

# Enterprise Development Needs Organization

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**Abstract:** According to the US “Fortune” magazine, the average life of small and medium-sized enterprises in China is only 2.5 years, and the average life of group enterprises is only 7-8 years. About 1 million enterprises go bankrupt every year. Not only the life cycle of enterprises is short, can be stronger and bigger enterprises are few and far between. It turns out that most of the enterprises in China is to rely on opportunities, social resource, enterprise founder’s personality charm, ideological conditions such as business. Many enterprises have this glory, and many enterprises have established the good brand and corporate image, but with the development of the era, founder of opportunities, resource depletion, enterprise no longer a personal change wait for a reason. Enterprises have a crisis, and eventually because poor management has fallen, it can be described as distressed! Analysis of the main reasons, in the final analysis of the source is the enterprise in the process of development has not established, sound and powerful organizational system!

**Keywords:** Organization; System mechanism; Leadership value

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## 1. Introduction

What is “organization”? An organization is a group of people or a collective with a common strategic goal, clear division of labor, strict discipline, unified code of conduct and code of conduct, subject to management and form a strong executive force. It includes the enterprise’s development strategy, brand positioning, personnel training, marketing, financial management, model innovation, cultural construction and other organizational systems.

## 2. Without Organization, the Enterprise Will be Doomed

Case 1: “The advertisement is well done, not as good as the New Fly refrigerator”. This advertisement word is once the New Fly refrigerator brand best interpretation. In 1983, under the leadership of the chief executive Liu Bingyin, Xinfai brand was founded. Through continuous reform and innovation, Xinfai went hand in hand with Haier in the household electrical appliances industry and became extremely brilliant. However, the good times did not last long. Liu Bingyin died of illness in 2001. In the following years, the performance of Xinfai Electric Appliances went from bad to worse, and the operation was in chaos<sup>[1]</sup>.

Case 2: Zhang Ruimin was appointed in 1984, served

as the director of the Qingdao refrigerator factory that was about to close down, under his leadership the enterprise soon turned a loss into a profit, and subsequently founded the “Haier” world famous brand, winning glory for the nation. As of 2018, Haier has 29 manufacturing bases and 16 industrial parks in Europe, North America, Asia, the Middle East and Africa, and the home appliances industry occupies up to 7.8% of the international market share. In just 30 years, under the leadership of the chief helmman Zhang Ruimin, Haier has become the leader of the international home appliances industry.

The development of Xinfai and Haier has made brilliant achievements under the leadership of their leaders. However, due to the death of its founder, Xinfai soon lost its inner soul and finally died out. However, Zhang Ruimin, the founder of Haier, has built the company into a world-class brand and made it brilliant.

Zhang Ruimin said, “The main task of business leaders is not to find talent, but to establish a mechanism to produce talent.” This “mechanism” is the organization, in order to be sustainable, must establish a strong organizational system.

In 2001, the September 11 attacks in the United States started a protracted war against terrorism against the

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Taliban in Afghanistan. When the Taliban leader Osama bin Laden was killed by US special forces in May 2011, the US government thought that the Taliban was leaderless and would soon be defeated. But it was not until December 29, 2014, that US President Barack Obama announced the official end of the Afghan war, which took 13 years and more than 2,000 American soldiers to die. Is the war in Afghanistan really over? No, the Taliban still controls most of Afghanistan today. With its leader Osama bin Laden dead, why has the Taliban survived for so many years? The answer can be found in the Taliban's history of organizational development. The Taliban was born in 1994 against the background of endless civil war and divided factions in Afghanistan. The Taliban regime implements a highly centralized system with strict organization, clear goals, clear rewards and punishments, strict discipline, and firmly controls all terrorist members through ideological education. America is dealing with a supergroup with religious beliefs and military training, not just any rabble. After the death of bin Laden, the second leader in the base soon took over his position and continued to carry out terrorist activities. Later, the second leader was also captured by the US army, and the third leader of the base became the leader of the base, so that the US army for many years in Afghanistan is a futile war, which shows how powerful the organization is <sup>[2]</sup>.

### **3. Build an Organizational System**

In the above cases, the basis for the survival of different organizations comes from the wise decisions of leaders, while others come from the strong autonomy and replicability of the organization itself. No matter good or bad, the organization will be everywhere, and the individual will be nothing without the organization. The foundation of the organization is people, as a collection of people, must have different ideas, different abilities. How do you get a group of people to act as a unit, move in step, and work for the same organizational philosophy? So, must do a good job organization system construction.

