



# Research Journal of Education

ISSN(e): 2413-0540, ISSN(p): 2413-8886

Vol. 3, No. 12, pp: 180-185, 2017

URL: <http://arpgweb.com/?ic=journal&journal=15&info=aims>

## Research on Strategies of Exam-Oriented Education Turning to Quality Education-Based on the Perspective of New Institutional Economics

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**Abstract:** The aim of national macroscopic education is cultivating students' personal quality and learning ability, but the choice of selecting talents by exam as an alternative standard has aroused the upsurge of "exam-oriented education" from primary school to university. From the perspective of new institutional economics, the traditional teaching concept of "exam-oriented education" is deeply rooted in people' mind because of the lack of effective property rights incentive system, such as transaction cost, path dependence and signal theory. As a derivative substitute, the exam can reduce the transaction cost, yet on the other hand, from the view of signal theory, it regards "score" as a signal to judge "quality and ability", which leads to asymmetric information and will have a great influence on the training of object of students and receiving objects of society as well as social relations. It's difficult for talents under exam-oriented education to adapt to the market economy in the disposition ability. This developing method causes the waste of social resources, which is contrary to the training goal. This paper studies and discusses the economic reasons of exam-oriented education from the perspective of new institutional economics, analyzes the necessity of quality-oriented education and puts forward specific methods and strategies.

**Keywords:** Quality education; Exam-oriented education; Transaction cost; Path dependency; Strategies.

### 1. Introduction

According to the educational aim Proposed by Education law of the People's Republic of China in 1995, "Education must serve the socialist modernization construction, must be combined with production and labor, and train students to be builders and successors of the socialist with great quality in the all-round development of moral, intellectual and physical aspects" (Government' Call and File, 1999). The opposite side of the exam-oriented education is the education. of " taking the test score as a means to select the minority from the majority to send to the university for the purpose of pursuing further studies" The educational goal elaborates on the emotion, attitude and values of students' education. The aim of education is not to train the students who can do homework well and get high score, but to train whose who can be applied to the competitive market competition and the rapid development of the era and can create value for human society, affect the society and even transform the high quality of the society talent.

But in the practice of education, students are taught by the learning concept to study well, listen to the teachers and parents. Constantly students change from the divergent thinking to one-way thinking and lack of creative thinking.

In order to increase the probability of further study, teachers continue to let students do homework, and even occupy the music class, physical education to just focus on learning all day long; In order to get their children to a good middle school, good universities, parents give up their children's interest time, blindly encourage high grades of learning purposes; The society's evaluation of schools and students is based on the students ' learning achievement. During the best time to develop self intelligence quotient, EQ, quotient, love quotient and counter quotient, also maximum time cost that should be invested in the all-round overall development, students have to put the time cost into the process of "exam" because of one-sided evaluation of the exam system. Students, parents and schools are in the prisoner's dilemma, and the society's return on education investment is reduced through the competition and goal of increasing students' scores (Tu and Peng, 2007).

Throughout the ancient and modern education system, from the imperial exam system, Qing government new Deal, to the college entrance exam system, every educational innovation will be affected to a certain extent by the previous education system; from the microscopic point of view, under the influence of the gradual impact, by path

dependence, students will test high grades define their own learning goals and future development tools. Such education system lacks the training of students' quality education and the correct guidance of values. In the course of school management, opportunism, utilitarianism, right rent-seeking and moral hazard are also destroying the effective realization of efficiency, which also has institutional defects (Xu, 2007). Since the reform and opening-up, with the gradual deepening of Western economic concepts, new institutional economics has aroused the attention of economic theorists and other disciplines. The new system school is a contemporary western economic genre with the property right and system as the main research object. The basic idea is that the new institutional economics is a prerequisite for scarce resources, and its institutional arrangement is to control the interaction between people and the scarcity of resources, that is, through the arrangement of the system to set up a set of "game rules", people follow the system to strive to obtain available resources. In this paper, we analyze the new institutional economics, and expound the economic analysis of the quality education by the concept of transaction cost, path dependence and signal theory, and propose the corresponding strategies.

