

Analysis of Methods to Enhance Execution Capability in Enterprise Operation and Management

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Abstract. This article explores the importance of enterprise execution capability, as well as the reasons for insufficient enterprise execution capability and the methods to improve it. The author points out that enterprises need to have the ability to implement strategies, manage projects, improve organizational efficiency, and enhance performance in order to have good execution capability. The main reasons for insufficient enterprise execution ability include unreasonable institution establishment, communication barriers between departments, incomplete training, improper recruitment of employees, and a lack of scientific supervision and incentive mechanisms. To improve enterprise execution capability, it is necessary to establish clear and specific operational systems, strengthen communication between management and employees, enhance employee execution capability through training, enhance corporate culture, establish suitable performance assessment standards, optimize human resources organization, and other aspects to promote the improvement of enterprise execution capability.

Keywords: Enterprise execution capability, Enterprise operation, Strategic implementation, Organizational efficiency, Institution establishment.

1. Introduction

In today's highly competitive business environment, the success of an enterprise often depends on its ability to execute effectively. Execution capability refers to the ability of an enterprise to translate strategic objectives into tangible actions and results, encompassing aspects such as planning, organizing, coordinating, controlling, and supervising. Excellent strategic planning and innovative ideas can only translate into sustainable competitive advantage and performance growth when effectively executed. Therefore, execution capability forms the foundation for effectively implementing corporate strategies, as without strong execution, competitiveness is compromised, and the level of execution directly influences the future development of an enterprise.

According to Nielsen et al. [1], based on a five-year online survey conducted across more than 50 countries and involving over 1000 companies, 80% of employees believe that important strategic decisions within their companies are not rapidly translated into actionable steps. Hence, it becomes crucial to analyze the reasons behind poor execution effectiveness once a company has established its strategic direction in order to enhance execution capability. However, many organizations face challenges related to inadequate execution, resulting in strategies failing to be implemented effectively, project delays, low efficiency, and even business failures. These challenges may arise from various factors such as poor communication, unclear objectives, lack of execution-oriented decision-making, and rigid organizational structures. Consequently, enhancing execution capability has become a focal point for numerous organizations.

2. The Importance of Execution Capability in Enterprises

The significance of execution capability in the business environment is evident across various aspects, including strategic implementation, project management, performance enhancement, and organizational effectiveness. The importance of execution capability in enterprises is illustrated in Figure 1.

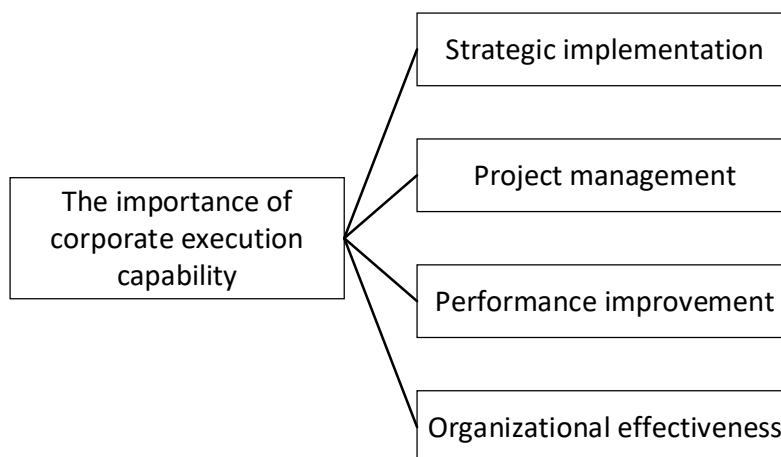


Fig 1. The Importance of Execution Capability in Enterprises

In terms of strategic implementation, execution capability is crucial for translating strategic plans into actionable steps. Excellent strategic planning and innovative ideas can only result in sustainable competitive advantages and performance growth when effectively executed. Execution capability encompasses the ability to convert strategic objectives into concrete actions and results, including aspects such as planning, organizing, coordinating, controlling, and supervising. Without strong execution capability, strategies fail to materialize, and enterprises are unable to achieve their intended business objectives.

