



# Innovative Transformation and Practice of Internationalized Business Management Model of Central Enterprises in the New Era

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**Abstract.** The world today is undergoing major changes unseen in a century, especially the global pandemic of new crown pneumonia has accelerated the changes. Facing the increasingly complex external environmental challenges, central enterprises urgently need to build a management model that matches the strategic goals of the new era in the development of international business.

**Keywords:** International business · Management model · Management innovation · Model optimization

## 1 Theories of Management Models of World-Class Multinational Corporations

### 1.1 Connotation of Enterprise Management Model

#### 1.1.1 Academic Research on Management Mode

Business management model is a basic research of management, and it has not yet formed a unified definition [1]. Different scholars have made relevant definitions of business management model from different angles. As shown in Tables 1 and 2, Some scholars define the corporate management model from the aspects of system and resource allocation, and some scholars define the management model from the constituent elements, which mainly include business strategy, organizational structure, talent management, corporate culture and other elements.

#### 1.1.2 Analysis of Typical Enterprise Management Mode

In the process of business development, it is often easy to form a typical business management model [2]. As shown in Table 3, Large domestic and foreign enterprise groups, such as General Electric and Toyota, have built more practical management such as zero defect management, lean quality management, 7S management, and Six Sigma when they are affected by corporate transformation [3], strategic adjustments, and changes in the external environment, thereby promoting the enterprise to move towards a world-class enterprise.

**Table 1.** Scholars' definition of business management mode

<b>scholar</b>	<b>definition</b>
<b>Wei jie (2001)</b>	From the institutional level, the enterprise management model is defined as the most basic rules and practices of an enterprise that are different from others in its management system, that is, the most basic and different characteristics of each enterprise in its management system.
<b>Li zhong (2003)</b>	Enterprise management model refers to a management system that is formulated by an enterprise with a certain management theory or management thought as its guiding ideology and combined with the specific circumstances of the management environment.
<b>Li shengxin (2005)</b>	From the level of resource allocation method, the enterprise management mode is defined as a systematic guidance and control method, which converts the human, financial, material and information resources in the enterprise into products and services required by the market in a high-quality, low-cost, fast and timely manner.
<b>Li tieying (2011)</b>	The enterprise management model is defined as several key choices of the enterprise in terms of organization method, organizational structure and management mechanism in order to effectively implement the horizontal integration strategy, and these choices and their interrelationships show their uniqueness, stability and transferability in the enterprise's horizontal integration process.

**Table 2.** Definition of the components of the corporate management model

<b>scholar</b>	<b>Definition of the components</b>
<b>Ye Guocan (200?)</b>	The corporate management model is mainly composed of structural elements and supporting elements. The structural elements mainly include corporate culture, operation management, management technology, management system and regulations, decision-making and leadership systems. Supporting elements mainly include personnel quality, product technology, corporate goals and objectives market.
<b>Goold et al. (1994)</b>	The basic elements of the corporate management model include corporate values; structure, process and systems; functions, important services and resources; personnel and skills; rights mechanism contracts, etc.
<b>Ye Guangyu et al. (2012)</b>	From the perspective of the commonality, stability and reproducibility of the management model, the corporate management model is divided into six aspects: organizational structure, power mechanism, senior management team, evaluation and incentives of the senior management department, control mechanism and corporate culture.

**Table 3.** Typical corporate management model

name	Scholar/Applier	content
<b>7S management</b>	Rise and perfect in Japan	The so-called “7S” means “organization”, “rectification”, “cleaning”, “cleanliness”, “quality”, “safety” and “saving”. The 7S management model ensures the company’s elegant production and public environment, good working order and strict work discipline, while also improving work efficiency and product quality, reducing waste, and saving material costs and time costs.
<b>“A”management model(Pyramid management)</b>	Taylor(American Economist)	“A” management model is the internal administrative management model of the enterprise, involving the benefit distribution system and power distribution system management system. The “A” management model is a hierarchical pyramid organization structure, with procedural work, and hierarchical management of high-level, middle-level and grass-roots levels.

