

Research on Strategies for Transformation and Upgrading of Private Enterprises

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Abstract: This paper concludes the problems existing in the development of private enterprises in China. Based on the relevant statistical data of private enterprises in China and the development status of private enterprises in China, collects data through questionnaire survey, uses SPSS22.0 software to process the data, and conducts an empirical analysis on the development of some tourism private enterprises. Based on these, this paper designs the path for the transformation and upgrading of private enterprises, analyzes the advantages and disadvantages of the path selected by enterprises, and gives some reference suggestions for different paths applicable to private enterprises under various influencing factors.

1. There are Several Outstanding Problems in the Transformation and Upgrading of Private Enterprises

Since entering the "new normal" development period, facing the complex and severe economic situation at home and abroad, China's private economy has maintained the upward development vitality, and private enterprises seize the opportunities to achieve high-quality development. Judging from the general trend, the number and scale of private enterprises continue to expand. Private investment remains strong. The proportion of private fixed investment in national fixed asset investment continued increase. The industrial structure and regional structure of private economy are becoming more and more reasonable. But we still have some problems to be solved.

(1) Property rights ambiguity and clarity coexist. The private enterprises is generally private investment (except for a few state-owned private enterprises), investors get profits and are protected by law. Therefore, from this perspective, the property right of private enterprises is relatively clear. However, according to the standard of modern enterprise property rights system, private enterprises still have a certain gap. On one hand, the relationship between private enterprises and outside property rights is chaotic. On the other hand, the internal property right relationship of private enterprises is chaotic, that is, the relationship between the initial investors in business development is not clear. Businesses funded by family members or a few like-minded friends do not clearly define property rights.

(2) Technological innovation. Technological innovation is the key factor for enterprises to improve their competitiveness. Private enterprises are faced with many problems in the process of technological innovation, and have inherent and acquired defects in management, capital, talents and other aspects. Product research and industrialization of technological achievements are the two most important links of technological innovation which need a lot of financial support. When an enterprise's R&D capacity is less than 3%, the enterprise will lose its competitive advantage. Due to their own reasons, private enterprises chase short-term profits, but the effect of technological innovation cannot be achieved immediately, so they despise the investment in technological innovation. In the same time, many enterprises have limited capacity, low financing capacity in the process of development, and the government also lacks financial support for the innovation of private enterprises, so the technological innovation of private enterprises is difficult.

(3) Financing problems. High financing costs are reflected in the hidden rules of "two more and one slower". First, unconventional cost is much. In the process of auditing private enterprises with

financing needs, banks generate a comprehensive financing cost which often includes many charging projects. Second, there are many tie-in financial products. In the process of financing, although banks do not charge high intermediate fees, they sell all kinds of businesses which increases hidden costs for enterprises. Third, funds are slow to arrive. Among these hidden rules, the most harmful is the delay in payment, or early recovery of loans after signing the contract with the bank. The biggest impact of these harms is break the capital chain of enterprises. And when the enterprise thinks to be able to get loan as one wishes when going through numerous barrier. Often wait until the temporary cancellation of loans or advance loans and other difficulties.

2. Empirical Analysis based on the Investigation of the Development of Some Private Tourism Enterprises

(1) Samples and data

In the questionnaire design, in order to facilitate data collection, this paper looks for those private tourism enterprises which active in the transformation and upgrading of private economy. The questionnaire collection relies on the online questionnaire survey platform, and the respondents are all anonymous to ensure the objectivity and authenticity of the filling results.

In this study, a total of 386 questionnaires were received, among which 66 invalid questionnaires were excluded. Finally, 320 valid questionnaires were formed, effective recovery rate is 82.8%. In terms of education level, 170 students received a junior college degree or below (53.1%), 96 students received a bachelor's degree (30%), and 54 students received a master's degree or above (16.8%). In terms of age distribution, there are 165 persons under the age of 20 (51.5%), 100 persons aged 21-30 (31.2%), 40 persons aged 31-40 (12.5%) and 15 persons aged 40 or above (4.6%).