#### **(1) Religious organization**

It is well known that the world's longest-surviving organization is "religion". The world's three major religions, Christianity, Islam and Buddhism, have been around for thousands of years and each has more than one billion followers spread across five continents. Religion can be a superorganization that transcends race, transcends borders, transcends time. Why is religion so influential? It is found that the essence of religion is to inspire people's yearning for the afterlife and heaven through

its teachings, so that people can place their happiness in the future and heaven, and firmly believe that as long as everyone firmly believes and keeps practicing, he or she will be able to free himself or herself from death and ascend to heaven. At its core is a belief in the truth the organization seeks and a willingness to fight for it. Every devout religious person has different doctrines and beliefs about their own religion. They can give selflessly and even devote themselves to their religion for their religious beliefs. In history, Tang Sanzang travelled thousands of miles and narrowly escaped death to study Buddhist scriptures in India. Matteo Ricci sailed across the sea and went through hardships to spread the Gospel of Christ in China. Also because of the conflict of faith, Christians and Islam fought many wars. The power to support them is the power of faith. Every business organization wants this kind of power. So what should organizations do? First of all, corporate culture and goals must be combined with the pursuit of employees, so that employees know that working hard for the enterprise is to work for their own career goals, is to achieve their own better life and work. When employees are aligned with the goals of the business, such organizational strength can be as strong as a religion.

#### **(2) Organizing militarization**

The most powerful executing organization in the world is the Army. As the saying goes, the camp made of iron, the soldiers of water, the meaning of the "camp" is the organization. The army's personnel "attrition rate" is as high as 90 percent. Leaders are replaced one after another, but each iteration, through high-intensity training and ideological education, develops a "Great Wall of steel" one after another. When a country is at war, it can be summoned at a command, fought at a command, and won at a command. Its core is to create a strong sense of responsibility, honor and mission of soldiers and absolute obedience to the orders of the system, to ensure that the organization members in the thought and behavior of the unity, and the implementation of strict reward and punishment means, to create the most fighting team.

Study found that domestic executive ability strong and so many well-known enterprises within the enterprise implements the militarized management, such as huawei ren zhengfei, military man, he is under the leadership of huawei is full of sex Wolf culture, emphasizes the determined execution and dare to face tough spirit, in the other enterprises not to parts of the world, a place of fear, both wars, earthquake and tsunami, They all have the shadow of Huawei people, they stormed the city, eventually became

the world's largest telecommunications industry. Wanda's Wang Jianlin, Lenovo's Liu Chuanzhi, etc., they are all soldiers, with strong executive force, tenacious perseverance and highly disciplined military spirit, the enterprise to build the most fighting military organization, leading the team to constantly overcome difficulties and achieve success one after another.

### **(3) School-based organization**

The most powerful learning organization in the world is the school. Management guru Ram Charan says, "As a business leader, nurturing talent is at least as important as generating performance." It shows that one of the key points of the development of enterprises is to constantly cultivate talents. Huawei is a typical example of school-oriented organization. Founded in 1987, Huawei has grown from an unknown company to an industry leader over the past 30 years. Huawei holds the leading position in the number of technology patents in the industry. This is obviously the result of organizational learning and innovative learning. There is a paragraph in the Basic Law of Huawei that says "the objective of human capital improvement takes precedence over the objective of financial capital improvement". In order to learn the advanced technology of the industry, Ren Zhengfei personally led a group of senior executives of the company to spend 2 billion yuan to study in IBM in the United States. After several years of study, they trained a large number of business backbone and technical elites for Huawei, and made it clear once again that the value added of an enterprise lies in the value added of people. In Huawei, continuous training is the way for employees to learn, and the qualification of employees is determined by the examination after training, which greatly stimulates their enthusiasm for learning. In addition, through leadership mentorship, enterprise leaders can guide employees on work and impart knowledge on their positions, which accelerates the growth rate of employees and provides a steady stream of reserve talents for the rapid development of Huawei. Huawei builds a learning-oriented organization with school-oriented enterprise and teacher-oriented leadership, focuses on the cultivation of talents, and focuses on the improvement of quality and ability. At the same time, Huawei helps the growth of employees by means of educational ideas, imparting knowledge, shaping behaviors and passing examinations, and finally promotes the development of the enterprise.

### **(4) Family organization**

The most cohesive organization in the world is the family. The family is characterized by the happiness of

the family, living together, taking care of each other and growing together, being close to each other, loving and tolerant and giving without complaining or regretting. Enterprise organization of family is people-centric, give top priority to arouse the enthusiasm of people, within the enterprise to create a good atmosphere of respect the principal position of human nature, respect for employees, employee education and guide the thought of dynamic, handle the relationship between the employee and enterprise, make organization cohesive, make the staff grow up together with enterprise.

