Approaches of Improving University Assets Management Efficiency

Jingliang Wang

1 State-owned Assets Management Department, Changchun University of Science and Technology, China. Tel: 86-186-4312-0990 E-mail: wjl@cust.edu.cn

Received: September 6, 2015 Accepted: September 19, 2015 Online Published: October 26, 2015

doi:10.5430/ijhe.v4n4p235 URL: http://dx.doi.org/10.5430/ijhe.v4n4p235

Abstract

University assets management, as an important content of modern university management, is generally confronted with the issue of low efficiency. Currently, to address the problems exposed in university assets management and take appropriate modification measures is an urgent issue in front of Chinese university assets management sectors. In this paper, based on a survey on university assets management conditions, the author tries to find the problems and conclude some useful countermeasures, in the hope of providing certain references for university assets management sectors and improving the assets management efficiency.

**Keywords:** University, Assets management, Efficiency

University assets are the accumulated fiscal investments from the state in order to support the higher education development. University assets serve as the support for higher education development, as well as the foundation and guarantee for universities engaging in teaching, scientific research, and management. They are significant for improving higher education quality, enhancing the competitiveness of universities, and achieving sustainable development of higher education. With the rapid development of modern universities, the constantly increasing national investment and the annually enlarging size of university assets highlight the importance of assets management. How to achieve the value maintenance and appreciation of university assets has become a most critical issue for university administrative management. At present, the university assets management in China is still using the old method at the fiscal appropriation age. The assets management system is still in the exploratory stage. However, traditional assets management mode has been outdated since it cannot meet the requirements of economic development for university assets management. In the assets management process, some serious problems have already gravely affected the work of universities. Therefore, how to enhance the efficiency of university assets management has become a pressing issue.

1. Problems in university assets management

It is well known that for universities, as non-profit institutions, national or local fiscal appropriation, donations from outstanding alumni, and other non-tax revenue are the main financial resources. However, the financial resources are unstable and limited since they are affected or restricted by the size of university, education quality, and school enrollment. For a long period, in the process of university assets management, the effective utilization of assets has been ignored to a great degree. Universities emphasize too much on assets investments, which leads to a series of problems in assets management. As a result, the assets management efficiency and university competitiveness have been affected negatively.

Assets management is an important part of university management, so the assets management has significant impacts on universities’ teaching and scientific research. With the deepening university reform, assets management has become a vulnerable link in university management and badly harmed the harmonious development of higher education. To understand the current conditions and shortcomings of university assets management and to enhance the efficiency of university assets management will be meaningful for the benefits of university assets. In summary, the current university assets management in China has been confronted with these following problems.

1.1 Weak awareness of assets management and insufficient emphasis

Consciousness determines actions. Therefore, actions depend on leaders’ awareness and consciousness. As for university assets management, school leaders’ preference and their attitudes towards university assets management directly affect and determine the progress of assets management.

In practice, Chinese university leaders do not develop a strong sense of assets management. For a long period,
Chinese universities have not paid attention to the management of fixed assets and intangible assets in the assets management practice. They just focused on “cash” management and hold the notion that managing the cash flow means fulfill the responsibility of management. However, this management ideology of “emphasizing on cash but not assets” is too biased. Universities are special social organizations. The diversified assets complicate the assets management. Universities possess a large scale of fixed assets, including cashes, and physical assets, but also large-scale intangible assets. Patents, copyright, and other knowledge-based intangible assets that are developed gradually by university researchers doing repeated experiments and practices with national investments, are the intellectual achievements, and also the foundation for university growth and development. However, lots of universities have neglected managing and protecting the intangible assets in management and accounting. Meanwhile, university leaders have not realized the importance of assets management, although the efficient assets management can help to achieve good assets accumulation, maximize assets utilization and efficiency, and exert significant effects on university scientific research, teaching, and talent training. For a long time, many university leaders believe that the state-funded universities are unprofitable and it is the national investment that supports the teaching and scientific research. They do not develop a clear recognition to state assets, which directly leads to the lack of supervision and management.

