Research on Effective Models and Strategies of Cross-cultural Management in Chinese Enterprises

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Abstract: Driven by the economic globalization, it has become an irresistible trend for Chinese enterprises to do international business throughout the world. However, most Chinese enterprises encounter failure in transnational operation, and the main reason is that these enterprises are unable to properly deal with cultural conflicts. Therefore, the primary task of Chinese enterprises in cross-cultural dynamic environment is to seek a set of cultural integration mode suitable for enterprise development so as to resolve cultural conflicts. The connotation of cultural integration mode is the organic combination based on the common points of two different cultures, thereby creating a new culture suitable for the development of enterprises, that is, integration and innovation. Proper cross-cultural management strategies should be adopted in the process of cultural integration. It is necessary to take a series of measures to give full play to the potential and advantages of multiculturalism and build a unique enterprise culture such as identifying cultural differences, strengthening cross-cultural communication, carrying out cross-cultural training and establishing a common value system.

1. Introduction

The economic development in China has entered a new state of "stable growth, adjusting structure, and promoting transformation". Under this background, it is a strategic measure to deepen supply-side structural reform, promote structural transformation and upgrading and deepen the opening-up to encourage Chinese enterprises to "go out" to investment abroad and develop new markets in countries along the "Belt and Road", which is of great significance in improving the quality of economic growth and stimulating new development vigor. In 2018, China's total outbound investment reached US$145.67 billion, ranking second in the world. The actual amount of foreign capital utilized reached US$135.6 billion. The investment abroad exceeded the amount of attracting investment for the first time, with net capital output of $10.07 billion. It is undeniable that China's overseas investment as well as mergers and acquisitions show an obvious trend of strategic structural adjustment under the background of the global economic downturn,

However, Chinese transnational enterprises that invest overseas in the way of overseas investment, merger and acquisitions are also faced with serious cross-cultural conflicts. From a broad cultural perspective, transnational enterprises face various conflicts in enterprise culture, political system, law, and other aspects. Caused by differences in language, values and religious beliefs, the management concept and management mode of transnational enterprises are faced with the problems of acclimatization and difficulty in being integrated into local culture [1]. Especially since the international financial crisis in 2008, the unpredictable problems related to the international political environment has greatly increased, and factors such as war and exchange restrictions have brought huge losses to Chinese transnational enterprises. In addition, some countries have also impeded the normal mergers or acquisitions and operations of Chinese transnational enterprises through the interpretation of selected legal provisions or the use of emergency legislation on the grounds of damage to their national security, which has brought additional legal risks to transnational enterprises in addition to normal commercial risks. According to the above analysis, the key to the study is how to effectively identify the cross-cultural conflicts caused by the differences in corporate

culture, political system and legal system, and further perfect the relevant mechanisms of transnational enterprise protection, and formulate practical protection strategies.

2. Cultural Conflict: A Huge Obstacle to the Transnational Operation

According to the experience of foreign management scientists, of the transnational enterprises that finally failed, only 30% were cause by technical capital and policy reasons, while 70% were caused by cultural differences. What the famous American scholar, management expert David A. Aaker) said was even sharply: "The failure of transnational enterprises is almost all caused by neglecting the cultural differences". In a word, the huge cultural differences in the global operation of transnational enterprises are like a "double-edged sword". Those who obey will succeed, and those who don't obey will fail

