

# Three Important Functions of Enterprise Culture on Enhancing the Competitiveness of Enterprise Products

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## Abstract

Enterprise culture plays an indispensable role in enhancing the core competitiveness of an enterprise. This article analyzes the connotation of enterprise culture improving the competitiveness of enterprise products. The case analysis of typical companies demonstrates the mechanism of its role in enhancing the competitiveness of products and the ways that enterprise culture can help improve the competitiveness of enterprises. Through the construction of enterprise culture, the company's core competitiveness has been continuously improved to make it invincible in the fierce industry competition.

## Keywords

Enterprise Culture; Product Competitiveness; Mechanism; Cultural Construction.

## 1. Background Introduction

With the development of the information age, the competition among enterprises is becoming more and more intense. Under the market-oriented mechanism, all the companies that can persevere have distinct characteristics, or a distinct enterprise culture. Enterprise culture is the guide of enterprise development goals, an extension of enterprise values, and the key to restrain employee behavior and enhance enterprise cohesion. Enterprise culture is the soul of an enterprise and creates the core competitiveness of an enterprise.

With the deepening of globalization, the diversification of employees in enterprises, the cross-country development of enterprises, the emergence of new technologies and the deepening of cross-cultural conflicts make the enterprise culture management knowledge playing a significant role. In addition to product management, strategic management and internal operation management, an excellent enterprise manager also needs to systematically learn the knowledge of enterprise culture. Without the promotion of values and the recognition of culture, enterprises cannot go further and higher.

## 2. The Connotation of Enterprise Culture to Improve Enterprise Competitiveness

The core competitiveness of an enterprise is an advantage gradually formed in the operation process that cannot be easily imitated by other competitors, and a unique capability resource accumulated over a long period of time. It can be a unique mechanism formed in the operation of the enterprise, a unique technology formed in the research of new products, a unique service model formed in the entire sales process, or a unique culture formed in various decisions. It is the foundation for an enterprise to long-term stable development. Its essence is to allow customers to obtain technologies, products and services that are superior to competitors. The core competitiveness of an enterprise is the intangible assets such as corporate philosophy, corporate management and enterprise culture formed in the operation of the enterprise.

Both enterprise culture and enterprise competitiveness belong to the internal characteristics of the enterprise, which depends on the existence of the enterprise. Enterprise culture plays a

very important role in improving the core competitiveness of enterprises. On the one hand, it has played a huge role in promoting. On the other hand, enterprise culture is a very broad concept with rich connotations and denotations. It is the character of the enterprise, or the label of the enterprise in the society. The core competitiveness of an enterprise is the premise and guarantee for the development of an enterprise. The enterprise culture and core competitiveness are mutually inclusive and mutually reinforcing in the operation of the enterprise. The core competitiveness of an enterprise is the sublimation of the enterprise culture, which originates from the enterprise culture and is higher than the enterprise. At the same time, the competitiveness of enterprises has more substantial content than enterprise culture, which is the unity of enterprise spirit and product material. Enterprise competitiveness can be verified through market competition or quantified through core data.

### **3. The Mechanism of Enterprise Culture to Enhance the Competitiveness of Enterprise Products**

#### **3.1. Enterprise Culture Improves the Ability to Control Product Quality and Production Costs**

The products of the enterprise are the most important method for the enterprise to obtain profits. It is the premise for the enterprise to develop better. Under the fierce market competition, enterprises must work hard on products. Products not only need to meet the needs of the market, but also need to reduce production costs to be profitable. It can be seen that reducing production costs and controlling product quality are powerful weapons for enterprises to occupy market share. Enterprise culture can make the values of corporate managers tend to be consistent, thereby stimulating innovation from the perspective of the company as a whole. It plays a huge role on improving product quality, product production efficiency and reducing production costs, which ultimately improves the competitiveness of enterprise products in the market and creating favorable conditions for the sustainable development of enterprises.

