

# Competence of Middle Managers in a State-Owned Enterprises in China: Basis for Training & Development

Zhang Yi and Dr. Ma. Rosario B. Tamayo

Lyceum of the Philippines University – Batangas  
mbtamayo@lpubatangas.edu.ph

Asia Pacific Journal of  
Management and  
Sustainable Development  
Vol. 12 No. 1, pp. 88-94  
March 2024 Part 2  
ISSN: 2782-9332 (Print)

**Abstract** – This study evaluates the core competencies and challenges encountered by middle managers within State-Owned Enterprises in China, presenting a comprehensive assessment to serve as a foundation for targeted training and development. The research identifies discrimination, harassment, and the management of a diverse workforce as significant obstacles impacting morale and productivity. It underscores the importance of anti-discrimination policies, diversity training, and inclusive leadership practices. Moreover, the study explores the competencies across indicators including technical expertise, leadership, communication, problem-solving, and adaptability—with technical expertise ranked highest. Gender disparities in communications and adaptability are highlighted, revealing male managers as more competent in these areas, potentially influenced by societal and cultural factors. The effectiveness of middle managers is fundamentally linked to organizational performance, necessitating the enhancement of their skill sets, particularly in the realms of motivation, employee development, and organizational support. The findings suggest a need for SOEs to invest in comprehensive development programs that address these competencies to bolster overall organizational efficiency and success.

**Keywords** – Middle Manager, State-Owned Enterprises, Managerial Competence, Workplace Discrimination, Workforce Diversity,

Cite this article as: Yi, Z. & Tamayo, M. R. B. (2024). Competence of Middle Managers in a State Owned Enterprises in China: Basis for Training & Development. *Asia Pacific Journal of Management and Sustainable Development*, 12(1), 88-94.

## INTRODUCTION

In the global economic landscape, State-Owned Enterprises (SOEs) stand as formidable pillars, driving growth and embodying governmental policies across diverse sectors. Middle managers within these entities serve as linchpins, playing a critical role in translating organizational strategies into tangible actions and ensuring seamless coordination between top-tier management and frontline staff. Their competence is

paramount, serving as the bedrock for achieving operational excellence and navigating the complex dynamics inherent in SOEs [1].

This assertion is further elucidated by the recent study conducted by Zhang et al. [2], through an in-depth examination of middle management practices within SOEs, it provide valuable insights into the indispensable role played by middle managers in driving organizational performance. The study elucidates how middle managers act as pivotal connectors, facilitating effective communication and collaboration across different hierarchical levels within SOEs. Moreover, it underscores the multifaceted competencies required of middle managers, including adept leadership, strategic decision-making, and effective communication skills, which are essential for navigating the unique challenges and opportunities present in SOEs. By shedding light on the nuanced dynamics of middle management within SOEs, this study not only reaffirms the significance of middle managers in organizational success but also offers practical implications for enhancing their role and performance in the context of SOEs.

Operating within the dynamic socio-political and economic milieu of China, middle managers in Chinese SOEs face a unique set of challenges and opportunities. They are tasked not only with translating top-level mandates into actionable strategies but also with balancing the divergent objectives of public welfare and commercial interests. The landscape they navigate is characterized by a confluence of governmental directives, market forces, and organizational imperatives, adding layers of complexity to their roles. Despite encountering obstacles such as bureaucratic hurdles, political entanglements, and market pressures, middle managers in Chinese SOEs find avenues for innovation, collaboration, and organizational rejuvenation. Their pivotal position as conduits between upper management and frontline teams enables them to drive transformative change, foster continuous improvement, and fortify organizational resilience in the face of adversity.

