

Study of the Impact of Managerial Relationships on Corporate Performance in a Transitional Environment

Yinjie Wei, Yuqian Xie, Chuntao Lan, Ling Peng, Zhuo Liu

Guangxi Normal University, 541000, Guangxi, China

Abstract: The impact of management relationships on corporate performance has always been the focus of management research. This article studies the impact of management relationships on corporate performance in a transformational environment, and finds that management relationships are an important part of the internal management environment of the enterprise. Good management relationships can help improve corporate performance, while poor relationships can have negative effects. In a transformational environment, enterprises need to strengthen internal communication and collaboration, streamline organizational structure and decision-making processes, and enhance training and support for managers, thereby improving management relationships and promoting the performance of the enterprise. Therefore, enterprises should pay attention to building a good internal management environment, cultivating managers with cooperation and coordination capabilities, and improving corporate performance to achieve long-term stable development.

Keywords: Transformation environment, Managerial relationships, Corporate performance.

1. Introduction

In today's rapidly changing market environment, enterprises often need to transform themselves to adapt to changing market demands. In this context, the quality of the internal management environment of the enterprise will directly affect the development and performance of the enterprise. Among them, management relationships are an important part of the internal management environment of the enterprise. Good management relationships can help improve corporate performance, while poor relationships can have negative effects. Therefore, studying the impact of management relationships on corporate performance in a transformational environment is of great significance for enterprises to achieve long-term stable development. This article aims to explore the impact of management relationships on corporate performance in a transformational environment, and proposes corresponding suggestions to help enterprises build good management relationships and internal management environments, improve corporate performance, and achieve sustainable development.

2. Related Theoretical Foundation

2.1. Business management in the transition environment

Enterprise management in a transformational environment refers to a management model that adapts to rapidly changing market demands. In a transformational environment, enterprises need to constantly innovate and transform themselves to adapt to changes in market demand. Therefore, enterprise management in a transformational environment needs to have the following characteristics: (1) flexibility: enterprises need to have a flexible and agile management model that can quickly adjust and adapt to market changes. (2) innovation: enterprises need to have an innovative and open culture to continuously promote innovation in existing business models and products/services, leading the enterprise to a higher level. (3) strategic: enterprises need to establish a long-term strategic planning to maintain strategic stability in

the face of market changes. (4) intelligent: enterprises need to adopt new technologies such as intelligence, digitization, and informatization, optimize internal business processes, and improve management efficiency. (5) talent-oriented: enterprises need to pay attention to talent cultivation and introduction, establish a management team with innovation and execution, and provide solid talent support for the development of the enterprise. In summary, enterprise management in a transformational environment needs to have characteristics such as flexibility, innovation, strategic, intelligent, and talent-oriented to adapt to changes in market demand, promote enterprise development, and improve performance.

2.2. The relationship between inter-manager relationships and corporate performance

Interpersonal relationships among managers refer to the mutual relationships and interactions between the internal management of an enterprise and between management and employees, which have a significant impact on the performance of the enterprise. The quality of interpersonal relationships among managers is related to the management efficiency of the enterprise, work enthusiasm, employee morale, and other aspects, thereby indirectly affecting enterprise performance. Good interpersonal relationships among managers generally show the following aspects: (1) smooth communication: smooth communication between the management team, fast and transparent information transmission, which eliminates resource waste and misunderstandings. (2) close collaboration: trust and close cooperation among managers, forming a consistent opinion and action for major decision-making of the enterprise, improving work efficiency and quality. (3) clear division of labor: each member of the management team has a clear division of labor, refined division of labor promotes more efficient execution of work, thereby improving work efficiency and level. (4) matching authority and responsibility: the authority of managers matches their corresponding responsibilities, reducing instances of abuse of power and responsibility evasion. Good interpersonal relationships

among managers can promote cooperation and coordination within the enterprise, improve work efficiency and employee morale, and are beneficial to achieving the strategic goals of the enterprise and improving enterprise performance. Conversely, poor relationships among managers may lead to disagreements and disharmony within the enterprise, thereby affecting production efficiency, employee enthusiasm, and enterprise performance. Therefore, establishing good interpersonal relationships among managers is a crucial aspect in enterprise management [1].

3. Managerial Relationships on Corporate Performance in a Transformational Environment

3.1. Work efficiency aspects

An enterprise with good interpersonal relationships among managers has members of the management team who trust and cooperate closely with each other, share information transparently, and can effectively promote strategic deployment and business innovation, thus improving work efficiency and quality. Poor relationships among managers can lead to problems in internal cooperation within the enterprise, causing internal disagreements and workflow issues, directly affecting enterprise work efficiency. In a transitional environment, good interpersonal relationships among managers can improve enterprise work efficiency and thereby enhance performance. Specifically, its impact on enterprise performance includes the following aspects: (1) Accelerating decision-making and execution: in good interpersonal relationships among managers, the management team trusts and understands each other, which enables faster decision-making and quick execution. This can adapt to rapid market changes, enhance enterprise flexibility and adaptability. (2) Enhancing work quality: good interpersonal relationships among managers can also improve the quality of enterprise work. With close cooperation between management teams, jointly developed strategies and plans can be better implemented in practical operations to ensure that each aspect of enterprise work is refined, thereby improving the quality of enterprise products and services. (3) Improving production efficiency: good interpersonal relationships among managers can make employee work more logical and efficient. With smooth communication and sufficient information sharing between the management team, problems such as repeated work and information asymmetry can be avoided, thereby improving employee work efficiency and production efficiency. (4) Optimizing cost control: good interpersonal relationships among managers can also optimize cost control. With close cooperation between the management team, they can jointly study and discover methods and approaches to reduce costs, thereby reducing enterprise operating costs and improving its profitability [2]. In summary, good interpersonal relationships among managers are very important, conducive to improving enterprise work efficiency and quality, optimizing cost control, enhancing enterprise flexibility and adaptability, and ultimately improving enterprise performance.

