



Research on Culture Development Strategy of Sino-foreign Joint Venture Automobile Manufacturing Enterprises

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Abstract: Automobile manufacturing enterprises develop fast, focusing on hardware upgrading, quality control and other issues to implement innovation as well. However, looking back on its steady development, its deep “Soft strength” is even more essential in addition to the need to have “Hard strength”. Construction of enterprise culture has become an important way to support enterprise management and become one of the core competitiveness of sustainable development of enterprises. The lag of company culture development is an essential factor that hinders its sustainable development for large sino-foreign joint venture automobile manufacturing enterprises. Corporate culture construction is a systematic, long-term and continuous internalization process. Excellent corporate culture can lead the development of the enterprise continuously, and also can Down to Earth the reality of the enterprise Combined with the new characteristics and problems in the development of Chinese automobile manufacturing enterprises. This paper conducted an in-depth research on the current situation, existing problems and primary cause of the culture construction of SGMW. The optimizing strategy of SGMW culture development is analyzed combining with new development tendency of sino-foreign joint venture automobile manufacturing enterprises and the corresponding requirement of culture progress. This paper proposes the culture construction localization strategy in terms of spirit, system and behavior culture, in order to provide reference and reference for more automobile manufacturing enterprise culture construction.

Keywords: Automobile Manufacturing, Culture, Construction, Strategy

1. Introduction

One of the challenges faced by the sino-foreign joint venture automobile enterprises is the differences between Chinese and foreign managers in management system and company culture [1-8]. The integration and development of various automobile firms will affect its market and service awareness [9], further influencing customer recognition and profitability [10]. How to enhance the multi-culture integration of joint venture automobile enterprises and to build the implement the cooperate culture that is suitable for the company have become more and more vital [11]. As the expansion of the production scale of automobile manufacturing firms and product lines, if companies neglect the development of the humanistic care and cooperate culture, employees' sense of belonging and working

passion will be damaged with increased boredom and work pressure [12-13], triggered by the younger employees and solidified working patterns. Therefore, enterprises will face decreasing cohesion and lose cost advantage [14]. The key to apply cooperate culture to the operation management is to guide employees to stick to the core value of the company in daily work and turns into actual action [15]. As a result, it is supposed to apply the core value into incentive and performance management to guide and respect employees, promoting the enhancement of the company.

2. Culture Construction Status of SGMW

SGMW transferred from solely state-owned to joint venture of Liuzhou Wuling, SAIC and GM China. In 2006, the sales of Micro car are the best. It entered passenger car market in 2010

and overseas market in 2011. In 2020, it won the first prize of Metallurgical Science and Technology Award. Meanwhile, its new energy product, the Hongguang MINIEV, has become a NEV for 3 consecutive months.

The market share of the sale champion, the small EV passenger car reached 51%. In July 2021, the overall sales volume of the brand increased by 33% year-on-year. The cooperate spirit of working harder and self-improvement has contributed greatly to these achievements. The enterprise mission is to a leading domestic and internationally competitive automobile company in micro and small vehicles. The core value of the company is customer satisfaction, honesty and trustworthiness, learning and innovation, teamwork, high efficiency and pragmatic. By adhering to lean production, the enterprise forms its unique ore competitiveness of high value with lower cost. With more than 20000 employees, the company has four manufacturing bases, located in Liuzhou, Qingdao and Chongqing. The global manufacturing management system of GM is mainly adopted by the company. With an increasing number of the employees, the company’s operation is affected by the “big company disease” gradually. That is, the administrative capability has declined and the process is rigid, contributing negatively to company’s long term sustainable development.

3. Questionnaire Survey and Result Analysis of SGMW Culture Construction

3.1. Questionnaire Collection

There are 5000 samples, covering four kinds of employees (management, technique, production and sales). 4720 questionnaires are collected with a collection rate of more than 90%.