## 2. Reasons for the Exam-Oriented Education

Exams are the purpose and object of exam and exam activities. On the one hand, it examines the student's study condition by supervise, guiding the students earnestly studies and consolidating the knowledge he has learnt. On the other hand, it examines and reflects the teacher's teaching effect through the evaluation of students' learning results. Throughout China's exam system, from the ancient imperial exam system to the college entrance exam system of the new China The establishment of the system choice to test scores and then judge the degree of personal excellence is inevitable.

"Exam-oriented education" is a product of the planned economy, in which property rights of educational resources are dominated by the government. More productive forces are needed during the planned economy period. Therefore, "exam-oriented education" came into being (Ru, 2004). In the era of a planned economy, the resources allocated by the community are concentrated at all levels of government, and enterprises have no right to allocate resources. For a series of questions, such as what the country needs to produce, how much to produce and how to produce it, the state government and other agencies decide on this, which leads to the subjective initiative of people not be implemented and their creativity not be well-trained Under such a large-scale environmental economic system, the purpose of education is to raise people's productivity, while production calls come from the government, state and other organs and units. Educational property rights are also led by the government, thus colleges and universities failed to give play to their subjective initiative yet made it more difficult for students to truly develop their own creativity. Therefore, the great environment of planned economy also makes "exam-oriented education" to a certain extent inevitable.

Exam-oriented education is to allocate scarce educational resources institutional arrangements and the essence is to reduce transaction costs. To a certain extent, the exam determines the future income, status and reputation of the students, but due to the scarcity of resources and the highly competitive market environment, how to determine his education resources fairly through judging human beings is becoming the focus of government, academics and our country. The initial distribution of educational resources is dominated by hereditary aristocrats and ruling class, in which the mainstay of educational resources is determined by their descent. This method does not reflect the unity of power and authority in management philosophy, and is not conducive to social fairness. Later on it is evolved to two ways of recommend interviews and exams to examine people. Recommended Interview is conducted through face-to-face communication between people, to a certain extent, it's to understand the subject's ability, personality and quality. But at the same time it will be subjectively affected. Some people even achieve their own goals through speculative of "using personal connections and getting their goal through the "back door" and "gift giving", which is not conducive to social fairness. Moreover, a large number of invalid transaction costs it caused are not conducive to the rational allocation of resources. The test is more objective, and it evaluates the students' "ability." through the objective quantitative way, As a result, exam-based education came into being. Ronald H. Coase defined the transaction costs in the paper "Social Costs" in the year of 1960: in order to complete a market transaction, it is necessary to find people who are willing to trade, and tell them that people are willing to make transactions and the terms of the transaction, also it is necessary to bargain, sign the transaction Contract, and supervise the implementation of the terms of the contract (Coase, 1960). The essence of exam-oriented education is to minimize transaction costs. Through a series of exams, everyone can participate in the activity of education fairly. At the same time, through the objective training of the students, students are uniformly judged according to the scores. This approach is conducive to reducing social transaction costs, while clearly defining the scope of educational interests, and providing society with a more stable and fair educational environment.

The root cause the exam-oriented education is difficult to shift to exam-oriented education is out of path dependence. Path dependence explains how the set of decisions one faces for any given circumstance is limited by the decisions one has made in the past or by the events that one has experienced, even though past circumstances may no longer be relevant (Dave Praeger, 2008). The Decision of the Central Committee of the Communist Party of China and the State Council on Deepening Educational Reform and Promoting Quality-oriented Education in an All-round Way in 1999 clearly states that it is necessary to develop quality-oriented education. However, people's thinking on quality-oriented education only remains at the conceptual level. Actually, it is still a set of exam-oriented education. In the face of the irresistible pressure and risk of unknown things, people often resort to long-lasting methods because of the path dependence, and the teaching system and teaching structure of teachers are also hard to

carry out in-depth institutional innovation. These transaction costs to inject innovation into such system are too expensive, coupled with the people's path-dependent thinking, it leads to China's education system from top to bottom with "test" "craze" are only increasing unabated.

