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SEEKING A ROADMAP TO BECOMING WORLD CLASS: Strategic Planning at Peking University

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**SEEKING A ROADMAP TO BECOMING WORLD CLASS:  
Strategic Planning at Peking University**

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Peking University

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**ABSTRACT**

Strategic planning plays an important but sometimes controversial role in higher education. This paper examines how strategic planning works in Chinese universities, using Peking University as a case study. This essay discusses the rationale for why Peking University (PKU) decided to pursue status as a world-class university along with objectives and value of its various strategic plans beginning in the 1990s. These plans have had four main roles at Peking University: as a means to periodically alter the development path or "roadmap" of the university; as a method to gain or "accelerate resources" largely from government; as a way to communicate with the business community, alumni and other stakeholders regarding the aspirations and needs of the university; and as a tool to engage central government leaders in the future of the university.

**Keywords:** Chinese Higher Education, Peking University, Strategic Planning, World Class Universities

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Strategic planning in higher education is usually defined as a "formal process designed to help an organization identify and maintain an optimal alignment with the most elements of its environment" (Rowley, Lujan and Dolence 1997:15). It is intended to create a foundation for decision-making and to help create a vision for the future with actual objectives. It also implies some form of significant institutional change – in its mission, the structure of its operation, and perhaps most importantly in the productivity of its academic activities.

But does strategic planning really result in concrete examples of institutional improvement? In short, does it "work" in the context of higher education? This paper examines how strategic planning has worked thus far in Chinese universities, using Peking University as a case study. The discussion begins with Peking University's aspirations on to join the ranks of world-class universities and the role of strategic plans in the 1990s. It goes on to describe how Peking University developed, implemented, and evaluated its strategic plans. It concludes with an examination of the current role of strategic planning at Peking University.

**A. CONTROVERSIAL ROLES: PANACEA, POISON OR PLACEBO**

**Panacea**

In late 1970s, universities in America sought a means to confront serious financial, demographical, technical and social environmental changes. Traditional university management methods appeared inadequate to the task. George Keller studied this relatively new trend in higher education and declared that strategic planning was a needed, "management revolution in American higher education" (Keller, 1983). According to one survey, 88 percent of postsecondary institutions in USA professed using some form of strategic planning in 1985 (Cope, 1987). It was to be a panacea. Many books and papers were published related to this topic, and many examples of success were reported by various universities (Cope, 1981).

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### Poison

However, by the late 1980s, many people had become skeptical of the effectiveness of this so-called panacea. A nation-wide study showed that, "many prescriptions in current planning literature are not consistent with the realities of campus decision processes" (Schmidtlein & Milton, 1988). Mintzberg argued that the most successful strategies are visions and that strategic thinking is more important than strategic planning. Strategic planning is analysis, while strategic thinking is synthesis. Strategic planning is not strategic thinking and often spoils strategic thinking. This was why strategic planning in U.S. universities generated meager results (Mintzberg, 1994).

Birnbaum described strategic planning as a management fad in higher education that was popular from 1972 to 1994. He agreed with Mintzberg and added some unique reasons for resisting the lure of strategic planning in higher education. These reasons included the assertion that the idea of strategic planning is in conflict with the organizational culture of universities, where authority is broadly dispersed among academic communities. Further, many universities spent extensive resources on strategic planning without much result. (Birnbaum, 2000: 74).

For these critics, strategic planning is a kind of poison, rather than a panacea. Though the practice is not dead, the use of strategic planning fell considerably in the 1990s.

### Placebo

Mintzberg and Birnbaum's attack caused many people to rethink the application of strategic planning both in business and higher education. Since then, universities have paid more attention to the implementation phase of planning and having a "strategic plan" has become a necessity for American colleges and universities (Rowley and Sherman, 2001). Strategic planning, for example, is now one component of university accreditation by the Western Association of Schools and Colleges (WASC).

Yet there is still scant information or evidence of its influence on institutional improvement. Bolman insists that, "Planning is a ceremony any reputable organization must conduct periodically to maintain legitimacy. A plan is a badge of honor that organizations wear conspicuously with pride. A strategic plan carries even higher status" (Bolman, 1997:242). Compared to panacea and poison, strategic planning is, thus, more like a placebo: It often does no harm to the organization; but it hardly does good to improve the organization's effectiveness.

There is still not enough empirical evidence to prove conclusively whether strategic planning does or does not work in higher education. Both the proponents and the critics of strategic planning can point to specific, but limited, anecdotes to support their position. (Dooris, Kelley, and Trainer, 2002).

