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# Analysis of State-owned enterprise reform based on supply-side reform

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Abstract: In order to better cope with the great changes brought by the new economic normal, Chinese government departments have formally proposed the "supply-side structural reform", mainly in order to make reasonable adjustments to the existing problems in the economic structure through further reform at the supply level and the delivery of relevant institutions. In the process of national economic and social development, state-owned enterprises are an important part of the basic elements of ensuring people's livelihood and safeguarding public interests. However, under the influence of the existing system and historical environment and other factors, the traditional way has been unable to meet the basic needs of the development of modern state-owned enterprises. In order to facilitate the smooth realization of the expected goals of enterprise development, ft needs to further streamline administration and delegate power, and promote the flow of various elements through a series of new system supplies. In this regard, state-owned enterprises, as an initiative factor, lead practice and innovation with new ideas. Then, this paper makes a systematic analysis based on the supply-side reform of state-owned enterprises, hoping to promote the development level of Chinese state-owned enterprises through reform and innovation.

**Keywords:** supply-side reform; State-owned enterprises; Enterprise reform.

# 1. MISSION OF STATE-OWNED ENTERPRISES UNDER THE BACKGROUND OF SUPPLY-SIDE REFORM

To a certain extent, supply-side reform has catered to the inevitable needs of the enterprises development in the new economy normal, which indicates the key adjustment of the macroeconomic management policy of our country. First of all, supply management will stage into the key point of the macroeconomic management policy to a certain extent; Secondly, it changed the traditional way of administrative supply management in the past. The rational allocation of production factors is mainly carried out on the basis of systematic integration of labor, natural resources, capital, technology and other production factors, so as to shape a new industrial system and better promote the rapid development of all aspects of society. Among them, the rational allocation of production factors is the inevitable demand of market development and plays a vital role in resource allocation.

The formal return of the real economy is the essence of the supply-side structural reform, which is a deep support for the reform of state-owned enterprises. In September 2015, the Guidance on Deepening the Reform of State-owned Enterprises was officially issued, which mainly focuses on the systematic design of the reform of state-owned enterprises and integrates the central idea of new supply-side economics into it. At present, the total value of state-owned assets in China has already exceeded 100 trillion yuan. From the perspective of volume analysis, state-owned enterprises are in a crucial position in the national economy. It not only pursues its own economic interests, but also assumes a part of macro-control functions and shoulders a part of macro-control functions. It has social responsibilities and plays an important role in promoting modernization, ensuring people's livelihood and safeguarding public interests. Under the basic situation of constant transformation of economic and social system and great historical burden, state-owned enterprises are facing huge important tasks of cutting overcapacity, destocking, deleveraging and transforming the mode of economic development, which can be said to be the key field of promoting supply-side structural reform at present.

# 2. DEVELOPMENT OF STATE-OWNED ENTERPRISES ENCOUNTERED A BOTTLENECK PERIOD

## 2.1 Low supply efficiency and excess capacity of state-owned enterprises

At present, the state-owned enterprises of our country are in the transition period of gradual decline, supply efficiency gradually declining, overcapacity and other contradictions are very significant. However, a large number of industries with excess capacity, such as steel, coal and oil, have received varying degrees of government intervention. Under the basic situation of increasing financial investment, the profits of enterprises begin to slide gradually. At present, our economy is in the declining stage of change and development, economic growth

The growth rate gradually decreased from 9.5% in 2011 to 6.9% in 2015, a 25-year low. In 2015, the central bank cut interest rates five times in a row. However, this still cannot make a fundamental change in the basic situation of the low economy of our country, including the demand management policy of investment, demand and export, which pull the GDP growth of our country, has not achieved the target of stable economic growth. Conversely, the contradiction of excess production capacity has become increasingly prominent, and a large part of the state-owned enterprises have become zombie enterprises.