2.1 Sources of Cultural Conflict

In the field of cross-cultural management, researchers have put forward a variety of analytical dimensions of the sources of cross-cultural conflicts based on the differences between nations or ethnic cultures. Among them, the representative ones are: the two-way value model, the five-factor cultural dimension theory, the seven-factor cultural framework theory, the high-low context cultural analysis model and the national cluster theory, all of which not only provide us with a solid theoretical basis for a systematic and comprehensive understanding of cultural similarities and differences, but also become indispensable tools for analyzing the sources of cultural conflicts. Although there are so many theories, there is more overlap between the dimensions covered by these theories. It can be seen by comparison that cultural conflict mainly comes from three aspects of the relationship between human and nature, the relationship between individual and collective, and the space-time sequence. One of the most mainstream theories is the five-factor cultural dimension theory put forward by Hofstede. According to this theory, cultural conflicts come from five aspects: the first is the power distance (PD), which refers to the acceptance degree of the weaker members of the organization toward unfair distribution of power, which is generally considered to be related to the degree of autocracy of the leadership; the second is the uncertainty avoidance (UA), which refers to the threats degree felt by people about uncertain situations and the beliefs and systems built to avoid threats. The third is collectivism and individualism (CI), examining whether people only care about themselves and their immediate family members. The fourth is masculinity degree and feminization degree (MF), which measures the degree of masculinity or feminization of dominant values in society; the fifth is short-term orientation and long-term orientation (SL), that is, Confucian motivation theory, which mainly examines long-term and short-term values [2] (P1-29).

In a sense, the differences and conflicts in the decision-making methods of enterprises in different countries can be fundamentally attributed to Hofstede's various cultural dimensions. Therefore, the cultural dimension theory of Hofstede is very helpful for Chinese enterprises to understand cultural conflicts in transnational operation. In the dimension of power distance, deeply influenced by the Confucianism, China shows itself as a high-power distance culture. People expect and accept the power is in the hands of a few people. Subordinates recognize and respect the authority of leaders at higher levels because they seek order and hierarchy. However, most of the European and American countries belong to countries with small power distance. They do not accept the concept of managerial privilege with weak concept of hierarchy and they advocate equality for all. Therefore, when trading or conducting economic and technical cooperation with these countries, it is necessary not only to advise employees to understand their hierarchical concepts, and but also to advocate each employee to give full play to our initiative and initiative and participate in decision-making in an appropriate and orderly manner. In terms of uncertainty avoidance dimension, due to the family-centered standard, China has a strong fear of change and uncertainty. Chinese people prefer to establish comprehensive and formal rules to guarantee occupational safety, and establish stable interpersonal relationships, therefore, it is a high uncertainty avoidance culture. While in the low uncertainty avoidance culture, individuals are more tolerant of different behaviors, more likely to

accept uncertainty and risk, more adaptable to changing circumstances, and even more willing to take adventures and accept new and strange things. In the face of these two cultures, we should not only see people's high sense of urgency and initiative in high uncertainty avoidance culture, but also excel in understanding the characteristics that people are willing to take adventures and take initiative to accept new things in low-uncertainty avoidance culture. In terms of the collectivism and individualism, in the past, the eastern culture represented by Chinese culture was often regarded as a collectivist culture, in which people showed the values with the "group orientation" as the core. They think collective interests were higher than individual interests and follow norms. While people with the western cultural background regard "self-orientation" as the value orientation, pursue personal goals and advocate personality. In the management activities, managers should pay attention to absorbing the essence of the two kinds of cultures and be good at integrating individual achievement valued by individualism and the unity and harmony pursued by collectivism so as to maximize the company benefit in an atmosphere of cooperation. In the dimension of masculinity degree and feminization degree, although there is a thought that males are supposed to be worth more than females in China, which makes China appear to be a society with high masculinity degree, the overall cultural atmosphere in China does not favor the masculinity culture that values achievement, strength and speed, but favor the introverted personality. Therefore, when faced with the masculine culture which emphasizes self-confidence and adamancy and pursues material achievements, it is necessary to grasp the contrast with the other side, to absorb the advantages of self-confidence, keeping forging ahead and persistence in the other side's culture. At the same time, we should continue to develop our own qualities such as kindness, quality of life and pacifism, and actively transform our own characteristics that are not suitable for economic development, such as being passive, avoiding the world and following the beaten track. The dimensions of short-term orientation and long-term orientation are developed based on Confucian cultural values. As the birthplace of Confucian culture, China is a country with typical long-term orientation culture, focusing on the future, conservation and reserve, leaving room for everything with dynamic and mitigating characters. While the short-term orientation culture focuses on the past and the present, pays more attention to immediate interests, therefore, it is characterized by urgency and immediacy. As a result, in terms of management, there is often a conflict between the two due caused by the assessment cycle. When faced with the two cultures, managers should comprehensively set short-term goals and long-term assessment standards according to the long-term strategy and actual situation of the enterprise. It can be seen that cultural dimension analysis can help managers and employees grasp the characteristics of different cultures from all aspects. There are two types of cultures that are opposite in any dimension. How to take the essence, discard the dross, learn from each other and turn the disadvantage of cultural conflicts into the advantage of transnational operation is a problem worth thinking about.