Recent scholarly inquiries have shed light on the intricate tapestry of middle management within Chinese SOEs, revealing insights into their roles, challenges, and

competencies. For instance, Zhang and Wang (2022) conducted a qualitative exploration into the nuanced challenges and opportunities encountered by middle managers amidst China's economic metamorphosis. Their findings underscore the necessity for tailored interventions and support mechanisms to bolster the competence of middle managers and fortify organizational resilience. Similarly, Li and Xu [3] conducted a comparative analysis of leadership competencies among middle managers in Chinese SOEs and private enterprises. Their research elucidates the distinct leadership challenges inherent in the state-owned sector, advocating for context-specific leadership development initiatives tailored to the unique demands of Chinese SOEs.

Additionally, studies such as the one by Chen and Wei [4] emphasize how the competence of middle managers directly impacts the performance and effectiveness of the organization as a whole. The study highlights the correlation between the competencies exhibited by middle managers and key organizational outcomes, such as financial performance, employee satisfaction, and innovation capabilities.

This study seeks to address the critical issues and challenges faced by middle managers in Chinese SOEs, particularly regarding their competence and its impact on organizational performance. Grounded in the theoretical framework of organizational competence, which posits that the collective capabilities and competencies of individuals within an organization drive its overall effectiveness and success, this research aims to deepen understanding of the specific competencies required for effective middle management within the context of Chinese SOEs.

Furthermore, the inclusion of demographic profiles of respondents, including age, sex, educational level, work experience, and category within the organization, is essential for contextualizing the findings of this study. Understanding how these demographic factors intersect with competence levels can provide valuable insights into the unique challenges faced by different segments of middle managers within Chinese SOEs. By incorporating this nuanced perspective, the study aims to tailor its recommendations and interventions to address the specific needs and circumstances of diverse middle management cohorts, ultimately enhancing organizational effectiveness and driving sustainable growth.

## **OBJECTIVES OF THE STUDY**

The study generally aimed to assess the competence of middle managers in state owned enterprises in the Chongqing City, Peoples Republic of China.

Specifically, it sought to: describe the profile of the respondents in terms of age, sex, education level, work experience and category; assess the competence of middle managers with regard to technical expertise, leadership, communication, problem-solving, and adaptability; identify the challenges encountered by middle managers in state owned enterprises, test the significant difference in the competence and challenges encountered when respondents were grouped according to profile; test the significant relationship between the competence and the challenges encountered by middle managers; finally, propose an action plan to enhance the competence of middle managers in state owned enterprises in Chongqing City.

## **MATERIALS AND METHODS**

### **Research Design**

This study utilized the descriptive quantitative approach. Descriptive quantitative research was employed, which aimed to accurately reflect its participants. This approach is a technique for researching a question or topic (Polit & Hungler, 2014). The intent of this approach was to develop better measurements with specific samples of populations and to see if the data from a few individuals in the quantitative phase could be generalized to a large sample of a population [6].

### **Participants of the Study**

The participants of the study consisted of managers and middle managers working in state-owned enterprises (SOEs) within the province of Chongqing City, People's Republic of China. They were selected as the key respondents for the research.

### **Instrument**

The study utilized a self-made questionnaire adapted from previous studies and journals with some modifications to suit the present study. Part 1 of the Questionnaire was about the profile of the respondents. Part 2 focused on the competencies of Middle Managers, while Part 3 addressed the factors affecting the competencies of middle managers. The questionnaire was submitted to the research adviser/professor for approval. After approval, the researcher conducted an initial survey involving 30 individuals concerned with tourism for the reliability testing of the questionnaire content.

### Data Gathering Procedure

The items in the questionnaire were subjected to reliability testing. After passing the test, the researcher wrote a letter to the authorities in China, seeking permission to conduct the survey. While waiting for the response from the authorities, the researcher identified the potential respondents of the study. Subsequently, the researcher wrote a letter to the selected respondents, explaining the nature and purpose of the research, and requesting their participation in the study. After the completion of the survey, the data were tabulated and submitted to the statistician.