## B. PEKING UNIVERSITY AS A CASE STUDY

Since the 1990s, Chinese universities have been developing and implementing strategic plans. Now, every key university in China is required to have a strategic plan and report to the Ministry of Education. So, how have the strategic plans been made, implemented and evaluated in China? What roles has the strategic planning played in the universities organizational changes?

Peking University (*Beijing Daxue*, often referred to in China as "*Beida*" and in English as "PKU") was founded as the Imperial University of Peking in 1898. It is widely considered to be the first modern national university to be established in China. In the 20th century, PKU came to be regarded as not only an academic training center, but also a intellectual center of Chinese thought that played important roles in the modern history of China.

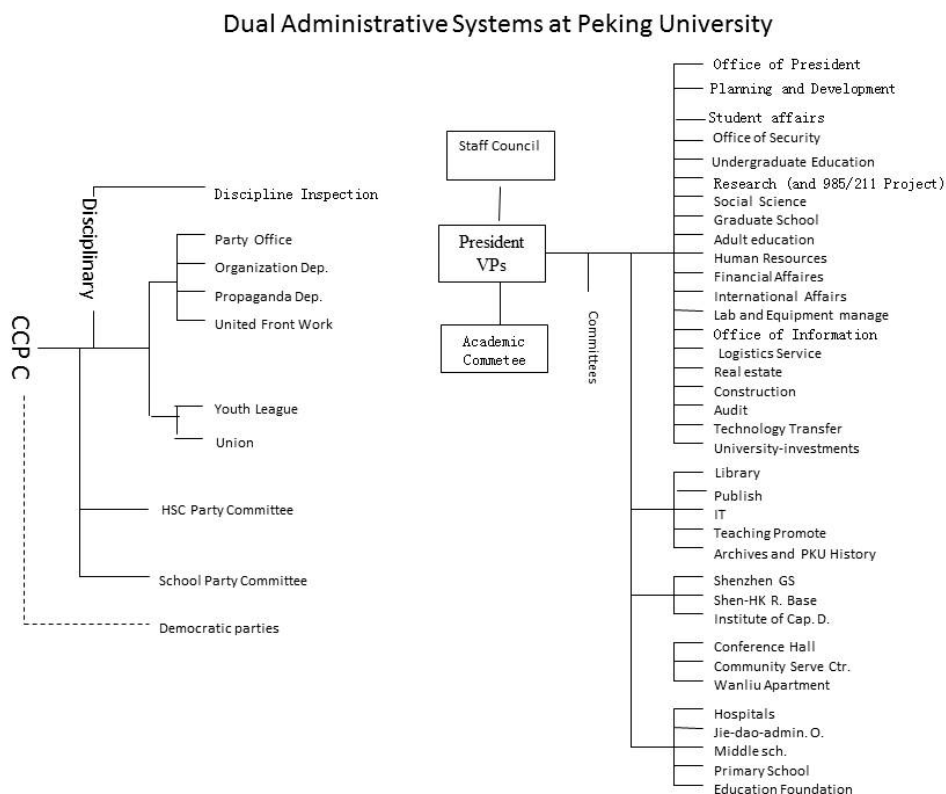
Today, PKU is still on the top of the pyramid of Chinese higher education rankings and, along with Tsinghua, widely regarded as the most prestigious university of China<sup>1</sup>. The university has more than 14,000 undergraduate students, 21,000 graduate students and 2,000 degree-seeking international students.

It is important to note that the governance structure of universities in China is very different from American Universities. (See Chart.1.) It includes a parallel governance component of the Chinese Communist Party (CCP). The CCP exists alongside an academic administrative structure that is similar to those found in American universities. In the case of PKU, one President and eight vice presidents lead the academic governance structure. They are responsible for about 50 academic units and 20 administrative offices, as well as various libraries, hospitals and service centers. The Academic Committee, consisting of top scholars from various disciplines in the university offers consultations to the President on academic affairs. In turn, the President reports to the staff representatives' conference.

<sup>1</sup> In 2012, Peking University was ranked as top 1 university in mainland China by the QS World University Ranking, Times Higher Education World University Rankings and Academic Ranking of World Universities.

Paralleling this structure, there is the Chinese Communist Party System, which appoints the senior officials and deans in the academic structure. One Party Secretary and four vice secretaries are responsible for the Office of Party Committee, Office of Discipline Inspection Committee, Organizational Department, Propaganda Department, United Front Work Department, the Youth League and the Labor Union, as well as communication with other democratic parties. These committees and departments have many management functions, in addition to political functions. The university congress of party representatives, held every four to five years, discusses and reviews the universities' developmental strategies.