2.2 Cultural Conflict is a Major Obstacle to the Transnational Operation of Enterprises

Cultural conflicts will inevitably occur if people's outlook on life, values, and ways of thinking and behavior cannot be properly adjusted in time in different cultural contexts. This increasing cultural conflicts will be reflected in the internal management and external operations of enterprises, which will increase the difficulty in internal organization and coordination, reduce the efficiency of management decisions, and increase the administrative expenses of transnational enterprises, which leads to the inconsistency of enterprise goals, the lack of cohesion, and even the inefficient operation of the organization [3], all of which may ultimately lead to the failure of transnational operations.

First of all, cultural conflicts will result in inefficient internal management and the increase in operating costs. Managers and employees of transnational enterprises come from different cultural backgrounds, and their differences in values and behaviors increase the difficulty in communication and coordination in the management process, even lead to emotional or irrational attitudes and behaviors, which make the confrontation and conflict increasingly fierce. Managers will spend a lot of time dealing with internal conflicts and contradictions, which will inevitably affect the harmony

and cooperation of their relationship, resulting in the increase in management costs and low management efficiency.

Secondly, cultural conflicts will weaken the enterprise's ability to adapt to the competition in the external market and lead to the loss of opportunities in the external market. Due to the internal management disorder caused by cultural conflicts make it difficult for transnational enterprises to take unified actions, which will force the enterprise to spend a lot of manpower and material resources to solve the problem of internal communication and coordination, make the enterprises unable to efficiently respond to the external industry change, thereby making enterprises miss opportunities in market competition. In addition, the conflict with local culture often causes the business activities of enterprises in other countries to be boycotted by local citizens, and even to be restricted and sanctioned by other governments and relevant departments.

Finally, cultural conflicts have put the implementation of global strategies of transnational enterprises in a difficult position. Only by establishing a global strategically advanced organizational management system that transcends the general market strategy can the transnational enterprises enhance their global competitiveness. However, due to the more and more complex operating environment caused by cultural differences, internal cultural conflicts will lead to organizational disorder, information blockage, and the unclear division of duties of various departments, which will result in the operation failure of transnational enterprises, increase the difficulty in market operations, and even make the implementation of global strategies of transnational enterprises in trouble.

Seen from the perspective of cultural characteristics, cultural conflicts and integration are the two aspects of unity rather than isolated. Cultural conflict can be reasonably converted to cultural integration, which is also the inevitable logic to resolve cultural conflicts. Thus, it is the management process to maximize the utilization of enterprise resources to select a reasonable cross-cultural management mode supplemented by effective management measures to guide transnational enterprises to create an organizational structure and management mechanism that is able to meet the needs of different cultural backgrounds.