(2) Reliability and validity test

In order to ensure the accuracy of collected data, according to purification methods (Parasuraman, 2005), this study based on the overall correlation coefficient (CITC) and Cronbach's Alpha value for reliability test, from table 1 shows, each item of CITC coefficient were greater than 0.5 standard, and item deleted Cronbach's Alpha coefficient contrast value decreased, that has been reserved item all through the inspection don't need to delete. Cronbach's Alpha coefficient values of all sample variables ranged from 0.816 to 0.923, which were greater than the acceptable standard of 0.7, indicating that all dimensions and variables of the sample are good internal consistency. The validity is mainly tested by confirmatory factor analysis. The results of confirmatory factor analysis in table 1 show that the factor load of each item ranges from 0.678 to 0.912, all of which are larger than the minimum standard of 0.5. Thus, it can be seen that all variables have good convergence validity.

In order to verify the theoretical model, this study uses SPSS 22.0 statistical software to conduct descriptive statistics and correlation analysis of all dimensions and variables. As can be seen from table 2, there is a significant positive correlation among the operating state of private tourism enterprises, the competitiveness of private tourism enterprises and the transformation and upgrading path of private tourism enterprises, which preliminarily verifies the hypothesis of this study and provides support for further verification.

(3) Empirical results

The regression coefficient between the operating state of private tourism enterprises and their willingness to transform and upgrade is 0.342 ($P < 0.01$), this result indicate that the operating state of private tourism enterprises will affect whether they are willing to transform and upgrade; the regression coefficient of the private tourism enterprises fund situation and their willingness to transform and upgrade is 0.205 ($P < 0.01$), which indicates that the fund surplus of private tourism enterprises significantly promotes the transformation and upgrade of private tourism enterprises; the regression coefficient between the level of private tourism enterprises competitiveness and their willingness to transform and upgrade is 0.335 ($P < 0.01$), indicating that whether private tourism enterprises have competitiveness can significantly promote the willingness of private tourism enterprises to transform.

Regression coefficient of tourism private operating conditions and the private enterprises' transformation and upgrading ability was 0.406(P<0.01), it indicates that the status of private tourism enterprises is positively affecting their ability to transform and upgrade. The regression coefficient between the fund situation of private tourism enterprises and their transformation and upgrading ability is 0.231(P<0.01), it indicates that the fund situation of private tourism enterprises is positively affecting the transformation and upgrading ability of private tourism enterprises. Regression coefficient of tourism private enterprises competitiveness was 0.353(P<0.01), it indicates that the competitiveness level of private tourism enterprises has a significant positive impact on the transformation and upgrading ability of private tourism enterprises.

Table 1 reliability and validity test results of variables scale

| Variable | Item | Cronbach's a | CITC | Cronbach's a has been deleted | Load factor |
|--|---|--------------|-------|-------------------------------|-------------|
| Current status of tourism private enterprises | The operating status of your company in the past five years | 0.816 | 0.533 | 0.804 | 0.712 |
| | Your company expects full-year operating income this year compared with last year. | | 0.709 | 0.737 | 0.834 |
| | The main source of funds for your company | | 0.693 | 0.775 | 0.824 |
| Competitiveness of private tourism enterprises | Your company's difficulties in financing | 0.848 | 0.682 | 0.777 | 0.821 |
| | Does your company feel that the current competitiveness needs to be improved? | | 0.623 | 0.828 | 0.731 |
| | Do you think there is a problem with the current private enterprises in terms of market access? | | 0.639 | 0.811 | 0.813 |
| Transformation and upgrading path of tourism private enterprises | Your company active transformation or passive in transformation and upgrading? | 0.923 | 0.774 | 0.951 | 0.825 |
| | Your company's current transformation and upgrading progress | | 0.728 | 0.947 | 0.818 |
| | Do you understand the current transformation and upgrading policies? | | 0.736 | 0.935 | 0.847 |
| | Do you think the current transformation and upgrading policies need to be improved? | | 0.765 | 0.947 | 0.851 |
| | Do you want to accept the transformation, upgrading and reform of the enterprise? | | 0.838 | 0.966 | 0.835 |
| | Do you know how to upgrade your products? | | 0.846 | 0.943 | 0.857 |
| | Do you have a clear goal for the transition? | | 0.778 | 0.949 | 0.786 |

