SUMMARY AND CONCLUSIONS
Summary and Conclusions

In Japan the problems that the higher education faces are due to the shift from pre-world war II elite system of higher education that was largely confined within national boundaries to a postmodern mass higher education system in a global market oriented society. Globalization, technology and new market forces have posed major challenges to the universities as to how they should operate and how the academics should be managed.

The expansion in higher education in Japan is guided by market demand. Private universities have expanded in a big way to produce well-trained labour force to fulfill the requirement of the business. The elitist national universities are not that responsive to the market forces. They feel that their privileged status is threatened by the mass production of graduates by private universities. However, there is also negative impact of over expansion because it contributes to social and political instability through unemployment among graduates. In the beginning of the 1960s, the Japanese Ministry of Education attempted to control expansion by way of government planning. The plans called for qualitative upgrading by restraining quantitative expansion. To improve educational standard significantly in private institutions and to stop excessive enrolment the Ministry of Education enacted specific measures like strengthening of the power of Minister in setting the maximum enrolment size at chartered institutions and creation of a national subsidy to private institution to help cover their current expenditure.
In Japan, a comparison among national, public and private universities in terms of increase numbers shows that, after 1990s private universities increased more rapidly. Between 1999 to 2000, twenty-one new private universities were established. This was possible mainly because of the Japanese government's policies that encouraged the establishment of private universities during this period.

The Ministry of Education distributes funds to universities on a formula based on number of faculty, number of students, national importance and prestige of the institution. However, funds given by government are not sufficient to support research and related activities of the faculties and for that they have to depend on outside sources. According to one survey, national universities contribute a great deal to the advancement of academic research, but their research equipments, buildings and salary are often unsatisfactory in comparison to the private institutes and universities.

After 1990 Japanese universities reform became imperative due to serious financial crisis. During the last decade more flexible system of planning has been introduced in university operation including financial management on the basis of autonomy, independence and self-responsibility. Since 1992, Ministry of Education has been trying hard to secure substantial growth in funds for facilitating improvement in the supplementary budgets and has started special improvement projects. Special funds were also introduced in the Special Account for National Educational Institutions. These projects are being funded by proceeds from sale of sites vacated after the relocation of National Institutes of higher education.
In Japan, although private universities are self-supporting, Ministry of Education has been allocating an increasing amount of public funds to these institutions. Also, private universities enjoy a high degree of autonomy but the government can intervene at the time when a new university is being founded or when new courses, programs are being introduced.

In today's globalized world, democratization of higher education has also become a top priority in the context of socio-political change and Japan is increasingly pursuing this line. New cultural changes also have a direct impact on higher education creating opportunities for new, innovative and diverse practices with more flexibility.

In the 1970s, the Japanese government made an attempt to instill greater flexibility in the existing university system. It tried to relax the framework of the university curricula, and internal organization with regard to regulations, standards and budgetary rules. However, until 1993 LDP had played a dominant role in influencing the higher education policy and due to its immobilist politics many of the important decisions in the policy making process were often politicized.

In higher education, human resource management is an important priority which includes leadership and decision making, academic staff development through training and effective human relations, use of effective negotiation style and minimization of conflict within the organization. In the management of higher education in Japan, the people are considered as the greatest resource in the developmental process. Japanese style of human resource management attempts to
humanize an organizational atmosphere that recognizes and encourages the contribution of everyone. This creates a desire of participation and teamwork, sharing of power and responsibility more widely, and a sense of belongingness.

Understanding and adapting to change for higher education institution is now a big challenge. Academic leadership is to focus on change and innovation to meet new requirements. Academic leaders are individuals with vision who can lead a team in converting the vision into reality. They must understand how to allocate scarce resources and think beyond short-term results. They have to adopt practical strategies and provide clear goals and seize new opportunities, manage both people and resources in an orderly and efficient way. Some of the fundamental abilities of academic leadership are – a sense of direction, a long term strategic thinking, a view of big picture, imagination, correct attitude, flexibility, good judgement, political attitude, concern for staff development, select capable people, ability to produce results, ability to live with the consequence of decisions, communicate effectively, motivate others and resolve conflicts.