Chart.1. Dual Administrative systems at Peking University



### B.1. The Backgrounds of PKU's World Class University Building Plans

Since the 1980s, information and communications technologies have greatly influenced economic development and heightened the importance of national higher education systems as generators of new knowledge and the development of talented professional labor. The Chinese government has made significant investments in expanding higher education access, and more recently in attempting to improve the quality in the teaching, research, and public service mission of its universities. At the same time, Chinese universities face competition with famous overseas universities for the best students, faculties, and even endowments. The following outlines a number of national, local and university factors that shaped academic planning at Peking University.

- **National background**

*Marketization:* In 1978, the Chinese government decided to reform its existing planned economic policy with a new open-door policy. Since then, economic growth, instead of political struggle, has become the focus of attention for the country. The planned economy strategy of the past was abandoned to support a more market economy, resulting in a Chinese economy that has been growing rapidly for the past 30 years.

*Higher Education Reform:* During this same period higher education was reformed according to the requirements of the new economic development policies. In 1985, *Decision on Reform of the Educational System* was published by the CCP Central Committee. This document described a system that decentralized administrative power and promoted limited autonomy of universities. However, this policy was not carried out effectively. In 1993, the *Program for Education Reform and Development in*

China re-iterated the recommendation to give the universities more autonomy. In 1998, the *Higher Education Law* was passed, and since that time greater university autonomy has gained a form of legal protection.

*"Education and Science to Revitalize the Nation" (Ke Jiao Xing Guo) Strategy:* In the 1995 Chinese government launched another important strategy document which further elevated educational attainment and the development of the nation's universities as a national priority. As a part of this effort, the 211 Project was conceived to support 100 top universities with extra resources. In order to implement this national strategy, *Action Plan for Invigorating Education Towards the 21<sup>st</sup> Century (1998-2002)* was announced in 1998 and it initiated the "Project of World Class University Building" ("985 Project"). Peking University and Tsinghua University were supported by the central government with 1.8 billion RMB to become world-class universities. Later, an additional 34 top Chinese universities also enrolled in the project, albeit with fewer resources from the central government.

- **Local background**

*Beijing Metropolitan plan:* In the 1990s, Beijing's ambition was to build a world metropolitan city similar to the status of New York, London and Tokyo. The government believed, at least the universities tried to make it believe, that having world-class universities was an essential elements for such a city. As a result, Beijing strongly supports plans for Peking University and Tsinghua University to become world-class universities.

*The Rise of Chinese Silicon Valley at Zhongguancun Area:* Chinese government and universities have been impressed by the development of Silicon Valley in the US's state of California and the close relationship between entities in the Valley and top universities (such as Stanford University and University of California, Berkeley campus). In the 1980s, Chinese authorities decided to develop the Zhongguancun area of Beijing as "the Chinese Silicon Valley". There are more than ten universities in this small area, including Peking University, Renmin University and Tsinghua University. The central government and Beijing government have developed special policies to promote collaborations intended to lead to the development of technology based businesses. As a result, Zhongguancun has grown in economic activity and in collaborations with local universities.

- **University level**

*The Rise of University Autonomy:* Before the 1990, the universities were controlled directly by the government. The teaching methods, textbooks, and even classroom designs were decided by the government. (Yang, Vidovich, Currie, 2007) With the decentralization and marketization reform of Chinese higher education, the universities gained considerable autonomy to decide what to teach and how to teach, to appoint staff and to obtain resources from the market. Furthermore, the more prestigious universities gained an even greater level of autonomy (Yang, Vidovich, Currie, 2007). As a result, Peking University now has much more freedom to design its own program, to reform its own enrollment system, and to appoint its vice presidents and other high level leaders.

*Financial Crisis and Faculty Crisis:* In the 1990s, faculty salaries were very low and their office and housing conditions were terrible. For example, in 1998, the average annual income of Chinese university teachers was about \$1500 (Min, 2004:74). Peking University's total income was 701 million RMB. The faculties did not have individual offices. In the humanities and social sciences area, 20-30 teachers shared one small office. Most worked at home.