Under the background of economic globalization, managers and employees with different cultural backgrounds have more and more opportunities to co-exist with more and more cultural collisions. Almost all transnational enterprises must solve the same problem when they are engaged in transnational and trans-regional business activities, that is, how to effectively implement cross-cultural management in a complex multicultural environment

3. Integration and Innovation: A Cross-Cultural Management Model Suitable for Chinese Enterprises

It is the goal of every transnational enterprise to build a globalized enterprise culture system. It can be said that the first thing of transnational management of enterprises is the cross-cultural management. For example, Haier group adopts the strategy of culture first in transnational operation. They first exported the corporate culture of Haier Group, and established a suitable cross-cultural management mode to integrate culture with the global business strategy. The practice has proved that this measure taken by Haier Group has effectively overcome the negative impact of cultural differences on the development of enterprises, enhanced the international image and reputation of the enterprise, and guaranteed the smooth operation of transnational operations so as to achieve great success Therefore, a suitable cross-cultural management model not only can stimulate, restrict and agglomerate managers and employees of the enterprise, but also drives the coordinated development and complementary advantages of mother and child enterprises, so as to maintain the sustainable development of transnational enterprises.

3.1 Comparison of Three Modes of Cross-cultural Management

At present, the internationally popular cross-cultural management mode is three effective modes proposed by Canadian management scientist Nancy j. Adler: The first mode is overwhelming, which means that a culture dominates management decisions by suppressing other cultures due to its

significant advantages in the organization. The second mode is compromise, in which there is little cultural difference between different cultures, and there is no dominant culture. Instead, different cultures in the enterprise try to achieve temporary harmony by compromising, neglecting and avoiding differences. The third is integration. This model means that different cultures promote the disappearance of cultural differences to achieve mutual absorption and reconciliation by means of merger, split, enhancement, weakening, etc. on the basis of respecting differences, and with the change of environment, and thus tending to be a new organizational culture, which is formed on the basis of mutual understanding and respect by different cultures through organic integration [4].

Both in the overwhelming mode and compromise mode, there is a culture in the organization replacing another culture, therefore, they cannot be regarded as common modes. The advantage of these two kinds of modes is that a unified culture can be quickly formed at the beginning of the transnational operation of enterprises, which drives the normal operation activities. However, with the development of the enterprises, the disadvantages of the two modes are also obvious. In the overwhelming mode, members whose cultures are overwhelmed are more likely to feel dissatisfied, which leads to increased cultural conflicts. In addition, the culture in this model is relatively simple with conservative and closed characteristics, which is not conducive to collective efforts. In the compromise mode, this kind of harmony often has great hidden dangers, and conflicts may break out at any time. While the new culture formed through the integration model retains the essence of their respective cultures, and it is an organic combination of different cultures, which has a stable cross-cultural advantage. Therefore, the integration model has the obvious inevitability and superiority in the cross-cultural management, which is a cross-cultural management mode suitable for the general enterprises.

It is of inevitability and superiority to select integration mode for transnational management of enterprises. On the one hand, cultural integration is the inevitable trend of the development of cultural conflicts. Seen from the overall development trend, cultural conflicts will eventually move towards cultural integration. Specifically, from the perspective of a single transnational enterprise, although there will be friction or even conflicts caused by differences at the initial stage of the early contact of Chinese culture with foreign cultures, this stage will not last forever. For the survival and development of the enterprise, it is inevitable to transit to the integration stage of mutual attraction between the two cultures. It is surely that the smooth transition of this stage to the integration stage depends on the degree of people's efforts and the desire for cultural integration. Otherwise, enterprises may fail due to the inability to resolve the conflict. On the other hand, cultural integration has brought more superiority to transnational enterprises, showing complementary knowledge and complementary thinking. Therefore, the integration is the inevitable guidance and correct choice of enterprise's cross-cultural management. The selection of the integration mode is a strategic measure to improve the level of cross-cultural management and accelerate the pace of internationalization of enterprises. Thus, transnational enterprises should rationally choose the integration mode with a cautious attitude according to their own development and international strategic goals.

3.2 Integration Mode is a Cross-Cultural Management Mode Suitable for Chinese Enterprises

With China's joining the WTO and the substantial global economic integration, China's domestic market and international markets are more closely linked. For business managers, it is necessary not only to consolidate the domestic market position, but also master the coping ability of cooperation or competition with transnational enterprises through financing and personnel exchange, to establish a more suitable and open cultural environment for employees to give full play to their subjective initiative.