#### 2.2 Imperfect governance structure of state-owned enterprises

Government administrative intervention is the remarkable feature of state-owned enterprises in governance organization. The imperfect enterprise governance structure is a common problem in the development process of state-owned enterprises. The management decision-makers are usually appointed directly by the relevant departments of the company, which will result in the separation of ownership and management rights of state-owned enterprises to a certain extent. At the same time, state-owned enterprises have not really established an effective incentive mechanism and supervision mechanism, and the distribution of human resources is not reasonable, so that many capable employees are forced to leave the enterprise. At the same time, many state-owned enterprises consider too much nepotism in the recruitment of personnel, as time goes by, resulting in some staff with high comprehensive ability Very few workers, but drag the relationship in the staff accounted for a larger proportion. At the same time, corporate managers have poor awareness of competition and risk resistance, unscientific internal distribution, unclear rewards and punishments, and these problems have a very adverse impact on the improvement of employees' work initiative. The above problems need to be fundamentally solved through supply-side reform measures.

#### 2.3 Low level of innovation

In our traditional industries, state-owned enterprises occupy a very high proportion, and their products can be said to be at the lowest end of the value chain. Because state-owned enterprises have always been in a monopoly position, the core competitive consciousness of enterprises is very short, state-owned enterprises in a monopolistic position for a long period of time, eventually resulting in the imperfect innovation mechanism of enterprises, scientific and technological innovation personnel shortage of the current situation. At present, the market mechanism is not perfect, the modern enterprise system is not perfect, the overall innovation ability of enterprises is low, state-owned enterprises in a long period of time in the vicious circle environment. In the mode of operation, the problems of state-owned enterprises are increasing, in this case if that state-owned enterprises also have many problems in their business model. It is not easy to reverse profits and losses under the downward pressure of macro economy. The current reform has entered a deep water zone, and state-owned enterprises are facing more intense market competition and pressure from the international situation In the competitive market environment to achieve stable development.

# 3. REFORM COUNTERMEASURES OF STATE-OWNED ENTERPRISES UNDER SUPPLY-SIDE REFORM

If the supply-side structural reform wants to achieve the expected goal smoothly, it needs the joint development of the national government departments and related enterprises. On the basis of further defining the relationship between government departments and enterprises, the national government departments need to adopt effective measures, the government should focus on effective policy supply and create a fair competition environment, state-owned enterprises should improve their overall management level as far as possible, constantly increase the new supply, promote the overall enterprise economic quality and management efficiency, so as to make the enterprise Production efficiency has been significantly improved.

# 3.1 Lead state-owned enterprises to improve quality and efficiency through institutional innovation

First, promote factor flow with new institutional supply. The further reform of the supply side structure can not only promote the rational adjustment of the economic structure of enterprises through institutional reform and innovation, but also reduce the administrative intervention of national government departments as much as possible and enhance the vitality of the market, so that the market can start to replace the government agencies to do a good job in the rational allocation of resources. Therefore, the most important thing to make the management between the government and enterprises clear is to streamline administration and delegate power, further clarify the position of state-owned enterprises, define the strategic layout of enterprise development, constantly strengthen the supervision of government departments, and promote the production factors of enterprises to get a good flow through the establishment of a new system. The national government departments should gradually open up the market factors, gradually open the institutional bottleneck of the circulation of production factors, further optimize the rationality of resources, do a good job in the scientific and rational allocation of resources, and promote the comprehensive improvement of science and technology, human capital and knowledge level in all aspects through the reform and investment of labor, capital, land and other resources.

Second, innovation in ideas leads innovation in practice. Ideas are usually reasonable understandings of objective things formed by the integration of individual's existing knowledge and relevant work experience, which can bring varying degrees of influence on people's thoughts, cognition and daily behavior. Fundamentally abandon their own inherent understanding and traditional thinking mode, through more new methods, new perspectives and new thinking to create more new understanding and conclusions. So that it can be better used in daily work. It covers management and ideology as a whole. In essence, it is a breakthrough to the inherent or solidified idea, and the idea has remarkable characteristics of The Times. The whole history of the development of some excellent enterprises is actually a process of innovation and transcendence, while state-owned enterprises need to break through the traditional ideas and constantly innovate the inherent ideas, so as to form the ideological system of supply-side reform consistent with the socialist market economy.

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At present, the ideology innovation consciousness of state-owned enterprises such as management innovation and system innovation is not enough. Although some state-owned enterprises have carried out continuous innovation of ideology, they have not been put into practice. Under the current situation that Chinese economy enters a new normal and international economic competition becomes increasingly fierce, state-owned enterprises need to reverse the traditional development mode of Chinese state-owned enterprises through the innovation of the supply side structure, and constantly improve the enterprise incentive system with updated and new ideas through innovation of ideological concepts. At the same time, encourage the innovation of enterprise employees, so as to enhance the development of enterprises. By resolving the excess capacity of enterprises, the operating cost of enterprises can be reduced to the lowest degree, so as to achieve the operation effect of improving the quality and efficiency.

