

# ***Research on Legal Risks and Preventive Measures in the Management of Modern Electric Power Enterprises***

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**Keywords:** power enterprise, operation management, legal risk, preventive measures

**Abstract:** As an important part of China's national economy, power companies' management level is related to people's power quality and safety. There are many problems in the daily operation and management of power companies, of which legal risks are the key issues. With the rapid development of social economy and the continuous improvement of the national legal system, China's power companies need to pay enough attention to legal risks, understand relevant legal awareness, and take effective measures to prevent legal risks. This paper summarizes the legal risks and existing problems in the management of power companies, and proposes corresponding solutions.

## **1. Introduction**

In order for a power company to continue to develop healthily, it must know the law, understand the law, and consciously abide by the law. If the company does not strictly follow the legal requirements in its daily operation and management, it will eventually face serious legal risks, which will bring huge economic losses to the enterprise and even cause more serious consequences. Judging from the actual situation of China's power enterprise management, the awareness of risk prevention of some enterprises is still very weak, which brings certain security risks to the development of enterprises, and must pay enough attention to this issue <sup>[1]</sup>.

## **2. Overview of Legal Risks in the Management of Modern Power Enterprises**

Power companies face more risks in the daily operation and management process, which can be divided into: (1) Internal dispute risk. That is, the interests of the internal structure system and management of the enterprise, the more common are the shareholder equity distribution issues, the equity transfer between the board of directors and the shareholders; (2) The risks brought about by investment and mergers and acquisitions; (3) The contract risk. This kind of risk is seen in the daily operation and management of the enterprise. The production and operation of the enterprise are closely related to the contract, and the problem that arises in this process is the contract risk problem, which will be given a very serious impact to the development enterprise; (4) The establishment and dissolution of the issue of insurance. It can be said that this type of risk is the most serious risk problem facing the development of power companies <sup>[2]</sup>. In the formulation of the initial policies and policies, if there is illegal behavior, the company will certainly have certain security risks in the subsequent business management, which is not conducive to the long-term development of the

enterprise. In addition, when the enterprise is dissolved, if the corresponding debt settlement is not completed, or if it is responsible for its own responsibilities and obligations, the risk of dissolution will occur; (5) Human resource risk. Such risks refer to various labor disputes arising during the employment of the enterprise, such as risks arising from the signing of labor contracts, staffing conflicts, wage settlement risks, etc.; (6) Intellectual property risks. This kind of risk is a key issue that needs to be paid attention to in the development of enterprises. However, due to the lack of awareness of property rights risk of some enterprises and individuals, it is easy to have problems with improper management of property rights, resulting in intellectual property risks<sup>[3]</sup>.

### **3. Analysis of Legal Risk Prevention Problems of Power Companies in China**

Electricity is a basic industry and has a close relationship with people's production and life. Imagine that if there is no electricity in our lives, all kinds of production activities in the society will be difficult to carry out smoothly, affecting all aspects of people's lives. In the continuous development and transformation of society, power companies are gradually developing and growing. However, due to various factors, there are still many risks in the development. The following three aspects are briefly introduced.

#### **3.1. Insufficient Awareness of Legal Risk Prevention**

To effectively carry out the legal risk prevention work of enterprises, it is necessary for the enterprise leadership managers and employees to have certain legal risk prevention awareness. In the daily operation and management of enterprises, it is necessary to be able to strictly follow the requirements of laws and regulations, regulate and constrain their own management and Business conduct. However, from the current situation, most of the leading managers in China focus on how to improve the economic efficiency of enterprises, and ignore the prevention of legal risks. Therefore, it has laid a certain legal risk issue for the sustainable development of enterprises. The development of the company was blocked. Specifically, when the power companies are guarding against legal risks, the weakest points are: (1) the company does not pay attention to the legal risk issues, and does not strictly follow the standard issues, thus continuously increasing the legal risks of the enterprises; (2) The risk prevention department lacks a systematic understanding of the current relevant laws. Although it has also noticed the risk issue in the specific work, it cannot fully implement the work, and the legal risk problem still exists<sup>[4]</sup>.

#### **3.2. No Systematic Legal Risk Prevention System has been Established**

In order to effectively prevent legal risks, enterprises must not only require enterprises to raise their awareness of legal risk prevention, but also arrange for the implementation of relevant laws and regulations in the daily operation and management process. It also needs to establish a systematic legal risk prevention system to prevent risks. Reduce the losses caused by risks to enterprises<sup>[5]</sup>. However, due to the late transformation of power companies, the construction of relevant laws is still very weak. Therefore, the relevant legal systems are not perfect. Power companies have not established risk prevention systems based on the actual conditions of their own development. Enterprises lack comprehensive risk prevention systems and personnel. The unreasonable configuration, unclear powers and responsibilities, etc., led to the loose internal structure of the enterprise, which led to various legal risk issues<sup>[6]</sup>.

### 3.3. Low Level of Contract Management

Disputes caused by contracts are also one of the legal risks that power companies often encounter. In the process of development of modern enterprises, all kinds of economic business transactions involved are carried out through contracts. Therefore, it is very important to do a good job in contract management. Based on the large market competition of power companies, they have been in the process of continuous development. Many power enterprise management leaders and employees have not paid enough attention to contract management issues, and have not properly handled the newly signed contracts. Enterprises face various risk problems when fulfilling their contract requirements. Even some enterprise management personnel have not summarized the problems after discovering the contract problems, and have expanded the risk issues, which has laid a great foundation for the development of enterprises. Security risks, so that power companies need to face a lot of risk issues. As the scale of power companies continues to expand and jobs increase, many power companies employ a large number of part-time and temporary workers. The quality of these personnel is uneven, affected by various factors, and when power companies are hired or dismissed. There may be behaviors that are not strictly in accordance with the relevant content of the labor law, which may lead to various disputes, leading to the occurrence of legal risks in power companies<sup>[7]</sup>.