3.2. Result Analysis

3.2.1. Analysis of SGMW Employees Satisfaction

In order to identify the most concentrated satisfaction within the employees, ten options are listed in the questionnaire, including training, career development, workload, work environment, colleague relationship, leader-member relation, income and welfare, operating efficiency, work atmosphere and management style, from which employees are supposed to select the most dissatisfied one. According to the result, the attributes are ranked from the most to the least:

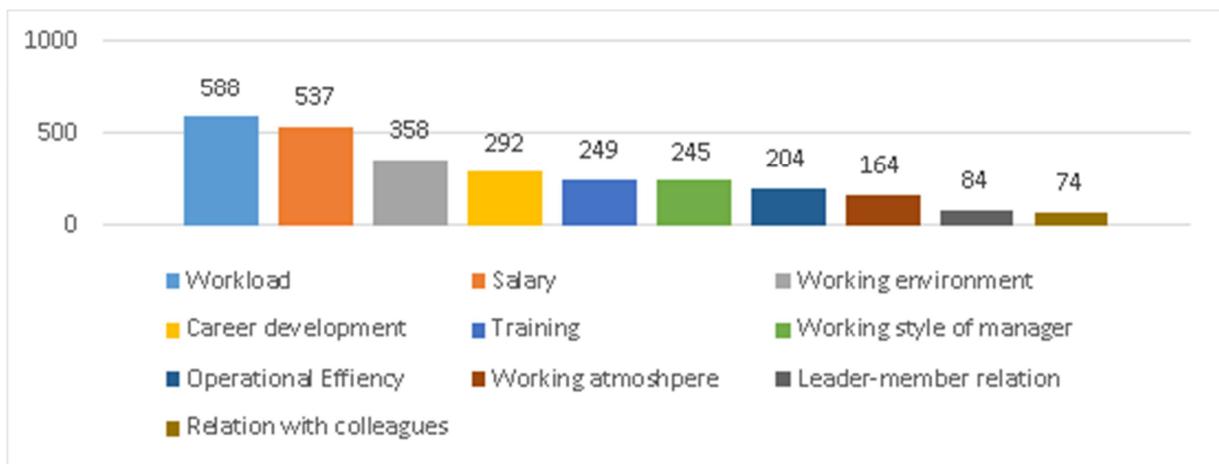


Figure 1. SGMW employee most unsatisfied stuff.

According the investigation, the top six dissatisfied problems are workload, salary, working environment, personal career development, training and management style, which are consistent with the analysis result of employees’ demand survey.

The most dissatisfied is the workload, accounting for 35% and most of employees are unsatisfied to the overtime. Therefore, SGMW is supposed to pay highly attention to it, communicate with employees and arrange the production based on employees’ understanding. The second one is the salary and welfare, occupying 32%. Employees complain that front-line operators and managers are underpaid, the food quality in canteen are poor, the rental cost around the enterprise is high, and there is no allowance for housing or transportation. It is recommended that SGMW pays more attention to employee’s career plan, providing clear developed process of salary and promotion. Meanwhile, the

firm also need to communicate with suppliers to guarantee the logistics by introducing the supplier evaluation and elimination system. Dormitory for single staff is also recommended. Thirdly, about 20% employees complain that the working environment needs to be improved. For instance, the working environment of the workshop is poor, the hardware facility is aging, the workshop is noisy and dusty, the locker room and parking lot are crowded. Consequently, SGMW needs to further improve the working and life environment in terms of hardware facilities and management, including upgrading the infrastructure, enhancing the management of public areas and order, as well as expanding the parking lot. In addition, there are 17.5% people are unsatisfied with the career development, 15% deem that the training needs to be perfect and 14.7% think that the management style is poor.

3.2.2. SGMW Employees Understanding of the Corporate Culture

Most agree that company's value is the soul, indicating that the present culture construction performs well and promoting enterprise development.

3.2.3. SGMW Employee Recognition and Evaluation of the Enterprise Culture

There are 60% staff deem that the mission, core value and strategic goal are consistent with the corporate development direction, as a result of which the firm needs to stick to these. While 58,5% managers have their own views on the culture construction, and they are willing to share with others. However, there are a number of employees consider the culture development has some space to enhance.

