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Abstract. As the pillar industry of national economy, China’s large and medium-sized state-owned enterprises (SOEs) need to advance their management system further. A systematic strategy focusing on culture building is critical for the success of such a transformation. In order to evaluate the degree to which the cultural construction of SOEs has arrived and whether it can support the development of SOEs in the future, we made an empirical analysis of the cultural statements of top 39 SOEs according to Deal and Kennedy’s cultural elements framework. The results showed that: (1) These SOEs’ cultural statements are of good quality. (2) The cultural statements are most concerned about values and external environment. (3) The quality of cultural statements of traditional companies is prior to high-tech companies, while companies in secondary industry have superior cultural statements than those in service sector. (4) China SOEs’ cultural statements consist of diversifying topics.

Keywords: Company culture, Cultural statement, Chinese state-owned enterprises.

1 Introduction

Since China’s reform and opening-up in 1978, the environment in which Chinese state-owned enterprises operate has changed sharply. Especially in the 21st century, the large and medium-sized SOEs which are the pillar industry of the national economy have not only to bear the burden of the development of state national industry but also to face the competition from domestic industry and the challenge of economic globalization. All of these require SOEs to conduct management transformation to adapt the outside environmental changes and improve performance. Although the management transformation of SOEs has made remarkable achievements over the past thirty-plus years, many problems still exist in practical operations such as depending on government, serious administrative bureaucracy, lack of innovation and competition consciousness, etc. Therefore, China’s SOEs need to further and deepen management changes to settle the conflicts between traditional management concepts, employees’ deep-rooted “iron rice bowl” thoughts and rapid changes of external competitive environment, to insist the idea that customer is the center, expend the market, establish good credit image and improve competitiveness.
outside, and to put people first, motivate staff’s enthusiasm, initiative and creativity inside.

How to ensure the success of the transformation? Cameron (1994) put forward that one of the most critical factors leading to successful management changes is to incorporate systematic strategies focusing on changing the organization’s culture and the attitudes and values of employees. Denison & Mishra (1995) and Schein (1990) pointed out that organizational culture is a key way to integrate internal efforts and processes and to accommodate them with external environment. It’s clear that organizational culture has great impact on the success of enterprises’ transformation and this view has been accepted universally. Thus it’s worthwhile to research on the degree at which the cultural constructing procedure of SOEs has arrived and whether the present situation of the culture construction can support the development of SOEs in the future. Using empirical method, this paper provides a description of the present status of top 50 SOEs’ culture since the reform and opening-up from the perspective of cultural statement and conduct a research on the relationship between the enterprise’s characteristics and its culture.

2 Theoretical Review

A number of scholars have put forward their views on company culture (Allaire & Firsirotu, 1984; Hatch, 1993; Martin, 1992; Ott, 1989; Schein, 1985, 1990). However, there is little consensus with regard to a general theory of organizational culture. The enterprise culture connotation brought forward by domestic and overseas scholars can be roughly divided into two perspectives. The first is in a narrow sense, focusing on the category of consciousness which only includes ideas, values, believes, feelings of enterprises, etc. The second is in a general sense, emphasizing that enterprise culture is the accumulation of material and spiritual civilization during its start-up and developing process which includes two parts, i.e., hardware facilities or explicit culture and software or implicit culture. Related analysis of studies on this issue shows that most scholars recognize the spirit of enterprise as the core and soul of enterprise culture. Factors on spiritual level have the largest effect on enterprise management activities and employee behavior as a whole. Enterprise culture statement is the literal embodiment of enterprise spirit and an abstract concept on the practical level of enterprise culture.

As for what elements should be included in company cultural statement, different researchers have developed different models. Hofstede(1980) identified four dimensions of culture in his study of national influences: power distance, uncertainty avoidance, individualism vs. collectivism, masculinity vs. femininity. Deal and Kennedy suggested that the basis of corporate culture was an interlocking set of five cultural elements: enterprise environment, values and beliefs, rituals and ceremonies, heroic figures, the cultural networks. Edgar Schein’s organizational model (1985) illuminated culture from the standpoint of the observer, described by three cognitive levels of organizational culture: artifacts, values, tacit assumptions. Daniel Denison’s model (1990) asserted that organizational culture could be described by four general dimensions—mission, adaptability, involvement and consistency. O’Rielly, Chatman & Caldwell (1991) developed their Organizational Profile Model (OCP), a self