

Navigating Public Management and External Environment: A Case Study of Internal Control and Risk Management of China Mobile

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Abstract: Based on the perspective of the interaction between public management and external environment, this article takes China Mobile as the research object to explore the collaborative governance mechanism of internal control and risk management in communication central enterprises under the background of digital transformation. Research has shown that in the external environmental dimension, the modernization transformation of the telecommunications regulatory legal system and the release of new infrastructure policy dividends have promoted the construction of a dual track response mechanism of "strategic synergy risk buffering" for enterprises. However, the insufficient adaptability of international economic and trade rules and the barriers to government data sharing have intensified the pressure of compliance risk transmission. At the internal control level, China Mobile has achieved a reduction in governance costs by dynamically adapting its organizational structure and improving the effectiveness of public policy implementation. However, the risk assessment system has been slow to respond to public governance needs, resulting in a structural imbalance between social responsibility investment and commercial returns. It is suggested to achieve an organic connection between external environmental constraints and internal risk control through institutional innovation such as improving legislation on government enterprise cooperation and optimizing budget allocation for digital governance. This study provides theoretical references and practical paths for state-owned enterprises to coordinate the fulfillment of public responsibilities

and market-oriented operations.

Keywords: Public Management; China Mobile; Internal Control; Risk Management; External Environment

1. Company Overview

China Mobile Communications Group Co., Ltd. (hereinafter referred to as "China Mobile") is a central enterprise established in 2000 in accordance with the overall deployment of the national telecommunications system reform. In 2022, the revenue was 937.3 billion yuan. In December 2017, China Mobile Communications Group Corporation underwent a corporate restructuring, changing its enterprise type from a state-owned enterprise to a wholly state-owned company, and was renamed China Mobile Communications Group Co., Ltd.

China Mobile is a mobile communication operator based on GSM, TD-LTE, FDD-LTE standard networks. China Mobile is the wholly-owned owner of China Mobile (Hong Kong) Group Co., Ltd., and its holding China Mobile Co., Ltd. has set up wholly-owned subsidiaries in 31 provinces (autonomous regions, municipalities directly under the Central Government) and Hong Kong, and is listed in Hong Kong and New York. It mainly engages in mobile voice, data, broadband, IP phone and multimedia services, and has the operation rights of computer Internet and international networking units and international import and export operations. The registered capital is 300 billion RMB, the asset scale is nearly 1.7 trillion RMB, and the total number of employees is nearly 500000.

2. Analysis of Key Indicators for

Enterprises

2.1 Macro Dimension: Strategic Synergy Under Policy Regulation

As a state-owned enterprise deeply embedded in the national governance system, China Mobile will undertake 51% of the country's 5G base stations (1.62 million) by 2023, directly responding to the public resource allocation requirements of the "Overall Layout Plan for Digital China Construction". In terms of policy compliance, a total of 3.2 billion yuan has been invested over three years to implement data security regulations, and the proportion of policy implementation costs has increased to 2.4%, reflecting the transmission effect of government regulation intensity. The universal service obligation it undertakes is more public, and behind the rural network coverage rate of 98.7% is the reality that the operating cost of a single base station is 1.8 times that of the city. It relies on a central government subsidy of 1.23 billion yuan to achieve digital equity between urban and rural areas, which reveals the classic contradiction between market failure and government compensation in the supply of public goods.

2.2 Industry Dimension: Governance Balance of Natural Monopoly

Under the regulation of the "speed up and fee reduction" policy of the Ministry of Industry and Information Technology, China Mobile's data tariff will be reduced by 95% from 2019 to 2023, with a profit of over 200 billion yuan. However, the processing time for 5G base station complaints is still 28% longer than that of the 4G era, reflecting the eternal tension between efficiency and quality in industry regulation. As a participant in the public emergency system, a total of 430 million yuan has been invested in ensuring communication for 37 major disasters in 2023. This cost is included in the social responsibility assessment system of the State owned Assets Supervision and Administration Commission, highlighting the integration of corporate behavior and public safety goals. In the mixed ownership reform pilot zone, the marketization level of government and enterprise ICT business has reached 68%, but the 51% controlling stake

requirement of the State owned Assets Supervision and Administration Commission is essentially a typical example of the "streamlining administration, delegating powers, and improving services" reform in natural monopoly industries.

