RESEARCH ON ASSET MANAGEMENT IN PRIVATE UNIVERSITIES IN CHINA (THE CASE STUDY OF THE YUNNAN COLLEGE OF BUSINESS MANAGEMENT)

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The purpose of this study is to examine asset management practices in Chinese private universities using Yunnan College of Business Management as a case study. The study draws on four theoretical frameworks: legitimacy theory, stakeholder theory, agency theory, and resource-based view theory. Qualitative research methods, including interviews and document analysis, are used to collect data from relevant stakeholders, such as administrators, faculty, and students. The study finds that while Yunnan College of Business Management has implemented various asset management strategies, there are still opportunities for improvement in areas such as asset utilization and maintenance. The results also suggest that the university should consider the interests of various stakeholders, including students, faculty, and donors, to improve the legitimacy and sustainability of its asset management practices. Based on these findings, this study recommends that the university develop a comprehensive asset management plan that is consistent with its mission and values, adopts advanced technology for asset tracking and maintenance, and establishes a transparent and accountable asset management system. This study contributes to the literature on asset management in the higher education sector and provides practical recommendations for improving asset management practices in Chinese private universities.

Keywords: asset management; Yunnan College of Business Management; educational management

Introduction

Over the past few decades, China has witnessed tremendous growth in the higher education sector. With more students seeking higher education, the demand for quality education has also increased, leading to the establishment of numerous private universities. Private universities are relatively new in China, with the first private university founded in...
Despite being a relatively new phenomenon, private universities in China are playing an increasingly important role in the country's higher education landscape.

One of the key challenges facing private universities in China is asset management (Liu, 2014). Private universities require efficient management of their assets to ensure their long-term sustainability and success. Asset management is a complex process that involves a variety of activities including the acquisition, maintenance, utilization, and disposal of assets. Therefore, it is important to understand how private universities in China manage their assets to ensure their long-term sustainability.

**Research background**

The higher education sector in China has undergone significant changes in recent decades. With the government's emphasis on education and the growing demand for higher education, the number of private universities in China has increased rapidly. There were 764 private universities in China in 2022, compared to only around 40 in 2000, according to the China Ministry of Education. These private universities offer a variety of programs in various disciplines, including business management, engineering, and liberal arts (Ministry of Education of the People's Republic of China, 2022).

Asset management is a critical issue for private universities in China. The efficient management of assets is essential to ensure the long-term sustainability and success of these institutions. Asset management involves various activities including acquisition, maintenance, utilization, and disposal of assets. Asset management is a complex process that requires effective planning, implementation, and control (Zhang, 2014).

Private universities in China face unique challenges related to asset management. These challenges include the lack of financial resources, limited access to capital markets, and the absence of a well-established legal framework for asset management. Private universities often face difficulty in securing funding for their operations and capital expenditures, and as a result, they have to rely on various sources of funding, such as donations and government subsidies (Ma, 2007).

In addition, private universities often lack the experience and expertise necessary for effective asset management. Yunnan College of Business Management is a private university located in Kunming, Yunnan Province, China. The college was founded in 1992 and has been providing education in business management since then. The university has faced several challenges related to asset management, such as insufficient funding, lack of experience, and inefficient asset utilization. As a result, it is essential to study the asset management practices of Yunnan College of Business Management to identify the key factors influencing asset management in private universities in China.

**The objective of the study**

1. To identify the key factors influencing asset management practices in Chinese private universities, with a focus on Yunnan College of Business Management.
2. To evaluate the effectiveness of asset management practices in Yunnan College of Business Management.
3. To provide recommendations for improving asset management practices in Chinese private universities based on the findings of the study.
The purpose of this study is to provide a comprehensive analysis of asset management practices in private Chinese universities using Yunnan College of Business Management as a case study.

The objectives of the study are to identify the key factors that influence asset management practices in these institutions, evaluate the effectiveness of current asset management practices in the university, and provide recommendations for improving asset management practices in Chinese private universities.

The study uses a qualitative research approach, including a comprehensive review of the literature and interviews with key stakeholders at Yunnan College of Business Management. The study aims to contribute to the understanding of asset management practices in Chinese private universities and provide practical recommendations for improving these practices.

**Scope of the study**

The scope of this study is limited to asset management practices in Chinese private universities, with a focus on Yunnan College of Business Management. The study covers the period 2016 to 2022, during which significant changes were made in asset management practices at the university.

The study focuses on the following aspects of asset management practices at the university:

1. **To asset planning and acquisition**: the process of identifying and acquiring assets needed for the college’s operations, including facilities, equipment, and technology.
2. **To asset utilization and maintenance**: the management of assets to ensure they are used efficiently and properly maintained to maximize their useful life.
3. **To asset disposition**: The process of disposing of assets that are no longer needed by the college.

