

# Research on the Construction of Modern Management System of State-owned Enterprises

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**Abstract.** Strengthening the construction of modern management system of state-owned enterprises is an inevitable requirement to cope with the changes in the development situation at home and abroad, implement the new round of state-owned enterprise reform to deepen and improve the action, and is also the key to continuously enhance the core functions of state-owned enterprises and improve their core competitiveness. On the basis of combing and summarizing the relevant theories of modern management system, this paper puts forward the construction idea of modern management system of state-owned enterprises and its characteristics, objectives, paths and other contents, so as to lay the management foundation for state-owned enterprises to accelerate the construction of world-class enterprises and realize high-quality development.

**Keywords:** State-owned Enterprises, Modern Management System, Construction Framework.

### 1 Introduction

Strengthening management is the eternal theme of enterprise development, but also an important guarantee for enterprises to realize the everlasting success. Weng Jieming, deputy director of the State-owned Assets Supervision and Administration Commission of the State Council, has said that we should insist on demanding quality, efficiency and development from management, and we should strengthen the fine management in all aspects and in all processes with greater determination and greater strength, so as to effectively play the role of state-owned enterprises as the stabilizers and ballast stones in the national economy [1].

At present, a new round of state-owned enterprise reform and deepening and upgrading action is in full swing, which puts forward higher requirements for state-owned enterprises to deepen management upgrading and accelerate the construction of world-class enterprises. On the one hand, China's development has entered a period of coexisting strategic opportunities and risks and challenges, and the number of uncertain and unpredictable factors has increased, SOEs must win the strategic initiative by further deepening the reform and optimizing the management, and cultivate new opportunities in the crisis and open a new situation in the changing situation; on the other hand, after

the last round of benchmarking the world-class management enhancement action, a series of management highlights have been formed by the SOEs, but they belong to the "blossom on the spot" and are not sufficiently interrelated and systematic. On the other hand, after the last round of benchmarking world-class management improvement action, a series of management highlights have been formed by the state-owned enterprises, but these highlights are more of "blossoming on the point", the correlation between each other and the systematic insufficiency, which need to be further summarized and refined in accordance with the requirements of modern management system to achieve "results on the surface" [2].

# 2 Theories Related to Modern Management System

## 2.1 Modern Enterprise Management System

Enterprise management system is the general name of the enterprise basic system, management system, management mechanism and management methods, modern enterprise management system is the inevitable product of enterprise management towards scientification, standardization, institutionalization, humanization and digitalization [3]. Enterprise management system began in the late 18th century to the end of the 19th century traditional management stage. Entering the scientific management stage in the 1920s-40s of the 20th century, with the separation of the capitalists from the managers, the managers summed up the management experience, systematized and developed it, and gradually formed a set of scientific management theory [4]. After the 1950s, the modern enterprise management system is gradually taking shape, that is, the main use of mathematical management methods and information technology management tools, modern enterprise governance and management concepts, systems and methods applied to the whole process of enterprise operation and innovation and development of the whole process, so as to support the formation of the enterprise in the market environment of the modern production and organizational methods [5].

The distinctive feature of modern enterprise management system is the construction of the "form" of the enterprise that is, based on the functions and processes to build up the organizational structure. In addition, the modern enterprise management system also emphasizes the construction of the "spirit" of the enterprise which is based on the principle of people-oriented enterprise culture. This feature can be traced back to the discussion of informal organization in Hawthorne's experiment. In addition to "form" and "spirit", another distinctive feature of modern enterprise is the use of modern information technology [6].

In 2020, SASAC issued the Notice on Carrying Out Management Enhancement Actions for Benchmarking World Class, which made deployment arrangements for strengthening the management system and management capacity of state-owned enterprises. Specifically on the construction of management system, SASAC focuses on strengthening the construction of enterprise management system, organization system, responsibility system, execution system, evaluation system, etc. through measures such as improving working system, perfecting operation mechanism, optimizing management process, clarifying job responsibilities, and strictly supervising and checking, etc.,

so as to comprehensively improve the management capacity and level, which specifically includes strategic management, organization management, operation management, Financial management, science and technology management, risk management, human resource management, informationization management and other eight aspects.