2.3 Enterprise Dimension: Internalization Practice of Public Responsibility

China Mobile has transformed public policies into strategic actions, resulting in a 43% reduction in energy consumption per unit of information traffic. However, the high power consumption of 5G base stations relies on the government's priority power supply policy, presenting a micro picture of the game between government and enterprises in green transformation. Its ESG investment of 8.9 billion yuan exceeded the target set by the State owned Assets Supervision and Administration Commission, with the "Silver Guardian" package covering 5.8 million elderly people and receiving a special financial subsidy of 180 million yuan, forming a collaborative loop of "enterprise implementation government incentives" for public services. In the PPP projects of smart cities, the investment return cycle of 8-10 years forces local governments to establish a feasibility gap subsidy mechanism. This risk sharing model is a vivid demonstration of the new public governance theory in the digital age.

3. Analysis of the External Environment of Enterprises

3.1 Analysis of Political and Legal Environment

3.1.1. Modernization transformation of the legal system for telecommunications regulation

China's telecommunications legislation is evolving from a single "Telecommunications Regulation" to a three-dimensional system of multi law collaboration. After the implementation of the Data Security Law in 2021, China Mobile took the lead in establishing a full chain management and control mechanism of "data classification and classification - risk assessment - cross-border transmission". By 2023, it had completed the mapping of data assets of 21 core businesses, built a "wutong" privacy

computing platform covering the country, and supported 38 government data security sharing projects. In the field of anti-monopoly, in 2022, we cooperated with the State Administration for Market Regulation to complete the compliance review of tariff packages in 31 provinces, and removed 56 "exclusive agreement" package products. The user complaint rate decreased by 42% year-on-year.

3.1.2 New Infrastructure Policy Dividend Release

Deeply participate in the national "East Calculation and West Calculation" strategy, and lay out intelligent computing centers at key nodes such as Beijing Tianjin Hebei and Yangtze River Delta:

Construction of computing power network: The Hohhot data center adopts fully natural cooling technology, reducing the PUE value to 1.28, deploying over 100000 servers in a single cluster, and supporting the National Meteorological Administration to meet the computing power demand for 1-kilometer level meteorological forecasting; Policy synergy effect: relying on the "computing power voucher" subsidy policy (pilot in 8 provinces in 2023), providing inclusive computing services for small and medium-sized enterprises, reducing the cost of single T computing power by 35%, and serving over 9000 enterprises cumulatively (evaluation report by the National Development and Reform Commission); Leadership in standard setting: Led the preparation of the White Paper on Computing Network Architecture and Technology, with 1623 related patent authorizations by 2023, accounting for 39% of the total number of global operators.

3.1.3 Responsibility Practice of Central Enterprises in Public Governance

Emergency communication guarantee system: build a "sky earth integration" rescue network (including 6 communication satellites and 58 high-altitude base stations), achieve 12 hour recovery of communication in the worst hit areas during the rainstorm in Henan Province in 2023, and won the recognition of "outstanding contribution unit" from the Emergency Management Department. Digital Inclusion Construction: Implement the "Silver Guardian" plan, develop 23 specialized terminals for the

elderly, set up a "direct elderly seat" on the 10086 hotline, serve 140 million silver haired users by 2023, and win the United Nations WSIS Award for aging friendly renovation. Green governance innovation: The "C² Three Energy" dual carbon action plan has been released. By 2023, the intelligent energy-saving system (PowerPilot) for base stations will save over 4.5 billion kWh of electricity, equivalent to reducing carbon emissions by 2.8 million tons. It has been awarded the title of "Energy Conservation and Emission Reduction Pioneer Enterprise" by the State owned Assets Supervision and Administration Commission.

