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Research on the Path of Adaptive Transformation of Vocational Education by SOEs under the Background of High-quality Development

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Abstract: State-owned enterprises (SOEs) are important institutions for higher vocational education and play a significant role in promoting its high-quality development. However, SOEs face challenges such as balancing profitability with public welfare, ambiguous legal status of property rights, dual-system management drawbacks, and flawed operational mechanisms, which severely hinder the development of vocational education. In order to enhance the adaptability of SOEs in organizing higher vocational education, the following adaptation paths are proposed: firstly, coordinating interests to enhance market adaptability. Secondly, defining property rights to improve organizational legitimacy. Thirdly, adopting a diverse governance approach to unleash institutional vitality. Lastly, integrating industry and education to establish a long-term mechanism.

Keywords: High-quality Development; SOEs Operating Colleges; Adaptability of Vocational Education; Transformation Path.

1. Introduction

SOEs are an important entity in vocational education and serve as an indispensable guarantee for enhancing the adaptability of vocational education [1]. SOEs actively participate in or host vocational education, making significant contributions to expanding vocational education resources, optimizing vocational education structures, improving vocational education systems, and serving local economic development [2-3]. For example, in the "Top 50 Service Contributions" released in the 2019 Annual Report on the Quality of Higher Vocational Education in China, industrial sectors and SOEs accounted for a large proportion of the vocational colleges, showcasing many exemplary educational experiences and models and becoming a benchmark for vocational education reform and innovation in China. According to the 2022 "White Paper on the Development of Vocational Education in China" issued by the Ministry of Education, there are a total of 435 vocational education institutions run by national SOEs, including 197 central SOEs and 238 local SOEs.

The government has also continuously introduced institutional documents and relevant regulations to promote diverse forces, including SOEs, in running educational institutions. The "Implementation Plan for the Reform of National Vocational Education" issued by the State Council points out the need to "improve the diversified college-running pattern, promote deep involvement of enterprises in collaborative education, and support and encourage enterprises and social forces to participate in various types of vocational education". This includes the involvement of SOEs in higher vocational education. The notice on the "Action Plan for Improving the Quality and Excellence of Vocational Education (2020-2023)" states that "support should be provided for SOEs and large private enterprises to establish or participate in the establishment of vocational education institutions, and the educational situation of enterprises should be included in their corporate social responsibility reports". This further strengthens the policy support and incentives for SOEs in organizing higher vocational education. Therefore, studying how SOEs can enhance adaptability in running higher vocational education institutions and promote high-quality development of vocational education has significant practical implications.

2. The Adaptive Dilemma of SOEs in Organizing Vocational Education

2.1. Market Adaptability: Profitability or Philanthropy

The value of enterprises is profit-oriented and requires consideration of input and output. Therefore, many are reluctant to bear the cost of talent cultivation in vocational education, and lack proactivity in investment and development of vocational education [4-5]. Specifically, on the one hand, SOEs conducting higher vocational education need to pursue profitability. However, from the current situation, due to the continuous changes in institutional environment and management system, the cost of operating educational programs in SOEs has gradually exceeded the benefits, making it difficult to maintain sustainable and stable development. As a result, the enthusiasm for SOEs to conduct vocational education is not high, especially against the backdrop of continuous detachment of corporate social responsibilities and active promotion of mixed-ownership reform of SOEs. The initiative of SOEs to continue conducting vocational education is further weakening, and the risk of another round of detachment of vocational colleges by SOEs is increasing. On the other hand, SOEs conducting higher vocational education need to maintain public welfare orientation. Vocational colleges often exist as non-profit organizations, and their inputs and benefits are often not proportional. Vocational colleges mainly serve as institutions for talent output and play a role in cultivating high-skilled talents, which leads to limited income sources for vocational colleges. Therefore, the profit-oriented nature of enterprises and the public welfare nature of schools create a significant contrast, which eventually leads to the consideration of whether SOEs can adapt to the market level, and the uncertainty of vocational education increases.

2.2. Organizational Adaptability: Public or Private Institutions

The issue of whether SOEs operated vocational colleges are public or private has been a longstanding "identity dilemma" [6-7]. On the one hand, SOEs operated vocational colleges are often considered public institutions because they are under the supervision of the education department, which suggests they are public institutions from a management perspective. On the other hand, SOEs operated vocational colleges are often seen as quasi-public institutions because their vocational education is influenced by various policies of the enterprises, which severely restricts their autonomy and internal drive. At the same time, many countries do not fully enjoy the policies, funding, and allocation enjoyed by public institutions. Therefore, SOEs operated vocational education sometimes find themselves in an awkward situation of being neither public nor private, making it difficult for them to benefit from the government's per capita funding system, while also being unable to enjoy the high fees associated with private education. This indicates that their organizational status is very ambiguous.