# 2.2 Modern Enterprise Management Model

Enterprise management mode refers to the enterprise in order to achieve business objectives, in the process of integrating resources and enhance the efficiency of internal factor allocation of the basic framework, methods and strategies, is the overall structure of the enterprise management system and the operation of the sum of the way. Management system to solve the problem of "have", management mode to solve the problem of "good". The choice of management mode by the enterprise operator shows the structural characteristics and operation mode of the enterprise management system, reflecting the management concept and management idea of the whole organization [7].

The enterprise management mode has gone through three different stages: object-centered management, thing-centered management and people-centered management. Reviewing the evolution of enterprise management mode, enterprises, in order to effectively adapt to the environment, have generally experienced a shift from division of labor to synergy, from vertical to horizontal, from static to dynamic, from control to authorization, from stability to flexibility, from rigidity to flexibility. Among them, in terms of driving force, the future enterprise will shift from the authoritative directive drive from the superior to the autonomy drive of the market frontline team; in terms of organizational structure, the future enterprise will shift from pyramidal and sectional system to flat and networked organization; in terms of operation mode, the future enterprise will shift from centralized, scaled, and standardized under the functional system to distributed, micro and micro, and creator under the platform [8].

The future modern management model of state-owned enterprises should focus on people-centered management, on the basis of increasing the vitality of the internal development of the organization and improving the flexibility of organizational development, breaking the organizational boundaries, creating a user-centered mesh-like commonality ecology, and realizing the win-win value-added of each stakeholder [9].

# 3 The Construction of Modern Management System of Stateowned Enterprises

#### 3.1 Ideas for Construction

Starting from the analysis of modern management theories and practices, and combining with the characteristics of enterprises, business characteristics and the requirements of the external situation, state-owned enterprises should take the goal of building a new platform of wisdom sharing, a new mechanism of scientific standardization, a new form of flexibility and flexibility, and take the path of modernizing the management means, leaning the management methods, complying with the management process, and

efficiently managing the operation as the path to focus on key tasks such as construction of digital and intellectual platforms, optimization of the working mechanism, construction of compliance management system, and sorting out the duties and procedures, and accelerate the construction of a modern enterprise management system. Focusing on the construction of digital intelligence platform, optimization of working mechanism, compliance management system, sorting out of duties and processes and other key tasks, the company will accelerate the construction of modern enterprise management system, and promote the sustained high-quality development of state-owned enterprises.

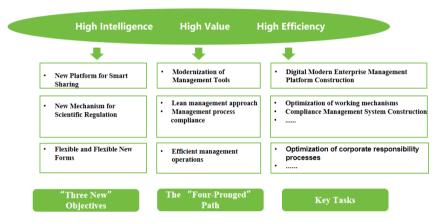


Fig. 1. The construction idea of modern management system of state-owned enterprises.

From the point of view of the connotation and composition of modern management system, the modern management system of state-owned enterprises covers management objectives ("three new" objectives), management objects ("four-pronged" path of process and operation), management tools ("four-pronged" path of means and methods), but also potentially implies the management system and management mechanism ("four-pronged" path of ways), is a systematic and complete modern management system.

### 3.2 Contents of Modern Management System

#### System Objectives.

Driven by the development trend of modern enterprise management related theories and the actual development demands of enterprises, state-owned central enterprises with a sound modern enterprise management system should have the basic characteristics of high intelligence, high value and high efficiency. Among them, high intelligence, reflecting the enterprise digitalization, intelligent development ability, is a prominent reflection of the characteristics of the modern enterprise era, but also in the big data, artificial intelligence, cloud computing and other new-generation information technology under the rapid development of accelerating the digital transformation of

enterprises is an inevitable choice; high value, reflecting the value creation ability of the enterprise, not only to the state-owned enterprises put forward by the state-owned enterprises of SASAC to target the world's first-class value creation actions in response to the requirements of policy High value reflects the enterprise's value creation ability, which is not only the response to the policy requirements of world-class value creation action proposed by SASAC, but also an important focus point for tapping the endogenous power of the enterprise's development and continuing to promote high-quality sustainable development; high efficiency reflects the enterprise's ability to contribute to the efficiency and benefits, which is the key foundation for the survival and development of the enterprise, and the common pursuit of all enterprises.