Regarding project management, execution capability plays a significant role. Project management involves breaking down complex tasks into manageable stages and activities to achieve project goals. Effective execution capability ensures that projects progress according to plan, resources are fully utilized, and teams collaborate closely and efficiently. Lack of execution capability can lead to project delays, cost overruns, and compromised quality, thereby impacting an organization's project delivery capability and customer satisfaction.

In terms of performance enhancement, execution capability is vital. Strong execution ensures that strategic objectives are effectively translated into concrete actions and allows for timely adjustments and optimization of the execution process. Through effective execution capability, enterprises can achieve optimal resource allocation and efficient workflow, thereby improving productivity and performance levels. The absence of execution capability results in low efficiency, resource wastage, and declining performance.

Regarding organizational effectiveness, execution capability has a significant impact. Execution capability encompasses aspects such as planning, organizing, coordinating, controlling, and supervising, which are directly related to internal processes, systems, and culture within an organization. Organizations with high execution capability can ensure effective communication and collaboration, efficient decision-making processes, clear division of responsibilities, and effective performance management. Strong execution capability facilitates internal synergy and enhances work efficiency and team performance within an organization.

3. Analysis of Reasons for Poor Execution in Enterprises

The reasons for poor execution in enterprises can be attributed to five main factors: unreasonable institutional design, high communication barriers between departments, lack of scientific supervision and reward mechanisms, inappropriate employee selection, and inadequate training systems. The reasons for poor execution in enterprises are illustrated in Figure 2.

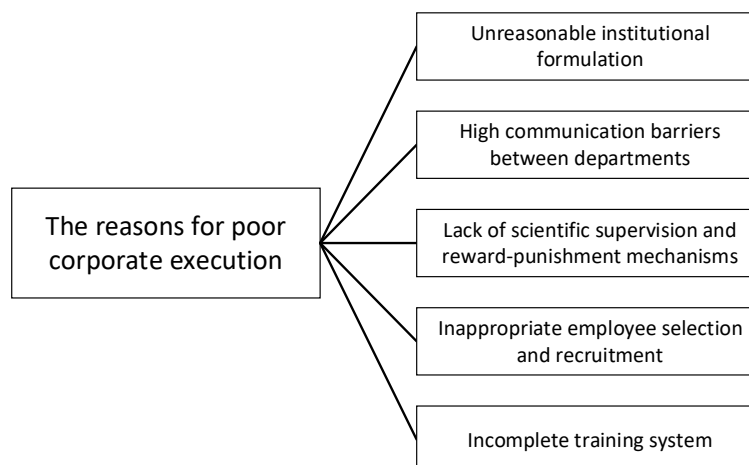


Fig 2. Reasons for Poor Execution in Enterprises

3.1. Unreasonable Institutional Design

Institutions form the foundation of organizational operations, and unreasonable institutional design can hinder effective execution in enterprises. For example, lack of clear goal setting and performance evaluation systems, complex and unclear procedures, and ambiguous decision-making authority. These factors can result in delayed decision-making, unclear responsibilities, and chaotic workflow, impeding the effective execution of strategic objectives. For instance, in the case of Kangmei Pharmaceutical, the lack of effective internal control mechanisms, including issues related to the CEO's personal interests, led to financial fraud. Sound institutional design is essential for enhancing execution capability, while a lack of targeted and feasible systems may lead to unclear division of labor among employees, which hampers execution.

3.2. High Communication Barriers between Departments

Communication barriers between departments are another significant reason for poor execution. Communication barriers can stem from lack of information flow, conflicting departmental interests, ineffective communication channels, and a lack of cooperative culture. This results in information being unable to flow, hindering team collaboration and impeding the effective transmission and coordination of strategic objectives across different departments, thereby affecting execution outcomes. Effective communication contributes to achieving the organization's strategic goals, while inadequate communication may result in unresolved issues and subsequently impact execution outcomes. Additionally, if communication is not timely or smooth, organizational leaders may not be aware of the execution progress and outcomes, and team members may prioritize departmental tasks over overall project objectives, thereby compromising execution outcomes.

