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# A BRIEF DISCUSSION ON "PERFORMANCE MANAGEMENT", THE CONSTRUCTION ELE-MENT OF STATE-OWNED ENTERPRISE INCENTIVE MECHANISM

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**Abstract:** At present, with the constant change of national development background, the market competition pressure of state-owned enterprises is gradually increasing. If they want to occupy a stable position in the unstable development market, they should not only optimize technical means, but more importantly, improve the internal management system, skillfully integrate performance management and incentive mechanism to lay an effective guarantee for the long-term development of enterprises.

**Keywords:** State-Owned Enterprise (SOE), Performance Management, Incentive Mechanism.

## Introduction

The ability of the leadership of state-owned enterprises has a decisive influence on the competitiveness of enterprises. And good leadership teams are often inseparable from the strong support of the core team. Whether the core team can play its important role fully depends mainly on whether it is composed of a group of high-performance personnel. And no matter for any enterprise, if there is no efficient team to understand and implement their own ideas and decisions, it is difficult to expand the ideal development prospects. Performance management is the process of tapping the potential of personnel, building an efficient team, and promoting the team to actively and scientifically execute enterprise decisions.

In addition, through the practice of a large number of enterprises at home and abroad, we know that the successful elements of enterprise management in the new era have been very clear. Performance measurement can effectively connect all levels of strategic enterprise management. Around the core of performance measurement, a new strategic enterprise management thought is gradually formed. Although performance management cannot solve all the problems in enterprise management, it can provide effective tools for the effective solution of some of them.

**Research Objectives**

How to organically integrate performance management and incentive mechanism of state-owned enterprises can further exert the positive value of incentive mechanism, overcome some problems existing in the development process of state-owned enterprises, and improve their overall economic level.

Performance management is a conventional management means in the development process of state-owned enterprises at present. Performance management work of the propulsion can strengthen the state-owned enterprise internal employee performance level, to strengthen enterprise's overall performance, the appropriate performance management work and the integrated incentive mechanism of state-owned enterprises, can further play to the positive value of the incentive mechanism, to overcome some problems in the development of state-owned enterprises, improve the overall economic level. At present, with the unceasing change of national development and background, the market competition of state-owned enterprises gradually improves, if you want to in a stable position in the market is not stable development, not only to optimize technology, more important is to improve the internal management system, smart will be integrated performance management and incentive mechanism, effective guarantee that led to the long-term development of enterprises.

The effective promotion of performance management in state-owned enterprises can improve the enthusiasm of employees and also promote the implementation effect of incentive mechanism. Let all employees have clear work tasks and work objectives. Dredge the channels of employee career development, through performance appraisal, good promotion, low salary reduction or even elimination. State-owned enterprises can appropriately learn from the experience of other countries or other enterprises to construct different performance appraisal standards in the way of hierarchical management, and the appraisal standards can be divided into executive level standards and management level standards. Integrate KPI assessment system, form effective guidance and mobilization for employees with key indicators, so that they can complete tasks with both quality and quantity, and achieve the development goals of the enterprise smoothly. For example, for the assessment of the management, the key indicators can be set as the quality of management decisions and the achievement of goals; For the assessment of the executive level, key KPI indicators can be set as execution efficiency, execution cost and customer satisfaction, so as to provide sufficient guarantee for the construction of incentive mechanism with perfect performance management evaluation indicators. Building a harmonious corporate culture, rewarding diligence, punishing laziness and survival of the fittest are the core contents of a harmonious corporate culture, and the long-term promotion of performance management is the key to these contents.

The standard and reasonable incentive mechanism of state-owned enterprises can improve the standardization and planning of the decision-making level, improve the logical relationship of the management level, thus reducing the friction of units (departments) and improving the efficiency of organizational operation (which is a difficult problem of state-owned enterprises). Optimize enterprise performance management, so that all employees have clear work tasks and work objectives. Dredge the channels of employee career development, through performance appraisal, good promotion, low salary reduction or even elimination. Building a harmonious corporate culture, rewarding diligence, punishing laziness and survival of the fittest are the core contents of a harmonious corporate culture, and the long-term promotion of performance management is the key to these contents.

This study makes a comprehensive analysis of the research results of incentive mechanism of state-owned enterprises at home and abroad. On this basis, the paper focuses on the need structure, incentive mechanism and performance management of state-owned enterprises in China. At the same time, the relationship between performance management and incentive mechanism is further discussed, in order to clarify the impact of performance management on the incentive mechanism of state-owned enterprises, and accurately grasp the relationship between performance management level, staff enthusiasm, enterprise development and other aspects. Finally, combining with the characteristics of state-owned enterprise development and demand, put forward the high pertinence, feasibility, perfect the performance management, enhance the effective incentive mechanism countermeasures of state-owned enterprises and hope to be able to for state-owned enterprises to further improve the overall management level to provide strong support, for its development of better prospects for development to lay the good foundation.

In the process of the development of the traditional state-owned enterprises, because our country is in the primary stage of socialism, so the traditional ranking of culture prevalent in the state-owned enterprise also cannot avoid custom, together with a lot of defect of system and imperfect, cause during the development process of state-owned enterprises to make a lot of behavior deviated from the value of their own should play, The internal value orientation produced the wrong development direction. In order to effectively improve this problem and further develop the positive value of performance management, state-owned enterprises need to establish the correct value orientation in the process of constructing performance management system and incentive policies. Therefore, the in-depth study on the influence of performance management on the incentive mechanism of state-owned enterprises is a theoretical issue worthy of continuous deepening and expansion, and should be given enough attention.

Through the practice of a large number of enterprises at home and abroad, the successful elements of enterprise management in the new era have been very clear. In order to implement strategic enterprise management, enterprises must connect with the reality and convert the strategy into a more scientific and feasible performance measurement standard and system, so as to bring certain guidance and incentive for employees' efforts. At the same time, performance measurement can also achieve effective connection to all levels of strategic enterprise management. Around the core of performance measurement, new strategic enterprise management ideas will gradually form. Although performance management cannot solve all the problems in enterprise management, it can provide effective tools for the effective solution of some of them. As long as the manager can invest enough time and energy and create a harmonious working atmosphere, it can not only improve the management level, but also ensure efficient communication between superiors and subordinates, timely find problems and properly solve them, and stimulate and maintain the enthusiasm of employees on the whole. In addition, the management way will also get the feedback in time, can be more specific in different stages of the executive team plan, implement the goal, can be more in-depth understanding of employees' actual situation, the arrangement of the targeted training, enabling each post and its employees can get give full play to the advantages of, can attract more excellent talents, set aside, motivate staff, improve constantly surpass themselves, For enterprises to expand a more ideal development prospects.

**Literatures Reviews**

State-owned enterprises reshape performance management system by constructing appropriate corporate culture, perfecting refined assessment standards, perfecting assessment system, innovating and improving assessment methods (State-owned enterprises need to take performance management as the core, construct corresponding corporate culture, and promote the steady development of enterprise performance management. Perfect performance management evaluation index provides sufficient guarantee for the construction of incentive mechanism. Integrate KPI assessment system, form effective guidance and mobilization for employees with key indicators, so that they can complete tasks with both quality and quantity, and achieve the development goals of the enterprise smoothly (H,2019).

Build an appropriate corporate culture, State-owned enterprises need to build corresponding corporate culture with performance management as the core (J, 2019).

In constructing a performance management culture. the enterprise must strictly follow the principle of fairness, justice, public, both in the performance appraisal and the practice of incentive mechanism should be impartial, for each post the work of each department personnel to maintain a fair and objective attitude, within the organization to form air is wind clear atmosphere, for the performance management work smoothly, Provide adequate protection. In addition, state-owned enterprises should pay attention to the cultivation of correct outlook on the world and outlook on development of internal employees, so that they can form correct value judgment standards under the guidance of culture, can actively distinguish between right and wrong, adhere to their own professional ethics, can abandon backwardness, eliminate and resist the negative culture in the enterprise. At the same time, some problems within the organization should be bravely put forward, bravely questioned. For example, in many state-owned enterprises and public institutions, there are some good-hearted people who dare not offend others or dare not point out the mistakes of their superiors or predecessors. State-owned enterprises should take the lead in stopping this unhealthy culture. Advocate in the work can be good, but never can do both, and in the face of a lot of problems should to be wrong, not exists, not unfair, this can be an effective performance management and incentive to employees at the same time also can build benign atmosphere within the enterprise, prompting to form a harmonious working relationship between colleagues.

Improve detailed assessment standards. State-owned enterprises need to further improve the standards of human performance assessment and implement the principle of refined management to further refine and improve them. Perfect assessment standards in performance assessment and performance management are an important prerequisite for ensuring scientific, fair and objective overall work (L,2020). For the managers of state-owned enterprises, with perfect assessment standards, they have a vane of the overall work, can find the right direction of work, set up the right work objectives, to ensure the smooth development of performance assessment.

In the context of the new era, when state-owned enterprises carry out performance appraisal, they will generally focus on the five aspects of employees, which are respectively morality, ability, diligence, performance and integrity. And the five aspects contain different details, together constitute a complete system. But for state-owned enterprise internal employees, although its subordinate to a company, but because of the different departments, so the overall nature of work, work content also has certain differences, if a one-size-fits-all or uniform standard for staff to implement the inspection, the results will be not very accurate, will also affect the rationality of the incentive mechanism (D,2020). In order to effectively improve this problem, state-owned enterprises can appropriately learn from the experience of other countries or other enterprises to construct different performance appraisal standards in a hierarchical management way, and the appraisal standards can be divided into executive level standards and management level standards. The two standards form two different large modules and set different emphasis in different modules. For example, when examining the performance of management personnel, it is necessary to focus on the assessment of their management level and the quality of decisions made; When examining the performance of executive staff, it is necessary to focus on the efficiency of execution and the satisfaction of the masses, so as to improve the performance appraisal standard system and effectively solve the inequity problem in this work.

Improve the assessment system. State-owned enterprises can properly introduce KPI assessment system, so as to further show the importance of key work assessment standards. KPI assessment is called key performance indicator assessment method, which mainly includes two types: incentive performance management and control performance management. Among them, incentive performance management can effectively stimulate the enthusiasm of employees and is closely related to the incentive mechanism of state-owned enterprises. The management-controlled performance management focuses on the management and control of employees' work behavior and work consciousness. Two different performance management methods are respectively applicable to enterprises in the growth stage and the mature stage. However, no matter which industry state-owned enterprises belong to, the application of KPI assessment can effectively enhance the performance of enterprises. On the other hand, state-owned enterprises can adopt flexible and diverse assessment methods. In addition to the KPI assessment mentioned above, BSP assessment and 360-degree assessment are also more suitable performance assessment methods. Various performance assessment methods can meet the requirements of The Times and promote the healthy development of state-owned enterprises (Wu, 2020).

Innovate and improve assessment methods. State-owned enterprises need to properly innovate and improve the means of performance appraisal. Specifically, it includes two aspects of work. On the one hand, state-owned enterprises need to follow the principle of diversification, build a number of different performance assessment subjects, with a variety of assessment subjects, to further strengthen the impartiality and scientific performance assessment. For state-owned enterprises, most of the core elements followed in the implementation of performance management and performance appraisal are performance appraisal subjects. And whether the subject can choose reasonably and establish scientifically will have a direct impact on the results and effects of performance management to a large extent. Since the subjects of state-owned enterprises are complex and broad, it is difficult to accurately judge the performance of state-owned enterprises if a separate evaluation subject is adopted. For state-owned enterprises, they can choose different performance appraisal subjects through self-evaluation, joint evaluation, individual evaluation and specific evaluation to build a perfect appraisal system. And in the performance appraisal, we should pay attention to the two major points of public satisfaction and citizen participation, further strengthen the accuracy and effectiveness of performance appraisal, and give full play to the positive value of incentive mechanism. On the other hand, state-owned enterprises can adopt flexible and diverse assessment methods. In addition to the KPI assessment mentioned above, BSP assessment and 360-degree assessment are also more suitable performance assessment methods to meet the requirements of The Times and promote the healthy development of state-owned enterprises. (Y, 2020)

State-owned enterprises refer to wholly state-owned enterprises, wholly state-owned companies and state-owned capital holding companies which are performed by The State Council and local people's governments on behalf of the state respectively as investors. In the process of the development and operation of state-owned enterprises, the country is the main subject of ownership and control of the main capital, and its overall behavior is determined by the will and interests of the government, is the mainstay of the national economic development process, is the backbone of the development of socialism with Chinese characteristics. In addition, the state-owned enterprises themselves have strong commercial and public welfare, which can effectively harmonize the various development of the national economy. Based on their own characteristics, state-owned enterprises have the obligation to manage social public affairs and maintain the basic interests of citizens in the process of development. However, in the process of the development of the traditional state-owned enterprises, because our country is in the primary stage of socialism, so the traditional ranking of culture, in the state-owned enterprise internal also cannot avoid custom, together with a lot of defect of system and imperfect, cause during the development process of state-owned enterprises to make a lot of behavior deviating from the play should have its own value, The internal value orientation produced the wrong development direction. In order to effectively improve this problem and further develop the positive value of performance management, state-owned enterprises need to establish the correct value orientation in the process of constructing performance management system and incentive policies.

On the one hand, state-owned enterprises need to follow the principle of fairness and efficiency, take both into account and clarify their value orientation. (W, 2020) The principle of fairness mainly refers to those state-owned enterprises need to provide reasonable services externally and maintain fair management consciousness internally. The efficiency principle refers to that in the process of work and development, state-owned enterprises should be aware of improving work efficiency, creating a good scope of work internally, and eliminating the existence of lazy and lazy problems.

On the other hand, state-owned enterprises need to take responsibility as the core and construct a reasonable value orientation. As a state-owned enterprise, it must be responsible for its internal staff, responsible for the people, responsible for the country, and make good use of the rights given to it by the country and the people. In addition, state-owned enterprises need to implement the non-corrupt value orientation, to the scope of internal build connection, condensed the staff's attention, he was able to focus on working content, can take the initiative to practice of national laws and regulations request, active play to the function of supervision by public opinion, under the principle of fair and open point, fully meet the development needs of the industry, To build a sound performance management evaluation system and incentive mechanism.

The famous psychologist Maslow once proposed that human beings are in need. Human needs have different aspects and different levels, including five major contents, namely physiological needs, security needs, social needs, respect needs and self-actualization needs. The top four are usually referred to as deficiency needs, while self-actualization needs are the highest growth needs.

During the development of state-owned enterprises, their internal management mechanism is mostly vertical management. To put it simply, it means that in the position structure of state-owned enterprises, those who are usually in the management level will always be in the management level, while those who are in the executive level can hardly advance to the management level through their own efforts. Moreover, in modern society, more and more people will rush into state-owned enterprises in order to pursue a stable and well-off life and work in state-owned enterprises. They just want to support their families and may not have high life aspirations or lofty life ideals. They do not have high ideas about the two needs of self-respect and self-realization, and the needs generated by themselves only exist in the stage of defective needs. So how to fully mobilize the work enthusiasm of employees, so that they can produce certain self-realization needs, have a higher motivation for development? For state-owned enterprises, nothing more than rich and salary treatment. In view of this, state-owned enterprises can properly refer to the following two aspects, through the innovation of compensation management system, effectively play the positive value of incentive mechanism, further improve the performance appraisal management system. (Y, 2019)

State-owned enterprises need to innovate and optimize the compensation system appropriately.

State-owned enterprises need to moderately increase the flexibility of employee salary system.

State-owned enterprises can also introduce energy level management.

**Methodology**

The literature research method is a method of obtaining information by investigating the literature according to a certain research purpose or topic, so as to get a comprehensive and correct understanding of the problem to be studied. The literature research method is widely used in various disciplines of research. Its functions are: (1) to understand the history and current situation of the issue in question and to help determine the research topic. (2) It can form a general impression about the research object and help to observe and interview. (3) It can get comparative information of realistic information. (4) It helps to understand the whole picture of things.

Investigation method, observation method, literature research method.

By consulting relevant information and carrying out the corresponding investigation work, we can have an in-depth understanding of the content, form and effect of the incentive mechanism of state-owned enterprises at this stage. At the same time, it analyzes the influence of performance management on the incentive mechanism of state-owned enterprises.

Combined with the shortcomings of state-owned enterprise incentive mechanism in the specific implementation, put forward scientific and appropriate application of performance management to improve the incentive mechanism strategy method, in order to effectively make up for the shortcomings of the past.

Through the collection and analysis of problems and materials, strategies and methods to improve performance management to enhance the implementation effect of incentive mechanism are proposed to further enrich relevant research theories, so as to lay a good foundation for subsequent practical research.

**Results**

In the process of the development of state-owned enterprises, performance management can have a high impact on the incentive mechanism. With the continuous development of society, the employee management mode adopted by state-owned enterprises has also changed to a certain extent. It is difficult to meet the psychological demands of employees and even counterproductive to blindly require employees to implement the orders of the enterprise by tough means. The basis of performance management is to establish performance. Enterprises can enhance the scientificity of the overall management through performance management and promote employees to have higher work enthusiasm, and the incentive mechanism is conducive to the formation of employees' work potential. The effective combination of the two can further produce positive effects and promote the common development of employees and enterprises.

Performance management is a management method that enterprises can effectively evaluate employees' work behavior, work ability and work performance in many different forms, and promote employees to improve their work efficiency and achieve work objectives by diversified means.

**Discussions**

Incentive mechanism is a working way that can stimulate and encourage employees in different forms such as material incentive and spiritual incentive, so as to generate work motivation. Incentive mechanism is equivalent to catalyst to some extent, which has a certain promoting impact on the overall work.

Generally speaking, in modern society, if state-owned enterprises cannot well promote performance management or build corresponding management mechanism, it is easy to suppress employees' work enthusiasm and affect the implementation effect of incentive mechanism.

To sum up, with the continuous development of society and the changes of the times, state-owned enterprises, as an important factor to promote the stable development of the national economy, must actively innovate. In modern society, if state-owned enterprises cannot well promote performance management or build corresponding management mechanism, it is easy to suppress employees' work enthusiasm and affect the implementation effect of incentive mechanism. We should not only establish a perfect incentive mechanism, but also give full play to the role of performance management in this work, establish a perfect management system, strengthen the relationship between departments, effectively deal with various hidden dangers and promote the long-term development of the enterprise. In the process of enterprise development, we should consciously improve the management value orientation, innovate and optimize the salary management system, promotion channels, education and training, positive and negative incentive coordination mechanism, so as to continuously improve the value of employees with a perfect development structure, promote the common progress of all employees and promote the healthy development of the enterprise.

**Conclusions**

In the process of the development of state-owned enterprises, performance management can have a high impact on the incentive mechanism. With the continuous development of society, the employee management mode adopted by state-owned enterprises has also changed to a certain extent. It is difficult to meet the psychological demands of employees and even counterproductive to blindly require employees to implement the orders of the enterprise by tough means. The basis of performance management is to establish performance. Enterprises can enhance the scientificity of the overall management through performance management and promote employees to have higher work enthusiasm, and the incentive mechanism is conducive to the formation of employees' work potential. The effective combination of the two can further produce positive effects and promote the common development of employees and enterprises.

Performance management is an important basis for salary adjustment, post promotion, employee training and assessment. It is suggested that state-owned enterprises strengthen performance management, fully mobilize the enthusiasm of employees through effective mechanism management, promote the common progress of employees, and promote the realization of enterprise goals and personal goals. In the process of constructing incentive mechanism, performance management will play a good role. In this paper, we analyze the influence of the formation of incentive mechanism in the performance management of state-owned enterprises, objectively explore the relationship between them, and construct the corresponding optimization suggestions.

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# AN INVESTIGATION OF THE JOB STRESS AND MANAGEMENT OF EMOTIONALLY-BASED BEHAVIOUR: A FOCUS OF THE FRONTLINE WORKERS DURING THE PANDEMIC

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**Abstract:** Job stress is inevitable when the resources and capabilities are not effectively aligned in the work environment. Management has the obligation of ensuring a balance between resources and capabilities through the provision of essential finances and equipment and training of employees as well as recruiting more qualified workers who can accomplish desired tasks. Frontline workers during the pandemic faced the challenges of uncertainty, anxiety and workload all of which are sources of job stress that can lead to irrational and subjective decisions being made. This study adopted the exploratory research design and indicated that job stress leads to emotionally-based behaviours.

**Keywords:** Job Stress, Emotions, Behaviour, Frontline Workers, Pandemic.

## Introduction

Productivity in the workplace is important for every firm to sustain its operations since it leads to an increased profit margin. Stress is a major challenge that the human resource department should consider while formulating policies since it can result in a decline in productivity due to aspects such as absenteeism. Stress in the work environment, as Rhaffor & Jamian (2020) explain, relates to the presence of emotional and physical decisions or responses of employees due to mismatch between resources, needs and capabilities of employees. Job stress directs employees to make emotional-related decisions, therefore the inability to make any objective decisions. Employees are implementers of strategies, and this indicates their capability to work in a relaxed environment is important to the growth of a firm (Esmaeili & Bamdad Soofi, 2021).

Decisions or behaviours that are based on emotions lack the critical aspect of objectivity. According to Rhaffor & Jamian (2020), rational decisions in a business or firm context provide the chance for growth of the firm since resources and capabilities are aligned effectively to achieve stipulated business objectives. During a pandemic, the frontline workers have the responsibility of offering essential services to every person in need without any discrimination. However, these employees may be faced with the same challenges as their patients, but there is minimal concentration and appreciation towards their input, leading to an increase in stress due to lack of any efforts that mitigate stress levels (Kaslow et al. 2020).

Job stress has been one of the major factors associated with suicide among frontline workers during a pandemic, and this is due to an increase in obligations among the employees. In this category of frontline workers, health workers, emergency response employees and other essential services and goods offering employees such as fresh produce, their obligations increased by 10%, as Heath et al. (2020) noted, especially due to lockdowns. The scope of the study was to investigate the extent to which job stress leads to emotionally-based behaviour among frontline workers during the pandemic.

Management of employees can provide an opportunity for effective delivery of services irrespective of the sector. From motivation to better working conditions, the capability to offer employees what they require encourages them to be more productive and determined when undertaking their obligations. The mental health of frontline workers is a condition that has increased during the pandemic period due to long working hours (Bender et al., 2021). Information that will be acquired from this study will provide critical guidelines needed to undertake future research on how firms can train their employees to respond to challenges relating to pandemics. The capability to assist employees in managing their stress can mitigate the chances of emotionally based behaviours leading to objective decisions in the work environment (Banerjee et al., 2021).

**Research Objectives**

In this study, the objectives are:

a) To analyse the job stress that frontline workers face during pandemics. This will focus on providing better guidelines on how to reduce emotionally based behaviours.

b) To comprehend how stress in a work environment can result in negative decisions and behaviours

**Literature Reviews**

**Managing Employees in The Workplace**

The work environment can assist employees in undertaking their obligations with ease hence the importance of management to consider every strategy they implement towards achieving desired business objectives. In the current business environment, where a pandemic has increased workload for employees, there is increased chances for stress due to long working hours. Lorente et al. (2021) indicate that motivated employee can undertake their work diligently, and this increases the chances for the productivity in workplace irrespective of the economic situation. However, Labrague (2021) indicated that productivity requires a firm to align resources and capabilities, which is a vital step towards reducing stress levels among all the employees, therefore, mitigating emotional behaviours and decisions. In the effort to ensure that there is significant protection of employees in the workplace, Esmaeili & Bamdad Soofi (2021) indicate that occupational safety and health management systems (OSH-MS) should be integrated with the workplace since this is a critical practice when it comes to the protection of employees from psychosocial risks such as mental conditions. Management has a major role in identifying risks that face employees in the workplace, and this can be effectively done using risk assessment and workplace hazard identification.

The lack of proactive strategies that are aligned towards protecting employees in workplace places hinders employees from making rational decisions due to job stress. Furthermore, productivity is affected significantly due to aspects such as absenteeism, therefore, leading to more workload for the remaining employees (Lorente et al., 2021).

**Pandemic and Work Environment**

Frontline workers have reasonable fear while at work, and this is the fear of being infected by the novel coronavirus. This fear leads to them lacking the essential courage to make rational decisions on how to deal with issues facing their patients. The pandemic period has changed the work environment for employees, especially those considered frontline workers, and this is due to fear of infection and an increase in workload (Heath et al., 2020). The novel Covid-19 has brought tension and anxiety among frontline workers, especially in the health sector, but this has been exacerbated by uncertainty due to the lack of personal protective pieces of equipment. An effective human resource management system can assist in dealing with the issue of anxiety among employees, and this enables them to undertake their duties diligently. According to Raudenská et al. (2020), the pandemic comes with major challenges to the family unit, and this is due to lockdown that has led to the presence of more people, including children and elderly in the family who require care.

When an employee is faced with these challenges, the possibility of making objective decisions is minimized due to workload. There are no chances for any employee to avoid home responsibilities, and this indicates that they depend on how management can accommodate their schedule with significant flexibility if fatigue and aspects of absenteeism are to be avoided (Rosen et al. 2020). Covid-19 forced businesses to re-engineer their operations and practices to sustain their operations, especially on how to handle employees.

**Hypotheses**

An investigation into job stress and management of emotionally-based behaviour among frontline workers during a pandemic will be achieved using the following Hypotheses:

H1: Job stress is directly associated with emotional behaviour

H2: Emotional behaviours increase with the presence of pandemic and job stress.

**Theoretical Framework**

With the increase in duties for frontline workers, stress is inevitable, especially during the pandemic, and this has led to an increase in emotional behaviours due to frustrations associated with the work environment. However, this does not indicate that stress affects those in the workplace since there are psychosocial risks relating to isolation for those working at home during the pandemic (Rosen et al., 2020). Stress in the job place is associated with physiological theories that indicate that responses in the body determine the emotions of an individual. In specific, the Cannon-Bard theory of emotion is utilized across this study. Cannon indicates that responses that are emotion-driven occur quickly, therefore, cannot be due to physical state (Siahaan, 2017), and this is best contextualized in Figure 1 below.

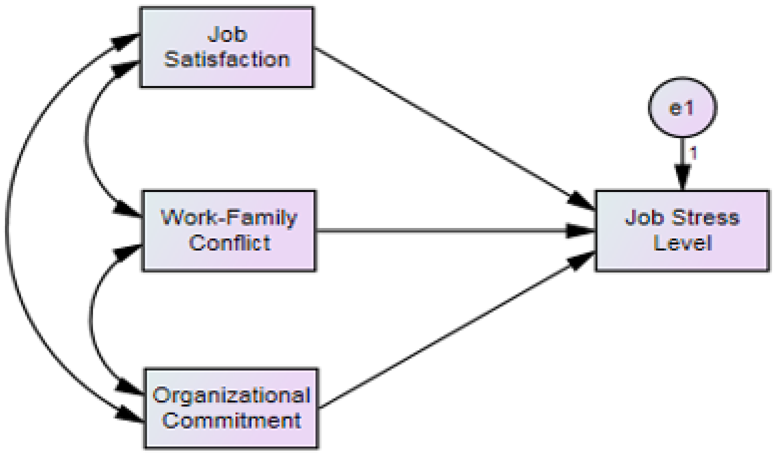


**Figure 1: Job Stress Level**

Source: (Siahaan, 2017)

Emotional behaviours in the workplace can be directed attributed to job stress since it hinders an individual to be objective or make rational decisions. With the inclusion of a pandemic, more employees are unable to manage their emotions, especially with the lack of relevant strategies for mitigating the impact of a pandemic among employees. This is because employees are unable to make rational decisions when faced with challenges.

**Methodology**

The lack of sufficient information on the extent to which the pandemic has resulted in job stress due to the novel Covid-19 virus justifies the decision to undertake an exploratory study. Flick (2015) indicates that exploratory study focuses on exploring a social issue before the acquisition of relevant information to undertake a formulaic study. Exploratory research design assists in identifying relevant data relating to social issues due to the utilization of different sources relevant to the research topic (Neuman, 2016).

Descriptive research was undertaken hence an indication that non-statistical data was collected (Saunders et al. 2011). Descriptive data utilized was collected using secondary sources. Peer-reviewed journals, articles and books that provided relevant data relating to the research topic were utilized with the close focus being on the current issues relating to the work environment and pandemics. The data collected from secondary sources were analyzed using content analysis. Content analysis, as Wilson (2016) explains, focuses on identifying semblances, patterns and irregularities that exist in collected data. The lack of inherent evidence on the extent to which frontline workers were affected by pandemics indicates that there is varied information on which strategies are effective when it comes to curbing emotionally based behaviours. Ethical considerations were factored in since data from different sources were cited, while the use of keywords and themes deduced from the research topic provided major guidance to the data collected.

**Results**

Job stress and management of emotionally-based behaviour among frontline workers during the pandemic is a research topic that has exposed some of the challenges that management faces when it comes to dealing with uncertain work environments. The novel Covid-19 has forced management in a different sector to readjust their operations to accommodate working from home and developing new schedules that assist employees in undertaking their duties. However, with the decline in revenues, there is restructuring that has led to employees' loss of jobs. Mental health, anxiety and frustrations are some of the factors that employees are faced with when it comes to working during the pandemic and lockdown period. Minimal interactions meant that social activities that people practiced were not viable as a source of leisure and relaxation; therefore, the need for management of a firm to adopt new practices that accommodate employees, especially the frontline workers in health and goods and services delivery sectors. This is aligned with Heath et al. (2020), who indicate that the pandemic period has changed the work environment for employees, especially those considered frontline workers, and this is due to fear of infection and an increase in workload.

Job stress is directly associated with emotional behaviour, which is a hypothesis that has been proven in the research since employees in any work environment face the challenge of anxiety, especially when it comes to resources, capability and security. Job stress leads to employees making subjective decisions since they are unable to effectively interrogate the environment and factors before making any decisions. Furthermore, workload limits objectivity since there are different duties that one should undertake as per the schedule. Poor subjective and irrational decisions of employees are associated with job stress. In the current health environment where the challenge is associated with the Covid-19 pandemic, a significant number of health workers and other essential services are depended upon to save a life.

However, the lack of sufficient resources and increased dependence on the frontline workers who may be required to work for long hours can lead to job stress leading to them making emotional decisions that negatively impact the lives of their patients and themselves. This justifies the importance of the management of stress in the workplace since this limit emotional-based behaviour among employees irrespective of the sector. To understand how job stress leads to emotionally-based behaviour of frontline workers during pandemic provides critical knowledge on how firms in both public and private sectors can minimize emotional behaviour in the workplace due to its impact on performance. The provision of a balance between work and life offers an opportunity for the workers to undertake their duties with minimal stress since they have sufficient time to rest and reflect on how best to offer services.

**Discussions**

Based on the above conclusions and myriad revelations of this study, a few recommendations are advanced and presented in this section. Notably, healthcare management has the obligation of formulating and implementing policies and strategies that are aligned towards stress management if emotionally based behaviours are to be mitigated among employees. A major strategy is to integrate occupational safety and health management systems (OSH-MS) into the operations and workplace system. The integration will assist in comprehending the needs and expectations of the employees and even be proactive when dealing with the issues relating to employees. More notably, it is important to ensure that all forms of treatment and preventive measures are adopted to safeguard the health of these workers; the vaccines and improved physical equipment will boost the confidence of most of these workers, and this will reduce concern, worry and stress.

**Conclusions**

Covid-19 exposed frontline employees to a new work environment since there is minimal interaction with each other and reduced leisure activities significantly. The findings of this study demonstrated that the prevalence of depression, anxiety, and stress for frontline healthcare workers during the pandemic has been exceptionally high. For this reason, it is prudent for healthcare authorities and relevant decision-makers throughout the world to formulate and implement measures to minimize the different disorders that affect the hospital staff catering to the health needs of all those suffering from the novel coronavirus. This study has revealed that it is important to improve the productivity of the staff. Notably, it is important to look into the long working schedules to cater for all those people in need, especially in the health sector, which has led to more stress among workers due to fear of being infected. This perspective with an indication that the Covid-19 pandemic comes with major challenges to the family unit, and this is due to lockdown that has led to the presence of more people, including children and the elderly in the family, who require care. Other frontline workers, such as delivery drivers, have to work for long hours, limiting their time to rest, leading to a lack of objectivity in decision making.

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# BUILD AN OPEN, TRANSPARENT, SAFE AND HEALTHY DIGITAL VEGETABLE MARKET

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**Abstract:** In 2020, the Beijing new wholesale market caused COVID-19 Beijing to influence the nerves of the whole nation, and also exposed the disadvantages of the traditional vegetable market. What causes COVID-19 to burst in the vegetable market where everyone needs and is closely related to the people?

**Keywords:** COVID-19, Open, Transparent, Safe, Healthy and Digitalized, Vegetable Market.

## Introduction

First of all, we should start from the understanding of the traditional market environment: the traditional business ecology is in the traditional environment with opaque information and inconvenient communication, and the vegetable market is the product of the traditional opacity, and a large number of employees have been used to this opaque mode of operation; The buyer doesn't know where the thing comes from? The seller doesn't know where to sell it?

Due to the opacity of information, a series of social problems appear in the market environment. On the one hand, market competition encourages manufacturers to continuously "reduce production costs" and produce products with "bottom line standard" permitted by law, which makes the quality of some products worse and worse, and even breaks through the bottom line of "standard", presenting a market environment in which "bad money expels good money"; Especially in food and agricultural products, leading to frequent food safety accidents; Second, due to the lack of data guidance, many products are overproduced, especially agricultural products, which are often unsalable, causing serious losses to farmers and market waste; Third, high-quality products need to achieve user "trust" through a series of high-cost marketing methods such as advertising and packaging, resulting in abnormally high sales prices of high-quality brand products, and the marketing costs of some products even exceed the production costs.

The new business model is a new way of business operation in the Internet era. Its exploration is a difficult process. Its construction needs to break through the following difficulties:

1. Systemic cognition. The understanding of the Internet of entity commerce needs to focus on the changes of business environment, based on the essence of Commerce as a localized

service system, and understand and understand it from the perspective of value circulation and the realization of innovative value.

2. Innovation. It is a model that can only be produced in China's unique internet business environment.
3. System support: it needs a set of system software to support its operation. With the support of the system, realize the efficient cooperation of various elements. Until now, there is no set of tools that can really support the transformation of entity business service system.
4. Synergy: The Internet-based reconstruction of entity commerce is a systematic project, a cross era changes in the field of commercial circulation, and a system transformation scheme of entity commerce in the information age with the support of information system.
5. Solidified way of thinking. All changes are painful and difficult, and the most difficult is cognitive change.

**Research Objectives**

Morality and the rule of law are the main ways to maintain the market. Due to the low development maturity of the Chinese market, the low moral level of some producers, the high cost and difficulty of legal supervision, the food safety situation is worrying, and counterfeiting and shoddy are more serious.

This study will find a new development mode of the vegetable market, which can not only meet the people's increasing demand for a better life, but also truly benefit urban residents, farmers of origin and community restaurants.

**Literatures Reviews**

"The Internet is an important force affecting the world. The rapid development of the Internet has a wide range and depth of influence unmatched by other scientific and technological achievements. In today's world, who can better understand and grasp the general trend of informatization, who can better adapt to and lead the development direction of new productive forces, who can better promote the reform of production relations and superstructure, who can win a new all-round competition for comprehensive national strength. Informatization has brought great benefits to the Chinese nation We can't have any hesitation or slackness about the once-in-a-lifetime opportunity. We must firmly grasp the opportunity in our hands. "

Philosophy has a concept: paradigm shift.

"Paradigm" is a cognitive and thinking framework shared by the knowledge community in a specific period. With this framework, we have solved many problems. However, with the development of information technology, the environment has changed. More and more people find that this "paradigm" has problems and there are more and more contradictions.

When this happens, most people will not doubt that there is a problem with the "paradigm" (framework), but that there is a problem with their own data or facts. But there are always some people who begin to doubt whether there is something wrong with the premise we think, explore and default - that is, some people realize that "we can't find it under this street lamp". They try to break through the lighting range of street lamps and find other street lamps and light sources.

**Methodology**

This paper uses qualitative research on a small, carefully selected sample of individuals, which does not require statistical significance, but which, with the researcher's experience, sensitivity and relevant techniques, can provide effective insight into the behaviour and motivations of the subjects and the impact they may have.

The researcher uses historical review, documentary analysis, interviews, observations, participatory experiences, etc. to obtain information in natural contexts and analyses it by non-quantitative means to draw conclusions from the research. Qualitative research places more emphasis on meaning, experience (usually verbal descriptions), descriptions, etc.

**Results**

In Haidian District, Beijing, there is an enterprise called "Chekejiayuan", which has been thinking and actively exploring solutions to the above problems. After six years of practice, can their "digital vegetable market" change the problems of the current traditional vegetable market?

(According to the description of Chekejiayuan: Digital vegetable market, also known as e Center)

What does car home do? Build an interconnected physical business model and build a new open and transparent production, consumption and service relationship, so that manufacturers, regional service providers and stores can jointly serve users, change the anxiety state of the times and help traditional businesses realize the transformation and upgrading of Internet under the mobile Internet environment.

Where is the value of customer service? Help users find their favorite products and manufacturers, as well as the nearest and matching service outlets, build a user-centered service system, and make system tools to facilitate users' communication and selection, so that users can eat more reassuringly, fresher, more convenient and richer.

How does Chekejiayuan serve the manufacturer, why does the manufacturer choose Chekejiayuan, and what kind of service content can Chekejiayuan bring to the manufacturer? What kind of cooperation? What is the service process? Chekejiayuan helps manufacturers build an open, transparent, efficient and shared user service system, and helps manufacturers develop offline shared service outlets - community stores, so that community stores can become both offline service outlets and online service outlets of manufacturers. Through the online and offline service system, it can serve users more accurately and efficiently, build more stable and even become lifelong users.

At present, the mode of cooperation is to directly introduce and promote service providers.

1. Offline shared service outlets - stores. Manufacturers can reasonably use the shared service outlets of car home, formulate reasonable offline prices and online prices, and use the offline and online service system to jointly serve users;
2. Manufacturers can interact with users in offline stores and use offline space to provide users with trial or short-term promotion services;
3. The manufacturer can conduct customer experience activities in the "interactive experience center-e center" of car passengers
4. Manufacturers can launch products independently, understand user consumption data through the background, interact with users in the interaction area, and put forward reasonable demand suggestions for the company. At the same time, they also encourage the establishment of the company's user group, promote production and marketing interaction and understand user needs, so as to better serve users;
5. The manufacturer can directly communicate with the store manager and organize store manager training. At the same time, the background of the manufacturer can also choose cooperative stores, two-way selection and flexible interaction;
6. The manufacturer can choose the delivery mode to the warehouse or store. All products delivered to the warehouse are centered on efficient service to users. The vehicles and passengers have their own logistics distribution and share the expenses;
7. The manufacturer can participate in the community promotion activities organized by the car passengers according to the needs, and share the expenses;
8. Manufacturers can use the accumulated user data to better guide production, analyze user needs and provide personalized services for users;
9. Manufacturers can organize user visits and experience activities by themselves, so that users can better understand the production process, make users feel at ease and build user trust;

Service process

How does Chekejiayuan serve the store, why should the store cooperate with Chekejiayuan, what are the service contents and service processes? The advent of the Internet era makes it more and more difficult for stores to serve users in traditional ways. The online and offline integrated service system built by Chekejiayuan makes stores both offline and online service outlets of manufacturers, helping stores realize Internet transformation, reduce service pressure of stores, improve service efficiency of stores, and become shared service outlets of more manufacturers through the Internet, increase store revenue and realize the Internet transformation of stores Specific method:

1. Systematically select more high-quality suppliers and products to make the store purchase easily and reduce the selection investment and selection risk of the store;
2. Organize manufacturers to support stores, reduce the promotion pressure of stores and easily earn service fees;
3. Intervene in the manufacturer's customer service online to provide more professional consulting services for users, so that users can buy more at ease;
4. Organize the promotion of community activities and help stores expand customers;
5. Provide user background for the store. The store can choose the service manufacturer independently. At the same time, it can also use the system to communicate with users and better promote products and service users according to user data;

How to serve businesses in the digital vegetable market? Why should businesses in the digital vegetable market cooperate with car customers? What are the contents, processes and promotion rhythm of the service?

