

# Discussion on the Management Mode of State-Owned Enterprises

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**Abstract:** With the continuous reform of China's economic system, state-owned enterprises, as an important pillar of national economic development, must pay attention to the change of management in different eras to ensure the continuous development of economic development. Taking Heilongjiang Longrui Asset Management Co., Ltd., as an example, it analyzes the problems existing in the management of state-owned enterprises, mainly including management decision-making, institutional setting and other aspects, and puts forward corresponding solutions to provide valuable suggestions for the development of state-owned economy.

**Keywords:** State-Owned Enterprises; Management Mode; Problems and Solutions

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## 1.Introduction

At the present stage, large state-owned enterprises are an important support for China's industry. Therefore, to promote the reform of the management mode reform of state-owned enterprises, we must enhance the vitality of enterprises, so as to better promote the healthy economic development, which is of positive significance for improving people's living standards. However, there are still many problems in the management of Chinese state-owned enterprises, so it is necessary to reform the development model to ensure the long-term development of Chinese state-owned enterprises.

## 2.Business profile

Heilongjiang Longrui Asset Management Co., Ltd. is a wholly state-owned enterprise funded by the SASAC of Heilongjiang Province. The main business is asset operation and management, the most mainly with "asset disposal, equity management, capital operation, debt recovery and enterprise stability" as the basic functional positioning, focusing on the tasks of deepening reform of the provincial Party committee, the provincial government, the provincial government and the provincial SASAC and the operation and management of relevant assets and personnel. It is the only provincial-level state-owned assets operation platform in Heilongjiang Province. Long Rui company from the beginning of its establishment always adhere to the new development concept, and constantly integrate into the new development pattern, around the service longjiang major project construction, will give full play to the provincial state-owned capital operation platform function, focus on the new economy and important emerging industries, actively cultivate incubation strategic investment projects, strive to create new kinetic energy of state-owned economy.

## 3. Problems existing in the management of state-owned enterprises

### **3.1 Management decisions**

#### **3.1.1 Timeliness of the management**

Management decision-making has the basic characteristics of timeliness, economy, systematicness and flexibility. Although the enterprise business environment is not as fast as the market environment changes, there are also risks. Due to the historical limitations and the complexity of the existing environment, although the decision makers of SOEs find the factors restricting the development of enterprises, this will seriously hinder the innovative development of state-owned enterprises if they cannot seize the opportunities and make effective decisions. In addition, the decision-makers of some state-owned enterprises failed to adjust the decision-making content in time according to the internal conditions of enterprises, so that the serious lack of flexibility and market competitiveness of enterprise development, these factors will cause the failure of the decision-making level of enterprises.

#### **3.1.2 The complexity of the collective decision-making**

The management decisions of modern state-owned enterprises are composed of various factors and their dynamic changes, which requires that the subjects involved in the decision-making should come from different departments, so this also makes the management of enterprises diversified. Plus for a reasonable proposal, the need for the majority of the members to fully discuss agreement can implement, although to a certain extent to improve the quality and credibility of the scheme, but also spent more time, make the complicated simple things, if improper use will affect the speed of decision-making, for the future development of state-owned enterprises<sup>[1]</sup>.

#### **3.1.3 The decision layer is inconsistent on the nature of the problem**

In the process of management decision-making, because the enterprise managers did not find new problems or not sensitive to new problems, in this case, still use more traditional way to solve, this is the direction of the problem judgment wrong, lead to new problems cannot be timely and effective processing, seriously hinder the process of economic development. In addition, the management decision makers own professional, experience, experience, see the problem is prone to inconsistent, often inconsistent decision opinions, no deep analysis and processing, which will not only affect the effect of the problem, but also will make the enterprise in a dilemma.

### **3.2 Institutional setup**

#### **3.2.1 The tactical framework has limitations**

Generally speaking, the operational framework affects the development direction and goals of SOEs. But in recent years, the state-owned enterprise business model has some negative impact, produced some unnecessary trouble, eventually lead to the enterprise managers' thinking only stay on the surface of the problem, cannot deeply dig the nature of the problem, in the long run will not only make the enterprise development lose direction, but also affect each project decision results, for the stable development of state-owned enterprises is very unfavorable<sup>[2]</sup>.

#### **3.2.2 The workflow is relatively single**

After the manager of the enterprise clarifies the development direction, the staff of the enterprise can find the solutions to the specific problems, and then they will habitually use the simple workflow to solve the various problems. Therefore, the managers and staff of state-owned enterprises will not consider too much about their effectiveness after simply solving problems, so that the habitual development of simply solving problems will lead to the emergence of more problems.

#### **3.2.3 Organizational structure needs to be optimized**

Because there are many departments set up within our state-owned enterprises, there will be a

chaotic organizational structure. In addition, in the specific work departments in the process of too much, resulting in a waste of time, work cannot be completed timely and effectively, in the long run will seriously affect the work efficiency and quality. In addition, there are more personnel involved in the management and fewer people are responsible for the implementation, so the problems cannot be solved in the first time, which has a bad impact on the long-term development of state-owned enterprises.