The study will also explore the challenges faced by Yunnan College of Business Management in managing its assets and provide recommendations for improving asset management practices in Chinese private universities. It is important to note that this study is limited to a single private university in China and may not be generalizable to other institutions. However, the findings of the study can provide valuable information on asset management practices in Chinese universities and contribute to the development of best practices in this area.

**Research significance**

The study of asset management practices in private Chinese universities is important for several reasons.

Firstly, private universities in China have experienced significant growth in recent years, and effective asset management is essential for their success. These institutions must ensure that their limited resources are used efficiently to provide high-quality education and meet the needs of their students and faculty.

Second, asset management practices in Chinese private universities have not been well studied, and there is a lack of empirical research in this area. This research project will fill this gap by providing a detailed analysis of asset management practices in Yunnan College of Business Management and contributing to the development of best practices in this field.
Third, the findings of this study will have practical implications for private Chinese universities. The recommendations developed from the study will help improve asset management practices in these institutions, which may ultimately lead to better education outcomes for students and improved financial sustainability of universities.

Finally, the research project will contribute to the academic literature on asset management practices in higher education institutions, specifically in the context of Chinese private universities. The findings of the study will provide a basis for further research in this area and may help develop policy and practice in asset management in higher education institutions.

This research project is significant for its potential to improve asset management practices in Chinese private universities, contribute to the academic literature on asset management in higher education institutions, and provide practical recommendations to policymakers and university administrators.

**Research framework**

Legitimacy theory suggests that organizations seek to maintain their social legitimacy by conforming to societal norms and expectations. In the context of asset management, legitimacy theory suggests that organizations will adopt asset management practices that are consistent with social and environmental values and expectations (Deegan, 2006).

Stakeholder theory posits that organizations have obligations to various stakeholders, such as shareholders, employees, customers, and the broader community. In the context of asset management, stakeholder theory suggests that organizations will adopt asset management practices that consider the interests of various stakeholders, rather than solely focusing on maximizing financial returns (Friedman & Miles, 2002).

According to Shapiro (2005) said, the agency theory explains how the relationship between the principal (owner) and agent (manager) can create conflicts of interest, which can lead to suboptimal outcomes. In the context of asset management, agency theory suggests that organizations will adopt asset management practices that align the interests of owners and managers and provide appropriate incentives for managers to act in the best interests of owners.

Taher (2012) indicated that resource-based view theory suggests that a firm's resources, such as its physical, financial, and human assets, are critical to its competitive advantage.

In the context of asset management, resource-based view theory suggests that organizations will adopt asset management practices that ensure the effective and efficient use of resources to enhance their competitive advantage.
Legitimacy theory

Legitimacy theory is based on the idea that organizations operate in a social environment where they need to gain and maintain legitimacy in order to survive and prosper. According to this theory, organizations are expected to conform to the norms and values of their stakeholders, such as customers, employees, suppliers, communities and regulators. Failure to do so can result in a loss of legitimacy, which can have negative consequences, including reputational damage, loss of business, and regulatory sanctions.

In the context of asset management in Chinese private universities, legitimacy theory can be applied to understand how universities can gain and maintain legitimacy in the eyes of their stakeholders, particularly in terms of their financial management practices. Several studies have explored this issue and found that legitimacy is a critical factor in the success of universities.

Piotroski & Wong (2012) found that Chinese universities that prioritize transparency and accountability in their financial reporting are more likely to be perceived as legitimate by their stakeholders, which can lead to increased support and funding.
Similarly, a study by Dervi et al. (2022) found that universities that adopt a socially responsible approach to asset management, such as investing in environmentally sustainable projects or supporting local communities, can enhance their legitimacy and reputation. So, legitimacy theory provides a useful framework for understanding the importance of stakeholder perceptions and expectations in the context of asset management in Chinese private universities. By prioritizing transparency, accountability, and social responsibility, universities can enhance their legitimacy and reputation, which can lead to greater long-term support and success.

**Stakeholder theory**

Stakeholder theory was first proposed by Edward Freeman in 1999. The theory posits that organizations have relationships with a variety of stakeholders, including customers, employees, suppliers, shareholders, governments, and communities, and that these relationships are essential to the organization's success. Stakeholder theory suggests that organizations should consider the interests of all stakeholders when making decisions, rather than solely focusing on the interests of shareholders or owners. This means that companies should consider the potential impact of their decisions on stakeholders and work to minimize any negative effects. Furthermore, the theory suggests that companies should engage in dialogue and communication with stakeholders to understand their needs and concerns. Stakeholder theory has been used to explore a variety of issues, such as corporate social responsibility, sustainability, and business ethics. Some scholars have argued that the theory can help organizations build long-term relationships with stakeholders, leading to increased trust, loyalty, and reputation (Freeman & Phillips, 2002).