### Data Analysis

To perform data analysis, the following statistical tools were used. Frequency and percentage distribution were used to describe the profile of the respondents in terms of age, sex, education level, work experience and category. Weighted means and ranking were used to assess the competence of middle managers with regard to Technical expertise, Leadership, Communication, Problem-solving, and Adaptability; identify the challenges encountered by middle managers in state owned enterprises. The result of Shapiro-Wilk Test revealed that p-values of the main variable was greater than 0.05 which means that the data set is normally distributed. Therefore, Independent sample t-test for two groups and Analysis of Variance for three groups were used as part of the non-parametric tests to determine the significant differences. Likewise, Pearson Product Moment Correlation was used to test the significant relationship of the treated variables. In addition, post hoc test was also conducted. The following Likert Scale was used in assessing the variables: 3.50- 4.00 = Strongly Agree; Always; 2.50-3.49 –Agree; Often; 1.50 – 2.49 – Disagree; Sometimes; and 1.00 – 1.49 –Strongly Disagree; Never. In addition, all data were treated using a statistical software known as PASW version 26 to further interpret the result of the study using an alpha level of 0.05 and 0.01.

### Ethical Considerations

The study was conducted in accordance with ethical standards. Prior to the data collection process, consent was obtained from the respective authorities of the agency. Likewise, the researcher obtained permission from respondents and informed them of the confidentiality of their personal information and responses. Correspondingly, the researcher ensured that the participants fully understood what they were being

asked to do and were aware of any potential consequences of their participation. This was done by attaching a letter to the research questionnaire distributed to the participants. The letter highlighted that the participants’ responses would be kept confidential and anonymous. Furthermore, respondents were given enough time to complete the questionnaire to reflect their sincere thoughts and opinions about the questions.

## RESULTS AND DISCUSSION

**Table 1**  
**Competence of middle managers**

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Technical Expertise	3.17	Agree	1
2. Leadership	3.12	Agree	3
3. Communication	3.16	Agree	2
4. Problem Solving	3.01	Agree	4
5. Adaptability	2.94	Agree	5
<b>Composite Mean</b>	<b>3.08</b>	<b>Agree</b>	

*Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree*

Table 1 provides the competence of middle managers across various indicators. With a weighted mean score of 3.17, this indicator falls under "Agree." Middle managers demonstrate strong technical expertise in their respective fields. It ranks highest among all indicators at position 1. This indicates that they possess a solid understanding of the organization's technology stack, enabling them to effectively utilize various hardware, software, and applications to support company operations. Liu and Zhang [7] conducted among managers in China emphasizes the growing importance of technical expertise in the digital age, where technological advancements play a significant role in driving organizational competitiveness and innovation.

Likewise, with a score of 3.16, which falls under "Agree" is the middle managers are proficient in communication, demonstrating effectiveness in conveying information and ideas. Middle managers in Chongqing City exhibit strong communication skills, which are essential for effective leadership and collaboration. This competency enables them to clearly convey their vision and goals, motivate and inspire their teams, and build and maintain relationships with stakeholders. Wang and Xiong [8] stress the significance of communication skills in the Chinese managerial context, highlighting how effective communication

fosters trust, enhances team cohesion, and drives organizational performance.

While scoring 3.12, this also falls under "Agree." Middle managers exhibit competence in leadership, although slightly lower than technical expertise, ranking at position 3. This indicates that while they possess effective leadership skills, there may be areas for improvement such as inspiring and motivating their teams, making sound decisions under pressure, and managing change effectively. Li [9] conducted among managers in Chinese organizations emphasizes the importance of leadership development programs tailored to the unique cultural and organizational contexts in China, which can enhance leadership effectiveness and drive organizational success.

Middle managers demonstrate competence in problem-solving, although it ranks lower compared to technical expertise, leadership, and communication, at position 4. Middle managers in Chongqing City exhibit a solid ability to identify and solve problems, although this competency ranks slightly lower compared to

technical expertise, communication, and leadership. This indicates that while they can effectively analyze and address challenges, there may be opportunities to enhance their creativity, critical thinking, and decision-making skills. Studies of Zhang and Wang [3] highlight the importance of problem-solving skills in the Chinese managerial context, emphasizing how middle managers who excel in this area contribute to organizational innovation and competitiveness.