Table 2 variables describe statistical and correlation analysis results

| Variable | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|-------|-------|-------|
| Current status of tourism private enterprises | 1 | — | — | — | — |
| Competitiveness of private tourism enterprises | 0.151*** | 1 | — | — | — |
| Transformation and upgrading path of tourism private enterprises | 0.640*** | 0.328*** | 1 | — | — |
| Mean | 4.011 | 4.001 | 4.233 | 3.537 | 3.326 |
| Standard deviation | 0.821 | 0.781 | 0.842 | 0.932 | 1.036 |

Note: ***, ** and * respectively indicate that the significance levels of 1%, 5% and 10% pass the double-tail test.

Table 3 regress results of the private tourism enterprises status and transformation and upgrading path of private tourism enterprises

| Variable | Willing of transform and upgrade tourism private enterprises | | | Capacity of transformation and upgrading of private tourism enterprises | | |
|--|--|-----------|-----------|---|-----------|-----------|
| The private operation of tourism | 0.342*** (6.622) | | | 0.406*** (9.156) | | |
| Funds of private tourism enterprises | 0.205*** (3.627) | | | 0.231*** (4.268) | | |
| Competitiveness of private tourism enterprises | 0.335*** (7.113) | | | 0.353*** (8.911) | | |
| R2 | 0.081 | 0.026 | 0.100 | 0.154 | 0.035 | 0.136 |
| Adjusted R2 | 0.079 | 0.024 | 0.099 | 0.152 | 0.034 | 0.135 |
| F value | 44.857*** | 13.376*** | 56.890*** | 92.660*** | 18.715*** | 80.551*** |

Note: values in brackets are t statistics after heteroscedasticity correction. ***, **, * represent significant levels of 1%, 5% and 10% respectively.

3. Path design and selection for transformation and upgrading of private enterprises

(1) Nurture entrepreneurship. The development of an enterprise cannot leave the wise leadership of the leader, the entrepreneur's decisions directly determines the operation of the business. Entrepreneur was the founder of the enterprise. His way of thinking often determines the direction of business development. Entrepreneurship is one of the important factors that determine the development of enterprises, especially in the period of enterprise transformation and upgrading.

(2) Strategic management of technological innovation. Since most of China's private enterprises adopt family-style and workshop-style management methods, coupled with the influence of the business operators' own cultural history and entrepreneurial background, they often form a "one-word hall" when considering the development of enterprises. Enterprises should reasonably allocate resources, talent selection, financial management and other aspects to avoid the low efficiency of technological innovation and low level of technological innovation management.

(3) Further emancipate the mind and optimize the development environment. We will eliminate the ideology of valuing the state and ignoring the private sector, create fair market access conditions. Establish a new type of "pro-" and "clear" political-business relationship. Officials at all levels take the lead in helping the development of private enterprises. In particular, we should overcome the thought and behavior of being afraid of getting things wrong and doing nothing to fulfill our responsibilities. We should promote all areas to open to private capital as soon as possible, completely break the obstacles such as "glass door" and "spring door", clean up all unreasonable regulations that hinder the development of the private economy, and introduce measures that are highly operational and transparent.

(4) Expand financing channels and expand industrial capital. It is suggested that the state set up industrial revitalization fund, guide all kinds of equity, small and medium-sized angel funds, help private enterprises to solve the lack of funds in the process of project investment and construction, stimulate private investment, enhance the sustainable development of private economy, and realize the government's intention of industrial transformation and upgrading. When arranging fund projects through the bank. We will encourage set up private Banks, expand financial resources and form healthy competition in the financial market. Improve the construction of the guarantee system, implement various support policies and expand the scale of capital. We will support private enterprises in their transformation and upgrading, technological transformation, scientific and

technological innovation, mergers and acquisitions and listing.

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