Under the "three highs" of high intelligence, high value and high efficiency, and taking into account the management foundation and development reality of state-owned enterprises, the construction goal of modern management system of state-owned enterprises is to build a new platform of intelligent sharing, a new mechanism of scientific standardization and a new form of flexibility ("three news"). The details are as follows:

Create a new platform for wisdom sharing. Following closely the development of the new round of technological revolution and industrial change, combining with the development foundation of "big cloud, material, mobile and intellectual chain" and other digital technology fields, fully exploiting the value of data, realizing digital transformation based on data integration and sharing, fully releasing the amplification, superposition, and multiplication effects of digital technology, and accelerating the digital transformation and development of state-owned enterprises.

Form a new mechanism of scientific standardization. Taking the sound risk management and control mechanism, compliance management mechanism, assessment and incentive mechanism, and authorization control mechanism as the gripping hand, we will build up the bottom line red line of not incurring major risks, consolidate the foundation of lean management in all links and fields, realize the quality, efficiency and development of management, and continuously enhance the value creation ability and sustainable development ability of state-owned enterprises.

Build a flexible and nimble new form. With a relatively flat organizational structure, a clear interface of authority and responsibility, and unimpeded process operation, we can achieve a fast, timely and effective response to the requirements of the external environment such as the reform of state-owned enterprises and the development of the industry, as well as to our own development demands, and continuously improve the development efficiency of state-owned enterprises and their ability and level of proactively recognizing, adapting to, and seeking for changes.

#### Path to Realization.

Management is the process of realizing management objectives through a series of management strategies. From this point of view, the key point to realize management objectives is to adopt appropriate management strategies. Usually, the implementation of management strategy needs to be clear about what the object of strategy implementation is (to what) and how to implement the strategy (how). From the implementation of the object, the essence of management is the management of human and human behavior, reflected in the specific management of the actual, it is reflected in the static

process node elements (i.e., process) and the dynamic operation of the process (i.e., operation) of the management; From the perspective of how to implement, it involves the application of some specific methods and tools (i.e., means), as well as the adoption of systematic and comprehensive methods (i.e., methods, such as assessment and incentives, group control methods, etc., which potentially include the development of management systems and management mechanisms, etc.).

Therefore, the 2mpo path model (Figure 2) is proposed to realize the management goals. That is, to what dimension to focus on the static process nodes of scientific norms and dynamic processes smooth operation of organic unity, how dimension to focus on specific tools and means and systematic ways and means of organic unity, at the same time, how dimension of the means and methods should also be fully utilized in the to what dimension of the process and the operation of the dimension of the organic interaction between the two, and jointly promote the realization of the management objectives.

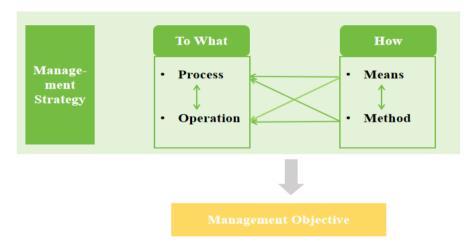


Fig. 2. 2mpo path model of modern management system construction.

Based on this, and in conjunction with the aforementioned "three new" goals, the path for SOEs to achieve their management goals is proposed, namely: modernization of management tools, lean management methods, compliance of management processes, and high efficiency of management operations (the "four-pronged").

Modernization of management tools, highlighting the digital empowerment, the application of modern technology to innovate and optimize all kinds of management tools, to create and form a digital, intelligent, integrated modern enterprise management platform, and algorithm-based multi-dimensional data analysis to support management decisions, improve decision-making efficiency and scientific level.

Lean management style, highlighting efficient common governance, innovating management mechanisms based on different management functions such as group control, assessment and incentives, marketing services, scientific and technological innovation, cost control, etc., and realizing the excavation of growth points of quality and

efficiency of the company's business as well as the potential development power through the refinement of scientific control in various professions and fields.

Management process compliance, highlighting the bottom line thinking, focusing on prevention and pre-control, source management and control, promoting the standardization of management processes, process flow conditions in accordance with the law, intelligent prevention and control of management risks, to ensure that professionals at all levels of compliance with the law, and constantly improve the grid operation of the whole process of standardization and compliance level, so as to achieve the whole process, the chain, the dynamic prevention and control of major risks.

