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Enterprise culture reconstruction in state-owned enterprise restructuring

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ABSTRACT

Enterprise culture is the soul for the development enterprises, and the process of state-owned enterprises (SOE) culture reconstruction and consolidation is a process of conflicts and integrations between different enterprise cultures. This paper points out the principles that SOEs should follow during their cultural reconstruction, including the principle of integrated innovation, the principle of cooperative development and the principle of full participation. Then, we put forward to achieve cultural reconstruction better by penetration in rules and regulations, cohesion in training activities, blending in visual systems and embodied in social responsibilities. Finally, the SOE cultural reconstruction system, which includes culture identification system, culture transmission and landing system, cultural support system and cultural assessment system, is established.

KEYWORDS

State-owned enterprise (SOE); Enterprise culture; Culture reconstruction; SOE restructuring.



INTRODUCTION

The restructuring and integrating of SOE is not just the integration of tangible assets, human resources, organizational structure, enterprise development strategies and other elements. More importantly, it is a process of restructuring, integration, transformation and reconstruction of enterprise cultural. Cultural restructuring and integrating goes throughout the entire process of SOE restructuring and it directly influences the progress, cost and quality of SOE restructuring. Enterprise culture is the soul of enterprise development^[1], and it is also a valuable resource accumulated and precipitated in the long process of enterprise development. There are inevitable differences in enterprise culture for different enterprises. How to reduce and eliminate cultural conflicts^[2], realize the cultural restructuring and integrating and gradually form new excellent enterprise culture is the key factors to promote the sustainable and innovative development of restructured SOE.

Compared with the human resources and organization restructuring and strategies restructuring, etc., the cultural integration is a typical "soft restructuring" process, which is the soul of the reorganization and integration of other elements. Since each enterprise has its own history and philosophy, and there are certain differences between different enterprise cultures. The SOE culture restructuring and integration is a process that different enterprise cultures conflict and integrate with each other. The enterprise culture conflict in SOE restructuring is a serious challenge for enterprise restructuring. If SOEs involved in the restructuring cannot reduce friction and integrate effectively, the restructured SOE will encounter a lot of problems during its development, and even eventually lead to the failure of restructuring activity.

Enterprise culture is the adhesive and emotional foundation to build a harmonious internal environment which can unify and inspire staff enthusiasm, initiative and creativity^[3]. SOE restructuring mostly goes in the context of different cultures, making cultural integration and reconstruction more important and indispensable. Enterprise culture should be regarded as an important resource and be valued as an important factor to enhance its core competitiveness in order to make the enterprise culture integration better. The aim of "achieve optimal combination of both sides" should be declared when enterprises announcement their cultural integration programs, rather than the culture of one side must obey the others.

In 1999, Cooper & Lybrand company surveys showed that the cultural differences are on top of the factors resulting in failure in enterprise restructuring^[4]. Compared to other integration, cultural integration is a soft integration, and it is crucial for the success of enterprise restructuring, especially for its long period of success. The success of culture reconstruction since is in fact the key factor to promote the success of restructuring in the sense of strategy. The success of cultural integration directly affects the other aspects of integration, and it is even so in the long term view. Whether SOEs can maintain vitality after enterprise restructuring, whether they can effectively stimulate the enthusiasm of employees, whether the synergies of "1+1>2" can be generated, these are all relative to the cultural integration. Therefore, impact of the cultural integration to SOE restructuring should be fully understood^[5]. On the other hand, according to the view of new institutional economics, culture is an ideology which can produce enormous economic effects of internal and external human capital, and it is one of effective ways for enterprise to reduce transaction costs and production costs. Therefore, enterprise restructuring is not only the restructuring of strategy, organizational structure, business processes, and etc., but also the integration of enterprise's core values, philosophy and behavioral criteria, namely, the cultural integration^[6]. In particular, knowledge has become an important capital of enterprise nowadays. Meanwhile, culture, as the soil of knowledge, has also become one of the core competitiveness of enterprises. Above all, cultural integration is of particularly importance.