2.3. Adaptability of Systems: Corporate System or School System

When it comes to vocational education in SOEs, it is often faced with the dual management of corporate and school systems, which is a systemic drawback that hinders the high-quality development of vocational education [8]. From a practical perspective, the education system in SOEs is similar to corporate systems, with the most important aspect being the personnel system, which includes the training and selection of management personnel, the construction of faculty and staff, individual promotion, salary and benefits, and retirement. These systems are part of the modern management model of SOEs. On the other hand, the education system in SOEs follows the traditional school system, such as school regulations, teacher management, teaching arrangements, student management, and teaching requirements, which are almost the same as other public institutions. These two aspects often cause conflicts and contradictions that cannot be coordinated, leading to institutional chaos. Schools often switch between "one team, two systems", resulting in unnecessary formal management and process management, severely hindering the effectiveness of formal systems.

2.4. Mechanism Adaptability: Integration or Separation of Industry and Education

Enterprises are the starting point and destination of vocational education. SOEs have natural advantages in integrating industry and education, and their cooperation with colleges is seamless [9-10]. However, with the development of vocational education, whether SOEs promoting or inhibiting vocational education is a question that involves the operation mechanism of colleges management. Clearly, the advantages of SOEs in education play a major role in the early stages, promoting the integration of industry and education and facilitating the high-quality development of vocational education. However, with the development of the digital age, SOEs themselves face increasing uncertainties, which reduce their motivation to continue running schools and investing in vocational education. It is worth noting that the diminishing prominence of SOEs in the integration of industry and education is a concerning trend. Consequently, these SOEs are now finding themselves without the recognition and acceptance from students enrolled in vocational education programs they provide. This observation implies a growing disconnect between the educational opportunities offered by SOEs and the aspirations and preferences of the student body. The number of recruitments from SOEs is decreasing year by year, and the trend of separating industry and education is becoming apparent. Additionally, the distinctive features of SOEs education have not been highlighted, resulting in outdated program offerings and the difficult maintenance of school operations, making it a challenging journey for schools.

3. Adaptive Transformation Path of SOEs in Organizing Higher Vocational Education

3.1. Promoting Market Adaptability through Effective Coordination of Interests

The lack of motivation in operating schools due to the profit-driven nature of enterprises has become a prominent issue. It is necessary to focus more on the cost and benefit aspects of enterprises, establish incentive mechanisms, and coordinate the interests of all parties involved in promoting education:

Firstly, it is suggested to further implement the per capita funding system, clarifying that SOEs can receive subsidies for per capita education funds to establish vocational education. The funding can be allocated from the general budget of the Ministry of Finance and the Ministry of Education, at a level not lower than the per capita funding standard of the respective region. Secondly, the financial and taxation system for enterprises running schools should be improved. Independent accounting should be introduced to address the past issue of duplicate taxation without affecting the State-owned Assets Supervision and Administration Commission's assessment of the preservation and appreciation of SOEs. Thirdly, a more reasonable cost-sharing and benefit-sharing mechanism should be established. This mechanism should include a detailed calculation of various benefits and costs to ensure the market enthusiasm of all entities involved. Fourthly, higher vocational colleges need to enhance their ability to acquire external resources, strengthen connections with the market, actively engage in vocational training, and diversify their sources of income to improve their financial sustainability.

3.2. Define Property Rights and Enhance Organizational Legitimacy

Legitimacy concerns are critical factors influencing the behavior of vocational education institutions [6]. Among them, safeguarding property rights emerges as a crucial measure to enhance organizational legitimacy. For SOEs engaged in higher vocational education, it is imperative to define property rights from several perspectives:

Firstly, it is essential to establish a legal framework for property rights and implement a classification-based management system. Different funding sources necessitate the establishment of corresponding accounting mechanisms, management measures, and stringent measures to prevent the inappropriate transformation of non-operational state-owned assets into operational assets, thus protecting against any potential asset loss and mitigating the confusion that may

arise in property rights relationships. Secondly, it is crucial to elevate consciousness regarding the protection of property rights. Shifting the focus from mere material incentives for corporate education, there needs to be a heightened emphasis on safeguarding the sanctity of corporate property rights. This can be achieved by implementing a robust framework for evaluating the assets owned by educational institutions, as well as establishing a comprehensive system for the transfer of property rights. Additionally, it is imperative to meticulously delineate the specific mechanisms through which corporations can engage in shareholding systems and participate in the realm of mixed-ownership education. These measures will not only alleviate the policy risks associated with vocational school leaders venturing into corporate education but also underscore the gravity of property rights preservation. Furthermore, it is paramount to preemptively avert the perils of property rights and legal disputes that may arise within the domain of mixed-ownership education. When state-owned enterprises venture into the domain of education with manifold capital sources, it is incumbent upon them to conduct a thorough evaluation of property rights. This evaluation process will serve to crystallize a comprehensive understanding of the multifaceted perspectives of the various stakeholders involved in SOEs educational reforms. By doing so, it will be possible to minimize the frequency and intensity of legal conflicts stemming from property rights contentions.

3.3. Optimizing Pluralistic Governance for Institutional Dynamism

SOEs in Higher Vocational Education should not solely rely on government support. It is important to unleash the vitality of institutional mechanisms. This can be achieved through several aspects:

Firstly, establishing a system where educational institutions are responsible for their own profits and losses, encouraging independent development of SOEs-operated higher vocational colleges, utilizing their own strengths, continuously improving quality and efficiency, enhancing core competencies, and achieving self-development to increase the value of school assets. Secondly, constructing a diverse government support system. The government, not only as a regulator but also as a supporter, should improve tax and financial support and provide assistance and guarantees in investment guidance, platform establishment, and coordination of interests. Third, reforming the institutional framework of schools to eliminate the drawbacks of dual management. For instance, regarding personnel management, on one hand, higher vocational colleges need to establish personnel management systems that differ from enterprise personnel systems, while being compatible with formal public administration systems. On the other hand, personnel systems should be consistent with teaching management systems and should not conflict with each other.

3.4. Enhancing Industrial-Educational Integration for Long-Term Mechanisms

In the face of an unprecedented transformation, SOEs in the field of higher vocational education need to actively engage in a deep integration of industry and education. This can be achieved by focusing on the following aspects:

Firstly, there is a need to proactively cultivate industry-education integrated enterprises. The government should provide favorable institutional support for this endeavor [11]. SOEs can play a leading role in establishing vocational education groups, adopting modern apprenticeship programs, accepting student internships, and undertaking pilot tasks for the 1+X certificate system. They should also collaborate with educational institutions to jointly develop teaching resources, offer customized training programs, and establish training bases, thereby enabling an in-depth provision of vocational education. Secondly, it is crucial to enhance the capacity of higher vocational education to serve enterprises, fostering a symbiotic relationship between educational institutions and industrial entities. To achieve this, higher vocational colleges need to continuously elevate the quality of their faculty and improve their service capabilities. They should actively collaborate with small and medium-sized enterprises, leveraging the talent advantages of the institutions and forming cross-disciplinary technical service teams. These teams should actively provide technology and consultancy services, promptly address enterprise-level technological challenges, and facilitate the transformation and upgrade of businesses. Ultimately, these efforts will facilitate the profound integration of industry and education, establishing a sense of shared destiny between educational institutions and enterprises. Lastly, SOEs must adopt a fresh and progressive perspective on talent development. Through industry-education integration, they should strive to cultivate high-quality technical and skilled personnel who meet the demands of the contemporary era. Emphasizing industry-specific characteristics, these talents should become adept artisans, serving the needs of regional economic development and contributing to national talent strategies.

4. Conclusion

SOEs as important players in higher vocational education, have the ability to optimize the institutional landscape of vocational education, improve the modernization of vocational education systems, and facilitate the high-quality development of vocational education. Faced with unprecedented transformations and the digitization of the economy, along with increased uncertainties in industries, SOEs encounter significant challenges in adapting their provision of higher vocational education. Therefore, this paper investigates the adaptive predicament of SOEs in conducting higher vocational education, based on the background of achieving high-quality development in vocational education. furthermore, it puts forward an adaptive transformation pathway to facilitate the reform and transformation of SOEs in the realm of higher vocational education. The objective is to bolster the adaptive capabilities of SOEs in both theoretical and practical aspects of this domain.

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