In the dynamic change of culture environment in transnational operation, the first thing for Chinese enterprises is to find a set of cross-cultural management mode that conforms to the development ideas of enterprises and suits the development of enterprises. Management mode itself has no difference in good or bad, but only suitable or not. For the enterprise, the standard to judge whether the management mode is suitable for the enterprise is to see whether it can guarantee the survival and development of the enterprise and give full play to the potential of employees.

Comparatively speaking, integration is not only selected by many countries, but also a cross-cultural management mode suitable mode for Chinese enterprises.

At present, although the transnational operation of Chinese enterprises develops rapidly, but its scale is still small and still in the initial stage. [5] At the same time, since China's overall economic strength is strong, and China is implementing the "go global" strategy externally, Chinese enterprises have strong policy support. Therefore, under the current situation, Chinese enterprises should not suppress the culture of other countries too strongly, and they also should retain the essence of our own corporate culture transnational operations so as to avoid being held back by other countries' culture. Therefore, the overwhelming mode is not suitable for the development of transnational operations of Chinese enterprises. Compromise mode is a good way to avoid conflict in the initial stage of cross-cultural management. However, with the development of transnational business, direct cultural conflicts become increasingly fierce. Compromise and avoidance cannot alleviate conflicts, nor can they promote the sustainable development of transnational business. Only by allowing heterogeneous cultures in enterprises to penetrate into each other and then being integrated so as to form a new management mode with cross-cultural characteristics, and then establish a unified system of values and management concepts, can we promote the development of enterprises through multi-cultures. In terms of Chinese transnational enterprises, in the process of implementing global operations, only by focusing on the integration and innovation of corporate culture values with other countries, can transnational operations be smoothly operated, can global market competitiveness be enhanced, and can market share be expanded.

The integration-oriented management mode stimulates the promotion effect of cultural difference on efficiency. Through cultural integration, value norms tend to complement each other, management concepts infiltrate each other, employing ways follow each other, and leadership styles learn from each other. It is the inevitable orientation of corporate culture and the best choice to absorb advanced management concepts. The connotation includes two processes of integration and innovation. Integration means that managers and employees with different cultural backgrounds enable the two parties to reach a cooperative state through sharing, communication and understanding. Innovation means that on the basis of integration, enterprises should establish their own management mode and system and build a common organizational culture, whose essence is the process of acculturation and renewal of common values based on cultural characteristics [6]. In summary, is to create a new culture that combines the quality factor of cultures from both parties.

4. Seeking Common Points While Reserving Differences: Research on Strategies of Cross-Cultural Management in Chinese Enterprises

Due to the characteristics of nonlinearity, indirectness, internality and blending of cultural conflicts, it is not possible to solve this problem completely through a single measure, therefore, the cross-cultural management cannot be achieved overnight, and it is necessary to promote the process step by step. Cross-cultural management is not only a concept, but also an actual operation that needs timely adjustment. The transnational operation of Chinese enterprises must construct the enterprise culture with common values as the core in the dynamic development through effective cross-cultural management approach to actively promote the good development of transnational enterprises.

4.1 Coping with the Conflict between Enterprise Culture and Management Mode

4.1.1 Institutionalization and Regularization of Management System

Institutionalization and regularization of management system can provide stable business expectations for transnational enterprise employees, help to eliminate information asymmetry and improve management efficiency. First of all, it is necessary to formulate a set of modern enterprise management system in line with China's national conditions in order to realize the separation of management rights and ownership of enterprises, and to formulate detailed and complete operational procedures, rules and standards so as to guarantee the normal and orderly implementation of daily operation of enterprises. The system that needs to be clarified includes employee incentive system,

employee manufacturing practice, employee appraisal system and employee vacation system, etc. Transnational enterprises can put these into practice after public consultation. Secondly, the life of the management system lies in the implementation. Effective implementation can prevent employees from passing the buck, reduce foreign employees' misunderstanding of the enterprise system, and effectively reduce the "rule of man" behavior of managers, which is an effective promotion of modern market civilization and contract system. Thirdly, transnational enterprises should formulate special provisions for cultural conflict management. Enterprise cultural integration is a gradual process. The unforeseeable cultural conflicts in the buffer period of cultural integration should be properly handled with the concept of "people-oriented" to avoid the intensification of contradictions [7].

