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A Survey of Study on the Competitiveness of China Ship Enterprise

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Abstract

The ship industry occupies an important place in China national economy, so the study on the competiveness of ship enterprises is an important object in the study of enterprises competitiveness. This paper systematically describes the achievements in the study of competitiveness of China enterprises and ship enterprises, presents the imperfectness on the theory study of China ship enterprises competitiveness and points out the direction for further study.

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Keyword: China, ship, enterprises competitiveness, study

1. Introduction

The ship industry is correlative with more industries. It has big production scale with labor, fund and technology intensive. For a big maritime country, the ship industry can reflect its development of manufacturing in certain degree and promote its industrialization and modernization process.[1] Currently in China, the study on the competitiveness of ship enterprises is still in primary stage. The study of core competitiveness of China ship enterprises makes a very important sense for the increasing of China ship enterprises place and development and promotion of the progress of the entire ship industry.

2. China Enterprises Competitiveness Study

Enterprise competitiveness is a definition which has clear literal meaning but is difficult to be defined correctly. Different study views result in different definitions. Some definitions are understood and classified based on the market performance of enterprises, some are defined based on the end vehicle

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of enterprise competitiveness, some are defined based on the affecting factors of enterprise competitiveness, some are obtained from the enterprise competition process and some are viewed from complex considerations.

The study of enterprises competitiveness in the world started in 1920s and produced several different schools:

(I) Market structure school represented by Porter [2], focusing on the analysis of competition structure of market outside enterprises, holding that an enterprise with a competition advantageous place inside a selected industry structure would have advantage in competition.

(II) Resource school represented by Wernelfelt[3] and Penrose [4], in an assumption that difference in resources would result in difference in profits, holding that the tangible and intangible resources inside enterprises are key elements for their continuous advantage in competition and success and the enterprises competitiveness is just from those special resources.

(III) Ability school represented by Rosby and Christison, holding that resource and ability are correlative but two concepts with different roles and difference in ability is the source of continuous advantage of enterprises in competition.

(IV) International comparison school represented by World Economic Forum (WEF) and International Institute for Management Development (IMD) in Switzerland, being considered as a complex school in certain degree, holding that the competitiveness means the capability of a country or a company which can evenly produce more wealth than other competitors in world market.

(V) Professor FUJIMOTO[5] from Tokyo University in Japan holds that the enterprises competitiveness can be investigated from static ability, improved ability and evolved ability based on how the competitiveness comes into being and points out the competitiveness is a historic concept and should be improved and increased continuously.

The study on the enterprises competitiveness from China academic circle began from the end of 1980s and early period of 1990s. The study of enterprises competitiveness by Chinese scholars can be known as described as follows:

(I) Definition of enterprises competitiveness and international competitiveness of enterprises

(II) International competitiveness and industry competitiveness of China

(III) Regional competitiveness

(IV) Source of industry competitiveness and enterprises competitiveness

(V) Evaluation on enterprises competitiveness

(VI) Strategy for increasing enterprises competitiveness

The study of enterprises competitiveness is developing and some representative organizations appear with their achievements.

The joint research group of China’s International Competitiveness Development Report(1996) thinks the enterprises competitiveness is the ability for enterprises and enterprisers to successfully operate business in diversified environments. This definition obviously shows the roles of enterprisers in developing enterprises competition capability.

Luo Guoxu(1999)[6] defines enterprises competitiveness as the capability of enterprises and enterprisers making successful business operation in the process of adapting, coordinating and controlling outside environments. He thinks the enterprises competitiveness depends on the inner factors (resource and layout capability) of enterprises and at same time is affected by outside environment factors, it is the coordinative and interactive result of inner and outside factors of enterprises.

Zhang Zhiqiang, Wu Jianzhong (1999)[7] think that the enterprises competitiveness is the combination of survivability and continuous development capacity of independently operating enterprises.
with respect to their competitors in market economy environment. The core is the ability of enterprises utilizing production factors rationally.

Liu Shijin (1999) [8] thinks that, the competition is the confrontation between competitors, the nature of competitiveness is the ability of enterprises effectively using production factors.

