

Research on the Relationship between Corporate Decentralization Strategies and Employee Efficiency Enhancement in the New Situation

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Abstract: In the context of globalization and informatization, enterprises are facing competitive pressures and challenges of change, making decentralization strategies a key to enhancing competitiveness, stimulating employee creativity, and improving operational efficiency. This paper will examine various aspects of enterprise decentralization, including power transfer, decision-making autonomy, and clear accountability, which can enhance organizational flexibility and response speed. However, decentralization also brings risks such as power abuse, decision-making errors, internal conflicts, and increased difficulty in supervision and evaluation. Therefore, enterprises need to formulate reasonable rules and strategies for decentralization, clarifying objectives, principles, plans, and supervision and evaluation mechanisms. By strengthening employee training, focusing on communication and coordination, and establishing incentive mechanisms, enterprises can balance power and responsibility, stimulate employee innovation and efficiency, enhance their competitiveness, and ensure sustainable development.

Keywords: Enterprise Innovation; Team Communication; Corporate Culture; Sustainable Development

1. Introduction

In the rapidly developing era of globalization and informatization today, enterprises are facing unprecedented competitive pressures and challenges of change. With the constant evolution of the market environment, technological conditions, consumer demands, and labor relations, traditional enterprise management models have become inadequate for meeting

the needs of modern enterprise development. Especially after experiencing global economic fluctuations and unexpected events, such as the global pandemic in recent years, enterprises have had to re-examine and adjust their management strategies to adapt to the new economic situation and market demands. In this context, the decentralization strategy of enterprises, as an emerging and efficient management tool, has gradually become a key approach for enterprises to enhance their competitiveness, stimulate employee creativity, and improve operational efficiency [1].

Firstly, from the perspective of the market environment, with the continuous deepening of globalization, market competition has become increasingly fierce, and competition among enterprises is no longer limited to domestic markets but has crossed national borders, forming a global competitive landscape. In such a market environment, for enterprises to stand out in the competition, they must possess a high degree of flexibility and innovation capability. However, traditional centralized management models often lead to issues such as low decision-making efficiency and insufficient innovation motivation, making it difficult to meet the needs of rapidly responding to market changes. Therefore, enterprises have begun to explore more flexible and efficient management models, among which the decentralization strategy has gradually become a hot topic in enterprise management due to its ability to stimulate employee enthusiasm and creativity and improve decision-making efficiency.

Secondly, from the perspective of technological conditions, the rapid development of information technology provides strong support for enterprise decentralization. With the popularization and application of technologies such as cloud computing, big data, and artificial intelligence, enterprises can more conveniently collect, analyze, and utilize data, thereby achieving real-time monitoring and precise management of employees and business processes. This change in technological conditions enables enterprises to more accurately assess employees' capabilities and contributions, thus making decentralization more reasonable. At the same time, the application of information technology also reduces the risks associated with enterprise decentralization, allowing enterprises to more effectively monitor and manage various risks and issues in the decentralization process.

From the perspective of consumer demand, as consumer demand becomes increasingly diversified and personalized, enterprises must possess a high degree of customization and service orientation to meet these needs. However, this capability often relies on employee creativity and flexibility. Traditional centralized management models often restrict employee creativity and flexibility, making it difficult for enterprises to meet consumers' diversified needs. Therefore, enterprises have begun to explore more flexible and efficient management models, among which the decentralization strategy has gradually become a popular choice due to its ability to stimulate employee creativity and flexibility and improve service quality.

From the perspective of labor relations, as employee quality and awareness improve, employees' demand for work autonomy and career development has become increasingly strong. Traditional centralized management models often neglect such employee needs, leading to issues such as low work enthusiasm and increased turnover rates. The decentralization strategy, however, can

grant employees more decision-making power and management authority, thereby meeting their autonomy and career development needs and improving employee satisfaction and loyalty. This change in labor relations also makes enterprise decentralization an inevitable trend [3].

Despite the many advantages of enterprise decentralization, enterprises face numerous challenges and risks in practical operations. Research on the relationship between enterprise decentralization strategies and employee efficiency enhancement in the new situation has important theoretical and practical significance. By deeply analyzing the mechanisms, challenges, and countermeasures of enterprise decentralization, we can better understand its importance and necessity and provide useful guidance and reference for enterprise practice. At the same time, entrepreneurs should recognize the challenges and risks in the process of enterprise decentralization and take corresponding measures to address and avoid them. Only in this way can we ensure the smooth implementation of enterprise decentralization and the improvement of employee efficiency, thereby promoting sustainable enterprise development and competitiveness enhancement [4].

