

Analysis on the Influence of Executive Team Heterogeneity on Organizational Performance

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Abstract: The senior management team is an important strategic resource and core resource in the business process. It has an irreplaceable role in the strategic management of the enterprise. An excellent senior management team can improve organizational performance. As a scarce resource for organizational management, if the senior management team has a high degree of heterogeneity, the efficiency of organizational consensus and the efficiency of decision-making will be adversely affected. In the process of organization and management, when the senior management team chooses the development strategy, the role of team heterogeneity will directly affect the decision-making results of the organization, thus affecting organizational performance. The paper explores the impact of executive team heterogeneity on organizational performance.

1. Definition of Executive Team and Organizational Performance

The so-called executive team, as the name suggests, is the top management team, which is all the top management in the organization. At present, the academic community has not yet made a clear definition of the scope of the executive team. Some scholars believe that the executive team is the highest strategic decision-making level and executive branch of the organization. As the top management group of the organization, the senior management team not only participates in and is responsible for the operation and development of the organization, but also has the highest level of decision-making control; domestic scholars believe that China's corporate executive team includes directors, supervisors, and other senior management personnel. According to the existing concept definition, this paper believes that the organization's senior management team includes the chairman, general manager, deputy general manager, secretary of the board of directors, members of the board of supervisors and other senior management personnel [1].

Organizational performance is an important indicator for evaluating the development of an organization's organization. At present, the definition of organizational performance is not unified. Some scholars believe that the investment behavior of enterprise organizations, the satisfaction of service objects, and employee satisfaction are directly related to corporate performance. Through a series of production and management activities, all employees in the organization finally obtain work results, output gains, etc. These results, output income, that is, the performance of the organization, are the direct manifestation of the operating efficiency of the enterprise organization in a specific business period [2].

2. The Executive Team Heterogeneity Analysis

An important method to evaluate the characteristics of senior management team is to analyze its heterogeneity. The so-called heterogeneity refers to the differences among the members of the team. The heterogeneity corresponds to homogeneity, and the homogeneity refers to homogeneity. The degree of similarity between members of the team. Under normal circumstances, the executive team's homogeneity is higher, the environment will be more harmonious, and the work efficiency is relatively higher. For some regular problems, the higher homogeneity of the senior management team is more favorable for organizational management; The higher the homogeneity of the senior management team, the more homogeneous their views and behaviors, and the less sensitive they are to the external environment [3]. On the contrary, the high level of heterogeneity of the senior

management team proves that the knowledge base and professional experience of the members of the team are more diversified. Although the communication operation may occur during the operation of the team, in the face of the dynamic external environment, The higher the quality of the executive team is also more creative.

The heterogeneity of the executive team consists of multiple dimensions. The study analyzes five aspects: age, gender, tenure, education level and professional background:

Age heterogeneity, which is the difference in age of executive team members. Obviously, for senior managers, their age will have a direct impact on their decision-making behavior. The senior managers have different ages, and their growth environment, educational environment and social experience also have great differences. Often, older managers tend to be more stable and less risky, while older managers are more adventurous. The senior management team members have small age differences, communication and cooperation between members are smoother, and decision-making execution efficiency is higher. Conversely, senior management team members have large age differences, which will increase communication time and communication costs among team members [4]. It will have a negative impact on teamwork efficiency and organizational performance.

Gender heterogeneity refers to the degree of gender differences among the executive team members. Female managers account for a higher proportion of the organization's executive team, while male managers and female managers are both personality traits and management methods. There are certain differences. Female executives and male executives have different personalities and different experiences, which can enrich organizational resources and improve management decision-making quality and innovation ability. However, some scholars believe that the impact of female executives on organizational performance is not significant. This study believes that because men and women are in the process of management, their personality characteristics and ways of doing things are quite different, female managers are more inclined to risk avoidance, and excessive gender heterogeneity will cause emotional conflicts, leading team members to make innovative decisions. Disagreements and intensify the internal contradictions of the senior management team are not conducive to the quality of the work of the entire team, and will also have an adverse impact on the improvement of organizational performance [5].

The term of the senior management refers to the time when the manager enters the organization, and the time when the manager enters the senior management team. Different time of appointment, organizational members experience different stages of organizational development, and there are also differences in the resolution of organizational strategy and development planning. Such differences will directly affect the decision-making behavior of senior management. The difference in executives' term schedule is conducive to the formation of a diversified organizational strategic plan, which makes the organization's operations better adapt to the dynamic and changing market environment; it helps the management team to make timely decision-making adjustments according to the actual situation of the organization, thus promoting the organizational strategy. Change; and the executive background of each member of the executive team can provide knowledge base and work experience in different professional fields, which is more beneficial for the senior management team to analyze and solve problems.