*(continued)*

**Table 3.** (continued)

name	Scholar/Applier	content
<b>“B”management model (Learning flat management)</b>	Peter Senge(American Management Scientist)	The “B” management model describes the general principles and methods of management, basic rules of enterprise operation, managers and their qualities, corporate culture and construction, etc., in a more detailed description, which is the deepening and development of the “A” management model. The “B” management model focuses on the artistic and technical aspects of management, and emphasizes internal communication, collaboration, and learning innovation.
<b>“C”management model (Intelligent organization management)</b>	China management experts such as Zeng Shiqiang, Cheng Zhongying, Yan Yu	The “C” management model takes people as the core, including the “people-oriented” organizational structure and the “people-oriented” operating principles, as well as the management thinking of “Tao Law and Nature”. The “C” management model emphasizes “people-oriented” humanized operation and management, giving full play to people’s creative wisdom and initiative.

(continued)

**Table 3.** (continued)

<b>name</b>	<b>Scholar/Applier</b>	<b>content</b>
<b>Zero defect management</b>	“Global Quality Management Master” “Father of Zero Defects”: The famous American management thinker Philips. Lauxby	It is advocated that enterprises give full play to the subjective initiative of people to conduct business management. Producers and workers should strive to ensure that their products and businesses have no shortcomings, and strive for the goal of high quality standards. Through the overall management of the whole process of each link and level of the operation, it is ensured that the defects of each link and level and each element tend to zero.
<b>Six Sigma Management</b>	Taking shape in Motorola, General Electric has turned this highly effective management model into a management philosophy and practice	Six Sigma management is an implementation principle and technology that can improve the quality of enterprise process management strictly, centrally and efficiently. It contains many pioneering achievements in the forefront of management. With the perfect business pursuit of “zero defect”, it drives a substantial reduction in quality costs, and finally achieves a significant improvement in financial performance and a major breakthrough in corporate competitiveness. Six principles: sincerely care for customers, manage according to data and facts, focus on process, take the initiative to manage, cooperate without boundaries, and pursue perfection but tolerate failure.

(continued)

**Table 3.** (continued)

name	Scholar/Applier	content
<b>Lean Quality Management</b>	Taylor, Toyota	Lean quality management is a management method and model that based on the quantitative analysis of key quality data, comprehensively use a variety of knowledge and methods to continuously and systematically improve key quality indicators, pursue excellence in standards, and achieve significant improvements in corporate quality performance and operating performance.

## 1.2 Connotation of Multinational Enterprise Management Model

In the course of its historical development, multinational corporations have successively formed three typical management model theories: the multinational dispersed consortium model, the international coordination consortium model, and the global vertical integration model [4] (As shown in Table 4). Compared with the general corporate management model, taking into account the regional differences, the multinational corporate management model pays more attention to the considerations of the parent-subsidiary management model, organizational structure, and talent management [5].

## 2 Understanding of the Management Mode of Multinational Enterprises

Based on the theoretical research on management models at home and abroad, combined with the interpretation of management models by first-class multinational companies, this study has the following understanding of the management models of multinational companies:

First, although there is no unified concept of management mode in theory and practice, business strategy, management and control mode, organizational structure, talent management, and corporate culture, etc. as the basic elements of corporate management mode have become a consensus. The design of multinational enterprise management mode should pay more attention to the difference between parent company and subsidiary company, and handle the relationship between control and authorization [6].

Second, based on the geographical particularity of multinational companies, the management mode of multinational companies is greatly affected by factors such as the international situation, regulatory policies, and corporate strategies. At present, with the development and evolution of global economic integration forces, economic localization forces, and innovation and competitiveness forces, multinational companies should pay

**Table 4.** Comparison of typical transnational management models

Compare items		<b>Multinational Decentralized Consortium Model</b>	<b>International Coordination Consortium Model</b>	<b>Global vertical integration model</b>
<b>Management dimension and its strategic characteristics</b>	Main dimension	Region or host country	Functions, especially R&D	Product
	Core competence	Adaptability and flexibility of subsidiaries	The technological innovation capability of the parent company	Cost and quality control
	Competitive advantages	Flexible response to the market demand and government requirements of the host countries	Technology and product first mover advantage; extend technology and product life	Standardized products and management, low cost, high quality
	Asset and capability structure	Scattered in each host country, each host country subsidiary is self-sufficient	The core capabilities are concentrated in the parent company, and others are scattered in the host countries	Concentrate on the principle of location advantage
<b>Management organization and its characteristics</b>	Organizational structure	Global regional organization structure	Organizational Structure of International Business Department	Global product organization structure
	Coordinated control method	Informal interpersonal relationship	Standardized management system and budget	Strict planning and centralized control
	Degree of centralization	Decentralization, subsidiary autonomy	Centralization of key functions, other decentralization	Power is concentrated in the parent company