3.2. Organizational morale

In a transitional environment, good interpersonal relationships among managers are crucial for boosting organizational morale, which can directly impact the performance of the enterprise. Specifically, its impact on

enterprise performance includes the following aspects: (1) Boosting employee morale: good interpersonal relationships among managers can enhance employees' sense of belonging and identification with the organization, stimulate their work enthusiasm and creativity, and thereby improve their morale. High morale can inspire employees' work motivation, make them more actively involved in work, and improve the enterprise's production efficiency and performance. (2) Reducing staff turnover: good interpersonal relationships among managers can also reduce staff turnover. With close cooperation between management team members, employees have better job security and career development opportunities, and a stable and harmonious working environment is created within the enterprise, which can effectively retain talents and reduce employee turnover rates. (3) Improving employee satisfaction: good interpersonal relationships among managers can improve employee satisfaction. With mutual trust and close cooperation between management team members, employees receive more attention and respect and can better achieve a sense of accomplishment and self-realization in their work. This will lead to higher loyalty and recognition of the enterprise, which is beneficial to improving enterprise performance. (4) Promoting enterprise culture construction: enterprises with good interpersonal relationships among managers can effectively promote enterprise culture construction. With mutual understanding and respect between management team members, they can set an example for employees, advocate and convey the core values of enterprise culture, create a positive enterprise culture atmosphere and thus improve enterprise performance. In summary, good interpersonal relationships among managers play a very important role in boosting organizational morale. It can stimulate employees' work enthusiasm, improve employee satisfaction, loyalty and recognition, and thereby help improve enterprise performance.

3.3. Corporate innovation

In a transitional environment, good interpersonal relationships among managers are crucial for promoting innovation in enterprises, which can directly impact the enterprise's performance. Specifically, its impact on enterprise performance includes the following aspects: (1) Stimulating employee innovation and creativity: Good interpersonal relationships among managers can stimulate employees' innovation and creativity, promote continuous innovation, and enhance competitiveness. Mutual support and cooperation among management team members provide employees with better space and platforms to express themselves, encourage them to propose new ideas and suggestions, and promote innovation and development of the enterprise. (2) Creating a humble and inclusive corporate culture: Good interpersonal relationships among managers can also create a humble and inclusive corporate culture, making it easier for the enterprise to accept new ideas and concepts, and promote innovation. Mutual trust, understanding, and respect among management team members are conducive to establishing an open and inclusive corporate culture, encouraging employees to try and innovate boldly, thereby improving the enterprise's innovation capability and performance. (3) Improving the conversion rate of innovative results: Good interpersonal relationships among managers can also improve the conversion rate of innovative results in enterprises. Smooth communication and sufficient information sharing among management team

members can better identify and grasp new business opportunities, quickly push forward innovation projects, improve the conversion efficiency and promotion effect of innovative results, thereby promoting enterprise development. (4) Cultivating innovative talents: Good interpersonal relationships among managers can also cultivate talents with innovative consciousness and ability. Mutual cooperation and support among management team members provide employees with more learning and growth opportunities, help them expand their horizons through analyzing and understanding the internal and external environment of the organization, cultivate innovative talents, enhance the enterprise's innovation advantages and performance. In summary, good interpersonal relationships among managers play a very important role in promoting innovation in enterprises. It can stimulate employees' innovation and creativity, create a humble and inclusive corporate culture, improve the conversion rate of innovative results, cultivate innovative talents, and thus help improve enterprise performance [3].

4. Conclusion

In general, the relationship between managers in a transitional environment has a significant impact on enterprise performance. In this era of change and uncertainty, good relationships among managers can increase internal cohesion and collaboration, stimulate employees' work enthusiasm and creativity, and promote the development and innovation of enterprises. From the above discussion, it can be seen that the impact of good relationships among managers on enterprise performance mainly includes the following aspects: Firstly, good relationships among managers can increase internal loyalty and stability, reduce employee turnover rate, improve employee satisfaction and morale, and effectively improve the enterprise's production efficiency and performance. Secondly, good relationships among managers can create a positive and innovative corporate culture, which

is conducive to establishing an open and inclusive corporate culture, improving the enterprise's innovative ability and performance. Thirdly, good relationships among managers can improve communication and sharing of internal and external information, help quickly identify business opportunities, promote innovation projects, improve the conversion efficiency and promotion effect of innovative results, and thereby promote enterprise development and sustainable growth. Finally, good relationships among managers can also cultivate talents with innovative consciousness and ability, bringing more competitive advantages and development power to the enterprise. In conclusion, good relationships among managers are the foundation of enterprise success, which can increase internal cohesion and collaboration, promote enterprise development and innovation, and effectively improve enterprise performance. In a transitional environment, managers should attach importance to and continuously optimize their relationships, jointly create a stable, harmonious and efficient working environment, and inject powerful impetus into the sustainable development of the enterprise.

References

- [1] Elena Mădălina Vătămănescu r, Andreea Mitan. Managerial Relationships and SMEs Internationalization: Un-weaving the Fabric of Business Performance[M]. Taylor and Francis: 2023-05-23.
- [2] Neves Maria Elisabete, Proença Catarina, Cancela Beatriz. Governance and social responsibility: what factors impact corporate performance in a small banking-oriented country?[J]. International Journal of Accounting & Information Management, 2023 (1):31.
- [3] Jatana Chhavi. Corporate governance, CEO compensation, and corporate performance: evidence from India[J]. Corporate Governance: The International Journal of Business in Society, 2023(1):23.