3.3. Path analysis

The absence of scientific supervision and reward mechanisms is another significant reason for poor execution. Inadequate supervision and reward systems can lead to a lack of accountability, low motivation, and a failure to align individual and team efforts with strategic objectives. Clear and effective supervision mechanisms ensure that performance is monitored, deviations are addressed promptly, and corrective actions are taken when necessary. Additionally, well-designed reward mechanisms recognize and incentivize employees for their contributions towards achieving strategic goals, thus promoting a culture of excellence and commitment to execution. The lack of such mechanisms may result in a lack of focus, diminished effort, and reduced accountability, ultimately impacting execution outcomes.

3.4. Inappropriate Employee Recruitment

Inappropriate employee recruitment can also impact the execution capability of an organization. If a company lacks a scientific recruitment and selection process and hires unsuitable individuals, it may lead to a mismatch between the employees' abilities and the job requirements, resulting in a lack of professional knowledge and skills. This directly affects the execution outcomes and hinders the achievement of strategic objectives. The overall competence of employees is a crucial factor influencing the execution capability of a company. Therefore, enhancing the execution capability of employees is of paramount importance in improving the overall execution capability of an organization. Selecting unsuitable employees may impede the attainment of desired outcomes during task execution.

3.5. Insufficient Training System

The lack of a comprehensive training system is another reason for poor execution in enterprises. If a company fails to provide continuous professional training and development opportunities to its employees, their competencies and knowledge may fall out of sync with strategic objectives. This can hinder employees' execution capability and professional proficiency, consequently affecting the smooth implementation of strategies. In today's rapidly evolving information technology society, the knowledge and skills required for work are constantly being updated. Faced with aging knowledge structures and outdated information technology, only through a continuously supplemented training system can organizations effectively adapt to technological changes in the industry and enhance their execution capability. In a fiercely competitive market, companies that lack training or have an inadequate training system are at a higher risk of being eliminated by the market.

4. Methods to Enhance Organizational Execution Capability

Organizations can improve their execution capability by implementing effective measures to address existing or potential issues in their operational management processes. Specifically, there are six main methods to enhance organizational execution capability: establishing clear and actionable systems, strengthening communication between management and employees, setting appropriate performance evaluation criteria, fostering a strong organizational culture, enhancing human resource management, and providing training programs to boost employees' execution capability. These methods for improving organizational execution capability are depicted in Figure 3.

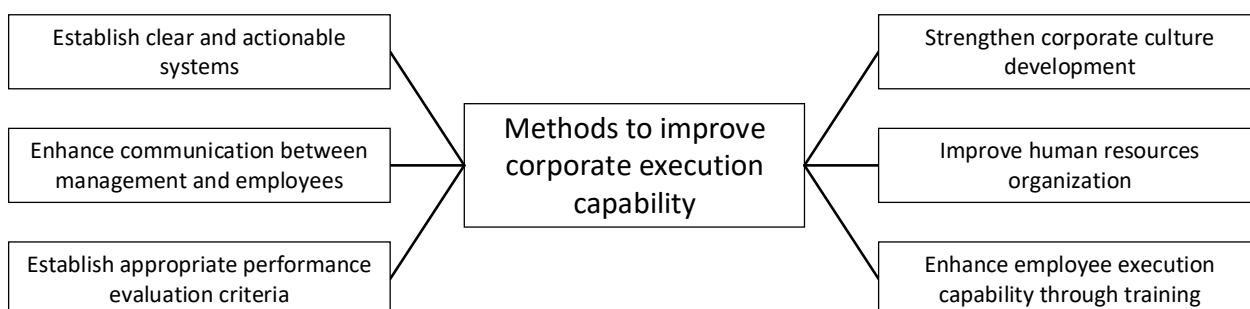


Fig 3. Methods to Enhance Organizational Execution Capability

4.1. Establishing Clear and Actionable Systems

Establishing clear and actionable systems forms the foundation for enhancing organizational execution capability. An effective system framework provides employees with clear guidance, enabling them to take specific actions that enhance work efficiency and execution effectiveness.