A former university vice president described these conditions through two anecdotes. First, there was the case of a young man who just earned a Ph.D. degree in US came back to Peking University with his wife and daughter. The vice president was responsible for preparing an apartment for him. However, the only available accommodations at the time were in a student dorm. The couple had to live in a tiny dorm with their daughter and many books. Second, the facilities were very old. Once, when a professor was giving a lecture he became so excited that he could not help to stamping his foot to emphasize a point. Both he and the students were startled when his foot burst right through the platform. (Luo, 2006)

At that time Peking University also faced a faculty recruitment crisis. From 1994 to 2000, roughly 75% of professors and associate professors were approaching their retirement age. However, it was very difficult for the university to successfully recruit enough qualified young people to join the faculty because of the poor working and living conditions on the university campus. Instead, the qualified candidates chose to work in the companies and government agencies where they could receive better salaries and better apartments.

## **B.2. Why Has Becoming a World Class University Become a Strategic Goal for Peking University?**

Chinese higher education has a long history. However, modern Chinese universities were established just after western countries defeated China. Based on such a historic background, Chinese universities were born with strong political missions: to make China powerful and strong, to improve China by learning from western countries and to restore the dignity of China.

Therefore, it is not strange that building a group of so-called world-class university has been a dream for generations of Chinese people. In 1902, Zhang Baixi, the president and one of the founders of the Imperial University, wrote to the Central Government and argued that his university should be a top university which would be admired by all the countries of the world. (Xiao, et. 1981:11) In 1915, Hu Shih, a famous scholar who later became professor and president of Peking University, expressed his greatest dream in his diary this way: "One day, I hope that I can see a national university in China, just as Harvard is in America, Oxford and Cambridge in England, Berlin University is in Germany and University of Paris is in France. " (Hu Shih, 2001:63)

In 1990s, the Chinese government also realized that universities play important roles in national economic development. At that time, there was a shortage of qualified engineering graduates in China. The nation could not compete in higher-value businesses. Innovation is the most important factor in the global knowledge era. However, China was not in a position to compete. Chinese officials realized that research universities were necessary in order for this to happen.

On May 4<sup>th</sup>, 1998, when people were celebrating Peking University's centennial anniversary in the Peoples' Great Hall, President Jiang Zemin, announced, "In order to realize modernization, China should have several World-class universities of international standard! " In response, Peking University and Tsinghua University wrote a letter to President Jiang to explain the necessity and feasibility of building world class universities in China and requesting a funding package which would make it possible to achieve this goal. Their report was approved in 1998 and Ministry of Education launched the " 985 Project " noted previously. These series of events led to the first coherent attempt at strategic planning at Beida.

### B.3. The formulation of PKU's WCU Building Plan

Beida's first strategic plan, *Peking University Reform and Development Plan*, was generated during 1992-1994 and approved by the Peking University CCP 9<sup>th</sup> Conference in July, 1994. Based on analysis of the Strengths, Weaknesses, Opportunities and Threats (henceforth, SWOT), the plan announced that it was the University's objective, "to build a socialist university with world class level". It established a "two-step" strategy:

- 1) Build the basis for becoming world-class university during 1994-2000;
- 2) Achieve world-class status during the period 2010-2020.

When the national 211 project was launched by the MOE to support the Chinese national key universities in 1995, Peking University adopted this action plan -- the PKU "211 Project Plan" -- that led to receipt of significant financial support from the central government.

What followed was a series of revised or new plans, often devised in reaction to a new central government policy document and accompanied sometimes by additional financial resources. For example:

- In 1998, Peking University started to make a new strategic plan after the government announced support for world class a university building in China and finished the first version of the plan in 1999. The two-step strategy was revised and the first step was extended to 2005. The Office of Development and Planning was also established to revise and implement the strategic plan.
- This plan was revised in 2001 because the Beijing Medical University was merged into Peking University.
- During 2007-2010, Peking University made its third strategic plan. At first, it was called "Peking University Development Strategy 2008". Later it was turned into "Peking University 985 Project Corporate Plan (2010-2020) ".
- In 2012, Peking University made its "twelfth five-year" plan according the requirement of Ministry of Education.

At Peking University, the typical strategic planning process has generally included three stages: Strategy Formulation; Political Discussion; and Action Plan Development. The strategic planning activities from 2007 to 2010 will be used to illustrate the process. The year 2007 was important for a variety of reasons: the university had just completed the first part of "Two-stage strategy"; PKU would celebrate its 110th anniversary in May, 2008, just before Beijing Olympic Games; 2008 was the 10th year of "985 Project" and the 12th PKU CCP Representative Congress would be held in 2008.

