

# An Analysis of Business Administration Mode in the Context of Economic Restructuring

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**Abstract:** with the promotion of China's economic transformation and upgrading, some Chinese enterprises are facing increasing market competition pressure, and the transformation and upgrading of enterprises is imminent. But the transformation and upgrading of enterprises not only means the increase of cost, but also means the greater transformation risk. Based on the characteristics of China's economic structure transformation, this paper analyzes the role of business administration mode, discusses the problems existing in business administration under the background of economic structure transformation, and puts forward corresponding optimization countermeasures.

## 1. Introduction

### 1.1 Consumption Demand Guides the Transformation of Economic Structure

As China has realized the leap from capital scarcity to capital abundance, the driving force of economic growth in China is gradually changing from external demand to domestic demand, and China is gradually becoming a development mode of consumption demand leading economic structure transformation. The traditional development mode of high resource consumption and low efficiency output is no longer suitable for the development of our country, which means that in the process of transformation to service-oriented consumption, we need to clear the excess capacity and resource consumption enterprises, and reform the market supervision rules and enterprise organization structure. But at the same time, the contradiction of unbalanced economic development in China is gradually emerging. The central and western regions of China are still in a relatively low wage development situation, which needs to be improved. The transformation of consumption-oriented economy is more concentrated in the coastal developed cities, and China's manufacturing industry is gradually moving to the central region, and eventually forming the economic inner cycle of central production and consumption in the eastern coastal region, China's industry share in 2018 is shown in Figure 1.

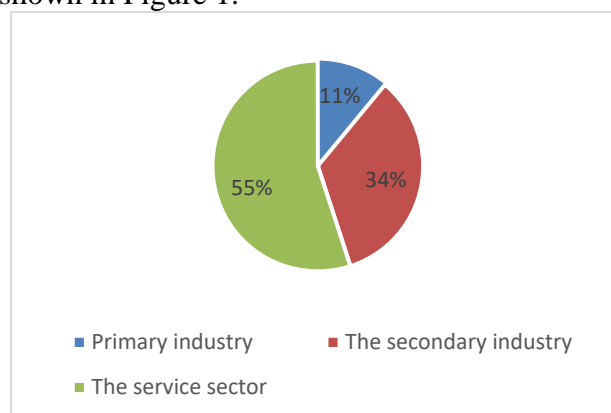


Fig.1 Proportion of China's Three Industries in 2018

In addition, while clearing and transferring backward production capacity in the eastern developed areas, more and more attention has been paid to projects with high added value. For example, Ningde times, SMIC, etc. all have factories in the eastern coastal cities, and the eastern developed cities are becoming the centers of all kinds of R & D talents in China. In the current period, the transformation

of China's economic consumption structure is more realized by relying on the construction advantages of mobile Internet. With the completion of the construction of the largest fourth generation mobile Internet in China, China's national consumption is no longer limited by regional space, and people can achieve "food, clothing, housing and transportation" and other aspects of consumption without leaving home, greatly improving the consumption desire and consumption experience of Chinese residents. Mobile Internet has also become a business card of China's economic structure transformation. Combined with various kinds of Internet innovation, it provides infinite reverie for the future development of China's economy.

## **1.2 Economic Structure Transformation Guided by Investment Demand**

Although China is transforming into a consumption-oriented economy, it is still in the stage of economic development in which investment demand dominates economic development. China's economic restructuring still relies heavily on investment demand. On the whole, China's investment demand is mainly reflected in the improvement of urban and rural infrastructure construction, and through the investment demand to alleviate the employment pressure caused by the huge labor population, and reduce the negative impact of capacity clearing. Driven by the investment demand, the production and living conditions of rural areas in China have been greatly improved, and rural areas have become an important reserve link to mitigate economic risks in the future. Investment demand guides China's economic structural transformation. In addition to infrastructure construction, it is also reflected in the increase of investment in high-end consumer products, such as solar energy, display panel and other manufacturing "neck" technology in the past has been gradually broken under the large-scale investment in China's industrial economy and the introduction policy of relevant talents. At this stage, China is in the process of chip, integrated circuit, instrument and so on. The investment in instruments and other fields has been increased, and the manufacturing industry has also transformed from the middle and high-end in the past to the high-end. In the process of transformation, the huge amount of capital investment that needs to be consumed does not need the credit endorsement of the state, which is also the most obvious performance of the investment demand of national development for the transformation and upgrading of China's economic structure. Driven by investment demand, not only financial capital serves transformation, but also social talent training supports transformation. The development prospect of China's transformation to high-end manufacturing industry is worth looking forward to.