Overall, the corporate culture has affected employees' work and life greatly. Some employees think that the company culture is inconsistent with its development, meaning that company culture need to be renew.

3.2.4. Suggestions for SGMW Culture Construction

The company adopts various method to propagate culture, including internal training, enterprise journal, internal internet and meeting, speech competition, forum and enterprise story. Most people support that it is necessary to propagate culture, while about 50% employee deem that the performance is poor.

4. Problems in SGMW Culture Construction

4.1. Problem in Spirit Culture Construction

The average age of employees is 28 years old, showing a younger trend. Most young employees start work without training. There is no system, which tracks whether new employees are able to integrate into the team, and even a great number of new staff is unfamiliar with the culture. Many staff are unable to understand the corporate spirit of hardworking and unremittingly pursue self-renewal.

4.2. Problem of System Culture

Nowadays, the company's efforts in establishing the comprehensive communication system and improving employees' satisfaction are insufficient. This is particular the case for the old employees, who feel pressure because of loan, family and education of children and face the impact of the young employees, showing negative emotion. In addition, a large number of the front-line operators is confusing with the career development and lacks confidence and plan. Even some front-line managers also confuse with their future.

4.3. Problem in Behavior Culture

4.3.1. Quality Culture in SGMW

In 2007, The company has passed the quality management system certification. By quality control construction, the production consistency assessment and ISO/TS16949 multi-level quality system internal audit are conducted. Every

production process needs to go through the quality control and employees are supposed to be responsible for quality of their work. It is able to ensure that every customer could get an automobile with high quality by double checking during the production. However, there are still some quality problems and there are even some serious quality accidents, indicating that the quality culture construction needs to be perfect.

4.3.2. Innovation Culture in SGMW

For many years, the company always stick to the working atmosphere of new, change and breaking the limit. However, system related innovation culture needs to be enhanced to better implement these ideas. The direction is unclear and there are some gaps to be filled.

4.3.3. Teamwork Culture in SGMW

Even though the company has the largest dealer marketing network with the best stability and performance, there are problems in the culture construction. There is departmentalism in the process and cooperation between various business module needs to be improved.

5. Suggestions to SGMW Culture Construction

5.1. Suggestions to SGMW Spirit Culture Construction

5.1.1. Revision of Corporate Mission, Mission and Core Values

As SGMW is developing rapidly, it is supposed to stick to the old mission of hard working and unremitting self-improvement and lead employees to form a sense of self-improvement and hardship. It is recommended to stress staff value in the spirit culture to show company's recognition and care to employees. Meanwhile, SGMW could change one of the missions that fulfill the expectation of shareholders, customers and staffs, into that fulfill the expectation of customers, staffs and shareholders, focusing on the individual.

5.1.2. Implementation Exploration of the Enterprise Spirit and Core Values

The management layer plays a vital role in understanding, inheriting and demonstrating enterprise spirit culture. Whether managers are able to apply core values into their behaviors will influence the atmosphere and performance of the team they lead greatly. It is suggested to add core values into the basic quality of employees in the performance assessment with certain weight and also add the corresponding norms of team behavior into the performance assessment of managers, encouraging managers to regulate their own behaviors.

5.2. Suggestions for SGMW System Culture Construction

5.2.1. Establish a Comprehensive Communication System

An internal communication system of all levels should be established, promoting internal communication and proving a platform for communication. It is also useful to hold regular sharing meeting to listen to employees' feedbacks, including

the current system, process, performance and incentive. This gives employees chances to seek for help and get timely feedback.

Regular "chat sessions" are held to listen to employees' feedbacks on the current system, process, performance and incentive arrangement of the enterprise through multiple channels, so that employees have the opportunity to give feedback and timely reply to their difficulties and requests for help in their work and life. It is suggested to encourage the employees to seek for professional guidance and help. It will be helpful to organize regular some specialized activities for the young staffs, like youth home and youth forum to carry out targeted communication and guidance. Enterprise needs to pay attention to effective and constructive suggestions from employees humbly.