#### *Stage 1: Strategy Formulation*

During the first stage, Peking University adopted a process that was refined to account for certain realities of the time. Specifically, the process included a mission statement, a vision statement, an articulation of core values and a SWOT analysis.

Many drafts of the strategic plan went through top-down and bottom-up review by various stakeholders. To guide the process, in September, 2007, the university appointed a Strategic Planning Committee that was chaired by the executive president and provost, Lin Jianhua, and consisted of 21 professors, five of whom were university leaders. Six staff members were

organized as a group to support the Committee. The staff compiled an e-mail list of 800 professors to discuss issues and drafts associated with the strategic plan.

Communications were also maintained with the PKU students, faculty, staff and alumni, as well as government officials and leaders of five top middle schools in Beijing. The statements of mission, vision and core values were widely discussed by many groups in different meetings. The process included environmental scanning and self-studies of teaching, research, system reform and other issues. The results of these efforts were utilized to draft a strategic plan. University's leaders met twice to discuss the plan, which was accepted after final revisions.

### *Stage 2: Political Discussion*

In most cases, the draft strategic plan is discussed and approved at the CCP Party Representatives' Congress that happens every 4-5 years. During the Congress, the strategy is translated into political language, discussed by the party members, and formally adopted, following appropriate revisions. The minister or vice minister of MOE, major leaders of Beijing and other political leaders will also come to Peking University. The university would show them the achievements in the past five years and the future development strategy. The political leaders are supposed to praise the achievement, express their expectations, and promise to support the university's future development. It's a political discussion process and a valuable opportunity to get more funding resources from the government. In 2007, the university leaders thought the 12<sup>th</sup> conference would be held next year. However, it was postponed because of the 2008 Beijing Olympic Games.

In 2008, the CCP launched a political study movement called, "Study and practice scientific outlook of development." All public institutions and stated-owned enterprises were required to organize such study programs. After 1978, the political study movements became less frequently but still happened every 3-5 years. In its political study programs, PKU focused on how these movements over the past two decades related to the goal of building world-class universities. The result was a report in political language that bore the imprint of Party members, as well as the University community, and served as the basis for Stage 3 to drafting an action plan and establishing implementation responsibilities.

As this process unfolded during 2008 to 2009, it was not clear whether the central government would launch the 3<sup>rd</sup> phase of the 985 project to expend the resources necessary to build world-class universities. To emphasize the importance of their effort, PKU leaders reached out to the political leaders and invited President Hu Jintao, Vice President Xi Jinping, State Councilor Liu Yandong (who is in charge of science, technology, and education issues) and Minister of MOE Zhou Ji to Peking University on separate occasions from May 2008 to March 2009. Activities included visits to the library, museums and labs; talks with university leaders, professors and students; reviews of the university's achievements in teaching, research and serving the society. These meetings were great opportunities for the university to discuss their new strategy and seek resources from the government to make it reality. In the end, the government decided to continue the 985 projects and required the 39 "985 project" universities to make their corporate plan and reform plan in 2010.

### *Stage 3: Action Plan Development*

After the central government promised to support the university's strategic plan with extra funding, the university had three years in which to develop its action plan. Therefore, in 2010, every academic unit and core administrative office at PKU was required to make their action plan. The University taskforce drafted an overall plan and discussed it with the deans, faculty representatives, staff representatives and famous professors who had come back to Beijing in a series of meetings. After being revised several times, the corporate plan (2010-2020) was approved by the University Council and submitted to the MOE in November 2010.

## **B.4. The Implementation of the WCU Plan**

Most of the major elements of the plan are centered on improving faculty quality and reforming the governance of the university. The details of these activities are discussed below.

### • **Improving Faculty Quality**

Outstanding faculty members are extremely important to a research university. As noted above, Peking University faced a faculty crisis in the 1990s. The best graduates were reluctant to teach on campus because of very low salaries. Following the strategic plan, Peking University tried to recruit and retain outstanding faculty by improving their salaries, reforming the Human Resources systems, making use of government talent projects and establishing many endowed professor positions.

After 1999, the university quickly started to improve faculty salaries and attempted to improve faculty quality. Most teachers received a 985 Project subsidy package. PKU also uses several national talent programs such as "Changjiang Scholars Program" to hire high level professors. With the support of its "Thousand Talent Plan", the University hired some professors who

held tenured positions in American research universities. The number of endowed chairs has also continued to increase thanks to donations from individuals and companies.