## **1.3 Characteristics of Economic Structure Transformation in the Transformation of Import and Export Demand**

In addition, although the proportion of export in China's economy is decreasing year by year, for China's manufacturing industry, export is still a very important link, especially with the expansion of China's opening up and the development of the import market, the balance of import and export is becoming an important link in the adjustment of China's economic structure. China is a big manufacturing country in the world and also a big agricultural country. In addition to the large demand for raw materials in manufacturing industry, there is relatively less demand for other resources. However, this has also led to the trade deficit of other countries expanding year by year in economic exchanges with China, which is also a point that China has been criticized by other countries in the international market. In order to alleviate the trade deficit of other countries, it is the main driving force for China's import and export demand to promote economic transformation to undertake more international responsibilities and improve the consumption experience and purchasing power of Chinese residents. With the balanced development of foreign trade and economic cooperation, China is importing more goods from other countries that are friendly to China. At the same time, it is also looking for the impetus for the further development and upgrading of manufacturing service industry from the structure of imported goods to ensure that China's economic development can get rid of the dependence on foreign resources as much as possible. In addition, China's export commodities are also transforming to the manufacturing industry of high value-added products, so as to grasp more the discourse power in the development of manufacturing industry and science and technology, and provide technical guarantee for the development of China's real

economy.

#### **1.4 New Characteristics of Economic Structure Transformation Constrained by Resources and Environment**

After the financial crisis in 2008, China's crude economic development has led to a series of environmental mass events, which have brought great impact on our government's development concept and made our country pay more attention to the development constraints of resources and environment. After General Secretary Xi Jinping put forward the development concept of "green water and green mountains are golden mountains and silver mountains", China has paid more attention to the environmental problems in the development process, changed the development concept to ecological civilization, emphasized the harmonious development of human and nature in the development process, and cleaned up a large number of enterprises with high pollution and energy consumption. In terms of environmental governance, not only the "river chief system" was introduced, but also the Yangtze River Basin was required to have a ten-year fishing ban from 2020. On the one hand, it shows that China's environmental governance has entered a new stage of ecological restoration, but on the other hand, it also shows that the impact of China's rapid development on the ecology has reached an unsatisfactory situation. Whether the ecological environment can be restored and whether the Yangtze river ecology can be restored It remains to be seen whether the policy can be implemented or not, but China's determination to transform itself into an ecological civilization has been recognized and expected by the whole world.

### **2. The Role of Business Administration Model**

In the process of China's economic development, business management mode plays a very important role. It can not only help enterprises set up correct development goals, but also reduce the operating costs of enterprises, improve the competitiveness of employees and make enterprise owners clearly grasp the financial situation of enterprises.

#### **2.1 Reduce Enterprise Cost**

The business administration mode of an enterprise has the function of reducing the operation cost of the enterprise at first, which is mainly reflected in the introduction of business administration, clearer responsibilities of all departments of the enterprise, clearer reward and punishment system, specific department management for possible risks faced by the enterprise, clear planning for production and operation, etc. Because business administration can reduce the cost of enterprises and improve the success rate of transactions between enterprises and customers. Therefore, most of the enterprises in our country have introduced professional business management mode, and even the owners of some enterprises themselves are talents with business management professional background.

#### **2.2 Establish Correct Development Goals**

Business administration also helps enterprises set up correct development goals. Because business administrators have a clear understanding of the macro-economic situation and the micro business environment that enterprises face, and a systematic understanding of the resources and conditions for enterprise development. Therefore, business managers are often able to make development goals that meet the actual needs of enterprise development, and combine with other enterprise development cases to reduce the possibility of facing risks in the development process.

#### **2.3 Tap the Potential of Employees**

Business administration also plays a role in tapping the potential of employees. Business administrators are willing to hire professional human resources talents to help enterprises formulate talent development plans and talent incentive plans, which not only helps to improve the salary level of employees, make the interests of employees consistent with the development interests of enterprises, but also helps the development and growth of employees' professional capabilities. At the

same time, the industrial and commercial managers will review the incentive plan and talent management system issued by the human resources department to avoid the phenomenon of employees' transition work, so that employees can maintain a better physical state to cope with work.

## **2.4 Understand and Master the Financial Situation of the Enterprise**

Business managers are more sensitive to the financial situation of enterprises. They often find problems in the cash flow of enterprises in advance and negotiate with various stakeholders to solve the problems. In addition, business administration helps enterprises to operate and invest in various fields, so that enterprises will not make too radical investment decisions, avoid blind investment and unable to recover investment, and provide guarantee for enterprises to obtain stable and normal income.

## **3. An Analysis of the Problems in the Business Administration of Chinese Enterprises**

### **3.1 The Management Level of Some Enterprises is Low**

With the development of China's reform and opening up, relying on the advantages of scale and infrastructure, the socialist market economy with Chinese characteristics is booming. But on the other hand, the management level among enterprises is quite different, and some enterprises have a short life cycle. Some enterprises can not communicate with the government effectively when they develop to a certain scale, can't restrict the employees and management, can't transform the production process and so on, which are the important manifestations of the low management level of some enterprises. Because of the low level of management, these enterprises can not meet the conditions of economic transformation and upgrading, and can not adjust the self-management mode, which eventually leads to the decline of enterprises.