2. Decentralization of Enterprise Powers

2.1 Definition of Enterprise Decentralization

The process of corporate decentralization involves the management transferring partial decision-making, management, and responsibility powers, originally concentrated in their hands, to lower-level managers or grassroots employees, according to specific rules and procedures. This action aims to enhance organizational flexibility and response speed through the redistribution of power, strengthen employees' sense of responsibility, enthusiasm, and innovation capabilities, and ultimately promote the overall efficiency

and competitiveness of the enterprise [5].

Corporate decentralization can generally be divided into the following aspects: 1) Power Transfer: Corporate decentralization first means the redistribution of power, where powers originally concentrated in the hands of senior managers are partially or fully transferred to middle and lower-level managers or employees. This transfer of power is not simply a delegation of authority but is accompanied by the delegation of responsibility to ensure an equivalent balance between power and responsibility. 2) Autonomous Decision-Making: After decentralization, lower-level managers or employees within their respective scopes of responsibility have greater autonomous decision-making power. They can flexibly adjust work plans and methods based on actual situations and make decisions that better meet actual needs, thereby improving work efficiency and response speed. 3) Clear Responsibility: Corporate decentralization is also accompanied by a clear division of responsibilities. During the decentralization process, enterprises need to establish clear boundaries of power and responsibility to ensure that every employee is aware of their scope of responsibilities and work goals. This helps enhance employees' sense of responsibility and mission, prompting them to more actively engage in their work. 4) Stimulating Innovation: Decentralization can stimulate employees' innovative spirit and creativity. When employees have more autonomy and decision-making power, they are more willing to try new methods and ideas, thereby driving the innovation and development of the enterprise. 5) Enhancing Efficiency: Through decentralization, enterprises can simplify decision-making processes, reduce information transmission and coordination costs between levels, and thereby improve overall operational efficiency. At the same time, decentralization can also stimulate employees' enthusiasm and work passion, further enhancing work efficiency. 6) Talent Cultivation: Decentralization is also an

important way for enterprises to cultivate talent. By giving employees more power and responsibility, enterprises can exercise employees' leadership and management capabilities, preparing more talent resources for the future development of the enterprise.

2.2 The Importance of Corporate Decentralization

When managers delegate appropriate powers to team members, these members are able to respond more swiftly during the decision-making and execution processes. Since team members are closer to the actual work and have a more direct understanding of the issues, there is no need for multiple layers of reporting and approval, which significantly shortens the time required for decision-making and execution, and thereby enhances work efficiency. For instance, some retail enterprises, such as Haidilao, empower their employees to offer customers free meals or small gifts within a certain amount, which enables employees to handle customer issues more flexibly and enhances customer satisfaction. By delegating power to team members and allowing them the opportunity to participate in decision-making and problem-solving, it stimulates their creativity and innovative thinking. Team members can propose new solutions based on their own experiences and ideas, bringing new vitality and competitiveness to the team. Especially in innovative enterprises, giving employees greater autonomy and encouraging them to freely explore and innovate often leads to unexpected results. This stimulation of creativity helps enterprises stand out in market competition.

Delegation is an effective way to cultivate team members. By taking on more responsibilities and power, team members can gain experience and grow, enhancing their abilities and qualities. This not only contributes to the long-term development of the team but also cultivates talent reserves for the enterprise. In the process of delegation, employees need to shoulder

more responsibilities, which compels them to continually learn new knowledge and skills, thereby improving their professional competence and overall abilities. Managers cannot possibly manage every detail of all affairs. Delegation allows managers to be freed from tedious daily routines, giving them more time and energy to think about strategic planning, market trends, and other important issues, thereby better leading the team and enterprise development.

After delegating power, managers can focus more on the enterprise's core strategies and long-term planning, formulating more scientific and reasonable strategic guidelines for the enterprise's development. Appropriate delegation allows employees to participate in decision-making regarding company affairs, making them feel valued and significant, which boosts their morale and self-esteem. When employees are empowered with more decision-making and autonomy, they are more motivated to complete their work and contribute their ideas and opinions to the company. This not only increases employees' sense of involvement and engagement but also makes them feel respected and recognized, thereby enhancing their sense of belonging to the enterprise. In a centralized model, executives usually take sole responsibility for the company's innovative decisions and development directions, which often leads to limited thinking and a lack of new ideas. Conversely, appropriate delegation allows employees to participate in the company's innovation and development, thereby promoting the company's innovation capability. During the exercise of power, employees can leverage their professional knowledge and skills to bring new ideas and methods to the company's various businesses, driving the enterprise to continuously innovate and develop.

Corporate delegation can enhance the enterprise's overall competitiveness. By delegating power, enterprises can stimulate employees' enthusiasm and creativity, improve team efficiency and quality, thereby

creating more value for the enterprise. At the same time, delegation helps establish a more flexible and efficient organizational structure, enabling the enterprise to better adapt to market changes and demands, and enhance its market competitiveness [6].