5.2.2. Improve Employee Incentive System

It is suggested to encourage the front-line operators to demonstrate their strength and cultivate experience through skill competitions. What is more, the result of the competitions can be linked with their income, training and education. For the front-line management position, the internal competition recruitment can be adopted and the apply the grading recruitment system, which could link with their working experience and performance. For employees who work in the company for a long time, we need to take their contribution to the company into consideration when setting their salary. Reasonable suggestions from employees should be emphasized. The evaluation process and time should be shortened, while stress on the awarding to inspire employees.

Culture construction could be included into the corporate performance evaluation, which will be linked to the performance of various systems and departments.

5.3. Suggestions to SGMW Behavior Culture Construction

5.3.1. Implementation of Safety Culture

Firstly, it needs to access that whether the safety work has covered the whole risky process in production management and to perfect the omission. The safety training materials should be updated in time, which should be stated in terms of points that employees care about. Through forms that employees are interested in, such as holding safety knowledge competition, safety hidden trouble hunt in workshop and canteen, the boring work is able to be change into fun. It is supposed to adhere to one vote against meaning veto for safety issues and simulate the process of accidents, encouraging employees to emphasis on safety and stick operation rules.

5.3.2. Quality Culture Promotion

The one vote against meaning veto and accountability system should be established. It is useful to conduct analysis to the quality of whole process. For suppliers, it is recommended to conduct standardized, visible, measurable, customer-oriented and brand loyalty improvement system, optimizing the micro car service system. By giving incentives to employees with good performance, employees' sense of responsibility could be enhanced. Employees are able to be

encouraged and guided by setting example and propagandizing success and failure cases of quality work.

5.3.3. Teamwork Culture Construction Promotion

Managers at different levels should carry out role transformation to provide new vision and vitality for the organization. Some educational team activity can be developed actively to foster conduct code. Teamwork is recommended to be enhanced to tackle contradictions and problems, increasing the competitive advantage of the overall value chain.

6. Conclusions

According to the present situation of SGMW corporate culture construction, this paper puts forward the following suggestions:

6.1. SGMW Should Establish a New Corporate Culture Construction Mechanism as Soon as Possible

It is necessary to establish and perfect some corporate culture construction mechanisms that can adapt to the development of enterprises in order to meet the needs of the deep and persistent construction of corporate culture, to Guide, coordinate and promote the balanced development of enterprise culture construction among the management, grass-roots level and business departments, so as to promote the implementation of the core values of enterprises.

6.2. The Construction of SGMW Enterprise Culture Should Aim at Promoting the Construction of Enterprise Core Competitive Ability

As a powerful weapon and platform to unite the masses of employees, the construction of enterprise culture, if it is to play its role of promoting the development of enterprises, must be reflected in its role of promoting the construction of the core competitive ability of enterprises, to promote the production and operation of enterprises and provide services and products, personnel, information, cost and other competitive advantages.

6.3. It Is Necessary for SGMW to Enrich the Corporate Culture and Strengthen the Corresponding Construction for All Levels of Personnel

The construction of enterprise culture should keep pace with the times, adapt to the needs of future development, and enrich the concept of innovative enterprises in time. All the staff should strengthen the concept of learning and innovation; the managers should strengthen the concept of innovation, teamwork, execution and efficiency, grass-roots staff to strengthen the dedication, service, quality, the concept of the first sense of initiative and hard-working attitude.

6.4. SGMW Must Be Closely Combined with Brand Building to Develop Corporate Culture

While providing high-quality products and distinctive

services and enhancing the influence of brands, enterprises should also formulate and implement brand strategic plans, and intensify the internal and external publicity of corporate culture, enhance the authority of core values and codes of conduct, enhance staff confidence, and increase the influence on stakeholders.

6.5. SGMW Should Insist on People-oriented Enterprise Culture Construction

The essence of cultural management is the management method embodying human nature concern, embodying in all aspects of enterprise management, human resource management is the most important. The construction of corporate culture must care for employees and enhance their sense of belonging to the enterprise. The countermeasures of corporate culture construction put forward in this paper are focused on the direction, and the concrete implementation plan and process control need to be further studied.

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Biography

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