MECHANISMS OF ENTERPRISE CULTURAL RECONSTRUCTION IN SOE RESTRUCTURING AND INTEGRATION

Enterprise culture is the system of values that staff identity and consciously abide, and it is also an integral part of the core competitiveness of enterprises. Focusing on the development strategy, integrate enterprise culture into the all kinds of enterprise work to strengthen employees' sense of responsibility, sense of mission and sense of honor. Attract talents with the grand cause, unite the people with the common ideals and encourage employees to combine their personal ideals, their pursuit of life and business development organically to create a good enterprise culture. Thus, promote enterprises' healthy development. Organize games, parties, sun salons and collective vacations and other activities, to create conditions for rich activities, through which to promote the construction of harmonious enterprise culture. Pay attention to guide all employees seek harmony in hard work and development, therefore, keep the company cohesion be continuously enhanced.

Principles of enterprise cultural reconstruction in SOE restructuring and integration

Principles of SOE culture restructuring and consolidation are as follows.

(a) Principle of integrated innovation

Enterprise culture is a dynamic and open system, and it is a process of innovative development, and it should inherit the history and go ahead with times under new situation of variable market and the rapid development of enterprises. Maintaining excellent cultural genes courageously abandon poor cultural practices, while actively explore new initiatives, the new developed ideas and the new meaning of cultural construction conferred by innovative thinking. Surrounding the emphasis and difficulties in enterprise reform, with the manner of opening, learning, compatible, integrated, constantly improve the cultural management and control processes. Explore boldly and practice bravely to establish a scientific, standardized internal management system, and then to achieve the advancement and persistence of enterprise culture, so that

enterprise culture can be gradually improved. Adhere to the principal of mainly based on ourselves, absorbing outstanding and inheritance with innovation.

(b) Principle of cooperative development

The construction of enterprise culture is a long-term systematic project, and it is necessary to handle the four following relationships. First, properly handle the relationship between the immediate and long-term. Based on the current and pay attention to details. Adhere the influence character by environment, step by step and overall coordination, overall planning, and focus on promoting. Second, properly handle the relationship between mother and child culture. In the premise of unswervingly implement the mother culture, creatively carry out the construction of their own culture, and solve the specific problems and weaknesses in cultural management. Meanwhile, affiliated enterprises should take innovative measures and have breakthrough on problems. The personality should be reflected and focus on the premise of upholding the common. Third, properly handle the relationship between cohesive people and explicit image, so that the two synergistic, interact with each other, and improve overall. Four, properly handle the relationship of publicity carrier between unity and diversity, integrate various media inside and outside the enterprise. Adhere to the guiding ideology unified and publicity caliber consistent, while promoting the diversity of advocacy and dissemination.

(c) Principle of full participation

Senior leaders are the advocates of enterprise culture, also the initiator, the first executor and promoter of enterprise culture implementation. Mid-level leaders are the key driver of enterprise culture, which is primarily responsible for culture management. And employees are the practitioners and builders. The top-down leaders' advocacy and role model and the bottom-up employees' involvement should be closely integrated. Leaders at all levels should pay more attention to the global strategy, scientific layout, and role model in enterprise culture construction. Employees should extensively study, conscientiously perform and actively spread. Enterprise culture is the behavioral norms and values of all staff. So all employees should participate and practice the construction of enterprise culture.

Reconstruction strategies of enterprise culture in SOE restructuring

The specific measures of enterprise reconstruction in SOE restructuring are as follows.

(a) Penetration in rules and regulations

According to the management requirements of sound systems and comprehensive mechanism, the reconstruction of enterprise culture should be integrated into the business development plan and annual key work plan, and be sequentially broke down into every business, every department, every post, every employee. The reconstruction of enterprise culture should be regarded as the daily management of enterprise at all levels. At the same time, to enhance the drawing role of rules and regulations to the construction of enterprise culture, the enterprise should timely carry out the compilation of rules and regulations, comb various management systems and processes within enterprise, refine the job duties of sector and individual, and strictly control the conduct codes of work and meeting orders. Promote the transformation of operational mechanisms and strengthen the efficacy construction through effective institutional innovation.

(b) Cohesion in training activities

Organize a series of cultural events in the restructured SOE, such as training and education and seminars, various talks, games, etc. Demonstrate the indomitable spirit and solidarity-up spirits of SOE in activities. Thus, enhance employees' sense of belonging, and contribute to the formation of cohesion and solidarity.

(c) Blending in visual system (VI)

Develop the VI system specifications of the restructured SOE, and promote the dissemination and application of VI specification office systems and environmental systems.

(d) Embodied in social responsibilities

The restructured SOEs should also actively fulfill their social responsibilities, distress the poor and disaster relief, thus returning to society by the responsibilities of SOE. At the same time, dedicate to integrate the construction of social responsibility system to production operations, market development, and the innovative development. Focus on energy conservation, cost efficiency, costs cutting, develop the projects with environmental protection standards. Thus, the social responsibility of SOE is gradually enhanced.