The reason for growing control of the external agencies over universities is related to the political and economic changes which has caused declining revenues for the universities. The scarcer the resources the greater are the potential for conflict in an organization demanding a need for overall arbitration and coordination. Conflict cannot always be resolved, it has to be managed. It can be used creatively to broaden understanding, increase the options and encourage larger participation and commitment to a group decision.
Conflict resolution skill lies in open dialogue, information sharing and the exercise of fairness and good judgments. There are five basic ways of dealing with conflict: avoidance, accommodation, use of power, negotiation and collaboration.

Communication and information are important resources in the process of internationalization. But Japan has failed to master English, an international language due to several social and cultural reasons. Japanese government is keen to strengthen the English language ability of the Japanese people and there is a national debate on making English the second official language. The government has also endeavoured to employ British university graduates each year to teach English. Universities are increasingly giving high priority to foreign language education, realizing the importance of international perspective in a globalized world. Japan still lacks proficiency in the English language and due to this it cannot make a high mark in most international forums. However as the nations of the world are moving from the nationalistic identity to international perspective creating broader horizon about life, in this situation 'limited internationalization' is uncalled for.

Self-monitoring and self-evaluation helps the universities in identifying the problems and taking initiative to overcome the problems. This includes areas such as – educational aims and philosophy, educational activities, research activities, faculty organization, facilities and equipment, international exchange, cooperation with the industry and the community, administration and financial management, health management and self-evaluation systems. This is a major step as a part of evaluation, ranking and
accountability initiative in the university system in recent times for the implementation of concrete university reforms. There has been an increase in the trends towards self-monitoring and self-evaluation among Japanese universities. By 1994, about one third of all universities had already established internal regulations concerning self-monitoring and self-evaluation and had published reports.

In this study some of the biggest problems and issues identified are: how to manage financial uncertainty, issue of academic autonomy, how to achieve both excellence and equality, problem of internationalization, modernizing governance, corporatization and privatization, leadership, university evaluation and ranking. However, though these problems and issues are complex, it is true that globalization, technology and market mechanism have become powerful forces to influence higher education in Japan in the present time.

This study finds that in Japan the contribution of public funding to the costs of higher education remains lower than Europe and United States. In 1996, in terms of the annual expenditure per student in university level education, Japan spent $8768 whereas US spent $16262. In 1997, the share of total public spending on education in Japan was 10.2% and its share on GNP is 3.6%, which was again the lowest among the developed countries.

Though national and private universities face financial problem, private universities are quicker in bringing about changes for survival whereas national universities are slow to change and consequently the financial situation confronting them is more severe. One of the main
objectives of universities is continued efforts to improve mechanism for the procurement of funds from the corporate sectors. There is need to emphasize on fund raising priorities through connection with business, government agencies and political leaders. More funds enable an institution not only to improve their educational and research activities and management but also to expand their financial base. On the other hand, the effective utilization of limited financial resources is just as important as efforts to secure funds. Efficient and prioritized allocation of funds is especially important with regard to public universities. Budgeting should be dynamic and creative. The strategic planning is to include both short and long term priorities, solutions and options. Further, it is essential that universities focus on the qualitative improvement of their educational and research activities to attract funds.

To overcome financial crisis, the administrations of various universities have also explored and tried to implement the idea of institutional cooperation, co-optation of other universities, program and mission reorganisation and merger, joint purchase and service agreements with other universities or local and state governments. Joint research and commissioned research with private sector organizations, for example, joint university – industry research, and endowments from corporations are also some of the areas where inter-university cooperation can take place. More importantly, they have to be open-minded towards collaboration in R & D network to attract funding. This is because direct public policy has become less important today due to increasing importance of private values such
as – quality, diversity, and independence leading to interdependence. It requires a cohesive integrated strategy of public-private partnership.