The photovoltaic industry is an industry with extremely fierce market competition. If photovoltaic companies want to have an absolute competitive advantage in the industry competition, they must continuously reduce the cost of photovoltaic products, so as to achieve the goal of photovoltaic power generation grid parity. Every difference in the cost of a single watt of photovoltaic modules may determine the survival of an enterprise. Taking Tongwei Solar Co., Ltd. as an example, it is a leading enterprise in the solar energy industry, who has established a benchmark in the industry in terms of product quality and cost control. "Efficiency determines efficiency, details determine success, and speed determines the survival", these slogans with Tongwei's iconic concept can be seen everywhere in the production department. At the same time, the company has also established an advanced production management monitoring system to extract data such as the yield rate, photoelectric conversion efficiency, fragmentation rate, and energy consumption of each team in real time. One percent improvement every day becomes the value orientation of every employee. It is precisely because of the output of enterprise value that every employee pursues better product quality and lower cost control, which makes Tongwei Solar Co., Ltd stand out in the fierce competition in the photovoltaic industry.

The quality indicators of products produced by Tongwei Solar Co.,Ltd (including: yield, photoelectric conversion efficiency and CTM, etc.) are at the leading level in the industry. In the current situation that other photovoltaic cell-end competitors are only marginally profitable or even unprofitable, Tongwei Solar Co.,Ltd has achieved 84 consecutive months of 100% operating rate, 84 consecutive months of continuous profitability, and 84 consecutive months of full production and sales. In 2021, the non-silicon cost of Tongwei Solar Co.,Ltd was around

0.2-0.25 RMB/W, while the industry average cost was 0.31 RMB/W. At that time, the enterprise product cost level was significantly lower than the industry average. And in the future, with the improvement of technology, progress of technology and expansion of production capacity, it is believed that Tongwei's non-silicon cost may further decline. According to the 2021 semi-annual report released by Tongwei, the company's operating income in the first half of the year was 26.562 billion yuan, a year-on-year increase of 41.75%; the net profit attributable to shareholders of the listed company was 2.966 billion yuan, a year-on-year increase of 193.50%. It can be seen that the cost advantage has become one of the company's core competitive advantages. Mastering the pricing power in the photovoltaic market is a powerful weapon for Tongwei Solar to win the photovoltaic market.

### **3.2. Enterprise Culture Improves Customer Stickiness in Service Industries**

For service-oriented industries, in addition to meeting the needs of the market, products also need to be recognized by the society and consumers, so as to realize the sustainable development of service-oriented enterprises. If the enterprise culture can be effectively disseminated to consumers through every dedicated service of employees to customers, it can not only effectively improve the recognition of consumers, but also create a good enterprise image for the society and consumers. By integrating enterprise culture into services, the cost of enterprise marketing and publicity can be reduced remarkably together with the publicity effect of several times that of the traditional model.

Haidilao, a well-known Chinese enterprise with the business philosophy of "putting customers first and providing them with the best services", is a typical representative. Haidilao's unique service is an important reason for its great success. Haidilao's special service runs through the entire dining process. First of all, customers can enjoy free items such as manicures, snacks, shoe shine and massage while waiting for their meals, so that the process of waiting for meals is not boring. Secondly, there is a special children's activity area in the store, they will provide toys for children, and even help you hold them so that customers can eat with peace of mind. In addition, they will provide customers with items according to their different situations, such as glasses cloth, rubber bands, hair clips and mobile phone cases. These considerate and thoughtful services not only take care of the customer's stomach, but also retain the customer's heart. The waiters are mild-mannered, quick-witted, and ready to answer any questions. It is precisely because other restaurants rarely provide such services that Haidilao has allowed diners to visit again and again. It is precisely because of adhering to the business philosophy of providing customers with thoughtful, caring and personalized services that Haidilao has gradually developed and grown since its establishment more than 30 years ago.

### **3.3. Enterprise Culture Improves Enterprise Social Identity and Credibility**

The core of enterprise culture is the spirit and values of the enterprise. Under the high-pressure sanctions of the United States, Huawei has been unable to obtain high-level chips, and its mobile phone market share has grown from the highest in the world to almost negligible today. However, in the first half of 2021, Huawei achieved sales revenue of 320.4 billion yuan and a net profit margin of 9.8%. By creating value for customers and partners, Huawei is working hard to survive and survive with quality. Huawei has well explained the sense of crisis and indomitable spirit in its "wolf culture". There will be setbacks in the process of competition. If an enterprise wants to win, it must have the belief of never giving up like fighting a pack of wolves. The group struggle spirit in the wolf culture is mapped to the enterprise, which is simply the division of labor and cooperation. Through the efforts of everyone, fight collectively and finally win the battle. Therefore, Huawei has also won the support of many people, and the social identity of the enterprise has been greatly improved.