ENTERPRISE CULTURAL RECONSTRUCTION SYSTEM IN SOE RESTRUCTURING

It is necessary to plan the enterprise culture restructuring and integration systematically to rebuild the enterprise culture of the restructured SOE. At the same time, it is necessary to make culture identification system, culture transmission and landing system, cultural support system and cultural assessment system combined to form a closed loop, i.e. the reconstruction system of enterprise culture. As shown in Figure 1.

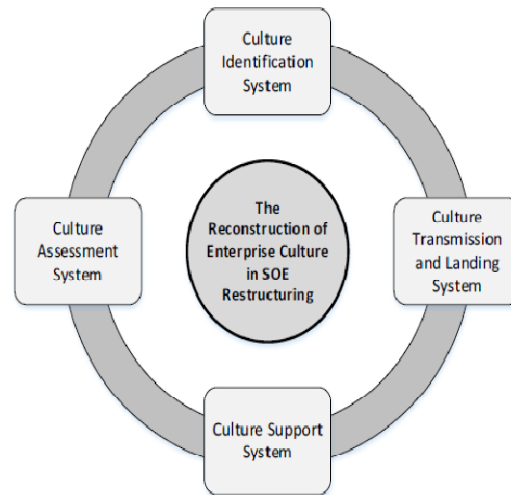


Figure 1: Enterprise cultural reconstruction system in SOE restructuring

Cultural identification system

Cultural reconstruction system is the core and basic components of enterprise culture, including Mind Identification (MI), Visual Identification (VI) and Behavior Identification (BI).

(a) Mind identification (MI) system

It means that the enterprise culture is made into brain. MI is the core of enterprise culture, which is intrinsic value propositions and ideas expressed in enterprise and on the company's brand and image outside. The concept is enriched and deepened according to the actual development of restructured SOE and based on the original enterprise values, the contents of the new age are added. Combined with the new development needs, SOE should build the idea value system which is clarity, clear, easy to spread, to be understood and to be perceived. Thus the value system meets its own circumstances, reflects its own characteristics, and it is also global and forward-looking. The system includes a common entrepreneurial spirit, a clear enterprise mission, inspiring vision and core values.

(b) Visual identification (VI) system

It means that the enterprise culture is made into eyes. VI is an important way to shape the overall brand image of the enterprise, thereby enhancing employees' sense of identity and cohesion inside, and establishing overall image of SOE outside. Promote VI system construction, integration and implementation, and further expand and standardize the scope and ways of VI.

(c) Behavior identification (BI) system

It means that the enterprise culture is made into heart. BI system includes basic professional ethics, leaders' behavior guidance, and employees' codes of conduct, etc. Since behavior is a reflection and extension of the concept, the spirit of concept system is penetrated to actions through the establishment of the BI system. By revising and improving administrative regulations, employees' codes of conduct and other rules and regulations, further standardize and guide the behavior of all employees, and strive to promote the change from awareness to consciousness.

Cultural transmission and landing system

Based on the import of cultural identification system, with an open mind and a global perspective, the ways and means of cultural landing are continuously explored. Focus on the hot, key and difficult points of restructured SOE's management, promote the transmission and landing of enterprise culture from "virtual" to "real", and achieve full coverage throughout the entire process, and the three-dimensional penetration from hearing, vision, ideas and behaviors.

(a) Cultural transmission system

(A) Culture curriculum

According to the actual needs, dynamically revise the company profile introduction, design the core values system, conduct training courses for employees, and form a comprehensive, multi-level enterprise culture curriculum.

(B) Cultural exchange activities

By organizing activities like annual meetings, seminars, workshops, anniversary celebrations, the workers' congress, organizing study tours, training seminars, exhibitions, competitions and any other staff loved activities, the communication

platform is established, the cultural life is enriched, employees' enthusiasm is excited, and positive culture is created, and cohesion is enhanced.

(C) Cultural transmission channels

From the needs of shaping the enterprise culture, strength the transmission of enterprise cultural, sort ideological work and cultural activities carrier. Maximize the performance of enterprise newspapers, portals, collaborative office systems and other existing communication channels, timely carry out thematic reports, and timely in-depth coverage major strategic decisions and important enterprise spirit, and continuously enhance the functionality through updates, revision, upgrades and other measures. At the same time, give full play to creativity; enrich the forms of publicity and coverage.