### **3.2 Enterprises Lack of Positioning Their Own Development Direction**

In China, some enterprises often encounter development bottlenecks in the middle and late stages of development. The enterprise management is often held by the talents within the enterprise owner's family, but they often do not have professional business management capabilities. They lack courage when making enterprise development strategies and making major decisions, resulting in the enterprises often miss the best time to solve problems in development Machine. On the whole, family enterprises account for a large proportion of small and medium-sized private enterprises in China, and the proportion of enterprises that introduce principal-agent relationship is still small, and there are few enterprises that can rely on the concept of business administration to improve their competitiveness. In addition, Chinese enterprises pay too much attention to profits in the process of development. When finding a project to make money, they tend to seize the market by expanding production capacity, which eventually leads to the reduction of industry profit margin and the phenomenon that investment is hard to recover.

### **3.3 Enterprises Lack the Ability to Develop Market**

On the one hand, our country does not pay enough attention to marketing talents, especially the common people have certain prejudice to marketing talents. On the other hand, many enterprises rely more on policies or contacts rather than product advantages in market development, which not only makes the products produced by enterprises easy to be imitated by other enterprises in the market, but also causes the enterprises to have less efforts in product R & D and innovation, unable to adapt to the enterprise competition in the context of transformation and upgrading.

## **4. Countermeasures for Enterprises to Develop Business Management Mode under the Transformation and Development of Economic Structure**

### **4.1 Strengthen the Training of Business Administration Talents**

In order to optimize enterprise management by relying on principal-agent relationship and make

enterprises introduce company management mode, we should first strengthen the training of industrial and commercial management talents. To strengthen the cultivation of company management talents, we should not only strengthen the graduation examination of business management major in Colleges and universities, but also provide various training opportunities for business management talents, and carry out all-round training of talents' ability from the perspectives of customer relationship maintenance, employee management, production management, budget management, risk management, etc., so as to cultivate talents that meet the needs of the development of the times Enterprise management provides talent support, and the specific business management talent training mode is shown in Figure 2.

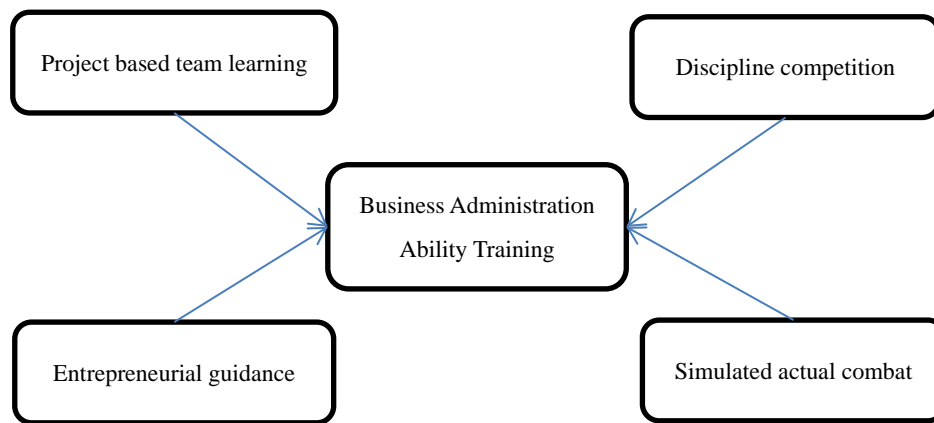


Fig.2 Business Management Personnel Training Mode

#### 4.2 Break through Management Concept

Under the traditional economic mode, most enterprises in our country adopt the extensive economic development mode to work, which leads to the waste of resources in different degrees in the operation process of enterprises in our country, which is not conducive to the expansion of the benefits of enterprises, resulting in the formation of high energy consumption and high-yield management concept. In this context, Chinese enterprises need to strengthen the breakthrough and improvement of the traditional management concept, get rid of the self closed management concept, strengthen the learning and reference of domestic and foreign advanced enterprise management concept, so as to achieve the improvement of their own management ability, promote industrial transformation, and improve the level of enterprise management.

#### 4.3 Further Improve the Enterprise Management System

In addition, business managers need to strengthen the comprehensive analysis of the actual situation of enterprises in the relevant business process, and on this basis, develop management system, so as to achieve the full play of enterprise management efficiency. Generally speaking, in the process of formulating the industrial and commercial management system, enterprises need to strengthen the definition of the responsibilities of each post, promote the construction of various incentive systems, so as to ensure that enterprise managers can implement various management work. Secondly, the enterprise also needs to ensure that all management systems are in line with the principle of "people-oriented", everything should be closely around the enterprise employees, and effectively safeguard the vital interests of employees. Finally, enterprises should formulate development strategies in line with the national strategy and the interests of enterprises, to point out the direction for the development of enterprises, and to reduce the bottlenecks encountered in the process of enterprise development.

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