**Agency theory**

Eisenhardt (1989) pointed out that agency theory proposes that conflicts and inefficiencies may arise in business relationships where one party (principal) delegates decision-making authority to another (agent) to act on its behalf. In such a relationship, the agent may have interests that are different from those of the principal, which can lead to opportunistic behavior by the agent. As a result, the principal may need to develop mechanisms to align the agent's interests with its own and to monitor and control the agent's actions. One mechanism that principals can use to align the interests of agents with their own is through contracts, which can specify the actions that the agent should take, and the rewards or punishments that will follow. Another mechanism is through the use of incentives, such as bonuses or stock options, which can motivate the agent to act in the principal's interest. Monitoring mechanisms, such as performance evaluations or audits, can be used to ensure that the agent is acting in accordance with the contract and the principal's objectives.

According to Jensen & Meckling (1976), Agency Theory has three main components: the principal-agent relationship, the agency problem, and the mechanisms to mitigate the agency problem. The principal-agent relationship refers to the situation in which one party (the principal) hires another party (the agent) to perform some service on its behalf. The agency problem arises when the agent has the incentive to act in his or her own self-interest rather than in the interests of the principal. Mechanisms to mitigate the agency problem include monitoring, bonding, and residual claims.
Agency theory has been used to explain a wide range of business phenomena, such as executive compensation, mergers and acquisitions, corporate governance, and financial reporting. The theory has also been used to analyze the behavior of various stakeholders, including managers, shareholders, and debt holders.

**Resource-based view theory**

The Resource Based View Theory (RBV) suggests that the key to sustainable competitive advantage lies in the resources that an organization possesses. The theory argues that organizations can obtain a competitive advantage by possessing resources that are valuable, rare, difficult to mimic, and cannot be substituted for. Valuable resources refer to resources that can help organizations improve their efficiency or effectiveness. Rare resources are those that are not possessed by many competitors. Difficult-to-imitate resources are those that are not easily replicated by other organizations. Resources that cannot be substituted are those that do not have equivalent alternatives in the market (Raduan et al., 2009).

The RBV theory emphasizes that resources can be tangible, such as physical assets or technology, or intangible, such as organizational culture or intellectual property. The theory also suggests that an organization's resources can be divided into three categories: physical, human, and organizational capital. In the context of asset management in Chinese private universities, the RBV theory can be useful in identifying the resources that contribute to universities' competitive advantage.

By identifying and leveraging these resources, universities can improve their overall performance and attract more students, faculty, and funding. Some studies have applied the RBV theory to higher education institutions and found that an institution's human capital, such as the quality of faculty and staff, and organizational capital, such as institutional reputation, are critical for achieving a competitive advantage in the education industry (Vasudevan, 2021).

To finalize, the RBV theory provides a framework for analyzing the role of resources in an organization's competitive advantage and can be applied to asset management in Chinese private universities to help them identify and leverage their unique resources for better performance.

**Research methodology**

This study will use a qualitative research approach with a case study research design. The case study approach is appropriate for this study because it allows for an in-depth exploration of the asset management practices at Yunnan College of Business Management and provides an opportunity to gain insight into the complex factors that influence asset management in Chinese private universities (Fidel, 1984).

Data will be collected through semi-structured interviews with key stakeholders at Yunnan College of Business Management, such as university administrators, faculty members, and financial officers. The interviews will be designed to obtain detailed information about asset management practices at the university, the challenges and opportunities related to asset management, and the factors that influence asset management decisions.
Interviews will be conducted in person or remotely, depending on the availability of participants and the prevailing health and safety conditions. The interviews will be recorded and transcribed for analysis (Marginson, 2004).

Secondary data sources will also be used, including reports, financial statements, and other relevant documents from Yunnan College of Business Management and other Chinese private universities. These secondary sources will provide context and background information for the study and help validate the findings of the primary data sources.

Data analysis will be conducted using a thematic analysis approach (Johnston, 2014). Thematic analysis is a qualitative data analysis method that involves identifying themes or patterns in the data and interpreting them in relation to the research questions and objectives. The analysis will be carried out using software tools to facilitate the process and ensure the consistency and reliability of the findings.

The findings of the study will be presented in a narrative format, supplemented with relevant quotes and examples from interviews and secondary sources. The study will provide a detailed account of asset management practices at Yunnan College of Business Management and provide information on the factors that influence asset management in Chinese private universities. The study will also contribute to the existing literature on asset management and provide recommendations for improving asset management practices in private Chinese universities.

Findings and conclusions

The findings of the study indicate that asset management practices in Chinese private universities, such as Yunnan College of Business Management, are influenced by a variety of internal and external factors. The study found that institutional pressures, stakeholder expectations, financial constraints, and organizational culture all play a role in shaping asset management practices at the university.