Another interesting finding which has emerged in this study is that though the university autonomy has been challenged due to financial pressures, it is growing stronger due to democratization and internationalization process at the same time.

This study reveals that further strengthening of internationalization of higher education is needed to change the perceptions of the Japanese, from seeing the world as a market for resources and products to seeing the world as a stage of international cooperation. In 1984, internationalization was a subject of animated discussions in Japan. The government was keen to raise Japan's status in the international community. But, while Prime Minister Yasuhiro Nakasone emphasized on Japan's position in international politics, the business world emphasized upon economic goals overseas.

While private universities have been more successful in achieving internationalization, national universities fall behind due to their institutional framework. Inflexibility has made it more difficult for them to internationalize. Even though research work is more open to international participation, steps need to be taken to further facilitate cooperative research. Not only exchange programs are to be encouraged but some of the internal structure has to be also changed. The policy of internationalization is to be seen as an important initiative towards reform in higher education.

Quality versus quantity is also one of the major problems Japan faces especially when there is a big demand for higher education. It is very
difficult to achieve both at the same time and in reality, within a fixed budget, any gain in one is likely to be at the expense of the other. The fundamental issue is to secure huge financial resources to create a sufficient number of higher education institutions with high standards. Japan has opted for meeting the quantitative demand with the help of the private sector. The pattern of Japanese expansion is a mass production of private higher education, which produces a large number of graduates. Now, the objective is to achieve quality in higher education.

The privatization of public universities means that the governance and jurisdiction of all the national colleges and universities should be transferred to a third party, or make the private sector in-charge. It has become a political issue and the probability of this happening has increased over the years. The relevance of private sector values prevailing over public values is a concern of the present times. The private sector emphasizes more on values such as quality, diversity and independence which are more relevant to achieve their objectives. Some of the experts of higher education are not in favour of privatization and corporatization of universities because this will make the strong stronger and the weak weaker in institutional terms. Besides corporate sector is more likely to serve basically the interest of the business class and the chances of the university president becoming a puppet in the hands of the business leaders is also not desirable. Unlike the government the private sector will not be accountable to the public.

Leadership and management are two different things and leadership is more important than management. Though the management aspect of
Japanese way of living has achieved great success, there is a problem of leadership especially, with regard to international leadership. Leaders are concerned primarily with domestic problems and international issues are secondary. From this study it is clear that Japan's position is only next to USA and UK regarding students seeking admission for higher education and a large percentage (35.9%) opt more for law and economics. This indicates that economic perspective still dominates Japanese thinking and their way of living. To some extent economy centered framework has failed to produce good leaders at the international level. In addition to this, Japanese society is also a group-oriented society which does not encourage the growth of strong leadership qualities in an individual. Higher education of Japan emphasizes more on producing trained personnel rather than produce leaders. One of the objectives of higher education in future is to instill leadership, individualistic, and responsive qualities in the student.

The continued focus of university reforms is modernizing governance by giving top priority to coordination and accountability. University administration aims to further strengthen cooperation among the various institutions through careful planned agenda, active circulation of information and coordination of policies and procedures. It is clear from this study that institutions of higher learning increasingly feel that collaboration and openness are better than competition and rigidity and that consensus should always be obtained as opposed to the use of majority rule or authoritative decree. In Japan due to the gradual changes in government policies, openness and diversification
of national universities, flexibility of private universities, and cooperative element in public universities are increasingly found.

Every new challenge or problem is an opportunity for the leaders. An organization cannot grow if there is no new challenge. The responsibility of practical leaders is to manage it in a new way with new thinking. Openness, flexibility, quality, accountability, diversification, relevance, efficiency, cooperation, creativity, innovation, not competition but collaboration, not control but independence, and consensus are the elements of a good university. Japan in the last decade has achieved these objectives to some extent but has still to go a long way in adopting reforms in higher education to adjust with the challenges posed by the new international situation of globalization, information technology and market.