Research on the impact of mixed ownership on operating
efficiency of SOEs -based on labor production effect

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Abstract. Mixed ownership of state-owned businesses is a crucial component of economic system reform since it enhances the operational effectiveness of these businesses. This study examines the impact of mixed ownership of state-owned firms on operating benefits, using labor productivity as the pivotal point. This article offers various recommendations and ideas for the practice of mixed ownership. It also addresses the issues and difficulties that mixed ownership may encounter, such as ambiguous property rights connections and a chaotic management structure. The study concludes that mixed ownership of state-owned firms significantly improves worker productivity and operating efficiency. To guarantee that the mixed ownership model can be implemented smoothly and produce superior economic outcomes, emphasis should be made to overcoming the relevant system and management issues in order to fully realize the benefits of mixed ownership.

Keywords: mixed ownership of state-owned enterprises; Economic benefits; Labor productivity; Reform of the economic system.

1 Introduction

Over the last several decades, China's economy has seen profound transformations, moving from an economy that was planned to a market economy. These changes have been followed by a number of reform initiatives, one of which is the mixed ownership model of State-Owned Enterprises (SOEs), which has garnered significant attention[1].

Reviewing the evolution of state-owned businesses with mixed ownership, China has been actively pursuing reform of different economic systems while progressively extending the market economy since reform and openness. By adding non-public economic components, mixed ownership of state-owned businesses is a novel enterprise organization type that strives to increase operational efficiency and boost firm vitality. Considering globalization, the idea for mixed ownership of state-owned businesses is not only an inventive attempt to reform the economic structure, but it also represents a step toward China's businesses actively assimilating into the global economy.

In the practice of mixed ownership of state-owned enterprises, labor productivity, as an important economic indicator, has attracted wide attention. The improvement of labor productivity is not only an internal requirement for the development of enterprises,
but also a key factor\textsuperscript{[2]} for the improvement of the whole national economy. As a new form of economic organization, the mixed ownership of state-owned enterprises has a very important impact on labor productivity. By introducing market mechanism and stimulating the enthusiasm of employees, mixed ownership is expected to realize the efficient utilization of labor force and promote enterprises to achieve a higher level of production efficiency. The importance of mixed ownership of SOEs to economic benefits is not only reflected at the enterprise level, but also related to the development of the whole national economy. In today's increasingly fierce global economic competition, China must continuously improve the competitiveness of enterprises, strengthen the ability of innovation, improve economic efficiency, To maintain development sustainably. Mixed ownership of state-owned businesses gives Chinese businesses access to a broader flexibility and market-driven environment, enabling them to better meet consumer demand and advance the optimization and modernization of their financial systems.\textsuperscript{[3]} By reviewing the development process of mixed ownership of state-owned enterprises, analyzing its importance, and paying attention to labor productivity, this paper aims to provide useful theoretical and empirical support for deepening the understanding of this new economic organization form, promoting China's economic restructuring, while improving state-owned businesses' ability to compete.

2 Problems

From the perspective of Ren Feng\textsuperscript{[4]}, in the process of mixed ownership reform of state-owned businesses, when it comes to capital increase and share expansion or state-owned capital transfer, there are prominent problems such as undervaluation of high value of state-owned assets or overvaluation of low value of non-public assets. To solve this problem, the urgent task is to introduce third-party asset appraisal and establish asset review, supervision, and accountability mechanism.\textsuperscript{[5]}

In his in-depth study, Zhu Haiqiang\textsuperscript{[6]} emphasized the improvement of the property rights trading market to ensure the fairness and transparency of the transaction. Secondly, he called for the formulation of relevant laws and regulations to provide clear legal basis and norms for the mixed ownership reform of SOEs. In terms of the management system of mixed ownership reform, Zhu Haiqiang mentioned the need to improve the management system of employee stock ownership, professional managers and state-owned assets and enterprises. Secondly, he advocated the implementation of the professional manager system to improve the professional level of enterprise management. He suggested to enhance the communication between each other, give full play to the advantages of party building, and put forward the proposal of pilot promotion of ESOP, to lay a common interest foundation for employees after mixed ownership reform. Together, these suggestions form the basis for the reform. In his research, He emphasized that for SOE reform to be fully implemented, "managing enterprises" to "managing capital", and advocated that investment units should replace administrative supervision by "managing equity", to increase the flexibility and market orientation of supervision.
3  Domestic research status

In China, the research on mixed ownership of state-owned enterprises has gradually turned into the main focus of scholars' attention. Some scholars have investigated the impact mechanism of mixed ownership on enterprises from multiple perspectives such as institutional change and economic benefits. For example, Ren Guangqian et al. [7] The study points out that mixed ownership changes the internal power structure and decision-making mechanism of enterprises by introducing market mechanism and enables enterprises to respond to market demand more flexibly. This study not only provides detailed case support for the institutional change of mixed ownership, but also reveals the positive impact of institutional change on the operating benefits of enterprises. Such research not only provides theoretical support for the practice of mixed ownership, but also provides useful reference for deepening relevant policies and management practices.

4  Current status of foreign research

Internationally, mixed ownership as a form of corporate organization has also received widespread attention. Some developed countries have accumulated rich experience in the reform of state-owned enterprises, providing my country with experience that can be used for reference. Literature [8] conducted a detailed analysis of the policy design of China’s fourth round of state-owned enterprise restructuring. This literature discusses the reform agenda that consolidates a hybrid political-economic system that combines planning and market models of economic coordination with public and private ownership models. [9] This literature study compares the changes in the innovation performance level of state-owned enterprises before and after the mixed ownership reform. The study proposes that state-owned enterprises will not only enhance the competitiveness among manufacturing enterprises, but also have an impact on the high-quality development and industrial transformation of the entire society. Upgrades have a positive impact.