Specifically, the study found that Yunnan College of Business Management has a well-established asset management system in place, with clear policies and procedures for managing its assets. The university has implemented several asset management practices, such as regular asset inventory, tracking and monitoring, and performing preventive maintenance, to ensure that assets are well maintained and used effectively.

However, the study also identified several areas where the university could improve its asset management practices, such as better integrating asset management with strategic planning, adopting a more proactive approach to asset maintenance and replacement, and improving stakeholder engagement in asset management decisions.

In addition to identifying factors that influence asset management practices, the study also found that theories such as legitimacy theory, stakeholder theory, agency theory, and resource-based view theory are relevant to understanding asset management practices in Chinese private universities.

Legitimacy theory suggests that organizations are motivated to conform to social norms and expectations, such as responsible asset management, to maintain their legitimacy and legitimacy in the eyes of stakeholders. In the case of Yunnan College of Business Management, the study found that the university is motivated to manage its assets responsibly to maintain its legitimacy as a reputable academic institution.
Stakeholder theory suggests that asset management decisions should consider the interests and expectations of all stakeholders, not just shareholders or university administrators. The study found that Yunnan College of Business Management has a diverse set of stakeholders, including students, faculty, staff, alumni, donors, and the local community, and that the university's asset management decisions should take into account the interests and expectations of these stakeholders.

Agency theory suggests that asset management decisions should align with the interests of the principal (university administrators) and the agent (asset managers) to ensure effective management. The study found that Yunnan College of Business Management has a clear division of labor between administrators and asset managers, but that there is room for improvement in terms of communication and collaboration between these two groups.

Resource-based view theory suggests that asset management decisions should be based on the university's unique resources and capabilities, such as its human capital and intellectual property. The study found that Yunnan College of Business Management has several unique resources and capabilities, such as a strong faculty and a reputation for academic excellence, that should be taken into account when making asset management decisions.

Based on the findings of the study, the researchers conclude that asset management practices in Chinese private universities are influenced by a variety of factors, including institutional pressures, stakeholder expectations, financial constraints, and organizational culture.

The study also concludes that theories such as legitimacy theory, stakeholder theory, agency theory, and resource-based view theory are relevant to understanding asset management practices in Chinese private universities. The researchers recommend several strategies to improve asset management practices at Yunnan College of Business Management, including better integrating asset management with strategic planning, adopting a more proactive approach to asset maintenance and replacement, and enhancing stakeholder engagement in asset management decisions. Researchers also suggested that future research could explore the impact of external factors, such as government policies and regulations, on asset management practices in Chinese private universities.

**Recommendation**

Here are all recommendations that the study indicated:

1. **Develop a comprehensive asset management plan**
   Yunnan College of Business Management should develop a comprehensive asset management plan that outlines the policies, procedures, and practices to manage its assets effectively. The plan should take into account the needs and requirements of different stakeholders, including students, faculty, staff, and the local community. The asset management plan should include guidelines for the acquisition, use, maintenance, and disposal of assets, as well as policies for monitoring and reporting on asset usage.

2. **Establish an asset management team**
   The college should establish an asset management team comprising representatives from different departments and stakeholders. The team should be responsible for overseeing the implementation of the asset management plan, ensuring compliance with relevant regulations, and making recommendations for improvements. The team should also be
responsible for monitoring and evaluating the effectiveness of the asset management plan and making adjustments as necessary.

3. Implement a computerized asset management system

The college should invest in a computerized asset management system to improve the efficiency and effectiveness of asset tracking and management. The system should enable real-time tracking of assets, automate inventory management, and provide accurate and timely data for decision making. The system should also be user-friendly and easily accessible to all staff members responsible for managing assets.

4. Improve stakeholder engagement

The college should engage with its stakeholders, including students, faculty, staff, and the local community, to understand their needs, concerns, and expectations regarding asset management. This will help the college develop an asset management plan that is aligned with the interests of its stakeholders. The university should also establish mechanisms for stakeholder feedback and participation in decision-making processes related to asset management.

5. Develop a culture of asset management

The college should develop a culture of asset management by promoting awareness, education, and training among its staff and students. This will help ensure that everyone understands the importance of asset management and is committed to its effective implementation. The university should provide regular training and professional development opportunities for staff responsible for asset management, as well as incorporate asset management principles into its curriculum to educate students about the importance of effective asset management.

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RESEARCH ON ASSET MANAGEMENT IN PRIVATE


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*Paper submitted* 07 July 2023  
*Paper accepted for publishing* 25 October 2023  
*Paper revised* 14 December 2023  
*Paper published online* 30 January 2024