

Research on Activating the Organizational Vitality of Chinese Technology Enterprises in Digital Age

Feng Cai Qiu

Business School, Ningbo Institute of Technology, Zhejiang University, Ningbo, China

Email address:

Fc0606@163.com

To cite this article:

Feng Cai Qiu. Research on Activating the Organizational Vitality of Chinese Technology Enterprises in Digital Age. *International Journal of Economic Behavior and Organization*. Vol. 10, No. 2, 2022, pp. 72-77. doi: 10.11648/j.ijebo.20221002.15

Received: April 8, 2022; **Accepted:** May 9, 2022; **Published:** May 19, 2022

Abstract: The author has been engaged in management consulting practice for decades, and found that there are misunderstandings in the digital transformation of Chinese high-tech enterprises. They often take digital technology as the driving force of organizational transformation and invest a lot of resources and manpower, but the results do not achieve the expected results. Taking China Mobile, China Tower, Baidu, Hexin technology, Huawei and other Chinese high technology enterprises as empirical cases, and adopting the research methods of field investigation, interview and literature. This paper explores new organizational theory of enterprise digital transformation, "people-oriented" and "customer-oriented", stimulates organizational vitality as the internal driving force of digital transformation, and takes digital technology as the means of organizational transformation. This paper puts forward the paths and methods to effectively traction, stimulate, influence and evaluate the high potential talents of the organization's "human capital", restart the paradigm of organizational change, and stimulate the model of organizational vitality and efficiency.

Keywords: Activating the Organizational Vitality, Technology Enterprises, Digital Age

1. Introduction: Digitization and Organizational Change

In the past decade, digital and information technology have developed rapidly, infiltrating the governance of individuals, families, organizations and governments, subverting the concept of communication, breaking boundaries, continuous fermentation and the end point, bringing great uncertainty. The failed enterprise digital transformation attempt tells us that the latest digital science and technology wants to change the organization's business model and enhance the organization's more value with the help of digitization. It faces great challenges and threats, and its digital transformation results are not expected. Many scholars believe that digital transformation should give priority to organizational transformation, focus on people-oriented, customer and user driven, reuse digital technology development and methods, and not only digital technology and method development to drive organizational transformation [7]. In research and management consulting, the author uses unstructured interview, investigation and questionnaire methods to study

units such as Yunnan Mobile, Zhejiang Mobile, Liaoning Mobile, China Tower, and Xiamen Port holding group, Huawei and Anhui Hexin technology. The transformation of China digital organization faces common challenges of business Ecology:

Strategic direction, many enterprises have changed from traditional long-term strategic planning to uncertain strategy, and incorporated digital strategy into the core of strategy.

Organization direction, many organizations put forward cloud organization management, agile organization, platform organization, optimizing bureaucratic organization, changing organization management mode, changing structure and function, and starting a revolution of organizational change [10].

Investment direction, the capital of many investment enterprises pursues emerging science and technology enterprises, and the capital gives birth to the incubation and transformation of science and technology, in an attempt to accelerate the organizational fission.

Talent direction, many enterprises have accelerated talent flow and increased talent investment, but the return on t-roe is not positively related and uncertain. The value of the human

resources department gradually decreases and becomes the recruitment department and the assessment department.

Management direction, KPI + GS, OKR, EVA, MBO, BSC, ERP, BPM, CRM and other organizational management theories and methods are becoming more and more unsuitable. Many organizations adopt the organizational form of business division, matrix system and grid, but the multiplication of organizational boundary benefits through management is becoming more and weaker, so it is difficult to stimulate organizational vitality and efficiency [13]. At present, in organizational management, after digital technology meets the organization, managers suddenly feel the uncertainty and disorder of the organization, the development of information, the weakness of organizational management, the threat of organizational security, the reduction of organizational trust, the collapse of the fence of organizational boundary, and the change of subordination and employment relationship between managers and employees. Therefore, Managers explore new theories and methods of organizational management, reconstruct organizational management system, and stimulate organizational vitality and efficiency.

