

Current Situation and Analysis of Key Challenges in the Socialization of Logistics in Higher Education Institutions

Wang Lu, Liu Liyun

Central University of Finance and Economics, Beijing, China

Abstract: *The socialization of logistics services in higher education institutions is an important endeavor to meet the needs of higher education reform and development. However, due to the unique nature and complexity of the work in higher education institutions, various challenges are encountered to varying degrees during the implementation of socialization of logistics services. Therefore, it is necessary to clarify the current situation of logistics socialization and analyze the key challenges in order to explore targeted directions for the development of logistics socialization.*

Keywords: *higher education institutions; logistics socialization; property service*

1. Introduction

With the continuous and profound development of reform and opening up in various industries and the rapid growth of the socialist market economy, the socialization of logistics in higher education institutions has gradually become an important means to meet the needs of higher education reform and development. After more than 30 years of development, various universities have achieved certain results through constant exploration. However, due to the unique and complex nature of logistics work in higher education institutions, all universities encounter different challenges to varying degrees in the process of implementing the socialization of logistics services. The degree of socialization and the level of professionalism of logistics services do not completely align with the development of China's economy and society, as well as the future trends of higher education reform. Therefore, each university urgently needs to explore an effective path for the socialization of logistics services.

2. Logistics and Socialization in Higher Education Institutions

Logistics services in higher education institutions revolve around a range of support services that ensure the smooth functioning of teaching and research. These services include catering, building management, classroom management, security, cleaning, transportation, landscaping, and early childhood education, among others. In a narrow sense, logistics services in higher education institutions involve optimizing the allocation and coordination of various resources to provide necessary support for teaching, research, and the daily lives of students and faculty. In a broader sense, logistics services can be categorized into two main aspects: direct services that directly support teaching and research, such as library services, campus information networks, management of research facilities, and equipment management; and indirect services that provide necessary support for daily work and life, which can also be seen as indirectly supporting teaching and research, such as catering, security, cleaning, landscaping, maintenance, transportation, building management, student dormitory management, reception services, medical and health services, and early childhood education. Overall, logistics services in higher education institutions fall within the scope of the tertiary industry and share similarities with the service industry in society, which makes the socialization of logistics services in higher education institutions possible^[1]. It is important to note that logistics support services are not unique to higher education institutions; other social organizations, public service organizations, and large enterprises also have logistics support services. However, higher education institutions have their own unique characteristics due to their responsibility for talent cultivation and scientific research.

The socialization of logistics services in higher education institutions is one of the directions for the development and reform of logistics services. It generally refers to integrating the logistics support work of higher education institutions into the socialist market economy system and establishing an enterprise-

oriented and market-oriented logistics service system guided by the government and undertaken by society, which is suitable for higher education institutions. The socialization of logistics services in higher education institutions can be understood from the following aspects: First, the nature of socialization: It involves the public welfare and welfare nature of socialization, ensuring the public welfare and welfare aspects of services regardless of whether they are outsourced or not. Second, the purpose of socialization: It aims to entrust non-core business within the service organization of higher education institutions to third parties, allowing the logistics service departments of higher education institutions to focus on developing their core competitiveness and achieve the goal of improving quality and efficiency. Third, the content of socialization: Higher education institutions may outsource certain service processes or specific service activities. Fourth, the requirements for service providers: The logistics services in higher education institutions emphasize service professionalism. It requires a professional service team and advantageous labor resources to ensure standardized and professional logistics services for higher education institutions.

Since the first National Conference on Logistics Socialization Reform held by the General Office of the State Council in 1999, the logistics of higher education institutions in China have undergone profound changes over the past 30 years. One notable change is the increasing role of market mechanisms in the allocation of logistics resources. The capability of logistics support, operational efficiency, and service quality in higher education institutions have significantly improved, providing strong support for the rapid development of higher education. It can be said that logistics services, starting from self-operation within campuses, have gradually realized the dual nature of education and economy through theoretical and practical exploration. As a result, under the dual drive of national policy guidance and market economy support, comprehensive reforms have been carried out in the management system and operational mechanisms, gradually clarifying the direction of social development through reform exploration. With the continuous deepening of logistics socialization reforms in higher education institutions, the importance of socialization in property management becomes increasingly prominent. The scale of the higher education logistics market is growing year by year. It is expected that by 2025, the scale of the higher education logistics market in China will reach 280 billion yuan^[2], becoming an important component of the property service industry. Therefore, the market for property services in higher education institutions is huge, especially with the support of policies, funds, technology, and other factors. The development of professional, market-oriented, and standardized property services in higher education institutions is ushering in new opportunities.

