

# Research on Performance Improvement of Enterprise Management Efficiency Based on Organizational Behavior

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The enterprise management history can be traced back to the late 20th century. At that time managers in some large enterprises were considering various management models, income levels, incentive mechanisms, job designs and organizational structures which might increase flexibility and competitiveness of enterprises. It is destined to be a lifelong career for managers. It is also normal to find all sorts of problems in the development of enterprises. The key point seems to be what we should do when problems arise. What kind of organizational behavior and causes behind the problems? Analysis of such things I mentioned above is crucial to find out root of the problems so that we can constantly adjust organization structure and way of working to positively cope with them.

## 1. Introduction

In the era of industrial economy, bigger and stronger enterprises are common goal of enterprise governance all around the world. Quantities of vast multinational companies appear especially in some developed countries in Europe, America, Japan and South Korea, covering Ford Motor Company, OMRON etc. At that time the management model of such big business actually brought considerable economic benefits and doubled profits (Amin and Wan (2014)). However entering into the era of knowledge-based economy, some internationally well-known companies has stayed in stagnate stage due to change of relations between productivity and productions. Therefore, some chiefs are wondering "what's the matter? It seems that we come across a blind alley." That's what we called big company syndrome which mainly embodies in three aspects as follow (Jabbour and Charbel, 2016).

## 2. Executive Capacity Deterioration

Executive capacity deterioration results from more strategies but less evaluation, summary and correction of strategies; more command from top leaders but less concrete implementation, more solving problems on basis of experience but less concrete analysis, more going through the motions but less on-the-spot investigations (Strohmeier and Piazza, 2013). To some degree, executive capacity deterioration separate three parts including personnel, strategy and operation which should be close-connected and interacted with one another. Under such circumstances, some important strategies and operational plans from decision-makers become mere formality eventually and lead to failure.

### 2.1 Innovation Capacity Deterioration

Innovation capacity deterioration had reflected on not only the design of development strategy but also management model and operation mechanism. From one point of view, enterprise staffs share responsibility of such deterioration. As we all known, most senior staffs in important departments are old employees for many years whose thinking models have been deeply influenced by traditional concept. With increasingly competitive development, their ideas tend to be out of style. Thus there is need to have necessary basis for enterprise innovation capacity.

### 2.2 Low Level of Enterprise Management Curbs Development

For large enterprises, the biggest threat to development generates from lagging internal institutional improvement. As enterprises keep growing, some of their organizational structure can't meet needs of current

competition and development. When enterprises integrate corporate cross-functions, people accustomed to passing the buck without specific responsibility sometimes. It partly causes ineffective work of enterprise and abating of workers' enthusiasm and cohesion. Thus enterprises stay in stagnate stage due to lack of inner motivation from their staff.

### 3. Analysis of Existed Problems in Large Enterprises

Analysis made from four perspectives covering strategic design, power and politics, culture and incentives.

#### 3.1 Analysis from Strategic Design

##### (1) Structure and pattern of labor division

Generally speaking, organizational structure of large enterprises can be categorized into functional and divisional, or the combination of both. For example, top five domestic communication operators adopt the combination model, the lower grade adopt divisional system which set up branch offices in counties and districts (Stein and Scholz, 2013). The upper grade adopt functional system which set up department office in cities in charge of urban management and administration and also assigning management and guidance for related transactions in respective counties and districts. Under such organization structure, it is convenient to have central management, unify deployment of resources and realize mutual compensation of advantages for advantages. However, there is also a defect refers to management step by step. Everyone should not do anything without authorization. When there appears a management fault, enterprises would be trapped if the fault had not been dealt with in time.