Path dependence hinders reform of the education system by affecting informal networks in universities. In a given cultural environment, schools, parents and students follow the rules and regulations that should be observed because of the path of dependence, and listen to the opinions of the schools and words from teachers, making the existing system difficult to innovate. More people are silent, and even choose to resist for more efficient innovation systems and ways. Take the scale of university faculty as an example, according to authoritative statistical materials, the ratio of teachers and students in universities and colleges around the world is about 1:10, that is, one teacher should take care of at least 10 students. However, in China, the current ratio of teachers and students in colleges and universities is about 1: 3.7, which may be only 1: 3 in prestigious universities. That is to say, a teacher can only be responsible for 3 students. This status quo can be described as "overcrowded, inefficient." However, this does not mean that the number of teachers in the university is so strong. The number of administrators in the universities exceeds the standard. The number of those who are with teachers' title but do what officials do accounts for one third of the total number of colleges and universities. To a certain extent, the informal interpersonal social network impedes the transformation of the system. Exam-oriented education has continued.

Schools need experts and teachers who really do research and teaching and do their best to influence students, develop students' interests, improve their physical and psychological qualities, those truly cultivating quality students. However, the educational property rights are dominated by the government, which limits the use of educational resources in schools. At the same time, due to the consideration of transaction costs and the educational thinking and cultural atmosphere under the long-standing path dependence, in the current education system of the exam system, the government, universities, primary and secondary schools, teachers, students, parents, educational publishing houses and employers compete for compromise and compromise. The result of the game is exam-oriented education.

### 3. Necessity Analysis of Quality Education

Exam-oriented education makes exams to the extreme, which seriously jeopardizes the operational performance of the entire educational system, and makes students with adverse physical and psychological impact. On the one hand, exam-oriented education has brought great harm to society. The purpose of exam-oriented education is very utilitarian, teaching content is single, and the main teaching methods are mainly duck-type. To some extent, the exam-oriented education has the false effect in the education effect. For the knowledge students have learned and they should have summarized. However, the teachers try to "save" their energy and time to provide this service, leaving a large number of teachers' own formula, the proliferation of theorems and solutions to problems. Thus students could not ask for a solution, but just remember the problem solving routines, both saving time for answers, but also a high accuracy (Lu *et al.*, 2007). This severely stifles students' creative thinking and makes it difficult to cultivate highly qualified personnel who can adapt to highly competitive market competition and rapid development, create value for human society, affect society and even transform society. On the other hand, in the context of exam-oriented education, students are physically and mentally disabled. The students' psychology of primary and middle school are not developing healthily. Many students lose their balance psychology, and some are even with abnormal psychology (Bao, 1997). At this stage, some phenomena, for example, college entrance exam candidates being fear of criticized by parents, university students' abortion, college students choosing to fall from their jobs out of uncompleted papers, or students' idea of disharmony and disgrace to others still exists. For deeper reason, we have to study the influence of exam-oriented education deeply. Students lack social skills, ability to deal with others and organizations, as well as the lack of basic ability to live. This "closed management model" that has escaped social practice and escaped social life completely violates the socialist education policy of our country. As a result, the phenomenon of students' passive and corrupt nature is also a problem that the education community needs to think deeply.

Although exam-oriented education has the advantages of reducing transaction costs and promoting social fairness, with the development of the times, it does not conform to the trend of social development. In the era of market economy, its effects even contradict one another. Because the increased cost of studying time for exam-oriented education students is concerned with being out of touch with society and the one-sidedness of teaching content, this makes the difference between input and gain. The efforts of students, schools and parents are only for a high score, which is inconsistent with the talent needed to be trained in the country and the market. This results in the lowest education performance and not conducive to healthy competition among colleges and universities. On the one hand, quality education responds to the call of the state. It is already a well-known fact that education has economic value. Education affects the economy by increasing people's production capacity and ability to allocate. However, these two capacities have different economic values in different economic environments. (Lai, 2004) Quality education caters to the current market economy development, to maximize the provision of social promotion of economic development, allocation of the strongest talent. The purpose of education under the planned economy is to improve people's productivity, productivity and exam-oriented education all reflect their own will, which is not conducive to the upgrading of comprehensive ability, but also stifle the ability of people to create. This also explains the long history of China but the phenomenon of "focusing on science and engineering, light arts. However, with the changes of the times, China has opened its door to the international environment for joining the WTO. Deng