"Laoganma" hot sauce is famous all over the world, it is said that there are Chinese people in the place of "Laoganma", the annual sales of up to 4.5 billion yuan. Tao Huabi, the chairman of the board, never went to school a day, but managed three or four thousand employees. She was once interviewed about how she did it. "I didn't study business administration, but I have been a mother of children. What does that have to do with management? I treat my employees like children, and they are obedient. Whenever my employees are in trouble, I will help them as if they were my children. Emotion is cohesion, emotion is productivity. Helping one person, touching a group of people, caring about a group of people, can definitely unite the whole group." It can be seen that Tao Huabi is running the enterprise in the way of family, and the core of its corporate culture is "love".

Above the "big four" different organizational behavior, the value orientation is not the same, why to enduring, standing in the world to fail, their common characteristic is people-oriented, with the growth of the people as the core, pay attention to the mind and thoughts of management, by means of education guide, has a strong, perfect organization system, not with material rewards to motivate, with emotion and education as the criterion, constantly copy and pass on the organizational culture, and most importantly, leaders are mentors.

## **4. The Value of the Organization**

Organizations have no point in existence if they do not deliver results to the individuals and society within them. Jack Ma, executive chairman of Alibaba, once pointed out that "the difference between Alibaba and ordinary enterprises is that Alibaba has social responsibility, patriotism and responsibility for the world. How much social problems it solves, it will become a big enterprise." Data in 2017 showed that Alibaba paid 36.6 billion yuan in taxes, more than 100 million yuan per day on average, driving the upstream and downstream ecological taxes to more

than 290 billion yuan; Directly and indirectly create 33 million jobs in the upstream and downstream sectors of the industrial chain; In order to better fulfill its corporate social responsibility and establish a long-term and stable funding mechanism for public welfare, Alibaba Group has pledged to set aside 0.3% of its annual income as a public welfare fund every year since 2010. In terms of employee welfare, Alibaba also provides employees with interest-free house purchase loans and a 60% discount for self-built apartments, so that employees can live and work in peace. From the case of Alibaba, it can be concluded that the organizational value of an enterprise is mainly reflected in: creating value for the society and taking social responsibility, so as to make the enterprise respected by others, and enable its employees to live and work in peace and contentment, so as to realize their personal life value in the enterprise<sup>[3]</sup>.

Leadership is the core of an organization. "The sea navigates by the helmsman". If the organization is like a ship sailing on the sea, the captain is the helmsman, to grasp the direction of the voyage, but also need to allocate the post of everyone on the ship, everyone cooperate with each other, even in the rough sea, can also reach the other shore smoothly and safely. Leadership is the core of an organization, the founder and practitioner of organizational culture and ideology. What kind of leadership will have what kind of organization. It all comes from the leader's personality traits, behavior, personal likes and dislikes, and other styles. Leadership's outlook on life, values and world outlook directly affect organizational behavior. If the leader is a "Wolf", he will surely create an efficient, strong sense of purpose, teamwork, discipline, compliance, dare to challenge, pioneering, never say die Wolf cultural organization. If the leader is a "sheep", then there is bound to be a casual and loose organization that does not strive for progress, is content with the status quo, is aloof from worldly affairs, and is subject to slaughter. The whole organization has no morale, hides crisis, and faces collapse and collapse at any time.

## 5. Summary

On the surface, "Xinfei Electric Appliance" is the result of the wrong strategic development decision, the failure of market financing, and the broken capital chain leading to the insolvency and bankruptcy of the enterprise. If Liu Bingyin is in good health and continues to serve as the head of Xinfei Electric Appliances, the above problems or difficulties will certainly be solved under his control, because he is also the core organizational positions of Xinfei Electric Appliances,

such as "Minister of Strategic Investment Department", "Minister of market risk Control Department", "Director of Financial and Financing Office" and "Minister of Planning Department". In the final analysis, there is still no effective and long-term organizational system. Throughout the world's top 500 and century-old enterprises, the core leadership iteration has little influence, and there is even a scene of advancing with The Times: "the waves behind the Yangtze River push the waves ahead, and a new generation replaces the old". The reason is that their organizational system is constantly copied and inherited, forming a strong organizational culture. In China, "management by man" is a hard wound left by the development of private enterprises, so that the bigger the enterprises do and the faster they develop, the more tragic and solemn the death will be.

Take history as a mirror, you can know the ups and downs. The past is the teacher of the future. Today's society is a highly organized society, and even the competition among organizations of different nature is extremely fierce. Enterprises should constantly learn various organizational concepts of different organizations in the society according to their organizational status quo, and constantly adjust and formulate strategies and strategies suitable for the development of their own organizations. To build a strong organization with strong faith, strong execution, tireless learning and kinship cohesion. Through the establishment of the organizational system, enterprises can completely get rid of the dependence and dependence on people, give full play to the power of the organization, let the organizational culture go deep into the hearts of the people, deep into the bone marrow, and continue to copy and inherit. Only in this way can we ensure that the organizational system keeps pace with the times, ensure the virtuous cycle development of the enterprise, and ensure the evergreen foundation of the enterprise.

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