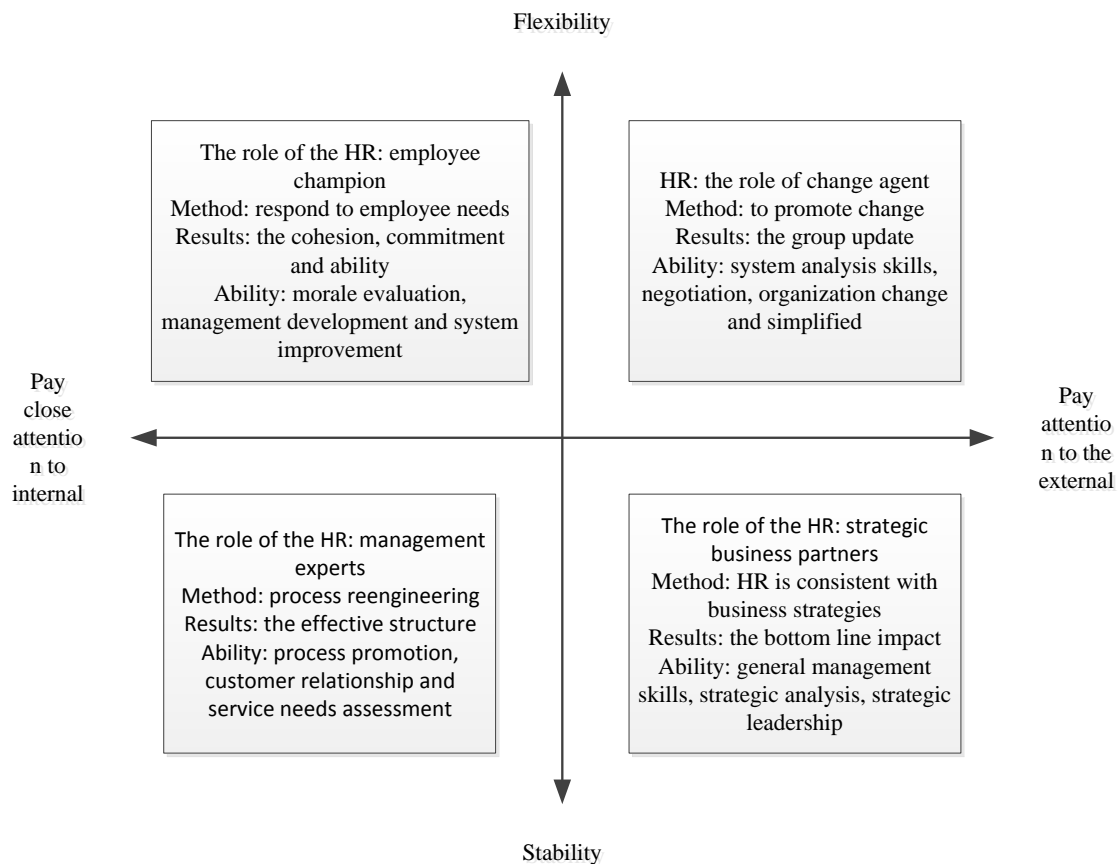


Figure 1: Based on the competing values framework of human resource management

The problems are mainly manifested in three aspects. Firstly, once they have accidents especially emergencies, there are too many organization levels so that policy-makers can't have timely communication with front-line workers, resulting in delay or deviation of information and mutual buck-passing. Secondly, clear responsibility among departments breeds selfish departmentalism. Thirdly, there are still unreasonable cross-function department which go against development.

All these mentioned above might unconsciously influence enterprises' overall strength, cultural atmosphere, execution capacity, weaken core competitiveness of enterprises. Therefore, the key point to prevent abating of execution capacity refers to make up the defects of this organizational structure, manage to make it reasonable and meet requirements of market competition (Jie, 2014).

### (2) Internal Communication and Coordination

Within the enterprises, information communication should follow various management process set by them. There are a lot of channels and means of communication, including formal channels like internal office internet and informal channels like individual chatting. The communication will be effective if we make full use of them. Nevertheless, there are still problems lie in large enterprises. Some staff are not specific with their target due to little communication between top leaders and staff about their strategic goals and visions. Top leaders ignore communication to some degree while employees are puzzled in business target, both of them lack intrinsic consistency (Li, 2014).

