Original Research Article

Equity structure optimization and executive governance improvement in SOEs' mixed-ownership reform: A focus on non-state shareholders

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Abstract: This article focuses on the optimization of equity structure and improvement of executive governance in the mixed ownership reform of state-owned enterprises (hereinafter referred to as mixed ownership reform), with non-state-owned shareholders as the starting point for in-depth exploration. By sorting out the connotation, current situation, and problems of mixed ownership reform, this article elaborates on the key role of optimizing equity structure in improving corporate governance efficiency, promoting innovative development, and enhancing market competitiveness. At the same time, analyzing the current situation of non-state-owned shareholders' participation in governance, its impact on enterprise decision-making mechanisms and performance, and proposing strategies to optimize equity structure and enhance executive governance level, aims to provide useful references for deepening the mixed ownership reform of state-owned enterprises, helping them achieve high-quality development, enhance their vitality and market competitiveness, and promote state-owned enterprises to better adapt to the requirements of the market economy in the new era, and achieve the preservation and appreciation of state-owned assets.

Keywords: state-owned enterprises; mixed ownership reform; optimization of equity structure; executive governance; non state-owned shareholders

1. Introduction

With the continuous advancement of China's economic system reform, the mixed ownership reform of state-owned enterprises has become an important measure to deepen the reform of state-owned enterprises. In this process, optimizing equity structure and improving executive governance are key links to achieving reform goals. The participation of non-state-owned shareholders has brought new vitality and challenges to state-owned enterprises. How to fully leverage their positive role and effectively solve the problems arising from the reform is an important research topic at present. This article will delve into this topic in depth, with the aim of providing useful theoretical support and practical guidance for the mixed ownership reform of state-owned enterprises.

2. Overview of mixed ownership reform in state-owned enterprises

2.1. The connotation and goal of mixed ownership reform

Mixed ownership reform refers to the introduction of non-state-owned capital into state-owned enterprises, forming a corporate governance structure in which multiple ownership economies participate together. Its goal is to optimize the equity structure, improve corporate governance efficiency, enhance enterprise vitality and market competitiveness, achieve the preservation and appreciation of state-owned assets, promote state-owned enterprises to better adapt to market economy requirements, promote the coordinated development of state-owned and non-state-owned economies, and make greater contributions to economic and social development.

2.2. The current situation and problems of mixed ownership reform in state-owned enterprises

In recent years, the mixed ownership reform of state-owned enterprises in China has achieved certain results, but still faces many problems in practice. On the one hand, some state-owned enterprises have problems such as unreasonable equity structure and insufficient participation of non-state-owned shareholders in the reform process, which have led to ineffective improvement in corporate governance efficiency; On the other hand, some enterprises have failed to fully integrate various resources and leverage synergies after introducing non-state-owned capital, which has affected the improvement of their innovation and development capabilities. In addition, issues such as incomplete executive governance mechanisms and inadequate incentive and restraint mechanisms have also hindered the deepening of mixed ownership reform in state-owned enterprises.

3. The role of optimizing equity structure in the mixed ownership reform of state-owned enterprises

The optimization of equity structure is one of the core contents of the mixed ownership reform of state-owned enterprises, which is of great significance in improving corporate governance efficiency, promoting innovative development, and enhancing market competitiveness. A reasonable equity structure can balance the interests of all parties, form an effective balance mechanism, avoid excessive control by a single shareholder, and ensure the scientific and democratic nature of corporate decision-making. Meanwhile, optimizing the equity structure can help introduce diversified capital and resources, provide strong support for enterprise innovation and development, stimulate enterprise vitality and creativity, enhance enterprise competitiveness in the market, and promote sustainable development of state-owned enterprises.

4. The role and influence of non-state-owned shareholders in the mixed ownership reform of state-owned enterprises

In the mixed ownership reform of state-owned enterprises, the participation of non-state-owned shareholders has gradually increased, but there is still a certain gap compared to the expected goals. Some non-state-owned shareholders face problems such as information asymmetry and poor participation channels in corporate governance, which have resulted in their role not being fully utilized. However, with the continuous advancement of reforms, more and more non-state-owned shareholders have begun to actively participate in corporate decision-making, supervision, and other governance activities, bringing new concepts and methods to corporate governance.

5. Strategies for optimizing equity structure and enhancing executive governance level

5.1. Strategies for optimizing equity structure

Based on the actual situation and development strategy of the enterprise, scientifically and reasonably determine the ratio of state-owned equity to non-state-owned equity, ensuring the dominant position of state-owned capital and fully leveraging the role of non-state-owned shareholders, forming a diversified equity structure, and achieving balance and coordination of interests among all parties. Establish and improve the equity transfer system, enhance equity liquidity, and promote the rational allocation and optimization adjustment of equity. Through equity transfer, attract more high-quality non-state-owned capital into state-owned enterprises, while providing shareholders with exit mechanisms, enhancing the dynamic adjustment ability of the enterprise's equity structure, and improving corporate governance efficiency. Improve the company's articles of association and related systems, clarify the rights and obligations of shareholders, and strengthen the protection of shareholder rights and interests. Establish a sound shareholder litigation mechanism, safeguard the legitimate rights and interests of shareholders in corporate governance, enhance the enthusiasm and initiative of shareholders to participate in corporate governance, and promote the stability and optimization of corporate equity structure.

5.2. Strategies for enhancing executive governance level

Establish a market-oriented and specialized mechanism for selecting and appointing executives, broaden channels for personnel selection and appointment, and attract outstanding talents to enter the management of state-owned enterprises. Strengthen the assessment and evaluation of executives, establish a scientific and reasonable performance evaluation index system, link executive compensation with corporate performance, and motivate executives to create greater value for the company. Improve the incentive mechanism for executives, comprehensively utilize material and spiritual incentives, and fully mobilize the work enthusiasm and creativity of executives. At the same time, establish and improve executive restraint mechanisms, strengthen supervision and management of executives, regulate their behavior, prevent abuse of power and transfer of benefits, and ensure the stable operation of enterprises. Regularly organize senior executives to participate in training and learning activities to enhance their professional competence and management abilities. Strengthen ideological and political education for executives, enhance their sense of responsibility and mission, guide them to establish correct values and business concepts, and provide strong guarantees for the sustainable development of enterprises.

6. Conclusion

The mixed ownership reform of state-owned enterprises is an important measure to deepen the reform of state-owned enterprises, and optimizing the equity structure and improving executive governance are key links to achieving the reform goals. The participation of non-state-owned shareholders has brought new vitality and challenges to state-owned enterprises. By optimizing the equity structure and improving the executive governance mechanism, the active role of non-state-owned shareholders can be fully utilized to enhance corporate governance efficiency, promote innovative development, enhance market competitiveness, and promote high-quality development of state-owned enterprises. In future reform practices, we should further deepen research and exploration on optimizing equity structure and improving executive governance, continuously improve relevant policies and systems, provide stronger support and guarantees for the mixed ownership reform of state-owned enterprises, help state-owned enterprises better adapt to the requirements of the market economy in the new era, achieve the preservation and appreciation of state-owned assets, and make greater contributions to economic and social development.

Author contributions

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