*(continued)*

**Table 4.** (continued)

Compare items		Multinational Decentralized Consortium Model	International Coordination Consortium Model	Global vertical integration model
	Contact between parent and subsidiary	cash flow	Knowledge transfer from parent company to subsidiary	Cross-border goods flow
<b>Management process and its characteristics</b>	Main process	Subsidiaries seize and use local opportunities	The parent company carries out technological innovation, and the subsidiary company adjusts and flexibly applies the advantages of the parent company	Parent company's plan control
	Knowledge creation and transfer	Each subsidiary develops and retains knowledge	Parent company develops knowledge and transfers to subsidiary	Parent company develops and retains knowledge
<b>Management behavior</b>	Main character behavior	Entrepreneurial Behavior of Subsidiary Managers	Innovative behavior of functional managers	Strategic behavior of product managers
	Main organizational behavior	Local innovation and development of subsidiaries	Control of key functions	Global layout of product production and operation

attention to the multi-faceted nature of environmental changes and the complexity of strategic tasks resulting from them, constantly improve their organizational structure, and explore new management mechanisms.

### **3 Exploration of the Management Model Oriented Towards the Goal of Building a World-Class Multinational Enterprise**

The current domestic and foreign situation facing central enterprises is changing, and the domestic regulatory situation is still relatively strict. Due to the continuous recovery and development of the global economy, central enterprises will face more severe situations and challenges in the international market of asset mergers and greenfield businesses



Continuous improvement inward management model			
1	2	3	4
<p>"One Center, Two Supports" Management Mechanism</p> <p>focus on the existing market, center on the scientific development of the three types of business : asset mergers and acquisitions, greenfield development and asset operations, and support by the efficient operation of the management committee and comprehensive resource integration, and continue to optimize and enhance the company's management efficiency.</p>	<p>Differentiated management and control of "ladder type"</p> <p>Refine the list of overseas asset management, and formulate a "tiered" management and control strategy based on the clear management and control objectives and methods of different types of assets to achieve differentiated management and control of different types of overseas assets.</p>	<p>"Three-headed" international talent team</p> <p>focus on the establishment of a structure-optimized headquarters talent team, build a team of expatriate talents with a core of experts, take into account the growing overseas localized talent team, and provide reliable talent guarantee for the long-term development of the international business of central enterprises.</p>	<p>International leading information technology</p> <p>Build an internal management information system, an overseas information system, a global shared information platform, an overseas asset operation monitoring (control) center, and a risk management information platform to improve the level of information support.</p>

Fig. 1. Continuous improvement inward management model

[7]. The next stage of development of central enterprises should continue to leverage their advantages in benchmarking of domestic and foreign enterprises, training and exchanges at home and abroad, and advanced technical support, and gradually build overseas business management departments into windows and bridges for internal and external cooperation and exchanges, so as to give full play to their platforms effect of two-way knowledge and technology exchange [8]. In order to promote sound and stable development, central enterprises should mainly focus on the investment and operation of the stock market or a small number of new market businesses. The focus of management is to implement and optimize the existing management system, tap internal potential, make up for shortcomings, and reduce costs and increase efficiency. Central enterprises should build a "continuous improvement inward management model" (As shown in Fig. 1), implement a "one center and double support" management mechanism, conduct "step-wise" management and control of overseas business, and continue to build a "three-headed" international talent team and an internationally leading level of informatization.

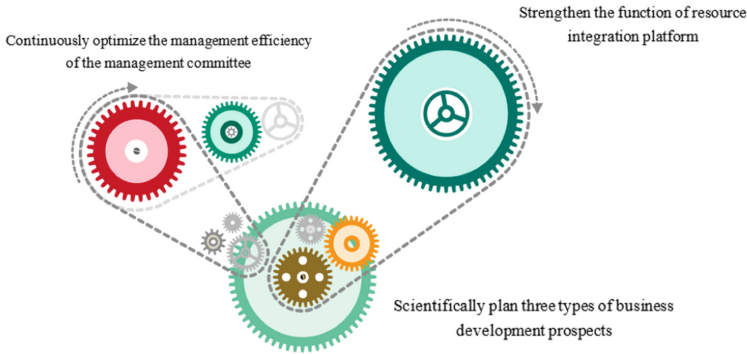
### 3.1 "One Center, Two Supports" Management Mechanism

Facing the situation that the international environment is changing from ideal to unsatisfactory, central enterprises must focus on the existing market, center on the scientific development of the three types of business, and support by the efficient operation of the management committee and comprehensive resource integration, and continue to optimize and enhance the company's management efficiency (As shown in Fig. 2).