5  Influence mechanism of mixed ownership on labor productivity

5.1  Introducing market mechanism to stimulate employees' enthusiasm

From the perspective of domestic research, scholars have deeply studied the influence mechanism of mixed ownership on labor productivity. Among them, a key influencing mechanism is that mixed ownership stimulates the enthusiasm of employees by introducing market mechanism. Shen Hongbo et al. [10] This kind of incentive mechanism stimulates the motivation of employees and improves the level of labor productivity. Zhao Jinyan [11] found that in mixed-ownership enterprises, a more flexible compensation system has been adopted, including floating salary and performance salary, to adapt
to market changes and motivate employees. These studies jointly reveal that mixed ownership successfully stimulates the enthusiasm of employees by introducing market mechanism, especially flexible incentive mechanism, such as equity incentive and performance reward, and provides an effective organizational incentive means.\textsuperscript{12}

5.2 Optimize the enterprise management mechanism to enhance the innovation ability

On the other hand, Xu Chenxi et al.\textsuperscript{13} By introducing the market competition mechanism, Businesses prioritize efficiency and innovation, and they strengthen their capacity for innovation. of enterprises by improving the management process and decision-making mechanism. Chi Feng\textsuperscript{14} deeply analyzed the specific measures of mixed ownership in the optimization of management mechanism and found that mixed ownership enterprises tend to introduce more flexible and market-oriented management mode and adopt innovative management techniques and methods. In addition, mixed ownership enterprises also pay more attention to team collaboration and knowledge sharing to advance the development of innovation activities, in order for improve the overall level of enterprise innovation. The research of Zhu Lei et al.\textsuperscript{15} At the same time, mixed ownership encourages enterprises to apply science and technology and management methods more flexibly, accelerate product research and development and business model innovation, and further improve the competitiveness of enterprises in the market. By introducing market competition mechanism, adopting flexible management mode, and focusing on talent incentive and scientific and technological innovation, mixed ownership has laid a solid foundation for enterprise innovation, enabling them to respond to challenges more flexibly and agilely in the fierce market competition, thus creating strong conditions for improving labor productivity.

5.3 Labor productivity has an impact on the relationship between mixed ownership reform and operating efficiency of SOEs

In the relationship between labor productivity, mixed ownership reform of state-owned enterprises and operating benefits, Li Dongsheng et al.\textsuperscript{16} On the one hand, the research points out that efficient labor productivity can provide a more solid foundation for the mixed ownership reform of state-owned enterprises. By improving the level of labor productivity, state-owned enterprises can better cope with the changes brought about by mixed ownership reform and achieve the improvement of economic benefits. On the other hand, the mixed ownership reform of state-owned enterprises may also have a positive incentive effect on labor productivity. The introduction of market mechanism and incentive measures in the process of mixed ownership reform can stimulate the enthusiasm of employees, thus improving the level of labor productivity. Wang Xiaohua\textsuperscript{17}'s research also provides a supplement to this view, emphasizing the importance of human resource management in the process of mixed ownership reform, arguing that through scientific and reasonable human resource allocation and training programs, mixed ownership reform in SOEs can better stimulate employees' creativity and passion for work, thus improving overall labor productivity.
5.4 Mixed ownership reform of state-owned enterprises and labor productivity influence each other

In terms of the interaction between the mixed ownership reform of state-owned enterprises and labor productivity, Sun Kunpeng et al. [1] By improving the flexibility and competitiveness of enterprises, mixed ownership reform can stimulate employees to work harder, thus improving the overall level of labor productivity. In turn, efficient labor productivity also contributes to the successful implementation of mixed ownership reform, making it easier for enterprises to adapt to market changes and improve their profitability. At the same time, Zhu Li Le et al. [18] In general, mixed reform stimulates the internal labor productivity of enterprises, and efficient labor productivity has become one of the key factors for the success of mixed reform. The two jointly promote the growth of businesses in a sustainable manner. The understanding of this path is conducive to a more comprehensive understanding of the influence mechanism of mixed ownership reform of state-owned enterprises and provides theoretical support and practical guidance for deepening the reform.

5.5 Labor productivity has an impact on operating efficiency, which indirectly affects the mixed ownership reform of state-owned enterprises

In the path of indirect impact of labor productivity on operating benefits, and thus on the mixed reform of state-owned enterprises. Such positive operating benefits, in turn, will create more favorable conditions for the mixed ownership reform of state-owned enterprises. For example, by improving the profitability of enterprises, the mixed-ownership reform plan can better finance and attract external investment, so as to achieve the capital operation goal of mixed ownership reform.

Considering the perspectives of the research of the above scholars, there is a mutually promoting relationship between labor productivity and the mixed ownership reform of state-owned enterprises. The improvement of labor productivity can not only provide support for the mixed ownership reform of state-owned enterprises, but also be positively affected by the measures of mixed ownership reform. The positive impact of labor productivity on the operating efficiency of enterprises provides a more powerful impetus for the mixed ownership reform of state-owned enterprises. The understanding of this path is helpful to better grasp the complex relationship between the mixed ownership reform of state-owned enterprises and labor productivity and provide practical and policy suggestions for deepening the reform.

6 Conclusion

Mixed ownership shows a positive effect on improving labor productivity, which is mainly realized by introducing market mechanism and optimizing enterprise management mechanism. In general, mixed ownership of SOEs is a positive direction of economic reform, which plays an important role in improving labor productivity and promoting enterprise innovation. However, in practice, it is necessary to deeply study and
solve the problems that mixed ownership may face, to ensure that it plays a more positive role in promoting economic development. Future research should pay more attention to the implementation effect of mixed ownership and how to optimize its application in the global scope, to provide more scientific theoretical guidance for the upgrading of China's economic structure and sustainable development.

References