1.2 Assets management system is still imperfect and the responsibility is unclear.

The smooth management of university assets management is established on the precondition of scientific and reasonable assets management system. The successful foreign university assets management experiences prove that the improvement of university assets management efficiency is the basis for assets management system.

Judging from the development process of Chinese university assets management during these years, in most universities the assets management system seriously lagged behind the market economic development and the university development. University assets management has basically been in an independent state, lacking of a coordinative management mechanism. Besides, university leaders have not paid sufficient attention to assets management, which directly affects and restricts the improvement of university assets management system, restraining the increase of assets management efficiency. Currently, although the state and local governments have set regulations on university assets management and assessments, university assets management has suffered from the economic system for a long period. At present, university assets management has been managed or occupied by many agencies. A unified and modern assets management system has not been established. Therefore, university assets management is still in a dispersed state, without realizing the centralized management, which harms the assets management and the long-term development of universities. An imperfect management system will inevitably cause the misty of responsibilities. Although some universities try to reform the assets management system, the phenomena of unclear responsibilities are still common and tend to be severe. In many universities, the assets are usually jointly managed by different agencies. For instance, dormitories, canteens, and other real estate are chiefly managed by the logistics, while the monetary assets by financial department. University assets are respectively managed by different agencies. This assets management mode seems accomplishing the specialized management. However, it usually results in the misty of responsibilities. Once there is a problem, it is not easy to determine who is responsible.

1.3 Property management is weak and the loss of assets is serious.

Universities have not established complete assets evaluation mechanism, which causes confused assets management, resulting in serious losses of assets. Currently, the phenomenon of “emphasis on purchase over management” is common in Chinese university assets management. The lack of regulations makes multiple aspects of management out of control. Many universities are even not clear about their assets, let alone the complete assets management. Actually, some purchased assets may not be reported or some donations not be registered as assets. Usually abnormal damages happen a lot. And quite a number of public assets are occupied for individual purposes. Besides, the phenomenon of the repetitive acquisition is still everywhere, resulting in the condition of “assets without accounts, or accounts without assets”.

In addition, the losses of university assets caused by changes of original utility of assets have become increasingly prominent. Human are driven by interests, which is the classical theory of economy. University assets managers are no exception. Currently, according to the university assets management conditions, the assets of many universities can ensure the normal teaching and scientific research. And the assets managers’ awareness of assets appreciation has been enhanced significantly. Quite lot assets management departments in universities choose to achieve assets appreciation through optimizing assets allocation in order to maximize the utilization efficiency of university assets. However, different schools of universities try their best to occupy the university assets in order to maximize their income to the most. More even, some departments allow school-running enterprises to use the patent and other
intangible assets and houses, labs, and other fixed assets for free, without any kind of approvals from assets management sectors. As a result, university assets decline further. It should be noted that these phenomena are extremely common in today’s university assets management in China. Therefore, the problem has become increasingly prominent and getting worse in recent years.

1.4 The lack of a sound valuation system and standard disposal procedures

At this stage, the imperfect assets evaluation and management procedures cause a series of problems for the value maintenance and appreciation of university assets. According to current conditions of university assets management, lots of universities lay stresses on the introduction of new assets but neglect evaluating the returns from introduction. The supervision, management, and evaluation in the process of assets utilization are insufficient. It lacks a punishment mechanism for the damages or losses of university assets. Due to the absence of standard procedures for assets evaluation and disposal, relevant departments of universities have no worries for the utilization of assets. Some of them just dispose of the assets at will since the university assets “are not their belongings”. Consequently, the efficiency of assets utilization is seriously reduced. People are careless about the purchases or damages of assets. It results in a huge waste. Currently, it is usually the logistics group that is in charge of university assets. Because of the empty of scientific assets evaluation system, people cannot make accurate evaluation on the assets, which directly affects the successive assets disposal. Maintenance or appreciation of values has become blank words. In addition, in the process of the university assets management, the phenomena of the accounts not keeping the same with the actual assets, delayed accounting of assets, and no record for disposed assets are quiet common. It makes the maintenance and appreciation of values even harder. Besides, in universities it does not form a routine for check on fixed assets, which also serves as an important reason for inconsistence of accounts and assets. Because of the absence of the information system, to check on the fixed assets will consume lots of manpower and resources. To check on the assets occasionally in a small range does not help. These problems are potential threats for university assets management.