1. The merchants of e center are also the service outlets of manufacturers in the region. The company can help the merchants of e center negotiate with existing manufacturers and become regional agents. At the same time, it can also help the service providers connect with more manufacturers, enrich products and improve service efficiency. At the same time, it can also help the merchants of e center develop community outlets and bring more sales to the merchants of e center;
2. Help e-center merchants expand C-end customers, inform the content of activities, etc., and encourage the establishment of more fans;
3. Help the e center enter the community and promote product activities;
4. Open the background and accurately serve users;
5. Help e-center merchants become customization centers, improve service efficiency and improve service quality;
6. Provide centralized logistics distribution for e-center merchants;
7. Organize e-center merchants to jointly purchase and promote some products to reduce costs;
8. Organize and plan common services and activities;

What is the system built by car home, and what is the structure and content? Chekejiayuan is a shared service system in the Internet era, including the centralized warehouse of entities, interactive experience center (e-Center) and community service store. All entities are shared service systems serving manufacturers. At the same time, an interconnected online system including manufacturer side, warehouse side, community store side and user side is built Online, so that the store is not only an offline service network of manufacturers, but also an online service network, it can not only meet the immediate needs of users offline, but also obtain the personalized services of manufacturers remotely.

Which manufacturers can car home serve? It can not only serve manufacturers of fresh vegetables, fruits, meat, eggs and poultry milk, but also provide online and offline comprehensive services for manufacturers of customized clothing, home furnishings, furniture, kitchen and bathroom, provide offline manufacturers with system tools for online service users, and provide online enterprises with landing efficient experience and service system.

What is the value and significance of the model of car home? The car passenger mode is a mode that truly realizes the "system connection" of Online + offline services. It is an upgraded mode of traditional offline enterprises, which can realize the Internet traceability of all agricultural and sideline products. Users can directly communicate with manufacturers through the system. Manufacturers can more accurately serve users with offline regional service providers and service stores, greatly improve the safety level and circulation efficiency of agricultural and sideline products, and create mutual trust between producers and consumers, establish long-term production and consumption relations, reduce trust costs and improve production accuracy, so as to improve supply quality and bring consumer welfare. Through the substantial improvement of production efficiency and circulation efficiency, the traditional trading link will be upgraded to service link, so as to reduce waste and realize the more efficient allocation of social resources.

To sum up, we can analyze the construction and operation ideas of large wholesale markets.

1. Large wholesale markets can be built on the outskirts of cities. Even in management, they can reduce the risk of excessive traffic and cross infection. Their main role is to store and guarantee; More commodities are displayed in the e center of the city; More transactions are actually completed online; In fact, the practitioners of large wholesale markets are the regional agents or distributors of local producers in the place of product sales.
2. Each distributor can also go out to each e Center for display, or develop merchants in each e center as their regional agents to provide downstream services; Businesses in large wholesale markets should do a good job in the organization, standardized treatment, storage and logistics of goods sources, so as to ensure better services for producers and more e-center merchants and stores;
3. Agents or distributors in large wholesale markets optimize urban logistics and reasonably allocate logistics routes according to orders, so as to reduce logistics costs, communicate and inform downstream merchants of the arrival time of goods distribution according to orders, and do a good job in logistics distribution according to the best time to reduce urban congestion,
4. Agents or distributors in large wholesale markets can analyze, process and process data

according to online transaction data, and guide the production of front-end and upstream according to the data; According to the data and the requirements of the government, and relying on the large-scale storage capacity of the wholesale market, provide the government with emergency materials.

**Discussions**

1. The geographical space and trading mode of the traditional super large vegetable market inevitably determine that the flow of people is dense, the trading venue is dirty, messy and poor, and the management is very difficult;
2. Large cities are not suitable for building super large vegetable markets with high monopoly, but should build small and medium-sized vegetable markets with appropriate scale, more distribution, combined with Internet technology and improved operation efficiency according to the rhythm of urban development and the density of community residents;
3. Products traded in the vegetable market: the preservation timeliness of vegetables and fruits also determines that the shorter the link of transaction and the chain of service distribution, the better. The development of the times also forces the traditional market to need transformation and actively embrace the advent of the Internet era;
4. There can be many forms of operation, but no matter what kind of operation form, the final hope is that the products bought by residents are the freshest, safe and cheap.

**Conclusions**

China is about to fully enter the Internet era. Informatization and digitization are China's national strategies.

In fact, the traditional era is our familiar environment. We are used to thinking and solving problems with the business logic of "opaque environment" in the traditional era, while ignoring the changes of "information transparency" brought by the information age. Stubbornly believe that "business services" can only be completed in the way of "opaque information", and this "paradigm" is the most difficult to break through. Our "cognitive Castle" has become a "cognitive prison". The cognitive system and framework that provides traditional businessmen with a sense of security and stability have firmly imprisoned everyone.

The information age is a brand-new era, which has never appeared in human history. Everyone needs to re understand the social and commercial operation rules of this era and look at our business and our future in the environment of the information age.

In the business field, because there is no logical thinking and problem-solving in the new era, traditional companies and start-ups have stepped forward and failed, and the social cost is more than

100 billion. The continuous investment has no return, which directly leads to the cold winter of the investment industry. The "consumer Internet" widely rumored by all walks of life has ended. In fact, the real consumer Internet has not yet begun. In the words of former British Prime Minister Winston Churchill, "this is not the beginning of an end, just the end of a beginning". The consumer Internet has not ended, but the "e-commerce" model with the logic of "subverting" physical business. The real integration of the Internet and physical commerce "the Internet of physical commerce" has just begun to sprout. In essence, all the "new retail" models are doing "the Internet of physical commerce", but they are not thorough enough. This is because the understanding of the business logic of the new era is not deep enough, not "open", not "transparent", not "shared", but not "efficient", unable to complete the stimulation of "value innovation", the efficiency of "value transmission" and the accuracy of "value realization". All partners doing new retail exploration can think deeply and take their seats according to the number. I hope you can get rid of the constraints of "traditional thinking" as soon as possible and move quickly into a new era.

The understanding of the Internet of physical commerce is like a thin layer of window paper, which is not difficult to understand. It is not difficult to understand the business operation system in the information age as long as it is based on the understanding of the underlying logic of the business environment "information opaque age" and "information transparent age", and from the perspective that business is a "localized service system" serving "value exchange" and focuses on building an "efficient value innovation, value transmission and value realization system".

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# DIGITAL REVOLUTION AND SUSTAINABLE DEVELOPMENT

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**Abstract:** The digital revolution is not only a "tool" to address sustainable development, but also a fundamental driver of global disruption and a key driver of social change. Digitization can promote removed carbon of energy and transportation systems, circular economy, maximum energy utilization, sustainable urban transformation, and ecosystem protection monitoring. The threats and opportunities of the current digital revolution must be coordinated with the transformation of the concept of sustainable development, thus changing the interpretation of the concept of sustainable development itself.

**Keywords:** Innovation, The Transformation, Digital, Science, Education.

## Introduction

The relationship between digitization and sustainable development. A quarter of a million years ago a new species of Homo modern emerged, and 70,000 years ago we experienced our first cognitive revolution, mastering language that set us apart from other species. After the Ice Age 10,000 years ago and into the Holocene, the advent of the Neolithic Age promoted crop cultivation and the domestication of animals, which in turn led to the formation of villages and the emergence of the first small-scale societies and early civilizations. Two hundred years ago, the industrial Revolution made the world economically interconnected, networked and productive. This emerging era is known as the Anthropology. The exponential growth of the digital revolution in the 1950s marked the arrival of the third civilization. Sustainable transformation needs to be developed and implemented in this new era, Known as the Digital Anthropology.

Digital technology has brought a disruptive revolution to the Anthropology. Digital technology is a sustainable technology that can help rapidly removed carbon sectors such energy, transportation and industry, and promote economic sharing cycle, immateriality, efficient use of resources and energy, ecosystem monitoring and protection, and protection of global public resources. Given that the transition to sustainable development takes a long time to complete, the mid-point of sustainable development may not be reached until 2050 or beyond.

Policymakers, scientists, businesses and civil society actors must step up their efforts to understand the multiple impacts of digital change and anticipate the structural changes it will cause in order to lay the foundation for shaping the digitization process towards sustainable development. The disruptive power of digital locks human society in a new economy, society and culture. VR, AI, deep learning and big data are increasingly used in the process of planning and scenario construction, so as to facilitate human beings to master the cognitive ability of decision-making in a complex social ecosystem and provide multiple perspectives for decision- making. Based on a comprehensive assessment of digital dynamics.

**Research Objectives**

Over the next decade, humanity must take advantage of digital opportunities to build sustainable societies, learn how to manage and actively harness the social impact of digitization and AI, and merge virtual and physical Spaces with reality to avoid further erosion of social cohesion. The world is at a crossroads, and if it does not get these two fundamental issues right, namely a digital green economy and a stable, fair and open digital society, the world will be stuck in a serious impasse rather than further developing sustainable transformation.

Here are six strategies to link digital to sustainability: (a) Transforming the innovation model: creating a sustainable digital perspective in R&D; (b) Pricing environmental indicators to stimulate market regulation, for example, carbon pricing, ecological taxes to stimulate digital innovation to support sustainable development; (c) Use digitization to visualize and build transformation route map to help shift markets and planning processes towards sustainability, including clearly defining targets for energy, transport, land use systems, cities and industrial sectors; (d) Invest in digital modernization projects at the national level to massively increase the digital knowledge of public institutions; (e) Expanding digital research networks and transforming sustainability research; (f) Establish a dialogue with the private sector, civil society, the scientific community and states to agree on institutional, social and normative perspectives for the digital Anthropology.

The GACD identifies seven major digital tipping points that are closely related to the four challenges described above: (a) Based on digitally driven resource - and emissions-intensive growth models that have not yet been transformed into sustainable development models that exceed the capacity of the planet to trigger tipping points in the planet's ecosystems; (b) Denial of individual rights, including privacy and civil rights, comprehensive digital surveillance of individuals, and digital authoritarianism or totalitarianism; (c) The use of automated decision-making systems undermines democracy and social inclusion, and they are increasingly used, especially in the digital private sector; (d) The global, regional, and national dominance of private firms, which undermines democratic control and is driven by further data-based centralization of power; (e) Disruption of labor markets by full automation -- raising concerns that human resources are irrelevant to economic development; (f)

Transnational elite manipulation causes global social differentiation; (g) Human enhancement of technology or machine evolution will lead to massive social changes.

The destructiveness of digitization is challenging the inclusiveness and cohesion of human society. If digitization goes against the Sustainable Development Goals of the 2030 Agenda for Sustainable Development, it will magnify many of the problems that already exist in society, thus presenting humanity with four major challenges:

(a) Social inequality and consumption forces within society have increased further;

(b) Economic monopoly caused by digital transformation of some enterprises

(c) Further restrictions on data sovereignty and civil rights;

(d) Weakened governance capacity of public organizations.

Digital can help solve all four problems. Without new governance and policies, can current digital be "socially directed", otherwise accelerating digital technologies will threaten citizens, institutions and governments.

**Literature Reviews**

"Digital Earth" is aimed at a huge complex system. The construction of the system involves complex factors such as information infrastructure, software and hardware environment, technological changes and so on. It is impossible to establish a perfect system quickly. The sustainable development of society is mainly manifested in the innovation-driven development supported by knowledge and technology. Therefore, the development of knowledge and information industry should be given priority when making development plans. (Xiang & Bang, 2002)

The importance of digital earth lies in that it is an important measure to implement the strategy of rejuvenating the country through science and education and sustainable development, and an indispensable part of the information age. (Cheng, 1999)

Digital plays a greater role as an accelerator of the economic process, but the economic process is still largely based on fossil energy and resource extraction. Without a political revision of the sustainability process, unchecked digital development could jeopardize the success of the transition to sustainable development by pushing the world further into a hyper consumer society, and digital upheaval complicates many social issues. (Guo, 2000)

The digital age is giving rise to a new, virtual, global, instant communications revolution. The digital Anthropology will redefine understanding of human intelligence, the boundaries between humans and technological systems, science and the planet. (Zhao, 2009)

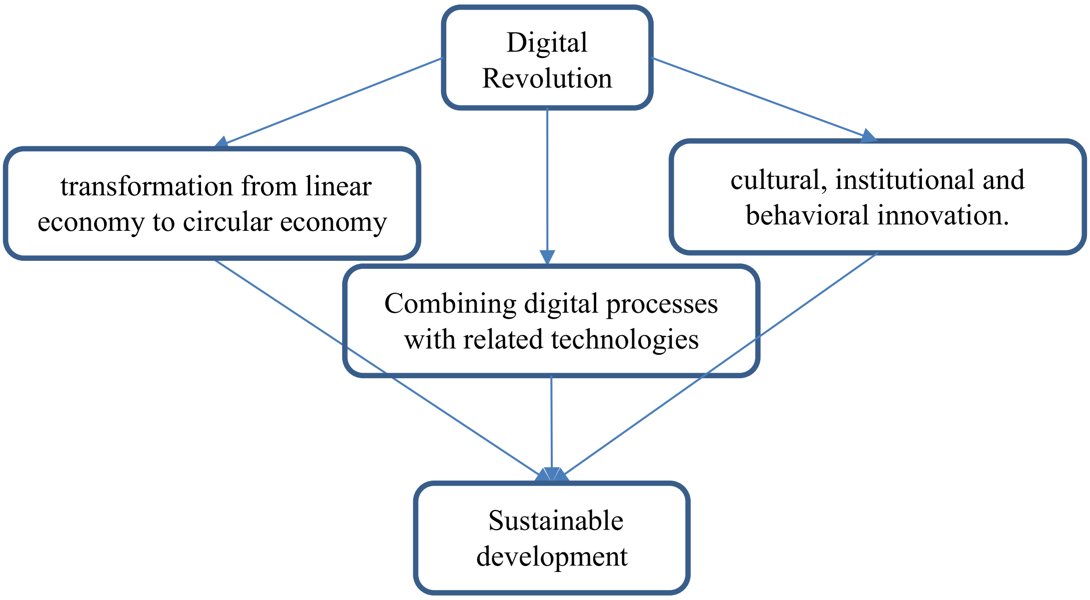
Knowledge expansion will open new doors to economic, social and cultural innovation; Digital technology will make cross-border communication and learning possible; Virtual Spaces will support the creation of transnational networks and communities. (Yang, 2009)

Transnational communication networks help to build a networked global society, transnational governance mechanisms, global common perspective, global culture of cooperation, transnational identity and possibly create new cultures. (Wang & Wu, 2003)

Sustainable development emphasizes that social equity is the mechanism and target of environmental protection. Sustainable development points out that countries in the world may have different stages of development and different specific goals of development, but the essence of development should include improving the quality of human life, improving human health and creating a social environment that guarantees equality, freedom, education, human rights and freedom from violence. (Zhang, 2018)

The matrix of digital transformation is the node expansion promoted by all kinds of digital technology and information technology. From the perspective of technological development, with the maturity of man-machine and object fusion swarm intelligence computing technology, urban digitization will inevitably form the spatial integration of man-machine and object intelligence. The expansion of capital, people's needs, the integration of swarm intelligence computing and all kinds of laws and regulations make all kinds of digital products converge together, enabling people in the digital era to achieve "digital space migration". The essence of this spatial migration is from one application to another. (Yang, 2021)

**Methodology**




The information research method is a scientific research method that uses information to study the function of a system. According to American mathematician, communication engineer and physiologist Wiener, there is a universal connection in the objective world, i.e., information connection. At present, we are in the new era of "information revolution" and there are a lot of information resources that can be exploited. Information method is based on the principles of information theory, system theory and cybernetics, through the collection, transmission, processing and collation of information to obtain knowledge, and apply it to practice to achieve new goals. Information method is a new scientific research method, which uses information to study the system function, reveal the deeper level of things, and help people improve and master the ability to apply the law.

The paradox of the Digital Anthropology: Digitization creates the necessary conditions for achieving the Sustainable Development Goals. Beyond the uncertainties and possible social turning points of the digital Anthropology, there are unprecedented digital opportunities and transformations that favors the shift towards sustainable development.

(a) Realize the transformation from linear economy to circular economy in terms of technology. We need to decouple wealth creation from resource consumption, pollution and ecological destruction. Comprehensively monitor the earth and protect the earth's ecosystem.

(b) Combining digital processes with related technologies, the knowledge explosion will provide new potential for human beings. Examples include new composites, nanotechnology and nanotechnology, genetic engineering, synthetic biology, bionics, quantum computing, additive manufacturing and human enhancement. Artificial intelligence, deep learning and big data will also change the paradigm of scientific research, with virtual technologies accessing advanced global knowledge to create a fair, brilliant and secure future for everyone.

(c) Digital trends can promote cultural, institutional and behavioral innovation. Transnational communication networks help to build a networked global society, transnational governance mechanisms, global common perspective, global culture of cooperation, transnational identity and possibly create new cultures.

Human enhancement promotes the evolution of humans into digital humans. Digital technology and its convergence will certainly enhance human physical and cognitive abilities. The main challenge is definitely cognitive improvement. The Internet and mobile applications have provided important technologies for enhancing human cognition, constituting a form of external memory and knowledge storage. The danger, of course, is abuse and proliferation, and the future may evolve from virtual reality to a fundamentally augmented alternative reality. Losing personal privacy and control over personal data and personality is already a challenge, but if new bionic and human-enhanced systems fall into the wrong hands or undergo evolution beyond human control, they could pose great dangers to democracies and freedom of thought. Losing control and failing to guide society may be the greatest danger of the digital Anthropology.

Understand and overcome the "block moment" of innovation. Historically, large-scale, fundamental and disruptive technological innovations have often led to social and economic upheaval and even crisis, regression or conflict. The challenge of today's digital age is to address the huge sustainability issues of the digital Anthropology, as well as the emerging challenges of artificial intelligence, automated decision-making processes and virtual Spaces.

Only when digital and sustainability research communities are integrated can there be an opportunity to harness digital, virtual reality and artificial intelligence to contain their potential risks and link digital and sustainability transformations. Therefore, creating an interdependent system architecture will help coordinate the digital and sustainable transformation:

Education: People need to be aware of the emerging digital transformation. Science: New knowledge networking must create transformation knowledge to integrate digital and sustainable transitions, avoid digital tipping points, and establish norms for the convergence of humans and intelligent machines.

State modernization: Public institutions are not ready to accept and manage digital trends, which require large-scale modernization education. Experimental space: In the early stage of innovation, application while doing is the main principle of technological and institutional diffusion.

**Results**

In 2018, The Global Research program of The International Institute for Applied Systems Analysis (IIASA), "The World in 2050, TWI2050), which covers the key drivers of social change, including human capacity, consumption and production, remove carbon depth and digital transformation. In order to fully seize the opportunities brought by the digital revolution, reduce digital risks and realize the sustainable development of the world in the future. TWI2050 released the digital revolution and sustainable development report in July 2019. The report focuses on the digital revolution among six key changes needed to achieve the sustainable development goals, and expounds the positive and negative impacts between the digital revolution and sustainable development. And put forward the policy, institution and management mean to realize the sustainable development of government governance level thinking.

**Discussions**

Realize the transformation of sustainable development in the digital era. Society and government are standing at a critical crossroads. Managing digital transformation is challenging. The guiding principles used to guide the transition from digitization to sustainable development are as follows.

Build the missing bridge between digitization and wealth creation. In recent decades, digitization has played a greater role as an accelerator of economic processes that are still largely based on fossil energy and resource extraction. Without a political revision of the sustainability process, unchecked digital development could jeopardize the success of the transition to sustainable development by pushing the world further into a hyper consumer society, and digital upheaval complicates many social issues. However, if the digitization process is successfully corrected, the disruptive effects of digitization can be used to accelerate and enhance sustainable transformation. Digitization can promote remove carbon of energy and transportation systems, a comprehensive circular economy, resource and energy efficiency, sustainable urban transformation, and monitoring and conservation of ecosystems. There is therefore a need for policies, with six key mechanisms helping to create the "missing link" between digitization and sustainability.

By systematically incorporating sustainability requirements into their research and innovation processes, pioneers in digital research can help define the task of digital sustainability. Greenhouse gas emissions and green taxation should be linked to the consumption of natural resources. Tax reform is a powerful way to promote digital innovation towards sustainable development. Build markets, harness the potential of digital technology and promote sustainable transformation in accordance with the sustainable Development Goals issued by the government and industry and regional transformation paths. Launch national modern program linked to sustainable transformation while rapidly upgrading the digital skills of public institutions.AI can be integrated into governance systems as a new actor. To strengthen collaboration among sustainability and digital researchers so that knowledge of digital and sustainable approaches to social transformation can be systematically acquired.

**Conclusions**

Establish a dialogue network between bus. If the digitization process is successfully corrected, the disruptive effects of digitization can be used to accelerate and enhance sustainable transformation. Digitization can promote remove carbon depth of energy and transportation systems, a comprehensive circular economy, resource and energy efficiency, sustainable urban transformation, and monitoring and conservation of ecosystems: a. Build markets, harness the potential of digital technology and promote sustainable transformation in accordance with the sustainable Development Goals issued by the government and industry and regional transformation paths. b. Launch national modernization programmers linked to sustainable transformation while rapidly upgrading the digital skills of public institutions. AI can be integrated into governance systems as a new actor. c. To strengthen collaboration among sustainability and digital researchers so that knowledge of digital and sustainable approaches to social transformation can be systematically acquired. d. Establish a dialogue network between business, government, civil society and science.

Establish norms, standards and institutional innovation to escort a sustainable digital era. The drivers of digital change will be more fundamental: automated decision-making or support systems based on big data analyze will permeate courts, health systems, parliaments, private companies, military organizations, police and universities. Mankind needs institutional innovation and preventive measures to open the way to a sustainable digital future. Digitization is not only a process of accelerating technological change, but also a civilization transformation that requires deep level norms, institutional innovation and preventive measures. He Institute interacts with the private sector, civil society and all levels of government to increase public investment in R&D. Basic research should increase research investment in real-world experiments (future laboratories) aimed at building fast and sustainable digital mobility and urban, energy and education systems. Create digital research centre for sustainable development in developing countries to ensure that they become agents of transformation for a sustainable digital society; Educating the next generation about sustainability lays the foundation for transformation.

In an era of rapid change, only by teaching people about science and technology can we better prepare for the future sustainable digital age. Build Bridges between sustainability science and digital research. Develop new areas of research to understand digital transformation and its social implications and build systems that support artificial intelligence, virtual reality, automated decision making and sustainability. Actively create synergies, change the narrative of "managing digital transformation", and move innovation research away from analysis of challenges and threats to technological development, and focus on new ideas and solutions.

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# EFFECTS OF PARTNERSHIP QUALITY ON OUTSOURCING SUCCESS FROM PERSPECTIVE OF SERVICE PROVIDERS: EMPIRICAL STUDIES ON TRANSLATION SERVICE ORGANIZATIONS IN CHINA

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**Abstract:** Service outsourcing develops increasingly in some attractive outsourcing destinations, e.g., China, India, and ASEAN countries. However, most previous studies on the effect of partnership quality on outsourcing success focused mainly from the perspective of client organizations by ignoring their counterpart, service providers. This research analyzed this issue from the perspective of service providers by utilizing the theories of Resource-based Theory (RBT) and Resource Dependence Theory (RDT). Questionnaires from 173 translation service organizations in China were collected. The results showed that the factor of commitment in a partnership had positive effects on the outsourcing success, the antecedent factor of cooperation had positive effects on building trust and reaffirming commitment between the parties involved, and the antecedent factor of mutual dependence had positive effects on building trust and reaffirming commitment but a negative effect regarding potential conflict. Further, the factor of commitment had partial mediating effects on the relationship of cooperation and outsourcing success as well as the mutual dependence and outsourcing success. The conclusions drawn from the above results implied that the management of service provider organizations should improve in terms of partnership quality with clients so as to achieve greater outsourcing success.

**Keywords:** Partnership Quality, Outsourcing Success, Translation Service Organizations, Resource-Based Theory, Resource Dependence Theory.

## Introduction

The emerging outsourcing industry has been generated under the environment of globalization featured with increasing social and economic interconnection for the purposes of reducing costs, optimizing product chain, and increasing competitive capacity of core-businesses. Developing countries, e.g., China, India, ASEAN countries have been affected by globalization through strengthening their manufacturing and service sectors, which helped drive the rapid growth of outsourcing (Chalamwong, 2014). Nowadays, outsourcing has assumed an increasingly important role in service industries, e.g. tourism industry, finance supporting, human resource management, language service etc. (Promsivapallop, Jones, & Roper, 2015) China and ASEAN countries are the most attractive destinations for developed countries' offshore service outsourcing (Tomiura, Ito, & Wakasugi, 2011). Translation services, as a necessary part of service outsourcing, has also developed significantly by functioning as a fundamental service of businesses' globalization and internationalization efforts. At the end of 2011, the output relating to the assistance and support from translation services in China produced a total value of US$23.52 billion in the fields of international trade, absorbed FDI, investment abroad, international contracts, and cultural communications, respectively (Guo, 2012). As a result, researchers have focused their attention more and more on this fast-growing and industry that has been developing on a large-scale (Yao & Si, 2016). Some researchers focused on the translation documents management (Chen, 2015; Pu & Gao, 2014; Wang, Yan, & Zhang, 2011; Wang & Zhang, 2014). Others have studied the specific techniques utilized in the process of translation (Guan & Xiong, 2015; Serhani, Jaffar, Campbell, & Atif, 2011; Zhang, 2009).

However, the nature of translation services has not been further explored, i.e. a kind of service outsourcing, which can be traced from the definition of translation management, in that 'it refers to a translation organization or system that provides translation services and value-added services by using its own resources through a professional translation process or work process, including major aspects-such as project management, process management, human resources management, client maintenance, quality management, risk control etc. (Guan & Xiong, 2015)

**Research Objective**

This research aims to study how the quality of partnership affects the success of outsourcing from the perspective of service providers. And explore the specific impact of partnership quality on the success of outsourcing in developing countries, such as China. The results of this study provide some pragmatic and universal suggestions for outsourcing service organizations and their customers to better cooperate from the perspective of partnership quality.

**Literature Reviews**

Through further studies on previous research studies that have adopted a resource-based view (Wernerfelt, 1984), Barney paid attention to the competitive nature of resources which are not homogeneous and mobile in the market and then put forward his own review of resources. The two assumptions relating to firm-based resources are based on the foundation of the logic of RBT. (1) In the same industry, different firms can possess different resources. Such kind of heterogeneity assumption will lead to some firms taking advantage of their special resources in order to complete certain tasks better than others (Peteraf & Barney, 2003). (2) If the special resources that the firms possess are difficult to transact among other firms, then the firms who own resources can maintain their competitive status for a long time, i.e. the resource immobility assumption (Barney & Hesterly, 2012). As a brief conclusion, the logic of RBT is that if a firm possesses valuable resources that few other firms have, and if these other firms find it too costly or difficult to imitate these resources, then the firm controlling these resources can likely generate 'more economic value than the marginal (breakeven) competitor in its product market', thus achieving a sustained competitive advantage (Barney & Clark, 2007).

To understand the definition of RDT, the core concept of 'organizations' should be elaborated clearly. RDT defines organizations as settings 'in which groups and individuals with varying interests and preferences come together and engage in exchanges' and recognizes the fact that 'once established, patterns of interaction are likely to persist' (Pfeffer & Salancik, 1978). There are five basic arguments of RDT: (1) the fundamental units for understanding intercorporate relations are organizations; (2) organizations are interdependent on other organizations; (3) uncertainty causes organizations to be dependent upon each other; (4) organizations take actions to manage external resources and continuously produce new interdependence; and (5) these new inter dependences produce inter-organizational power which will affect certain organizational behaviors. RDT analyses inter-organizational behavior in terms of the requirements for survival and acquiring resources that affect the organization as a unit (Pfeffer, 1987).

Hypotheses**:**

H1a: The internal management of service provider organizations will have positive effects on the trust of their clients.

H1b: The cooperation of service provider organizations will have positive effects on the trust of their clients.

H1c: The mutual dependence of service provider organizations will have positive effects on the trust of their clients.

H2a: The internal management of service provider organizations will have positive effects on the commitment of their clients.

H2b: The cooperation of service provider organizations will have positive effects on the commitment of their clients.

H2c: The mutual dependence of service provider organizations will have positive effects on the commitment of their clients.

H3a: The internal management of service provider organizations will have negative effects on the conflict of their clients.

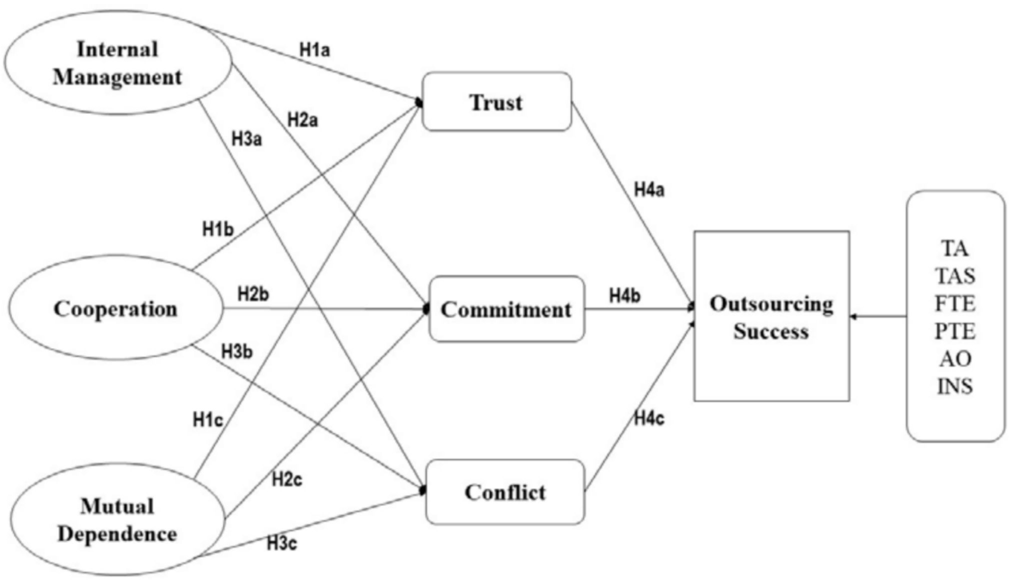
H3b: The cooperation of service provider organizations will have negative effects on the conflict of their clients.

H3c: The mutual dependence of service provider organizations will have negative effects on the conflict of their clients.

H4a: The trust of service provider organizations on their clients will positively affect their business perspective of outsourcing success.

H4b: The commitment of service provider organizations on their clients will positively affect their business perspective of outsourcing success.

H4c: The conflict of service provider organizations on their clients will negatively affect their business perspective of outsourcing success.




## Methodology

Quantitative research method, also known as "statistical analysis" and "quantitative analysis", refers to a research method that recognizes and reveals the interrelationships between things, the laws of change and development trends through the analysis of quantitative relationships such as the scale, speed, scope and extent of the object of study, in order to achieve a correct interpretation and prediction of things. All the variables (outsourcing success, trust, commitment, conflict, internal management, cooperation and mutual dependence) were measured by adopting a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The IBM SPSS Statistics version 21.0 and Smart PLS 2.0 were employed in this study.

## Results

This research has studied the effects of partnership quality on outsourcing success from the perspective of service providers, e.g., translation organizations in China. The theories of RBT and RDT have been adopted to form the theoretical base to analyze internal and external resources and environment on the level of inter-organizations. The model of partnership quality and outsourcing success has been conducted and modified from the perspective of service providers.

**Discussions**

Commitment has great influence compared to other factors of trust and conflict. The indirect relationships of cooperation and outsourcing success and mutual dependence and outsourcing success mediating through commitment also highlight the important role commitment plays in the whole translation outsourcing procedure. Some aspects have not been studied and should be focused on in future studies. For example: (1) this study was only conducted from the perspective of outsourcing service providers without their counterparts' perspectives taken into consideration simultaneously; (2) the research adopted mainly a quantitative method without a qualitative approach or mixed methods. It can be considered that obtaining the deep and specific opinions from some of the respondents could not be achieved on all occasions.

**Conclusions**

In recent years, China's artificial intelligence, cloud computing and other technologies are in a rapid development stage, bringing new opportunities for the language service industry. The report of the 19th National Congress proposed "promoting the deep integration of the Internet, big data, artificial intelligence and the real economy", indicating that promoting the development of artificial intelligence has risen to the level of national strategy. In the 10 years from 2010 to 2020, the State Council and the Ministry of Industry and Information Technology have issued policies to develop the cloud computing industry chain and promote the substantive application of cloud computing. These policies have provided the driving force for the development of China's language service industry. In view of this, China's language service enterprises should conform to the changes of the times and actively embrace various new-age language service technologies represented by neural machine translation technology to promote their own development and that of the industry; in the context of "building a community of human destiny" and "One Belt, One Road" initiative, they should continue to play an important role in promoting the development of language services among countries. In the context of "building a community of human destiny" and "Belt and Road" initiative, they should continue to play an important role in promoting interconnection among countries, promoting consensus and deepening cooperation among countries, and bringing cultural and economic ties among countries closer.

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# ENTERPRISE LEGAL COST MANAGEMENT

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**Abstract:** As the subject of law, enterprises operate in a specific legal environment, enjoy rights and bear legal responsibilities. The law has veto power over the establishment of strategic objectives and decision-making choices of enterprises. Enterprises need legal services, while paying fees, legal costs have become a real problem.

The demand of corporate law depends on professional services, and it is often difficult for enterprises to choose between high service fees and unknown effects. The professional level and responsibility of the provider determine the effect of legal service. Needless to say, different businesses have different legal needs. It is difficult for the provider to understand the enterprise in a short time. It is also difficult for the enterprise to understand what the provider needs to know. Communicating with each other requires a lot of time and cost, and it is still difficult to ensure the unity of goals.

Enterprises employ lawyers as legal advisers to save costs and meet the legal needs of the enterprise, but any legal adviser has limitations. The huge and complex legal environment and the special needs of enterprises, the ability of legal advisers is obviously inadequate. Large enterprises set up a special legal department, the collection of many lawyers, to make up for the lack of personal knowledge and level limitations. But the legal department still lacks the capacity to deal with all aspects of the enterprise's legal problems. Although the legal personnel have been immersed in the enterprise for a long time and have a deep understanding and understanding of the laws involved in the enterprise, the opinions of the managers and decision makers of the enterprise will still bring influence and confusion, the lack of independence of the legal personnel, legal risks will occur, and the effect of legal costs will go up in smoke. How to obtain professional legal services efficiently and cheaply has become a problem facing every enterprise.

This paper starts with the legal demand management of enterprises, providing enterprises with an efficient and cheap legal service framework structure, obtaining the best solution for the management of legal costs, and reducing the cost of legal services to the maximum extent.

**Keywords:** Enterprise Needs, Legal Costs, Management.

**Introduction**

"The legal costs of enterprises are reflected in the social relations between people, and the contents and methods of legal activities are very uncertain." Legal cost expenditure has three attributes: "(1) non-productive. (2) Uncertainty. (3) Hard to measure." "The legal cost of an enterprise consists of: (1) legal opportunity cost (2) legal marginal cost (3) legal illegality cost (4) legal execution cost". "The reason for the high legal cost of enterprises is (1) the legal talent resources have not been fully paid attention to and utilized (2) the enterprise legal institutions are not perfect (3) the existing laws and regulations of the standard resources have not been fully utilized." "The legal adviser is a senior compound talent, practitioners should be familiar with the legal professional knowledge, but also to master the knowledge of enterprise management." "Some legal advisers, due to their own quality, lead to the enterprise and legal decision-making errors and produce huge losses." According to the theory of legal efficiency, legal efficiency consists of "political efficiency, economic efficiency and social efficiency" or "economic efficiency, time efficiency and social efficiency". "For the same rule of law, the jurist is defending justice and the economist is defending efficiency. ... But in the vast majority of cases, economic and legal approaches often lead to the same end." Therefore, "it has become an obstacle for enterprises to control legal risks and reduce legal costs."

In this paper, legal costs are considered as pure expenses, which is a quantitative view, that is, all people and enterprises can master and use law proficiently, regardless of the cost increase or legal benefit reduction caused by management differences. And this understanding does not reflect the legal benefits of the return of legal costs, for enterprise managers, highly misleading.

**1. Problems**

(1) Perspective. This paper focuses on the enterprise in the process of production and management, due to the legal cost and expenditure management mistakes, unnecessary loss or poor effect.

(2) Application of theory. In this paper, the use of legal and commercial management and legal economics theory, through the combination of legal and commercial and formula cross, reveal the unnecessary legal costs of enterprises or save legal costs resulting in legal benefits of the situation, put forward a solution.

(3) redefine the legal costs of enterprises. In this paper, the enterprise legal cost is the sum of the expenditure and loss for legal risk prevention, obtaining legal interests, assuming legal responsibility, legal errors and legal disputes under a specific legal environment.

**2. Objective**

The purpose of this paper is based on the management of enterprise legal costs, from a macro point of view to let enterprises have a comprehensive understanding of the role and efficiency of legal costs. Microscopically, it provides a frame-type demand structure for enterprises to solve the problem of poor internal legal cost and expenditure management.

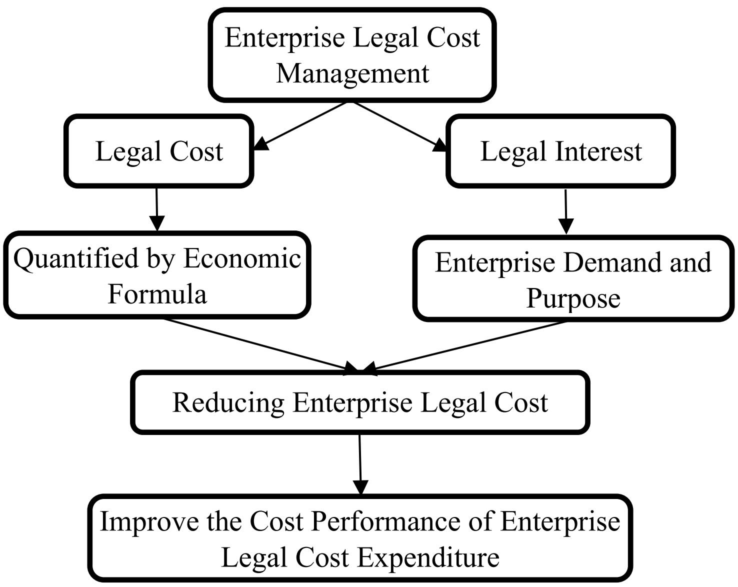
**3. Scope**

The scope of this paper is mainly enterprise legal cost management. On the one hand, the globalization of trade and individual legal environment of enterprise survival environment, seeking more suitable for the survival and development of enterprise legal environment. On the other hand, enterprises in a separate legal environment, effective management of legal costs and expenditures, to provide accurate legal services basic optimization framework.

**4. Significance**

Based on the of "legal cost" and "legal interest", this paper corrects the viewpoint that legal cost expenditure is pure consumption behavior, discusses legal cost input and legal benefit output, and provides theoretical support. The legal cost and legal benefit of enterprises are quantified by economic formula, which provides data support for the value measurement of enterprise legal cost management. According to the purpose of legal cost expenditure and the combination of enterprise demand, put forward the implementation framework of reducing enterprise legal cost expenditure, greatly improve the cost performance of enterprise legal cost expenditure. Finally, simplify the legal cost and expenditure management structure, and solve the above problems.

**5. Theoretical Framework**



**6. Case of Oriental Group**

Orient Group Corporation, located in Country A, mainly deals in civil passenger aircraft, producing 500 large civil passenger aircraft annually at A price of 500 million yuan each. The aircraft have a service life of 30 years and carry an average of 230 passengers each. The products are sold to more than 70 countries and regions in the world, with an annual output value of 250 billion yuan, a pre-tax profit of 50 billion yuan, and annual tax payment of 25 billion yuan. There are 52 branches in Country A, which are responsible for purchasing raw materials, making accessories, assembling and selling finished products. The main raw materials purchased are iron ore, and the purchasing place is Country B. In 2012, in order to restrict the industrial development of Country A, country B relied on its iron ore monopoly and raised the iron ore price by 5% and the export tariff from 5% to 7%. In the same year, the market for civil aviation aircraft was highly competitive, and the price of aircraft fell by 6 percent. Wages in country A rose by 2%. Profits at Oriental Group fell 15 per cent and the company was operating inefficiently. In addition, in order to reduce noise and emission, all the selling countries of Oriental Group have entered into the enactment of laws to improve engine standards, which is expected to be implemented in the third year. The cost of each engine upgrade of Dongfang Group is about 10 million yuan, among which, due to the change of engine and blade, the landing gear design needs to be reformed, accounting for 70% of the total cost, about 7 million yuan per engine.