3.2 Economic Environment Analysis

3.2.1 Transmission mechanism of macroeconomic policies

Under the guidance of the "14th Five Year Plan" for the digital economy, China Mobile is building a new service system of "connectivity+computing power+capability": investment pull effect: from 2020 to 2023, the cumulative 5G investment will reach 400 billion yuan, driving more than 12000 upstream and downstream enterprises in the industrial chain. According to the China Academy of Information and Communications Technology, every 1 yuan of 5G investment will drive GDP growth of 2.8 yuan; Driven by consumption upgrade: launching new services such as "cloud VR" and "5G new calls", mobile cloud revenue will exceed 80 billion yuan in 2023, ARPU value will increase by 14% year-on-year, activating the digital consumption potential of over 20 million household users; Employment multiplier effect: Cultivate 4600 small and medium-sized enterprises through 5G industry application incubation bases, and create 87000 new job opportunities in computing hub regions such as Guizhou and Inner Mongolia.

3.2.2 Adaptive adjustment of international economic and trade rules

The practice of digital silk road: build the largest 5G smart hospital in ASEAN in Thailand (delay<20ms), and build the cross-border e-commerce platform TecPak in Pakistan. In 2023, the digital service revenue of the "the Belt and Road" will grow by 37%.

Technical standard game: Leading the development of 3GPP 5G-A standards, submitting 2700 technical proposals by 2023, with key patents accounting for 34.5%, and ranking first among global operators in the field of URLLC (Ultra Reliable Low Latency Communication) patent reserves.

Supply chain security construction: The proportion of domestically produced server procurement has increased from 15% in 2020 to 65% in 2023, and the "Breaking Wind 8676" base station chip jointly developed with Huawei has achieved mass production, with a cost reduction of 40% compared to imported solutions.

3.2.3 Evolution of Market Structure and Competitive Strategy

Facing the market pattern after the cancellation of asymmetric regulation, implementing differentiated competition: network quality barriers: building the world's largest SA independent network (with over 1.9 million base stations), achieving 100% coverage in urban areas and 87% coverage in rural 700MHz frequency bands, making it difficult for competitors to replicate in the short term; Ecological anti strategy: Open the "Nine Days" AI platform (with over 60 billion daily calls), attract 460000 developers, incubate 3200 industry solutions, and form a new business model of "network as a service"; Precise customer group operation: Launch the "Dynamic Zone Metaverse Card" for Generation Z and create a "Cloud Network Integration Package" for small and medium-sized enterprises. By 2023, the number of government and enterprise customers will exceed 20 million, and the revenue contribution rate will increase to 35%.

4. Using SWOT Matrix to Design the Strategy of China Mobile Communications Company

4.1 SWOT Analysis

4.1.1 Company advantages: potential resource advantages and competitiveness

China Mobile Communications Corporation has a high level of popularity and obvious brand advantages. It is also the only communication operation company in China that focuses on the development of mobile communications. In the process of the great

development of mobile communications in China, it has always played a leading role and occupies an important position in the international mobile communication field.

China Mobile Communications has successfully entered the international capital market, and its excellent business performance and huge development potential have attracted numerous international investments.

China Mobile is the largest telecommunications operator in Asia by market value, with a high market share. It has always played a leading role in the development of mobile communication and holds an important position in the international mobile communication field. More than 90% of high-end customers are concentrated, with a wide range of large customer groups. The business scope is relatively wide, with various services such as voice, fax, data, IP phone, etc. [6]

4.1.2 Company disadvantages: Potential resource weakness and competitive deficiencies

China Mobile, known for its signals, currently does not have a clear advantage. Due to the widespread use of second-generation GPRS signals, the quality of GPRS internet access and calls is not satisfactory.

The tariffs are expensive and opaque, inexplicably adding unnecessary services and unnecessary expenses. The distribution of base stations and long-distance trunk fiber optic cables is insufficient, and in some areas, Global Access is even inferior to pager.

The key service strategy has not been fully implemented, and compared with competitors such as China Telecom and China Unicom, the disadvantages have significantly increased in recent years, with a narrower business scope and product range.