3. The Current Situation of Logistics Service Socialization

3.1 Current situation of the management mode

Currently, there are two models of logistics management in domestic higher education institutions: “One Primary and One Secondary” and “One Primary and Multiple Secondaries”. The “One Primary and One Secondary” model serves as a transitional phase before the socialization of logistics services. In this model, the secondary party operates independently as a secondary unit or company. This model offers the convenience of management for the primary party, but it also faces issues such as insufficient industry competition and limitations in service quality. The “One Primary and Multiple Secondaries” model is considered the future direction of logistics reform. In this model, higher education institutions can select the secondary parties through competitive bidding, which helps improve service quality and cost control.

For the “One Primary and One Secondary” model: This model is constrained by the limitations of autonomous management systems. In the process of logistics socialization reform, higher education institutions explore the establishment of secondary or independent logistics service departments (companies). This involves separating the administrative and service functions of logistics, implementing enterprise management. Generally, the General Affairs Office (Logistics Department, Asset Logistics Management Department, etc.) serves as the administrative department of the school representing the primary party and is responsible for the planning, coordination, supervision, and assessment of logistics services. Under the leadership of the school’s management, the primary party (school) manages the secondary party (logistics service company) through contractual management. Funds are allocated and paid according to the contract. The logistics service company operates as a social enterprise and even participates in social competition in the case of well-developed logistics service companies in higher education institutions, leveraging their rich experience to capture the logistics service market of other institutions. This model was adopted by most universities in the early stages of reform. However, as logistics socialization reform has progressed, this model has gradually revealed issues such as ineffective

management between the primary and secondary parties, limited professional service levels of the secondary party, and insufficient industry competition. As schools' demands for logistics services increase and labor costs rise, the operating costs of this model gradually exceed the schools' capacity to bear.

For the "One Primary and Multiple Secondaries" model: In this model, the majority or all of the logistics services of the school are outsourced to social enterprises. The Logistics Department and General Affairs Office represent the school in managing logistics operations, exercising the primary party's functions, and carrying out the planning, organization, monitoring, and coordination of logistics support work. The school's logistics services are provided by multiple parties, such as logistics groups and social enterprises. This model fully utilizes social service resources to meet the development requirements of high-quality services in schools. It also provides a competitive market environment for the school's own logistics service companies, fostering competition awareness and improving the service expertise of these companies.

Regardless of the model mentioned above, for the school's own logistics service department, some universities have not formed independent operating entities due to historical reasons. Instead, they function as secondary departments and sign service contracts with the school as the secondary party. As logistics reform continues to develop, this internal primary-secondary model has revealed shortcomings such as inefficient systems, ineffective mechanisms, unclear asset relationships, and significant internal consumption. These issues pose constraints on the socialization of logistics services. The specific constraints are as follows:

Firstly, there are constraints in the management system. The socialization of logistics services in universities requires the schools to have a higher level of service management. Universities need to continue deepening the reform of their logistics systems, clarify institutional obstacles, and establish a logistics service management system that aligns with socialized logistics services.

Secondly, there are constraints in the demand content. Currently, the demand for property services in universities still needs to further improve its standardization level. How to meet the individual needs of faculty and students will become a focus of future efforts for universities. Property services in universities provide support for teaching, research, faculty and student lives, and school development. The service scope is limited to academic and research units within the university, and the service recipients are the faculty and students of the university. The unique nature of the service scope and recipients determines the different service connotations. Therefore, strengthening research on the behavioral characteristics of university populations will help property service enterprises address the challenges in meeting the demands of university property services.

Thirdly, there are constraints in the development of hardware facilities. With the rapid economic development in China and the overall growth of universities, some older universities have varying degrees of aging facilities and equipment. The backwardness of hardware facilities to some extent restricts the improvement of service levels.