In order to solve the company's dilemma, Dongfang Group invited legal experts familiar with management and economics from A, B, C, D and E countries to discuss countermeasures. After the meeting, the Eastern Group concluded the expert opinions:

I. Experts from Country A believe that there are loopholes in the legal cost and expenditure management of Oriental Group. The legal Department of the company employs 1 senior legal talent with an annual salary of 3.5 million yuan and 10 middle-level legal talents with an annual salary of 1 million yuan each. The annual expenditure of legal service fee is 13.5 million yuan. There are 52 branches, each branch has 3 middle-level legal talents, a total of 156 people, the annual salary of each branch is 1 million yuan, the annual expenditure of legal consulting fee is 156 million yuan; The group's legal consulting fees are paid a total of 169.5 million yuan per year. For example, the structure of legal counsel of Dongfang Group is changed to: 10 senior legal talents of the Group are responsible for the legal affairs of the Group and subsidiaries, with an annual salary of 3.5 million yuan per person; 5 junior legal staff, responsible for the implementation of legal affairs; An annual salary of 500,000 yuan per person; The group company has to pay 37.5 million yuan for legal counsel. Each branch hires 2 junior legal talents, with an annual salary of 500,000 yuan for each, and a total legal consulting fee of 52 million yuan for each branch. The accumulated legal consulting fee is 89.5 million yuan, and the estimated cost savings is 80 million yuan.

II. Experts from Country C believe that the existing internal management framework of The

Oriental Group is defective. In order to keep Oriental Group away from legal risks, the internal regulations and standards are higher than the requirements of current laws, regulations, decrees and other normative documents, with an average increase rate of 5%, which is considered as inadequate application of laws, regulations, decrees and standards and other normative documents. According to this calculation, the legitimate business scope of Dongfang Group is reduced by 9.75%, and its market competitive advantage is reduced by 9.75%.

III. Experts in B country believe that the increase of iron ore price in B country is only for export, but in order to increase the sales of iron ore in B country, the country has launched a series of preferential measures, including the reduction of 2% annual loan interest rate, and now the annual loan interest rate is 1.5%; According to the current annual loan interest rate of 4% in Country A, the loan cost will decrease by 2.5%. In addition, the export tariff on rough-processed iron products, such as water well covers, is only 1 percent. The iron ore the company now buys is 8.7%. After making rough iron products, the weight and volume are reduced by 90%, and the transportation cost can be saved by 90%. It is suggested that the company set up an export enterprise of rough-processed iron products in country B, and then ship them back to Country A to meet its own needs and sell them to other domestic enterprises.

IV. Experts from D country believe that the decline in the sales price of civil passenger aircraft is caused by fierce market competition. If the company works with major producers to cut production by 10%, market selling prices are expected to rise by 9%. According to the existing capacity of dongfang Group, monopoly profits can be obtained.

It is suggested to set up an assembly company in F country. Reasons: 1, the country for investment enterprises to reduce corporate income tax, can save tax. 2, low labor cost. 3. The anti-monopoly system is still under discussion and is expected to be legislated five years later.

V. Experts in D country believe that the improvement of the standard in the country of sale causes the technical transformation of civil passenger aircraft engine. The technical transformation of the company's landing gear is the largest cost in this technological innovation, accounting for 70% of the total cost. The country of sale requires modification of landing gear. Although the technical department believes there may be technical defects in the engine replacement, blade and landing gear matching. However, without sufficient data to support it, it is not recommended to pay significant costs for landing gear modification.

According to the absolute cost theory proposed by Classical British economist Adam Smith in The Wealth of Nations, "every country or region has its own favorable natural resources and climate conditions (Qian, 2010). If all countries and regions produce according to their own favorable production conditions and exchange products with each other, It will make the most efficient use of resources, labor and capital in all countries and regions, and will greatly increase labor productivity and material wealth (Wang, 2003). The theory lacks the generalization of live labor and physical labor, and it is difficult to cover the operating cost of the whole process of production and transaction in the production and operation of enterprises (Gao & Niu, 2019). In the real enterprise operation, after the investment is converted into means of production and productivity, it is converted into money again through transactions to realize the increase of money (Jiang, 2012). This transformation process must be completed through transactions, and this transaction transformation needs to pay the cost (Xue, 2002). Marx defined "pure circulation cost" or "unproductive cost" as the resources consumed purely because of exchange needs without creating value (Si, 2007). Although Marx's theory of inclusion reveals the composition of "non-production cost", it does not make an essential qualitative distinction between legal cost and production cost (Zhou, 1999). Some scholars define it as "production cost and legal cost are divided into two categories: man-nature relationship and man-person relationship" (Zheng, 2004). In order to solve the relationship between production cost and legal cost, Ronald H. Coase proposed two theorems, namely: The assumption of the first uniform of Coase theorem is that under the condition of zero transaction cost, legal provisions are irrelevant, because the result can always increase the output value. As for the solution of non-production cost, Coase put forward the second law of the theorem: if there is real transaction cost, it is impossible for the profitable result to occur under every legal rule (Wang, 2006). In these cases, a reasonable legal rule is one that minimizes the effect of transaction costs (Zhang, 1993). Cotter and Uren (2004) said this is because the law takes the reduction of social transaction cost as its direct purpose, and at the same time indirectly reduces the production cost. The former cost constitutes the main part of social transaction cost in practice, and is often more important than the direct production technology cost.

**Sources**

(1) Classification and quantification. Including literature collection and screening, literature identification and sorting, literature analysis. Based on first-hand legal work files, combined with domestic and foreign academic on enterprise legal cost management, summarize relevant results and other necessary theoretical foundation work, the writing of this paper has been steadily advanced.

(2) Interdisciplinary analysis. Using the theories and methods of law, management and economics, starting from the management of enterprise legal cost, subdivide the negligence and mistakes in the management of enterprise legal cost, and provide more perspectives and more in-depth analysis and interpretation for enterprises to reduce legal cost and reduce legal cost. We will increase legitimate welfare income.

(3) Case study. In this paper, the legal cost in the process of enterprise operation and the legal interests of enterprises as the object of investigation, the legal cost management and legal income management of enterprises are studied, through the analysis of actual cases, to provide the basis for

conclusion.

(4) Comparative study. This paper compares enterprises' legal cost expenditure and legal income as the object of comparison, studies the legal income and legal cost expenditure income under legal and illegal circumstances, and provides the basis for suggestions through comparative analysis.

**Conclusions**

Enterprises in the process of global trade integration, enterprises for production cost management and legal cost management, as two independent, unrelated costs, is to separate the two aspects of a problem. This paper argues that the management of legal costs should pay attention to:

1. enterprises should take legal costs as production cost management;
2. Accurate legal requirements of enterprises can reduce legal costs;
3. Legal service professionalism is directly proportional to legal costs and legal benefits.
4. Enterprise legal demand management should focus on a broader choice of legal environment.
5. enterprise internal legal cost management, should be extended to anti-fraud review, legal forecast industry development and other fields.

**Suggestions**

To sum up, enterprise legal cost expenditure management, enterprise managers need to clear their own legal needs; Have a deep understanding of the role and effect of legal cost expenditure; Understanding of the selection and collocation of legal professionals. Finally, the legal requirements and legal costs of enterprises can be effectively managed.

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# EVALUATION OF ENTREPRENEURS SUCCESS: A SPECIAL REFERENCE TO WOMEN ENTREPRENEURS IN BANGLADESH

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**Abstract:** Today, the corporate sector is not only the domain of the male. There has been a remarkable growth in the number of women established and maintained a business in Bangladesh. The nature of these businesses embraces manufacturing, trading and service sectors. This study tried to identify the instigating factors, entrepreneurial success status, women entrepreneurs' business strategies, and their visions. This study is an empirical study based on primary data. To collect data, at first, a list of 250 women entrepreneurs is prepared out of about 5000 women small business owners considering age, education, and income level. Then 100 women entrepreneurs were selected as a sample randomly out of that listed 250. Moreover 50 women entrepreneurs were selected purposely to interview deeply to know about the business strategies of women entrepreneurs out of selected 100 women entrepreneurs. It is found that achievement, independence and economic motivation played a significant role in establishing the enterprises of women entrepreneurs. According to "Entrepreneurial Economic Success Index" (EESI), 15% women entrepreneurs are very successful; 65% successful; 20% unsuccessful and the entrepreneurs of service sector had highly entrepreneurial success compared to the other sectors. The achievement of the study could be a pioneer for all potential entrepreneurs and could serve as a useful guideline for policy implications.

**Keywords:** Women Entrepreneurs, Business Strategies, Visions, Motivation, Policy Attars.

## Introduction

About 50% of the population of Bangladesh is a woman. (Census, 2010). There is no difference between men and women regarding intelligence, initiating enterprise and development activities (Khan, 1993). Today, women are accepted as equal partners with men in development activities. As a result, women are increasingly participating in various activities such as business, service, politics etc. Throughout the world, women are showing increasing interest in business as a profession (Klinger, 1996). Their interest is concentrated not only in service-oriented business but also activities in modern technology. Women are already engaged in various domains of entrepreneurial activities (Sharma, 1985). It is now possible to find women in every type of entrepreneurial activity, large international organizations, and small-scale business.

In a study (Rahman, 1997) identified five types of entrepreneurs among women in Bangladesh. They are (i) conventional entrepreneurs (ii) innovators (iii) radical proprietors (iv) domestic traders and (v) dynamic groups. Begum (1999) found increased attention has been paid to the women in many nations who are establishing their own business at an increased rate in Canada, the United Kingdom, the United States, Sweden, the Netherlands and many developing countries. According to the "Small Business Administration", 50% of new business is established by the female business owners in Canada. In Sweden and Finland, over a quarter of all owner-managers were female. In India and other South Asian countries, women are increasingly involved in entrepreneurship by starting small ventures. Such a trend is also observed among the women community in Bangladesh. Schumpeter (1976) clarified that entrepreneurs are innovators with potentialities of doing new things, as an economic leader, and as a chief conductor in economic development (Haider et al., 2021). McClelland (1985) views, the supply of entrepreneurship is highly dependent upon the intensity of achievement motivation. Rahman (1979) identified that entrepreneurship is the ability to take the factors of production-land, labor, and capital to produce new goods or services. Begum (1993) confirmed that a new trend has emerged where women are venturing as entrepreneurs and contributing to economic development. Women entrepreneurs in Bangladesh represent a group of women who have broken away from the beaten track and are exploring new vistas of economic participation; their task has been full of challenges. In a study (Hisrish and Brush, 1996) focused on different types of females owned business and confirmed the lack of support offered to female proprietors in non-traditional sectors. Bhuiyan (2012) did research work and found that women entrepreneurs are mainly facing the difficulties of marketing. Collecting bank loan is another important barrier to run the business. Sexton (2012) suggested that women entrepreneurs study the business environment carefully to avoid highly competitive business areas. In a study Baumol (2011) informed, mainly women entrepreneurs are interested in the service sector. Jabeen et al. (2021) showed women entrepreneurs of the manufacturing sector are more risk taking and dynamic.

**Research Objectives**

Women are demonstrating their capabilities by performing productive goals efficiently, which were previously considered masculine jobs. The active part of women as business owner-manager is increasing all over the world. The role of women in development activities is now recognized at home and abroad (Chowdhury, 1993). This indicates that women bear initiative, aspiration, and entrepreneurial qualities as to their male counterpart. During the last two decades, employment opportunities gradually shrank and it became increasingly hard for men and women, especially for less-educated women, to get acceptable jobs (Mata et al., 2021). But in many cases, women are suppressed and feel deep insecurity to show these abilities. Therefore, their entry into self-employment and business had to happen as a natural course. As a result, recently, a new trend has emerged where women are venturing as entrepreneurs and are contributing to economic development. But they usually face many challenges in various spheres. In these circumstances, normally questions are raised what level of performance women entrepreneurs are showing, are they capable of continuing their business, and are they adopting appropriate strategies and visions for their business? Against this background, the present study has to evaluate the success level of women entrepreneurs.

The general objective of the study is to understand the overall situation of women entrepreneurship. The specific objectives are as follows:

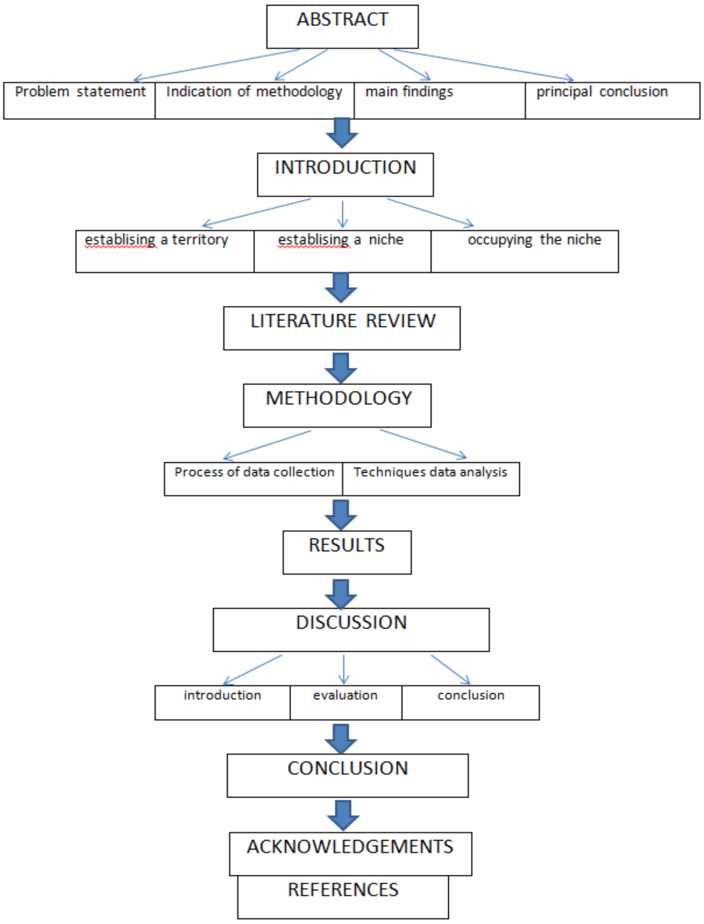
1. To identify the instigating factors that direct a woman to be an entrepreneur.
2. To determine the success status of women entrepreneurs;
3. To detect the persons who motivate women to be an entrepreneur;
4. To evaluate the visions of women entrepreneurs;
5. To examine the business strategies of women entrepreneurs; and
6. Finally, to formulate some recommendations for policy matters.

Women Entrepreneurs are now encouraged in the developed as well as developing world. In many countries' women, entrepreneurship is one of the primaries means of women employment (Stevenson, 1986). Hence, this sector demands a number of studies. The study's scope covers the instigating factors, success level, motivators, visions, and business strategies of women entrepreneurship. Nothing is over limitations. Here the important limitations are time and money. Besides, during the study, several women entrepreneurs not conceiving the value of research became worried when asked them questions. So, in many cases, it wasn't easy to collect primary data. Avoiding tendency from some women entrepreneurs also created problems. Some of them refused to answer at all. Despite these shortcomings, this study, however, fulfilled its objectives which could be very helpful to make plans for sustainable development of this sector.

A small business could be the pioneer and founder of a large business. Many well-known business persons started their large-scale businesses with small businesses (Mia, 1995). According to the Beaver (2003) small businesses should have a relatively small share of their market. It should be run by its owner and independent and not the subsidiary of a larger firm. Industrial policy (1999) directed small businesses to possess employees not over 50 and capital, not over 10 cores. From the operational point of view, a small business' main business is selling to ultimate consumers (Hisrich, 1988). Small business includes all activities incident to selling to the ultimate consumers. The goods sold may be produced, bought or carried in stock by the seller (Ahmed, 1982).

## Literatures Reviews

The term 'entrepreneurs' success' connotes different things to different people. Variations in the concept of entrepreneurial success primarily arise due to the variation in the expectation of the concerned person from a given organization in a given context (Khairuddin et al., 2021). Various dimensions have been used in studying in women entrepreneurship over time.




A multitude of factors influence business performance (Akbar, 2014, Qureshi, 2021). These include frequent leadership changes (Akbar, 2021), business life cycle (Akbar, 2020), firm's engagement in corporate social responsibility (Jiang & Akbar, 2018; Akbar, 2021), and personal attributes of the entrepreneurs (Tanveer, 2013). These include causes, ways, types of business, business size, effect, empowerment of women through entrepreneurship (Hisrich and Brien, 1986). The key methodological issue in this regard is choosing two or three of the indicators mentioned above. The selection of success indicators of women entrepreneurs is beset with several problems due to complexities involved in measuring input and output of an organization (Sing, 1969). Begun (2000) defined 'success' as the degree to which the goals of an organization of women entrepreneurs have been met. Rahman (1997) viewed corporate success as productivity and expansion of business. In measuring the success of entrepreneurs (Akhouri, 1979) used rate of growth, profits, usage of funds as indicators. Hisrich and Brush (1986) viewed women's decision-making power, the development of lifestyle, creation of employment opportunities as the success of women entrepreneurs. Most of the scholars as

Khan (1991), Fillan (1991), Klinger (1996), Bhuiyan (2011), Hornday (1977) did not view profit-making as a criterion of success of women entrepreneurs. Tehseen and Haider (2021) regard expansion and the creation of a new business line as entrepreneurs' success. Concerning well starting, smooth running and achievement of goals Begun (1999) proposed women entrepreneurs go ahead with their business.

Some studies have been done in stating causes, growing environment, operational techniques, and effects of women entrepreneurs (Yafi et al., 2021). Still, few studies have been done to evaluate the success of women entrepreneurs. Given the goal of the present study, a set of indicators have been selected. These indicators include instigation factors, to start a business, motivating persons, motivational factors, Entrepreneurial Economic Success Index (EESI), business strategies and future visions of women entrepreneurs.

**Methodology**

This study is based on primary data. The total sample was one hundred. So far, the present study goes there are about 5000 women-owned small enterprises in 47 (DMP, 2012) thanas of Dhaka city. To collect the sample at first, a list of 250 (out of that 5000) enterprises was prepared, considering the women entrepreneurs' age, experience, education, and income level. It is to be noted that women entrepreneurs under the age of 35, experience under 12 years, education under S.S.C. and income level under yearly Tk. 1,50,000 are not considered in this list. Out of the list, 100 entrepreneurs were selected randomly. Findings of 30% of the population involved in manufacturing business, 36% in trading business and about 34% in service business than 30 women entrepreneurs from manufacturing groups, 36 women entrepreneurs from trading groups and remaining 34 were selected from service groups as a sample. At the same time, talking with the 100 sample women entrepreneurs, it became clear that only 50 of them are highly conscious of their visions. So, purposively 50 sample entrepreneurs are selected to deeply interview, to know the women entrepreneurs' business strategies. A structured questionnaire consisting of 30 questions was prepared to collect data. A pilot survey was done to examine the appropriateness of the questionnaire. At the same time, an unstructured questionnaire was prepared to take interviews. Structured and unstructured questionnaires had been used to collect data. In addition to this, some selected entrepreneurs were interviewed for in-depth analyses to enrich the dimension of the study. The data were collected during the years 2010 to 2011. The data collected through the field study were analyzed by applying SPSS and "Entrepreneurial Economic Success Index."

**Results**

Factors Instigate Women to be Entrepreneurs Entrepreneurship means the quality of the entrepreneur. An entrepreneur is a person who starts a business and runs it successfully. The result of their entrepreneurial efforts is the birth of a business enterprise and, finally, a product or output which has a demand in the market. Business entrepreneurship comprises those qualities which build a person to start a new business idea, select the best idea for developing a project, undertake necessary steps to realize the idea into a reality, run the enterprise successfully and take the risk associated with the investment. Some factors drive women to be entrepreneurs. These are presented below by Table 1.

**Table 1: Instigating Factors Given by the Respondents for Starting a Business (N=100)**

| Instigating Factors | Yes | % |
|---|---|---|
| Unemployment | 46 | 46 |
| Dissatisfaction with present job | 28 | 28 |
| Earning Money | 08 | 08 |
| Choosing challenging job | 12 | 12 |
| Independence | 06 | 06 |
| Total | 100 | 100% |

Unemployment (46%) was the main instigating reason for becoming entrepreneurs; other reasons were dissatisfaction with the present job (28%); to make money (08%); to take a challenging job (12%); and independence (06%). This study indicated some persons and organizations who motivated women entrepreneurs to start a business. Table 2 is showing these motivators.

**Table 2: Motivators of Women Entrepreneurs to Start a Business (N=100)**

| Motivators | Frequency | % |
|---|---|---|
| Father | 25 | 25 |
| Husband | 27 | 27 |
| Mother | 20 | 20 |
| Relatives and friends | 16 | 16 |
| Govt. Org. and NGOs | 12 | 12 |
| Total | 100 | 100% |

The women entrepreneurs might have come up for their own or because of somebody's inspiration. The study found 25% of entrepreneurs were motivated by their fathers, 27% were motivated by their husbands; 20% were motivated by mothers; 16% were motivated by their relatives and friends, and 12% were motivated by various Govt. Org. and NGOs.

**Discussions**

As a neglected part of the society women entrepreneurs have to face difficulties of extravagant level to start a business. Without facing difficulties, nothing could be initiated. The present study attempted to understand the hindrances for starting the business of women entrepreneurs. These hindrances are shown in the following table.

**Table 3: Showing Hindrances for Starting the Business of Women Entrepreneurs (N=100)**

| Hindrances | Frequency | % |
|---|---|---|
| Social Hindrances | 26 | 26% |
| Family Hindrances | 23 | 23% |
| Financial Hindrance | 20 | 20% |
| Lack of technical knowledge | 13 | 13% |
| Lack of information | 18 | 18% |
| Total | 100 | 100% |

Table 3 indicates that 26% of sample women entrepreneurs felt that social hindrances were their major difficulties to start a business; 23% thought that family hindrances were the major barrier; 20% have taken financial hindrance; 13% have chosen lack of technical knowledge as hindrances for starting a business and 18% have expressed their opinion that they felt lack of information as a hindrance to initiating business. Somehow a person could start a business, but its continuation is very important (Bhuiyan, 2011). This is more challenging for women entrepreneurs (Roth, 1991). This study examined the reasons for which women entrepreneurs are continuing their business. Table 4 presents the reasons.

**Table 4: Showing Reasons for Well Running the Business of Women Entrepreneurs (N=100)**

| Reasons | Respondents | % |
|---|---|---|
| Achievement | 30 | 30 |
| Independence | 35 | 35 |
| Economic Motivations | 22 | 22 |
| Job satisfaction | 13 | 13 |
| Total | 100 | 100% |

Source: Field survey

The study revealed, achievement (30%); independence (35%); economic motivation (22%) and job satisfaction (13%) act as powerful motivational forces behind well running enterprises of women entrepreneurs.

**Conclusions**

A fundamental change has taken place in the economics of the developing world, providing new opportunities for women. The leadership style of women, their special capabilities and wisdom appear especially remarkable. Now, women are not satisfied to be employees; some are growing as entrepreneurs. This study found some valuable findings, which are highly significant for policy implications: 1. According to "Entrepreneurial Economic Success Index" 15% of women entrepreneurs was very successful; 65% was successful, and 20% was unsuccessful. 2. The service sector entrepreneurs had highly entrepreneurial success compared to the other sectors. 3. 44.44% of sole-proprietorship businesses were very successful, and 45.71% were successful 4. The chief motivators for entrepreneurship as a career were their husbands (27%) and fathers (25%). Inspiration and support from the family are very important for women entrepreneurs (Table-2). v5. Unemployment (40%) and dissatisfaction with present occupation (28%) are the two vital factors that influenced women to start a business (Table-1). 6. The study found women have motivation, initiative, and entrepreneurial qualities to succeed in business. They possess enough qualities to face all sorts of business challenges.

The study issued the following recommendations for policymakers: 1. Training programs should be launched to encourage potential women entrepreneurs to participate in business and post-startup training programs. These programs should be designed keeping in view the needs of the women. 2. Counselling agencies should be set up regionally by the Government's initiative to encourage women on different aspects of initiating and running a business. In this respect, an attempt may be taken to use the experienced business executives to volunteer their services. 3. More training institutes should be set up to provide entrepreneur development training for both men and women entrepreneurs. Entrepreneurship development training is a highly specialized job. The trainers/motivators should be well trained and efficient for rendering such training. A separate institute should be established for this purpose. 4. Capital is an essential item for starting an enterprise. To meet the business women's initial capital need, the government could establish a separate commercial bank branch. One of the criteria for sanctioning loans should be the quality of the entrepreneur and project rather than collateral. 5. Women in rural areas are not aware of the support services by the government. Media could be encouraged to telecast programs to inform women entrepreneurs. 6. A high power national committee could be launched to look after the interest of women entrepreneurs, and this committee will suggest proper steps to the government to encourage women entrepreneurs. 7. A comprehensive national Policy for women entrepreneurs should be formed. 8. A separate division could be formed under the supervision of the ministry of women affairs to monitor the matters of women entrepreneurship.

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# HUMAN RESOURCE RECRUITMENT RISK MANAGEMENT INCHINESE ENTERPRISES

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**Abstract:** With the rapid growth of domestic foreign-funded enterprises, foreign-funded enterprises and domestic enterprises, especially with Chinese enterprises. If Chinese enterprises do not take active measures, it will make Chinese enterprises stand at a disadvantage in the talent competition, and affect the stability and long-term development of Chinese enterprises. In this case, Chinese enterprises must change the traditional labor and personnel management mode, develop the human resource management mode suitable for the new era, form the "people-oriented" management concept, constantly improve the employment system, optimize the structure of human resources, strengthen staff education and training, improve the enterprise environment, and retain talents. At present, the concept of human resource management in Chinese enterprises still remains in the stage of personnel management. There are some problems in human resource management in Chinese enterprises, such as insufficient human resource investment, unreasonable staffing, uncompetitive salary system and imperfect performance appraisal system. This paper explains these problems in the resource management of Chinese enterprises and analyzes the countermeasures.

**Keywords:** Chinese Enterprises, Human Resource Management, Research.

## Introduction

Human resource management in Chinese enterprises is in the process of transformation from traditional personnel management under planned economy system to human resource management under market economy system. In this process, there will inevitably be some problems that do not adapt to the market economy system.

In the human resource management of Chinese enterprises, the management concept is still in the past stage, and they do not realize that the root of human resource problems lies in the subsequent recruitment management, let alone that recruitment will bring risks, and more people do not realize that the close working relationship with human resource recruitment restricts the development of enterprises. Recruitment assessment methods are too simple, hiring decision is usually a leadership responsibility, there is no scientific and effective recruitment interview method, the lack of a scientific and reasonable recruitment process and assessment of professional technology, so that in the following job recruiters and found not match, high staff turnover, hiring is frequent, enterprises continuously develop talent for the competition, some companies are even in legal trouble.

In China's current market economy, enterprises still occupy a very important position, usually distributed in energy, transportation and other fields related to the national economic lifeline. Therefore, once the recruitment risk occurs, it will bring huge losses to the country, and even lead to the devaluation and loss of Chinese assets.

Therefore, Chinese enterprises must study and analyze the current situation of human resource management and put forward new development countermeasures to meet the needs of human resource management under the new situation. Only by constantly improving employment mechanism, training, incentive and restraint mechanism, improving the environment of Chinese enterprises, enhancing the cohesion of national industry and retaining talents, can we maintain our own advantages in the competition of market economy system and give full play to the leading position of Chinese enterprises.

**Research Problems**

This paper hopes to understand the current situation of personnel recruitment in the human resource management process of Chinese enterprises, and then analyze the current problems and disadvantages and the causes of the problems.

**Research Objectives**

In the process of changes in the macro environment of enterprises and the promotion of reforms, new requirements have been continuously put forward for the quality and ability of personnel and service attitudes, and personnel management is also facing the problem of continuous improvement and renewal, which means that the recruitment work is very important for Chinese enterprises. Sustained development is critical. Therefore, it is necessary to establish risk awareness in the human resources recruitment management of Chinese enterprises, take the prevention of human resources recruitment risks as an important focus of enterprise human resources recruitment management, and actively explore the risk prevention management mode in human resources recruitment, and become the human resources of Chinese enterprises. The urgent task of recruiting workers has also become an important issue of human resource management theory and practice research.

An in-depth study of HR recruitment risks in Chinese enterprises is conducive to discussing countermeasures to control HR recruitment risks in Chinese enterprises, improving the awareness and prevention awareness of HR managers of Chinese enterprises on recruitment risks, and helping Chinese enterprises to select suitable enterprises for their own enterprises. The development of outstanding talents in demand is conducive to the development of human resource management, and at the same time, it can also fill the gap in the research of enterprise human resources recruitment risk to a certain extent, which has important practical significance.

The human resource management of Chinese enterprises is in the process of transformation and development from the traditional personnel management under the planned economy system to the human resource management under the market economy system. In this process, some problems that are not suitable for the market economic system will inevitably arise. Therefore, enterprises must study and analyze the current situation of human resource management and propose new development strategies to meet the needs of human resource management under the new situation. Only by constantly improving the employment mechanism, training, incentive and restraint mechanism, improving the environment of enterprises, enhancing the cohesion of national industries, and retaining talents, can we maintain our own advantages in the competition of the market economic system and give full play to the dominant position of enterprises.

**Scope of the Study**

This paper intends to analyze the risk management of CDB HR recruitment from four parts: the first part is the theoretical overview of recruitment risk; the second part is the HR recruitment process and existing problems; the third part is the analysis of SOE recruitment risk and causes; the fourth part is the countermeasures and suggestions to improve the risk of CDB recruitment.

**Research Significances**

Make SOEs pay attention to the risk and improve their ability to prevent risks; reduce the negative effect of globalization and knowledge economy, realize the value; propose countermeasures to prevent HR risk, reduce the risk, avoid unnecessary loss and improve their competitiveness.

**Literates Reviews**

Ren LiYun in the Chinese enterprises under the new situation pointed out: an important goal of human resource management is beneficial to improve enterprise performance activities, and through these activities to play its strategic contribution to enterprise success, human resource management contribution to enterprise performance is reflected in the financial situation of the enterprise, achieve high performance of human resource management is often associated with the enterprise good financial situation. Human capital is the full value of the human resources of an enterprise, which is composed of the people in the enterprise and what they have and can be used for their work. The strategic goal of human resource management is to continuously improve the human capital of enterprises. As a contributor to corporate strategy, human resource management must provide human resource services and activities in a legal and effective cost manner.

Yang Hongwei, in the Analysis and Countermeasures of Human Resource Management in Chinese Enterprises in China, believes that the behavior performance and behavior effect of employees largely depend on the incentive level he receives: the higher the incentive level, the more positive the behavior performance, and the greater the behavior effect. It is necessary for Chinese enterprises to take the following measures in income distribution: scientific post labor evaluation and strict skill assessment of workers, to lay a scientific foundation and basis for income distribution. Straighten out the wage relationship of all kinds of personnel, open and expand the normal wage gap, restore the structure of bonus and wage income, reduce the average payment, allowance of bonus, subsidies, etc., and restore the original meaning and role of bonus.

**Research Methodology**

This paper adopts a qualitative research method, through a large number of literature reading, existing research theories, and clearly proposes the content and mastery of the research to be studied.

In the research, by conducting extensive retrieval research on the literature of human resources recruitment, the current survival situation of the surrounding literature. Risk research theory. Use qualitative research methods to conduct risk assessment process for human resources risk research, understand the risk relationship between corporate recruitment process and recruitment, determine the measures that can successfully deal with recruitment risks in private enterprise recruitment according to the characteristics of enterprises, and use corporate human resources recruitment risks on the issue.

When conducting the investigation, the objects that exist are mainly the personnel, interview methods and purposes of the enterprise, to understand the relationship between the defects in the existing recruitment methods of the enterprise and the recruitment risks, and to summarize the reasons for the risks arising from the recruitment of enterprises through interviews. Basis, identified as a solution for identifying corporate recruiting risks.

**Results**

(1) At present, in the human resource management of Chinese enterprises, the concept of human resource managers and employees is still in the past stage of personnel management, and they do not realize that there are also risks of recruitment;

(2) The way of recruitment evaluation is too simple, the recruitment decision is often decided by a certain leader, there is no scientific and effective method of recruitment interview, the lack of scientific and reasonable recruitment process and professional talent evaluation technology;

(3) Frequent flow of employees, frequent recruitment of enterprises, constantly training talents for rival enterprises, and even make enterprises fall into legal disputes.

**Discussion**

Human resources are the most important resources of Chinese enterprises and play a very important role in enterprises. Due to the current shortage of supply and demand in the labor market and the strengthening of talent mobility, the HR recruitment risks of Chinese enterprises have increased. Based on the above thinking, on the basis of extensive use of materials, this paper uses information game theory, economics, human resource management and other theories to analyze, discuss and study the risk of human resources recruitment in Chinese enterprises.

**Conclusions**

1. Strengthen the human resource input of Chinese enterprises

Chinese enterprises should pay enough attention to this and invest enough talent construction costs: not only to pay attention to the pre-job training of enterprise personnel, but also to pay attention to the continuing education in the work. Make employees give full play to their talents in the right position.

2. Improve the employment mechanism and balance the staffing system

Establish an internal talent flow mechanism, so that the enterprise human resources can be rationally allocated. Personnel who are not suitable for the current position should be diverted as far as possible. Enterprises should properly settle and promote the rich personnel to the society, and at the same time introduce the talents needed from the society, so as not to cause the waste of human resources.

3. Establish an open, fair and merit-based employment system

(1) Disclosure: For the required talents needed, we should not only be good at internal open selection and appointment, but also dare to open recruitment to the society.

(2) Equality: Internal selection and public recruitment should be treated equally. As long as the recruitment meets the job requirements, it should provide the opportunity to apply.

(3) Selection: multiple people are allowed to apply for a position, and select the best candidates for the position through survival of the fittest.

Before selecting and employing people, we must do a good job in job analysis, job evaluation, job description and job specifications, strictly operate in accordance with the recruitment procedures and complete the prescribed examination and examination content, to ensure the recruitment of high-quality talents.

4. Establish a fair and reasonable salary management

The fairness of compensation management: the design, structure and level of compensation must be based on scientific work analysis, work evaluation and performance appraisal, and truly reflect the principle of distribution according to work and fairness.

Reasonable salary management: When formulating compensation management policies, enterprises must comprehensively consider various factors such as employees 'own factors, enterprise factors, work factors and labor market, so that the enterprise's salary is fair internally and competitive externally.

5. Establish a scientific performance evaluation and assessment system

(1) Formulate effective assessment standards and assessment contents in line with the enterprise itself

(2) Improve the feedback mechanism of the assessment results, strengthen the communication with the employees in the performance assessment, and encourage the employees to improve their work efficiency.

(3) Make the performance appraisal results not only serve as the basis for determining the salary, but also serve as the effective basis for personnel appointment, job transfer and job promotion.

6. Pay attention to the career planning of enterprise employees

As the carrier of the existence and development of employees' career, enterprises must provide a space for growth and personal development. The needs of talented people are not only material treatment, but more importantly, the display of talents and the realization of value. Let them achieve career success and satisfaction, can have the development and success of the enterprise.

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# INAMORI MANAGEMENT ETHICS THOUGHT AND CHINESE MANAGEMENT THEORY PERFECT AND REALITY PRACTICE THE ENLIGHTENMENT OF DEVELOPMENT

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**Abstract:** In the process of western culture impact and enterprise environment reconstruction, Inamori absorb local Confucianism and Buddhism and other traditional culture, and actively accept the western management theory, formed with "altruistic" as the core of management ethics, "altruistic" thought in all aspects of organizational management, and guide the pursuit of mutual benefit and win-win harmonious development, and the realization of sustainable development of green environmental protection. China is currently in a critical period of social transformation, and the lack of excellent management philosophy has become an obstacle to restricting the improvement of management level. The advantages of Daocheng management have been confirmed by practice, which has an important enlightenment and reference significance for the construction of management theory and practical development in China.

**Keywords:** Kazuo Inamori; Management; Ethical Altruism; Social Transformation.

## Introduction

Kazuo Inamori's management philosophy was formed in the process of founding the Kyocera Group, facing the social background of Japan suffering from the impact of western culture and seeking new development of enterprises. Inamori's management philosophy is formed in its own exploration, exploration and practice and the wave of The Times, infiltrating the ethical tendency of the Eastern approach and reflecting the characteristics of the integration of Eastern and Western cultures. At the beginning of the 20th century, the Japanese academic and business circles were also affected by this, and gradually promoted the application of the "Taylor system" to many organizations. Japan established the Deming Award as the highest award in quality management. Known as the "father of modern management", as well as other administrators, also had a significant influence on the development of management in post-war Japan. Western cultural impact and cultural exchange and integration are an important background for the formation of Inamori's management ethics ideas.

While the western management thought became popular, it provided an open and convenient environment for the recovery of the Japanese economy after the war. As Yuan Youjun said in "On the Evolution of Japanese Corporate Family Business", " As long as the chaebol is not dissolved, the Japanese can`t expect independent management as free people. As long as the chaebol continues to exist, Japan is still a chaebol of Japan." (Yuan Youjun, 2010) Therefore, the reconstruction of the enterprise environment represented by the dissolution of the chaebol not only accelerated Japan's postwar economic recovery, but also Kazuo Inamori's management ethics were formed in the context of this era.

**Research Objective**

Kazuo Inamori takes "altruistic" as the basic value tendency, and implements the moral standards of human life in the management activities, on the basis of its management ethics ideological system is formed. Kazuo Inamori's management ethics provide a successful example of the improvement of management level in China.

① Inamori's management ethics is the unity of innovation and practice.

② Inamori's management ethics thought is the unity of nationality and The Times.

③ Inamori's "altruistic" concept is highly universal and has great potential and research value in the field of social governance.

The construction of a harmonious society not only need economic indicators, also need to explore the traditional Chinese culture ethics and cultural characteristics, and in the perspective of modern management reflection, internalization and absorption, so as to form the management ethics and organizational culture with Chinese characteristics, in order to improve enterprise management, organizational management, social management of national characteristics and humanistic care, and the harmonious and healthy development of all fields of social life to provide strong internal support.

**Scope of the Study**

Inamori's management ethics integrate a variety of cultures, More adapted to the real needs of China than western management, It's also easier to follow suit; He doubles himself as a technical expert and as an entrepreneur, Its research on management philosophy does not abandon the identity of enterprise management manager, Instead, they combine the two organically into a unified whole, Implement its management ethics based on pragmatism, Applying its management philosophy to management behavior, It not only reflects the combination of ethical tendency and practical spirit, It has also once again enhanced the ability of enterprises to solve real problems; Its management ethics thought as a successful representative of the Oriental management philosophy, With altruism as the core, After the long-term development has become a complete theory, Provide strong soft power support for enterprises. Into the "C theory" based on easy, integrating the traditional Chinese culture and modern western management achievements, combining the reality of management practice, more attention to the comprehensive quality of managers, especially "virtue", greatly promote the development of Chinese management theory, and Inamori Kazuo management ethics is similar, at present this is the right way that China should further explore.

**Significances**

The research significance of this paper is mainly reflected in two aspects, namely, theoretical significance and practical significance.

In terms of theoretical significance, with the development of management theory and social reality, the focus of management gradually moves closer from the real world to the value world. Therefore, we should not simply pursue management level from the technical and purposeful level, but to value and restrain it. Modern management is based on the common basis of technology, system and ethics, so the research of management ethics is of great practical significance to promote management practice.

The success of Inamori's management philosophy has attracted the attention of Chinese academic circles. The theoretical significance of this paper is to enhance the breadth of Inamori's management philosophy research. In terms of theoretical significance, the study of Inamori's management ethics can also further promote the construction of the Chinese management philosophy system.

In terms of practical significance, management ethics deeply studies the social responsibility and moral constraints of enterprises from a philosophical perspective, and not only listens to the demands of employees, but also advocates the fulfillment of social obligations. Through the study of management ideas, the long-term development solutions.