4.1.3 Opportunity - Potential opportunities faced by the company

Mobile account segments are widely used and distributed, with a wide market and large customer base. They can expand preferential policies to win the trust and confidence of a larger customer base and serve a larger customer base.

The company should focus more on serving customers, enhancing the quality of user experience, and reducing unnecessary

financial expenditures.

China Mobile has a wide market share in advertising and can appropriately increase brand awareness and promote service quality. In order to increase the customer base.

Along with the growth of market demand, we should also seize opportunities to expand the company's business scope and broaden the customer base of users. Especially among young people and student groups, they are one of the widespread users.

Going deep into the civilian level, utilizing the existing broad group, appropriately reducing tariffs, and improving service quality, in order to enhance the brand image of the enterprise and achieve a virtuous cycle.

4.1.4 Corporate Crisis - Potential threat to the interests of the company

Strong competitors have emerged, and after China Unicom implemented a series of mergers and acquisitions, it has strengthened its market share and customer base, thereby enhancing its competitiveness. China Mobile is facing a serious crisis of interests.

The advantages of signal quality and service quality are no longer obvious. After forming an alliance with Apple, the world's largest personalized digital audiovisual communication company, China Unicom has strengthened its communication equipment and communication quality. And a series of preferential policies were implemented, achieving a win-win effect. After the launch of the iPhone, a series of high-end users were bound, resulting in a significant decline in market growth rate.

4.2 Operational Strategy Design

The core of SWOT analysis lies in "matching". Based on the analysis of the strengths, weaknesses, opportunities, and threats of China Mobile Communications Company, the SO, WO, ST, and WT strategies are designed by matching strengths with weaknesses, weaknesses with opportunities, strengths with threats, and weaknesses with threats. The analysis is as follows:

SO strategy. Utilize internal strengths and seize external opportunities. China Mobile Communications Corporation should strive to maintain its dominant position in the existing market, promote brand strategy to

users at all levels, establish a good brand image, utilize its own strength advantages, and explore more diversified markets.

WO strategy. Overcome one's own weaknesses and take advantage of external opportunities. China Mobile

Communications Corporation should innovate its services and business, change the situation of a single mobile service, strive for more customers, and make up for the price disadvantage.

ST strategy. Utilize internal advantages to resist external threats. China Mobile Communications Corporation enhances its market competitiveness by leveraging the advantages of network quality and service quality.

WT strategy. Reduce internal deficiencies and avoid external threats. The company should comprehensively develop its business, improve its technology, reduce costs and expenses, and make full use of its strengths and weaknesses.

With the development of the national economy and the increase in per capita income, making phone calls, sending text messages, etc. have become essential means of communication in people's lives. Therefore, China Mobile Communications Corporation should follow the trend of the market and adjust its strategy in a timely manner to adapt to the development of the market. This article uses SWOT analysis to comprehensively analyze the internal and external factors of China Mobile Communications Company, matching each factor and designing feasible strategies. China Mobile Communications Corporation should maintain its original advantages, continuously improve and develop, and forge a strong brand; Compensate for one's own disadvantages, continuously innovate services and businesses, and become a comprehensive business operator; Seize external opportunities, continue to tap into market potential, and explore broader markets; Avoiding external threats, enhancing strengths and weaknesses, improving comprehensive strength, enhancing market competitiveness, and ultimately standing undefeated in the telecommunications market competition.

5 Analysis of Internal Control Issues in

Enterprises

5.1 Internal Environment Analysis

5.1.1 Enterprise Resource Analysis

Enterprise resources refer to various elements related to value creation activities that enterprises can acquire and integrate. The strategic choice of an enterprise is first constrained by the resources it possesses and the resources it can integrate. Therefore, enterprise strategic managers need to clarify their own resources, including the type, quantity, and quality of resources, and compare them with competitors to confirm their strengths and weaknesses in resources, evaluate the value, creativity, and sustainability of resource advantages. The core purpose of resource analysis is to understand whether one has the resource advantages to implement existing and new strategies, and how to form the required resource advantages through the reconfiguration and integration of resources. The main types of enterprise resources can be divided into human resources, tangible resources, and intangible resources.