3. The Duality of Corporate Delegation

3.1 Positive Aspects

Firstly, corporate management needs to clarify the objectives of delegation, such as enhancing organizational flexibility, strengthening employee responsibility, and stimulating innovation capabilities. At the same time, they should establish basic principles for delegation, including equivalence between power and responsibility, fairness and impartiality, and gradual progress. These objectives and principles will guide the entire delegation process, ensuring that its implementation aligns with the company's strategic direction and actual needs. Based on the objectives and principles of delegation, corporate management needs to develop a detailed delegation plan. This includes determining the scope, hierarchy, timetable, and specific steps of delegation. The delegation plan should cover all departments and positions, ensuring that each employee is clear about their role and responsibilities in the delegation process. At the same time, the delegation plan should have a certain degree of flexibility to adapt to changes in the market environment and business needs. To ensure the effectiveness and quality of delegation, corporate management needs to establish a comprehensive supervision and evaluation mechanism. This includes formulating clear evaluation standards and indicators, and regularly supervising and evaluating the delegation process. By collecting and analyzing data, they can understand the implementation of delegation, employee reactions, and changes in corporate performance, in order to adjust delegation strategies in a timely manner. At the same time, a feedback mechanism

should be established to encourage employees to provide opinions and suggestions for continuous improvement of the delegation process; during the delegation process, corporate management needs to strengthen training and guidance for employees. Through training, employees' professional skills and management capabilities can be enhanced, enabling them to better assume the responsibilities and decision-making powers after delegation. At the same time, necessary guidance and support should be provided to help employees adapt to the new work environment and role changes. This helps to enhance employees' self-confidence and sense of belonging, improving their work efficiency and innovation capabilities; corporate delegation is not a one-time process but requires gradual and phased advancement. In the initial stages of delegation, pilot projects can be started with a smaller scope and hierarchy, gradually accumulating experience and adjusting strategies. As employees adapt to delegation and their capabilities improve, the scope and hierarchy of delegation can be gradually expanded. This ensures stability and controllability in the delegation process, avoiding chaos and loss of control due to excessive delegation of power; corporate delegation is a continuous optimization process. During the delegation process, corporate management needs to closely monitor changes in the market dynamics and business needs, and adjust delegation strategies in a timely manner. At the same time, based on employee feedback and evaluation results, continuous optimization should be made in terms of the scope and hierarchy of delegation, supervision and evaluation mechanisms, as well as employee training and guidance. This helps to ensure that the delegation process always aligns with the company's strategic direction and actual needs, providing strong support for the company's sustainable development [7].

3.2 Negative Aspects

To adapt to the conditions of the new era, delegation of power must also be scientific, rational, and systematic, enhancing resilience against risks and challenges. Therefore, it is necessary to formulate reasonable rules for delegation, clarifying selection criteria for delegation targets, defining the boundaries of responsibility for delegation, specifying the scope of delegated power, establishing an oversight mechanism for delegation, formulating response mechanisms for delegation risks, and ensuring planned implementation of delegation. At all times, it is crucial to ensure that power, responsibility, and benefits are matched, that is, to achieve "equivalence between power, responsibility, and benefits." This means that when power is increased or decreased, responsibility and benefits should be adjusted accordingly to maintain balance. Finally, while delegating power, ultimate responsibility for outcomes should be retained to ensure that delegation does not equate to *laissez-faire*. The goal is to achieve planned and purposeful delegation that is reasonable and adjusted in a timely manner based on the company's actual situation. Create an environment where delegation is reasonable and fair, fostering an efficient work environment where employees can better utilize their rights. Establish clear and appropriate channels for employees to exercise their rights, allowing them to do so in compliance, with peace of mind, with joy, and to derive value from their use of power [8].

3.2.1 Power Abuse and Loss of Control

When employees or lower-level management are granted more power, without an effective oversight mechanism, they may abuse these powers for personal gain or to the detriment of the enterprise. For example, using their position to engage in improper transactions, misappropriating public funds, and other such behaviors. Delegation of power may lead to the enterprise losing control over certain key areas or business processes. If lower-level management or employees deviate from the

enterprise's strategic direction or core values when exercising their powers, it may bring unpredictable risks and losses to the enterprise [9].

3.2.2 Decision-Making Errors and Inefficiency

While delegation can enhance decision-making speed, it may lead to decision-making errors if lower-level managers or employees lack sufficient decision-making capabilities and experience. These errors can have consequences such as economic losses, reputational damage, or legal disputes for the enterprise. Furthermore, after delegation, a lack of coordination and communication among lower-level managers or employees during the decision-making and execution processes may result in inefficient work. Additionally, the absence of clear delineation of responsibilities and decision-making processes during the delegation may also lead to work chaos and decreased efficiency.