2. Approaches for improving efficiency of university assets management

University assets are the basic elements of assessing the size and quality of university, which serve as the physical foundation for teaching, scientific research, administration, and logistics. It is urgent to enhance the efficiency of university assets management. At this stage, the numerous problems and defects exposed in university assets management have severely restrained the further increase of university assets management efficiency. Universities need to take it seriously and think about how to solve the issue.

2.1 Develop and improve the university assets management system

By referencing to experiences of foreign university assets management, a complete university assets management system can promote the orderly management of university assets. As far as universities are concerned, to complete and improve the assets management system and regulations is a critical measure for further enhancing the university assets management efficiency. Starting from the social development conditions, universities can set up corresponding assets management agencies within the schools, which represent universities to manage the resources and assets, and strengthen the supervision of uses of assets. After establishing the integrated assets management agencies, universities should develop relevant rules or regulations to achieve the scientific, rational and standard assets management, ruling with laws and by laws. Thus, a unified and improved university assets management system comes into being.

2.2 Build the systematic university assets management regulation

To build a university assets management mechanism is an important measure for enhancing the university assets management efficiency. First of all, establish a periodical financial analysis system and periodically assess and confirm universities’ fixed assets. Adopt the management-by-responsibility system and ensure the clarity of rights and responsibility in assets management. Set up scientific and reasonable assets management system and make sure that the uses, purchases, and transfers of assets follow regulations strictly, increasing the assets management efficiency, and avoiding assets losses and wastes to the great degree. Secondly, improve the supervision and restriction mechanism and incentive mechanism, as well as the assets evaluation and disposal system, and guarantee the scientific assets management. When purchasing new assets, some cheap consumable materials can be purchased by different units of universities, by means of fixed quantity or fixed expenses. As for large-scale purchases, the university assets management agency must perform a unified purchase following strict procedures, achieving the assets’ efficient uses and scientific management and supervision. Besides, establish a scientific evaluation system and evaluate the purchase of facilities, daily management and utilization of assets. Once there is a waste, it is necessary
to trace back to the people who are responsible. By this way, assets managers’ awareness of scientific management will be improved. So does the efficiency of university assets management.

2.3 Strengthen the construction of assets management team and personnel training
People are the cornerstone of society. All social work is completed by people. Similarly, an efficient assets management team and the team building play important roles in enhancing the university assets management efficiency. At present, many people working in university assets management agencies are unprofessional, which seriously ruins the efficiency of university assets management. Therefore, universities should build a professional team for university assets management. On one hand, the university can employ more high-level specialized experts. On the other hand, the university can provide professional trainings for assets management staff, improving their awareness of scientific assets management and the professional competence. By this way, it can lead to the scientific and efficient assets management, achieving the optimal distribution of university assets, and maximizing the utility of university assets.

2.4 Strengthen the information technology and use the advanced information system to assist the management
The variety of university assets causes more difficulties in management. To build a networked assets management information system based on modern information and network technology is also a basic approach for accomplishing efficient university assets management. Therefore, in order to enhance the assets management efficiency, the use of advanced information management seems extremely important. In recent years, some domestic universities have already tried to build a university assets information management system and made significant progresses. The modern information management system records the whole process of purchasing, receiving, checking, acquiring, transferring, and disposing the assets and achieves the networked supervision and dynamic management. It cannot only improve the university assets utilization and management efficiency, but also save manpower and improve work efficiency. In addition, the information management can minimize the losses of university assets.

3. Conclusion
University assets management is a daily work of universities, as well as a long-term hard work. At present, lots of problems still exist in the university assets management. We should enhance the awareness of management, improve the assets management system, and build a systematic university assets management system so that we can achieve the optimal distribution of university assets and increase the utilization efficiency. It is significant for the long-term development of China’s education cause and ensuring the completeness of university assets. We believe that as long as the university dedicates to university assets management, we can certainly achieve the appreciation of university assets and ensure their contribution to the university development.

References