We should stop and reflect on the transformation of digital organizations, what essential changes the new technological revolution has brought to individuals, families, organizations and governments, and what factors drive the success of digital organization transformation. The author believes that we should see clearly what the essence of digital organization change is, what the purpose is, what will change and what will remain unchanged, which is the Tao and which technology. All the impact of new technologies on the organization returns to the essence for the organization to obtain and make the organization better, warmer and better. Woodman [9] believes that organizational vitality is the driving force for enterprise growth, competitiveness and success. At present, many scholars, management consultants, government leaders and entrepreneurs are very concerned about this issue. *New vitality and effectiveness of the organization*.

2. Findings: The Current Situation of Organizational Vitality and Effectiveness

For leaders of each organization, when new digital technologies penetrate the organization, how to effectively manage uncertain organizations? Leaders often commit traditional ideas and practices, resulting in energy loss, resource waste and organizational fatigue, which are specifically reflected in:

Ignoring humanities and believing in digital technology to realize organizational transformation.

Ignore employees and believe in the rules and means of system and process.

Ignore authorization and believe in the authoritative means of centralization.

Ignore human nature and believe in the executive power of management.

Ignore the internal drive and believe in the external drive of money.

Ignore collaboration and believe in the boundary management of post responsibility.

Ignore wisdom and believe in the investment value of capital.

Ignore co creation and believe in the leading strategic direction of authority.

In the research on organization and management of Chinese science and technology enterprises, universities and scientific research institutions, the author found that many leaders unconsciously expressed the above behaviors. Exploring the motivation behind these leaderships; behavior habits, the author finds that all organization managers have certain boundary limitations in the original organizational ecology. In the non-digital business environment, they are used to using "post" static units to improve efficiency, regular operation of responsibilities, rights and interests, clear division and distribution standards of resources, relatively closed units to create value, and asymmetric information, Power and authority are the highest baton. For example, the phenomenon of "weak strategic implementation" of China Mobile, and the combat effectiveness of grass-roots units of central enterprises is insufficient. Therefore, traditional leaders activate organizational vitality by taking information, technology, equipment, posts, standards, systems, funds, power, authority, structure, rules, obedience, age, experience and resources as key factors and investment as activating organizational vitality, resulting in "organizational weakness", "organizational burnout", "organizational cold and heat disease" and "organizational shortsightedness" "Tissue digital accumulation" and "tissue lack of life".

3. Dream: A New Understanding of Organizational Vitality and Effectiveness

There are few definitions of organizational vitality and effectiveness. Professor Ulrich of the United States has widely used the definition of organizational vitality. He believes that it is employees; willingness, sense of responsibility and employees ability. He also puts forward the valuation of human capital value, measuring the value of human capital, predicting customer loyalty, employee productivity and profitability [4]. Foreign scholars Vicenzi and Adkin proposed that organizational vitality factors are organizational revenue, organizational intelligence level and innovation degree, and organizational vitality determines organizational vitality [8]. Chen Changhua's positioning of organizational vitality is to stimulate people's ownership, stimulate people's internal growth driving force, stimulate people to take responsibility and achieve achievements, and stimulate people is the origin of organizational sustainable development [6]. *Capital value index = employee skill level multiplied by employee service time*.

1979 Thodore W. Schultz [1], the winner of the Nobel Prize in 1992, is a recognized builder of human capital theory

Schultz pointed out that there are nine channels for human capital investment, including nutrition and medical care expenses, school education expenses, in-service personnel training expenses, and migration activities carried out by individuals and families to adapt to the changes of employment opportunities Wait.

Schultz's human capital investment is a kind of investment with high rate of return compared with other parties; investment. Schultz made a quantitative study on the relationship between American education investment and economic growth from 1929 to 1957, and came to the following conclusions: the average rate of return of education investment at all levels is 17%; the income from the growth of education investment accounts for 70% of the growth of labor income; the growth of education investment accounts for 50% Income accounted for 33% of the growth of national income. Compared with other types of investment, the return on human capital investment is very high.

