-operation” to substantive “co-governance” in the sense of governance.

Disclosure statement

The author declares no conflict of interest.

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