In the old human resource (HR) systems of Chinese universities, it was very difficult to fire its unqualified employees. The salary differences between faculty ranks were not sufficient to encourage faculty to strive for excellence. In order to improve the competitiveness and efficiency, the University reformed its HR system in 1999. Every faculty and staff member was required to sign a contract with the University. The salary differences among faculty ranks were increased to a more meaningful level. In 2003, Peking University instituted an American-style tenure system in which only professors can be tenured directly; other faculty members must pass a rigorous peer review before receiving tenure. Further, a new PKU Ph.D. is not eligible to become a faculty member in the department from which he/she graduated.

During the past 13 years, the quality of the faculty has greatly improved. For example, most new faculty members now have Ph.D. degrees. The percentage of faculty with Ph.D. degrees has improved from 38% in 2000 to 84% in 2012 at PKU main campus. Two professors have won Chinese Highest Science and Technology Award. One professor became the Chief Economist of the World Bank. Some outstanding professors have returned from positions at top universities in America.

However, there have also been some unintended consequences. The young faculty and professors in the area of humanities have fought fiercely against the tenure system. In 2003, they published articles in newspapers and posted comments on websites to condemn the reform. The issue was vigorously debated in the Chinese society. After the reform plan was approved and implemented, some professors still tried to keep their own students as faculty members by sending them out to do one or two years of postdoctoral work and then calling them back to the department.

The reforms that focus on talents and credentials have also created some sensitive tensions between “old faculty” and “new faculty”. The old faculty members have felt that it is unfair that the new faculty members receive higher salaries than they do.

- **Reforming the structure of governance**

In the 1990s, and even today, many Chinese universities are highly bureaucratic. In 1998, there were 41 administrative offices and nearly 100 directors in Peking University. The functions of the offices were overlapping, and the administrative efficiency was quite low. According to the research of Burton Clark, the transformation of a university needs ‘the strengthened steering core’. (Clark, 1998) In 1999, the university launched a reform to reorganize the administration structure. The number of administrative offices was reduced from 41 to 21. The number of administrative positions was reduced from 609 to 390. Every administrative staff member had to compete with others in order to gain or retain appointment to a position. The directors and vice directors are now required to sign four year contracts, and no one is allowed to stay in the same position for more than two consecutive contract periods. (Peking University, 2001:9-23)

PKU also reformed its administration of academic schools, departments and research centers. After the reform of 1952, the University was transformed from the American model to one modeled after higher education in the Soviet Union. The Engineering School, Agriculture School and Medical School were moved to other universities. Also, the University was converted from a ‘department-school-university’ three-layer structure to a ‘department-university’ two-layer structure. In terms of academic structure, Peking University’s now looks more like a liberal arts college rather than a research university.

In order to satisfy the huge demand of economic development, PKU began to develop the fields of applied sciences and social sciences. Since 1998, it has established many professional schools, such as Law School, School of Government, School of Journalism and Communication, College of Information Science, School of Engineering and College of Environmental Science and Engineering. In 2000, Beijing Medical University was merged into Peking University. Beijing Medical University was the former PKU Medical School, which was moved out as Beijing Medical College in 1952.

The process of re-structuring the university was not an easy one. The University tried to merge different old departments into several colleges in order to improve administrative efficiency, promote the general education and encourage inter-disciplinary research. However, during this process some departments, such as the Department of History, the Department of Philosophy and the Department of Psychology, refused to be merged into colleges. While some other departments, such as the Department of Chemistry and the Department of Mathematics, actively merged into a college by their own. In the final analysis, the total number of schools increased very quickly. Next, the university established four academic divisions (Humanities, Social Sciences, Sciences, Information and Engineering) to promote the collaboration among different colleges. However, since the schools and colleges became very powerful, the divisions’ functions are very limited. The result of all of this has been to turn the University into a “department-school-university” three-layer structure again.

The university also tried to adopt an American university management style, at first in some interdisciplinary research centers, and then expanding the practice to some schools and colleges, such as the School of Engineering, the Guanghua Business School and the College of Life Sciences. The deans of these schools are recruited from overseas universities and are more powerful than the deans of earlier days. They are responsible for budget, faculty employment and salary. The faculties are all recruited into tenure track with higher salaries, and they actively take part in management through different committees. Every five years, there will be an international peer review for the whole institution.

- **Reforming Multilevel Education**

From the 1950s to the 1980s, Chinese universities were deeply influenced by Soviet Union Model. College students were expected to be “Red and specialized socialist constructors”. Every student took a very specific major that was related to a specific job position (e.g. Major of wheel tractor). There was no general education, and it was very hard to transfer from a major to another one. Since the 1980s, Peking University has been reforming its education system and offering more flexible and diverse academic programs. For example, PKU established an undergraduate college named “Yuanpei College” to promote general education. Undergraduate students are also encouraged to take part in different kinds of research activities.