Therefore, the author believes that the team energy temperature is measured by the team's sense of initiative, value, growth and initiative. The humanistic ability refers to the acquisition degree of employees; sense of trust, care, growth, value, respect and commitment. The performance result is the number of employees; task results. The value of organizational vitality is calculated from three aspects. The author believes that the above factors are consistent It should be understood as the connotation of Schultz's "human capital". Therefore, in the era of digital economy and new technology, it is necessary to focus on the "human capital" of talents in the organization to double the value of "organizational vitality and efficiency" and make the organization more beautiful, more vitality, more temperature, better performance and more vitality, achieving the highest marginal economic benefit and the highest return on t-roe is organizational chronism. *Organizational vitality is to stimulate each individual in the organization, stimulate the internal talent driving force of the individual, stimulate the continuous growth of the individual's intelligence, surpass self-expectations, and make the organization full of temperature and vitality. The author believes that the measurement of organizational vitality = team energy temperature x humanistic ability x performance results.*

4. Path: Strategies to Activate Organizational Vitality and Effectiveness

Schultz's human capital theory brings challenges to organizational management reform and dealing with new digital technology. Grasping the essence of organizational change is "doubling organizational vitality and efficiency", traditional elements in non-governmental organizations, such as process, responsibility, system, organized resources, capital, equipment, power, information, brand and technology. How to correctly understand the application of Schultz's thought in organizational vitality and efficiency and understand the influencing factors of "human capital", the

author believes that the following key problems must be solved to manage the "human capital" of an organization well:

How can we attract talents with high potential of "human capital"?

How can we influence talents with high potential of "human capital"?

How can we motivate talents with high potential of "human capital"?

How do we evaluate talents with high potential of "human capital"?

First, how can we attract talents with high potential of 'human capital'?

In the process of organizational change, the guiding direction of the organization is strategy, strategy is to do the right thing, and strategy is choice. In the digital transformation of all organizations, the underlying driving force of strategy is innovation, and innovation focuses on the technological innovation of customer value creation and the driving force of the second round of organizational innovation to promote the functional strategy and path design of various institutions and departments. For example, China Mobile's strategy is the "three financial" and "three forces" created by four types of customer value. The strategy leads the organization to focus on the strategies and measures to treat talents with high potential of "human capital", that is, the "vitality, joint force and ability" of talents in this way, digitization and organizational transformation are linked, and digital strategic transformation does the right thing and makes the right decision. In 2014, NADELLA, the new CEO of Microsoft, promoted organizational change with the new strategic choice and transformation of mixed reality, artificial intelligence and quantum computing, focusing on "activating the driving force in the organization and reshaping the soul of the organization", to refresh the organizational mission, new power and new cultural gene is actually to reactivate the organization's "human capital" and create spillover high returns [2]. In October 2021, Microsoft's share value was nearly \$2.5 trillion, surpassing apple, ranking first in the global market value and regaining its peak and glory.

The second question is how can we influence talents with high potential of 'human capital'?

Drucker, the father of management, believes that management is to do the right things well through others. Management is to effectively manage the process, let people complete tasks in the right way and process, and pay attention to things and tasks in essence. Therefore, organizations improve organizational efficiency and benefits through management method innovation, such as "Six Sigma", ERP, BPM, piecemeal compensation incentive method, organizational process reengineering, excellent performance quality management, organizational structure optimization, job analysis, performance management, etc. to improve organizational efficiency. In the era of digital revolution, these activations of organizational vitality and efficiency have been very limited. Schultz believes that only the "human capital" of key organizations can further improve organizational efficiency, inspire and invest in value-added talents,

effectively influence people, make people willing to work voluntarily and surpass challenging goals [12]. The author agrees with Ulrich's view that the key to the transformation of digital organization is to cultivate the leadership of leaders and stimulate the internal driving force of talents. In the uncertainty of digital organization, leaders have strategic insight and should respond to the external environment to stimulate the goodness and beauty of human nature, positive goodwill and vitality, link the symbiosis of external resources, break organizational boundaries and rules, form internal and external synergy, promote the consensus of internal and external customers, be willing to follow leaders, complete organizational goals, and stimulate self-worth, work significance and goodwill. This is the leadership's digital transformation leadership [3].