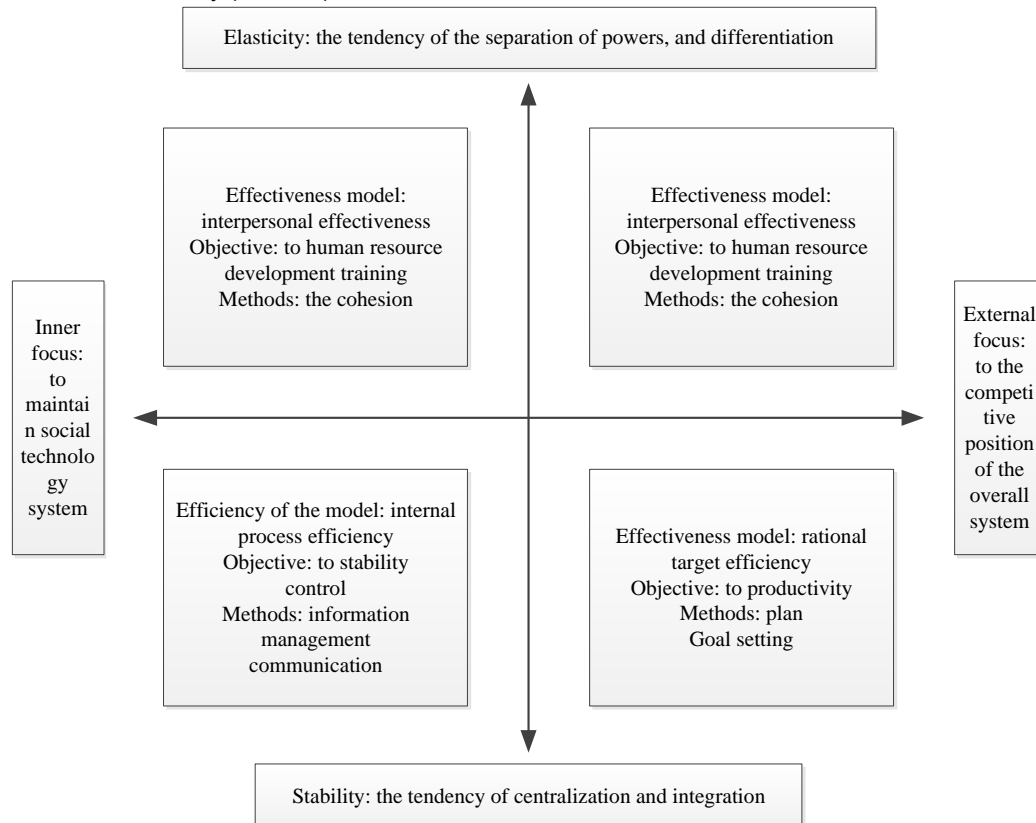


Figure 2: Based on the competing values framework of organizational effectiveness model

### (3) Integrated Enterprises Control System

In organizational structure of current mobile communication operators, the main way of integrated control is to have performance appraisal system as unit of department (Yusuf and Taslim, 2014). At present, most communication operators adopt this system, breaking development tasks into small stages at the beginning of the year and putting them into effect in all departments and branch offices. Evaluation will be made according to respective completion performance for different class of annual bonus which can be incentives to encourage staff to work harder and harder. In addition, there are also some control systems such as human resources development system, personal salary incentive mechanism. Although the macro performance appraisal system has been established, there is still room to improve the micro part. Firstly, the performance appraisal system for individual is imperfect. Secondly, it lacks track of performance process and effectiveness. Thirdly, the incentive mechanism for personal salary still needs to be improved. For example, how to define the bonus between two people when they have same job positions, job tasks and achievements? Whether there should be a difference?

### 3.2 Analysis from Perspectives of Power and Politics

Nearly every enterprise has its unique political climate, the formation of the climate is closely related to not only the provision of enterprise power but also stakeholders inside and outside the enterprise. Once the

environment has been formed, it will have unconscious influence on decision-making, relations among different departments, enterprise culture and even many activities in many aspects, which may cause all sorts of problems. So, how has the provision of enterprise power been made? What respects have been influenced by power and politics?

#### (1) Source and Influence of Power

Power has three main sources. First, the authority acknowledged by staff arising from the hierarchy. Second, the individual qualities possessed by power-holders. Third refers to the control ability of scarce resources. Therefore, people are full of sense of tension, responsibility and mission in rush work situation (Urtasun and Larraza, 2012).