## 4. Analysis of Legal Risk Prevention Measures in Modern Power Companies

In order to effectively raise the awareness of legal risk prevention and minimize the legal risks, power companies need to start from the following aspects:

### 4.1. Enhance the Awareness of Legal Risk Prevention in Power Companies

To enhance the awareness of power companies to prevent legal risks, all employees must constantly strengthen their awareness of legal risks, recognize the importance of preventing legal risks, and constrain their own work behaviors, and strictly follow the relevant requirements. As the core of daily business management, corporate leadership management should raise the awareness of direct legal risks. Based on the relevant laws of the enterprise and the current state, analyze the legal risks that may arise in the development of enterprises, and identify the root causes of risks. So developing appropriate preventive measures to avoid legal risks. In addition, enterprises must increase the promotion and education of legal risks, so that more people realize the harm that legal risks bring to enterprises, strengthen the legal awareness of staff, and enable them to seriously complete their work without breaking the law. Under the premise, we guarantee to complete our work and enable the company to continue to develop healthily<sup>[8]</sup>.

### 4.2. Building a Sound Legal Risk Prevention System

1) Enterprises should build a systematic and complete risk prevention system, so that all employees can understand how to prevent legal risks in the specific work process, standardize their work behaviors, and improve their ability and level of prevention of legal risks; 2) In order to ensure the effective implementation of the risk prevention system, enterprises can also build a systematic reward and punishment system. For those employees who perform well, enterprises can give material and spiritual rewards. For those who do not work seriously, violate the laws and regulations, etc. Enterprises need to give different degrees of punishment according to their severity, and constrain their behavior, so that legal risk prevention work can be fully implemented; 3) Enterprises also need to build a sound contract system<sup>[9]</sup>. With the continuous improvement of the social and economic system, doing a good job in enterprise contract management has become an effective way for power

companies to prevent risks and improve their management efficiency. If the enterprise is only in the form of contract management, it will bring great security problems to the enterprise. Contract risk is a problem that needs to be paid attention to in the development of the enterprise. This means that the company can build a perfect contract system with the enterprise during the application period. Under the premise of complying with relevant laws and regulations, combined with the actual situation of the development of the enterprise, the contract file management system is constructed. Including the supporting management system, supervision system, etc. After the formal signing of the contract, it is also necessary to take legal risk prevention according to the actual situation of its own development, and minimize the legal risks of the enterprise.

#### **4.3. Keeping Up with the Legal Risk Prevention System in a Timely Manner**

After establishing its own legal risk prevention system, power companies need to carefully observe in the process of their implementation, so that they can effectively integrate with various internal systems. Once problems are discovered, they need to be updated and adjusted in time to make up for the loopholes and defects in the system ensure the scientific and effective legal risk prevention system. In addition, in the management of enterprises, we should also fully implement the leadership responsibility system, strengthen the links between business leaders, legal consultants and various departments, jointly analyze the legal risks that enterprises may have, and formulate corresponding preventive measures to reduce Business risk.

#### **4.4. Hire Professional Legal Counsel to Prevent Legal Risks**

Some enterprises are in the consideration of their own economic interests. In the daily operation and management work, they have not hired very professional legal consultants to solve legal risks. This is one of the main reasons for power companies to face legal risks. With the continuous improvement of the social and economic system, the legal risks that power companies may face are gradually increasing. To prevent legal risks, it is not only a matter of simply standardizing work behaviors, but also the need for professionals in daily operation and management guide. Therefore, in order to prevent risks, power companies need to hire better legal counsel. When hiring legal counsel, enterprises must fully consider all aspects of their professional competence and professionalism, and use the relevant thermal resource management system, reward and punishment system and other systems to mobilize the enthusiasm of legal consultants and earnestly do a good job in the enterprise risk prevention <sup>[10]</sup>.

#### **4.5. Ensure the Scientific and Legitimacy of Corporate Leadership Decisions**

Most of the legal risks arising in the daily operation and management of power companies are related to corporate leadership decisions, such as internal interest dispute risks and dissolution risks. Therefore, in order to effectively prevent the legal risks of enterprises and ensure the effectiveness of legal risks, leaders also need to pay attention to corporate decision-making. When making decisions, comprehensively consider various possible risk problems, timely discover problems in decision-making and correct it. When making decisions, corporate leaders should refer to the opinions and opinions of legal consultants, and consider the various systems and business developments of enterprises to ensure the scientific and legality of decision-making, so as to avoid illegal personnel taking advantage of the loopholes and bringing certain economic losses have led to various legal risk issues.

## 5. Conclusion

In short, the power risks faced by power companies in the process of Fazza are very high. No matter which kind of risks occur, it will affect the sustainable and healthy development of enterprises. Therefore, power companies need to pay attention to legal risk prevention work, strengthen their own legal risk awareness, increase publicity and education on legal risk issues, and build a sound legal risk prevention system; hire professional legal counsel to prevent legal risks; The scientific and legitimacy of decision-making reduces the incidence of corporate legal risks, enabling enterprises to achieve long-term development.

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