

The Influence of the Concept of Core Competitiveness on the Management Concept of Contemporary Enterprises

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Abstract: with the Acceleration of Economic Globalization, the World Economy Embodies Many New Functions. to Establish the Core Competitiveness of Thought and Thoroughly Update the Management Concept of Modern Enterprises, We Need to Start from the Theory and Do a Good Job in the Progress of the Times. Starting from the Transformation of Modern Enterprise Management Concept, This Paper Analyzes the Methods of Establishing the Concept of Core Competitiveness and What Benefits It Brings to Modern Enterprise Management.

1. Introduction

Since the Reform and Opening Up, China's Economy Has Developed Rapidly and Bravely Embarked on the Road of Becoming a World Power. China Has Reached the Level of Competition with the United States and Other Major Countries. the Development of Economy Can Not Be Separated from the Support of Enterprises, and the Gradual Improvement of Production Efficiency of Domestic Enterprises is Its Premise and Foundation. There is a Great Possibility for Domestic Enterprises. Based on the Traditional Virtues and Cultural Basis of Chinese Countries, They Can Learn the Management Concepts of Western Developed Countries in Time and Learn from Each Other's Advantages to Do a Good Job. as Long as Modern Enterprises Combine Theory with Practice and Tap Their Core Competitiveness, Their Business Philosophy Will Reach a New Level.

2. The Theory of the Basis of Modern Enterprise Management Idea

2.1 Classical to Modern Management Theory Stage

Known as the First Stage of Classical Management Theory, It Refers to the Theory Centered on the 1930s. Fayol, the Father of Business Theory and a French Business Expert, Focuses on the Organization and Management Functions of Solving Business Problems, and is the Core Figure in This Stage. the Main Theory of Classical Management Theory Stage. the Second Stage from 1930s to 1980s is Called the Stage of Modern Management Theory[1]. the Main Theoretical Features of This Stage Include Marlowe's Demand Theory and Marlowe's Theory of Behavioral Scientific Management. as His Name Suggests, Behavioral Science Aims to Understand How People Effectively Accomplish Their Work, and to Study People's Behavior as Individuals and Their Subsequent Psychological Reasons. the Theory of Management is Also the Theoretical Feature of This Era. the Main Theories Are Management Science Theory and Management Process School. First, It Tends to Apply Various Academic Viewpoints. in These Two Periods, the Concept of Core Competition Has Not Appeared and Has Not Been Evaluated by Enterprises.

Table 1 World Trade Development

Years	Amount			Annual growth rate								
	1980	2000	2007	2000-2006	2000	2001	2002	2003	2004	2005	2006	2007
Service exit	3650	14928	32600	11	6.2	0.35	7.3	14.6	20	10.9	10.6	18
Service import	4024	14776	30600	10.4	6.5	1.2	5.9	14	18.9	10.6	10.3	16

2.2 Contemporary Management Theory Stage

Enterprises are proficient in the concept of core competitiveness at the stage of modern management theory. Modern management theory refers to the theory of enterprise management from 1980 to now. Due to the rapid changes in the international situation, the impact of various energy crises is invisible[2]. The management theory at this stage focuses on solving these contradictions and crises. In the modern management theory, how to survive in the complicated international situation and social environment is the strategy and focus. Management, represented by Michael and James, is the founder of the company's "reengineering" theory. They advocate the reconstruction of the theory and practice of enterprises, emphasizing the unique core competitiveness of enterprises.

3. The Renewal and Core of Modern Enterprise Management Idea

3.1 Focus on Core Competitiveness

The concept of modern enterprise management is to focus on the core competitiveness of enterprises. That is to develop the core management of the enterprise. The concept of core competition is the spirit and core of modern enterprise management concept[3]. If the company wants to take the lead in the competition, it must focus on the core products and employees. Don't ignore the whole, please pay attention to the important points. Focus on the core competitiveness of the enterprise itself. The best way is for enterprises to seize the core market by all effective means, focus on core industries, innovate scientific and technological forces, and enhance the overall core competitiveness of enterprises. As mentioned above, reconstruction theory is a kind of modern management theory[4]. In order to improve the core competitiveness of modern enterprises, enterprises must establish a sound development mechanism, at the same time, continue to reform according to market demand. The speed of economic globalization is synchronous, and gradually from the traditional management theory and mechanism of enterprise reform. Only our enterprises are facing the complex and difficult competition in the modern era. In the current economic environment, there is no capital loss.