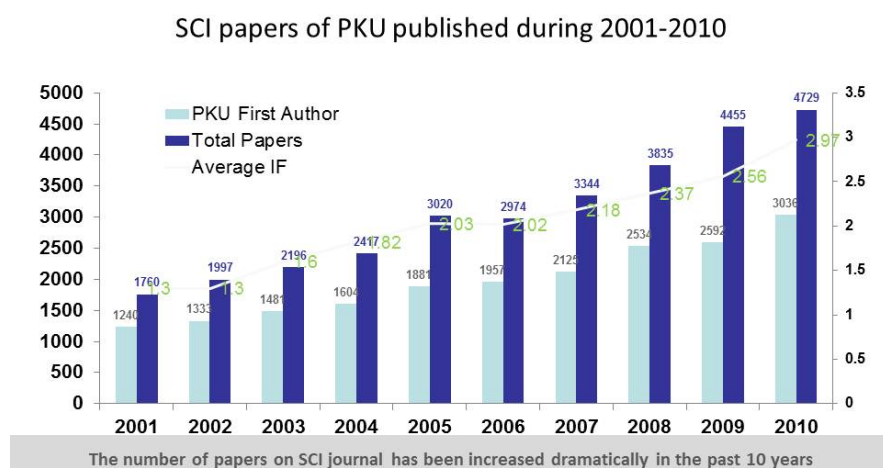
Graduate education also has grown rapidly because of the growth of research enterprise, the development of professional education and the merging of Beijing Medical University with PKU. In 2000, there were 8050 graduate students. Ten years later, this number more than doubled, reaching 19,927 in 2010. In addition, the graduate program became more flexible. The quality of graduate education has been improved and some Ph.D. students even obtain faculty positions in American research universities.

The University promotes internationalization of education. For example, PKU encourages domestic students to study in overseas universities for one term or longer. In 2010, 17.2% of Ph.D. students, 5.3% of Masters students and 6.7% of undergraduate students have studied in foreign universities. Also, the total number of international students studying at PKU has been growing at an average of 8% per year during the last ten years, reaching a total of 2967 in 2010.

- **Encouragement of Research Excellence**

Peking University encourages its faculty to conduct research at an international level. It continues to support research through the establishment of many high-level interdisciplinary research centers and the linking of applied research to the support of national and local economic development. It also encourages its researchers to publish papers in high level international academic journals and to collaborate with international institutions. The total number of SCI papers that were published by PKU authors has increased from 1760 in 2001 to 4729 in 2010. Their average impact factor (IF) also rose from 1.3 to 2.97 during that ten years.

Chart.2. SCI papers of PKU published during 2001-2010



Some unresolved problems related to research remain. Traditionally PKU has been very strong on basic research. However, the rapid growth of applied research in recent years has had a negative effect on the amount and quality of basic research done at the University. Since the 1980s, more and more faculty have shifted their focus to applied research because there have been more funding resources available for such work, and applied research can find additional sources of funding in the private sector.. For example, the School of Economic used to be very strong in economic history research; however, that work has been declining since the 1980s because it cannot compete successfully for funding against the more practical, immediate research payoff for fields like market resources and accounting.

Another problem is that the University's fundamental innovation capabilities have been threatened. Since good research is essential to a faculty member's drive for promotion and tenure, teachers spend much more time on their research, rather than on teaching students. Students complain that some courses are not well-prepared, and they do not have enough time and opportunities to communicate with their professors.

- **Reforming through Diversification of Financial Resources**

Before the 1980s, government funding was the only financial resource of Chinese universities. Since the 1980s, the universities have tried to diversify their sources of financial support for a variety of different reasons. For example, the government has not provided enough money directly and has encouraged the universities to obtain additional resources from the market and society at large. At the same time, this "self-earned money" has fewer limitations in how it can be used, thereby given the universities more flexibility and independence in pursuing academic excellence.

Now, PKU's funding comes from diverse resources: government funding, research income, tuition fees, university enterprises and donations from the whole society. During the past ten years, although the University's income still mainly comes from the government, income streams from other financial resources have increased significantly. For example, total income of PKU has increased from 121.6 million Yuan to 845.5 million Yuan from the 1999 to the 2009; the income from government has decreased from 55% to 42%, while income from non-governmental sources had increased from 45% to 58%.