3.2 Current situation of logistics service socialization

According to the property service procurement information publicly disclosed by universities in accordance with legal requirements, the outsourcing of property services in universities generally exhibits the characteristics of "organized in accordance with the law, gradual outsourcing, and multi-year procurement". In terms of procurement methods, the procurement of property services in universities includes open bidding, competitive negotiations, and other procurement methods for service projects, with the principle of compliance with relevant national regulations. In terms of service content, property service projects in universities generally include basic property services such as cleaning, building management, facility maintenance, and landscaping. Some universities include security, fire protection, laundry, and conference services in the scope of property service outsourcing. The procurement period is typically "one procurement for three years" or "one procurement for two years". The scope of property services varies among universities, and the number of personnel allocated is also different. The average equivalent monthly cost per person is consistent with market conditions. According to the *Calculation Specification for Property Service Fees in Higher Education Institutions* published by the China Association of Higher Education Logistics at the end of 2023, as a labor-intensive industry, labor costs generally account for 70% to 80% of the total property service costs^[3]. Overall, the service fees show a stable and slightly increasing trend.

It can be said that the level of socialization in logistics services in universities is continuously

improving. Property service enterprises are playing an increasingly important role in the core aspects of school logistics management, such as campus building and public area maintenance, equipment and facility management, and energy control. Overall, the service boundaries of property enterprises are expanding, and their coverage is further expanding. Some universities have begun to explore the construction of comprehensive and full-cycle service systems.

4. Analysis of the Key and Difficult Points in Logistics Service Socialization

Although there are still certain issues in the comprehensive socialization of logistics services, the most prominent challenge lies in the contradiction between the public nature of logistics services in universities and the profit-oriented nature of service enterprises. However, an increasing number of universities are realizing that comprehensive socialization of logistics services is the future trend for the development of university logistics. They are attempting to explore and deepen the reform of logistics socialization from the perspective of streamlining management and eliminating internal consumption. For example, some universities have established independent logistics service entities, while others have even outsourced all logistics services to third-party social service enterprises, achieving comprehensive socialization and outsourcing of logistics services.

Currently, the property fee collection models in the market for universities include lump-sum contracts and commission-based systems^[4]. The lump-sum contract model is dominant, and the collection rate of property fees is relatively high in the industry as a whole. Therefore, university property services offer a relatively stable return on investment and lower risks. This is also a key reason why leading companies in the property industry are actively expanding their presence in university property management. When universities carry out the socialization of property services, they focus on cost estimation, procurement methods, and the challenges of outsourcing. In terms of cost estimation, it is important to use a reasonable approach to form project budgets, providing a basis for subsequent procurement and service assessments. Procurement methods generally follow national project regulations, with particular attention to the duration of single procurements. Additionally, it is necessary to consider the key challenges in the socialization process.

4.1 Cost estimation

The common methods for cost estimation include market research, manual estimation, and “benchmark price” estimation:

Market research: This method requires universities to clearly define their service needs before estimation. It involves detailed service specifications, personnel allocation, and other service details. Universities should communicate with various service providers to obtain market quotes for cost estimation. It is important to be cautious about potential suppliers who may provide maliciously low quotes. Such quotes should be disregarded to minimize estimation deviations.

Manual estimation: As a labor-intensive industry, property services typically have labor costs accounting for a relatively fixed proportion, around 70% to 80% of the total cost. With this method, universities only need to determine the required workforce for property services and calculate the labor cost per person through research. This allows for the estimation of the total service cost based on labor costs. This method does not require specific service details but may result in cost deviations between refined service requirements and prices in later stages.

“Benchmark price” estimation: This method combines the actual service needs of universities with the “benchmark prices” set by national and local authorities to estimate service costs. For example, in Beijing, the Beijing Higher Education Logistics Management Research Association issued the *Evaluation Standards for Student Dormitory and Property Management Services and Fees in Beijing Higher Education Institutions* in 2007 and 2015. The China Education Logistics Association released the *Cost Calculation Specification for Property Services in Higher Education Institutions* at the end of 2023^[3]. These industry standards generally divide logistics services into customer service, fire and security, comprehensive building management, move-in and move-out services, greenery and cleaning, and facility maintenance. Various personnel costs, material costs, and service standards are determined based on relevant national and Beijing regulations, fee standards, and price indices. Each university can calculate service costs based on its specific needs in conjunction with these standards. This method offers the advantage of detailed service segmentation and relatively defined service standards, allowing for more precise estimation of various service prices. However, the downside is that the frequency of

standard updates and the formulaic nature of service content may lead to cost deviations caused by service differences.

Therefore, universities should choose the appropriate method for service budgeting and cost estimation based on the level of detailed requirements, taking advantage of each method's strengths and avoiding their limitations to improve estimation efficiency.