**Theoretical Framework**

Japan and China are located in East Asia. Cultural exchanges have been common since ancient times, and Confucianism is an important content of them. As Wang Jiahua verified in his book "Confucian Thought and Japanese Culture", "Mirror inscription of Babu Shrine in Yoda, Takayama Prefecture", "inscription of broadsword unearthed from Chuanshan Ancient Tomb in Jiangtian, Kumamoto Prefecture", and "Iron sword inscription unearthed from Daoheishan Ancient Tomb in Saitama Prefecture"(Wang Jiahua, 1990) Archaeological findings can prove that Confucianism had been introduced to Japan as early as the fifth century AD. In the long-term development, Confucianism after local development has almost dominated the value orientation of Japanese traditional culture. Kazuo Inamori's business philosophy is also used as an important theoretical source. Kazuo Inamori believed Buddhism and even retreated into empty doors after leaving his work, who's management ethics were deeply influenced by Buddhism. Under the joint action of Confucianism, Buddhism, and the traditional Japanese culture, Inamori's management ethics has obtained the basis of germination and the theoretical support for maturity. At the same time, as a Japanese business leader, Mr. Inamori is not conservative, willing to learn western management ideas, and take modern management theory as one of the theoretical sources of his management ethics ideas.

## Literature Reviews

### The Enlightenment on the Improvement of Chinese Management Theory.

In order to meet the needs of the new era and new development, Chinese management researchers and excellent entrepreneurs have turned their attention to building and improving the management theory with Chinese characteristics. Compared with the West, Inamori's management ethics has stronger Oriental cultural characteristics, so the study of its formation and development process can provide some reference significance for the construction of Chinese management theory.

### Nationality as the Theoretical Characteristics

Kazuo Inamori's management ethics has absorbed many excellent ideological results from a wide range of sources, including both modern western management and religious ideas represented by Buddhism, among which the traditional Japanese culture plays a basic role. The Chinese civilization has been passed down for thousands of years without breaking off, and it has natural advantages in the field of traditional culture. Cheng Zhongying once proposed: " Chinese philosophy contains rich life and social wisdom. Based on its attention and play to the overall thought, it can obviously provide a philosophical foundation for management science, and push the scientific management of attaching importance to technology to a flexible overall thought management" (Cheng-Zhongying, 2006). For the development of China's management theory, the key is to return to the body, and explore the elements to adapt to the modern society from the profound traditional culture, so as to cope with the problems caused by the differences in western management values and ways of thinking.

Professor Xu Suju said: " Enterprises have not made a profound analysis of Chinese cultural traditions, so that they have become western corporate articles

When it was introduced into China, there was a hawk and a condom."(Xu Suju, 2001) In fact, compared with Kazuo Inamori's management ethics, Chinese management theory has obvious deficiencies in the applicability, absorption and creative application of traditional culture. China's "Confucian businessmen" has been known since ancient times, which reflects "the essence and characteristics of the combination of Confucianism and commerce, and is also the soul in the spirit of many aspects such as business values, work ethics, business ethics, business philosophy, management ideas and business style"(Tang Kailin, 2017). However, at present, China's exploration efforts and depth of traditional culture are insufficient, failing to closely connect it with the social reality, and making the lack of innovation. Due to the lack of Times and pertinence, it cannot play a leading role in reality and solve the practical management problems. In this regard, the enlightenment of Inamori's thought on the development of Chinese management theory is that the construction of management theory should take nationality as the theoretical characteristics.

**On Pragmatism**

Perfect theory is not a rickety castle in the air, but has its own practical significance, and is bound to withstand the test of practice. Comparing with traditional research, the development of management theory has stronger practical and applied value, so special attention should be paid to solving practical problems, which should also become the focus of building a management theory with Chinese characteristics.

Partialism is a prominent feature of Japanese culture. Whether it is widely absorbing foreign culture and locally transforming it, or actively learning advanced western advanced technology, it has obvious practical characteristics. Inamori's management also has an obvious pragmatic color, such as it would rather use the "sea of man tactics"(Bell Fang, 2003). This "stupid method" also needs to complete customer needs; he actively buys new equipment to reduce employee burden and improve productivity (Bell Fang, 2003). These behaviors not only reflect his altruistic spirit of providing services for customers and providing convenience for employees, but also have a strong problem-oriented and pragmatic spirit.

China has a profound traditional cultural heritage, but if it is necessary to give full play to the new value of The Times and its practical significance, and to solve practical problems as the orientation, this is not only the foundation of China's management theory construction, but also the only way to move forward.

**System as the Theoretical Sublimation**

As a successful representative of Oriental management philosophy, altruism as the core has become a complete theory after long-term development, providing strong soft power support for enterprises. Under the ethics of altruism, the equality, mutual benefit and intimate atmosphere within the enterprise, managers gradually develop the altruistic concept through top-down drive and exemplary role, and implement through the closely cooperative organization structure, employee quality first evaluation standards; through the mutual benefit, the development of harmonious, stable and common development of the external environment, as the basis of the enterprise. It can be seen that its management theory around the altruistic thought, formed an internal and external linkage, complement each other into a theoretical system.

**Imposition to the Development of Chinese Management Practice**

With scholars such as Cheng Zhongying and Zeng Shiqiang, they actively participate in the research of Chinese management theory based on traditional culture,

The construction of management theory in China has entered a new stage of development. Inamori's management ethics closely surrounds the core of altruism and has a strong social consciousness, which is enough to provide reference for the development of China's management practice. The key to this reference significance lies in to promote the concept of altruistic management, so that the whole organization forms a common goal, so that it can achieve harmonious development between organizations, so that social responsibility can be a strong responsibility, so as to improve the development level of management practice.

**Leadership Example to Drive the Altruistic Business**

Kazuo Inamori believes that "must select the first qualified people with excellent personality as the leader of the organization" in the management practice, no matter how the organization system, how the organization structure, most leaders have strong control, in order to ensure the smooth progress of management activities, which is undeniable and undeniable. Li Honglei pointed out that "governance with virtue" contains "managers' own virtue"(Li Honglei, 1993) And managers want to achieve the effect of "the star arch" to start from themselves. However, many leaders' powers use focuses more on meeting the needs of their own private interests or some communities of interests, which will undoubtedly aggravate the contradictions within the organization, expand the cracks, not only affect the realization of the organizational goals, but also do not benefit from the long-term development of the leader itself.

Therefore, the important inspiration of Inamori's management ethics to China's management practice is that leaders should play an exemplary role, in the sense of service and the overall situation under the role of themselves are closely linked with other members of the organization, to enhance the cohesion and execution of the organization. At the same time, leaders should also exercise self-restraint under the guidance of correct values and business philosophy, seek the welfare of the public, and set an example to drive members to seek development for the organization.

Overall Joint Force to Support the Altruistic Operation

Kazuo Inamori's management ethics focuses on "altruistic and self-profit", Both leaders and ordinary members attach importance to safeguarding the interests of others, Meet the needs of others, It not only promotes the close connection between the enterprise, It also meets its own material and spiritual needs in the process of mutual benefit and mutual respect, And to further enhance the recognition of this ethical concept; The management system with the altruistic concept as the core has been gradually improved, From the personnel appointment and removal, organizational structure, decision-making style, leadership art, As well as competitive strategy and other angles to provide a practical guarantee for the cohesion of enterprises; At the same time, the harmonious and harmonious corporate culture can also further enhance and deepen the integrity of the enterprise. The success of Inamori needs the joint support of the whole system, and the failure case of learning Inamori's management ideas also highlights the important position of integrity in the management process from the reverse.

**Methodology**

In this paper, qualitative research methods are adopted to study the perfection and practical development of Inamori's management ethics and Chinese management theory through literature review.

**Results**

Inamori's management philosophy comes from practice, is the essence, his management ethics thought in the management activities embodies the noble personality and keen foresight and creativity, make the run many enterprises have made outstanding achievements, can provide China with Chinese management theory construction and practice development.

**Discussions**

Ethics is the knowledge to measure whether human behavior is correct or not, and to study the moral principles that should be followed in the process of getting along with people. As an interdisciplinary discipline of management and ethics, management ethics focuses on the correctness of management behavior, that is, how managers should make decisions in line with ethical requirements. Since the 1950s, management ethics has gradually become an independent discipline, due to the lack of moral phenomenon in economic activities, it is urgent to reflect on this ethics, and seek new solutions to better deal with the new characteristics of The Times and the frequently changing organizational environment.

At present, western management theory attaches more and more importance to meeting the needs of organizational members, improving their happiness and meeting the universal moral requirements, and also contains management ethical reflection in the Oriental culture represented by Chinese philosophy. Kazuo Inamori is deeply influenced by the classical Chinese philosophy and the traditional Japanese culture. His management ethics thought takes "altruistic" as the core, and always pursues the lofty goal of paying equal importance to personal and social interests in his business activities. It not only emphasizes people-oriented, but also attaches importance to social benefits. Inamori philosophy draws nutrition from the classical Chinese philosophy, and then feeds back the development of Chinese management thought, which has an enlightenment role on the construction of Chinese management theory and practice in the new era. In the process of China's economic development, some enterprises evade social responsibility and pursue one-sided economic interests, thus causing environmental pollution and other problems, which seriously affect the normal operation of economic order and the basic interests of the people. Therefore, it is very necessary to study Inamori's management ethics.

**Conclusions**

Inamori long maintain a high sense of social responsibility, he "from entrepreneurship soon I try to practice altruistic spirit, namely the crystallization of their hard sweat even a small part with others, make it beneficial to society" and by setting up the "Kyoto award" to recognize, support outstanding people in the fields of science, art and other measures, the altruistic spirit of feedback society.

China is currently in a major period of social transformation, but no matter how to adjust, reform and innovate, all kinds of organizations should take social value as an indispensable future pursuit, which is also an important reference value brought by Inamori's management ethics thought to China's management practice.

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# INFLUENCING FACTORS OF MOBILE BANKING ON CUSTOMER SATISFACTION TO REACH A SUSTAINABLE DEVELOPMENT

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**Abstract:** With the development of mobile networks and the popularization of smart phones, the number of customers and transaction volume of mobile banking has grown rapidly, and mobile banking has become a new profit growth point and market development point for the banking industry. Recently, mobile banking in China is still in the development stage. Although most banks have launched mobile banking services to meet the basic business needs of customers, the overall service level needs to be improved.

This article first puts forward a model of influencing factors of mobile banking customer satisfaction based on the theoretical basis of customer satisfaction and service quality by collating the literature, and then uses the form of questionnaire to collect data, and then analyzes and draws conclusions.

**Keywords:** Mobile Banking, Customer Satisfaction, Service Quality, Sustainable Development.

## Introduction

With the development of society, the pace of people's lives has increased. Traditional banking services have not been able to fully meet the needs of customers. People hope that their life efficiency will be improved, and the process of receiving services will be more convenient and faster in recent years. New service businesses such as ATM self-service machines, POS machines, SMS banking, online banking, mobile banking, etc. have been launched. Among them, mobile banking has won the favor of more bank customers with its personal and convenient features. Mobile banking is the result of cross-industry collaboration between banks and mobile communication providers. It provides consumers with a variety of banking services by using mobile phones as operational terminals and transmitting information over mobile network platforms. Mobile banking has substantially enhanced the meaning of banking services, allowing individuals to manage a variety of financial services from any location and at any time while also significantly reducing bank expenses.

In recent years, with the intensification of financial market competition, the relaxation of financial control policies and the rapid development of information technology, large-scale state-owned banks have undergone commercialization reforms; medium-sized banks have also developed in market competition, and their capital and business volume have also increased. Gradually increase; at the same time, the lowering of barriers to entry makes many small banks appear in the market. The changes in the market environment have led to the emergence of mixed, humanized and electronic banking in the banking industry. Banks have completed the transition from a seller's market to a buyer's market. The entire commercial bank group has increasingly shown a diversified competitive landscape, and market competition has become increasingly fierce. In this competitive climate, many banks are turning to electronic channels to boost revenues and cut expenses, as well as to develop e-commerce platforms and mobile financial services.

**Research Objectives**

To answer the research question, there are several objectives that we need to puzzle out, here are:

1. To study the relationship between tangibility and customer satisfaction
2. To study the relationship between empathy and customer satisfaction
3. To study the relationship between responsiveness and customer satisfaction
4. To study the relationship between security and customer satisfaction
5. To study the relationship between ease of use and customer satisfaction
6. To study the relationship between affordability and customer satisfaction
7. To study the relationship between customer satisfaction and sustainable development

**Scope of the Study**

This research took ICBC Bank personal mobile banking application as research target, selects its customers and users in Qingdao city, Shinanqu district as sample to reflect the influencing factors and extent of mobile banking customer satisfaction and its sustainable development as ICBC is a leading bank in China market.

Research time set as July 2021 to Oct 2021, specifically at July 3rd to Aug 4th the researcher aimed on outlining the research as a whole; Data collection duration was Aug 15th to Sep 10th.

**Research Significances**

As a new service product of the banking industry, mobile banking has a great competitive advantage. Compared with traditional banking services, mobile banking combines financial service functions and mobile communication technology to reduce the cost of building traditional physical outlets and maintaining service channels; at the same time, mobile banking can extend service time, expand service space, and truly achieve Up to 24/7 service. Therefore, the development of mobile banking is very important for banks. While banks continue to develop new mobile phone customers, they also continue to improve their service levels to retain old customers. Improving customer satisfaction, reducing customer churn rate, and enhancing customer loyalty can greatly increase the profits of commercial banks, which is conducive to the sustainable and healthy development of commercial banks. This paper combs through previous scholars' theoretical research on customer satisfaction and service quality, and at the same time, according to the characteristics of mobile banking, a new type of service product, takes ICBC Bank personal mobile banking customers in the Chinese market as a sample, and constructs a model of influencing factors of mobile banking customer satisfaction. In this way, we analyze the influencing factors and extent of mobile banking customer satisfaction and its sustainable development.

**Theoretical Framework**

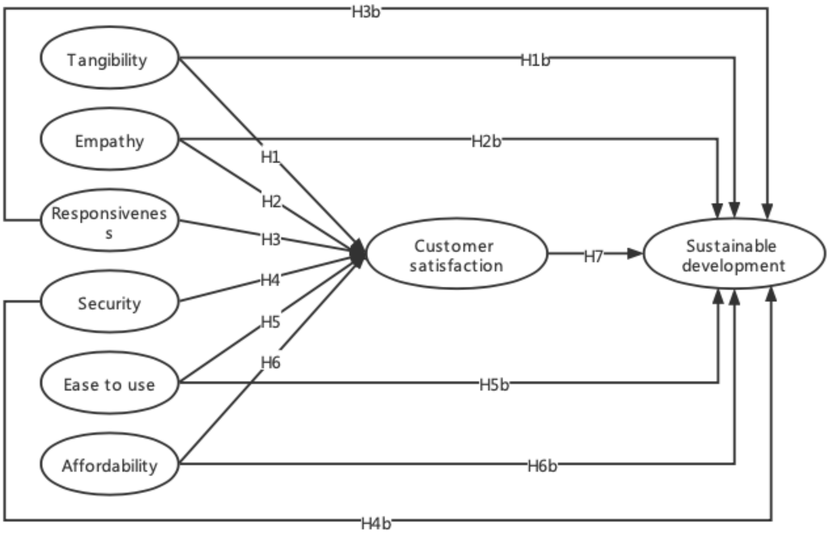


**Figure 1： Conceptual Framework**

**Hypotheses**

1. H1: The tangibility of mobile banking has a positive impact on customer satisfaction
   H1b: The tangibility of mobile banking has a positive impact on sustainable development
2. H2: The empathy of mobile banking has a positive impact on customer satisfaction
   H2b: The empathy of mobile banking has a positive impact on sustainable development
3. H3: The responsiveness of mobile banking has a positive impact on customer satisfaction
   H3b: The responsiveness of mobile banking has a positive impact on sustainable development
4. H4: The security of use of mobile banking has a positive impact on customer satisfaction
   H4b: The security of mobile banking has a positive impact on sustainable development

5. H5: The ease of use of mobile banking has a positive impact on customer satisfaction
   H5b: The ease of use of mobile banking has a positive impact on sustainable development
6. H6: The affordability of mobile banking has a positive impact on customer satisfaction
   H6b: The affordability of mobile banking has a positive impact on sustainable development

**Literature Reviews**

**Service Quality**

Mobile banking is a product of the continuous development of technology in the banking industry. While studying the traditional banking industry, we must still pay attention to the service quality of these new technology products. In recent years, domestic and foreign scholars have also conducted a lot of research on the quality of electronic services. Li Chunqing defines electronic service quality as the service quality perceived by customers in the Internet environment. Scholars have studied electronic service quality from different dimensions.

**The Relationship Between Service Quality and Customer Satisfaction**

Scholars have done a lot of research on the relationship between service quality and customer satisfaction. Because scholars have different definitions of concepts, they have different views on the relationship between the two. Woodside et al. (1989) believe that service quality is a variable that affects customer satisfaction. But Bitner (1990) believes that customer satisfaction is a variable that affects the level of service quality. Later, most scholars agreed with Woodside's point of view, and they proved through empirical evidence that service quality has an important effect on customer satisfaction 0-1 (Anderson and Sullivan 1993, Parasuraman 2005, Brady, Cronin, Brand 2002).

Through the analysis of the above literature, we can see that most scholars believe that service quality has a certain impact on customer satisfaction, but the influencing factors of customer satisfaction are different, and different factors have different degrees of impact on customer satisfaction. The research on the service quality of traditional banks focuses more on tangibility, security and reliability, but for e-commerce, because customers do not directly contact service personnel, but receive services through the Internet or electronic products, scholars Focus on factors such as interface design, ease of use and response speed.

**Sustainable Development**

Sustainable development is an important concept that wildly accept in business and industry, in most sustainability reports, a collection of SD indicators is included that may be used to assess a company's sustainability performance. They translate sustainability issues into (usually) quantifiable economic, environmental, and social performance measures with the ultimate goal of assisting in the resolution of key sustainability concerns (Azapagic, 2004) and providing information on how the company contributes to long-term development (Azapagic and Perdan, 2000).

According to Damjan Krajnc, to measure sustainable development of an organization by composite sustainable development index, which consists three parts, economic sub-index, environmental sub-index, and social sub-index, it is possible to adapt this model into our concept framework. (Krajnc, 2005)

## Methodology

### Research Design

The research entitled “The Study on Influencing Factors of Mobile banking Customer Satisfaction”, the research methods are designed as quantitative method. Based on the literature theory, the researcher designed a conceptual framework and conceived a model, and then used a random sampling survey to collect data of real mobile banking users, and finally used statistical software to conduct a quantitative analysis and draw corresponding conclusions. The questionnaire compiled in this article mainly includes two parts, the basic information of the respondent and the scale of the various dimensions of service quality. The basic information of the interviewee mainly includes the interviewee's demographic information, the second part is a scale of influencing factors of customer satisfaction. The second part of the questionnaire uses Likert's five points. For the measurement of the scale, after each question item, there are five options: completely disagree, relatively disagree, general, relatively agree, and completely agree. Respondents tick the corresponding boxes according to their actual feelings.

### Data Collection

This research chooses Qingdao city, Shinanqu district as research area, population is about 588000, there are 19 IBIC bank branches in this area, the researcher chooses to send out questionnaires in these 19 bank branches in total number of 400 questionnaires, in order to obtain more real and effective questionnaires, this study adopted some control measures in the process of sample collection. The interviewee was first consulted, and the questionnaire was issued after the interviewee's consent was obtained. Secondly, add troubleshooting questions to exclude users who have not used mobile banking before and avoid invalid questionnaires. Finally, the returned questionnaires were checked one by one, and the questionnaires with incomplete answers or all selected one option were eliminated to ensure the authenticity and validity of the questionnaire.

In the pre-investigation stage, in order to measure the reliability and validity of the questionnaire, a total of 100 questionnaires were distributed. The measurement variables of the influencing factors of customer satisfaction used in this study refer to the measurement scale of the SERAQUAL model of Parasuraman and other scholars and the service quality measurement scale of e-banking (Wang Xin 2010, Zhang Shengliang 2011, etc.). The overall customer satisfaction is a reference of Oliver Richard's (1989) customer satisfaction measurement scale, adapted for mobile banking. This article uses the total correlation coefficient and Cronbach a coefficient to eliminate inappropriate items in the questionnaire. Parasuraman and other scholars pointed out that if the correlation coefficient of the question item is less than 0.5, it indicates that the question item has a small relationship with this variable, and the question item needs to be eliminated, because after the elimination, the α coefficient of the remaining question items can be improved and the overall reliability get promoted. First, we analyze the reliability of the entire scale to see whether the overall questionnaire has good reliability. Next, we conduct reliability tests on the question items of each variable in turn.

Then a total 660 questionnaires were distributed to customers of mobile banking in Qingdao city, 608 questionnaires were received and validated, the validation rate was 92.1%.

### Statistical Analysis Planning

Descriptive analysis is the first part of the questionnaire, which is the basic information of the interviewed person. Descriptive analysis is mainly a basic description of the data, mainly showing the basic characteristics of the data. The SPSS software can generate relevant descriptive statistics, such as the number of items for each item. Through these descriptive statistics, we can have a comprehensive understanding of the comprehensive characteristics of mobile banking customers.

Quantitative research: Demographic statistics are mainly carried out. Factor analysis results consist of analysis Exploratory Factor analysis (EFA) and Confirmatory Factor analysis (CFA), Results of research hypothesis analysis. SPSS and AMOS program were used for analysis.

## Results

### Validity and Reliability

The Cronbach's α coefficient test of reliability was conducted, with a pre-test (n=175) and a sample size of 608 online shopping customers using Chinese cross-border e-commerce platforms in Thailand.

The reliability of the results showed that each item met Cronbach's Alpha minimum standard item equal to 0.843 which greater than 0.7. Value of Corrected-Item Correlations greater than 0.3(Joseph F Hair, Celsi, Ortinau, & Bush, 2010).

**Exploratory Factor Analysis**

Exploratory factor analysis of independent variables and intermediate variables use the principal component analysis method, set to extract the principal components with a feature value greater than 1, and perform the maximum variance method rotation. The results in Tables 2 and 3 show that the KMO value is greater than 0.6, and the Bartlett sphere test is significant, indicating that the data is suitable for exploratory factor analysis. A total of 7 principal components with eigenvalues greater than 1 were extracted, and the cumulative variance explanation rate exceeded 60%. All factor loadings were at a high level more than0.7. There was no large cross-loading, and the results were acceptable. It shows that the structure validity of the independent variable and the intermediate variable is better. (Joe F Hair, Sarstedt, Ringle, & Mena, 2012)

**Confirmatory factor analysis**

In the case of good model fitting. According to standardized factor loading. Construct Reliability and Average variance extracted were calculated. The results are shown in Table 4. CR of all dimensions is greater than 0.7 and AVE is greater than 0.5, indicating that there is good converging validity between the items measured in the same dimension.

To further research whether the data is suitable for structural equation modeling. Confirmatory factor analysis was performed on the data. Confirmatory factor analysis of independent variables and intermediate variables was carried out.

Structural Equation Model Test

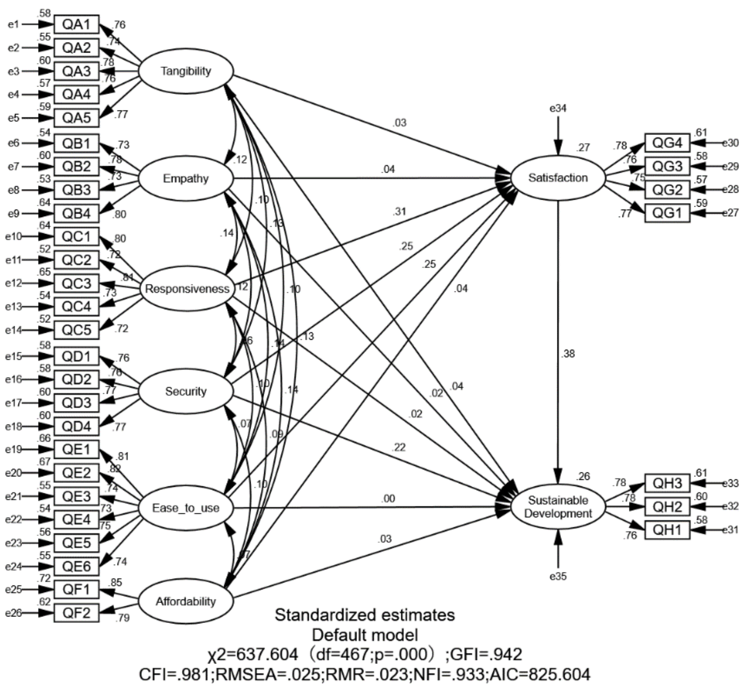


**Figure 2：Standardized Overall Structural Equation Model Fitting and Adjustment**

x2(df)=637.604(467) get the NC value equals 1.861 which is a good range. p=0.000, GFI=0.942>0.9, CFI=0.981>0.9, RMSEA=0.025<0.05 is a good fit, NFI=0.933>0.9 The model fits can acceptable. yet when see it in the output file. There are higher modification indices between items. Adjust the higher values between paths. After adjusting the correlation between the items, re-run the model. as follow:

| Path | | | | Standardized Coefficient | S.E. | C.R. | P | Result |
|---|---|---|---|---|---|---|---|---|
| H1a | Customer Satisfaction | <--- | Tangibility | 0.028 | 0.045 | 0.641 | 0.521 | Reject |
| H2a | Customer Satisfaction | <--- | Empathy | 0.043 | 0.053 | 0.977 | 0.329 | Reject |
| H3a | Customer Satisfaction | <--- | Responsiveness | 0.306 | 0.049 | 6.801 | *** | Accept |
| H4a | Customer Satisfaction | <--- | Security | 0.246 | 0.05 | 5.46 | *** | Accept |
| H5a | Customer Satisfaction | <--- | Easy-to-use | 0.25 | 0.041 | 5.723 | *** | Accept |
| H6a | Customer Satisfaction | <--- | Affordability | 0.041 | 0.048 | 0.898 | 0.369 | Reject |
| H7a | Sustainable Development | <--- | Satisfaction | 0.381 | 0.055 | 6.679 | *** | Accept |
| H1b | Sustainable Development | <--- | Tangibility | 0.039 | 0.045 | 0.874 | 0.382 | Reject |
| H2b | Sustainable Development | <--- | Empathy | 0.018 | 0.053 | 0.392 | 0.695 | Reject |
| H3b | Sustainable Development | <--- | Responsiveness | 0.016 | 0.051 | 0.325 | 0.745 | Reject |
| H4b | Sustainable Development | <--- | Security | 0.215 | 0.052 | 4.446 | *** | Accept |
| H5b | Sustainable Development | <--- | Easy-to-use | 0.003 | 0.042 | 0.068 | 0.946 | Reject |
| H6b | Sustainable Development | <--- | Affordability | 0.031 | 0.048 | 0.663 | 0.507 | Reject |

p<0.05 the significance level is acceptable (*),

p<0.01 has a better significance level (**),

p<0.001 has a very high level of significance (***).

Security has a significant positive effect on sustainable development. The standard path coefficient is 0. 215. Significance is 0. 001. When customers use the mobile banking, their perceived value on security is first priority. The conclusion of this paper is that responsiveness, Security, ease of use has positive influence on customer satisfaction, security and customer satisfaction as a middle variable have a positive influence on sustainable development.

**Discussions**

According to the analysis results in the above table. Under the influence of many factors, the impact of Tangibility on Customer Satisfaction (β= 0.028, t = 0.641, P (0.521) > 0.05). the hypothesis that H1 is rejected. The impact of Empathy on Customer Satisfaction is not significant (β= 0.043, t = 0.977, P (0.329) > 0.05), hypothesis that H2 is rejected. The same results can be obtained according to the above table. The impact of Responsiveness on Customer Satisfaction is significant (β= 0.306, t = 6.801, P < 0.001), it can be seen that mobile banking customers are more yearning for responsiveness. The strong responsiveness the strong satisfaction in the product. (Westjohn, Magnusson, Peng, & Jung, 2019). Security has a positive effect on customer satisfaction (β= 0.246, t = 5.46, P < 0.001). The core factor in the popularization of mobile banking is also the issue of information security. How to effectively protect the information security of mobile banking and allow users to accept that mobile banking is an important concept of security is an important issue facing banks. Ease of use has a positive significance for customer satisfaction; (β= 0.25, t = 5.723, P < 0.001). It shows that customers not only pay attention to the functions of mobile banking, but ease of use is also a core factor they consider. Customer satisfaction has a positive effect on sustainable development. The standardized path coefficient is 0.381, reaching a significant level of 0. 001. Customer satisfaction directly affects whether mobile banking could develop sustainably.

**Conclusions**

Signing mechanism, if the customer takes the original valid certificate and account certificate (card or passbook) to the bank branch where the account is located for identity verification, signs the relevant agreement, and is authenticated by the bank, then this type of customer becomes a mobile banking contract Customers and contracted customers can enjoy all the services provided by mobile banking, including transfer, remittance and other services. 2. The mobile phone number is bound to the account. When using the mobile banking service, the user must use the mobile phone number specified when the mobile banking service is activated. That is to say, only the customer's own mobile phone can log in to the mobile banking as the customer. Cannot log in from another mobile phone. 3. Password control, as well as the verification code and the locking mechanism of the number of password attempts. Based on the use of a secure channel for information interaction, the mobile banking system can effectively prevent automatic attempts by transmitting the graphic additional code generated by the server to the mobile phone before the customer logs in. Passwords, to avoid tentative attacks by hackers, so as to ensure the security of the mobile banking transaction platform.

Ease of use is an important aspect of usability. It refers to the degree of satisfaction of the product for users to learn and use, reduce the burden of memory, and use. The same function, the interface and the application scenario are the same, but the user experience effect may be different. Therefore, the product must not only meet the user's needs in terms of functions, but also need to be easy to use and easy to use in order to provide users with a better user experience.

To ensure customer satisfaction, experts recommend responding to customer communications in a timely manner, whether by phone, email, email, or social media. They advise employees to maintain a friendly, approachable attitude and demeanor. It is important to have a clear and detailed customer service policy, and to apologize and correct to customers when problems arise. Clear and direct shipping and return policies are also important and helpful, and fulfilling all the promises and implicit promises of these policies is also beneficial. In addition, fulfilling the above commitments to help consumers who need further help will help turn customers into company promoters.

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# INVESTIGATION AND RESEARCH ON THE CONSTRUCTION OF CREDIT BANKS IN CHINA

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**Abstract:** In order to investigate and understand the progress of my country's credit bank construction, 41 credit banks across the country were selected. Questionnaire survey and follow-up research were carried out from four aspects of information, positioning and function, construction status and operation status, and detailed data of 32 credit banks were obtained. Through the statistical analysis and discussion of the survey data, understand the progress of credit bank construction, the experience gained and the problems encountered, and collect opinions and suggestions on promoting the exploration of credit bank construction.

The survey found that my country's credit bank construction has achieved certain achievements and experience: first, the number of various types of credit banks has been increasing in recent years; second, most of the credit banks have clear institutions and planning and construction plans. Third, credit banks have also developed diversified services. At the same time, the construction of credit banks has also encountered many difficulties and obstacles: first, there is a lack of targeted policy support and professional guidance; second, the goals and orientation of the construction of credit banks in various regions are not clear enough and not clear enough; third, the scope of service functions and service objects and the effect is relatively limited.

Finally, this study puts forward four policy suggestions for the future exploration of my country's credit bank construction: first, strengthen national and local policy guidance and institutional supply; second, strengthen theoretical research and provide professional technical guidance for local pilots; third, precise Find practical needs and continuously expand service areas and functions; fourth, strengthen informatization support and continuously improve service levels.

**Keywords:** Credit Bank, Lifelong Education, Qualifications Framework.

## Introduction

In 2004, the Ministry of Education's "Several Opinions on the Gradual Implementation of the Credit System in Vocational Schools" promulgated by the Ministry of Education put forward the concept of credit bank for the first time and promoted relevant reforms in the vocational education reform. In 2009, Cixi City established a citizen credit bank and started a local practice pilot of the credit bank. On the basis of a series of pilot practices, the 2010 "National Medium and Long-term Education Reform and Development Plan Outline (2010-2020)" (referred to as the "Outline") clearly stated that "a learning achievement certification system should be established and a 'credit bank' system should be established. "The construction of the credit bank began to become a national lifelong education system and was rolled out across the country; in the same year, the "Notice of the General Office of the State Council on the Implementation of the National Education System Reform Pilot" proposed the exploration of the open university construction model, and the improvement and establishment of learning achievement certification And the credit bank system. The pilot units include Beijing, Shanghai, Jiangsu, Guangdong, Yunnan, and China Central Radio and Television University. In accordance with the "Jiangsu Province Lifelong Education Credit Bank Management Measures (Trial)" (Su Jiao gui [2013] No. 3), Jiangsu Lifelong Education Credit Bank entrusted Jiangsu Open University to start construction on January 9, 2014. In the ten years since the "Outline" was promulgated, my country's credit bank construction has experienced a round of rapid development from scratch.

In order to summarize and analyze the new progress, new achievements, new problems, and new trends in the construction of my country's credit bank, and to explore the reform path of the learning achievement certification system with Chinese characteristics, the Credit Bank Research Group of Jiangsu Open University, with the support of relevant experts, draws on the United Nations Educational Science In order to promote countries around the world to carry out informal and informal learning achievement certification, the special observation project experience field has been carried out for one year to carry out a special questionnaire survey on the progress of my country's credit bank construction.

**Research Objectives**

In the process of sorting out the relevant literature, the team members realized that the research results of many scholars have provided a rich theoretical basis for the construction of credit banks in my country. However, they also found that the credit bank cases mentioned in some documents have become Over time, it has lost its original carrying function or the organization has died out. Some are only "in vain" and have never carried out actual business; there are also some new explorations and practices that have not yet received social attention. In reality, there is a sharp contrast between the lag of the actual situation of credit bank construction and the vigorous development of academic research, and there is also a situation that the practice of credit bank construction has not been reflected in the research results in time.

Therefore, the purpose of this investigation:

1. Find out the status quo of the construction of credit banks in various regions and institutions in China;

2. Compare and analyze the situation and characteristics of each credit bank, extract empirical cases and service results, and provide a practical basis for theoretical research;
3. Understand the progress, achievements and problems of my country's credit bank construction, and propose reform policy recommendations.

After the survey is over, the team will continue to track and investigate the construction of each credit bank annually, pay attention to the newly established credit bank institutions in a timely manner, dynamically follow up the development and operation of each observation object, and establish a file card; The development trends of credit banks and the state's policy on credit banks adjusted the questionnaires in time, and regularly visited the credit banks in the form of questionnaires and interviews to form a national dynamic database of credit banks.

**Research Significances**

In response to the outstanding problems found in this investigation and research, based on national policy guidelines, put forward feasible suggestions, further strengthen national and local policy guidance and system supply, study practical and problem-specific implementation strategies, and plan practical actions And the organizational path, guide the construction of the credit bank to find the leverage fulcrum, break through the system and mechanism obstacles, open up the dilemma in the development of the credit bank, and carry out effective explorations for the construction of an education system that serves the life-long learning of the whole people.

**Literatures Reviews**

The literature research on credit bank mainly focuses on related topics such as the concept, target positioning, international experience, development status and future direction of credit bank.

In terms of concept, Hao Keming pointed out that Credit Bank is actually a simulation or reference to the function of a bank, which is a visual representation of the certification and conversion of different types of learning achievements in the form of "credits". Wang Haidong proposed that the credit bank is firstly an institutional innovation based on the concept of lifelong education. Its purpose is to open up the three major systems of school education and off-campus continuing education, formal and non-formal education, general education and vocational education. Its construction work is mainly It’s not about learning accounts and network management platforms. It’s not about technical issues. It’s a system-level design. The credit bank" system is essentially a system for identifying, accumulating, and converting learning achievements. At present, the system is named differently in various countries and regions. The essence is basically the same.

In the goal orientation, Li Linshu and others proposed to establish a credit bank system to promote non-academic Continuing education and academic qualifications to continue teaching and learning “Overpass.”.

In terms of the current situation of practical exploration, Yang Min and others believe that the development of credit banks is faced with challenges such as the imperfection of the university credit system, the complexity of the types of adult education institutions, and the independence and complexity of the credit recognition of various universities.

Regarding the future direction of the credit bank, the research by Yang Chen and others pointed out that the enlightenment and lessons learned from the experience and lessons of foreign credit mutual recognition and transfer exploration are: formulating a credit mutual recognition agreement, forming a unified course catalog; forming a unified information Elements and standardized file formats; strengthen the connection between education and educational forms; reformulate a standardized curriculum system; form a diversified credit transfer model.

Existing research results have discussed the current situation and trend of my country's credit bank construction from multiple levels and angles, and provided a certain reference value for the development of practical work. However, investigations on the development status and experience of national credit banks are still rare. And this article will investigate the problems, draw conclusions and make suggestions on the basis of investigating the progress of my country's credit bank construction practice, and provide references for future credit bank system innovation and exploration.

**Research Methodology**

This paper mainly adopts the method of the combination of qualitative analysis and quantitative analysis.

One is the text analysis method. Check the relevant literature on the development of research credit banks at home and abroad, and select, summarize and sort these documents, and obtain a preliminary theoretical basis for the development of research credit banks, and then establish the thinking of this research and the basis of questionnaire compilation.

The second is the questionnaire method. By compiling and distributing electronic questionnaires, asking the person in charge of each credit bank to assist in filling it out. After collecting and sorting out the relevant data, after discovering the data deficiencies, supplemented by on-site interviews and research to obtain materials to ensure the integrity and authenticity of the data of each credit bank. Due to the sudden outbreak of the new crown epidemic, most on-site interviews have been adjusted to telephone or online contacts, and the depth of the investigation needs further follow-up. The survey was conducted in the first half of 2020, and the statistics and content are as of December 31, 2019.

The third is the case study method. Through questionnaires and interviews, we obtain distinctive, successful and influential work practice materials of various credit banks, analyze them, analyze the problems and obstacles existing in the construction of credit banks, and put forward suggestions and countermeasures for improvement.

## Results

### 1. The Number of Credit Banks in My Country Is Increasing

According to the survey, between 2010 and 2020, with the exception of 2011, there are new local credit banks and construction projects every year, of which three were added in 2013, five in 2016 and 2018, respectively, and five in 2019. Behind the development of its business, the number of online information system platforms is also growing steadily. It is expected that with the deepening of regional integration construction of Guangdong-Hong Kong-macao Bay area, Yangtze River Economic Belt, Yangtze River Delta, Beijing-Tianjin-Hebei and other areas, the number of credit bank construction will continue to increase.

### 2. There Are Many Types of Credit Bank Construction Practices in Various Regions

The survey results show that from the country to the local, from industry to colleges and Self-study examination institutions, there are active explorations on the construction of credit banks. From the point of view of the names of credit banks participating in the survey, establishment documents, supervisors and sponsors, as well as business functions and service targets, credit banks can be classified into different types according to different classification dimensions.

(1) Service targets include school-based credits, mutual recognition of regional credits, industry credit accumulation, etc.

From the perspective of service targets, there are school-based credit banks that mainly serve the learners of our school, lifelong education credit banks and citizen credit banks that serve all learners in the region, and industry credit banks that serve specific industries, and Vocational education credit bank serving specific learners in the vocational education field.

(2) Business functions include credit accumulation, storage and conversion

There are credit banks that encourage life-long learning by rewarding citizens, such as the Cixi Credit Bank; there are credit banks that focus on the storage and accumulation of learning achievements, such as the Zhejiang Lifelong Education Credit Bank; there are also credit banks that focus on the storage and accumulation of learning achievements. Credit banks for learning achievement conversion services, such as lifelong education/learning credit banks in Shanghai, Jiangsu, Guangdong and Chongqing; there are also schools and self-study exam credit banks that directly realize credit recognition and conversion.

Therefore, some researchers exclude these external and individual factors, extract their common laws and characteristics, and divide the existing credit banks into two categories: "platform credit banks" and "main credit banks". The former refers to It is a credit bank at the national and regional levels. The latter refers to the credit bank to which a specific education subject belongs. Credit banks of the same type tend to converge in organizational structure, positioning functions, and information service methods.

**3. The Construction of Each Credit Bank Is at Different Stages of Development**

There are significant differences among credit banks in the construction of information systems, the deposit of users and achievements, and the transformation of achievements. From a user and achievement deposit perspective, the numbers are very different. Some have not yet registered users and have not yet saved achievements, some have only a small number of users and have saved a small amount of achievements, but some have more than one million users, and the deposit results have exceeded 10 million; from the perspective of the transformation of learning outcomes of service learners, the 19 credit banks' spans from 8 to 91,000 is the difference between single-digit and five-digit numbers. Some credit banks are in a state of active exploration, and their business processes have begun to be relatively stable, some are basically in a semi-stagnant state, and some are in an intermediate state between the two. Relatively speaking, the development of credit banks in the eastern region is relatively better than that of other regions, and the credit banks in regions with active economic development and frequent population movement are more concerned.