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## 3.2 Enhance the vitality of state-owned enterprises by deepening reform

The focus of supply-side reform lies in the reform of state-owned enterprises. The ultimate goal of the reform of state-owned enterprises is not to eliminate all nationalization, but to continuously strengthen the control force, influence and appeal of state-owned enterprises, so that state-owned enterprises can meet the development needs of modern social economy, and lead the new normal of economic development to maximize their role in the market Wave it out. The ultimate goal of macro-control of government departments is to cultivate modern enterprises, and the effect of macro-control is ultimately related to the future development of enterprises.

We will continue to deepen market-oriented reform of soes, which mainly includes: first, pilot mixed-ownership reform in important areas and encouraging the development of mixed-ownership enterprises with non-public capital as the majority shareholder; Second, we will accelerate innovation in key industries. In 2015, under the basic premise of the formal introduction of the reform of the electric power system, reform measures of various industries will be introduced successively, including the reform of the electric power system, the introduction of several opinions and supporting policies on deepening the reform of the oil and natural gas system, the introduction of the reform plan of the salt industry system, etc. Third, relax the non-public economic market access mechanism, will gradually remove all aspects of the hidden barriers, especially in key industries in the emerging fields, the implementation of comprehensive opening to non-public capital; Fourth, we will continue to deepen price reform, which may include market-oriented reform of electricity prices, market-oriented formation mechanism of refined oil prices, gate station prices of natural gas and pipeline transportation prices.

#### 3.3 Promote the quality and efficiency of state-owned enterprises through innovation

If we want to promote the continuous improvement of production efficiency, we need to rely on advanced science and technology reform and innovation. From the perspective of state-owned enterprises, supply-side reform needs to solve the problem of overcapacity and improve the efficiency of total factor production, so as to promote the smooth realization of scale economy and technological innovation. Innovation is a very effective way for state-owned enterprises to achieve the goal of supply-side reform. The supply side needs to promote the continuous improvement of enterprise productivity through the rational adjustment of its industrial structure, so as to better meet the requirements of modern market development for enterprise structure. In the current environment of enterprise overcapacity, the reform of state-owned enterprises must do a good job in addition and subtraction. Overproduction capacity will take up a large number of enterprises' resources to a certain extent, which will cause human resources, land, capital, etc. to be in the state of high cost, which is a huge obstacle to the development of our new economy. Therefore, the current method of addition and subtraction should mainly deal with those zombie enterprises in accordance with the law in a market way. Among them, addition usually plays a certain incentive role for the employees of the enterprise, so as to realize the interests of the enterprise smoothly and make every employee become the real owner of the enterprise.

First, we will give full play to the role of state-owned enterprises as the main force for technological innovation. To a certain extent, supply-side reform can promote state-owned enterprises to achieve the purpose of improving quality and efficiency. Therefore, it is necessary to vigorously implement the innovation development strategy and further expand the scale of enterprises with the help of advanced science and technology. At the same time, we will further establish and expand state-owned enterprises in strategic industries and high-tech industries, so as to drive the further development of national science and technology and industrial upgrading through the continuous innovation of state-owned enterprises. In this regard, we should constantly improve the transformation of independent innovation and results, guide all kinds of innovation subjects to increase their investment in research and development, and fully mobilize all social forces and the positive initiative of independent innovation. Secondly, increase the investment in science and technology, improve the allocation of national science and technology resources and the effective utilization of resources. Research and development expenditure as a percentage of GDP Now this goal. Before entering the enterprise, the first thing to do is to carry out in-class practical training, master the use of workplace tools, master the basic mode and process of the operation of e-commerce enterprises with the help of e-commerce introduction information, understand the basic characteristics of e-commerce, and understand the current development of e-commerce. In addition, students should be actively encouraged to participate in social practice activities to enhance their ability to participate in social practice.