3.2.3 Internal Conflicts and Team Instability

Delegation of power can trigger contradictions and conflicts between different levels or departments within an enterprise. For instance, disagreements may arise between top-level managers and lower-level managers concerning power distribution and decision-making authority. Similarly, conflicts may emerge between different departments regarding resource allocation and business priorities. After delegation, if lower-level managers or employees feel dissatisfied or uneasy about the new power distribution and responsibility assignments, it may lead to issues such as low team morale and employee turnover. These problems can impact the stability and long-term development of the enterprise [10].

3.2.4 Increased Difficulty in Supervision and Evaluation

After delegation of power, the challenge of supervising lower-level managers or employees may increase for the enterprise. Since power has been delegated, it becomes

difficult for the enterprise to directly control the decisions and actions of lower-level managers or employees. Instead, alternative methods are needed to ensure that they comply with the enterprise's rules and regulations and adhere to its strategic direction. Additionally, the difficulty of evaluating the performance of lower-level managers or employees may also increase after delegation. This is because their performance outcomes may become more complex and diverse after the delegation of power, necessitating more comprehensive and detailed evaluation methods to ensure the accuracy and fairness of the assessment results.

4. Conclusion

In the era of rapid globalization and informatization, enterprises are confronted with unprecedented competitive pressures and transformational challenges. As an emerging and efficient management approach, corporate delegation of power aims to enhance organizational flexibility and responsiveness by redistributing power. This, in turn, strengthens employees' sense of responsibility, enthusiasm, and innovation capabilities, thereby promoting the overall efficiency and competitiveness of the enterprise. However, delegation of power is not merely a simple 下放 of authority but a process involving multiple considerations and meticulous operations that requires enterprises to continuously explore and refine in practice. The core of corporate delegation of power lies in the transfer of power and clarification of responsibilities. Through delegation, corporate management can devolve partial decision-making and management authority to lower-level managers or grassroots employees, enabling them to make decisions that better meet actual needs within their respective responsibilities, thereby improving work efficiency and response speed. Meanwhile, delegation of power is accompanied by a clear division of responsibilities, ensuring that each employee is aware of their scope

of responsibilities and work goals. This helps to enhance employees' sense of responsibility and mission, prompting them to more actively engage in their work.

Nevertheless, corporate delegation of power also presents a series of challenges and risks. One of the most prominent issues in the process of delegation is the abuse and loss of control of power. When employees or lower-level managers are entrusted with more power, without effective oversight mechanisms, they may abuse this power for personal gain or to the detriment of the enterprise. Additionally, decision-making errors and inefficiency are also concerns that need addressing in the delegation process. If lower-level managers or employees lack sufficient decision-making capabilities and experience, it may lead to decision-making errors, subsequently causing economic losses, reputational damage, or legal disputes for the enterprise. Furthermore, the lack of effective coordination and communication mechanisms after delegation may also result in inefficient work.

To address these challenges and risks, enterprises need to formulate reasonable rules and strategies for delegation of power. Firstly, enterprises need to clarify the objectives and principles of delegation to ensure that its implementation aligns with the enterprise's strategic direction and actual needs. Secondly, enterprises need to develop detailed delegation plans, including determining the scope, level, timeline, and specific steps of delegation, to ensure the stability and controllability of the delegation process. At the same time, enterprises also need to establish a comprehensive supervision and evaluation mechanism to regularly supervise and evaluate the delegation process, allowing for timely adjustments to delegation strategies. During the delegation process, enterprises also need to strengthen training and guidance for employees, enhancing their professional skills and management capabilities so that they can better shoulder the responsibilities and decision-making authority after

delegation. Furthermore, enterprises need to pay attention to the potential internal conflicts and team instability that delegation may bring. To avoid these issues, enterprises need to focus on communication and coordination in the delegation process, ensuring that the distribution of power and division of responsibilities among different levels and departments are reasonable and transparent. At the same time, enterprises also need to establish effective incentive mechanisms and promotion channels to stimulate employees' enthusiasm and creativity, enhancing team cohesion and stability.

In summary, corporate delegation strategies constitute a complex and delicate process that requires enterprises to continuously explore and refine in practice. By formulating reasonable rules and strategies for delegation, enterprises can balance power and responsibility, stimulate employee innovation and efficiency, and subsequently enhance their overall competitiveness. However, delegation is not a one-time process. Enterprises need to continuously monitor market dynamics and changes in business needs, promptly adjusting delegation strategies to ensure the smooth implementation of delegation and the sustained development of the enterprise. In future development, enterprises will continue to face various challenges and opportunities, and reasonable delegation strategies will become crucial for enterprises to address these challenges and seize opportunities.

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