Efficient management operation, highlighting the efficiency and effectiveness, oriented to market demand, with efficient operation as the goal, through a clear interface of management responsibilities and vertical and horizontal communication, synergistic and efficient management circulation, to strengthen the efficient synergy and linkage of various levels, departments and cross-disciplines, and thus promote the unblocking of blocking points, solving the difficult and painful points, making up for the broken blind spots, and enhancing the level of efficiency and effectiveness of the development.

#### Intrinsic Relationship.

There is a strong logical relationship between the "three high" characteristics, the "three new" goals and the "four-pronged" path. On the one hand, the realization of high intelligence requires the adoption of modern management tools to create a new platform for wisdom sharing; the realization of high value requires the formation of a new scientific and standardized mechanism oriented to sustainable development capability; and the realization of high efficiency requires efficient management operation to create a new flexible and new form (Figure 1). On the other hand, high intelligence fully empowers high value and high efficiency, and high value and high efficiency reflect the organic unity of management process and results, standardization and effectiveness (Figure 3).

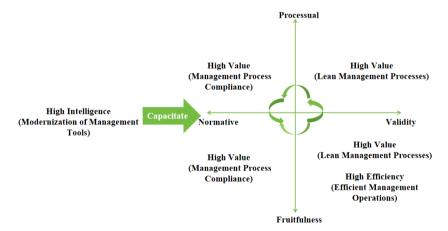


Fig. 3. The inner connection of modern management system of state-owned enterprises.

# Key Tasks.

In the future, SOEs should focus on the construction of digital intelligence platform, optimization of working mechanism, construction of compliance management system, responsibility and process sorting and other key tasks to build a modern management system, taking into account the characteristics of the "three highs", the "three news", and the path of the "four-pronged". Focusing on the construction of digital intelligence platform, optimization of working mechanism, construction of compliance management system, responsibility and process sorting and other key tasks, SOEs should carry out the task of building modern management system.

As for the construction of digital intelligence platform, it focuses on opening up data channels, building a digital, intelligent and integrated management platform, realizing the full amount of work on the platform and the digitization of various types of business, continuously optimizing the business management and operation mode with digital transformation, and creating the conditions for the lean management and control of the enterprise.

In terms of work mechanism optimization, focusing on core functional management such as strategic planning, human resource management, science and technology management, core business management such as grid planning, construction, operation and marketing, as well as the group's management and control model, we have carried out the innovative design and optimization of the management system and management mechanism to realize the lean landing of the management system in various fields.

With regard to the construction of the compliance management system, it has clarified the legal compliance requirements of key nodes, embedded the prerequisites and basic logic into the core business processes, focused on the prevention and control of multiple types of control risks, and ensured that professionals at all levels are in compliance with the law.

In terms of duty process sorting, we look for problems in the company's organizational structure and management process, eliminate cross-duty contradictions and gaps, and open up process blockages, chokepoints and breakpoints affecting operational efficiency, so as to ensure that the duty interface is clear and the connection is in order. Processes are vertical and horizontal, synergistic and efficient.

### 4 Conclusions and Outlook

Under the background of complex and changing international environment, high-quality development of domestic economy and deepening and upgrading of the new round of state-owned enterprise reform, this paper combines the relevant theories of modern enterprise management system, starting from the sustainable enhancement of the core functions of the state-owned enterprises and the improvement of their core competitiveness, and focuses on the management of quality, efficiency and development, and puts forward the system framework of the modern management system of state-owned enterprises, namely, the system framework of the "three highs", the "three news", and the "four-pronged". "Three highs" that is, the modern management system of state-owned enterprises should be characterized by high intelligence, high value and high

efficiency. The "three news" modern management system of SOEs should aim at creating a new platform of wisdom sharing, a new mechanism of scientific standardization, and a new form of flexibility, and the "four-pronged" modern management system of SOEs should realize the path of modernization of management means, lean management, compliance of management process, and the development of a new management system.

As a next step, SOEs can combine the content of the modern management system framework and their own development characteristics to plan key tasks from the construction of the digital intelligence platform, optimization of work mechanisms, construction of the compliance management system, and sorting out of the duties and processes, so as to promote a more modern, scientific, standardized and efficient management.

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