Analysis of the Formation Mechanism of Enterprise Performance Evaluation from the Perspective of Core Competence

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Abstract. In the development background of the new era, enterprise performance evaluation is an important part of enterprise management. More and more enterprises have begun to pay attention to the importance of enterprise performance evaluation. Although the research results of performance evaluation index system construction are significant today, the performance evaluation index system constructed is often banned from the evaluation of performance results, ignoring the impact on performance results. This paper constructs a performance evaluation system from the perspective of enterprise performance determinants. We must understand the formation process of enterprise performance, the formation mechanism of clear performance, and then analyze the impact process of each influencing factor on performance.

Introduction

Since the information technology revolution, a new era of economics has come, and the knowledge economy represented by information technology, biotechnology, marine technology, and new materials has developed rapidly, which has gradually replaced the development of traditional industrial economy and competition among enterprises across the globe. Increasingly, the form of competition has undergone profound changes. “Allies and confrontations as a new form of cooperation and form of competition are spreading rapidly in the global market.” This change in economic shape and the drastic changes in the external environment of enterprises have made the traditional enterprise management model face enormous challenges. In order to remain invincible in the increasingly complex and fierce competition, enterprises must understand the changes in the market more quickly. And the needs, combined with the characteristics of the enterprise itself to improve the management philosophy and methods of the enterprise, enhance the competitiveness of the enterprise, and ensure the survival and development of the enterprise.

The Concept of Performance, Core Competence

The Concept of Performance

Research on the concept of performance. Bates and Holton (1995) pointed out that “performance is a multidimensional construction, the measurement factors are different, and the results will be different.” Western countries have a relatively early study of the theory of corporate performance, and there are many opinions on the definition of performance. There are three main points of view: one is to define performance based on results; the other is behavior-oriented definition of performance; the third is performance-oriented and behavior-oriented integrated performance definition. Brumbrach (1988) defines performance as “performance refers to behavior and outcome. Behavior is expressed by the person who works, and the task is put into practice. (behavior) is not only the tool of the outcome, but the behavior itself is also the result, The result of mental and physical effort to complete the task, and can be judged separately from the result.”
The Concept of Core Competence

The Enterprise Is a Collection of Capabilities

The division of labor between the enterprise and the enterprise is based on capabilities. Ability to divide labor. The main difference between the core competence theory of enterprises and traditional microeconomics and industrial economics is that. The core competence theory of enterprises no longer regards enterprises as “black holes”, but attribute the differences in enterprise competitiveness to internal factors of enterprises, and regards enterprises as a collection of capabilities. The boundaries of enterprises and the rise and fall of enterprises are based on enterprise capabilities. It is determined by ability.

The Enterprise Is Heterogeneous and There Are No Two Enterprises with the Same Identity

Traditional microeconomics believes that enterprises are homogeneous, and that any enterprise can organize production according to the principle of profit maximization, and there is no competitive difference between enterprises. This hypothesis cannot explain the fate of success or failure faced or experienced by different companies in reality. The core competence theory of enterprises recognizes the heterogeneity of enterprises and regards this heterogeneity as the root cause of the difference in competitive advantage. The development process experienced by any two companies will not be exactly the same, which determines the uniqueness and imitation of the core competence of the enterprise.

The Factors Affecting the Core Competence of the Enterprise

The various competitiveness factors affecting the performance of the enterprise are the impact on the performance of the enterprise through the factors of the core competence of the enterprise. Although the core competence is the decisive factor affecting the performance of the enterprise, the core competence is combined by various competitive resources. Forming. The factors are summarized into the following four categories: governance ability, management ability, learning innovation ability and corporate culture ability. The three factors of governance ability, management ability and learning innovation ability are the influencing factors at the basic level, while the corporate culture ability is infiltrated between various factors. The higher level of “soft power” factor, corporate culture is often through the three core capabilities of the company's governance capabilities, management capabilities and learning and innovation capabilities, thereby transmitting the core competence of the enterprise.