### **3.3 Management concept**

Democratic management is the most important way in the humanized management of state-owned enterprises, but in the specific actual situation, the balance of democracy and centralism is unbalanced. The management decision-making layer should lack the emotional communication with the subordinate units (departments) before the decision-making on matters, coupled with the small power of the subordinates, it is easy to make the subordinates have negative emotions, and even produce antagonistic emotions in the management. In addition, there are some state-owned enterprises to take laissez-faire management, all work by the masses themselves, the laissez-faire work style is difficult to complete the work goal, and managers also have no substantive authority, this too democratic management concept not only cannot promote the efficiency of the work, and the staff work also lack of enthusiasm and team consciousness.

## **4. Solution to the problems existing in the management mode of state-owned enterprises**

### **4.1 Establish a learning management enterprise**

#### **4.1.1 Improve the learning concept of all the staff**

The establishment of learning management enterprise is first to improve the learning concept of all employees. On the one hand, all employees should combine their own work to learn professional knowledge, especially the management decision-making layer of the enterprise, and to enhance the sense of urgency of knowledge update, so as to better improve the leadership ability and decision-making ability. On the other hand, we should implement the whole process of learning, combine work and learning organically, and be implemented in the whole process of the operation of the organization system. Every new work should be regarded as an opportunity to learn, and constantly learn new technologies, new methods, so as to promote the improvement of work ability and level [3].

#### **4.1.2 Create an all-around learning atmosphere**

In order to create an all-round learning atmosphere in the enterprise, it is necessary to put forward different learning requirements for the decision-making layer, management and other departments of the enterprise. Specific can include the following aspects: learning current affairs politics, corporate spirit, professional ethics, rules and regulations and new technology, at the same time in the learning methods also to pursue diversification, can be through theme seminars, exchanges, symposium training institutions and other ways of learning, in order to promote staff enthusiasm and enthusiasm, so as to improve the development of state-owned enterprises in our country.

### **4.2 Implement flat management**

Flat management of state-owned enterprises can make internal information transfer faster, thus improving the efficiency of decision-making. Therefore, we should strengthen the flat management

level of enterprises. The first is to consolidate the internal basic management of the enterprise, mainly including the basic management system, process operation and the establishment of a management team and other aspects. With the guarantee of this basic system, can flat management be effectively implemented. Secondly, it is necessary to establish an internal and external information network, to ensure the openness and transparency of information, but also to conduct information sharing, so as to ensure the smoothness of information communication. Finally, the management of enterprises should start from their own actual situation, constantly conduct reasonable control of their internal members, and formulate a flat management mode in line with the development of state-owned enterprises themselves. Longrui company always adhere to the new development concept, constantly integrate into the new development pattern, to achieve now good results.

### **4.3 Explore the effective management forms of state-owned assets**

The effective management form of state-owned assets is mainly “state-owned, hierarchical management”, which is an effective measure to fully realize national ownership. First, “the State Council exercises the unified ownership of state-owned assets on behalf of the state”, and second, “the central and local governments manage state-owned assets at different levels”. This is a strict division of state assets management authority and further clarifying the management responsibilities. At the same time, we should also pay attention to the operation methods of state-owned assets management, mainly including equipment leasing, paid use of funds, paid use of real estate and other forms. In addition, it is necessary to strengthen the supervision of state-owned assets, and an annual assessment mechanism can be established to establish a clear project manager performance evaluation system, so as to conduct effective control of state-owned assets. Long Rui company is combined with the actual work of Heilongjiang state-owned assets and Heilongjiang province, fill Heilongjiang province development speed, development quality is low and weaknesses, fill the industry gap of state-owned capital operation companies, the capital layout of Heilongjiang province and structural strategy, management difficulties of state-owned enterprises orderly exit, promote the province’s related industries and Longjiang economic development.

### **4.4 Establish a flexible management enterprise**

#### **4.4.1 Flexibility of the 1. target selection**

Due to the uncertainty of decisions, it is impossible to implement any decision according to the optimization criteria, so in order to make the management decisions more flexible, it is necessary to implement flexible management in the enterprise management. Its specific performance has the following two aspects: in terms of production organization, we should dare to break through the disadvantages of mass production, adopt such as flexible manufacturing system, Lingbi manufacturing, customized production and other advanced production modes, so that the personalized needs of different customer groups can be met. In terms of enterprise organizational structure, the harmony and unity of flexibility and efficiency are emphasized, and various organizational forms such as flattening, virtualization and networking will be developed in parallel, so that they can give full play to their advantages and roles in their respective fields.

#### **4.4.2 The 2. adds the Flexible “ element**

On the one hand, to strengthen the flexible management of the personnel flow mechanism, as long as the appropriate post of talents are introduced, so as to break the boundaries between the various functional departments, to form a new channel for human resources circulation. On the other

hand, establish the flexibility of training and assessment methods, establish a new training system to encourage cross-cultural integration of education, and create a favorable learning environment. In addition, flexible and diversified ways to adopt flexible reward methods to improve the enthusiasm and enthusiasm of employees.

## **Conclusion**

In general, in the fierce market competition, our state-owned enterprises face many challenges, so this requires the attention of the enterprise management personnel and constantly inject new vitality into the development. It can enhance the enthusiasm and enthusiasm of employees through flat management and the establishment of flexible management mode, so as to contribute to the economic development of state-owned enterprises.

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