While with a mean score of 2.94, this also falls under "Agree" is the middle managers exhibit some level of adaptability, though it ranks lowest among the indicators at position 5. This suggests that while they possess some level of resilience and openness to new ideas, there may be room for improvement in adjusting and responding to change effectively. According to Cheng et al. [10] managers in Chinese firms accentuate the importance of adaptability in navigating dynamic business environments characterized by rapid technological advancements and market disruptions.

**Table 2**  
**Challenges encountered by Middle Managers in SOEs**

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Bridging the communication gap between different generations	3.15	Often	11.5
2. Keeping up with rapid technological change.	3.17	Often	2.5
3. Balancing the demands of work and family.	3.13	Often	15
4. Dealing with stress and burnout	3.16	Often	7
5. Navigating complex office politics.	3.17	Often	2.5
6. Lack of support from senior management	3.18	Often	1
7. Unclear expectations and goals.	3.15	Often	9.5
8. Long working hours and low pay	3.16	Often	8
9. Insufficient resources and training	3.14	Often	13.5
10. Balancing the demands of different stakeholders	3.13	Often	16
11. Communicating effectively up, down, and across the organization	3.15	Often	11.5
12. Managing a large and diverse workforce	3.11	Often	18
13. Making sound decisions under pressure.	3.16	Often	5.5
14. Managing conflict effectively.	3.14	Often	13.5
15. Delegating tasks effectively	3.17	Often	4
16. Developing and motivating their team members.	3.09	Often	19
17. Managing change effectively	3.15	Often	9.5
18. Discrimination and harassment.	3.12	Often	17
19. Lack of opportunities for advancement.	3.16	Often	5.5
<b>Composite Mean</b>	<b>3.15</b>	<b>Often</b>	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

Table 2 illustrates the respondent's observation on the challenges encountered by middle managers. The composite mean of 3.15 shows that they often encountered the above indicators. Among the item cited, lack of support from senior management ranked first with mean value of 3.18. This indicates a disconnect between middle management and senior leadership,

which can hinder decision-making, implementation of strategic initiatives, and overall organizational performance. This is aligned with the study of Liu and Zhang [11] which underscores the critical role of senior management support in empowering middle managers within Chinese SOEs. It suggests that when middle managers lack support from senior leadership, they may face obstacles in implementing strategic initiatives and

decision-making processes. This lack of support can also hinder the establishment of a culture of trust and collaboration within the organization, ultimately affecting its overall effectiveness.

It is followed by keeping up with rapid technological change and Navigating complex office politics with both 3.14 scores. Effectively managing conflict and addressing insufficient resources and training are interconnected challenges that impact middle managers in Chinese State-Owned Enterprises (SOEs). The ability to manage conflict effectively is crucial for maintaining workplace harmony and productivity [12]. However, the presence of conflict may be exacerbated by insufficient resources and training. Limited resources and training opportunities can lead to heightened tensions and communication barriers among team members, further complicating conflict resolution efforts. Thus, addressing both challenges requires proactive organizational interventions, such as prioritizing resource allocation for conflict resolution training and providing adequate support for professional development initiatives. By investing in conflict resolution skills and enhancing managerial capabilities through training and development, SOEs can create a more conducive environment for effective conflict management and overall organizational performance.

However, some items have the least means score. The first one is discrimination and harassment (3.12) fall under rank 17. Discrimination and harassment pose significant challenges for middle managers in SOEs, potentially undermining workplace morale, productivity, and organizational culture. Discriminatory practices and hostile work environments can lead to decreased employee engagement, increased turnover, and legal liabilities for organizations. Addressing this challenge requires proactive measures to promote diversity, equity, and inclusion within SOEs, including implementing anti-discrimination policies, fostering a respectful workplace culture, and providing training on diversity awareness and sensitivity [13].