#### (2) Recognition of the Enterprise Values

In the latter half year of 2000, China Mobile Group has hammered out their unique enterprise culture concept system combined with self-conditions. What's more, they promoted the culture to subsidiary corporations at all levels and their staff, carrying forward the advancing culture across the country. It aims to establish a welcomed social image of China Mobile Group and form unified thought and ideology among employees, thus cooperative efforts can be made. The culture concept system is categorized into five parts including enterprise mission, management aim, enterprise values, service concept and spirit of enterprise. The system which has made preliminary achievements through six-year efforts and enjoyed popular support, become the terminal values for the guidance of our work standard and code of conduct.

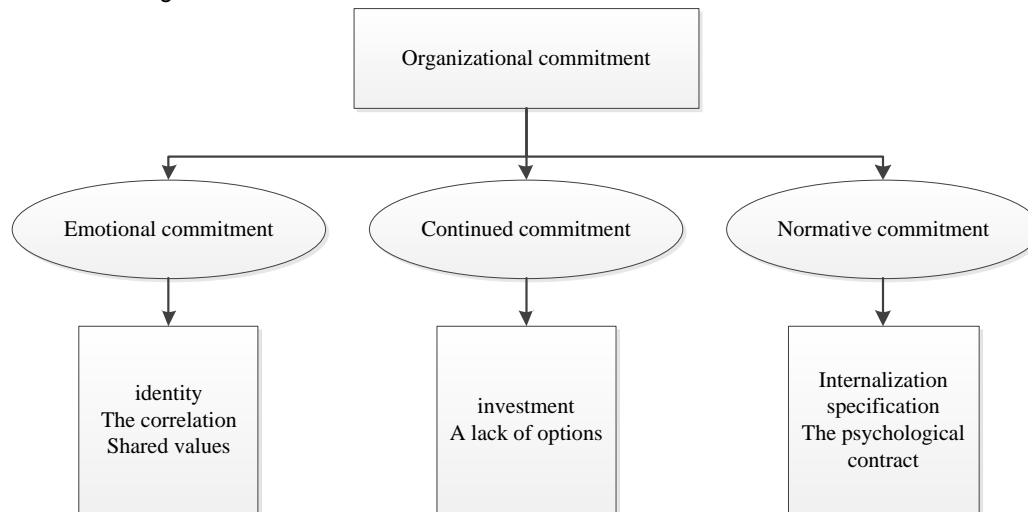


Figure 3: The dimension of the organizational commitment

#### (3) Potential Culture Behind Employees Behaviors

When we have cultural representations and enterprise values generally acknowledged by employees, don't we have any problems in environment? Definitely. Because of individual behaviors and personalities, there is always the gap between ideal and reality. People have their own interest and demand which can lead to confliction all the time, resulting in exist of potential psychological problems behind the enterprise culture. Even some universal problems which haven't showed up reflected the progress room to be improved and importance of positive instruction to employees. For example, some employees objecting to reform in case of interest reversal may suffer interpersonal relationship change when the reform is unavoidable and unfair problems arise from the process of reform. Therefore, managers in large enterprises have to focus on potential thoughts and cultures among employees in case of some harmful invisible behaviors becoming destructive factors for enterprise development. These are not shocking statement attracts attention.

## 4. Suggestions

### 4.1 Redesign the Organization

Redesign the organization on basis of defects existed in organizational structure, build flattening organization with cross-function and strengthen strategic coordination function as effective complement for matrix structure. It is imperative to establish a system of analysis, evaluation, summary and feedback, especially to build a instant communication team to have emergency response system and flat management. So the problems could have instant feedback from decision-makers with face-to-face communication and make minimization of loss.

#### 4.2 Improve Integrated Enterprises Control System

Improvement of integrated enterprises control system should start with corporate governance and enterprise performance management. In corporate governance, on one hand, the problem of staff appointing and removing, transferring and promotion should be thoroughly solved. On the other hand, how to effectively integrate individual interest with corporate interests and the interests of our country? Here the employees cover top leaders and also the ordinary workers. Performance management plays a crucial part in enterprise management. How to assure the science and quantification of performance management? How to really link performance with one's income? How to follow up efficiencies in various business process from plan, implementation to evaluation? We are facing many huge challenges. As China Mobile Group has established performance appraisal system through years-efforts, now the system start to be detailed to the individual.