#### (1) Planning scientific business development

Make scientific plans for future business development, and create a strengthened stock M&A business in key areas, a greenfield business that leverages global strategies, and an asset operation business structure that is highly managed and controlled.

With regard to the future development of the existing M&A business, dynamic monitoring of investment policies in key countries (regions) should be strengthened to actively respond to the uncertainty of the international investment environment; strengthen the



**Fig. 2.** “One Center, Double Support” Management Mechanism

diversification of investment models, and balance the proportion of existing M&A and greenfield investments; Clarify the key investment areas of mergers and acquisitions business, and incorporate the corporate governance norms of the target company into the value evaluation system; explore the use of overseas affiliated companies as a platform to borrow boats to go to sea to extend the ability of international market development.

In the future development of the greenfield development business, we should give full play to the role of overseas investment platforms, broaden project information acquisition channels; leverage national strategic development opportunities to optimize investment layout; improve project management mechanisms and strengthen the coordinated development of upstream and downstream enterprises in the supply chain.

In the future development of overseas asset operation business, a rolling evaluation mechanism for investment efficiency should be established to realize dynamic management of the entire life cycle of equity, use advanced governance structures to effectively control overseas assets, innovate information management methods, and improve operating efficiency.

### **(2) Efficiently operating International Business Management Committee**

Classify the issues of the International Business Management Committee to improve the efficiency of issue processing. According to the content and time requirements, the issues are divided into major topics and general topics. The deliberation of major topics is presided over by the director of the Management Committee, and relevant leaders of the company are invited to participate. The review of general topics is organized by the deputy director of the management committee to improve the analysis quality and operational efficiency of the committee’s issues.

### **(3) Diversified resource integration**

Use flexible cooperation methods to gather and integrate resources in the system to create a comprehensive overseas investment and operation platform integrating intelligence, technology, capital and other resources, so as to transform the capital, technology and management advantages of central enterprises into the victory of international business development and group overseas.

### **3.2 Differentiated Management and Control of “Ladder Type”**

Different types of overseas assets face different host country laws, political economy, and market environment. Therefore, for different types of overseas assets of central enterprises, a clear management list should be established, and a set of “tiered” management and control strategies should be formulated to achieve differentiated management and control of overseas assets.

#### **(1) Clear list of overseas asset management**

To conduct differentiated management and control of overseas assets, we must first formulate different management lists for different types of assets, and clarify the differences in management and control objectives, management methods, and management methods of different types of assets. The management of wholly-owned asset projects should be based on operational management and control oriented and in-depth management and control methods; for the management of holding asset projects, strategic control oriented and soft and in-depth management and control methods should be adopted as the main; for equity participation asset projects, a distinction should be made between the single largest shareholder type and the equity participation minority shareholder type. The single largest shareholder-type asset should be guided by strategic design, and its strategy and major operations should be controlled to ensure safety and profit; the minority shareholder-type asset should be mainly based on financial control and control, not involved in daily management, and only participate in its strategy and profit distribution and other major matters to ensure shareholders’ equity.

#### **(2) “Ladder” management and control strategy**

Based on the management checklist, a set of “tiered” management and control strategies for different types of overseas assets are formulated. For wholly-owned projects, comprehensive management and control of development strategies, investment decisions, daily operating activities, human and financial resources and other resource allocations are implemented to strengthen the entire process control; to ensure the progress of greenfield projects and improve human resource management and incentive mechanisms. For investment projects with holdings and the single largest shareholder, under the premise of complying with the laws and regulations of the host country, implement strategic-oriented management and control, strengthen the overall monitoring of major issues; improve the financial management system, and reasonably control budgets and expenditures. For overseas investment projects with relatively small shares, financial-oriented management and control are implemented without excessive involvement in daily operation and management.