- **Evaluation of the Plan**

There are three kinds of evaluations in the university level. Every academic unit and administrative office is required to submit a summary report to the Office of the President every year. The President will then make a report to the staff representative's council every spring. These kinds of summary reports are related to the strategic plans. Before the university drafts a new plan, the strategic planning committee will review how the former plan was implemented. But these evaluations are not formal rigorous evaluation. Now the university is going to establish more rigorous "Budget- Program-Plan" links.

On the other hand, the governmental agencies often review the plans more formally. When the universities apply for "985" or "211" project funding, the agencies will organize a committee to review the proposals. These programs usually are 3 years in length. In the second year, there is a midterm review. In the fourth year, there will be a final evaluation. These evaluations are too frequent and pay too much attention to the quantified indicators, such as the number of papers published internationally. It pushes the researchers to publish as quickly as they can, prefer to conduct short-sighted research. As Einstein said, "Overburdening necessarily leads to superficiality" (Einstein, 1954: 66). The researchers are reluctant to do original research and address fundamental problems. When the researchers cannot finish the research, they are inclined to engage in misconduct in research. For example, a famous anthropology professor at Peking University was found to have plagiarized in the 2002. Excessive quantitative and pragmatic evaluations also do great harm to the basic research and humanities because some basic research needs more time to publish, and it is hard to tell the practical value of humanity research.

### C. THE ROLES OF STRATEGIC PLANNING IN ORGANIZATIONAL CHANGES

Has strategic planning worked at PKU? The answer is a partial yes. It has helped Peking University secure some 8.15 billion RMB Yuan from the central government. It also led to tremendous organizational changes, established many schools and divisions, recruited better faculty members, promoted the educational reform and improved the research level. The following outlines the different ways that academic planning can and has benefited Peking University.

- **Different roles of strategic planning**

There are various interpretations regarding the purpose of strategic planning in university settings. Cohen and March's rather cynical description observe four roles: as symbols of institutional ambitions, as games to test the administrative will, and as excuse for interaction and advertisements. (1974:113). Based on a case study of 3 different public organizations, Langley insisted that the roles of formal strategic planning in public sectors are 'public relations', 'information', 'group therapy', 'direction and control'. (Langley, 1988) Mintzberg described it as mainly having two roles: communication media and control devices. (Mintzberg, 1994)

In my opinion, there are four major roles which strategic planning has played at Peking University: what I call changing the roadmap, as a resource accelerator, as a communication media tool, and as a mechanism for certain forms of government control and accountability.

- **Changing roadmap.**

The strategic planning helps the universities leaders to think about what to do in the next few years. They made and revised their strategic plans in response to changing social environments. These plans offer a changing roadmap for the development of Peking University.

- **Resource Accelerator.**

As noted previously, such plans helped the university get more money from the government and society. At the same time, government funding went to the university through different agencies according to different operating and capital needs of PKU. Most government allocations have special regulations on how to use the money. This required PKU to develop new financial models to help meet strategic goals.

- **Communication Media.**

Strategic planning brought different groups together, such as the university leaders, faculty and staff members, students, alumni, and government officials, to discuss the same topic. When Peking University made its "Development Strategies Outline 2008", more than 500 people attend the meetings.

- **Control Tools of Government.**

The government can input their expectations during the political discussion phase and influence the university's development by adjusting funding. The government gained significant control or accountability from a distance.

#### D. CONCLUSION

I will conclude this discussion with a new metaphor. In higher education, when we talk about strategic planning, we often ask three questions: Where are you? Where are you going? How will you get to there? In this sense, strategic planning is like GPS than a panacea, a placebo or a poison. A GPS navigator is very useful for drivers when they travel to a new, unfamiliar destination. The GPS is useful, but by itself, it cannot take you to your destination; to do that, you need a car, gas, a good driver, and passengers who agree on letting the driver do his job.

Over the years, PKU has made strategic plans that have led to significant organizational changes and in the culture of one of China's premier institutions. Some universities in China, and elsewhere, sought meaningful strategic plans, but stumbled due to a lack of good leadership, inadequate resources and obstinate faculty who are often resistant to change. A strategic plan should offer a dynamic roadmap. When unanticipated problems arise (e.g., a traffic jam) a good GPS can adjust to the changes. In the same way, universities also need to on occasions significantly revisit their strategic plans in response to the social, economic, and political changes that may occur. Choosing when and how to do this is as much an art as generating and pursuing a revised strategic vision.

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