

Research on the Effect of the System of General Counsel on the Efficiency of M&As in State-Owned Enterprises

Authors : Mao Ju

Abstract : The system of general counsel (GC) is an important governance structure designed for the construction of state-owned enterprises (SOEs) under the rule of law. This article is based on the setting of mergers and acquisitions (M&As) and takes the efficiency of M&As to examine the implementation effect of the system of GC for SOEs. Research has found that: (1) companies implementing the system of GC for SOEs have higher efficiency in M&As, manifested in better operational and market performance, and this effect depends on the professional ability and power of the GC. This indicates that the GC of SOEs has played a positive role in the decision-making process of M&As, which helps to improve the efficiency of M&As. (2) The impact of the GC of SOEs on the efficiency of M&As is heterogeneous, and this positive effect is mainly reflected in local and commercial SOEs. (3) The path of this impact is that the GC of SOEs can help reduce ineffective M&As in advance, enhance the ability to integrate M&As after the fact and reduce the risk of goodwill impairment and bankruptcy. This article reveals the impact of the construction of SOEs under the rule of law with the system of GC as the core of M&As activities, providing intuitive evidence for the implementation effect of the GC of SOEs. The research conclusion has important practical guiding value for comprehensively deepening the construction of the rule of SOEs under the rule of law and writing a good chapter on the Chinese path to modernization of SOEs.

Keywords : the system of general counsel, merger and acquisition efficiency, state-owned enterprises, mergers and acquisitions

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