#### **(3) “Up and down” organizational structure**

Based on the judgment that the future international business situation is grim, the business scope and market scope of future internationalization will be subject to certain restrictions. Central enterprises should focus on the investment and operation of the existing market or a small number of new market businesses, and optimize the existing management structure. Central enterprises enterprises should establish overseas operation departments in key overseas markets to enhance the operation and management

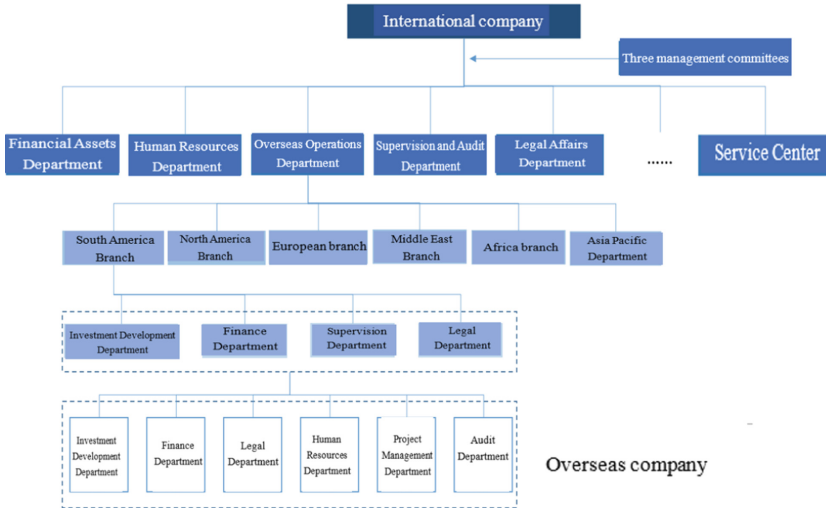


Fig. 3. “Up and down through” organizational structure

of overseas markets and realize the “up-and-down connection” of the management of international companies (central enterprises overseas business management companies) to overseas project companies. (As shown in Fig. 3).

### 3.3 “Three-Headed” International Talent Team

In order to adapt to the strategic goal of building a world-class multinational enterprise, and for human resource management issues, central enterprises should focus on the establishment of a structure-optimized headquarters (ie, the headquarters of the international business management company) talent team, build a team of expatriate talents with a core of experts, take into account the growing overseas localized talent team, and create a compound high-level international talent team, so as to provide reliable talent guarantee for the long-term development of the international business of central enterprises.

### 3.4 International Leading Information Technology

Central enterprises should focus on the strategic needs of international development, strengthen the management and control of overseas business informatization, promote the in-depth integration of advanced information technology, industrial technology and management, consolidate the foundation of international business management, improve operational efficiency, and achieve intelligent, digital, and modern of strategic transformation of information development. Strengthen the construction of five major information systems, including internal management information systems, overseas information systems, global shared information platforms, overseas asset operation monitoring (control) centers, and risk management information platforms. (As shown in Fig. 4).



**Fig. 4.** The overall idea of the company's informatization construction

### 3.5 Business-Finance Integrated Digital Platform Helps International Business Development

Business-finance integrated digital platform (BFIDP) helps international business development. The international business bears the important task of “going global” of the international business of the central enterprise group. In the face of numerous and complex international business management difficulties, such as many aspects, many lines, cross regions, cross legal persons, multi taxes, multi currencies, multi exchange rates, multi language interaction, and overseas network restrictions, the central enterprise should carry out blueprint design around the “contract as the main line, capital as the handle, and risk control as the goal”, based on BFIDP, Realize the business closed-loop management of “contract, settlement, collection and payment”, and output “one global account book, one global set of tables” externally. Use BFIDP to strengthen global financial risk management and control, and provide strong support for the business development and operation decision-making of Power International.

The central enterprises should deeply integrate the international business resources of China Group, base on the international business development practice, adopt the control mode of “strategy-finance-key business elements”, achieve the combination of strategic control and operational control, and effectively provide high-quality, efficient and high-level service support for member enterprises from brand management, market development, financial guidance, capital control, tax services, risk control, compliance guidance, etc., Steadily realize sound, fast and healthy development of international business.

## 4 Conclusion

Although there is no strict definition in theory, first-class performance, first-class talents, first-class management, first-class innovation and first-class culture as the connotation elements of world-class multinational enterprises have been reached by all parties. In the new era, the development goal of building a world-class multinational enterprise in China's central enterprises can be considered from the aspects of business performance, resource integration ability, talent team, enterprise management, corporate culture, and

information construction, and continuously optimized based on changes in the internal and external situation.

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