4.2 Procurement method

According to research, Beijing universities follow the procurement process for logistics and property services in accordance with relevant national laws and regulations or internal school regulations. The difference lies in the determination of the duration for single procurements, namely "one contract for three years" or "one contract with two renewals". "One contract for three years" refers to a direct service period explicitly set for three years (some universities may use "one contract for two years"). On the other hand, "one contract with two renewals" means that procurement is organized annually according to relevant national regulations, and the procurement documents and contracts stipulate that "the school may renew the contract annually, for a maximum of two times, if the service provider passes the assessment and the financial budget permits".

Regardless of the chosen method, it is the result of considering the actual situation at each university. From the perspective of the procurement process, "one contract for three years" involves organizing a single open procurement, which has a simpler process and a larger procurement volume compared to "one contract with two renewals". It can fully leverage the procurement advantages of "bulk procurement" and to some extent reduce procurement costs. The clear service period is beneficial for service providers to provide stable service teams and improve the stability of logistics services in universities. However, if there are differences between the services provided by the service provider and the contract, or if they cannot meet the actual needs of the school, the "one contract with two renewals" procurement method can play an important role. Since the renewal of the contract in the following year is subject to the school's evaluation and qualification, it can impose behavioral constraints on the service provider. If the evaluation is unsatisfactory, the school does not need to bear excessive legal risks and can mitigate the damage in a timely manner. To some extent, it better protects the interests of the school compared to "one contract for three years".

It is important to note that regardless of the procurement method chosen, it is the result of considering the actual needs of each university. Any procurement method can achieve optimal procurement results by improving procurement requirements, service contracts, and effective service supervision mechanisms to mitigate risks and maximize efficiency.

5. Future Prospects

According to the requirements of the Ministry of Education's *Outline of Medium and Long-Term Reform and Development Plan for University Logistics*, the current main tasks are as follows: First, Steadily opening up the market for on-campus logistics services. Second, Gradually divesting universities of their operational functions in logistics services. Third, Establishing and improving the regulatory system for the market of university logistics services as soon as possible. It can be said that the socialization of university logistics is inevitable. On the one hand, outsourcing logistics services in universities meets the demand for professionalization in this field. Socialized property management services have developed a relatively mature service market through competition and growth in a competitive social environment. Compared to universities' in-house logistics service teams, they demonstrate outstanding professional expertise and service quality, satisfying universities' requirements for professional logistics services. On the other hand, the reform of university logistics services also attracts numerous professional service companies to enter the university sector. Service providers in outsourcing have gradually established service standards and norms that meet university requirements through assessments and screening based on industry standards, operating costs, service quality, and other factors. This provides universities with a wider range of high-quality choices for outsourcing their logistics services.

Therefore, the striving goal of the socialization reform of university logistics can be said to establish a new university logistics support system that adapts to the socialist market economy and the development of higher education. Based on this goal, universities have explored various aspects of socializing logistics services to different extents. They have innovated their approaches, strengthened

cooperation with enterprises, actively embraced various advantageous resources and technologies, and fostered a positive industry atmosphere for the sound development of university properties. The aim is to achieve professional, standardized, and intelligent development of university property management.

Professionalization: Professionalization encompasses both service professionalism and the professionalization of management teams. In the research process, universities emphasized the importance of not only introducing professional service providers in outsourcing but also cultivating their own professional management teams. This approach involves customized service concepts and professional service management to conduct service supervision and management, meeting the needs of university logistics service support.

Standardization: Both universities and enterprises recognize the importance of service standardization. The introduction of local, industry, and enterprise standards has to some extent promoted the standardization of university property services. In the future, there will be a stronger emphasis on combining standardization with talent development and campus culture to enhance service effectiveness.

Digitization: With the development of science and technology, the concept of “Internet+” has gradually penetrated various industries, giving rise to new industry formats. However, the development of digitalization and intelligence in university property services still needs improvement. As the standardization construction of universities continues to improve and innovate, university properties are expected to exhibit trends of equipment intelligence, digitalized management, and comprehensive services. This will enhance the level of logistics service support, and build a smart teaching and living environment.

6. Conclusions

The socialization of university property services is gradually encountering new development opportunities. Looking towards the future, although university property services face the contradiction between educational public welfare and corporate profitability, their service offerings are still demonstrating a trend towards diversification. Therefore, opening up the market for university logistics services has become “an important aspect of promoting the socialization reform of university logistics and establishing a distinctive modern university system in China”. Universities should fully adapt to the development trends of the times, deepen the socialization reform of university logistics, and make full use of internal and external resources to optimize the allocation of logistic resources to the maximum extent.

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