**4. The Open University/Radio and TV University System Is the Main Support Unit for Construction**

In addition to the life-long Education Credit Bank for employees in the residential construction field in Jiangsu Province, which is under the daily management of the Jiangsu Construction Education Association, other national and regional credit banks are undertaken by the open universities/radio and television universities at the national, provincial (autonomous region) , city and county levels, even if an institution of Hefei staff and Workers University of Science and Technology and Cixi City community college is used as the day-to-day operation and management institution, it is because Hefei University of Science and Technology and Cixi City Community College are co-located with Hefei Radio and TV University and CIXI CITY TV University, that is, “A set of several brands, the team.”.

The reason why the education authorities at all levels have entrusted the Open University/Radio and TV University to carry out the credit bank construction is because the Ministry of Education has clearly endorsed all localities in the letter agreeing to the National Open University and the five local open universities to change their names and have the power to run independent schools. The Open University actively promotes the task of building a "credit bank" and requires it to explore the establishment of a life-long learning "overpass" through the establishment of a system for mutual recognition of learning achievements and the accumulation and conversion of credits. Local universities/radio and TV universities have always adhered to the mission of serving lifelong learning for all people and the construction of a learning society, consciously assuming the development mission of continuing education and non-academic continuing education, and actively playing a leading role in leading the development of social education. It has played an indispensable and important role in the construction of perfecting the lifelong education system.

**Discussions**

Research results on credit banking are constantly emerging, and practical experience in various places is innovating. However, in the country, there are still few studies on the construction of credit banks. In 2019, "China Education Modernization 2035" proposed to "establish and improve the national credit bank system and learning achievement certification system." Under the new situation, my country's credit bank or learning achievement certification system explores how to further innovate and develop and form a national credit bank construction plan, which is worthy of in-depth study.

Regardless of the difficulties encountered in the analysis of various credit banks or the construction experience summarized, "policy support, system guarantee, and government attention" are all high-frequency words that appear in the survey results.

The existing relevant documents only put forward a macroscopic conception of the credit banking system of the public service platform, without the description of specific functions, and there is no classification guidance on the way to achieve it. Especially with regard to the qualification framework, if it is used as the key basis for achievement certification, there is no clear guidance on how credit banks should conduct practical explorations when the national qualification framework has not yet been issued.

Although the establishment documents of each regional credit bank specify that the credit bank serves the learning achievement certification, management and service of all local learners, it has not clearly granted the certification authority. Which learning achievements are certified, what certification is based on, and how to conduct certification There are no cohesive operating regulations for accounting and accounting, as well as how the results of certification accounting will be implemented and how they will be accepted by various certification agencies.

In my country's current education system, institutions such as school running, training, and issuance of certificates have the right to self-sponsor the school granted by law, can independently determine the recognition and conversion of credits, and are the real subjects of the recognition and conversion of credits. However, because the mobility of learners is very small, it is not common to carry out inter-school credit transfer activities; and the achievement of out-of-school education results for students from school to school is based on the first learning curriculum. Only those who have the ability to participate in competitions and obtain certificates, etc., the demand for conversion of results is also very low.

Therefore, for school-running entities, credit recognition and conversion are internal niche businesses, lacking extensive and long-term development motivation; and the unified certification, accounting and accumulation of learning results carried out by national and regional credit banks are also due to the lack of clear policies. Support, and relevant professional guidance is also rare.

## Conclusions

### 1. Problems and Obstacles Faced by Credit Bank Construction

Through the previous investigation and discussion and analysis, it can be seen that my country's credit bank construction is facing a series of problems and development resistance.

(1) Construction goals and positioning are not accurate and clear enough

The survey on the target positioning of the construction of various credit banks shows that most of them are multiple target positioning, which is not only a "credit management institution", but also a "learning achievement certification management center" and "learning achievement certification center", or "learning" Achievement Conversion Service Center" and "Lifelong Learning Archive System". These are internally related, but the related responsibilities are different. However, the simultaneous coexistence of multiple target positioning indicates that the government management departments and the practitioners of the various credit banks have not yet formed a clear understanding of the positioning problem.

(2) The functions and service targets are comprehensive but the application practice is limited

Most credit banks have set up a more comprehensive service function and a full range of service targets, but the various service functions provided have not yet been fully effective, have not really broken the education barriers, and have become the promotion of the recognition, accumulation and conversion of learning achievements. Effective gripper.

### 2. Policy Suggestions and Implementation Strategies for Promoting The Construction of Credit Banks

In the context of building an education system that serves lifelong learning for all, in accordance with national policies and guidelines, in response to the above-mentioned outstanding problems, it is recommended to further strengthen national and local policy guidance and system supply, and to study practical and problem-specific implementation strategies. Plan practical actions and organizational paths, guide the construction of credit banks to find levers, break down institutional barriers, and open up difficult situations.

(1) Strengthen national and local policy guidance and system supply, and remove obstacles to the construction of credit banks

① Plan the top-level design and construction path of the qualifications framework, and encourage the development and application of certification standards based on the qualifications framework

② Clarify the basic functions of the credit bank and provide classification guidance for multiple types of credit banks

(2) Vigorously carry out theoretical research on credit bank construction, and provide consultation and theoretical guidance for government decision-making and practical exploration. As the current theoretical knowledge system of credit banking is still relatively weak, there are still differences in the understanding of the concept, connotation, function extension and interrelationship of learning achievement certification, qualification framework and credit banking, and it is urgent to carry out in-depth and systematic basic theoretical research and special research.

(3) Have the courage to carry out innovative exploration and use practice to solve the real problems of credit bank

① Identify actual needs and expand service areas and functions;

② Strengthen the technical support of informatization to improve the quality and empowerment of credit bank services;

③ Improve the construction of the organizational system and strengthen the coordination and cooperation between chemical branches;

④ Cultivate a culture of life-long learning and "talent" and create an atmosphere for the development of credit banks.

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# THE INTERNATIONAL MARKETING STRATEGY OF MY COUNTRY'S SMALL AND MEDIUM-SIZED ENTERPRISES

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**Abstract:** With the development of society, more and more large-scale enterprises and companies have appeared. In the process of market development, these companies and enterprises occupy a major market position, accompanied by international development trends. Some small and medium-sized enterprises have gradually increased, countless. Small and medium-sized enterprises also play a very important role. Their products are diversified and large in number. Although they are weak and small in scale, they are flexible in operation and demonstrate their tenacious vitality in the market. They have still achieved good development in the face of fierce competition. Globally, small and medium-sized enterprises have gradually risen in the 1990s, and some people once believed that small and medium-sized enterprises will occupy a dominant position in future competition. The prosperity of small and medium-sized enterprises promotes the development of the country's economy, and provides long-term guarantee and continuous impetus to the entire economic development. At this stage, my country has registered more than 1 million small and medium-sized enterprises, accounting for 90% of the total number of Chinese enterprises. Small and medium-sized enterprises have caused 52% of the industrial added value and 60% of the country’s total industrial output value. They also created 40% of the profits and taxes, and 60% of the total export volume. Small and medium-sized enterprises are responsible for foreign trade. Enterprises have played an important role in the process of social development. In the face of economic globalization and trade development trends, small and medium-sized enterprises have gradually reduced their living space and faced increasing international competition and pressure. Small and medium-sized enterprises need to strengthen international cooperation and be courageous. Going out of the country and participating in the international division of labor in the international market is the general trend of development. In the path of international development, small and medium-sized enterprises need a way out to promote their own development and growth.

**Keywords:** Small and Medium-Sized Enterprises, International Marketing, Marketing Strategy.

## Introduction

Governments and theoretical circles all over the world are very concerned about the development of small and medium-sized enterprises. For some small and medium-sized enterprises, facing the difficult period of entrepreneurship, they need to think about the problems they encounter if they want to become bigger and stronger in the development process. After a long period of development, most of the private enterprises in our country have accumulated a certain amount of strength and achieved certain results. There are already some small and medium-sized enterprises in China that have important influences, and these influences are greater than some super-large enterprise groups or large enterprise groups. In the face of fierce market competition and the international and domestic market environment, how SMEs can correctly choose their own development status and strategies has become a problem that the theoretical and business circles need to pay attention to. With the development trend of economic globalization, and since my country’s entry into the World Trade Organization, my country is facing more and more competition from foreign companies. If small and medium-sized enterprises want to obtain business opportunities and take the lead in economic development, they need to pay attention to corporate development strategies and appropriate Enterprise strategy can ensure the smooth development of the enterprise.

Determine the research direction-the international marketing strategy of my country's small and medium-sized enterprises, by consulting a large number of relevant literatures, marketing content books, after screening useful information, analysis and thinking. To understand and analyze the domestic and foreign SME marketing market and current situation, according to the actual situation, find and sum up some SME marketing experience that can be learned, combined with the actual situation of my country's SMEs, and propose strategies for the international marketing of my country's SMEs.

In the world economy, China has become a part of the world economy with the development of reform and opening up. With the fulfillment of various commitments and policies, all protected markets will be gradually opened up. In the world economic system, my country's economy has also become more and more involved. Through market-oriented reforms, although China has promoted the integration of international and domestic markets since the reform and opening up, the development speed has been relatively slow. To a certain extent, the development of small and medium-sized enterprises is closely related to national policies. China has further opened up the domestic market. To speed up the process of integration between the international and domestic markets, the protection net that small and medium-sized enterprises rely on has been torn apart, and the non-tariff barriers and tariff reduction policies for small and medium-sized enterprises have also been gradually cancelled at this stage. Some low-priced and good-priced commodities have entered the domestic market. Many international companies also pay close attention to the Chinese market, and Chinese companies face very fierce competition in the international market. How can we cope with competition from domestic enterprises? And paying attention to dealing with international competition has become a problem that needs to be solved in the development of enterprises at this stage.

**Research Objectives**

By studying this problem, it can help small and medium-sized enterprises realize the current international and domestic marketing status and existing problems of small and medium-sized enterprises, and research and analyze related strategies and innovative marketing methods. It is hoped that this research can help small and medium-sized enterprises gain in international marketing. Progress, achieve prosperity and development, and make steady progress.

In the market environment, Chinese companies have undergone great changes in the development trend of global economic integration and gradually integrated into the wave of international competition. Many domestic companies have gradually gone abroad while a large number of multinational companies have entered the domestic market. More development opportunities. In addition, multinational companies have entered the domestic market under the conditions of global economic development, which has led to the reduction of domestic market space. Small and medium-sized enterprises need to use their own resources to expand their own characteristics and advantages in order to achieve good development. Going abroad has become an inevitable trend to open up the market. However, some large enterprises and companies still have great advantages over small and medium-sized enterprises. Enterprises are still inadequate in terms of technology, capital, and talents, which limit their marketing strategy choices. Therefore, small and medium-sized enterprises have simple organizational scales and low capital. These characteristics have hindered the development of enterprises in the international market. It is impossible for some large enterprises to spend a lot of manpower, material and financial resources in marketing. Central SOEs need to adopt practical marketing strategies in the process of opening up the international market in order to be successful. In the entire world economy, the development of small and medium-sized enterprises on a global scale has brought fresh elements and aggravated the development of global economic integration. Small and medium-sized enterprises have attracted people's rapid attention with their own vitality and core technology. I hope to provide help and guidance for the follow-up practice work of small and medium-sized enterprises by expounding the content about the marketing of small and medium-sized enterprises.

**Literature Reviews**

**Domestic Research**

Analyze the specific international marketing theory of my country's small and medium-sized enterprises at this stage, and consider the specific conditions of my country's economic development. Due to the weak foundation of my country at this stage, the start is relatively late. As the domestic market is the main target market, the theoretical research formed is relatively weak. With the development of economic integration and economic globalization, my country's small and medium-sized enterprises have shown excellent characteristics of being able to integrate into the international market, opening up the international market, and promoting Small and medium-sized enterprises engage in business marketing activities, reflecting their characteristics and advantages. This article analyzes the advantages and characteristics of SMEs in the process of economic development at home and abroad, and also elaborates the specific development trends, and proposes the international marketing strategies for SMEs, hoping to provide reference for the development of SMEs in the international market and promote them Able to develop better.

**Foreign Research**

On a global scale, SMEs have played a vital role in the 1990s and have become an important part and foundation of the development of various national economies. It has become an inevitable trend for SMEs to develop international markets in the process of globalization and integration, and to engage in international marketing activities during the development process. Regarding the relevant theoretical research on SMEs engaged in international marketing activities, Western scholars are also constantly improving and deepening. In marketing, the main results are concentrated in the marketing channels and many main results are concentrated. The principles of marketing are written by Kotler. The other series of content are about how companies engage in marketing. This is also the result of Western countries' international marketing theories for small and medium-sized enterprises.

## Theoretical Framework

First, it analyzes the background of the times and the international marketing environment of my country's small and medium-sized enterprises, and expounds the mind map of the significance and research content of the research; the second part provides a rough analysis of the research at home and abroad, and provides the article Theoretical basis; The third part analyzes the current situation and existing problems of the international marketing of my country's small and medium-sized enterprises. It is believed that there are mainly problems such as fuzzy brand marketing concepts, single international marketing methods, lack of corporate talent training to keep up with development, and lack of relevant policy support; the fourth part discusses the strategies and methods of international marketing of Chinese SMEs in the current environment, including : Establishing brand awareness, choosing appropriate products and marketing methods, introducing and training talents, adopting cooperation with large companies, using online media and e-commerce, adapting measures to local conditions, localization integration and other strategies; finally summarizing the content expressed in the whole essay and our country The development direction of SME international marketing.

## Methodology

Through the literature research method, a large number of relevant materials about the research of this paper are retrieved, and the data on the development status, operation status and management status of small and medium-sized enterprises are sorted out, and the arguments and arguments of this paper are sorted out. In addition, read the contents of books on service marketing, marketing, etc., to learn about materials and monographs on the business strategies of small and medium-sized enterprises.

## Results

### Blurred Brand Marketing Concept

Since the beginning of reform and opening up, the export of small and medium-sized enterprises in my country has been implemented. Although there has been a substantial increase in exports in the past 30 years, the general situation is that the added value of export products is relatively low. Few small and medium-sized enterprises have paid attention to brand marketing, resulting in brand lack. Small and medium-sized enterprises are at a disadvantage in competition with internationally renowned brands, and it is difficult to meet the diverse needs of the market. This has also become the biggest problem in the development of small and medium-sized enterprises. In addition, small and medium-sized enterprises have relatively low export anti-risk capabilities and are at the lowest level of the international industry in the process of international market development, which is not conducive to the upgrading of products and technology accumulation of enterprises.

### Single International Marketing Method

The international market needs to invest more capital, no more than the domestic market. In this regard, SMEs do not have an advantage. More often companies choose an agent or a channel for international marketing, and there is no relevant marketing behavior for end customers in market development. After entering the international market, SMEs still have not changed their traditional marketing concepts. Due to the lack of necessary control channels and the lack of certain marketing influence on the end customers, it is generally restricted by middlemen, so some situations with high risks and low profits will be made.

### Enterprise Talent Training Cannot Keep Up with Development

Due to the lack of resources for small and medium-sized enterprises at this stage, it is difficult to attract outstanding talents, and the management level of small and medium-sized enterprises is relatively low, and there is a serious shortage of talents. This innate deficiency will make small and medium-sized enterprises lack of confidence in the international marketing process because of the quality of talents. It is a key element in the process of international market competition and the key to ensuring the level of corporate management. Small and medium-sized enterprises do not have an advantage, so they have achieved insufficient international marketing results.

**Lack of Relevant Policy Support**

As far as international marketing is concerned, the Chinese government generally supports large enterprises and does not pay enough attention to small and medium-sized enterprises. As a result, it is difficult for small and medium-sized enterprises to obtain support in terms of necessary information, cooperation, and coordination. Compared with the domestic marketing market, international marketing is more complicated, and the requirements for analysis and emergency handling of enterprises are very high. However, due to the lack of resources of our country's small and medium enterprises, they cannot obtain government support, it is difficult to accomplish things independently, and they are often unable to do well in the face of international marketing.

## Discussions

**Establish Brand Awareness**

To change the current status quo of my country's small and medium-sized enterprises that mainly rely on earning processing fees to maintain their survival, they must establish brand awareness, participate in international competition to a greater degree through brand strategies, and replace the current type of products with high-value-added brand products. OEM products and OEM products are the needs of international competition and the needs of my country's small and medium-sized enterprises to become bigger and stronger. Create international brands, improve corporate R&D capabilities, strengthen the awareness of intellectual property protection, and use the advantages of Chinese humanities and history to break out of its own sky with products with oriental characteristics, so that the company can achieve rapid development.

**Choose Suitable Products and Marketing Methods**

In the international market, small and medium-sized enterprises have certain disadvantages compared to large-scale enterprises. However, in order to occupy a certain position in the international market, they need to enter the international market and choose good products and channels. Efficient marketing strategies are also the key to effective export marketing for SMEs. Product selection is the primary task. In addition, export products also need to have product characteristics to meet the needs of various occasions. In the process of international marketing, small and medium-sized enterprises need to choose channels. They can choose agents for product marketing or adopt subsidiaries. The method of branch company, increase the export profit of the enterprise, reduce the intermediate links, make up for the disadvantages in talents and capital, and improve the international marketing ability.

**Talent Introduction and Training**

Small and medium-sized enterprises lack talents in the international market and encounter bottlenecks. They need to increase the introduction and training of talents. Establishing a reliable team of export sales personnel through the learning of external talents or internal employees also requires the use of social schooling forces to strengthen the construction of the talent team, continuously improve the technical level of employees, increase professional skills training, and be equipped with corresponding assessment and incentive mechanisms. Enhance the enthusiasm for work, and also enhance the competitiveness of the international market.

**Cooperate with Large Enterprises**

Small and medium-sized enterprises need to rely on large enterprises to develop through specialized division of labor and collaboration. First, implement the product alliance strategy. Second, implement the distribution channel alliance strategy. Third, implement the promotion alliance strategy. Fourth, implement price alliance strategies. These four strategies are international marketing mix strategies. The international marketing of my country's small and medium-sized enterprises is closely related to whether the marketing strategy is correct or not. The scientific and reasonable use of marketing strategies can improve the international competitiveness of small and medium-sized enterprises.

**Using Internet Media and E-Commerce**

In the development process of small and medium-sized enterprises, they should take network marketing as the core of their development, and use the perfect combination of business and high-tech to expand international marketing. They can effectively spread their products in the global market through the Internet, and promote customers' products. Understand, enhance product loyalty, and create a good brand image. Under normal circumstances, small and medium-sized enterprises can explore the international market by means of online marketing or the establishment of a joint e-commerce website. In the process of engaging in marketing activities, you can make full use of the opportunities of network marketing and go out of the international market.

**Adapt Measures to Local Conditions and Integrate Localization**

In the process of international marketing, small and medium-sized enterprises need to implement localization strategies based on actual conditions and integrate them into social culture in an all-round way. Only in this way can they continue to expand their market space in the international market. First, product localization. Second, brand localization. Third, localization of management. Fourth, the localization of talents. It is the content of localization strategy in international marketing. Small and medium-sized enterprises need to pay full attention to localized talents.

**Conclusion**

International marketing is a lesson that small and medium-sized enterprises must learn. Establishing global marketing awareness and choosing reasonable international marketing strategies will bring greater development opportunities for small and medium-sized enterprises in our country, and my country's small and medium-sized enterprises will also go to the international market. The performance of Chinese enterprises is becoming more and more mature.

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# OPERATION AND MANAGEMENT OF PHARMACEUTICAL CHAIN

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**Abstract:** The successive rise of chain stores was preceded by China's accession to the World Trade Organization (WTO). What happened after that. With the economic growth, the continuous improvement of living standards makes people have a higher demand for life, increasing consumption of new products with a lot of real economy. With the needs of life, the streets continue to emerge a lot of chain stores: such as catering, food, medicine, tobacco, clothing, daily necessities and household care supplies.

In recent years, with its own operating characteristics and development advantages, chain operation has been popularized by many enterprises and become a more mature business model. At the same time, with the deepening of the sharing economy in the Chinese market, it also breaks the barriers between different scenarios, different subjects and services, and improves the efficiency of resource allocation and operational benefits. In the background of new technology constantly updated iteration, many domestic enterprises will chain operation mode and the concept of sharing economy integration, with its unique products and services and strong capital support quickly seize market share, vigorously develop chain operation. Each store with the enterprise brand influence and a variety of excellent resources, the formation of scale, standardization, chain characteristics.

The management and service of chain stores is particularly important for the survival of enterprises. Enterprises need to find problems in time, respond to the problems and find targeted solutions.

**Keywords:** Chain Management, Company Management, Pharmaceutical Chain.

## Introduction

With the growing demand of retail market, the chain stores in order to catch up with the pace to seize the opportunity to increase market share and constantly improve the number of private brand stores. At the same time, the chain operation model gradually forms the scale, in order to occupy the market share to improve the market sales and brand awareness in the market, A lot of chain enterprises are expanding the scale to increase the number of stores, but at the same time the risk of its operation is also increasing, especially the financial operating conditions, in the face of increased number of shops in the case of more to prevent the occurrence of capital fracture.

The operation and management of the chain stores is also more and more important for the enterprise brand value. How to grasp the management status of chain stores, how to deal with the relationship between the company and store managers, store employees, to achieve the company's strategic goals, to complete the mission of the company becomes more important.

In recent years, in order to cope with the fierce competition brought by economic development, many enterprises choose to change the mode of operation and development to seek long-term development. The chain operation mode has direct chain, franchise chain, with its own characteristics, through specialized division of labor and centralized management, combined with unified management applied in the chain management development process, create scale benefits, strengthen enterprise image. Standardize the operation process, optimize the allocation of resources, improve the core competitiveness of enterprises. At the same time, the store operation also needs to combine innovative methods and a variety of promotional ways to attract consumers. Driven by economic development, the concept of sharing economy is gradually entering the market. Facing the impact of the sharing economy, some enterprises have strong core competitiveness. According to the characteristics of the sharing economy, they combine the concept of sharing economy with chain operation, make use of their own brand advantage, strong customer base and enough innovation strength, innovate business model and develop large-scale operation. It realizes the connection between different scenarios and services, and realizes the sustainability of development through the cooperation between enterprises, companies and brands.

China's chain stores operating in the market in 2000 later, Late time to promote chain management model. However, due to its strong adaptability, after twenty years of development, the model has been a lot of concern. Common people big pharmacy and happy person big pharmacy as China chain enterprise leader, leading the chain industry development of important indicators. By observing the operation and development status of chain enterprises in China, we can analyze the overall development trend of chain industry in our country.

**Research Objectives**

With the deepening development of chain operation mode in China, the number of stores of enterprises that adopt this model is rising continuously. While the benefits of large-scale and centralization are gradually enhanced, the risk of chain operation is also increasingly significant. The operation and management of each store has an increasing impact on enterprise brand value. How to timely grasp the chain brand store management status, how to deal with the relationship between stores and the company, stores and store staff relationship, to achieve the company's strategic objectives, to complete the mission of the company has become more important.

Performance management is a very important content in management accounting, and it is also one of the means for enterprises to improve management level. By combing the links of performance management, integrating the internal management elements of the organizational system, we can give full play to the overall effectiveness of the store, effectively improve organizational performance, and ultimately achieve the overall level of strategic goals, create performance beyond the target. At the same time, it can also be in the process of performance management, the staff for a full range of training, to promote the development of employees and improve the performance of employees. With the help of "performance management," chain enterprises can effectively manage the operation of stores, supervise and examine the performance of stores and promote the realization of enterprise strategy.

Through performance planning, performance control, performance evaluation and incentives, the internal management elements of the enterprise will be integrated to play the overall efficiency of the stores. Finally, the following conclusions are drawn: Performance management is a process management, which can maximize organizational performance and promote the realization of strategic objectives. Chain enterprises can use this management tool to refine the strategic objectives to the stores, through the establishment of performance management mechanism, play to the overall efficiency of stores, improve enterprise management level.

**Literature Reviews**

Above, the author classifies and arranges the research theories and achievements of scholars around the two research themes of "chain management" and "performance management." For the theory of "chain management," scholars have generally affirmed the advantages of this model. Based on the research of many scholars, the following advantages are summarized: The benefits of large-scale operation, the cost advantage of industrial chain operation and distribution, the brand publicity advantage of chain brand. It has enriched the research on the subject of "chain management," but lack of research on how to play the advantages of the model in practice.

As for the theory of "performance management," in order to meet the needs of performance management caused by the change of internal and external environment of enterprises, scholars have innovated the system design and method mode of the performance management from different dimensions, but there are some common shortcomings in the above studies. for example: Some scholars will focus on the theme of the same management tools or control methods to study, lack of subjectivity and systematic, Although the performance management models and methods that lead to outputs are independent, there is a slight overlap in the content of management, and the research content is lack of hierarchy in logic, which makes the concrete connection between performance management model and external environment greatly reduced. Moreover, there are few studies on the relationship between chain stores and performance management. Therefore, it is necessary to base the existing research results of scholars and the development experience in the field of management accounting., To establish a chain management model for the background of performance management as the core performance management mechanism.

**Theoretical Basis**

The production of strategic management theory is the result of the change of business environment. It is a dynamic process of making and implementing decision, including planning, implementation, control and the later comparative evaluation and improvement. Strategic management is the management of the development direction of the organization. It aims to achieve the goal of the company by making a series of decisions and implementing effective strategies.

In Chandler's book, this paper expounds the relationship between the final achievement and the strategy of the enterprise organization, which is still of guiding significance to the enterprise operation. He believes that the development strategy of the enterprise is influenced by the internal and external environment and the internal structure of the organization, Mutually reinforcing, Interplay of views into the enterprise's own development process, He believes that enterprises can form a unique ecosystem, Each enterprise is closely linked with other enterprises, is a ring in the ecosystem, therefore, each enterprise strategic planning goals should be consistent, should be to seek win-win situation, seek common development.

Tang Yuhua 1993 in his research, "strategic management" is defined as a management system engineering, which determines the general direction of enterprise development and business scope, can effectively allocate resources, has a certain supervisory function. Shang Yingqiu2010By outlining the evolution of strategic management theory, the following conclusions are drawn: Strategic management is the basis for enterprises to achieve maximum performance. The management of enterprises is based on strategic objectives. By formulating strategies, we choose the management and operation mode that can achieve the desired results, and then implement and execute the chosen strategy efficiently. Finally, evaluate the effect of implementation, and adjust the company's strategic outlook and long-term development direction according to the evaluation information.

Yu Xuying (1997) is a leading researcher in strategic management in China. He explains the famous "strategic triangle" theory to reveal the theoretical principles of strategy. He believes that enterprises should be in their own internal and external environment and their own situation have a clear understanding of the basis, and then choose the appropriate strategic objectives. Wei Jiang, Wu Aiqi (2014) based on the research results of western strategic management, this paper analyzes the strategic choice under different scenarios, and proposes that enterprises should choose different strategies according to different scenarios in order to gain a stronger competitive position. Wang Guoshun, Tang Jianxiong (2008) In the process of analyzing the integrated structure of enterprise strategic transformation capability, the four-dimensional matrix is formed according to the basic framework of strategic management. The four quadrants represent different strategic influencing factors, respectively: Four different factors, the influence of external competition environment, the execution of enterprises, the ability to allocate resources and the innovation ability, together shape the strategic framework of enterprises.

Strategic management theory for enterprise performance management, not only is the basis of operation also has a guiding role, it runs through the performance management throughout, and constantly guide each management sub-plate to optimize and adjust. On the one hand, the goal of performance management is consistent with the enterprise's overall goal, which is conducive to enterprises to cope with the changing internal and external environment, to ensure the sustainability of business and the stable improvement of performance. Moreover, compared with the traditional internal performance management, the performance management that integrates the strategic factors into it has the characteristics of the whole process. It can not only balance the long-term and short-term goals, but also adjust the strategy according to the changes of the internal and external environment.

On the other hand, strategic management is a process of formulation, implementation, evaluation and improvement. The process of performance management is similar to that of strategic management, and it adapts to the whole process. In the process of formulating strategy in the early stage, performance planning is the embodiment of strategic objectives; In the process of strategy implementation, the performance control link can reflect the strategy implementation in time; In the later stage, performance evaluation and incentive will provide basis and direction for the control and change of strategy.

**Methodology**

Through information search, search video interviews, direct observation and other ways to understand the object and content of the study, the latter through the acquisition of text and other data collection, qualitative and quantitative analysis of the object. The case analysis method is to select a specific or a group of typical cases in the field of study as the object of study, which is a process from the special to the general, through a comprehensive and systematic analysis of representative things or phenomena., then a series of cognition and conclusions applicable to the overall level are obtained.

Market Possession Based on Performance Management, the main body of the study is the Common People's Pharmacy, which is booming in the health industry, and the chain brand stores of Ordinary People Pharmacy are selected as the case study object. The field research method is used to study. Obtain the data and information needed by the research, and then sort out and summarize the important data to support this paper.

**Results**

According to the Common People Pharmacy Chain Co., Ltd.2016Annual Performance Report for 2011, the company achieved operating income 60.94 Billion yuan, year-on-year growth 33.40%, mainly due to the year-on-year growth of established stores and the contribution of new stores such as new openings and acquisitions; Net profit attributable to shareholders of the parent company 2.97 Billion yuan, year-on-year growth 23.45%, mainly attributable to the simultaneous growth in revenue and gross margin and the effective control of costs.

From the industry point of view, the company's operating income mainly comes from pharmaceutical retail business, pharmaceutical wholesale business and pharmaceutical manufacturing business, of which retail business is the main, its reporting period accounted for more than93%, wholesale business is the wholesale income to external units, manufacturing business is a subsidiary of Pharmaceutical Shengtang sales of goods to external unit; Other income is mainly the company store sublease income.

From the perspective of product classification, the company mainly focuses on Chinese and Western medicine, Chinese medicine and non-medicine categories, the other is mainly the company to provide suppliers with product publicity, promotion and other services income and store sub-lease income. Chinese and Western medicine sales accounted for73%, is the company's most important product category, its sales maintained steady growth, the gross margin slightly decreased; Chinese medicine gross margin growth is rapid, mainly the company promoted the introduction of higher gross margin of goods and sales.

From the regional perspective, central China accounts for the largest proportion of revenue, is an important source of business income, the company has a prominent leading edge in the region, the gross margin of the region is higher than other regions, mainly the gross profit realized by the company's wholly-owned subsidiary Yao Sheng Tang on the group sales in the central China region; The income scale and gross margin level of East China and Northwest China are similar. At the same time, according to the annual report, as of 2016-year 12 Moon 31. The company has stores 1,838 Home, new stores 488 Home, where new self-owned stores193 Home, M & A stores295 Home. Closed stores due to merger integration, demolition and strategic adjustment 133 home; Will be2017The stores that have expired are 314 The renewal of all expired stores was conducted in an orderly manner and the renewability was stable. Market Layout: During the reporting period, the company continued to promote the development strategy of "national layout" and "omni-channel layout" with self-built stores and M & A. Adhere to the M & A mode of diversification, different regions and different strategies of the merger and acquisition ideas. The successful acquisition of Gansu Hui Ren Tang and Jiangsu Bai Xin Yuan by holding mode, with absolute advantage to add a provincial market and a prefecture-level market. The company adhere to the "base" development planning, that is, to the city as a unit, in the urban areas of a large number of intensive shops at the same time, and then enlarge the radius to a large flow of people or the development potential of the suburban junction, combined with government planning to do a good job in advance layout. By standardizing the hospital shop and township shop site selection standards to do a good job of "near the hospital, into the township" penetration expansion policy. In order to achieve increased market share and forward-looking development of the rapid expansion. In addition, the company new "health pharmacy" franchise business, in the blank area to join the way to territory expansion.

Supply Chain Management: The company builds a "golden chain" product security system, and the goal of product purchasing is to "optimize the structure, reduce costs, reduce inventory and improve service." Take advantage of the national scale, strengthen cooperation with upstream suppliers. During the reporting period, the group and provincial companies worked together with the4,000Cooperate with suppliers. Logistics distribution terminal TMS (Transportation Management System) on-line operation, the implementation of goods out of the warehouse, the receipt of barcode scanning management, control every link of distribution. Store management: using video inspection system, strengthen the control of the store, so that visualization, real-time, and traceability, the company's store requirements and landing implementation matters for inspection, make the store more standard, more standardized. During the reporting period, the video inspection system has covered the company 60% above stores.

Information Construction: Developing Customers APP and WeChat service number, for customers to understand the rights of members, company information and access to pharmaceutical services to provide efficient and convenient platform. Meanwhile PC And mobile terminal mall official website reconstruction on-line, its user experience and system functions have reached the domestic electricity supplier platform related website first-line standard, the company's internal information system CRM Systems, WMS Systems, SAP System, database, etc. to improve and optimize, strengthen the integration and iteration.

**Discussions**

### 1. Formulate A Rational Strategic Plan and Improve Mechanisms

Because of the large number of chain stores, whether the financial accounting of each store is reasonable and whether the accounting examination and approval process can be carried out in place, chain enterprises need to set up a separate internal audit and supervision department to conduct daily operation supervision and benefit review for the store. Through the supervision of the store, make chain business enterprise financial business standardization, standardization, to ensure the headquarters of the enterprise accounting system and process to be strong implementation, ensure that the store performance management is established in the legal and orderly operation. At the same time to strengthen and improve the supervision mechanism of the enterprise, the store departments and employees for the implementation of rules and regulations for supervision and inspection, and the inspection and evaluation results, rewards and punishments. Rewards and punishments should be linked to employees' personal performance and service quality to ensure the normal and safe operation of business.

**2. Strengthen the Learning Organization, Improve the Comprehensive Quality of Store Staff**

For chain management enterprises, the unique development model for the quality of employees of enterprises have different needs, if there is no good personnel training system, the strategic goal of chain management is a castle in the air. Chain enterprises should actively strengthen the learning organization, the implementation of hierarchical, classified training system, the establishment of scientific training systems, build a perfect training implementation process, for the staff training activities need to advance staff needs analysis, Subsequent training activities should be tailored to the needs of employees and organized and implemented. Finally, the learning outcomes of employees are evaluated from two levels of learning and behavior to improve the effectiveness of training and effect transformation.

**3. Further Optimization PC End, Mobile End Learning Platform**

Effective use of WeChat Official Account message template、 Live platform and other resources and channels, to create a more three-dimensional, multi-angle all-round online learning channel, to create a better learning environment for employees, timely assessment and summary of staff training feedback, and gradually establish and form a professional skill, excellent overall quality team.

**4. Make Use of Internet Thinking to Deepen “Product+ Service” Growth of Formats**

Deep information era of rapid development, the Internet thinking affects all aspects of society, chain business enterprises to actively adapt to “Internet+” In the wave of the Internet, the use of Internet big data, to create a more refined chain management model. On the basis of in-depth research, the use of big data analysis, timely grasp the latest market demand dynamics; The use of the media platform, the development of offline services, online sales of goods two-line business, deepen “product+ service” Growth point; Maintain a two-way relationship with consumers, through the customer management service system, analysis of the implementation of the management plan effect, Timely delivery of customers and their own business information to the headquarters, thus forming a headquarters and stores, stores and customers, customers and headquarters of the benign interaction, improve the scientific decision-making and people's recognition of enterprise brand value.

**5. Performance Management Is an Important Part of Management Accounting**

It is also one of the effective means for enterprises to improve management level. Performance management is based on the overall level of enterprise strategic objectives, is a process management rather than post-evaluation, performance planning is a prerequisite for performance management, for enterprise performance management pointing out the direction, play a programmatic role; Performance control is the enterprise to use a variety of management methods, from multiple dimensions and ways to control the performance, is the core of performance achievement, for the enterprise strategic objectives and performance management objectives to provide a guarantee; Performance evaluation and incentive is the end of the cycle system of performance management, but also the starting point. It is the evaluation and summary of the achievement of enterprise performance management in the current period. At the same time, it provides experience and lessons for enterprise in the next stage.

## Conclusions

The performance management practice of Common People's Pharmacy chain brand stores has constructed the operation mechanism of performance management of common people's chain brand store. Through the performance planning, control, evaluation and incentive and other management links, the internal management elements of the enterprise system have been integrated. Give full play to the overall effectiveness of the store performance management system. The performance management process is a full participation of activities, each employee is very important in the process of performance management, through the performance control link learning organization, improve the staff personal development system, Improve employee performance. Enterprises that adopt chain management mode can use performance management as a management tool. To effectively manage the operation of the stores, to monitor and evaluate the performance of stores, and to promote the realization of enterprise strategy.

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# ORGANIZATIONAL STRATEGY AND CORPORATE SOCIAL RESPONSIBILITY: THE MEDIATING EFFECT OF TRIPLE BOTTOM LINE

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**Abstract:** Limited research in the area of the triple bottom line (TBL) mediation effect on the relationship between organizational strategic performance (OSP) and corporate social responsibility performance (CSRP) has motivated this study. The objective of this study is to investigate how OSP affects CSRP and the mediation impact of TBL elements through the decision-making process of business management. Considering a sample of 250 employees from Bangladesh, this study used structural equation modelling (SEM) to test the relevant research hypotheses. Through the lens of stakeholder, institutional, legitimacy and resource-based view theories along with rigorous statistical techniques, this study has found that OSP is positively related to CSRP. In terms of the mediation effect, this study has found that economic responsibility has no intervening role while environmental and social responsibility significantly mediated the relationship between OSP and CSRP. Finally, the full mediation power of the model suggests that OSP effects a firm's strategic decision and CSR outcomes directly as well as indirectly through TBL.

**Keywords:** Sustainability, Corporate Social Responsibility, Strategy, Triple Bottom Line, Mediation.

## Introduction

Corporate social responsibility (CSR) has been widely discussed in strategic management and organizational behavior literature due to it being a strategic priority for organizations—for example, for the purpose of maintaining legitimacy. Strategic organizational planning is the broader use of strategic planning and analysis for the formulation of different policies and approaches such as strategic negotiations, stakeholder management, dynamic capabilities, contingency plans, rapid communications and greater awareness. Prior strategic management literature has explained strategic planning as an important element of the innovative capability of management and a demonstration of the commitment to meet stakeholder expectations. It has been considered as a trade-of between financial performance and innovative activity. However, complexity arises with strategic ambiguity and around resource requirements for internal or external business development to attain strategic objectives. Organizational strategic performance (OSP) is the execution of objectives set in the

business to gain efficiencies to improve performance. Arend et al. reported that flexible strategic planning has the potential to decrease financial performance while a reward-based, knowledge sharing and high risk-taking management approach enjoys maximum financial performance without trade-of. Prior studies have explored the effectiveness, importance and performance of the organization regarding sustainability. The sustainability concept captures different sustainable responsibility dimensions. Carroll was the first to introduce four types of organizational responsibilities in the name of sustainability or CSR: economic, legal, ethical and discretionary responsibilities (see also Carroll). Among the different concepts and dimensions, the triple bottom line (TBL) concept comprises economic, social, and environmental responsibility dimensions, and is the most prominent and recognized CSR or sustainability concept (TBL is also considered as 3P; profit, planet and people).
Previous studies have documented the role of TBL for corporate social responsibility performance (CSRP) but most of the investigations were limited to the direct relationship (see. On the other hand, OSP is a key concept in the development of TBL, while proactive OSP directly promotes TBL and CSRP. Prior CSR, organizational behavior and strategic management studies have failed to recognize the intervening (mediator) influence of TBL between OSP and CSRP. For our purpose in this article, TBL covers organizational attractiveness, internal and external organizational performance, stakeholder satisfaction, corporate reputation, corporate visibility, transparency and accountability performance. On the other hand, CSR is captured as impact. When firms perform TBL initiatives, they have an impact on CSR elements. Thus, we believe it could have a mediating or indirect impact on organizational strategic CSR actions and reporting.

**Research Objectives**

This study aims to investigate the TBL mediation role between OSP and CSRP based on stakeholder and legitimacy theoretical underpinnings. To provide the empirical evidence, this study has used a survey questionnaire of 250 respondents from the manufacturing sector of Bangladesh. The reason for selecting the country is: (1) for the last couple of years, the country has extensively promoted CSR; (2) the country is extremely vulnerable to global warming and climate risk, rendering CSR an instrument to mitigate these problems; (3) the manufacturing sector is considered less regulated and accountable; and (4) no empirical research on the issue has so far been found to be undertaken.