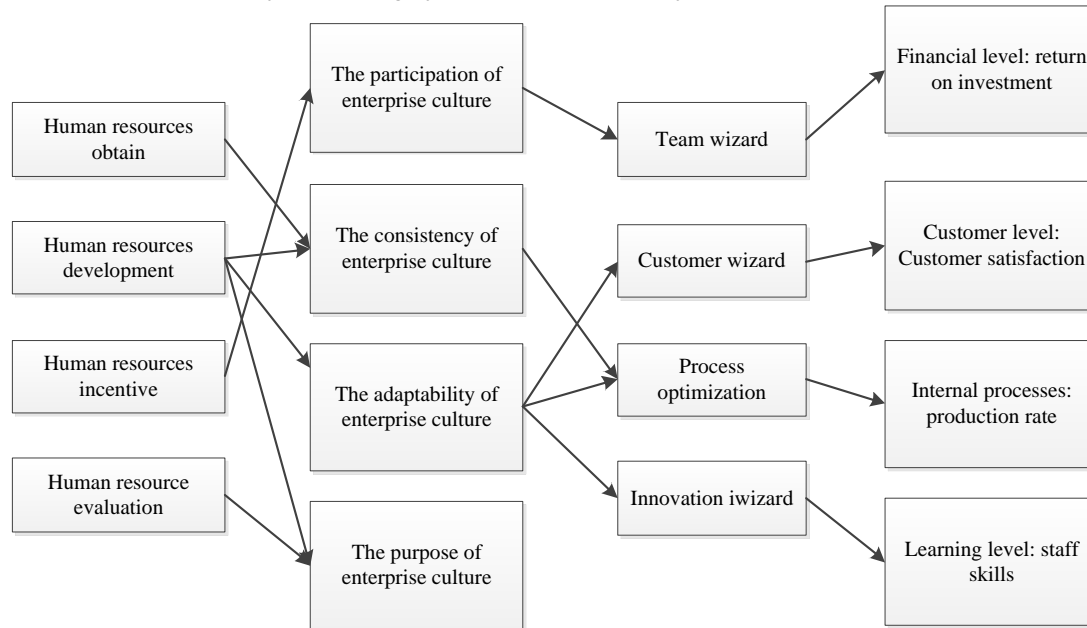


Figure 4: Organizational culture mechanism between HRM practices and organizational performance Based on the perspective

#### 4.3 Transition from Mandatory Management to Human-based Management

The power of politics should be avoid in enterprise management, we should implement people-oriented theory to transit from mandatory management to human-based management. Great enterprise culture atmosphere only can be formed through much attention on peoples' feeling and reasonable allocation of human resources. Enterprise should take priority to reasonable incentives covering emotional incentive, bonus, competition incentive to meet the needs of employees and enterprises. When employees get satisfactory reward for what they pay for, they can work in happy mood which conduce to improve work efficiency.

### 5. Conclusion

When we have cultural representations and enterprise values generally acknowledged by employees, don't we have any problems in environment? Definitely. Because of individual behaviors and personalities, there is always the gap between ideal and reality. People have their own interest and demand which can lead to confliction all the time, resulting in exist of potential psychological problems behind the enterprise culture. Even some universal problems which haven't showed up reflected the progress room to be improved and importance of positive instruction to employees. For example, some employees objecting to reform in case of interest reversal may suffer interpersonal relationship change when the reform is unavoidable and unfair problems arise from the process of reform. Therefore, managers in large enterprises have to focus on potential thoughts and cultures among employees in case of some harmful invisible behaviors becoming destructive factors for enterprise development. These are not shocking statement attracts attention.

Learning from the story of "dismemberment of ox by Paoding" we can see that study of macro environment aims to help enterprises keep calm and rational, adapt to social developments, avoid obstacles and look for space, try to expand freedom of survival and development for providing for itself, finally accomplish tasks with ease. An enterprise resemble an old tree, which can grow healthily only through constant watering, fertilizing,

weeding, pest killing and regular trimming. When problems occur, we should have accurate analysis of cause, resolute decisions, in time-handling to avoid causing other problems, which may make small problems evolve into stubborn diseases we cannot cure, influencing growth of enterprise. It is a better way to analyze existed problems on basis of business management behavior theory, effectively make innovation in enterprise management and precaution to big company syndrome. The study should be a never-ending subject of management which still needs further research.

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