4.1.2 Training Management Talents for Transnational Enterprises

Training transnational managers who are familiar with international politics, society and culture is the basis to deal with enterprise culture conflicts. The transnational management talents are required to have the qualities including corporate loyalty, product business proficiency and rich practical experience, and more importantly, to deal with the risk impact of multicultural conflicts. Seen from the selection of managerial style, whether to choose authoritative managers or democratic managers depends on the power distance of the host country. If the power distance is relatively large, the former is often more suitable. The selection of management talents in transnational enterprises includes two methods: sending by home country or recruiting talents. Generally speaking, the selected personnel by home country are more familiar with the company's business model and development strategy, and can better implement the company's decision-making. However, it also has shortcomings such as lack of international cooperation experience and weak overseas adaptability. Comparatively speaking, managers and employees acquired through international recruitment have strong market competitiveness, which can better deal with the risks brought by changes in the international political and economic environment. However, the shortcoming is that they are not familiar with the internal business management process of the enterprise and inevitably deviate from the implementation of the enterprise's strategic decision-making [8], which requires transnational enterprises to weigh the advantages and disadvantages and make the best decisions conducive to the enterprise's development.

4.1.3 Explore the Benefit Sharing Mechanism and Establish a Common Enterprise Culture

In the process of overseas operation, enterprises should not only pursue the profit maximization of the enterprises, but also create jobs for the local people, support the development of public services in the host country through public welfare means to win the recognition of the host country, and establish a benefit sharing mechanism with local residents. Only in this way can transnational enterprises avoid their cultural conflicts between with local society to the greatest extent, thus contributing to the long-term development of enterprises. In addition, in order to fully realize the cultural integration between transnational enterprises and local employees, the first thing for transnational enterprises to do is to make the management system and management institution of the enterprise clear and standardized, to realize the integration with the local culture on this basis. The cultivation of profit mechanism and common enterprise culture is indispensable from the localization of transnational enterprises, which can not only promote local employment, but also alleviate cultural conflicts with local areas, which is conducive to the stable development of transnational enterprises

4.2 Coping with the Conflict between Political Institution and Legal Institution

4.2.1 Establishing a Perfect Political Risk Prevention and Control Mechanism

In order to cope with the cultural conflicts caused by the differences between the political institution and political culture of transnational enterprises, China should establish a unified and efficient overseas investment risk prevention and control mechanism at the national level in the form of legislation as soon as possible and explore and improve the policy objectives and management system of overseas insurance products for transnational enterprises. The risk prevention and control

mechanism at the national level should consist of the construction of the political risk assessment system, information collection and risk early warning mechanism. By relying on the platform database of China Export & Credit Insurance Corporation, we can comprehensively evaluate foreign political risks and provide help for enterprises to effectively identify risks through timely release of information.

4.2.2 Strengthening the System Design and Overall Management of Overseas Investment Insurance

China should put legislation on the protection system of overseas investment on the agenda as soon as possible to reduce the overseas loss of transnational enterprises caused by non-commercial risks. The overseas investment insurance system should not only cover the traditional political unrest, abnormal exchange rate changes and war risks, but also bring the uncertainty of the law revision conducted by the host country where the transnational enterprises are located into the scope of insurance coverage. Reducing the additional legal risks of overseas investment of Chinese enterprises and eliminating further worries for transnational enterprises are of great significance for the implementation of the "Belt and Road" Initiative. What overseas investment insurance aims to avoid is the political sovereign risk. Directed insurance system can be designed according to the investment factors of transnational enterprises. For uncontrollable political risk, the state should subsidize the insurance premium for transnational enterprises, explore the establishment of political risk protection funds to guarantee overseas investment involving national interests. For transnational enterprises in key industries supported by the state, flexible insurance policies should be formulated based on the actual operation and participation willingness of enterprises [9].