Xiaoping put forward the social reality of "cats are good cats regardless of white cats and black cats." And the current "public entrepreneurship and mass innovation" proposed by Premier Li Keqiang, Efforts to make full use of their ability to allocate enterprises have transformed China from a planned economy to a non-balanced market economy. Education should also be designed to improve people's disposition rather than productivity. From an economic point of view, the resources of the whole society can reach the optimal allocation only if each micro-entity allocates resources from its own goal of maximizing profits. Quality education and ability to allocate all emphasize autonomy, and talents trained through quality education are more able to adapt to the changes in the market economy and even influence and transform the society autonomously. On the other hand, quality education can really emancipate the human mind and allow students to grow happily and productively. Quality education makes people more accurate on the cognition and judgment of social phenomena and research problems. Students can really fall in love with learning and improve their overall quality in all aspects. They can really combine the knowledge they have learned in school with social practice, and feel happy and happy in their studies. Students, teachers, of course, teachers can truly unexpected accomplishments through real solutions to student confusion and problems, and students as friends. All stakeholders, including students, teachers, parents and government departments, can grow together through the correct judgments and effective communication and education under the guidance and efforts of the correct methods and methods. All this reflect the necessity of quality education.

#### **4. Strategies from Exam-Oriented Education to Quality Education**

During the transition from exam-oriented education to quality-oriented education, and vigorously carrying out exam reform, especially the entrance exam reform, we can neither blindly pursue quality-oriented education, nor can we frequently blame the exams and put all the boards on the exams. On the basis of reflecting the relative unity, we should not only fully reflect the comprehensiveness, comprehensiveness and long-term nature of the test evaluation, but also take full account of the characteristics of the two : Multi-level, diversity and flexibility (Zhang, 2006).Existence is reasonable, and the existence and operation of the exam system have their own significance and value. However, for the purpose of national quality education, educators also need to explore feasible methods and strategies from a deeper level so as to cultivate modernized talents.

In terms of system, we should formulate practical and efficient institutional regulations in line with the purpose of education. On the one hand, 'property rights' will affect motivational behavior, reduce transaction costs and internalize externalities. Obscure educational property rights and exam property rights cause the boundaries between educational departments and schools in our country to be vague. Educational administrations intervene in the entrance exams too much. The right to education and enrollment exam in schools are not highlighted. Therefore, the government administrative department should give priority to the supervision and guidance of the macro-level policies and laws, return the right to education and enrollment and exam to schools, and make the school the real mainstay of running a school (Li and Chen, 2012).The administrative department of education should carry out macro-control over the colleges and universities while giving supervision and guidance. However, it should not interfere with too much and give more authority to schools so that members of the committee with good educational experiences in schools can formulate daily teaching in schools. On the other hand, college admission system and school evaluation system should be adjusted step by step. College entrance exam system is a stumbling block from exam-oriented education to quality education. It is inappropriate for college entrance exam system to judge personal qualities through only one-sided test scores and should be adjusted. Admission system should comprehensively consider the academic development of students (including the usual grades and test scores), hobbies and evaluation of innovative ability and practical ability. The content of the exam should also be gradually increased from the objective question to consider the subjective question of thinking and innovative ability of students. Colleges and universities can effectively recruit students who are in line with the goal of cultivating students with a comprehensive understanding of students. Schools can also make unique student information networks such as "student cards" and "student files" with self-characteristics when evaluating students. Teachers understand students, think students think, think for students, and effectively respect the diversity and diversity of students, which not only allows students to better understand themselves and confidently learn and grow, but also enable schools to effectively manage the students as well as allow students to have a good training. In the short term, the reform will be hindered by the path dependence and will be difficult to implement because of the seemingly high transaction costs. However, this is a tangible method consistent with the goal of training. In practice, the relevant researchers to develop a good "rules of the game," led by government officials and supervision, faculty and students, is expected to gradually get their recognition, create a benign common development circle of stakeholders and effectively cultivate students' quality education.