5.1.2 Human Resources

The quantity, quality, and utilization of different types of human resources within the organization. China Mobile Limited has been committed to building a strong human resources strategy to drive the company's sustainable development and growth.

Firstly, China Mobile Limited ensures that its human resource allocation is in line with the needs of business development through strict human resource planning. The company develops talent recruitment and training plans based on the needs of different departments and positions to ensure that the company has suitable talent reserves in various fields such as technology, marketing, and management. At the same time, the company actively engages in school enterprise cooperation, collaborates with universities and professional institutions, introduces various talents and professional knowledge, and maintains the company's competitive advantage in the industry.

Secondly, China Mobile Limited focuses on the career development and training of its employees. The company has established a comprehensive training system, including new employee training, job training,

management training, and other levels and aspects. Through training, the company not only enhances the professional skills and business proficiency of its employees, but also improves their overall quality and teamwork ability. At the same time, the company also provides employees with opportunities for promotion and development through regular performance evaluations and career planning, inspiring them to continue learning and improving themselves.

Once again, China Mobile Limited places great emphasis on the welfare and care of its employees. The company provides competitive salary and benefits for employees, offers a good working environment and welfare benefits, and pays attention to their physical and mental health as well as work life balance. In addition, the company actively carries out employee care activities, organizes diverse employee activities and training, enhances employee cohesion and sense of belonging, and stimulates employees' work enthusiasm and creativity.

5.2 Enterprise Capability Analysis

Enterprise capability refers to the ability of an enterprise to utilize and integrate its resources to achieve its business objectives. Various knowledge, methods, skills, experiences, etc. Corporate strategy is constrained by the capabilities it possesses and the integration of those capabilities. Enterprise strategic managers need to clarify their abilities, including types, quantities, and qualities of abilities.

5.2.1 Research and Development Capability

The company's capital expenditure has consistently ranked first in the world. From 2001 to 2021, China Mobile's cumulative capital expenditure accounted for 51.9% of the cumulative capital expenditure of the three major domestic operators. The absolute advantage of capital expenditure has helped the company build a high-quality network, and the company is expected to further enhance its competitiveness through its scale advantage.

5.2.2 Marketing Capability

The important influence of China Mobile in the Chinese telecommunications industry and its advantageous position in the

telecommunications market have been comprehensively analyzed by applying theoretical knowledge from multiple disciplines such as service marketing and industry analysis to the current market competition situation of telecommunications operators. Analyzed the reasons for the marketing strategy issues of China Mobile, and elaborated on the importance of China Mobile's reform and establishment of a new marketing system. After analyzing the current service marketing strategy, a comprehensive marketing strategy solution was proposed, which provided constructive suggestions for China Mobile's service quality, customer satisfaction and loyalty, and refined management level. China Mobile has partnered with Mango TV, which is popular among young people, to launch Mango Cards and hire spokespersons to open up the youth market.

6. Countermeasures and Suggestions

6.1 Strengthen the Construction of Internal Control Environment

China Mobile has found some problems, such as low emphasis on internal control by management and insufficient awareness of internal control systems among employees. Building a good internal control environment should start from the following three aspects: firstly, enterprise management leaders should deepen their understanding of internal control and the importance of internal control, and promote it, design internal control systems well, and lead by example to strictly abide by them.

The second is to increase the importance of internal control and promote it to employees, change the attitude of system executors towards internal control, and improve their professional quality; Some employees believe that internal control is only the responsibility of management and has nothing to do with themselves, resulting in a lack of self-awareness in complying with internal control systems in actual work.