The Analysis of the Formation Mechanism of Enterprise Performance

Core competence of enterprises is the determining factor for the formation of corporate performance, and performance can be seen as the dependent variable, and the core competence of the enterprise is the independent variable, and the performance is a function of the core competence of the enterprise:

\[ P_p = f(C) + P_t \]

In the formula:
- \( P_p \) — corporate performance
- \( C \) — the core competence of the enterprise
- \( P_t \) — the extent to which time affects performance

The core competence of an enterprise is determined by many factors. From the perspective of the core competence of the enterprise, some sources form comparative advantages, some sources form the synergy of the enterprise organization, some sources form the attraction of the enterprise, and some sources form the enterprise. The core competence function of an enterprise can be expressed as:

\[ C = f(X_1) + f(X_2) + f(X_3) + f(X_4) + C_t \]

In the formula:
- \( C \) — the core competence of the enterprise
Xi—Influencing factors of corporate culture ability
X2—Factors influencing corporate governance capabilities
X3—Influencing factors of business management ability
X4—Influencing factors of enterprise learning innovation ability
Ct—The degree of influence of time on the core competence of the enterprise

The above model mainly includes the following meanings:

In an imperfectly competitive market environment, part of the company's resources as input, through the transformation of the enterprise, output competitiveness, thereby forming the core competence of the enterprise and achieving the performance goals of the enterprise.

In a certain period of time, competitive resources are static elements, and the external environment and competitiveness transformation process in the dynamic. Only competitive resources, external environment and enterprise transformation process can be combined to improve competitiveness. Therefore, the core competence of the enterprise is a dynamic concept.

From the perspective of sustainable competitiveness, the competitiveness formed by enterprises in a certain period of time is conducive to adjusting, enriching, supplementing and optimizing the company's existing competitive resources; on the other hand, it is conducive to improvement, further adaptation, even to create a more favorable environment for the company, and thus improve the competitiveness of the company.

Analysis of the Factors Affecting the Formation of Performance

Corporate Governance Capability

The impact of corporate governance on the core competencies of an enterprise is carried out through business management. Corporate governance. For a fundamental institutional arrangement, its implementation will inevitably need to be achieved through a number of specific institutional measures, including incentives, distribution systems, personnel systems, financial systems, etc., all of which belong to organizational management. A sound corporate governance system can improve corporate management and promote economic performance, and believes that the derivative function of corporate governance is a management function, and corporate management is a necessary condition for corporate governance to play a role. Corporate governance is precisely because of the operation of enterprise management and the production of performance. The impact and role of corporate governance on performance is indirectly realized through the influence and function of enterprise management.

Business Management Ability

The business management ability is the basic ability of the enterprise. In the process of production and operation, the enterprise inputs capital. Source, output product or service after production conversion, and this conversion process is the business management process. The strength of management and management ability directly determines the degree to which the output products or services of the enterprise are recognized by the market. In addition, the company Governance ability and enterprise learning and innovation ability also affect the core competence and enterprise performance of the enterprise through the effect on the management of the enterprise. Therefore, the business management ability is the basic layer influencing factor that directly affects the core competence and performance of the enterprise, and is the tool and intermediary that influences other factors on the core competence of the enterprise.

Learning to Innovate

Among all the resources of the enterprise, people are the most valuable resources of the enterprise and the most active factor of the enterprise. Only through people's subjective efforts and learning and innovation, the company's technological innovation, management innovation and institutional innovation. Do not affect the organizational management efficiency of the enterprise, overcome some weak links exposed in the production process, strengthen the business management ability of
the enterprise, and improve the performance of the enterprise. Therefore, the ability of enterprises to learn and innovate. The core competencies and performance of the enterprise are realized through the living resources of human beings.

**Corporate Culture Capabilities**

Corporate culture mainly achieves incentives and constraints on human behavior through the identification and integration of values. Under the specific cultural value model, the various social roles and functions defined by people in the external institutional framework. Energy, rights, responsibilities and obligations form a shared value identity. This allows people to be in value mode. Under the inherent constraints, consciously communicate and interact in an orderly manner according to their respective roles and functional requirements. Therefore, the corporate culture conveys the value of culture to the institutional arrangement of the enterprise through human behavior, and transmits it to the enterprise. In the business management activities, the people’s learning and innovation behaviors are passed on, so that the formal system of the enterprise is becoming more and more perfect. The efficiency of production and management of the enterprise is improved, and the innovation ability of employees is enhanced. The behavior governs the behavior as the main body of corporate governance, and also dominates the behavior as the object of management and the subject of innovation. As long as the “individual” is in a certain cultural environment, it will be influenced and infiltrated by culture.

**Conclusion**

People's work is generally assigned what to do, and performance evaluation is linked to the strategic goals of the company on the one hand, and the incentive and restraint mechanisms and measures established on the other hand can greatly mobilize the initiative and enthusiasm of the employees. This paper analyzes the key elements of enterprise performance, analyzes the core competencies of the enterprise, decomposes various factors that affect the core competence of the enterprise, and establishes a set of processes that can reflect the performance formation process, which can help the enterprise cultivate core competence, improve market competitiveness, and obtain good management. Performance, and ultimately achieve the performance evaluation index system of the company's strategic business objectives.

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