Han Zhonghe (2000) [9] gives the definition of enterprises competitiveness based on how enterprises create market and meet customers demands as follows: the ability for the enterprises to establish competition advantage in the contest with competitors by facing toward market and customers, rationally using the operation resources inside and outside enterprises, providing the products and service required by market and customers. The ups and downs of enterprises in market are the reflection of the enterprises competitiveness.

Cao Jianhai (2000) [10] thinks that, the enterprises competitiveness is the ability of enterprises occupying market and winning long term profits by using special resources of the enterprises. These special resources include human resource, core technology, enterprise fame, marketing skills, marketing network, management capability, research and development capability and enterprise culture.

Hu Dali (2001) [11] presents that, the enterprises competitiveness is the continuous development capability of enterprises as independent economic entities which occupy advantageous position by the optimization of resources and interaction with outside environment.

Jiang Qingfang (2001) [12] thinks that in narrow sense, the enterprises competitiveness shall be explained as: the ability of enterprises using effective means to produce at low cost and sell well the products which can meet consumers demands, thus the market share of the enterprises enlarged continuously and greatest profits won. The definition emphasizes the market behavior or market result of enterprises competitiveness, that is, the enterprises provide products or service superior than competitors to meet market or consumers demands, thus the market share and profits are enlarged and increased.

Fu Xianzhi (2001) [13] understands the value of enterprises competitiveness based on the value judged by consumers, thinks that the enterprises competitiveness is the reflection of enterprise ability by consumers value. For the subjectivity of consumers effectiveness and value judging, the competitiveness factors are reflected by specific data through comparisons made by consumers.

Fan Xiaoping (2002) [14] thinks that, the enterprises competitiveness is the inner supporting force which makes an enterprises have business achievements in market based on its advantages and resources.

Li Xianjun (2002) [15] thinks that, the enterprises competitiveness is the comparison capability of an enterprise with other enterprises in same industry in competitive market with respect to occupying market, creating value, sustaining and development.

Wang Zhongming, Bai Jinfu (2002) [16] points out, the enterprises competitiveness is general function to make enterprises survive and develop in market competition. It is the relative advantage of enterprises, for the advantages in resources, knowledge and technology can become the competitiveness.

Bao Changhuo, Xie Xinzhou (2002) [17] thinks that, the enterprises competitiveness is complex ability formed by management and decision ability of leader group, economic strength, science research capability and inside and outside cohesiveness of enterprises.

Huang Qunhui (2002) [18] thinks that, the competitiveness is different from common capability, it is confrontation force between enterprises and competitors.

Nie Chenxi (2003) [19] points out, the enterprises competitiveness is the capability to support the continuous existence and development of enterprises in certain circumstance by special resources, assets, products and service advantages of the enterprises.

Jin Bei (2003) [20] thinks the enterprises competitiveness is the complex quality of an enterprise which can continuously and effectively provide products and service to market (consumers, including productive consumers) better than other enterprises and thus getting profits and development.
Peng Lihong (2000) [21] points out, the enterprises competitiveness is the force supporting enterprises surviving and developing in certain circumstance, the force is from the products or service advantage [22] based on the valuable, superior and individual assets of the enterprises.

Shi Yonggang (2006) [23] points out, the enterprises competitiveness shall be reflected as the learning and creativeness capability which can combine all key factors such as resources, abilities, knowledge, management and strategy perfectly.

The study from different schools has riches the definition of competitiveness, supplements the enterprises competitiveness producing reasons and process in different conditions. Different definitions give different understanding of competitiveness from different angles of view.

3. China Ship Enterprises Competitiveness Study

From the aspect of the study theory of enterprise competitiveness, the study is currently penetrating into the enterprise competitiveness of specific areas and industries from the study of general enterprises competitiveness. The comparative study on enterprise competitiveness of specific industries can clearly help us find clearly the root factors affecting enterprise competitiveness and decide the development tendency of each industry. The ship industry occupies an important place in national economy in our country, thus the study on the competitiveness of ship enterprises is becoming an important object of enterprise competitiveness study.

Jiang Tao, Yu Binghua and Cheng Mengwei (2001) [24] analyzes the competition structure of the ship industry at home and abroad, presents an overall development strategy of JiangSu ship industry, that is, based on big group companies, repairing and building in large-scale and by specialization, modifying the organizational structure inside and exploiting outward, quickly forming a ship industry system with strong competitiveness.