4.2.3 Perfect the National Diplomatic Protection Policy Mechanism

Faced with a series of political risks and additional legal risks in their overseas operations, Chinese transnational enterprises should be active in seeking diplomatic protection from the Chinese government. The means of diplomatic protection include the signing of bilateral treaties or multilateral treaties and, if necessary, asking international organizations for help. When signing a cooperation treaty with other countries, the government should ask for the most-favored-nation clause for Chinese enterprises in their overseas mergers and acquisitions. In addition, it should be claimed in the terms that Chinese transnational enterprises can appeal to international arbitration if they feel they have been unfairly treated abroad. Furthermore, it is necessary for relevant national departments to stipulate reciprocal terms related to investment in each other. If a Chinese company suffers from discrimination or injustice overseas, China has the right to order the other party to pay attention and solve the problem. If the solution is not satisfactory, China has the right to take reciprocal measures and take special regulatory measures on Chinese investment by enterprises of the host country. In all, if faced with relatively obvious additional legal risks and unfair treatment, Chinese transnational enterprises can protect their legitimate rights and interests through diplomatic channels such as consultation and negotiation with the host government in accordance with the principle of "diplomatic protection".

4.3 Formulate Flexible and Efficient Development Strategies for Transnational Enterprises

The national policy support to "going global" strategy of transnational enterprises should be mainly indirect support, to avoid direct benefit compensation to transnational enterprises in the name of the state, for fear that the host country formulates policies to restrict enterprise investment due to government background. It is necessary to increase tax preference for transnational enterprises, give certain tax relief to enterprises that suffer losses caused by overseas M&A failures, and explore and implement the policy that policy-based financial institutions shall pay the expenses for the enterprises' preliminary overseas investigation. Secondly, it is necessary to further promote the liberalization of interest rates, appropriately relax foreign exchange controls, and provide channels

for transnational enterprises in overseas financing and loan, which is of more practical significance for private enterprises with tight capital and insufficient financing capacity. Thirdly, it is also necessary to relax the government's control over transnational enterprises. General operating items do not require strict examination and approval, except those items that involve large-scale outflow of assets, outflow of important technologies and balance of international payment. Exploring the record system to replace examination and approval system is of great help in reducing the transaction costs of Chinese transnational enterprises.

5. Conclusion

As the economic globalization trend becomes more and more obvious, almost all transnational enterprises are faced with cultural conflicts caused by transnational operations. No matter what level the conflict occurs, if management strategies and operating methods can be properly understood and reasonably applied, then both constructive conflicts and destructive conflicts can be better utilized by enterprises. Cultural conflict is a "double-edged sword". For transnational enterprises, cross-cultural management has both positive and negative effects on the enterprise itself and every employee. Therefore, the managers of transnational enterprises should deal with and manage cultural conflicts in a scientific way and with an open attitude to change cultural barriers into cultural motive forces so that cultural conflicts can be used for the development of enterprises. With the deepening of China's opening up strategy under the background of "Belt and one Road" initiative and bilateral and multilateral cooperation under the background of international capacity cooperation, more and more Chinese enterprises begin to step onto the international stage. It can be said that the internationalization of Chinese enterprises is an irresistible trend. In this trend, every transnational enterprise must admit that cultural conflicts are inevitable problems for any transnational enterprise. However, with scholars' theoretical research on cultural conflicts and entrepreneurs' brave exploration in the field of cultural conflicts, they are sure to find an efficient and convenient cross-cultural management way that is suitable for China's national conditions and the cultural background of Chinese enterprises.

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