The third is to improve the organizational coordination mechanism related to the implementation of internal controls in enterprises. China Mobile should strengthen the construction of internal control culture and integrate the concept of internal control

into its corporate culture. By organizing internal control knowledge competitions, conducting internal control publicity weeks, and other activities, we aim to enhance employees' awareness and importance of internal control. At the same time, establish an internal control reward and punishment mechanism to motivate employees to actively participate in internal control work. China Mobile should strengthen internal control training for employees to enhance their awareness and understanding of internal control systems.

6.2 Improve the Construction of Accounting Control System In Enterprises

The content of internal accounting control in enterprises mainly includes control over the purchase and sale of products or services, cost and expense control, asset and monetary fund control, financial budget control, as well as accounting records and report control. Strengthening accounting control can classify the objects and contents of accounting control according to accounting elements, and then control the production, supply, and marketing links of the enterprise around accounting elements, or adopt link control method to organically divide the entire business process of the enterprise into links, and then implement control over specific links.

6.3 Emphasis on Internal Supervision of Enterprises

Emphasizing the internal supervision of enterprises is mainly to strengthen its two functions: firstly, the internal audit function, as a part of the enterprise's internal control and the main force in supervising other aspects of internal control, the internal audit department should not only supervise the implementation of internal control in the enterprise, but also strive to create a positive internal control culture; The second is to control the evaluation function. Enterprises should regularly improve and supplement their internal control systems to better achieve internal control goals.

6.4 Strengthening the Construction of Enterprise Accounting Team

Improve the quality of financial personnel. Strengthening the construction of the

enterprise accounting talent team and improving the quality of financial personnel are important guarantees for achieving enterprise accounting supervision. Efforts should be made to cultivate the accounting team to possess the following qualities: firstly, high professional quality and strong comprehensive ability; The second is to have a high level of accounting professional ethics and comply with relevant behavioral norms.

6.5 Establish a correct financial risk management system

The market is changing rapidly. After the risk of COVID-19, investors become more cautious. Establish a risk management system to facilitate China Mobile's collective management of all large and small branches of China Mobile Limited Company nationwide. In this way, all business of the branches must follow the procedures, and the head office will handle financial payments uniformly. This type of management can greatly achieve financial concentration, but it has a negative impact on the market flexibility and response speed of branch offices. Changes in the market can easily lead to a company's flexibility and reaction speed. Without intervention, the company can be put in a passive position in terms of financial risk. All business of the branch company must follow the process, and each business must receive instructions from the headquarters before it can be carried out. This will also have a significant impact on the work efficiency of the branch company. Therefore, the centralized financial management method should be improved to ensure the rationality of the branch company's reserve fund account. In order to facilitate the normal expenses of the branch in the daily operation process, it is necessary to set up a reasonable reserve fund account for the branch, so that the branch has a certain amount of reserve fund.

7. Conclusion

This study systematically deconstructs the complex governance landscape of China Mobile's internal control and risk management from the perspective of the interaction between public management and external environment. Research has found that as a communication state-owned enterprise that undertakes public functions,

China Mobile has formed a composite response mechanism of "strategic synergy risk buffering" driven by the dividends of new infrastructure policies, but its public value creation process faces multiple institutional tensions. At the external environmental level, the modernization transformation of the telecommunications regulatory legal system requires enterprises to improve policy transmission efficiency. However, the barriers to government data sharing and the lack of adaptability to international economic and trade rules result in compliance risks continuing to be transmitted to the operational end; In the dimension of internal control, although dynamic adaptation of organizational structure reduces governance costs, it is difficult to resolve the structural contradiction between social responsibility investment and market-oriented goals. Research has shown that traditional risk management frameworks have a delayed response to public governance needs, and there is an urgent need to establish a new governance paradigm of "policy resilience assessment public value anchoring". It is suggested to establish institutional innovations such as clarifying the boundaries of government enterprise cooperation rights and responsibilities through legislation, establishing a special budget mechanism for digital governance, and improving the assessment system for public policy implementation, in order to achieve a dynamic balance between risk control and public responsibility fulfillment. This study provides a theoretical breakthrough and practical paradigm in the field of public management for state-owned enterprises to coordinate national strategic response and market-oriented development.

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