Table 2 Advantage Index Of Current Enterprise Management Concept

Years	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
RAC index	0.62	0.58	0.60	0.57	0.57	0.54	0.49	0.49	0.49	0.47	0.50
CA index	-0.26	-0.25	-0.23	-0.19	-0.17	-0.17	-0.14	-0.13	-0.13	-0.17	-0.17
NRAC index	-0.04	-0.04	-0.04	-0.03	-0.03	-0.03	-0.03	-0.02	-0.02	-0.03	-0.12

3.2 Multiple Management Means

Driven by the concept of core competitiveness, other management tools of the company are all auxiliary means around the core competitiveness[5]. First of all, Chinese enterprises started late, because there are no legal constraints, there are frequent problems in credit management. If the company can't get good reputation, it can't not only get the trust of citizens, but also the trust of cooperation. Enterprise credit is the most important. Without credit, there is no capital to talk about core competitiveness. Enterprises should be self-sufficient and strengthen credit management. Secondly, many enterprises need to reorganize as a whole, unite enterprises and influence the market together. This method can not be ignored to improve the competitiveness and production efficiency of enterprises[6]. Under the premise of unified management, enterprises need to break the balance. Finally, we can not ignore the innovative business philosophy. For example, with the rapid development of network technology, virtual transaction has become the trend of the times. In enterprise management, network and computer technology can also be used to enhance their core competitiveness. The characteristic of virtual management is that although it does not directly participate in various processes such as production and operation, it only focuses on the market, and other processes are transferred to other processes[7]. At the same time, in the market competition, enterprises occupy the market by purchasing technology, sell other enterprises and expand the

market. Virtual business management is to popularize R & D, production and sales, enhance the core competitiveness of enterprises through virtual technology, and win in the market competition. In addition to enjoying the convenience of the information age, environmental protection has become more and more important. In order to protect the core competitiveness, enterprises adopt green management[7]. Green management is mainly reflected in concept, production and technology. With the increasing concept of global environmental protection, green consumer market is the highland that enterprises must seize.

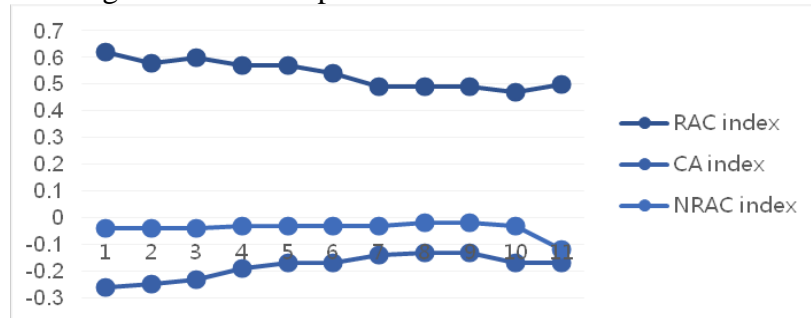


Fig.1 Icon of Advantage Index of Enterprise Management Concept

3.3 From Pursuing Scale Economic Benefit to Cultivating Sustainable Competitive Advantage

Comparing the gap between Chinese enterprises and foreign enterprises, especially the “top 500” in the world, most people think that Chinese enterprises are too small. Therefore, in order to deal with the severe situation after China's accession to the WTO, it is necessary to establish China's own “aircraft carrier”[8]. The economic theory behind this idea is based on the economic theory of traditional business scale. With the increase of the company's scale, the fixed cost of the products will be reduced, provided that it has a higher level of production technology, an independent R / D department, improved negotiation ability with dealers, and can obtain scale market and marketing advantages. That is to say, large-scale enterprises have the advantages of low production cost and large economic scale. However, in many cases, it is very difficult to grow the company. Building a large-scale enterprise requires a lot of investment. Even if the resources are OK, they are bound by the market. In such a large-scale market competition, we can obtain sufficient market share and avoid “large-scale commercial diseases”. It is only when the company is strong that it is entitled to be bigger. Even if they are restricted according to the conditions, they will not do more. SMEs have not their own core competitiveness. They can maintain long-term competition initiatives, maintain the industry's average profit return, and realize their unique competitive advantages. This is “an economic advantage with core competitiveness”[9]. Therefore, for large and medium-sized enterprises, the core competition theory is also very positive. Table 1 shows the impact of the above core competitiveness concept on eight main aspects of modern business management concept.

First of all, from the perspective of optimal allocation of resources, the enterprise transits from the original decentralization of strategic resources to the centralized allocation of strategic resources. The essence of business operators' work is how to allocate the rare strategic resources that can be used by enterprises reasonably and scientifically, and how to achieve the goal of business operation and development[10]. Enterprise economics is a science to study the regularity of enterprise resource distribution. The theory of core competence emphasizes that enterprises should focus their resource advantages on limited strategic priority as much as possible, and oppose the “average” of resource utilization. Second, deepen understanding from the perspective of competitive advantage cultivation. Competitive advantage promotes differentiation advantage, and strives to enhance all aspects of business management, so that enterprises have strong competitive advantages in marketing, brand, product, production, R / D, finance and human resources. In fact, it is impossible or not good to do so. Even if it can be done, it doesn't necessarily guarantee that the company can control the long-term competitive initiative in the competition. The reason is simple. Just as a good student is not necessarily better than another ordinary course, but a best student is more competitive in the talent market. Only by surpassing other competitors, we can have competitive initiatives, and

most of our competitors' general advantages can be surpassed in different directions. We really want to have sustainable competitive initiatives. This is the advantage of discrimination.

4. Conclusion

The concept of core competitiveness has become the core and key of the contemporary enterprise management concept. If the contemporary enterprise wants to develop scientifically and effectively, it must pay attention to the enhancement of core competitiveness.

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