In the informal system, a culture of common growth is created through good organization and communication. First, private education institutions and public schools learn together and develop together. For the same research direction, the relevant personnel set up a special seminar, regular academic exchange activities, enrich their knowledge and improve their professional level, but also to discuss more constructive ideas and ideas around the development of students. Then, to create a "student, teacher, parent and third-party mentor," the positive exchanges to develop students. We should regard the students as independent individuals, let them participate in such exchanges, and jointly evaluate and grow together. We must break the original traditional view of "teachers are the highest" and "parents are right," so as to effectively enable parents, teachers and students to teach, learn from each other and learn from each other's voices and remarks and seek common ground while reserving differences so as to

develop and foster good relations with teachers and friends. Finally, creating a good path conducive to the development of quality-oriented education depends on mobilizing educators from all walks of life, parents of students, and members of all social forces and institutions. The implementation of quality education can't be achieved by schools alone. In addition to the need of excellent teachers, necessary material conditions and scientific evaluation criteria, a good social atmosphere is essential (Liu, 2009). Through formulating relevant rules and mobilizing idle resources in society, such as retired professors and social workers with special skills or motivational motivation, students gradually learn to respect the elderly and conduct good exchanges with the elderly. This mobilizes social resources and increases social Vitality, and can correctly guide the ideological and public opinion to create a good social atmosphere. Through the development of a good "rules of the game," so that people from all walks of life in the learned and recognized the atmosphere to effectively cultivate students' quality education. Under the influence of different thinking environments, the creative thinking of various social forces can develop well, and students and parents will also establish their own views and understandings of good quality education. Under the guidance of them, they care about the rate of enrolled students in all aspects of the overall quality of development, and naturally develop the quality of education of students, but also led to social vitality.

In the meantime, on the practical application rules, it is also necessary to constantly establish and improve the rewards and punishment supervision mechanism and establish a diversified evaluation mechanism. On the basis of establishing a scientific and perfect evaluation system, system supervisors only need to carry out random sampling and evaluation. Based on the results of random sampling and evaluation, rewards are given to qualified and over-qualified instructors to improve their academic reputation and achievements. For those who fail to do so The qualified instructors then implement the corresponding penalties to increase their default costs until the cancellation of their qualifications (Yuan, 2003). Continuously integrating the traditional concepts of pedagogy with economics, using the scientific method to test the completeness of the system and continuously applying the in-depth supervision system to the practice of teaching workers, this will be a tremendous improvement in the implementation of quality education. For the system and non-system "rules of the game" to implement and use, we need to establish a reward system. The rewards and punishments system can be evaluated in a variety of ways. For example, the exchange activities can be scored correspondingly through the spread of small videos, WeChat and Weibo. For the students with relatively large social influence, the premise of ensuring fairness and fairness and not affecting the objective evaluation mechanism Under the appropriate discretion under the consideration; for campus activities, to participate in competitions, hobbies, social practices, parental evaluation and the ability to create individual students should be given the corresponding spiritual encouragement and better evaluation. Through a reasonable and diversified evaluation mechanism, teachers and parents as well as all sectors of society can really be devoted themselves to quality education so that all stakeholders can enjoy the joy of education and the harmonious development of body and mind.

#### 4. Conclusion

Through an effective organizational system and related "rules of the game", quality education can be achieved. Although this will certainly increase transaction costs to a certain extent, it does indeed meet the goal of cultivating talented personnel in China today. In order to break the path dependence in the actual operation, we need to make judgments and operations truly from the perspective of the new institutional economics. In the process of implementation, we must also make quick and effective communication so that all stakeholders can reach an effective communication and agreement. Through system innovation, teachers, students, parents, government and social resources are effectively communicated and learn to live beautiful life. Everyone has a good quality of education.

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