**Literature Reviews**

In strategic management literature, CSR has been treated as a strategic issue due to its dual nature of requiring resource allocation while generating strategic benefits such as enhanced reputation. Chandler argues that “Yesterday’s ethical responsibilities can quickly become today’s economic and legal responsibilities. In order to achieve its fundamental economic obligations in today's globalized world, a firm must incorporate a stakeholder perspective within its strategic outlook" (2017, p. 6).

Prior study extensively used stakeholder theory, legitimacy theory, institutional theory, signaling theory and resource-based view theory (RBV) in the development and discussion of CSR and OSP. Most of the theories described many appropriate characteristics, determinants, and motivations for the relationship between CSR and OSP. Consistent with the studies by Zhang et al., Federo and Saz-Carranza, Masud et al., Colwell et al., Madueño et al., Garceia Sancez et al., and Comyns, this study uses a mixed theoretical approach. Among them, stakeholder theory is mostly used to explain the diverse stakeholder needs, demands and how management responds to them through CSR. Stakeholder theory broadly explains the relationship between management and different stakeholders, including creditors, employees, suppliers, different communities, auditors, regulators, the media, non-government organizations (NGOs), investors, the government, customers, activist groups, national and international donor agencies, shareholders, and civil society. Legitimacy theory defines the contract between the society and the organization, as the organization must follow social norms, values, and perceptions. Organizations use CSR as a tool to communicate with and convince social stakeholders to eliminate different types of threats arising from business activities. An organization's strategic planning such as proactive and reactive strategies depends on the magnitude of the legitimacy between business and society. On the other hand, institutional theory defines an organization as a field that must comply with different sets of internal and external rules, regulations and procedures. Institutional theory defines the isomorphism process of an organization that is driven by coercive, mimetic and normative forces. Doing business in the institutional environment, management must comply with the regulations and guidelines to create competitiveness and capability. Further, organizational performance mostly depends on the top management commitment as strategic management must ensure explicit and implicit rules relevant to different organizational contexts.

Another important theoretical discussion broadly used in the relationship between strategic performance and CSR is resource-based view (RBV). According to RBV, organizational resources can be defined as 'the tangible and intangible entities available to the firm that enable it to produce e efficiently and effectively a market offering that has value for some market segment(s)(1999 p. 128). Different types of resources such as financial, physical, technological, intellectual, legal, human, organizational, informational, or relational resources define organizational structures and their relationship with people, profit and planet. Organizational performance mainly depends on how these resources are effectively and efficiently used by the management. From the RBV perspective, organizational strategic factors that integrate, coordinate, and implement works into different projects, tasks and groups are considered as resources. Prior research considered organizational strategic resources as having a unique and higher order that includes capital, technological, human, and policy-level resources. Therefore, resource development is highly related to CSR performance as improvement or addition to the resources sends a strong signal to the market, society and stakeholders. Based on the discussion, we believe that CSR performance and organization strategic improvement is mostly defined by the institutional environment while management is motivated to use proper resources to create legitimacy among institutions, stakeholders and society.

Organizational Strategic Performance and Corporate Social Responsibility Performance. Prior literature has documented the relationship among OSP, organizational financial performance and CSRP. Most of the studies have found that OSP acts as a crucial consideration for undertaking sustainable development initiatives and is implemented as growth and market competitiveness rather than traditional profit maximization. It is also evident that OSP is the key determinant of CSRP because strategic planning is a comprehensive consideration and details an outline of the firm's overall performance (e.g., industry, sector, market, competitors, technologies, and growth). Prior literature also explored the success or failure of the organization being impacted by the effectiveness and efficiency of strategic planning and the execution of the plan. According to Bryson, OSP is 'a deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organization is, what it does, and why it does it' (2011, pp. 7–8). Recardo distinguishes between capital "S" and lowercase "s" to define organizational strategy where the big "S" defines a firm's long-term internal and external planning (e.g., market, joint ventures, mergers and acquisition, and collaboration) and the small "s" is about market forces (e.g., price, place, and promotion). Strategic planning is the decision of the senior or the top-level management that is represented in the corporate vision, mission, goals and target strategy. Therefore, in an organizational strategic system, planning and motion should be aligned with triple bottom line approaches to gain maximum benefits of internal competencies combined with external opportunities. Additionally, OSP enhances a sustainability vision that encourages organizations' economic, environment and social responsibility.

To gain competitive advantages, organizational strategy and strategic planning must be acceptable to a wide range of stakeholders (e.g., customers, employees, shareholders, suppliers, creditors, government, media, competitors, local authorities, and international alliances). CSRP depends on the organizational reactive or proactive strategy. Reactive strategy undermines CSR because of limited stakeholder engagement and management incapability whereas proactive strategy searches for the future responsibilities beyond the social standards and promotes CSR. Therefore, sustainable strategic proactive planning and implementation facilitate organizational policies and procedures in order to provide, develop, control and monitor economic, environmental and social responsibilities. Kanji and Chopra reported that OSP positively influences CSR to achieve organizational accountability and benefits. Arend et al. stated that superior strategic planning positively affects organizational financial performance that directly and indirectly promotes risk-taking and knowledge-based management. Shaukat et al. and Clarkson et al. also argued that organizational proactive strategy positively and significantly promotes social and environmental performance. Moreover, Marin et al. showed that an innovative strategy significantly influences competitiveness that is directly related to CSRP, whereas Arend et al. reported that strategic performance negatively affects innovation in firms. Based on the above discussion, the following hypothesis has been developed:

**Hypothesis**

Hypothesis 1 (H1): OSP has a positive relationship with CSRP.

Hypothesis 2 (H2): The relationship between OSP and CSRP is mediated by organizational economic responsibility performance.

Hypothesis 3 (H3): The relationship between OSP and CSRP is mediated by organizational environmental responsibility performance.

Hypothesis 4 (H4): The relationship between OSP and CSRP is mediated by organizational social responsibility performance (Figure 1).

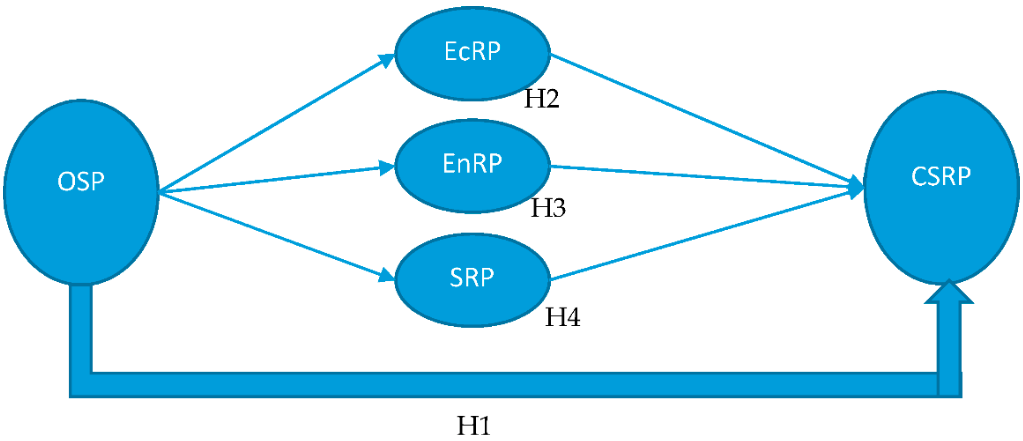


**Figure 1: Conceptual Framework**

**Methodology**

**Data Collection and Sample**

The empirical study has used primary sources of data collected by the questionnaire survey. Three hundred (300) questionnaires were distributed based on random stratified sampling among the employees of various manufacturing industries in Bangladesh during the period of July 2017 to December 2017. In the middle of 2018, a sample of 255 responses was returned, showing a high response rate (85%) that is consistent with Madueno et al., Ramesh et al. and Hur et al. As stated earlier, this study is based on the manufacturing sector since manufacturing firms are the major listed firms in the stock exchange of the country (i.e., 40% of firms are from the manufacturing sector). Moreover, manufacturing firms are considered more responsible for global warming and climate change and, therefore, CSR activities and functions are more likely supported by the manufacturing industries. Our choice of manufacturing industry sample is consistent with recent CSR studies by Muttakin et al. and Khan et al. Five multivariate data (responses) were detected and filtered out from the surveyed data during the test of Mahalanobis distance (D2) using the critical Chi-square function at $\rho < 0.01$. There were no univariate issues in this research. The final sample consists of 250 responses, indicating a high response rate from the survey (83%) (see Table 1), compared to the recent study by Ramesh et al. Hur et al, Bohlmann et al. and Gao et al. Having three or more indicators per factor, a sample size of 150 will usually be sufficient for a convergent and proper solution-based research study.

This study used Brislin's back-translation procedure. The original questionnaires were translated into Bangla and again translated into English for data analysis purposes. The back-translated questionnaire was further checked by several management scholars to ensure the Bangla and English version were equivalent to each other and acceptable.

This study used a 7-point Likert scale, a closed-ended structured questionnaire to measure OSP, Economic Responsibility Performance (EcRP), Environmental Responsibility Performance (EnRP), Social Responsibility Performance (SRP), and CSRP, where one indicates strongly disagree and seven indicates strongly agree. The questionnaire was mainly developed based on the prior study by Kanji and Chopra, (also known as the Kanji and Chopra CSR model). The five latent variables address the operationalization of the manufacturing firms in relation to strategic policy, competitive advantages, and commitment to green and environmental performance, management responsibilities towards employees, community, society and customers. The questions also evaluate how the employees value their organizations. Moreover, the questionnaire was split into two segments: demographic and the item related to observed variables.

The demographic data includes the frequency and percentage of types of manufacturing industries, the number of employees in the industry, employees' status and number of years in operation (Table 1). Among the five industries, with the highest percentage of respondents, there were 112 (49%) automotive respondents. The lowest percentage (1%) of respondents were from the glass industry. Most of the respondents were from large-scale manufacturing (74%) firms in the country. In this study, mid-level management participation (61%) was higher than first-line level management (37%). Moreover, 81% of the respondents were highly experienced.

In addition to the demographic information, the questionnaire consists of a total of thirty-one (31) items, with five (5) latent variables that are CSRP (7), OSP (5), organizational EnRP (6), organizational EcRP (5) and organizational SRP (8). Our questionnaire design to construct the five latent variables is validated by all statistical inferences consistent with prior studies. We asked employees of the manufacturing firms how they recognize and support management planning, consistent with the study by Madueño et al. Our latent variable EnRP, EcRP and SRP were designed to identify employees' perceptions of TBL responsibility, accountability and performance according to Madueño et al. Our latent variable OSP was considered to trace management capacity building, innovative attitudes, and competitive performance according to prior studies. The detailed explanation of five latent variables is given in Table 2.

## Results

### Descriptive Statistics and Correlation Matrix

Table 1 presents the means, standard deviation (SD) and the correlation between each variable in the diagonal elements. The results show a very strong correlation among the variables ($p < 0.01$). CSRP is positively and significantly correlated with OSP, EcRP, EnRP and SRP. No correlation value exceeds the critical value of 0.90, indicating no multicollinearity problem. Additionally, the highest value of Pearson correlation between OSP and SRP is 0.649, which is less than the recommended value of 0.90, alleviating the multicollinearity concern of the five variables.

**Table 1: Means, Standard Deviations, and Pearson Correlation**

| Variables | Mean | SD | OSP | EnRP | CSRP | SRP | EcRP [1] |
|---|---|---|---|---|---|---|---|
| OSP | 6.28 | 0.64 | 1 | | | | |
| EnRP | 5.94 | 0.66 | 0.459 ** | 1 | | | |
| CSRP | 6.10 | 0.62 | 0.456 ** | 0.532 ** | 1 | | |
| SRP | 6.16 | 0.53 | 0.649 ** | 0.462 ** | 0.508 ** | 1 | |
| EcRP | 6.02 | 0.70 | 0.477 ** | 0.548 ** | 0.465 ** | 0.531 ** | 1 |

** Correlation is significant at the 0.01 level (two tailed). [1] OSP = organizational strategic performance; EnRP = Environmental responsibility performance; SRP = Social responsibility performance; and EcRP = Economic responsibility performance.

### Internal Consistency, Reliability and Validity Testing

This study applied the KMO and Bartlett's test to check the sample size. The value of KMO is 0.926, which is greater than the threshold of 0.77. Therefore, the sample size is adequate for factor analysis. The result of Bartlett's test (6668.393, df = 741, $\rho < 0.01$) explains that the correlation is meaningfully different from the identity matrix and the correlations among the factors are not zero.

Table 2 shows the internal reliability and convergent validity measures of this study. The results of CA of all variables ranged from 0.860 to 0.934, which is greater than the threshold 0.77. Moreover, CR and AVE were used to measure the internal consistency among the variables. The value of CR and

AVE are also higher than the limit of 0.70 and 0.50 respectively as recommended by Bagozzi and Yi, which reveals that all variables are internally consistent and reliable.

**Table 2: Reliability and Convergent Validity Check**

| Variables | Cronbach's Alpha Coefcient (CA) | rho_A | Composite Reliability (CR) | Average Varianc Extracted (AVE) |
|---|---|---|---|---|
| OSP | 0.934 | 0.935 | 0.950 | 0.791 |
| EnRP | 0.928 | 0.930 | 0.943 | 0.735 |
| CSRP | 0.895 | 0.902 | 0.917 | 0.613 |
| SRP | 0.873 | 0.877 | 0.901 | 0.533 |
| EcRP | 0.860 | 0.862 | 0.900 | 0.642 |

Additionally, discriminant validity of the model is assessed in Table 3. Indicators should load more strongly on their own constructs than on other constructs in the model, and the average variance shared between each construct and its measurements should be greater than the variance shared between the construct and other constructs. The result indicates that all constructs exhibit sufficient or satisfactory discriminant validity, where the square root of AVE (diagonal) is larger than the correlations (of-diagonal) for all reflective constructs

**Table 3: Discriminant Validity**

| Indicators | CSRP | Economic | Environment | OSP | Social |
|---|---|---|---|---|---|
| **CSRP** | **0.783** | | | | |
| **Economic** | 0.474 | **0.801** | | | |
| **Environment** | 0.539 | 0.550 | **0.857** | | |
| **OSP** | 0.454 | 0.481 | 0.458 | **0.889** | |
| **Social** | 0.500 | 0.529 | 0.458 | 0.686 | **0.730** |

Table 3 presents the factor loadings of the five latent variables. This study finds the factor loading values of all items above 0.665, which is greater than the threshold 0.55 according to Tabachnick and Fidell, and Hur et al. All factor loadings greater than the threshold confirm that the rotated component matrix consists of the final thirty-one items. In addition, the values of communalities are also over 0.5, which indicates the extent to which an item correlates with all other items. However, these five latent variables of this study successfully explain 65.69 percent of the impact, and environmental responsibility is the most pronounced (35.61 percent) in explaining the variance. It is noteworthy that economic responsibility variance has the least impact among the five latent variables (5.07 percent).

**Confirmatory Factor Analysis**

The efficiency of the CFA model highly depends on the measurement of the fitness of the model. The present study applied CFA at two stages following Ramesh et al. Initially, CFA was conducted in a one-factor model, considering the CSRP as a dependent variable and OSP as an independent variable, and then three mediating variables (EcRP, EnRP and SRP) were added in the mediation model. In both stages, this study found a good fit index (Table 4). For the one factor-model, the result showed (x2(53) = 100.324; ρ < 0.05, CFI = 0.976, TLI = 0.970, SRMR = 0.25 and RMSEA = 0.06, whereas, in the final mediation model, the goodness of fit index demonstrated (x2(427) = 804.383; ρ < 0.05, CFI = 0.924, TLI = 0.917, SRMR = 0.52 and RMSEA = 0.06), which are all above the threshold level. Thus, the overall model fitness verified the superiority of our hypothesized model. In addition, Table 4 also shows that the proposed model is a good fit, with 31.5 percent, 26.4 percent and 54.6 percent of the total variance explained by EcRP, EnRP and SRP, respectively. Furthermore, this study found that the mediating model explanation power of CSRP (54.6 percent) is higher than the initial stage model CSRP (24.6 percent).

**Table 4: Model fitness and $R^2$**

| Indices | One-Factor Model | Mediation Model | Recommended Level |
|---|---|---|---|
| x2(DF) | 100.324 (53) | 804.383 (427) | |
| CMIN/DF (*p*-value) | 1.893 | 1.884 | <2.00 |
| CFI | 0.976 | 0.924 | >0.90 |
| TLI | 0.970 | 0.917 | >0.90 |
| SRMR | 0.025 | 0.052 | <0.08 |
| RMSEA | 0.060 | 0.060 | <0.07 |
| **Indices** | **($R^2$)** | **($R^2$)** | |
| CSRP | 24.6% | 42.0% | |
| Economic | | 31.5% | |
| Environmental | | 26.4% | |
| Social | | 54.6% | |

The results of structural equation modeling (SEM) are presented with the path coefficient, standard error (SE), critical ratios (CR) and *T*-statistics of the direct effects in Table 5. This study itemized and examined a multiple sequential mediation model. Figure represents the path coefficients and hypothesis test results. This study followed the three-step process of Hur et al. to test the four hypotheses. This study hypothesized that the relationship between OSP and CSRP is partially or completely mediated by the TBL factors of EcRP, EnRP and SRP. At the first step, we posited that OSP was positively related to the CSRP and the results supported H1 (β = 0.054, ρ < 0.01), as shown in the upper part of Figure 2, which is consistent with the previous studies. Second, six paths were investigated to examine the three mediation effects of the model presented in the lower part of Figure 2. We confirmed the significant direct relationship between OSP and SRP (β = 0.686, ρ < 0.01); OSP and EnRP (β = 0.458, ρ < 0.01); and OSP and EcRP (β = 0.481, ρ < 0.05). Similarly, we also found the significant relationship between SRP and CSRP (β = 0.217, ρ < 0.01), and EnRP and CSRP (β = 0.321, ρ < 0.01). However, the relationship between EcRP and CSRP turned out to be insignificant (β = 0.138, ρ > 0.10), suggesting that EcRP has no influence on CSRP. Third, we estimated these indirect effects by the bootstrap analysis. Our first bootstrapping mediating variable OSP -> EcRP -> CSR, (β = 0.067, t = 1.523) was found to be statistically insignificant, leading to the rejection of H2. The bootstrapping analysis of the remaining mediating variables shows the two significant indirect effects: OSP -> EnRP -> CSR (β = 0.147, *t* = 4.274, ρ < 0.01) and OSP -> SRP -> CSR (β = 0.149, *t* = 2.550, ρ < 0.05), supporting H3 and H4. In sum, this study found a strong and significant direct relationship between OSP and CSRP before introducing the mediation effects of TBL factors. The direct relationship between OSP and CSRP becomes insignificant with the three mediation variables included, which supports a complete (full) mediation of the model.

**Table 5: Path Coefficient and T Statistics of Direct Effects**

| Path | Original Sample | Sample Mean | Std. Beta | *T*-Statistics | *p*-Value |
|---|---|---|---|---|---|
| OSP-> CSR | 0.091 | 0.090 | 0.068 | 1.343 | 0.180 |
| OSP-> Economic | 0.481 | 0.481 | 0.069 | 7.018 | 0.000 |
| OSP-> Environment | 0.458 | 0.457 | 0.061 | 7.497 | 0.000 |
| OSP-> Social | 0.686 | 0.680 | 0.056 | 12.323 | 0.000 |
| Economic-> CSR | 0.138 | 0.136 | 0.086 | 1.618 | 0.106 |
| Environment-> CSR | 0.321 | 0.320 | 0.062 | 5.222 | 0.000 |
| Social-> CSR | 0.217 | 0.225 | 0.083 | 2.633 | 0.009 |

**Discussions**

In the last stage, we tested the mediating role of SRP with OSP and CSRP. We documented significant effects between OSP and SRP and between SRP and CSRP. We also found that SRP has a mediating power between OSP and CSRP. Organizations' overall performance is highly dependent on the effective management of different social and organizational elements such as workplace health and safety conditions for employees, sound labor practices such as fair wage, accountability and transparency, anti-corruptive behavior, sound human resource policies, and women empowerment policies. SRP enhances internal stakeholder privileges (for corporations' employees, workers, and different level managers) as well as external parties' satisfaction and opportunities (from the perspective of investors, civil society, media, local authorities, national and international non-profit organizations and activist groups). We showed evidence that a sound OSP will be not enough to achieve CSRP unless a strong SRP is considered in the decision-making process. Finally, we found that TBL elements have complete (full) mediating effects between OSP and CSRP. Our study contributes to the organizational behavior and business ethics literature by investigating business strategic management in the context of TBL. Our empirical findings suggest that to be responsible and ethical, a firm's management must consider TBL elements, especially environment and society, in the strategic decision process.

**Conclusions**

Our research findings have substantial implications for business management, especially in the policy and strategy area. In both stages (before mediation and after mediation), OSP has a positive relationship to CSRP, which suggests that organizational strategic planning, analyzing, and execution are very influential in achieving maximum CSRP. Moreover, the complete mediation role of TBL denotes that business management and policy makers must show commitment to TBL performance. For example, if a corporation has sound climate risk policy and has already declared the target to reduce CO2 but the implementation of the CO2 reduction is poor, this low environmental performance will definitely have a negative impact on CSRP, and the organization will receive huge pressure from the different environmental groups, civil society, media and the government. This study finds that poor outcome in TBL elements have a potential to threaten societal and stakeholder relationships and it will widen the legitimacy gap. Moreover, irresponsible performance from the TBL approaches will drastically compromise the organizations' competitive benefits, reputation and market growth. The empirical findings will also help management to provide more attention to environmental and social responsibility performance, as these two elements significantly mediate between OSP and CSRP. Additionally, this study contributes to determining the importance of policy making and implementation. For instance, effective labor and human resource policy, anti-corruption and whistleblowing policies indicate organization commitment and strategy against discrimination and corruption. However, if there is a strong allegation of the organization being involved in corruption, bribery, unethical and informal transactions, it will suggest ineffective and poor TBL performance.

Our empirical finding brings new insights into the CSR and TBL research domains by discovering the TBL mediating role for organizational strategic and corporate social responsibility performance enhancement. Although, a good number of studies have examined the direct relationships between organizational strategic issues and CSR outcomes, our study is the first to demonstrate the mediating role of the three important elements of CSR or sustainability concept based on various theories. Theoretically, this study emphasizes that the TBL approach has full intervening power. Additionally,

This study contributes to stakeholders and legitimacy theoretical perspectives by highlighting that environmental and social responsibility elements are the most influential and essential factors to determine the relationship between organizational strategy and corporate responsibility. Furthermore, from the RBV theoretical perspective, this study emphasizes that an important element of TBL, the economic responsibility factor, must be reshaped to hold firms accountable not only with their environmental but also social and economic impacts. Firms need to think beyond profit maximization, towards implementing measures for improving community welfare.

This study also highlights that organizational strategic performance as well as CSR responsibility are the mechanisms of sound resource mobilization, capacity development, and proper utilization of the diverse resources. Additionally, our empirical study also has a significant contribution to the institutional environmental setting in response to TBL responsibility. Coercive, mimetic, and normative pressures substantially influence top management to comply with the regulations, guidelines and business responsibilities that ultimately enhance CSR performance. Finally, our study contributes to the organizational behavior and business ethics literature by investigating responsible symbiosis between business management and employees in the context of TBL. Our empirical findings suggest that a firm's management must consider TBL elements in the strategic decision process to be responsible and ethical.

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# A STUDY ON THE CURRENT DEVELOPMENT STATUS AND ENVIRONMENT OF CHINA'S BUSINESS MANAGEMENT

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**Abstract:** Over 40 years China has been transformed out of all recognition, the scale of its growth and the sheer speed of change has been astonishing. The country has seen the largest lifting of business management, and it's economy that has ever taken place in human history, and today China is a global force, predicted to become the world's biggest economy in a couple of decades.

Firstly, Economics is a social science concerned with the production, distribution, and consumption of goods and services. It studies how Individuals, businesses, governments, and nations make choices about how to allocate resources. Economics focuses on the actions of human beings, based on assumptions that humans act with rational behavior, seeking the most optimal level of benefit or utility. The way of Chinese economical management with the policy of government gives the opportunity to grow up business across the country, even around the globe. Secondly, a business trend is a shift or change in the fundamental business dynamics within an industry. Business trends tend to drive enterprise-wide strategic decisions and are the result of shifts in attitudes, values, technologies and the economic landscape. How local businesses are in managing and influence by developmental trends of the leaders. Thirdly, culture (from the Latin cultura stemming from colere, meaning "to cultivate") generally refers to patterns of human activity and the symbolic structures that give such activities significance and importance. Cultures can be "understood as systems of symbols and meanings that even their creators contest, that lack fixed boundaries, that are constantly in flux, and that interact and compete with one another" (Source: Wikipedia). Chinese business culture is largely influenced by Confucianism. Thus, primarily, the Confucian concept of Guanxi implies that a relationship network is crucial and based on the values of solidarity, loyalty, modesty, and courtesy.

The purpose of this study is to realize China's infrastructure and trends of development around the world by their economical, political, and cultural management. How it's leading business across the globe, specially in China's territorial business management. This paper expounds on the current development status of China's business management and analyzes the role of politics and culture in business management of China.

**Keywords :** Economical, Political, Developmental, and Cultural.

**Introduction**

In today's global context, Chinese companies face significant challenges in internationalizing their services. However, Chinese companies and government are responding to these challenges and changes fast, putting China well on the way to becoming a global giant.

China is like no other country when it comes down to understanding business and management challenges in light of their economic development. At present, the country still has to be seen as a transition economy shifting focus from manufacturing to service. Together with this change, investments in infrastructure and real estate are diminishing; too many ghost towns and property bubbles have come to the surface and a further urbanization wave of rural migrants moving to the cities is predicted. These shifts impact the local economy by significantly increasing domestic spending. At the same time, these changes also bear consequences on the international dimension of China's economy. As a result, a strategy is seen as manipulative and unsustainable by the rest of the world.

**Research Problems**

The essence or core of China's competitiveness in the international market is the competitive strength of the country's own enterprises, which is closely related to the business environment provided by the country for enterprises. Up to now, although China's business environment is in a state of continuous improvement, but the actual ranking is relatively poor.

The problem of this research paper is many foreign companies in China still have to deal with local protectionism, still face the disadvantage of lacking the speed and flexibility of their local competitors and need to localize their products and services to a very high degree, so as to refer more future study. Most importantly, what are the major fundamental changes within economic, political, and cultural factors in the business environment of China? How do different approaches are impacting that what is needed for business management? How does culture and politics influence to manage the business territory of China? Which business factors and how it creates a competitive advantage for China?

**Research Objectives**

What is happening is that Chinese companies are becoming more successful every day in competition at global levels. One important driver of China's successful business approach so far is a strong motive for strategic asset seeking. First, they wish to accelerate their learning experience on how to compete at the global level. Second, acquiring companies at the global level will help them to strengthen their reputation back home. After all, for most of these companies the biggest market worldwide is still the local Chinese market. Of course, despite all the contemporary success Chinese companies are constantly achieving in the way they do business, they have to consider their own unique business and management challenges so as to continue developing. The main objective of this paper is to study about Chinese business environment, and then find out the changes of economics and politics, developmental trends and cultural factors- what are the relationships between them and how does it manage business? The paper aims for further study about business environment and political changes which impact the business and cultural facts.

- To explore the current situation of getting maximum results with minimum efforts in China;
- To analyse the environmental management that increasing the efficiency of factors of economics and culture;
- To study how Chinese culture are impacting for the growth of their business.

**Scope of the Study**

With China's economic development and cultural progress, China has made great achievements in business administration, and companies in China have grown rapidly. At the same time, companies also face a variety of challenges. While business administration can enable companies to develop rapidly, innovative business management could give full vitality to the development of enterprises, which has become the trend today. This paper expounds on the current development status of China's business management and analyzes the role of politics and culture in business management of China.

**Research Significances**

The significance of this research paper is to discuss and represent current status and the importance of culture, economy, politics and development. It concerns about its impact to modern culture, trends of development and economy in business management of China. It maintains expertise of their core competencies through research discovery of latest technology which contributes to the development of innovation management system for future growth. This study covers information involving Chinese economy, politics and culture as an approach to enhance cultural and political levels for the business. Thus, the result of this study can be used for future discussion on the capabilities of development in alleviating other affairs.

**Theoretical Framework**

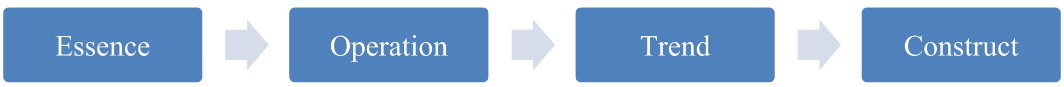
Marxism is a social, political, and economic philosophy named after Karl Marx. It examines the effect of capitalism on labor, productivity, and economic development and argue for a worker revolution to overturn capitalism in favor of communism. Marxism posits that the struggle between social classes- specifically between the bourgeoisie, or capitalists, and the proletariat, or workers- defines economic relations in a capitalist economy and will inevitably lead to revolutionary communism.

In 1885, Marx put forward the “six-volume plan”: (1) Capital, (2) Ownership, (3) Employment, (4) Country, (5) Foreign trade, (6) World market. In the introduction to critique of political economy, Marx said: “I examine the bourgeois economic system in the following order: capital, land ownership, wage labor; state, foreign trade and world market. Under the first three items, I study the economic living conditions of the three classes divided into modern bourgeois society; the interrelationship of the three classes items is clear at a glance.”

Marx thought carefully, is to carry out research in order of production, circulation, consumption and distribution, starting from the anatomy of the cell of commodity, and then from the general of commodity to the general of labor, from surplus labor to surplus value, so as to reveal the fundamental contradiction of capitalist society. This fully reflects the fundamental method of historical materialism and is also in line with the basis of epistemology. The key concept, based on the organic synthesis of Marx’s “three processes” capital system, the “six volume plans” system and Lenin’s “imperialism is the highest stage of capitalism”, we should improve and pay attention to the innovative development of the “five processes” modern Marxist political economy system. The narrative system of direct production process, circulation process, general process of social reproduction, national economic process and international economic process is perfectly implemented into the primary, intermediate and advanced modern political economy system (Source: New Liberal Arts Education Research, 2021).

To improve the business environment the theory of Marx and Lenin’s are quite significant and key terms to conduct a good business with advantages and competitiveness for strengthening organizations and promoting developmental trends. Through implementing an organizational management system with the key concepts- it's not impossible to build a competitive market for all the industries and to change the functions in a trade zone where it requires changes for the higher benefits.

Analysis framework is based on Marx's "six-volume Plan", Western economic theory and hybrid analysis framework. To construct the theoretical framework of political economy of socialism with Chinese characteristics in the new era, two problems should be solved: connecting with the traditional analytical framework of political economy and highlighting local characteristics. We put forward a four-division analysis framework of premise -- essence -- operation -- trend, and construct the theoretical system of Chinese economy in the new era.




Competition in “capital” is the discussion of its relationship to economic crises in Marx. Based on a six-volume plan economic system could be defined as the key concepts to improve the overall competitive strength of organizations in order to obtain greater economic benefits with the following;

Firstly, in his most abstract account of capitalism, Marx reduced the complexity of real capitalist processes to the 'fundamental capital relation', expressed in the formula $c + v + s = C$ (where c is constant capital, v variable capital, s surplus value and C the total value of commodities produced), and 'commodity exchange between the two spheres of production' means of production and means of consumption. Secondly, to identify the relationships between surplus values and the capitals which produced them, the reproduction schema abstracted from different forms of capital and also from the effects of the sphere of circulation, deviations of prices from values, credit and foreign trade, changes in the value of money and non-capitalist production. And it could be prioritized to manage through implementing each item correctly in the modern organization.

In brief, Marxist economics contains very rich theoretical contents, which are all sources of crucial theories and philosophies concerning socialist political economics with Chinese characteristics. In principle, we should inherit and use them properly. However, from the normalization of categories, the accuracy of theories, the rigor of logic, the integrity of systems and other aspects, capital is the essence of Marxist economics and also the encyclopedia of Marxist political economics. In the aspect of theories, it has a vital irreplaceable position. Hence, we should first study how to uphold and inherit, creatively transform and innovatively develop the theoretical achievements of capital.

## China's Economy

### Foreign Investment in China

According to the 2021 World Investment Report published by UNCTAD, FDI inflows into China actually increased by 6% in 2020, to USD 149 billion, up from USD 141 billion in 2019. This was also the result of successful pandemic containment measures and rapid recovery. With the aim of boosting investment, the government expanded the number of industries open to FDI, lifted restrictions on foreign investment in key industries and amended the negative list for foreign investment in pilot free trade zones, which increased by 11%. In 2020, China ranked the world's second largest FDI recipient after the United States. The country is the largest recipient in Asia and the leading investing country in terms of FDI outflows (Foreign Investment in China, 2021).

| Foreign Direct Investment | 2018 | 2019 | 2020 |
|---|---|---|---|
| FDI Inward Flow (million USD) | 138,305 | 141,225 | 149,342 |
| FDI Stock (million USD) | 1,628,261 | 1,769,486 | 1,918,828 |
| Number of Greenfield Investments | 871 | 835 | 412 |
| Value of Greenfield Investments (million USD) | 111,464 | 61,999 | 31,983 |

Source: UNCTAD

**China Foreign Exchange Reserves**

China joined the World Trade Organization (WTO) in 2001 and contributed to a rapid growth in imports, expanded exports, and FDI inflows surpassed $60 billion annually in 2006. At this present time in the latest reports, foreign exchange reserves in China fell to USD 3.201 trillion in September of 2021 from USD 3.232 trillion in August, the lowest since April and slightly below market forecasts of USD 3.225 trillion. Meanwhile, the value of gold reserves decreased to USD 109.18 billion from USD 113.69 billion. China Domestic Credit reached 39,758.3 USD bn in Jul 2021, representing an increase of 9.1 % YoY (China Foreign Exchange Reservation, 2021).


**Figure 1: China's Foreign Exchange Reserves**

**China's Inflation Rate**

China's annual inflation rate unexpectedly edged lower to 0.7% in September 2021 from 0.8% a month earlier and compared with market estimates of 0.9%. This was the lowest reading since March, mainly due to a steeper decline in cost of food (-5.2%) with pork prices falling faster (-46.9%). Meantime, prices of non-food were little changed (2% vs 1.9% in August), as cost rose further for transportation & communication (5.8% vs 5.9%), fuel & utilities (1.3% vs 1.1%), household goods and services (0.5% vs 0.6%), and education, culture (3.2% vs 3%); while inflation was flat for both clothing (at 0.5%) and health (at 0.4%). Beijing has set a 2021 CPI growth target of around 3%, compared with 3.5% last year. On a monthly basis, consumer prices were flat in September, missing forecasts of a 0.3% gain and after a 0.1% rise in August (National Bureau of Statistics of China, 2021).

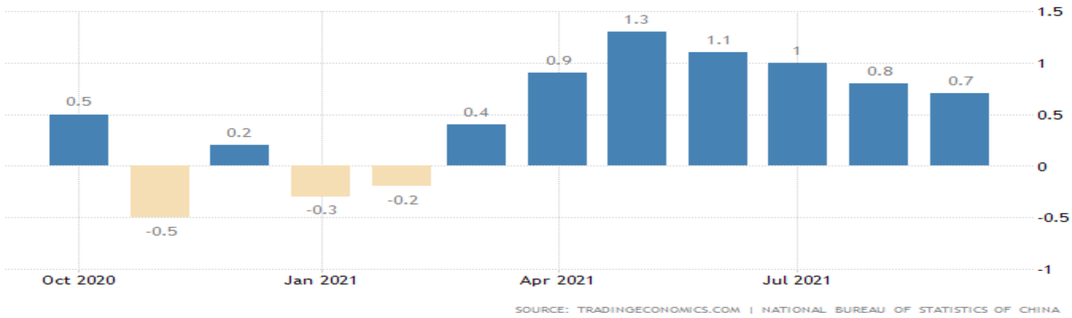



**Figure 2: China's Annual Inflation Rate**

**China's Balance of Trade**

China's trade surplus widened to USD 66.76 billion in September 2021, from USD 35.34 billion in the same month a year earlier and far above market consensus of USD 46.8 billion. It was the largest trade surplus since last December, as exports extended their double-digit growth to a fresh all-time high while imports rose at a softer pace, but also hit a new record. The trade surplus with the United States rose to USD 42 billion, up from USD 37.68 billion in August. Considering the first nine months of the year, the trade surplus widened to USD 429.2 billion from USD 316.6 billion in the same period of 2020 (General Administration of Customs, 2021).


**Figure 3: China's Trade Surplus**

**Chinese Currency & Exchange**

China is trying to rein in the Yuan as it surges to three-year highs against the U.S. dollar. A stronger Yuan makes Chinese goods relatively more expensive to buyers overseas, and has spurred concerns about the competitiveness of Chinese exports----a major contributor to national economic growth.

In addition to announcing an increase in the foreign exchange deposit ratio, Chinese authorities have sent other messages to the public in an attempt to prevent large moves in Yuan. Yuan may strengthen, and it may weaken, said regulators Liu Guoqiang, a PBOC vice governor, and Wang Chunying, deputy director of the national foreign exchange regulator. The exchange rate cannot be used as a tool, much less as a way to stimulate exports or offset the impact of rising commodity prices, according to a readout posted on the central bank's website (Background Notes: Xinhuanet, 2021).

**China's Politics**

**Political System**

The People's Republic of China is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants. The government is comprised of the system of people's congresses and the political party system that accords with it is that of multiparty cooperation and political consultation under the leadership of the Communist Party of China (CPC). The systems of people's congresses, multiparty cooperation, regional ethnic autonomy, and self-governance at the primary level of society together constitute the kernel and fundamental framework of China's political system. As one of China's fundamental political system, the multiparty cooperation system identifies the status and functions of the CPC and the eight other political parties in the political life of the state, and the relations between the parties (Background Notes: Xinhuanet, 2021).

**Chinese Government**

The Chinese government consists of a system of multiparty cooperation and political consultation under the leadership of the CPC. The system ensures that the CPC is the only party in power in the People's Republic of China. Under the precondition of accepting the leadership of the CPC, the eight other political parties participate in the discussion and management of state affairs, in cooperation with the CPC. Political consultation means that under the leadership of the CPC, all parties, mass organizations and representatives from all walks of life take part in consultations of the country's basic policies and important issues in political, economic, cultural and social affairs before a decision is adopted and in the discussion of major issues in the implementation of the decisions (Background Notes: Xinhuanet, 2021).

**Political Risk**

Following a collapse in the first-quarter 2020, economic activity in China has normalized faster than expected. Effective pandemic control, strong policy support from Beijing, and resilient exports have helped. Even as early as the second quarter of 2020, China saw a rebound in exports due to strong demand for personal protective equipment, medical supplies, and electronic goods in response to increased remote working arrangements adopted globally.

A key to global economic activity is the trade with China, and the slowing down of China's economic engine is causing problems for its trading partners. As of December 2020, China fell well short of targets in its Phase One trade agreement with the United States, in which China agreed to buy more US goods and services in 2020 and 2021. It remains to be seen how US-China trade will play out under a new US administration, but early signs suggest a continued tough stance by the US to contain its formidable rival. In the meantime, China continues to invest in commodity partnerships in Latin America and Africa to shore up its access to strategic resources. Such resources are necessary for China to maintain its dominance in global manufacturing, as well as pursue its ambitious Belt and Road infrastructure development vision. Pre-COVID-19 geopolitical tensions, most notably persistent bilateral frictions with main trading partners over trade and technology, will pose continued risks to

China's sustained recovery and its growth prospects (China Political Risk Management, 2021).

**Chinese Culture**

There are lots of relevant studies on Chinese culture, but only a few studies based on empirical material. For example, the sinology master Liang Shuming listed seven features of Chinese culture with the purpose to explain the peculiarity of Chinese culture: (1) Chinese culture was independently developed and gradually formed, but not under other influences. (2) Chinese culture was characterized by its own system and was largely distinguished from other cultures. (3) The ancient cultures that were created in the same period with Chinese culture in the history had either come to a premature end, or transformed to an easier form, or had lost their national life of independence, while only China was able to extend its national life of independence with its culture created by itself which still towered independently. (4) Going back to the former history of China, its power to assimilate other cultures was the greatest. As for any different foreign culture, China was also able to either contain and absorb it, but would not be swayed and altered by this foreign culture (Background Notes: Xinhuanet, 2021).