The level of education has a direct impact on the thinking patterns of executives themselves, which in turn affects their decision-making behavior. However, there are some differences in the impact of the heterogeneity of education level on organizational performance. One view is that the greater the difference in the level of managerial qualifications, the more opinions the senior management team has on corporate strategy and decision-making, which is not conducive to the organization. The improvement of performance; another view is that the difference in the level of senior management team's education level is conducive to the organization to obtain more diverse information resources, thereby improving the quality of organizational decision-making and implementation, and has a positive impact on improving organizational performance. This study believes that although the degree of education can reflect the thinking mode and knowledge base of individual members of the organization, the requirements of the organization for the threshold of

academic ability are gradually reduced, and the academic qualification is no longer an important indicator for evaluating individual ability. In the senior management team, the role of education as a standard for identity classification is steadily weakening, so the heterogeneity of education level does not directly affect organizational performance [6].

The professional background of the top management of the organization will have a direct impact on the way of working and knowledge. The professional experience of senior management is different. There are also some differences in the perspective of the problem and the way to solve the problem. The result of this difference is management. Differences in behavioral preferences. For an organization's executive team, a diverse career experience can enable organizations to broaden their access to information, access more resources, and be more sensitive to changes in the external environment, so executive teams with diverse professional backgrounds can be based Analyze and interpret the problems faced by the organization from different angles, and make high-quality strategic decision-making behaviors, thereby improving the team's strategic decision-making ability and improving organizational performance.

3. Improve the Senior Management Team's Positive Impact on Organizational Performance

According to the above analysis, the heterogeneity of the organization's senior management team's age, gender, tenure, education level and professional background has different effects on organizational performance. To improve the positive impact of the senior management team on organizational performance, the following measures can be taken. :

When selecting the executive team members, the organization should fully consider the degree of heterogeneity among the members based on the overall perspective, which not only ensures the diversification of the senior management team, but also obtains comprehensive and diversified management resources. Treat the heterogeneity characteristics of the executive team. As mentioned above, age and gender heterogeneity will adversely affect organizational performance. Therefore, when configuring the senior management team, it is necessary to rationally adjust the age and gender differences of each member; reasonably control the ladder configuration of senior management age to avoid The degree of heterogeneity is too high and causes internal conflicts within the team. The heterogeneity of tenure and professional background will have a positive impact on organizational performance. Therefore, when constructing the senior management team, we must follow the principle of complementary term and professional complementarity, and rationally allocate the professional experience and appointment time of senior management team members. The professional background and the heterogeneity of the team members' time, build a rich and diversified social network of senior management team, and achieve the goal of complementary resources through the diversification of the knowledge structure of the senior management team members and the diversification of practical experience. The quality of decision-making by the senior management team improves the effectiveness of the organization. In addition, the heterogeneity of education level has little impact on organizational performance. Therefore, the organization should further weaken the influence of senior management team members' academic factors and focus on the assessment of senior managers' ability level [7].

Age and gender heterogeneity will have a negative impact on organizational performance. The heterogeneity will lead to relationship conflicts within the senior management team and increase the internal consumption effect of the team, which will not only directly affect the stability of the senior management team, but also Conducive to the improvement of organizational performance. In response to this problem, it is necessary to establish an effective conflict management mechanism, and to ease the internal conflicts of the team and improve the management level of the team on the basis of giving full play to the advantages of group decision-making. On the one hand, executive team members of different ages need to communicate openly, establish a rational discussion atmosphere, and reduce conflicts caused by age heterogeneity through formal and informal communication. On the other hand, it is necessary to give full play to the consensus role of organizational culture, set common development goals for senior managers, improve the stakes among the members of the senior management team, and improve the sense of belonging of team

members. Transform into value, play the advantage of heterogeneity, and achieve the goal of improving organizational performance.

For an organization, innovation is an important capability for its development, and R&D is an important measure for an organization to enhance its innovation capabilities. Although R&D investment has high risk, it has a positive effect on the development of the organization. Therefore, it is necessary to strengthen the R&D investment of the organization, break the technical bottleneck, and improve the competitive advantage of the organization through the research and development of core technologies. In the specific implementation process, we must first establish the R&D awareness of innovation-driven development, rationally increase R&D investment, and improve the organization's independent innovation capability. Secondly, the research activities should be based on the actual situation of the organization, and avoid blindly following the research investment decision that does not conform to the current situation of the organization. Finally, the organization should take measures to circumvent or reduce the risks arising from R&D activities, such as the establishment of a special management system for R&D investment [8].

4. Conclusion

In short, the heterogeneity of organizational executive team will have different impact on organizational performance. In the actual management process, the organization should analyze the impact of executive team heterogeneity according to its actual situation, and optimize team structure and strengthen team conflict management. Improve organizational research investment and other measures to improve the positive impact of executive team heterogeneity on organizational performance.

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