Managing a large and diverse workforce (3.11) is the second among the least with falls under ranked 18. Managing a large and diverse workforce presents complex challenges for middle managers in SOEs, requiring effective leadership, communication, and interpersonal skills. Wang and Xiong [8] found the implications of workforce diversity for middle managers in Chinese organizations, emphasizing the need to navigate cultural differences, language barriers, and varying work styles. Middle managers must balance the needs and expectations of diverse employees while

promoting collaboration, cohesion, and inclusivity. This challenge may require tailored management approaches, such as cultural sensitivity training, cross-cultural communication strategies, and inclusive leadership practices, to effectively manage diverse teams and maximize organizational performance.

The last among the least is developing and motivating their team members (3.09). Developing and motivating team members is essential for fostering engagement, retention, and performance within SOEs. Middle managers must possess coaching, mentoring, and motivational skills to support their team members' growth, provide constructive feedback, and create a conducive work environment. This challenge may stem from limited resources, organizational constraints, or ineffective leadership practices, highlighting the importance of investing in leadership development programs, performance management systems, and employee recognition initiatives to enhance team motivation and productivity [14].

**Table 3**  
**Relationship Between Competence of middle managers and Challenges encountered by Middle Managers in SOEs**

	r-value	p-value	Interpretation
Technical Leadership	-.400**	0.000	Highly Significant
Leadership	-.195**	0.001	Highly Significant
Communication	-.326**	0.000	Highly Significant
Problem Solving	-.270**	0.000	Highly Significant
Adaptability	-.304**	0.000	Highly Significant

*Legend: Significant at p-value < 0.01*

Table 4 presents the association between competence and challenges encountered by Middle Managers in SOEs. The computed r-values indicate a moderate indirect correlation and the resulted p-values were less than the alpha level. This means that a significant relationship exists and implies that the more competent the middle managers, the lesser challenges experienced. This finding underscores the importance of enhancing the competence of middle managers as a potential strategy for mitigating challenges in SOEs. Wang et al. support this notion, highlighting the role of competence development programs in improving managerial effectiveness and organizational performance. The study suggests that investing in the development of middle

managers' competencies can lead to better problem-solving abilities, communication skills, and adaptability, ultimately reducing the prevalence of challenges faced in SOEs.

**Table 5**  
**Proposed Action Plan to Enhance the Competence of Middle Managers**  
**In State Owned Enterprises in Chongqing City**

<b>Programs/Projects/Activities (PPAs)</b>	<b>Strategy</b>	<b>Performance indicator</b>	<b>Office Responsible</b>
Conduct relationship-building workshop among middle and senior managers to develop camaraderie & support.  Regular meetings, feedback sessions, and provide mentoring opportunities.	Coordinate with the Municipal Trade Union Office through the Human Resource Mg. Office of SOE	Relationship-building workshop conducted, support & camaraderie among middle & senior managers developed.	Municipal Trade Union SOEs Human Resource Management Office
Conduct capacity training to middle managers on how use new technology.	Coordinate with the Municipal Trade Union Office through the Human Resource Mg. Office of SOE	Training for middle managers on how to use new technology conducted	Municipal Trade Union SOEs Human Resource Management Office
Establish communication mechanism so that middle managers can get support when faced with complex office politics.	Coordinate with the Municipal Trade Union Office through the Human Resource Mg. Office of SOE	Communication mechanism established to establish support to middle managers.	Municipal Trade Union SOEs Human Resource Management Office
Capacity building for middle managers to enhance their performance specifically on delegating task effectively and decision making.	Coordinate with the Municipal Trade Union Office through the Human Resource Mg. Office of SOE	Capacity building for middle managers to enhance their performance conducted.	Municipal Trade Union SOEs Human Resource Management Office
Develop career planning for middle managers to upgrade their skills for future higher positions	Coordinate with the Municipal Trade Union Office through the Human Resource Mg. Office of SOE	Career planning for middle managers developed.	Municipal Trade Union SOEs Human Resource Management Office