Cui Liyao (2001) [25] redefined the market range which is the dependence of measuring China ship industry intensity, suggested on making the world market as the basis to study the ship market structure. He measured and calculated the industry intensity of the world ship market, pointed out the industry intensity not completely conforming with market performance and discussed the reasons, finally concluded that the cooperation between ship building enterprises can only be carried out within short period and small scope.

Wang Jici (2002) [26] pointed out that the bottleneck of China ship industry is lacking the support from local related industries, his paper based on the theory of “Diamond” of national competition advantage, took Shanghai Hudong Zhonghua Shipbuilding Corporation as an example, investigated the weakness of the related industries. He thought the weakness is just the main bottleneck of China shipbuilding industry, suggested on using cluster industry strategy and pointed out the development of related supporting industries was critical.

Chen Zhiyuan (2003) [27] prospected the development of international ship market, compared the ship industry in China with big shipbuilding countries in the world, presented the future development situation of China ship industry and main problems in international competition such as small scale of enterprises, inadequacy of creativeness, low localization of assembly products and dispersion of production capability.

Li Yanqing, Han Guang, Zhang Yingxiang (2003) [28] described the factors affecting the competitiveness of China ship industry, analyzed its current situation from aspects of competition capacity, competition potentials and competition environment, and proposed some plans to improve the competitiveness of China ship industry.

Zhu Rujing, Cao Yousheng, Zhang Yonghui (2003) [29] analyzed the international environment and domestic environment for the development of China ship industry since China entered into WTO from
aspects of international competition situation, main competitors, world shipbuilding demands, domestic competition situation, domestic policy and domestic market tendency, described the current conditions which facilitate the development of China ship industry, predicted the long term goals and presented the measures for fast and steady development.

Chen Qiang(2004)[30] analyzed the advantages and disadvantages of China ship enterprises in competition and presented basic strategy for the development of their core competitiveness.

Zhang Tong, Zhou Ning, Li Xianfeng(2005)[31] made strategic thoughts on how China ship industry would hold the chance and meet the challenge to make rapid development.

Wang Xuming (2005)[32] analyzed the current situation of China ship industry and the construction patterns of ship building enterprises, presented strategic plans for the development of ship building industry in middle region.

Tao Yonghong and Feng Junwen (2005)[33] analyzed the transition to China of international ship building industry and its features, presented the plans for China ship industry to deal with the transition.

Ke Wangjun(2006)[34] studied the international competitiveness and competition risk of China ship industry, analyzed the relation between them and affecting factors, established evaluation data index system of international competitiveness and evaluation models, made measurements and comments on the international competitiveness of the ship industry of China, Japan and Korea and found the difference, finally proposed some methods to improve international competitiveness of China ship industry.

Qiu Erni (2007)[35] analyzed the meaning of market competitiveness of ship industry and defined the constitutive elements, described the advantages and disadvantages of China ship industry in international competition, made some suggestions on the improvement of its market competitiveness.

Zhao Jinlou, Deng Yirui(2007)[36] discussed the evaluation models for core competitiveness of China ship building enterprises utilizing basic principles of imaging radar diagrams.

4. Key Problems And Study Direction

From the literatures about enterprises competitiveness and ship enterprises competitiveness of China, we can see that the researchers have explained the definitions, constitutive elements, producing reasons of enterprises competitiveness, evaluation index system and evaluation methods from different views and obtained great achievements in the study. But some problems are existed. How to solve the problems is the focus of further study. The problems are as follows:

（ I ） Looking upon analyzing the current situation of enterprises competitiveness, looking down analyzing its development, valuable suggestions on the increasing competitiveness incapable of being made on theory;

（ II ） More qualitative analysis and less practical analysis based on quantity, the theory achievement not practical;

（ III ） Focusing on the study of single problem of enterprises, lacking complex and systematic study and failure to provide new point of penetration for further study on enterprises competitiveness;

（ IV ） Focusing on strategy study, lacking deep-rooted theory and effective analyzing tools and methods;

（ V ） More study on competitiveness of common enterprises, less study for specific enterprises based on different industries, regions and scales, especially less for ship industry.

References