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Making Sense of Chinese State-owned Enterprise
Reform: An Employees' Perspective

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THESIS DECLARATION

Thesis title:

Making Sense of Chinese State-owned Enterprise Reform: An Employees'
Perspective

This thesis is submitted in partial fulfillment of the requirements of the _____

Master of Business Administration, University of Macau.

(Name of the Program)

I confirm that:

- this thesis represents my own work
- the contribution of any supervisors and others to the research and to the thesis was consistent with normal supervisory practices

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EXECUTIVE SUMMARY

Since China adopted the economic reform in late 1970s, Chinese state-owned enterprises (SOEs) that used to be the backbone of China's economy have undergone a major transformation. The reform has created many unprecedented changes and brought new opportunities to all Chinese SOEs. On the other hand, they are also facing increasing challenges because of the changes of institutional environment in China. Revitalizing the Chinese SOEs is still a great task for the whole country.

However, the reform was not smooth all the time. While the government released its control on the Chinese SOEs, the protection was also lessened. In order to increase the competitiveness of the Chinese SOEs and help them become more market-oriented, they need to ensure the employees' participation and co-operation. The employees, being an indispensable element in the development of the Chinese SOEs, have played a significant role in the success of the implementation of the SOE reform. During the reform process, their involvement and participation were directly linked to the successful implementation of the reform. Therefore, it is important to know how the employees perceived the reform and adapted to those changes brought by the reform, which is the main research objective for this study.

This study is intended to find out the impact of Chinese SOE reform from the employees' viewpoints by making in-depth interviews with the employees in a

subsidiary of Chinese SOE, Zhu Zhou branch of Yangtze Company Ltd., whose parent company is China South Locomotive & Rolling Stock Corporation Limited (CSR). By adopting a sense-making approach, I explored the overall learning processes of the SOEs from an employee's perspective.

The findings indicated that the employees began to develop a competitive attitude while trying to survive the SOE reform, which gave them a market-oriented concept and a sense of crisis. When facing the new changes brought out by the reform, the employees first enacted and interacted with the surroundings to extract cues from the past experiences in order to deal with the uncertainties and ambiguities. They began to form some cognitive schemes in their mind and classify them into different categories. These guidelines formed their own sense-making and sense-giving mechanisms for storing past knowledge and enabling them to cope with future changes.

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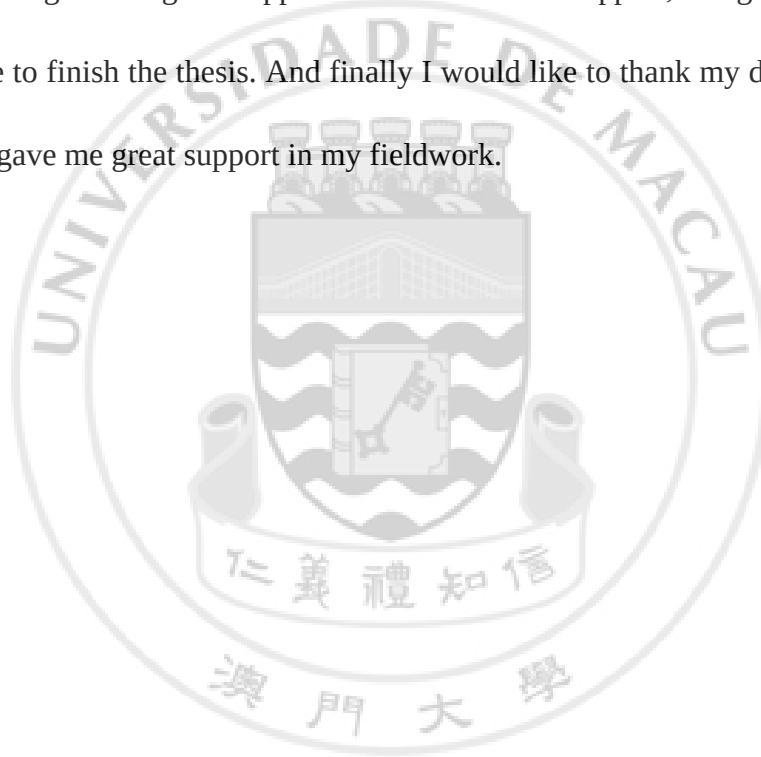


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