### 3.4 Design of maturation stage

The learning stage is mainly concentrated in the second and third semesters, and practical training is selected in the campus training room. The practical teaching content in this period is mainly specialized courses, and the teaching process mainly adopts two forms, one is in-class practical training and the other is concentrated practical training. In the process of single and comprehensive practical training, students can constantly improve their basic vocational abilities. The in-class training mainly consists of three contents: simulation training, simulation training and case analysis. The in-class training is mainly one-way training, and the centralized training is generally carried out in a comprehensive way. Its projects mainly cover website construction, web design, network marketing and online shop opening. In the process of practical training, students are divided into groups, and the group members write together to complete the task. The instructor should complete the design of the practical training task before class. Meanwhile, task-driven teaching method is adopted to guide students to complete the practical training task by themselves.

After the completion of the consulting task, the team as a unit to show the results of training, and carry out the defense. The achievement assessment team mainly adopts the method of combining group assessment and team member assessment. The practical training activities at this stage are mainly to help students better apply the knowledge they have learned, constantly improve their practical ability and strengthen their sense of teamwork, so as to significantly improve their professional ability and professionalism.

Online store content is more, such as store construction, marketing and e-commerce operation. In practical activities, C internship platform or C2C online trading system is mainly adopted. In this process, teachers should actively guide students and help them independently complete a series of operations of online shop opening. Online shop training is a kind of practical activities, in the process of practice, teachers should give students certain psychological counseling, effectively enhance the psychological quality of students. In addition, in actual work, teachers should encourage students to participate in the e-commerce skills competition unit. In the process of the skills competition, students' horizons will be broadened, their team spirit will be significantly improved, and students' innovation ability of electronic aviation projects and personal comprehensive quality will be effectively improved.

# 3.5 Design of innovation, entrepreneurship and employment practice stage

The practical stage of innovation, entrepreneurship and employment is the fourth to sixth semester. During this period, practical teaching should focus on self-employment and in-post internship. Self-employment takes many forms. First of all, students can operate Taobao stores on their own or in cooperation with their partners. Many aspects, from registration to decoration, marketing and customer service, should be completed by students independently. Moreover, students can set up physical stores, in which the rent, purchase, sales and finance are all completed by students independently. At the same time to adopt a combination of online and physical store marketing. In this way, in the process of internship and practice, it can better cultivate students' ability to analyze and solve problems, deepen their sense of responsibility and concept, and improve their innovation ability.

Secondly, there are two ways to set up post internship. One is to introduce school-enterprise cooperation, assist enterprises to establish online brand promotion and product sales channels, provide online customer service, and ensure the supply chain is in a relatively stable state when selecting cooperative enterprises. And the cooperative enterprise does not need the school to invest a lot of resources. Schools generally only provide a working environment, set up project teams, and determine the way of operation. The enterprise will assign professional personnel to the school for training, and the teachers and professionals of the enterprise will guide the students to complete the work together. Moreover, the students should strictly abide by the relevant system of the enterprise and complete the assessment according to the standards of the enterprise.

The other is that teachers take students into cooperative enterprises. The cooperative enterprise provides suitable positions for the students. The enterprise is responsible for the business training of the students. The students work as quasi-employees in accordance with the regulations of the enterprise, and at the same time, they also need to participate in the assessment work of the enterprise. Such practical activities require the participation of schools and enterprises. Schools and enterprises jointly complete the daily management of students, while enterprises provide employment guidance for students in the way of mentoring and cultivating students' vocational ability.

Finally, the internship is mainly a practical training course in the sixth semester. The internship lasts for one semester. The school contacts internship units for students, and the units recruit students to the school and sign internship agreements, so as to clarify the responsibilities and obligations of students and enterprises. As an intern in an enterprise, students can experience the working process, feel the working atmosphere and understand the corporate culture in a more comprehensive way, so as to develop good career habits. It can also help students improve their professional ability, have a stronger professional quality. After the end of the internship, excellent interns can be recruited by the enterprise as regular employees, direct employment.

# 4. CONCLUSION

Nowadays, electronic commerce has become an important transaction mode, and its development speed is gradually accelerating. The main purpose of e-commerce practice teaching in higher vocational colleges is to cultivate e-commerce

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professionals needed by the society. In order to achieve this goal, a perfect practical teaching system should be established to enhance students' practical ability, so as to achieve a win-win situation between students and enterprises.

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