The third question, how can we encourage talents with high potential of 'human capital'?

Taylor's management proposed scientific management. The core of scientific management is quota, staffing and responsibility, work standardization and piecework salary incentive to stimulate organizational work efficiency and effect [11]. In the digital era, taking "people" as the foundation, insight into the essence of "human nature", penetrate time and space and what is unchanged in technological revolution, Maslow's humanistic philosophy Put forward five levels of demand theory, Herzberg's two cause motivator theory [5], the author's research and practice found that the factors that

stimulate the appreciation of human capital in the organization are divided into three levels. The author believes that trust and care are the first level to stimulate the humanistic appeal, which is a shallow incentive; respect and commitment are the second level to stimulate the humanistic appeal, which is to activate the middle-level incentive of employees and let people get him in the organization Human recognition and self-restraint; growth and value are the third and highest level demands to stimulate people-oriented demands. This kind of demand satisfaction can enable employees to automatically, spontaneously and continuously activate the internal driving force, carry out self-improvement, self-revolution and self-breakthrough, eliminate the intervention of organizations and others to activate employees, and also create the freedom, self-consciousness and self-confidence of individuals, families, organizations and society in the future community with law, legal system, civilization and work and life significance [15]. For example, bat company, cadres and employees assess the cultural values of "six divine Swords", the new Microsoft CEO NADELLA creates the organization's "Empathy", "growth thinking mode" and "organizational soul", reshapes Microsoft's organizational leadership, and China Mobile creates the organization's "vitality, joint force and ability" The author summarizes and finds the common law of all these excellent organizations, and the value-added growth model of stimulating the organization's "human capital" is the "12 word thought model of humanistic management".