According to Qian Mu, western culture concentrated more on religion and science, while Chinese culture placed emphasis on morality and arts. Religion and science are outward, the religion concentrating on Heaven and God and the science concentrating on the nature and all things on earth, and both of these two were beyond human beings. In contrast, morality and arts belonged to the aspect of human life and were interior of human life. Morality came from the inside of human life and Chinese culture pursued arts which also came from the inside. Thus, the spirit of western culture was outward but the spirit of Chinese culture was inward.

Melewar, Meadows, Zheng and Rickardsz (Brand Management, 11(6): 449-461) thought, the major difference between Chinese culture and western culture lied in that in western culture, individualism was the leading value, whereas Chinese culture contained more collectivism. For instance, until now, there still exist Chinese families in which three generations or even four generations of the same family live together. Hence, Chinese people keep showing respect towards the elderly. In addition, in the Chinese market, the phenomenon cannot be ignored that a company or a governmental unit purchases large quantities of products to distribute to its employees. Therefore, quite a lot of markets promote some gift certificates uniquely intended for an institution. Collectivism is also embodied in Chinese people on their interpersonal relationship and social intercourse activities.

Chinese culture is highly complex but scholars across the world agree that despite the diversity of Chinese communities many shared characteristics persist. These derive largely form the pervasive influence of Confucian philosophy of the Chinese culture and they are at very core of Chinese identity. Indeed, since Confucian thought has dominated the Chinese way of life for 2,000 years, it is unlikely to cease its influence, even after two or three generations of participation in British society.

The most important values of Chinese culture include the: importance of the family, hierarchical structure of social life, cultivation of morality and self-restraint, and the emphasis on hard work and achievement. Chinese culture and society can be defined as 'collectivist'. In many ways the family unit takes precedence over its individual members. Children must learn not to answer back to their parents or other elders. It is assumed that the family as a whole will thrive and prosper if harmony prevails at home. In other words– the basic rules of obedience, moderation and self-restraint amongst family members should be observed.

**Hypotheses**

1. It may be difficult for the market to establish a fair and stable expectation mechanism:
   Market economy is the inevitable outcome of the development of credit economy to a certain extent, and credit is the basis for the formation of market economy. If there is no credit in the market, the market economy will also die out.
2. Legislation may not achieve equal guarantees for all enterprises:
   Fair competition among various enterprises in the market is one of the basic principles of China's market-related laws. However, in China's existing market business environment, fair competition can only be realized in theory and legislative principles, but not in real life, and even extremely unfair phenomenon may occur.
3. The prospect of some small enterprises may not be optimistic:
   Its own profit is relatively small, and it is difficult to get help from the government, so it is difficult to develop. Over time, some local or government departments have formed the idea that foreign-funded enterprises are superior to state-owned enterprises, while state-owned enterprises are superior to private enterprises.

**Literatures Reviews**

Zhang Yuantian mentioned in his Research on the Problems and Improvement of China's Business Environment that with the continuous in-depth development of foreign trade and investment activities, China must improve the overall competitive strength of enterprises and promote the development of trade zones in order to seize more market shares in order to obtain greater economic benefits. The best way to improve the competitive strength of enterprises is to create a good business environment and create a fair competition platform for enterprises in all industries. Therefore, the Chinese government should strengthen the reform, change its own functions and relax the restrictions on enterprises.

## Research Methodology

This paper mainly adopts the method of the combination of qualitative analysis and quantitative analysis. By referring to relevant literature, we can understand the current research status and development characteristics of domestic and foreign scholars in related fields. In addition, through consulting and analyzing the data of China's economic, political and cultural management organizations, the development status of China's competitiveness in the international market can be more intuitively understood.

By combining qualitative analysis and quantitative analysis, this paper describes the current situation and status of China's trade in the international market, and through the construction of trade gravity model to understand the impact of creating a good business environment, and then put forward relevant countermeasures and suggestions.

## Results

The overview of this collection of research on key aspects of culture and management and business in China provides some of the latest thoughts and ideas and findings on this economic superpower. It provides evidence to both support and refute some of the common assertions and myths in the area. What it also highlights are the need for more nuanced and indigenous research, theory and work rather than just naiver and more ethnocentric replication in China. The Chinese market is still limited in per capita terms, but it is precisely this low-income capita that enables China to enjoy a pronounced advantage in cheap labour. Attracted by the huge market potential and the low-cost labour force, investors from all over the world are currently pouring into China to do business.

## Discussions

Conducting business in China can be difficult due to the many uncertainties and differences in the economic, political, and cultural environment. The Chinese prefer doing business with companies they know, so working through an intermediary is crucial in China. Business relationships are built formally. It is important to be patient as it takes a considerable amount of time to build business relationship which is also bound with enormous government bureaucracy. China has been in the process of transitioning gradually from a command economy to a market economy. This gradual transition has resulted in a complicated and uncertain business regime, which puzzles even the most knowledgeable experts on China. In addition, Chinese culture is different from cultures in other parts of the world, which can often frustrate foreign investors. For foreign investors, therefore, the main challenge is to learn how to manage business in the uncertain, unfamiliar and complicated Chinese environment. The aim of this research paper is to fill this vacuum.

## Conclusions

All business activities, no matter whether they are negotiation, production or marketing, have to be carried out by people in a business organization. It is now widely acknowledged that these people are valuable assets or human resources, and should be properly managed. The Chinese economic system is still in the process of transition to a market system; so are the Chinese financial system and Chinese corporate finance management practices. Many transnational corporations find that managing corporate finance in China is quite different from what they do at home, and they have tried very hard to cope with the differences.

The Chinese see foreigners as representatives of their company rather than as individuals. Rank is extremely important in business relationships and you must keep rank differences in mind when communicating. The Chinese prefer face-to-face meetings rather than written or telephone communication. Meals and social events are not the place for business discussions but social etiquette is important to follow. There is a demarcation between business and socializing in China, so it is important not to intertwine the two.

China has a growing market infused with rapid industrial development and economic growth. As the world's second largest trading nation after the United States. Development or under-develop countries business people and organizations must understand the differences in the economic, political, and cultural environment of the country as these can be difficult to manage and may hinder business development. Especially important is to learn about cultural and political differences and their impact on business management and business conduct.

In short, China offers a challenging and fascinating arena for further exploration of the theoretical and practical issues associated with culture and business management. Whether the future will lead to a degree of convergence is not the question; it is what will be the pace and ultimate limit of such change in business management of China.

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# A STUDY ON GREE AIR CONDITIONING MARKETING STRATEGY

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**Abstract:** In the rapid development of market economy today, economic globalization gradually deepening, the world in expanding exchanges and cooperation at the same time, more cannot avoid round after round of more fierce competition, market economy upholds the law of survival, the fittest, how to get a place in such a fierce competitive environment and even the final victory has become the focus of global enterprises. In recent years, China's home appliance industry has been booming. Under the call of the national home appliance appliances to the countryside policy, many domestic home appliance companies have seized this market opportunity and achieved good results. Zhuhai Gree Electric Appliances Co., Ltd. is a leading enterprise in China's air conditioning industry, and has significant competitive advantages and competitiveness in the air conditioning market, which is important related to the marketing strategy of Gree Air Conditioning.

This paper deeply studies the current situation and development problems of Gree Group, uses modern marketing management theory, to analyze and study all aspects of Gree marketing management, and adopts effective research methods. To evaluate the advantages and disadvantages of Gree in marketing strategy from different aspects, provide a solution to the possible problems of Gree Group in marketing management and an effective marketing management solution for decision makers.

**Keywords:** Marketing Strategy, Marketing Environment, Marketing Management.

## Introduction

In the past and future competition, the air conditioning industry in home appliances is the most competitive in all kinds of industries in China, but also the highest degree of marketization industry. The marketing management strategy adopted by the home appliance industry to deal with market competition is a model to learn from. The successful application of marketing and management strategy has promoted the rise of famous home appliance enterprises such as Gree, Haier, Midea, Hisense and Lenovo, and thus successfully occupied most of the domestic market share. Now, with the acceleration of the deepening of economic globalization, the major home appliance enterprises have gone to overseas markets, taking the international road is the inevitable choice of Chinese home appliance travel enterprises, Haier, Galanz, Gree and other home appliances enterprises are actively exploring the international market. At home, the two foreign markets have launched fierce competition with the world giants.

In the current competitive environment, home appliance enterprises gradually adjust their competitive strategy, give up the previous price war competition, will Focusing on the multi-dimensional marketing strategies such as product core competitiveness and differentiated multi-added services, the home appliance marketing environment is facing a new round of restructuring.

How should home appliance enterprise carry out marketing management? This is precisely the focus of this study.

**Research Problems**

This article mainly analyzes the definition of integrity marketing and targets the current situation of integrity marketing of Gree Electric Appliances to achieve the purpose of providing a research basis in theory, so as to give Gree Electric Appliances certain guiding suggestions in practice, and makes Gree Electric Appliances reasonable in the process of implementing the integrity marketing strategy. If home appliance enterprises want to be in such a fierce market competition now, they need to make accurate market reactions, avoid risks, adopt effective marketing management strategies to maintain their own operations, and prevent their own products from falling into bad market competition. This paper can study the following questions: whether the network marketing has replaced the traditional marketing?

**Scope of the Study**

Take Gree Company as an example to study the marketing strategy of the company's air-conditioning products.

**Research Significances**

In a complex and changeable marketing environment, how to maximize brand value and extend customers through effective marketing strategies

Keep the store time, increase the sense of interactive experience and satisfaction, and finally improve the terminal performance doubled. This is the main problem faced by Gree Electric Appliances and the core problem to be solved in this study. This paper has certain research significance from both the theoretical and practical aspects.

**Research Objectives**

In the reality of today's home appliance market competition, home appliance enterprise marketing management will be the top priority of enterprise management, is also a necessary means to realize enterprise profit, this article through the analysis of Gree company marketing management, Gree has always been a home appliance enterprise has always been in the attitude of the leader, strong strength, no one can really compete in the industry. This is also due to the proper use of Gree's marketing management strategy. Gree sets up a good learning example for home appliance enterprises, promotes the future development of home appliance enterprises, and makes home appliance enterprises win in the fierce market competition. These excellent strategies are what home appliance enterprises should learn from. In the process of Gree's development, there are also many problems in marketing management, which is the need for home appliance enterprises as a warning. How should home appliance enterprises adapt to the future market competition to deal with? It is the purpose and significance of this study.

**Literatures Reviews**

The following provides a systematic overview of the existing research literature of domestic and foreign scholars, and indicates the current situation and shortcomings of domestic and foreign research.

**1. Four Aspects of Foreign Research on Cooperative Marketing**

The early research of cooperative alliance, especially the symbiotic marketing, cooperative marketing, the quantification of applied game theory on cooperative marketing, and the research developed in supply chain framework with the rise of supply chain management ideas in recent years.

(1) Research on marketing cooperation in the alliance ideological stage.

Since the 1990s, the awareness of cooperation among foreign enterprises has been enhanced, and the research on the establishment of a cooperation mechanism among enterprises has become popular. Such as the 1995 study by Varadarajan and Cunning ham on Interenterprise strategic alliances, and the 1996 research conducted by Moore on business ecology. Later, the cooperation between enterprises from the marketing perspective. Such as Turner, Lemay, Hrtley, Wood in 2000 research on supplier and producer relationships. These two aspects of research from two endpoints on the same problem, with their respective research has formed some early results of cooperative marketing, and symbiotic marketing is the early form of cooperative marketing, on the basis of the marketing alliance entity, but at this time did not form a system theory system, and research field mainly in agriculture, tourism and aviation industry.

(2) Research on collaborative marketing theory derived from symbiosis theory.

Two or more complementary advantages of enterprises, in order to achieve resource advantages, enhance market development, penetration and competitiveness, to achieve long-term or short-term cooperative alliance relationship is symbiotic marketing. but P.Rajan Varadarajan and

Daniel Rajaratnam further divided symbiotic marketing into three categories: first is short-term temporary cooperation, such as joint promotion, second is medium-term strategic cooperation, such as joint advertising; third is long-term strategic cooperation, mainly long-term marketing goals oriented enterprise consortium, so-called marketing alliance organization (Adler, 1966).

(3) Apply game theory to the research of cooperative marketing.

The degree of risk aversion and monitoring and execution costs in a certain link of the channel will affect channel efficiency, and further indicates that power structure characteristics will severely affect channel efficiency in a specific type of dependencies (Zusman et al, 1981).1986 year, In its monograph, " the formation of cooperation: A game theoretic approach with implications for cooperative finance, decision making, In the and stability ", The authors deeply explored the formation mechanism of the cooperation mechanism, And to link the functional similarity of cooperation with the longitudinal integration, To study the individual motivation to form cooperative mechanisms; He also uses game models to find the best solution. His research conclusions provide ideas on the balanced output and stability of interenterprise cooperation (Sexton, 1986).

(4) Collaborative Marketing Research under the Supply Chain Framework, Is Channel Coordination All it is Cracked Up to be? The problem of wholesale price determination on the distribution channels within the supply chain, which shows that the optimal strategy depends on the retailer fixed cost, the relative scale of retailers and the strength of competition among retailers. Jorgensen et al. focus on promotions in the supply chain, noting that it works if the initial brand image is "weak" or "intermediate" but the promotion doesn't damage the brand image too much. In other cases, producers will not offer promotional support, while retailers will show short-sighted behavior. They also explored the balanced marketing strategy in distribution marketing channels, first identifying the non-cooperative equilibrium of differential games under the Markov strategy, and then studying the cooperative game in which participants coordinate marketing decisions (Ingene et al, 2000).

**2. Status Quo Of Domestic Research**

Chinese scholars for cooperative marketing research started late, mostly focus on foreign research hot issues, on the basis of reference from foreign research results, for the specific problems encountered in the field of marketing, mainly from the perspective of industrial cluster, enterprise type and the perspective of specific field of three aspects to discuss.

(1) Cooperative marketing research based on industrial clusters

In the article "The Significance and Advantage of Enterprises Carrying out Cooperative Marketing in the context of Industrial Cluster", the author analyzed the significance and advantages of enterprise cooperative marketing in the context of industrial clusters, put forward strategy and strategy choices, and carried out empirical research (Zhao, 2006).In the article "Research on Industrial Cluster

Cooperative Marketing Based on Fujian Empirical Analysis", the significance of cooperative marketing based on the empirical research on Fujian Province is to further realize the characteristics of industrial clusters and transform the accumulated advantages of industrial clusters into the overall advantages of market competition (Wang et al, 2020).

(2) Analyze the cooperative marketing strategies of different enterprise types.

In the research on cooperative marketing strategy between complementary production enterprises, according to the risk of independent marketing of complementary products, establishes the game model of complementary enterprise marketing strategy, analyzes the balanced solution and the cost sharing problem in cooperative marketing under different conditions, and studies the implementation paradigm of complementary enterprise cooperative marketing with different characteristics (Tian, 2006).

In the thinking of small and medium-sized enterprises implement symbiotic marketing strategy in the specific analysis of small and medium-sized enterprises marketing, realize that the vast majority of small and medium-sized enterprises in our marketing field encountered many difficulties to overcome with their own strength, and now small and medium-sized enterprises gradually grow into an important force of national economic development is an indisputable fact. Therefore, he proposed that the symbiotic marketing model is the first choice for small and medium-sized enterprises, and explored the necessity, feasibility and strategies of small and medium-sized enterprises to implement symbiotic marketing. Some scholars have also made research on the cooperative marketing model of small and medium-sized enterprises and the research of the cooperative marketing problem between small and medium-sized enterprises and large enterprises (Guo, 2007).

(3) Discussion on cooperative marketing strategies in specific fields.

This paper analyzes the symbiotic marketing strategy of the cooperative marketing of China's logistics industry. Zhang Wenxi made an empirical research on the cooperative marketing among enterprises in the tourism industry in the article "Risk and avoidance" (Liu, 2018).

**Hypotheses**

The research of cooperative marketing based on industrial clusters makes assumptions that Internet marketing replaces traditional marketing:

Suppose the Internet marketing will not replace traditional marketing, for example, we walk in the streets, streets full of advertising, these advertising, is the Internet no way to replace, after all, now social work, not everyone has time to contact the Internet to contact these wide, and a lot of people's habit is in the weekend with the family out, a stroll. Then these groups are the audience group of traditional marketing. This function is not replaced by Internet marketing.

Suppose that Internet marketing will not replace traditional marketing, just as online retail will never replace physical retail. Traditional marketing has the advantages of traditional marketing. Although the Internet is very developed now, the traditional channel marketing companies such as Focus Media are still very good. The future must be a world of integration, the combination of network marketing and traditional marketing. Raise each other's strengths and circumvent their weaknesses.

Assuming that Internet marketing will replace traditional marketing, although traditional marketing still has a place, it is despised in the digital world. For today's businesses, there must be a website and the network as a means of interacting with their consumer base. There are some successful traditional marketing strategies, especially if you are being exposed to a local audience, and it is important to take advantage of Internet marketing to stay in today's world.

**Theoretical Framework**

The research idea of this paper is to study the marketing strategy of Gree Electric Appliances under the authority of the work of Gree Electric Appliances in Sichuan market and follow the logic of "the presentation of problems, the analysis of the problem, the solution of the problem". In the face of the increasingly fierce normal competition, how should Gree Electric Appliances adjust its marketing strategy in the Chinese market, in order to reverse the current market continuous decline, in order to complete the marketing indicators and strategic deployment of Gree Electric Appliances in the Chinese market.

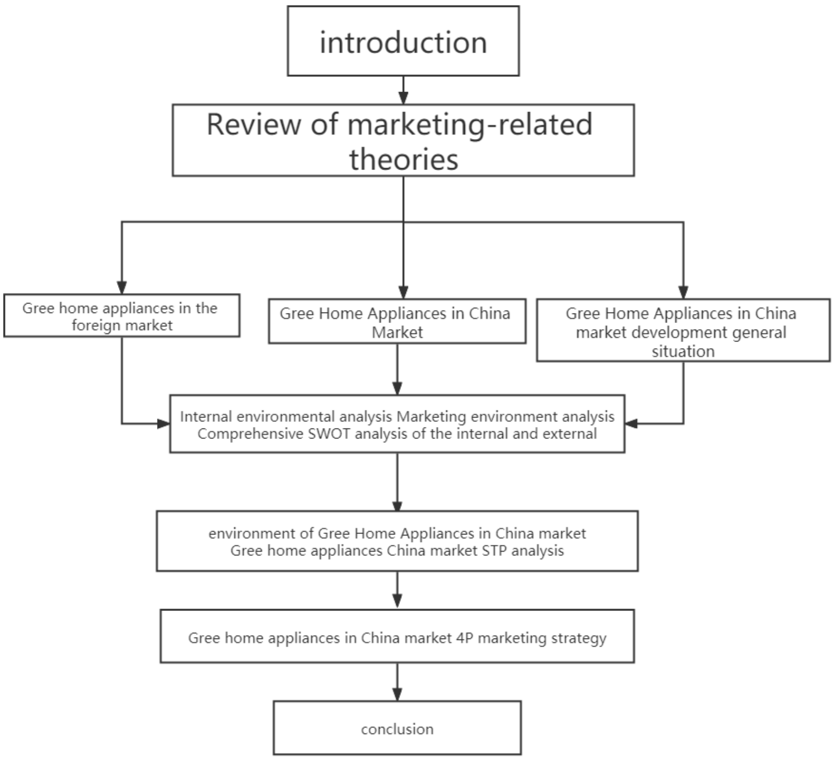


**Figure 1: Theoretical Framework of This Study**

## Research Methodology

This paper mainly adopts the combination of qualitative analysis and quantitative analysis, theory and practice, field investigation and literature investigation, comparative analysis and other methods. The article cites a large number of data and charts as a means of analysis, point and surface combination, to find out the solution to the problem, and rise to a single overall height, summarizing the significance and value of the study of this paper.

Method of combining qualitative analysis and quantitative analysis: The third chapter of this article focuses on taking qualitative analysis methods, the fourth and fifth chapters combine quantitative and qualitative methods, and cites a large number of charts and data for analysis.

The method of combining field survey and literature survey: the analysis of Gree marketing channel mode in Chapter 3 adopts the analysis method of combining field survey and literature survey; the contents of various model comparison in Chapter 4 are partly from field adjustment and partly from reference literature; and the content of linkage model in Chapter 5.

Comparative analysis method: The comparative analysis method is the main research method used in this paper. In the fourth chapter, all the representative distribution channel model is deeply studied by using the comparative analysis method, thus making an objective and comprehensive evaluation of Gree's marketing model. In the fifth chapter, the comparative analysis method is also used to comparative analyze the Gree mode and chain mode on the same industrial chain, and points out the fundamental place where the Gree mode needs to be changed.

Method of combining theory and practice: The fundamental method of writing this paper is to combine theory and practice. The analysis of Gree mode in Chapter 3 is based on the actual investigation of air conditioning marketing in combination with the distribution channel theory described in Chapter II. Moreover, the understanding and evaluation of Gree model, other models and chain model are the crystallization of the combination of practice and theory engaged in home appliance marketing.

## Results

Traditional marketing will not be replaced, and the two marketing methods will merge in some form to achieve a balance.

In the marketing field of the Internet, many small businesses face a wide variety of problems. They are struggling to decide which marketing to do for better results. The debate over whether Internet marketing can overwhelm and transcend traditional marketing continues. Many believe that Internet marketing has replaced traditional marketing approaches that hardly exist.

Traditional marketing: Traditional marketing is a broad promotional strategy that contains many forms of advertising. It was used in the market before online marketing for promotional and marketing strategies. It consists of tangible items such as printed advertisements on business cards, newspapers, or magazines. Posters, television, and radio advertising, billboards, and brochures are hardly traditional marketing ways. Traditional marketing is anything except digital means of brands. Another overlooked traditional marketing means of a business is that people find a particular business by promotion or networking and ultimately resonate with it.

Network marketing: Internet marketing to promote a brand or business and its products and services used on the internet with tools that help in sales leads and conversion. Internet marketing is a very broad platform, including a series of marketing strategies: such as content, email, search, paid media, etc. Growth through website design and development is one of the keys to the success of the web marketing business.

The Reality Balance of Traditional Marketing and Internet Marketing: Although traditional marketing still has a place, it is despised in the digital world. For today's businesses, there must be a website and the network as a means of interacting with their consumer base. There are some successful traditional marketing strategies, especially if you are being exposed to a local audience, and it is important to take advantage of Internet marketing to stay in today's world.

## Discussions

### 1. Continue to Maintain A Precise Market Positioning

Positioning is the key to Gree air conditioning marketing. In a sense, it is to plan a new marketing direction for Gree air conditioning. In-depth into the air conditioning market research, grasp the current air conditioning market environment, to understand the basic needs of people to buy air conditioning. Summarize, evaluate and analyze the Gree air conditioning products, compare with the air conditioning products of Midea, Haier and other competitors, and carry out accurate market positioning. On this basis, strengthen marketing publicity, with a variety of marketing means, give full play to Gree's brand advantages, will convey their own technical advantages to consumers, to provide quality services for the majority of consumers, let more people know the Gree brand, to establish a good image in the hearts of consumers. Only by winning the trust of consumers can marketing activities be carried out in an orderly way, and the value of marketing is also fully reflected. According to different consumer groups, according to their characteristics, formulate corresponding marketing strategies, expand the consumer population, in order to occupy more market share, and then expand the competitive advantage of Gree air conditioning.

### 2. Change the Marketing Mode

In the process of Gree air conditioning marketing, for air conditioning market with the same type of price, product quality problems for comprehensive analysis, at the same time for the change of the real estate market and cost rising factors to consider the correct marketing strategy, cannot be limited to a marketing way, need to adapt transformation. At present, Gree Air Conditioning is facing a huge competitive pressure, Midea and Haier in the market space hit together, TCL, Oakes and other air conditioning brands closely chase, Gree Air Conditioning cannot relax in the process of operation and management for a moment." Survival of the fittest" is the competition law of modern enterprises. In the fierce competitive market environment, it is very critical to ensure the competitiveness of enterprises. Innovate marketing methods, take consumers as the main body, and design and implement marketing programs according to the needs of consumers. To understand the needs of consumers, to carry out the development and innovation of air conditioning products and technologies, with a new air conditioning marketing concept, to give full play to the technical advantages of Gree air conditioning, so as to achieve the goal of Gree air conditioning marketing, and to promote the sustainable development of Gree Electric Appliances enterprises.

**3. Establish A Perfect Air Conditioning Marketing System**

Gree air conditioning on the basis of precise positioning and marketing transformation of marketing mode, the application of modern marketing means, based on information technology, to establish a perfect air conditioning marketing system, to meet the needs of Gree air conditioning marketing, actively respond to competitive pressure, and improve the flexibility of air conditioning marketing strategy. From the air conditioning product function, quality and environmental protection and other aspects of consideration, through the network marketing, service marketing and Gree marketing and other ways, to promote marketing innovation, in the perfect air conditioning marketing system, Gree air conditioning has a better development prospect.

## Conclusions

Marketing strategy is an important part of the enterprise business operation and development strategy, which is the inevitable demand under the current economic situation and market environment. Gree air conditioning in the face of huge competitive pressure, starting from marketing, combined with the current economic situation and market environment, clear their own marketing advantages and disadvantages, pioneering and innovative ideas, in order to achieve marketing strategic innovation, make the value of Gree air conditioning marketing outstanding reflected, enhance the competitive advantage of Gree air conditioning.

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# OPTIMIZATION OF CUSTOMER RELATIONSHIP MANAGEMENT OF BEAUTY SALONS: TAKING SIYANLI BEAUTY SALON AS AN EXAMPLE

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**Abstract:** In recent years, with the coming of the new media era, the acceleration of information transmission has brought a great impact on the exhibition industry. Under such a development background, the level of customer relationship management will have a direct impact on the value that customers can create for the company. Under the influence of industrial chain optimization and high-speed information transmission advantages of product and production cost are becoming less and less obvious. With the introduction of management philosophy in developed countries such as Europe and America, customers have gradually become one of the most important resources of companies, and customer relationship management has also become a key research direction of enterprises. In order to further improve the relationship between companies and customers in the beauty industry, this paper focuses on the customer relationship management strategies of SiYanLi beauty Salon under the new media environment.

**Keywords**: Beauty Salon, Customer Relationship, Management.

## Introduction

On April 21, 2019, the beauty industry released a white paper titled "Ecological Assessment and Transformation Framework of Digital Transformation of China's Beauty Industry in 2019", which became the first milestone of the digital campaign focusing on the beauty industry in China. The white paper defines and focuses on the digital transformation of the beauty industry, assesses the current ecological environment of digital transformation, provides framework suggestions for digital transformation, and analyzes the trend of digital transformation of the beauty industry in 2019. Customer relationship management has been paid more and more attention and become an important support of enterprise digital transformation.

## Research Objectives

Based on the theory of customer relationship management (CRM), this paper analyzes the current situation of SiYanLi beauty salon and finds out that the CRM system is not perfect. Lack of effective use of customer information; To solve the problem of insufficient customer value acquisition, specific solutions were put forward to provide basis for optimizing customer relationship management of SiYanLi Beauty Salon.

In the process of digital transformation, by optimizing customer relationship management, it can not only respond to the market more sensitively, grasp customers more effectively, but also make Our beauty salon more people-oriented. In order to further improve the relationship between companies and customers in the beauty industry, this paper focuses on the customer relationship management strategies of Michelle Beauty. To strengthen customer feedback is of great significance to the sustainable development of SiYanLi beauty Salon.

This paper mainly studies the customer relationship management of SiYanLi Beauty salon. The research scope is divided into seven parts. The first part is introduction, which introduces the background, purpose and significance of the research. The second part is the theoretical framework, which mainly analyzes the theories related to customer relationship and provides the theoretical basis for the following. The third part is the hypothesis of the study. The fourth part is literary criticism, mainly on the literature of customer relationship. The fifth part is the research method. The sixth part is the discovery and conclusion of the paper, mainly on the beauty salon customer relationship management status and existing problems are analyzed in detail. The seventh part is the suggestion, in view of the above existing problems, targeted proposed solutions.

For SiYanLi beauty salons, physical stores are the functional department closest to customers in the whole industry chain. However, due to the traditional beauty salons operation model, only beauticians often understand customers' skin conditions, and the lack of effective monitoring of customers' overall situation has been a problem that has been perplexing the beauty industry. With the help of digital records and customer information and characteristics, mining individual needs and providing accurate skin care solutions, this is gradually becoming the development trend of the current stage of the beauty industry. Therefore, in the process of digital transformation, SiYanLi beauty salon by optimizing customer relationship management, not only can make more sensitive response to the market, the more beneficial to grasp the customers, also can let SiYanLi salon more people-oriented, strengthen the ability of customer feedback, have positive significance for the sustainable development of SiYanLi beauty salon.

The content of customer relationship management mainly includes the following three aspects, one is marketing process management, marketing process management is the core of customer relationship management. In the sales process, the company track and manage every customer, every opportunity, every contract, order and other objects, support managers, sales managers, sales personnel and other roles for customer management, to achieve the collaboration of the sales team (Wang, 2021) . Second, customer status management, customer status analysis and management in customer status management is very important. Understand customers by analyzing and segmenting customer status data so that business people can provide customers with the right products and services at the right time. The content of customer status management includes three aspects: establishing customer relationship, maintaining customer relationship and restoring customer relationship. Third, customer cost management refers to the cost of acquiring and retaining customers.

While discussing solutions, willing to referenced by the ideas of customer relationship management (CRM) to break the traditional business model, take the customer as the center, to dig deeper into the customer demand, focus on enhancing core competitiveness SiYanLi beauty salon, as well as the feasibility of the organizational structure, operational mechanism, examine SiYanLi beauty salon business processes and business model transformation, and combining with the actual situation of SiYanLi beauty salon, Develop appropriate optimization strategies to lay the foundation for the next development of customer relationship management optimization.

**Literature Reviews**

In 1996, We moved to Beijing and opened our first professional beauty center. Considering this is a great potential market, grasp the pulse of the market, internationalization, specialization, consumers need to understand the psychological characteristics of the reliability and scalability. With the improvement of people's living standards, leisure SPA beauty has become a fashion, women love themselves, reward themselves, the pursuit of physical and mental balance, is a trend (Hu, 2021).

Customer relationship management refers to the collection, analysis and review of customer information centered on customer relationship. By combining with information technology, the company's organizational system and business process can be optimized to improve customer satisfaction and loyalty and ultimately achieve sustainable development of the company. Ningxuan Sun (2021) believes that customer relationship management is an advanced management concept based on information technology and marketing concepts, which is specialized in establishing, maintaining and saving customer relationships. It expands management's vision from the inside out (Sun, 2021). Maulana Yogi Sugiarto (2021) proposed that CRM focuses on improving and automating business processes related to customer relationships in the areas of sales, marketing, customer service and customer support.

Putri Dinda Agustina (2021) proposes that in order to realize digital customer management, e nterprises are inseparable from data applications at three levels: The first is to identify customer chara cteristics and describe customer conditions. Second, understand customer behavior, insight into custo mer interests.

**Methodology**

The research methods are literature research method, comparative analysis method and inductive analysis method. The literature research method mainly refers to the review of periodicals, papers and literatures related to customer relationship through the library, CNKI and other platforms in the preliminary preparation work. In the process of collection and collation, relevant research results are analyzed and used for reference, so that the research of this paper has more theoretical support. And comparative analysis of law refers to the collection of consulting a large number of data, based on the related research achievements of scholar's comparative analysis, by contrast, summarizes the common, master the law of its development and changes, absorbing has reference value for research, as well as the deficiency in trying to make up for, so as to make the article more rich, more rigorous logic. Last major using the research methods of inductive analysis, it is primarily through the analysis of the relevant information and induction, clarify the concept of customer relationship, fully explore SiYanLi the present situation of the customer relationship management, combining the actual development situation of SiYanLi customer relationship management, put forward the Suggestions to solve the problem of customer relationship management, this will help more effective conclusions.

Qualitative analysis is to analyze the "quality" of the research object. Specifically, it is the use of induction and deduction, analysis and synthesis, as well as abstraction and generalization, and other methods, to obtain a variety of materials for processing, so as to be able to remove the essence of the rough, remove the false and keep the truth, from the other to the other, from the surface to the inside, to understand the essence of things, to reveal the inner law.

**Results**

The customer base is mainly high-end community customers, accounting for more than 80%. Due to the high-end positioning of the product, the number of surrounding high-end communities is limited, and the purchasing power of surrounding residents is limited. The target customers are mainly owners of high-end communities. Clients may be between 25 and 60 years old. Michelle Beauty Salon is located near the school district, surrounded by kindergartens, primary schools, secondary schools and cram schools, so its customers are mostly female owners with children aged 5-15. As SiYanLi Beauty Salon only provides skin care and body care services for women, it does not accept male clients. Most guests tend to find a good beauty salon near their home, and the majority of guests appreciated the brand awareness of the beauty salon and the effect of the products.

The number of customers from beauty salons in 2019 and 2020 was collected to analyze the customer development, customer care and customer churn of SiYanLi beauty salons. The growth rate of beauty salons in 2019 was 15.7%, and the churn rate was 22.8%. The annual growth rate in 2020 is 12.4% and the attrition rate is 30.2%. As can be seen from the form and data of customer development, the customer growth of SiYanLi beauty Salon has been declining in recent years. This is also due to the impact of development methods and geographical location; the growth of customer acquisition is slow.

**Discussions**

SiYanLi beauty salon, in customer relationship management in the past often only to the end user customers or direct management and analysis, and in the marketing of BaEr law, let SiYanLi beauty salon in the process of customer relationship management is more focused on existing customers to its itself value, brought by the mining is not enough for potential customers. In terms of customer relationship management, it is an overall thinking and the integration of management concepts and technical tools. The emergence of information technology is undoubtedly a huge scientific and technological progress, which has changed people's living mode and survival mode to a certain extent and promoted the development of social economy.\

**Conclusions**

Customer satisfaction affects not only product sales, but also our brand and image value as well as our long-term profitability. Strictly control the quality and safety of beauty products to create a strong brand supply chain advantage. SiYanLi beauty Salons offer a wide range of beauty products, which have been optimized and adjusted to meet customers' personalized shopping needs. The value of the relationship between customers and enterprises is based on the activities of maintaining and establishing the relationship between enterprises and customers.

Internet technology improves the transparency of all walks of life. At this stage, online shopping has already penetrated into all aspects of people's production and life, making consumers more inclined to more alternative and personalized products and services, and demonstrating the value of customer relationship. Therefore, in order to further improve the efficiency of customer information utilization, SiYanLi beauty salon will also launch online marketing to improve its services and products, and expand and consolidate its position in the market (Zhang, 2016).

Improve the system of customer manager selection and training, broaden the field of vision of the selection and appointment, constantly replenish the professional talents urgently needed by the enterprise, and open up the promotion channel for excellent talents and grass-roots staff. It is an important guarantee for enterprises to attract excellent talents and discover talents. In the beauty industry, due to the uneven quality of staff, the overall quality level is not high enough. Therefore, it is necessary to improve team strength through cross-border recruitment, internal selection and other ways. In the first round of the selection process, the salon owner is responsible for the interview. Second, regional account manager is responsible for the interview, determined according to the results of the two rounds of the interview results, check if the interviewer has the ability to become a qualified customer manager, such as problem-solving ability, communication ability and psychological quality, not only to assess whether he can solve practical problems, also evaluates whether he has the ability of learning, analysis, and put forward the proposal.

Based on the theory of customer relationship management (CRM), this paper analyzes the current situation of CUSTOMER relationship management (CRM) of SiYanLi beauty salon and summarizes the problems of CRM in the emerging stage. Analysis of the main reasons of customer relationship management system is not perfect. Therefore, in this paper, a customer relationship management optimization plan has been designed based on the goals and principles of SiYanLi beauty Salon for improvement. In order to ensure the smooth implementation of the plan, the corresponding protection measures are put forward at the end of this chapter. In the future, I will continue to review our customer relationship management from the perspective of CUSTOMER relationship management to provide theoretical support for our operation and development.

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# THE BRAND BUILDING MARKETING STRATEGY OF CHINA'S GOVERNMENT SERVICE INDUSTRY UNDER THE BACKGROUND OF MARKET ECONOMY

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**Abstract:** The housekeeping service industry is booming, and the credit status of housekeeping service agencies and their employees is extremely important. The application of big data information sharing has created the development of the digital economy and the Internet economy. Through big data, it analyzes market demand and its own production capacity, and carries out marketing activities. It seems particularly important. By reviewing the marketing and service situation of domestic and foreign domestic and foreign domestic O20 companies, SWOT environment analysis and industry analysis are used to compare the marketing models of competitors to conduct research. Combining with the marketing mix theory, it analyzes in-depth issues such as the lack of reflection of China's government service industry brand building to market demand, a large number of platform product systems, insufficient intercommunication with consumers, ineffective integration, and insufficient evaluation of credit data.

**Keywords:** Housekeeping Service, Marketing Strategy, Brand Building.

## Introduction

In recent years, the housekeeping industry has developed rapidly, and society has more and more demand for family services. At the same time, there are some chaos in the housekeeping service industry. Some housekeeping service personnel conceal personal information and do not provide standardized services in accordance with the content of the contract. Incidents such as theft of employers' money, abuse of children, and the elderly have occurred from time to time, and there have even been extreme cases of poisoning and killing the elderly and arson that claimed the lives of a family of four. Housekeeping enterprises are small in scale and scattered, resorting to fraud, deception, seizure of domestic workers' certificates, fabricating unrealistic information, and misleading consumers. These phenomena have caused damage to the safety of people's lives and property, severely disrupted the order of the housekeeping service market, and brought many negative effects to the healthy and orderly development of the housekeeping industry. "Employers can't rest assured, babysitters are not happy" has become a dilemma in the development of China's political industry. In particular, the Hangzhou nanny arson incident in 2017 made us sad and aware of the imminent need to regulate the housekeeping industry. There is an urgent need for a complete and true housekeeping service credit system to improve the quality and credit level of housekeeping service personnel and make it easier for consumers to find. Use peace of mind, help housekeeping enterprises to manage employees scientifically and efficiently, and promote the healthy and high-quality development of the housekeeping service industry.

With the continuous development of the market economy and network platforms, the housekeeping service industry has transformed into standardized services, and the industry has entered an O2O model. However, due to the unique industry characteristics of the housekeeping service industry, such as the special work location, it involves multiple entities such as employers, employees, management organizations, and network platforms. Many employees are not well-educated, and some employers have weak legal awareness. At present, there are still no written service agreements between domestic service consumers, domestic service practitioners and domestic service companies. Even if the service agreement is signed, the text format is not Standardization, the lack of clarification of the responsibilities, powers and obligations of all parties has caused many contradictions and disputes in the housekeeping industry. It is particularly important to establish a credit-based housekeeping service platform.

## Research Problems

### 1. Insufficient Social Integrity

The family has a strong privacy and does not allow outsiders to enter easily, and the housekeeping staff enters the family to provide services, in a sense, it breaks this privacy. Therefore, safety and trust are the most basic requirements. Integrity is reflected in all aspects of the domestic service industry and current users. Both the waiter and the housekeeping company have the problem of insufficient integrity, and the trust between each other is very low. Housekeeping attendants steal money from users' homes, even abducting and selling infants and young children; attendants suffer personal injuries in users' homes, are deducted by users and introducing agencies, and default on wages; housekeeping companies violate their promises, shirk their responsibilities, and fail to provide corresponding services after receiving the money. Disputes are commonplace.

### 2. The Rights Protection Mechanism Is Not Perfect

The domestic service industry currently lacks corresponding institutional norms and legal protection. Domestic servants are informal employees and are not protected by existing laws such as the Labor Law. Except for a few housekeeping companies that implement employee management, most users, waiters, and housekeeping companies do not sign service agreements at all, and a small number of service agreements signed are not standardized. The responsibilities, rights, and benefits of each party are not clear, and the rights and interests are protected. Without basis, disputes and disputes are difficult to deal with. At the same time, housekeeping attendants are a high-risk profession. Few existing housekeeping attendants take out insurance. In the event of injury, disability, or death during work, there is no proper solution. The insufficiency of the guarantee mechanism has caused worries on both sides of the supply and demand and hindered the development of the domestic service industry.