(D) Fulfillment of social responsibility

In order to achieve economic, social and environmental values maximization, the connotation of enterprise culture should be further defined. Combining with enterprise business and management practices the ways channels to fulfill their social responsibility should be actively explored. Strive to create the image of responsible SOE.

(b) Culture landing system

Create the innovation projects of institutional culture, and promote the change of enterprise culture from concepts and standards to visible and controllable management behaviors. System should reflect the rigidity principles of enterprise management. We should closely link to the management practices of restructured SOE, make the concept of enterprise culture run throughout the management process. Put cultural elements into the system, then to habits, finally to character. Take core values as guidance and establish a strict, simple, practical, and distinctive institutional culture system. According to the organization and management objectives of the restructured SOE, guided by the enterprise culture concepts, and take both scientific management and culture management as principles. Focus on the breakthrough of mindset, inert behaviors and other tied issues, freeze the modern enterprise mechanisms, institutional framework, workflow of cultural management by various systems, so that cultural ideas are solidified as the standards of each person, each day and each job. Thus, improve the management system and the implementation of measures, and further promote standardization.

Cultural support system

Cultural support system is an important part to effectively promote enterprise culture landing. It provides both organizational and institutional supports for the reconstruction of enterprise culture in SOE restructuring.

(a) Organizational support

(A) Establish and improve the organization and leadership

Leaders of restructured SOE are the advocates, promoters and the first performers of enterprise culture reconstruction. The construction of advanced enterprise culture is the shared responsibility of leaders, and it should be made into the enterprise development strategy and overall management goal. The construction of enterprise culture should be first supported from organizational leadership.

(B) Clear cultural management responsibilities

The construction of enterprise culture is a complex and systematic project, which needs departmental interaction and joint participation in headquarters levels. It also demands that headquarters and affiliated enterprises work together harmoniously in group level. Integrated Management Department is the competent department of enterprise culture construction, which is responsible for the drafting enterprise construction related plans, organizing relevant meetings and activities, publishing information, collection, and accumulating basic corporate culture information. The departments in affiliates are longitudinal docking sectors.

(b) Institutional Support

In accordance with actual situation and their own characteristics of restructured SOE, the enterprise culture construction plans are should be programmed from a scientific, rational, and feasible perspective, so that the plans are ease to be operated. Develop rules relative to the enterprise culture management of restructured SOE to ensure that enterprise culture is constructed with goal, plan and order. Finally realize the short-term and long-term goals, and become a strong support to achieve strategic objectives of restructured SOE.

Culture assessment system

(a) Evaluation and assessment

The implementation of enterprise culture is long-term work, so it needs to be changed from the temporary work into everyday work. The work includes not only publicizing and promoting, but also monitoring and evaluating. Achieve behavior constraining and concept standardization by moderate rigid assessment and evaluation. It is required to timely clear and strengthen the role and value of cultural in restructured SOE, improve the evaluation indicators and evaluation methods, and make comprehensive evaluation more complete and rational, so that each employee staying in its position, doing their work,

fulfilling their duties, getting deserved honor, and being punished for their mistake. Finally, make human resources are fully used, and the enthusiasm and creativity of everyone participating in corporate culture construction are maximized.

(b) Monitoring and optimization

Take the implementation of enterprise culture transmission and landing and the completion of enterprise culture construction activities as objects, take the achievement of enterprise culture construction goals as guide, and strengthen the monitoring of process. Enterprise culture leaders should pay attention the monitoring of culture construction process, and effectively fulfill their duties of supervision and guidance. In addition, through cultural assessment, the interoperability between enterprise culture concept and business development can be analyzed, the necessity of enterprise culture landing approaches and measures can be reviewed, adjusted and optimized.

SUMMARY

Enterprise culture is the soft power of SOE, and the reconstruction of enterprise culture is also a key part of SOE restructuring and integration. But the restructuring of enterprise culture is different from the restructuring of asset, human resources and organizational structure since the reconstruction of enterprise culture is a long process, as well as a key basic condition for the successful restructuring of other elements. This paper briefly discussed the principles and strategies of enterprise culture reconstruction in SOE restructuring. The SOE culture reconstruction system, which is consists of culture identification systems, culture transmission and landing systems, cultural support systems and cultural assessment system, is presented. The discussion of this study can better promote the reconstruction of SOE.

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