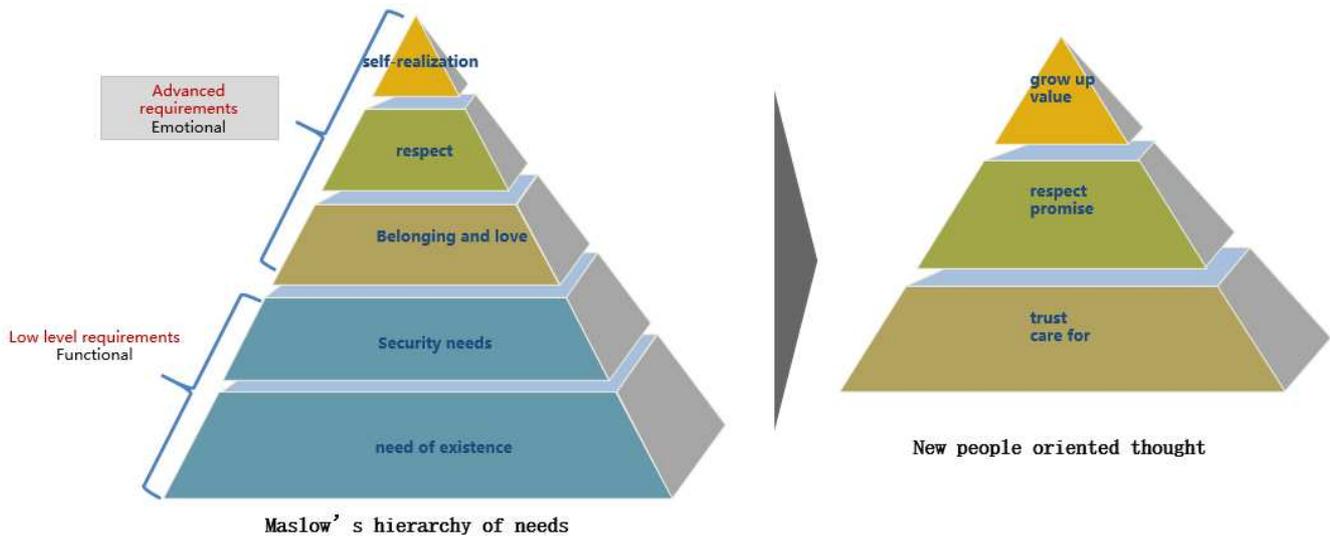


Figure 1. 12 word thought model of humanistic management.

Fourth, how do we evaluate talents with high potential of 'human capital'?

The organizational value evaluation method adopts traditional performance management, such as KPI + GS evaluation system. Taking departments and posts as units, the strategic objectives are broken down into departments and employees at all levels. KPI responsibilities are added at all levels to evaluate the work value of departments and employees, link bonuses and position promotion. "Result oriented here "The short-term effect of this value evaluation

system is obvious. However, the author has found in the practice of China Mobile and other science and technology for more than 20 years that KPI assessment cannot stimulate employees to be more willing to complete tasks and create value for customers. Instead, it is regarded as a task and transactional work relationship to reduce employees; vitality and creativity.

In the author's opinion, what can make employees work automatically and spontaneously, create value for customers and exceed organizational expectations? In more than 20 years

of consulting practice, the author has found that employees; internal demands and motivation are "work temperature", "work value", "work growth" and "work autonomy", these deep internal driving factors and these core factors are suppressed and ignored in traditional organizations [14].

Therefore, the author how to develop organizational human capital, continuously apply DDDE method to the management of personal dreams, team dreams and organizational dreams, and activate organizational vitality. The DDDE method is as follows:

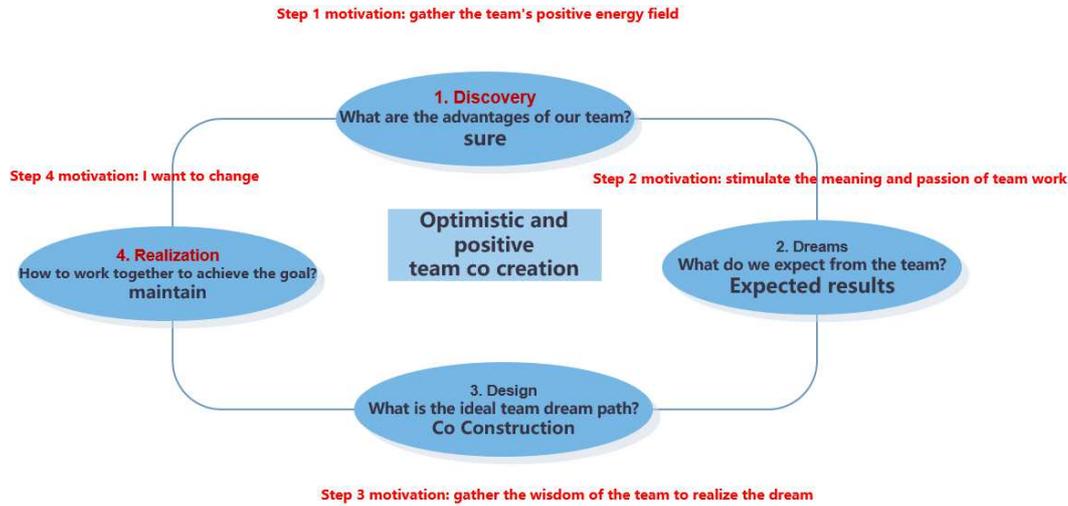


Figure 2. DDDE motivating team vitality model.