**3. The Domestic Service Lacks A Professional Education System**

Due to the influence of various external factors, our national government services have not formed a certain scale, and accordingly, a complete education system has not been formed. In our country, no university offers a major in housekeeping services, and there are very few professional trainings on housekeeping services in the society. The workplace does not require domestic workers to obtain professional education certificates before they start to work, and there is no need to conduct professional training for them after they start to work. In the market, it is also difficult for housekeeping service personnel to find teaching materials on housekeeping services.

## Scop of the Study

Domestic and foreign scholars have the following researches on market positioning, marketing mix, marketing strategies based on the background of market economy, and marketing strategies based on communication science:

Looking at the research status of domestic and foreign domestic service brand building marketing strategies, many experts and scholars have invested a lot of time and energy to analyze the domestic and foreign well-known domestic service brand building marketing status, and also how to optimize enterprises under the background of market economy. Brand building marketing strategies provide effective suggestions.

There are certain differences in the marketing environment at home and abroad, so scholars have different research focuses: foreign researchers focus on the application of big data technology, and popular social platforms such as Facebook and Instagram; while domestic scholars, based on regional hotspots, more attention has been paid to online celebrity economy, dual-micro platform, new retail and other models. Marketing strategy is very important to the development of an enterprise, and marketers also need to adjust and improve marketing strategies according to changes in the marketing environment.

In addition, with the changes in the business environment, domestic and foreign scholars have noticed consumer-oriented marketing strategies, but foreign scholars have more mature research on consumer-oriented marketing strategies. Therefore, this article will focus on the use of Don Schultz The proposed SIVA theory studies the marketing strategy of China's national government service brand construction from the perspective of consumer needs.

**Research Significances**

General Secretary Xi Jinping pointed out that “housekeeping services are promising, we must adhere to honesty and improve the level of professionalism. Make it convenient for others and convenient for yourself". Housekeeping service is a sunrise industry and a project for people’s livelihood. Housekeeping service is people pay attention to the inevitable requirements of the quality of life. The domestic workers are closely related to the family service, which affects people sense of gain and happiness. The fast-growing economy and society need the support of the family service industry, which is playing an increasingly important role in expanding domestic demand, increasing employment, serving the people's livelihood, and promoting harmony. In the process of daily operation and management and development, enterprises may encounter credit risks in any link, and once they are affected by credit risks, it will also pose a serious threat to the development of the enterprise. It can be seen from this that for ordinary enterprises, reputation is of the utmost importance. The application of big data information sharing has created the development of the digital economy and the Internet economy. Under this background, the establishment of a credit-centric market transaction mechanism, through the analysis of market demand and own production capacity through big data, develop products that meet market expectations, accurate Putting on the market and launching marketing activities are particularly important.

As a brand manager, how do you let consumers know, understand and like your brand? Simply using brand advertising to bombard consumers’ vision and hearing has begun to disgust most people and will also distance you from the real brand. Success is getting farther and farther. The ways of brand communication are becoming diversified. These ways make consumers no longer have a superficial understanding of the brand, but instead establish a more interactive relationship and increase their sense of participation in the brand. The integration of brand concepts in housekeeping service companies can effectively promote the overall service level of housekeeping service companies, promote the healthy development of housekeeping service companies, and occupy a place in the increasingly fierce market.

**Research Objectives**

Now is an era of “brand is king”. According to surveys, brand owners’ gross profit margins are more than 8% higher than those of manufacturers. The current fierce market competition has led to lower profit margins in many industries. The 8% gross profit margin for companies Survival and development are of great significance. Brand is a consumer-centric concept. Without consumers, there will be no brand. The reason why a strong brand has a higher value is not only because it has a higher reputation, but more importantly, it has established a strong relationship with consumers. Relationship. It can be said that brand value is reflected in the relationship between brands and consumers, and relationship marketing is a marketing method that maintains long-term relationships between companies and customers by achieving a win-win situation, so it has received more and more attention.

The corporate reputation policy has a very important influence and function. It is not only the company's own "signature", but also the basis for guaranteeing the company's own reputation. In the daily operation of an enterprise, marketing management plays an irreplaceable role. If the company lacks good marketing management, it will not only directly lead to the sales and market share of the company's own products, but also affect the overall economic benefits of the company, and ultimately cause the company's own development to be seriously hindered and affected. The application of big data information sharing has created the development of the digital economy and the Internet economy. In this context, the establishment of a market transaction mechanism with credit as the core, analyzes market demand and its own production capacity through big data, and develops products that meet market expectations. Putting on the market and launching marketing activities are particularly important.

**Theoretical Framework**

This article is based on marketing SWOT analysis, combined with big data concepts and persuasive communication theory, comprehensively using literature combing method, questionnaire survey method, data analysis method and cross-research method, to expand the brand building marketing strategy of China's political service industry in the context of market economy Research and start with marketing solutions, information, values and ways, and find solutions to the problems of brand building marketing in China's government service industry.

**Literature Reviews**

**1. Market Positioning Strategy for Housekeeping Services**

Pay attention to the cultivation of the domestic market. Strengthening propaganda and education, updating concepts, and lifting the shackles of people's thinking are the prerequisites for vigorously developing the domestic service market. First, relevant leaders and staff of government departments at all levels should first change their discriminatory views on the domestic service industry, and fully understand the significance and role of the socialization of domestic labor, the development prospects of the marketization of domestic services, and the potential economic benefits And social benefits, the policy should be given to encourage and support the development of the housekeeping service industry: second, the use of various mass media to promote new understandings and new concepts in the housekeeping service industry, so that people can establish a correct sense of employment and actively participate Come to the domestic service industry; thirdly, many intellectual women should abandon the shackles of traditional concepts, position them correctly, give full play to their advantages, liberate themselves from housework, and fully apply their knowledge and skills in their jobs. Realize your own life value.

**2. Branding and Characteristic Strategy of Housekeeping Services**

Branding of housekeeping services. The connotation of the brand is "high quality and low price, good value for money". The fact that users pursue the brand is essentially because the brand has achieved results that make users satisfied, assured, and satisfied. Therefore, in every aspect of the work of the housekeeping service company, it must focus on the long-term strategic goal of “building a brand”, practice hard work, and create high-quality products. Before the service personnel formally take up their posts, they must receive rigorous professional training. The training scope should be wide to meet the requirements of different customers and provide the same focused housekeeping service staff. The products exported by the housekeeping service company must meet the standards. Qualified waiters who can provide users with quality services. In this way, users will have a deeper and deeper perception of the brand of the housekeeping company, and the brand effect of the product will be sufficient to ensure that the company will continue to survive in the fierce market competition, the market share will be steadily increased, and better economic benefits will be achieved. Shaanxi's "Mizhi Po Aunt" and Sichuan's "Chuan Meizi" are the best tree brands.

**3. Domestic Service Marketing Mix Strategy**

(1) Product strategy. Product diversification is the basis of customer satisfaction. All kinds of intermediary agencies should base themselves on the market, innovate continuously, and develop multiple levels and varieties. Diversified service structure system; reforming traditional service items can not only provide services such as household cleaning, family escort, etc., but also provide higher-level services such as beauty, hairdressing, home beautification, family gathering services, etc.

(2) Price strategy. Appropriate pricing can better coordinate the relationship between practitioners and employers. In addition to the goal of humanization and determination of the company’s profitability, the goal of pricing is to increase salaries internally and other strategies to attract senior practitioners to meet market demand; externally, employers should be able to accept service pricing, and Make them feel the value for money. The pricing method can adopt differential pricing. For different services, different levels of service personnel adopt different price positioning. In response

to the high-income families' demand for advanced housekeeping services, skimming pricing can also be appropriately adopted.

(3) Distribution channel strategy

Distribution decisions mainly consider where and how to provide services to customers. Since housekeeping services and service targets cannot be separated, customers must be satisfied during the face-to-face service. Therefore, one is to take the initiative to find customers. By collecting market demand information, choosing suitable service objects, communicating with customers in depth, clearly understanding the true needs of customers, recommending trained service personnel to customers, allowing customers to try out and feedback information, in order to better serve customers, The second is to attract customers to take the initiative to come to the door through the good reputation and unique professional high-end services formed in the past. The third is through the establishment of online direct sales channels. Establish your own website and related web pages to publish the content of the characteristic service and the resume of the service personnel. The characteristic is to describe the work experience of the service personnel in detail and provide a response mechanism. It is convenient for customers to quickly and conveniently find the housekeeping service personnel who meet their requirements and serve them better.

**Methodology**

This article uses the literature research method, data analysis method and cross-research method to conduct special research, and applies the communication and big data marketing theory to the marketing optimization of Chinese government service industry brands.

The main research methods of this article are:

Literature research method: On the basis of comprehensively collecting relevant literature materials, analyze, identify, summarize and sort them, and get a scientific understanding of the content of the research. This research method is called the literature research method. The literature research method transcends the limitations of time and space, and has the characteristics of comprehensiveness, convenience, low error, and high efficiency. This article will collect domestic and foreign domestic and foreign domestic and foreign domestic service industry brand marketing, marketing strategies and persuasive communication literature, analyze and organize relevant materials, and discover the deficiencies of previous studies, and find relevant theories as the theoretical basis for in-depth research. The theoretical framework of the full text.

Data analysis method: Data analysis method refers to the process of analyzing the collected data with appropriate statistical analysis methods, extracting meaningful information for research and forming conclusions. Data analysis methods include data descriptive statistics, linear regression analysis, analysis of variance, cluster analysis, etc. The SWOT analysis theory is used to analyze the advantages and disadvantages of the internal environment of the housekeeping service, and the opportunities and threats of the external environment to form a development strategy.

Interdisciplinary research method: With the development of society and the progress of academic research, subject research is no longer limited to a specific field, but interdisciplinary development. The cross-research method is to synthesize the theories, methods and results of multiple disciplines, and conduct comprehensive research on a subject as a whole.

This article mainly studies the marketing strategy of China's national government service brand building, and combines the persuasive communication theory in communication science and the concept of market economy background, hoping to make the research topic more abundant.

**Results**

The contradiction between domestic service demand and supply is prominent. At present, the housekeeping staff are mostly older. The cultural level is low. Laid-off workers and rural surplus labor who lack skills and find it difficult to re-employ in other industries, their quality determines that it is difficult to provide high-quality housekeeping services and put forward higher requirements. Many families are no longer satisfied with asking part-time workers for hygiene, doing housework, many high-paid and high-employees have a lot of work pressure, and they need housekeeping attendants to be able to take care of family affairs management, family reception, nutritious meals, and health care. There are many tasks such as family education, but the current housekeeping service industry cannot meet the market demand.

**Discussions**

Due to the lack of time for writing this article, coupled with my limited research experience and level, this article still has some shortcomings. I hope to put it forward here as the goal of the follow-up research of the thesis:

What has not yet formed a unified standard is the market. In the process of my country's market economy construction, the housekeeping service industry is an emerging service industry, and there has not yet been a unified housekeeping service industry code in China (On March 22, 2001, my country's only housekeeping regulation was promulgated in the Shenzhen Special Economic Zone). This can easily lead to inequality in market access and competition. In many cities, the opening or closing of many domestic service companies has not been approved by the administrative department for industry and commerce, but has survived. Many housekeeping service companies never take the initiative to collect taxes for their business operations. It is precisely because of the lack of necessary supervision and restraint that the services of housekeeping companies are extremely mobile. As a result, it has caused confusion in the market operation of the housekeeping service industry, which is not conducive to the in-depth development of its services.

**Conclusions**

This article starts with the construction of a key link housekeeping industry credit platform, building a trust mechanism for open sharing of data between housekeeping enterprises and housekeeping personnel, online matching transactions, and guiding customers who intend to make transactions to the housekeeping + service platform. Based on the two platforms, the "one-yuan pricing" model, through the cooperation of associations, independent development and other channels, provides integrated promotion models such as brand promotion, platform co-construction, online and offline interaction, Fengsheng Training Academy, etc. Various customer services and other modes. By creating a carrier for information sharing, innovating profit models and standardized services, developing multi-dimensional sales channels, using system integration models to serve users, and providing integrated and systematic solutions to achieve marketing optimization. Through the integrated development of housekeeping service brands and housekeeping service platforms, on the basis of accurate and multi-dimensional credit evaluation of big data, promote the marketization of housekeeping service platform credit services to meet the urgent needs of consumers.

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# THE INFLUENCE OF HUAWEI'S MOBILE PHONE BRAND IMAGE ON CONSUMERS' BUYING BEHAVIOR

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**Abstract:** As a durable product with high technology content, mobile phones have been transformed from luxury goods in daily life to necessities for the public. At the same time, with the improvement of people's living standards, mobile phone consumers are more inclined to high-quality in the process of purchasing mobile phones. Durable products, while brand products often represent high quality. Therefore, the role of "brands" in the market has become increasingly prominent. Having a brand advantage can enable enterprises to occupy a favorable position in market competition and provide strong competitiveness. The brand image is an important driving factor for corporate brand equity. According to statistics, Huawei's mobile phone sales in 2015 ranked third in the world, which was one place higher than the previous year's sales ranking. The annual sales volume is second only to Samsung mobile phones and Apple mobile phones.

**Keywords:** Customer Loyalty, Brand, Quality, Empirical Analysis.

## Introduction

With the development of the market economy and the rapid progress of science and technology, people's living standards are improving day by day, and the number of mobile phone users is increasing day by day. As a durable product with high technology content, mobile phones have been transformed from luxury goods in daily life to necessities for the public. At the same time, with the accumulation of wealth, mobile phone consumers are more inclined to be high-quality and durable in the process of purchasing mobile phones. Type products, and brand products often represent high quality. Therefore, the role of "brands" in the market has become increasingly prominent. Having a brand advantage can enable enterprises to occupy a favorable position in market competition and provide strong competitiveness. The brand image is an important driving factor for corporate brand equity. According to statistics, Huawei's mobile phone sales in 2015 ranked third in the world, which was one place higher than the previous year's sales ranking. The annual sales volume is second only to Samsung mobile phones and Apple mobile phones. In addition, the brand net recommendation value of Huawei mobile phones has increased, with a large increase, which shows that more and more people are recommending

Huawei mobile phones to their relatives and friends.

According to statistics, among domestic mobile phones, Huawei mobile phones have the largest market share, far surpassing Lenovo, Meizu, Xiaomi, ZTE and other brand mobile phones. At the same time, the sales volume of Huawei mobile phones in the Chinese market exceeds Samsung and Apple mobile phones. Samsung and Apple mobile phones call Huawei. Mobile phones have become the main competitor in the Chinese market. This shows that Huawei's mobile phones are shaking the dominance of Samsung and Apple's mobile phones with a strong trend and grabbing more market shares. As a representative of a rising star, Huawei is worth pondering how to maintain its current position and advantages according to its own conditions and avoid being "replaced" by other brands of mobile phones. From the lessons of Nokia and Motorola being "replaced", we can see that companies need to maintain their position in the market by relying on product price, technological innovation, and maintaining a good relationship with consumers.

This article takes Huawei mobile phones as an example, from the perspective of brand image, in-depth study of brand image on consumer buying behavior, this research attempts to build a conceptual model of Huawei mobile phone brand image on consumers' buying behavior.

It comprehensively analyzes its mechanism of action, explores and verifies the different dimensions of brand image, and specifically analyzes the direction and extent of the effect of different dimensions of Huawei's mobile phone brand image on consumer buying behavior.

**Research Objectives**

Explore the mechanism of the brand image of Huawei's mobile phone on consumer purchase behavior, analyze the direction and extent of the corporate image, product image, and service image in the brand image on consumer's purchase behavior, and how to shape the brand image of Huawei's mobile phone and conduct brand management. Further improve the visibility of Huawei mobile phones and drive brand intangible assets.

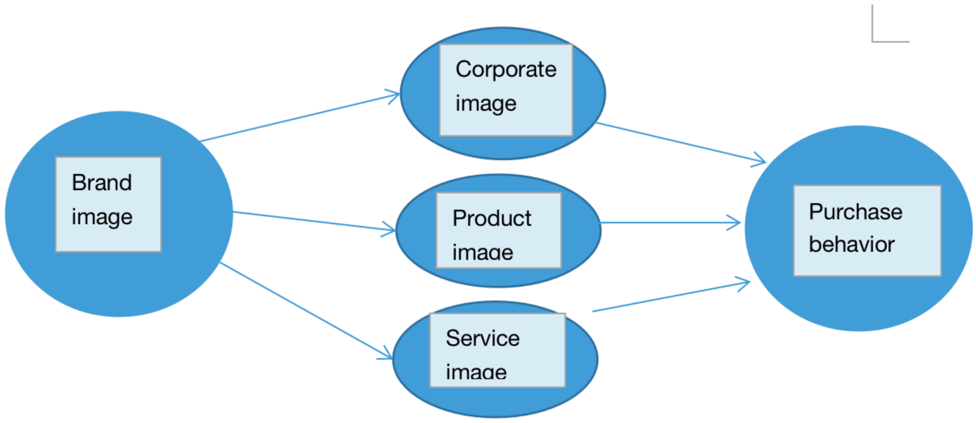
This article reads many domestic and foreign research documents, analyzes and masters the research results, draws on the research models of predecessors, and finally modified according to the research needs of this article, and puts forward the research hypothesis: corporate image has an effect on consumer purchasing behavior, and product image has an effect on consumption. The purchase behavior of consumers has an influential effect, and the service image has an influential effect on the purchase behavior of consumers. To this end, we developed a scale to collect data, and through empirical analysis this article concluded that the first brand image has a positively significant influence on consumer purchasing behavior and is supported. That is, the three dimensions of brand image, corporate image, product image, and service image have a significant positive impact on consumer purchasing behavior. Second, product image has the greatest impact, followed by service image and corporate image. The smallest, but the difference is not large compared with the degree of influence of product image and service image. Finally, this article puts forward corresponding suggestions and countermeasures based on the problems existing in the research results.

In order to get a general understanding of the market penetration rate of Huawei mobile phones, this paper does not specifically investigate a certain group, such as only college students as the research object, only high-end mobile phone customer groups as the research object, and only the post-90s as the research object. This article randomly distributes questionnaires, but does not include people who do not know Huawei mobile phones. Therefore, questionnaires should be distributed in advance to understand how much you know about Huawei mobile phones. If the investigators do not know anything about Huawei phones, the investigation will be abandoned to ensure the authenticity of the investigation data.

This study used an online survey and an on-site paper questionnaire to collect data. Mainly investigate the population aged 18-50 in Beijing. Online surveys mainly use questionnaire design, email distribution, WeChat Moments, QQ groups to invite and forward friends to collect, on-site paper questionnaires, etc.

Based on the analysis of existing brand image theories and consumer behavior research theories, this research clarifies the influence of the intangible value of brand image on consumer purchasing behavior decisions. As time changes and the market environment changes, the brand management theories and consumer behavior theories of previous research scholars are not fully applicable to the present. Therefore, a targeted Huawei mobile phone brand image is constructed to model consumers' purchase behaviors, and to conduct research on Huawei mobile phones. Brand marketing management has theoretical guiding significance.

**Literature Review**




In order to study the influence of brand image on consumer buying behavior, exploring the composition of brand image is the important foundation and key of this article. By consulting domestic and foreign research literature, domestic and foreign research scholars have different opinions on the composition of brand image due to different research perspectives.

Fan Xiucheng (2002) built a brand image evaluation model based on the recognition of the brand recognition system and conducted related research. In his research, the brand image was divided into 4 dimensions, namely product, company, humanity, and symbolic dimensions: Guanghui and Dong Dahai (2008) In order to explore the influence mechanism of Chinese local brand image on consumer behavior and construct brand image dimensions with local characteristics, in his research, the brand image combined with the actual situation of local brands is divided into brand performance and brand Three dimensions of personality and company image: Hsieh & Pan (2004) divides brand image into country image, company image, and product image by country: Li Lu (2010) In order to study the influence of mobile phone brand image on consumer attitudes and buying behavior , The brand image is divided into corporate image, product image, humanized image, and symbolic image which have a positive impact on purchasing behavior; Yang Jianjun (2008) takes dairy products as the research object and divides the brand image into three dimensions: enterprise Image, product or service image, user image, research on the time and frequency of consumer purchases. Liu Yangzhou (2011) builds a model of brand image on consumer purchase behavior based on the Bell brand image model, and uses corporate image, product or service image, and consumer image to measure mobile phone brand image: Wei Le (2009) After In-depth analysis of the Bell model of brand image, and combined with the actual application of the model, the brand image is divided into corporate image, product or service image, consumer image, believe that these dimensions under the brand image will affect customer loyalty, and explore whether the brand image will affect Consumer buying behavior.

**Hypotheses**

H1: Huawei's mobile phone corporate image has a positive correlation with consumer purchasing behavior.

H2: Huawei's mobile phone product image has a positive correlation with consumers' purchasing behavior.

H3: Huawei's mobile phone service image has a positive correlation with consumers' purchasing behavior.

**Methodology**

Qualitative analysis is to analyze the "quality" of the research object. Specifically, it is the use of induction and deduction, analysis and synthesis, as well as abstraction and generalization, and other methods, to obtain a variety of materials for processing, so as to be able to remove the essence of the rough, remove the false and keep the truth, from the other to the other, from the surface to the inside, to understand the essence of things, to reveal the inner law.

(1) Literature research method. The literature research method is a method of studying the research results of predecessors, understanding the research situation in depth, and mastering the research foundation. This method can provide the basis for the researcher to choose the topic and analyze it, so that the researcher can learn from the research perspective, in terms of research content and research methods, new and innovative points are proposed. In order to study the influence of brand image on consumers' buying behavior, this article read a lot of marketing-related books, consulted a large number of domestic and foreign literatures, made full use of literature research methods, mastered relevant theoretical foundations, and referenced previous scholars' scales to develop this scale. Learn from it and lay a solid theoretical foundation.

(2) Interview method. The interview method is a psychological research method to understand the interviewee's psychology and behavior through face-to-face communication. This method is relatively simple and can receive various information in a short period of time and has good flexibility and adaptability. In order to better develop the scale, this article conducts interviews with consumers before developing the scale to understand which factors consumers will give priority to in the process of mobile phone purchase, to target Huawei mobile phones to understand.

(3) Empirical research method. The empirical research method is a research method in which researchers propose research hypotheses based on the research objectives, collect research data materials through questionnaires, WeChat, Weibo, etc., comprehensively sort the collected data, and finally use relevant software to verify the hypothesis. This paper proposes the hypothesis that brand image has an impact on consumer purchasing behavior, uses the developed scale to collect data, uses software EXCEL and SPSS17.0 to organize and verify the hypothesis, and uses factor analysis to determine the dimensions of the brand image, and based on this the linear regression analysis method is used to measure the influence coefficient of each dimension.

**Results**

As an intangible asset of an enterprise, a brand is an important weapon to occupy a favorable market position and an important means to improve the competitiveness of an enterprise. Having a well-known brand can drive an enterprise to appear in the market temporarily and increase its market share. It can not only Provide consumers with a sense of security, while reducing consumer worries.

**Discussions**

Brands should strengthen the construction of high-quality products, also the brand should provide perfect service guarantee. The most important is Enhance the soft power of the enterprise

**Conclusions**

This article reads many domestic and foreign research documents, analyzes and masters the research results, and appraises the research models of predecessors. Finally, it is revised according to the research needs of this article, and the research conclusion is reached through the evidence of empirical analysis: Huawei's mobile phone corporate image is for consumers to buy the behavior has a positive impact. The image of Huawei's hand-added products has a positive impact on consumers' buying behavior, and the image of Huawei's mobile phone service has a positive impact on consumers' purchasing behavior. It is found that the brand image of Huawei's mobile phones has a positive impact on consumers' purchasing behavior. Product image>service image>corporate image, and there are low consumer acceptance aspects in the three dimensions of product image, service image, and corporate image. For this reason, relevant suggestions are put forward in this chapter for improvement.

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# THE MANAGEMENT OF STATE-OWNED ASSETS IN THE TRANSFORMATION OF SCIENTIFIC AND TECHNOLOGICAL ACHIEVEMENTS OF PUBLIC UNIVERSITIES IN CHINA

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**Abstract:** Science and technology are the primary productive forces, but science and technology itself are not equal to the real productive forces. Only by effectively transforming new technologies and scientific and technological achievements can they be transformed from potential productive forces into real productive forces. As one of the main bodies of the transformation of scientific and technological achievements in China, it is of great significance to promote the transformation of scientific and technological achievements in public universities. As a state-owned institution, the transformation of scientific and technological achievements in public universities is inevitably accompanied by the management of state-owned assets, and many objects of state-owned assets management are interlaced with the transformation of scientific and technological achievements. First, to understand the actual situation of the transformation of scientific and technological achievements in public universities and explore the problems restricting the transformation of scientific and technological achievements and asset management. Secondly, it explores the transformation mode of scientific and technological achievements in public universities and the corresponding management mode of state-owned assets, and builds a performance evaluation system of state-owned assets management by sorting out the current status, problems and modes of state-owned assets management in public universities, in order to scientifically evaluate the effectiveness of state-owned assets management in public universities. Finally, the paper summarizes and analyzes the existing problems and sticking points in the asset management of the transformation of scientific and technological achievements in public universities, and finally puts forward feasible countermeasures and suggestions for the transformation of scientific and technological achievements. This study focuses on the transformation of scientific and technological achievements and the management of state-owned assets, a pair of current hot research issues, and combines the two research, not only can enrich the relevant research literature to a certain extent, but also research conclusions will have more guiding value for the public universities to do a good job in the management of state-owned assets.

**Keywords:** Public Universities in China, Transformation of Scientific and Technological Achievements, State Assets Management.

## Introduction

As an important source of scientific and technological innovation in China, public universities play a vital role in the innovation-driven development strategy, especially in speeding up generic technology breakthroughs and the transformation of scientific and technological achievements, and play a leading and exemplary role. Promulgated in 2015 "law of the People's Republic of China to promote scientific and technological achievements conversion, greatly enhances the university and scientific research personnel engaged in the transformation of scientific and technological achievements, to complete units of scientific and technological achievements transformation of scientific and technological achievements for the appointment with science and technology personnel be explicitly quantitative reward and remuneration of minimum standards, up to no less than job assignment or licensing income of scientific and technological achievements, Or 50% of the shares or the proportion of capital contribution formed by valuation investment. Was promulgated in 2020, to give researchers the employee-developed technology ownership or long-term use of pilot implementation plan ", which gives the ownership or use right of scientific and technological achievements to the scientific research personnel, give greater autonomy of scientific research personnel, and form a vibrant science and technology management and operating mechanism, accelerate the transformation of scientific and technological achievements into realistic productivity of public university. However, due to the transformation of scientific and technological achievements appraisal mechanism is not sound, state-owned asset disposal limited channel not unobstructed, docking the market channels, state-owned assets investment and risk supervision, and guide the production combination of incentive mechanism is imperfect, the problem of the limitation of the rapid development of science and technology achievements transformation of public university still exist certain difficulties. Therefore, how to effectively promote the common development of the two is one of the key problems that universities must solve at present.

## Objective of the Study

The main management modes and transformation modes of scientific and technological achievements in public universities are sorted out, and the system and mechanism for effectively promoting the transformation of scientific and technological achievements are explored, so as to significantly enhance the transformation ability and efficiency of scientific and technological achievements in public universities. Managing and making good use of state-owned assets in public institutions is a very important and key link for promoting the transformation of scientific and technological achievements and the development of the "14th Five-year plan" of public universities. With the rapid development of scientific research in public universities, the scale of state-owned assets is getting bigger and bigger, and the allocation standard is constantly improving. However, due to the relatively backward management, resulting in a weak foundation, unclear and even idle waste, low operating efficiency and other contradictions and problems are becoming increasingly prominent. Therefore, it is urgent to further strengthen the management of state-owned assets. Public universities must attach great importance to the management of state-owned assets while promoting the transformation of scientific and technological achievements.

## Literatures Reviews

### The Mode of Transformation of Scientific and Technological Achievements

Different researchers have studied the transformation mode of scientific and technological achievements from different perspectives (Table 1). After comprehensive analysis of different modes, there are three modes of transformation of scientific and technological achievements in public universities:

**Table 1: The Mode of Transformation of Scientific and Technological Achievements**

| Author | Main Conclusion |
|---|---|
| Tang, H. L., Li, J., Wang, Y. L., & Pang, Y. L. (2003) | The transformation mode of scientific and technological achievements in Our country can be divided into five modes: university-enterprise combination transformation mode, scientific and technological superiority transformation mode, market-driven transformation mode, autotrophic regeneration transformation mode, and specialized institution establishment transformation mode. |
| Chen, L. J. (2009) | There are three main ways of transformation of scientific and technological achievements in China: self-transformation, cooperative transformation and achievement transfer. |
| Xiao, P., Liu, L., & Du, P. C. (2012) | The mode of university-enterprise joint RESEARCH and development can be divided into five categories, including enterprise-led direct transformation, university-led direct transformation, intermediary indirect transformation, government-guided transformation and joint venture. |
| Yang, X., & Yu, B. (2012) | The modes of transformation of Scientific and technological achievements in China mainly include self-production mode, technology transfer mode, commissioned development mode and joint development mode. |

The Mediation Models. Agents have a thorough understanding of scientific and technological achievements attribute, function and possible commercial prospects, know which companies may become the commercialization of enterprise party, business party if you have any requirements about technical or scientific and technological achievements, at the same time, you have to find out the technology for the enterprise and the interests of balance, realize win-win, finally realizes the transformation of scientific and technological achievements and stakeholders at all stages of the success of the docking, And collect a certain intermediary service fee. Incubation Mode. There are two forms, public universities incubating themselves and establishing business incubators. Business incubator is a new type of social and economic organization. It provides physical space, infrastructure and a series of incubation services for small and medium-sized technology-oriented enterprises, and plays a very important role in promoting the transformation of scientific and technological achievements. The establishment of university incubator means self-incubation, also known as self-production mode. It means that the holders of university scientific and technological achievements, relying on the existing policies and environment, set up their own enterprises and create conditions to transform research achievements into real productivity. Cooperation Transformation Model. Public universities are mainly in charge of technology, while enterprises are mainly in charge of market. Universities can provide continuous technical support for enterprises and may gain huge equity returns. However, they may also face a variety of problems such as failure of transformation of cooperative enterprises, equity dilution and credit risks.

**Research on Key Success Factors of Transformation of Scientific and Technological Achievements**

On the basis of the process and stakeholder analysis of the transformation of scientific and technological achievements and the comprehensive analysis of several research literatures (Table 2), the key success factors of the transformation of scientific and technological achievements are as follows:

**Table 2: Research on Key Success Factors of Transformation of Scientific and Technological Achievements**

| Author | Main Conclusion |
|---|---|
| Chen, S. L. (1999) | The imperfect market mechanism disconnects science and technology from economy. The maturity and applicability of science and technology in colleges and universities are not strong. The lack of guarantee of capital investment, the weak absorption of scientific and technological achievements by enterprises, and the imperfect information circulation system. |
| Wang, X. Q., & Wang, B. W. (2001) | This paper analyzes the transformation process of scientific and technological achievements and points out that the main problems in the transformation of scientific and technological achievements in China are as follows: First, the operation mechanism of continuous transformation has not been established. Second, the role of government has not been fully played. Third, there is a shortage of funds. Fourth, the revenue realization mechanism is generally not established. Fifth, risk transfer mechanisms have not been established. |
| Chang, F., Zhao, C.L., & Shi, T.G. (2005) | The key success factors of the transformation of scientific and technological achievements in America are analyzed :(1) ensuring sufficient research funds is the fundamental premise of the transformation of scientific and technological achievements in universities; (2) The establishment of specialized institutions for the transformation of scientific and technological achievements and the management of intellectual property rights in universities is sufficient to guarantee the implementation of the transformation of scientific and technological achievements; (3) School incentive and constraint policies play an important guiding role in the transformation of technological achievements; (4) National policy plays a great role in promoting the transformation of scientific and technological achievements in universities. |
| James, S., & Barry, B. (2005) | It is found that the industrial experience of academic inventors has a positive impact on dry patent productivity. |
| Renault, C. (2006) | It is found that the role of colleges and universities in the process of technology transfer has a direct impact on their choice of technology and patent disclosure. |
| Mosey, S., & Wright, M. (2007) | Through the research on academic entrepreneurs, it is found that business management experience and social relationship capital are the keys to successfully establish technology and transformation enterprises. |

**Investment and Supervision of Asset Management in The Transformation of Scientific and Technological Achievements**

**Table 3: Research on The Transformation of Scientific and Technological Achievements into Intellectual Property Rights**

| Author | Main Conclusion |
|---|---|
| Zhao, L. (2009) | This paper makes a deep study of intellectual property investment, discusses the suitable conditions of intellectual property investment, the proportion limit of investment and the form of power. |
| Su, J., Ru, P., Du, M., & Wang, T. (2007) | Based on the case of the restructuring of Tsinghua University, the history and relationship of property rights between universities and enterprises are analyzed in detail, which provides an effective mechanism for further promoting the commercialization of university knowledge. |
| Zhang, W. B., & Luo, H. S. (2008) | Think our country to the provisions relating to intellectual property right ownership of fuzzy, wan-bin Zhang without valid establishment made great contribution to the individual reasonable incentive mechanism, to promote technical innovation in and chi sea, although has issued a series of relevant laws and regulations, and there are no rules for other forms of intellectual property rights. All these have become the factors restricting the transformation of scientific and technological achievements in China. |

**Profit Distribution of Transformation of Scientific and Technological Achievements**

In the process of transformation of scientific and technological achievements, property rights, investment and interest distribution are closely linked, and a reasonable interest distribution mechanism is the internal dynamic guarantee for the continuous transformation of scientific and technological achievements (Table 4).

**Table 4: Profit Distribution of Transformation of Scientific and Technological Achievements**

| Author | Main Conclusion |
|---|---|
| Chang, F., Zhao, C.L., & Shi, T.G. (2005) | In American universities, the profits from the transformation of scientific and technological achievements are generally distributed by individuals, colleges and schools with 1/3 of each. The achievement transformation office of some universities will withdraw relevant expenses in advance and then distribute them. |
| Ma, Q., Zhang, L.P., & Li, B.X. (2007). | One of the fundamental reasons for hindering the transformation of scientific and technological achievements is the unreasonable profit distribution model in the current supporting environment of the transformation of scientific and technological achievements, which fails to effectively promote the full play of the core value of scientific and technological achievements. |
| Wang, J. Z., Dong, Z. J., & Xie, M. (2011) | Through the example of virtual stock option plan, it can be seen that virtual stock option solves the problem of stock source, especially provides a good reference for expanding the incentive strength of option. |
| Chen, B. Q. (2012) | Think the realization of the interests of the economy in the transformation of scientific and technological achievements of colleges and universities is a key link in the whole process of transformation of scientific and technological achievements, also can mobilize all aspects of real power into dynamic link, and pay attention to in the transformation of scientific and technological achievements transfer profit and the feasibility of the equity incentive policy operation as well as the rights and interests of scientific and technological achievements transfer problems were analyzed. |

## Research Methodology

This paper adopts qualitative research method to analyze the characteristics of science and technology and achievement transformation in public universities and the problems existing in state-owned assets management. To sort out the research progress of state-owned assets management in China and analyze the management situation of state-owned assets in administrative units; Sorted out the related research problems of asset management in the transformation of scientific and technological achievements.

**Results**

The transformation of scientific and technological achievements is not only an important means to test the application value of scientific and technological achievements, but also the only way to realize the deep integration of science and technology and economic development. The promulgation of the Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements and related policies has brought the development of public universities in the spring. This paper deeply analyzes the historical background of the transformation of scientific and technological achievements, clarifies the necessity and urgency of the transformation of scientific and technological achievements, and finds out the key problems to be solved. The management of state-owned assets needs to provide sufficient convenience and conditions for the transformation of public achievements on the basis of maintaining and increasing the value of state-owned assets. However, due to policy conflicts and institutional constraints, the current policies do not specify specific measures for the management mode of state-owned assets in the transformation of public scientific and technological achievements. By comparing and analyzing the asset management modes in the transformation of scientific and technological achievements in national scientific research institutions at home and abroad, this paper points out the direction of state-owned asset management in the transformation of public scientific and technological achievements. This paper makes a comprehensive analysis of the management mode, investment and supervision, incentive allocation and other problems of asset management in the transformation of scientific and technological achievements, and has a deeper understanding of the problems restricting the transformation of scientific and technological achievements in public universities and asset management.

**Discussions**

Both researchers and leaders of public universities are very cautious about asset management in the transformation of scientific and technological achievements. Excessive caution hinders the transformation of scientific and technological achievements. Therefore, in the new era, how to promote the transformation of scientific and technological achievements the problem that colleges and universities must solve is the transformation of scientific and technological achievements and the problems related to China's asset management. Further research on the role of transformation of scientific and technological achievements in asset management related to management, investment and supervision, incentive distribution and other in-depth analysis to solve the problems.

Problems such as ineffective supervision of state-owned assets management in public universities, loss of state-owned assets and unbalanced allocation of state-owned assets often occur. The reason is that the management of state-owned assets does not meet the needs of economic and social development and falls behind the level of economic and social development to a large extent. Therefore, it is urgent to reform the management mode of state-owned assets in the transformation of university scientific and technological achievements.

**Conclusions**

**For Government**

Streamline Administration, Delegate Power, And Streamline Procedures

To solve the present problem of asset appraisal record filing procedures such as is the key to solve the conflict between the policy objectives and the actual operation, the starting point of the management policy is to ensure that the value of state-owned assets, but after the policy of science and technology achievements transformation work has brought great challenges, which may cause the risk of loss of state-owned assets. Therefore, it is necessary to streamline administration and delegate power, simplify the work process, and delegate the examination and approval authority of property right registration of state-owned assets and management plan of state-owned equity to the competent department or the state-owned assets management department at the corresponding level. We will change the record of state-owned assets appraisal and approval to that of archiving, making it possible for state-owned assets to operate quickly. Specifically include:

Tax Cuts Reduce Burdens and Boost Driving Forces

Due to facilitate enterprise decision-making management, as well as considering the do great contribution for the subsequent industrialization of scientific and technological achievements personnel leave reward space, institutes unit of the transformation of scientific and technological achievements of equity incentive generation hold by one person or more form a limited partnership company stake, and the tax authorities for shareholder equity changes are required to pay a high cost. Although before the equity of transformation of scientific and technological achievements is a unit reward shall be rewarded by the college of people (generation) or limited partnership firms have to pay the relevant taxes, and reward stake list again changes are limited to be reward team personnel, no additional benefit, the transfer of equity is equivalent to two taxes, the tax on high serious hindered the advance of science and technology achievements transformation incentive allocation schedule. Therefore, on the premise of equity undistributed in place, the achievements have important contribution to the staff of the secondary distribution should tax breaks, namely for the transformation of scientific and technological achievements are rewarded team insiders the generation between the transfer of ownership, etc., the tax authorities should be tax breaks, friendly promote institutes unit the implementation of incentive allocation mechanism. Of course, these personnel in the general market equity transfer behavior must pay taxes and fees shall not be reduced.

**For University**

We will introduce detailed rules on incentives and distribution for commercialization of scientific and technological achievements. As there is no assessment system for the transformation of scientific and technological achievements in universities, colleges often go their own way, which inevitably leads to some defects or irregularities in the process of handling various aspects. Therefore, it is suggested to issue detailed rules for incentive distribution of scientific and technological achievements transformation at the university level, covering the following parts: First, accurately interpret the concept of "net income" which defines the transformation of scientific and technological achievements and include it into the scope of recipients. Secondly, it is recommended to reward 2%-3% of the net income of the transformation project.  Third, make clear the specific operation process of equity and cash award allocation.

We will improve the distribution method and restraint mechanism of equity incentives for leaders and cadres. The incentive of scientific and technological achievements must be reflected in the decision-making level before it can play a leading and exemplary role. The equity reward distribution formed by the transformation of scientific and technological achievements of leaders and party members and cadres should be no different from others. At the same time, in order to restrain leading cadres and avoid the transfer of benefits, the following restrictions should be added: First, the equity acquired by leading cadres during their tenure is not allowed to be transferred if the achievement transformation is not successful; Second, lock in equity during his tenure; Third, design the decision-making mechanism related to the enterprise, put an end to leading cadres' participation in the management of the company, to prevent the transfer of interests.

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