## CONCLUSIONS AND RECOMMENDATIONS

The study by Zhang provides an insightful analysis of middle manager competencies within State-Owned Enterprises in Chongqing City, China. It reveals that middle managers generally possess strengths in technical expertise, communication, and leadership but face challenges that include a lack of support from senior management, the rapid progression of technology, and navigating office politics. The research also highlights a gender disparity in competencies—particularly in communication and adaptability—and identifies an inverse relationship between the competence of middle managers and the workplace challenges they encounter. These findings point to the crucial need for systematic enhancement of managerial skills to keep pace with evolving organizational demands.

The study recommends that the Municipal Trade Union Offices in Chongqing, through the Human Resource Management Offices of SOEs, undertake specific initiatives to empower middle managers. Proposed actions include capacity training to bolster technical skills for implementing and managing new technologies, support mechanisms for decision-making especially under pressure, and enhanced communication training for effective feedback exchange. Moreover, the development of tailored training programs focusing on problem-solving and adaptability skills, incorporating case studies and practical exercises, is advised to encourage critical thinking and foster innovation among middle managers, preparing them for future leadership roles and better equipping them to handle the dynamic challenges of their positions.

**REFERENCES**

- [1] NA, (2023). State-owned enterprises: Struggling to be efficient. doi: 10.4337/9781839109164.00017
- [2] Zhang, L., Wang, Q., & Li, M. (2021). Middle Managers and Organizational Performance in State-Owned Enterprises: A Case Study Analysis. *Journal of Management Studies*, 48(3), 567-586. doi:10.1111/joms.12739.
- [3] Zhang, J. & Wang, L. (2020). Enhancing the competence of middle managers in Chinese organizations: A qualitative study. *Journal of Management Development*, 39(5), 656-672.
- [4] Liu, H., & Xu, W. (2019). Assessing Problem-Solving Competency of Middle Managers in State-Owned Enterprises: A Multifaceted Approach. *Journal of Business and Industrial Marketing*, 34(7), 1423-1437.
- [5] Chen, L., & Wei, Y. (2021). Leadership Competencies of Middle Managers in the Digital Era: Evidence from China. *Management and Organization Review*, 17(2), 405-431.
- [6] Creswell, J. W. (2014). *A concise introduction to mixed methods research*. SAGE publications.
- [7] Li, H., & Zhang, Y. (2021). Communication competency of middle managers in Chinese State-Owned Enterprises: An exploratory study. *Journal of Management Studies*, 45(3), 321-336.
- [8] Wang, L., & Xiong, Z. (2020). Exploring communication competence for Chinese managers. *International Journal of Business Communication*, 57(1), 57-76.
- [9] Li, X. (2020). Middle Managers' Problem-Solving Competency: Evidence from Chinese State-Owned Enterprises. *International Journal of Management and Decision Making*, 19(1), 57-75.
- [10] Cheng, M., Wang, Z., & Zheng, Y. (2020). Adapting to change: The role of middle managers in Chinese firms. *Management and Organization Review*, 16(3), 609-631.
- [11] Liu, J., & Zhang, Y. (2019). The impact of senior management support on middle manager performance in state-owned enterprises. *Chinese Journal of Management*, 16(10), 1457-1463.
- [12] Liu, H., & Xu, W. (2020). Assessing problem-solving competency of middle managers in Chinese State-Owned Enterprises: A multifaceted approach. *International Journal of Business Administration*, 11(6), 120-135.
- [13] Chen, C. (2020). Leadership and decision-making challenges of middle managers: A qualitative study. *Journal of Management Studies*, 37(4), 567-583.
- [14] Li, H., & Guo, Y. (2020). Examining the Relationship Between Middle Managers' Leadership Competence and Employee Engagement: The Mediating Role of Transformational Leadership.