On the contrary, Alibaba's wine table scandal has become a typical negative example of corporate social identity. One of Alibaba's enterprise cultures is Trust makes everything simple.

As a trading platform, the public's trust is directly related to the future development of the enterprise. The most precious thing in the world is trust, but the most fragile thing is also trust. "Gather a group of loving and righteous people to happily do meaningful and valuable things together", this phrase has always been the highest purpose and goal of what Alibaba has advertised as recruiting, training and retaining talent. However, in the Alibaba incident, from the customer first evolved into a wine table culture, the deviation of Alibaba's enterprise culture and the enterprise values weaken. For platform enterprises, social identity and reputation are the core competitiveness of enterprises, and enterprises without reputation will face difficulties in the future. This is also the reason why Alibaba is determined to reshape the core of its enterprise culture this time.

## **4. The Ways of Enterprise Culture to Improve the Competitiveness of Enterprise Products**

### **4.1. The Integration of Enterprise Culture and Corporate Strategy**

The rise of the knowledge economy has made enterprise culture more important than economic effects. Excellent corporate culture is not only an important measure to enhance the core competitiveness of an enterprise, but also an important part of the core competitiveness. An enterprise's excellent corporate competitiveness stems from its excellent enterprise culture, and vice versa. In the context of the corona virus epidemic, enterprise culture has become the key to success in ensuring the competitiveness of enterprises. In the complex business environment, the construction of enterprise culture can not only effectively enhance the centripetal force of the enterprise, but also enhance the cohesion of employees. The value orientation of the company becomes the glue for all employees, thereby enhancing the core competitiveness of the company. Enterprise culture is gradually explored and refined over many years. It is necessary to integrate the construction of enterprise culture into the daily management of the enterprise, which combines the construction of enterprise culture with the formulation of corporate management mechanisms, employee training and performance appraisal and other daily work. Only when it is truly integrated into all aspects of the enterprise can the enterprise culture finally be fed back to product competitiveness and enterprise competitiveness.

### **4.2. Learn and Tap the Potential of the Enterprise**

An enterprise's learning ability directly affects its core competitiveness, and establishing an enterprise as a learning organization is an effective way to enhance its core competitiveness. The ability of employees to learn knowledge can well reflect the learning ability of enterprises. Many well-known enterprises, such as IBM, GE, Intel, etc., strongly advocate learning organizations. If an enterprise wants to have a place in the current complex and changeable international competition, it must build a learning organization. Adopt reasonable incentive measures to fully mobilize the enthusiasm and initiative of employees to learn, give full play to the talents of employees, unite and cooperate, and develop in an all-round way.

In addition, the enterprise environment is becoming more and more complex, and the impact of information technology has put forward higher requirements for enterprise management. Enterprises must maintain a high degree of flexibility in order to handle complex environmental changes. Establishing a learning organization is an inevitable choice for an excellent enterprise. In order to create a good learning atmosphere, a special learning management platform can be created. Then formulate suitable training systems and learning plans for employees, and regularly check the learning effects. In this way, the learning initiative, enthusiasm and creativity of employees can be stimulated, and a good learning atmosphere for all employees can be formed.

### 4.3. Establish a Long-term Incentive Mechanism to Encourage Employees to Innovation

The sustainable development of an enterprise is inseparable from its innovation ability. Only continuous innovation can help an enterprise survive in the fiercely changing competitive environment. Innovation capability is the lifeblood of an enterprise. An excellent enterprise should have excellent hard power and cultural soft power, and cultural soft power is mainly reflected through innovation. Enterprise managers should be good at discovering new markets and new opportunities, but also have the courage to seek new ideas and new methods in order to create new technologies and form new industries. Innovation ability, like learning ability, should become an enterprise culture and be integrated into the "blood" of all employees. That can enterprises seize opportunities and succeed in the fierce international competition.

## 5. Conclusion

Enterprise culture empowers the high-quality development of enterprises. Enterprise culture plays an indispensable role in the formation of core competitiveness and strategy. This article expounds the action mechanism of enterprise culture to enhance competitiveness through example analysis. We also discuss the ways to improve corporate competitiveness through enterprise culture construction. Build an excellent enterprise culture, the common corporate philosophy and value pursuit of employees will be formed, which eventually helps the enterprise remain invincible in the fierce market competition.

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