5. Summary: Digitally Reconstruct the Organizational Change System to Stimulate Organizational Vitality and Efficiency

In the long-term research and practice of Chinese science and technology enterprises, universities and scientific research institutions, the problem of digital organization transformation will give the biggest challenge to traditional organization management is how to treat the organization people and the organization soul, how to affect the organization people and obtain results, the development and application of non-digital technology, which is only part of the organization, such as

artificial intelligence, block chain, Internet of things and 5g technology, therefore, the author believes that we should take "organizational people" as the center, not "posts or things" as the center, digitize organizational operation and management, link appropriate digital technologies, stimulate "different needs of organizational people", and activate "Humanistic capital" of organizational people around demand and value creation, let the organizational value multiply, redesign the organizational vitality and efficiency change model of Chinese science and technology enterprises (see the figure below for S-HPL), guide the transformation and upgrading of Chinese science and technology enterprises under the digital background, re change the management thinking mode and leadership style of managers, and the way of organizational value creation and division of labor.

- Whether an organization can continuously obtain high performance, and realize the organizational vision depends on the quality leadership of the humanistic environment of the organization, and the level of organizational performance ability, they must link and expand their influence



Figure 3. Digital organizational vitality and effectiveness change model (S-HPL).

In this model, the digital strategy system is the change direction system (s-strategy), the organizational humanistic spirit system is the organizational culture system (h-humanity), the organizational performance dream system is the organizational activation system (p-performance), and the organizational leadership system is the organizational capability system (l-leadership), the four aspects interact, influence and combine with each other to affect the organizational vitality and efficiency. Leaders adopt the module combination strategy according to different practices, conditions and weaknesses of organizational transformation, formulate and implement detailed plans to improve the organizational vitality and efficiency. The digital technology revolution has accelerated the spring of organizational change in China's science and technology enterprises.

References

- [1] Theodore W. Schultz, (1992). *Economic Theory, Econometrics, and Mathematical Economics*, Pages 166-172.
- [2] Satya Nadella, (2014). *Hit Refresh: The Quest to Rediscover Microsoft's Soul and Imagine a Better Future for Everyone*.
- [3] Zenger, Folkman, (2013), *the Extraordinary Leader: Turning Good Managers into Great Leaders*, McGraw-Hill Companies.
- [4] Dave Ulrich, Jack Zenger and Norm Smallwood (2003). *Result-Based Leadership*, President and Fellows of Harvard College.
- [5] Herzberg, Bernard Mosner and Barbara Snyderman, (1959). *Incentives for work*.
- [6] Chen Chunhua, (2016), *activating the individual: a new paradigm of organization and management in the Internet era*, Beijing, Machinery Press. Monod.
- [7] Monod Emmanuel and Eisner Alan et al. (2021). *Digital Transformation -- a competitive model towards people and digital synergy, information technology and network security*, Vol. 40, No. 7, 2021.
- [8] Vicenzi, R and Adkins, G, *A Tool for Assessing Organizational Vitality in an Era of Complexity*, *Technological Forecasting and Social Change*, 2000, Vol. 64 No. 1, Pp 101-113.
- [9] Woodman RM, *Creativity as a construct in personality theory*. *Journal of creative behavior*, 2011, 12 (1): 43-66.
- [10] Chun Hua Chen (2021), *Activate the Organization*, China Machine Press, Beijing.
- [11] Doniel Nelson, A, *Mental Revolution: Scientific Management Since Taylor*. Ohio State University, 1992. 1-5.
- [12] Dave Ulrich (2016), *Value-oriented leadership*, China Machine Press, Beijing.
- [13] Xiao Bo Wu (2021), *Activated Organization: Password of Huawei Endeavor*, Citic Press, Beijing.
- [14] David Cooperreid (2007), *Appreciative Inquire*, Renmin University of China Press, Beijing.
- [15] Stehen M. R. Covey (2013), *Smart Trust: Creating Prosperity, Energy and Joy In A Low-Trust World*, China Youth Publishing House, Beijing.