System design should prioritize simplicity, avoiding complexity. Complex systems can lead to difficulties in comprehension and compliance for employees, thus reducing execution effectiveness. Therefore, systems should be concise and expressed in clear and straightforward language, making them easy for employees to understand and follow. Furthermore, system implementation requires

clearly defining the responsibilities and authority between employees and managers. By explicitly stating employee responsibilities and managerial authority, a well-structured organizational order can be established, resulting in improved execution capability. Systems should clearly define work division and responsibilities, ensuring that each employee understands their tasks and responsibilities, thereby enhancing work efficiency and execution capability.

4.2. Strengthening Communication between Management and Employees

Enhancing communication between management and employees is a critical measure for improving organizational execution capability. Establishing effective communication channels facilitates information dissemination and understanding, strengthening interaction and collaboration between management and employees, thereby enhancing overall execution capability.

Organizations can establish employee feedback channels to encourage employees to provide opinions and suggestions. Employees are valuable assets to the organization and may identify opportunities for problem-solving and improvement in their daily work. By setting up feedback channels such as anonymous suggestion boxes, online surveys, or regular interviews, employees can freely express their viewpoints, while management can gather authentic feedback and make targeted improvements and optimizations to work processes, enhancing execution capability.

4.3. Setting Appropriate Performance Evaluation Criteria

Setting appropriate performance evaluation criteria is an essential means to incentivize employee execution capability. Performance evaluation criteria should align with the organization's strategic goals and be able to quantify employees' job performance. Suitable performance evaluation criteria should have clear indicators and objectives, enabling objective assessment of employee work performance. By establishing performance evaluation criteria, organizations can motivate employees to strive towards predetermined goals while providing them with clear feedback and reward mechanisms, promoting the enhancement of execution capability.

4.4. Strengthening Organizational Culture

Organizational culture is a crucial element in shaping employee behaviors and values. Strengthening organizational culture can foster a sense of belonging, mission, and responsibility among employees, thereby enhancing their execution capability. Organizational culture should emphasize the transmission of values, clearly defining the core values and behavioral guidelines of the organization, and integrating them at all levels of the organization. By creating a positive and cooperative corporate culture, employees' enthusiasm for work and team collaboration can be stimulated, driving the improvement of execution capability.

An exceptional organizational culture helps shape organizational execution capability, and cultivating shared values contributes to cohesion among employees. Organizational culture provides employees with guidance on values and behaviors, motivating them to implement the organization's strategies. Furthermore, an outstanding organizational culture also serves as a source of inspiration for employees, helping to convert their execution capability into organizational execution capability.

4.5. Enhancing Human Resource Organization

An efficient human resource organization is crucial for enhancing organizational execution capability. The human resource department should possess professional talent management capabilities, including recruitment, training, and performance management. Rational personnel allocation and role delineation are also key factors. By establishing a sound human resource organization, organizations can better select, develop, and motivate employees, improving their professional competence and execution capability.

A sound human resource system contributes to the enhancement of employee execution capability. A comprehensive human resource system helps achieve the goal of responsibility matching and optimizing human resource allocation. Additionally, the human resource department can effectively

connect different departments within the organization, ensuring smooth information flow among departments, thus enhancing the overall execution level of company management decisions.

4.6. Strengthening Employee Execution Capability Training

Strengthening employee execution capability training is an important means to enhance organizational execution capability. Training should be tailored to employees' specific needs and job characteristics, providing necessary skills and knowledge training. This includes leadership training, communication skills training, and decision-making skill development. Training should be practical, involving simulations and hands-on exercises with specific cases and scenarios. Through training, employees can enhance their work skills and execution capability, better cope with challenges, problem-solving, and improve work efficiency and execution effectiveness.

5. Conclusion

This article systematically explores the enterprise execution capability, clarifies the connotation of enterprise execution capability, summarizes the reasons for insufficient enterprise execution capability, and proposes methods and measures to improve enterprise execution capability. To withstand the fierce market competition, enterprises must have excellent execution capability, which is the key to achieving strategic objectives. By strengthening the construction of leadership core competence, establishing a scientific performance evaluation system, optimizing organizational structure and functional division, and promoting scientific management methods, enterprises can improve their execution capability and management level, and achieve long-term development.

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