

# Application Analysis of Benchmarking Management in Chinese Enterprise Performance Management

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## Abstract

**Benchmarking management is the product of the development of market economy, which can effectively improve enterprise performance management. With the development of market economy, benchmarking management has attracted the attention of domestic and foreign enterprises, and its application scope is more extensive. As a new thing, there are still some problems in the application of benchmarking management in Chinese enterprises. This paper will study the problems in the development of benchmarking management from the meaning of benchmarking management and the application of benchmarking management in performance management, and put forward some solutions to these problems.**

## Keywords

**Benchmarking Management; Chinese Enterprises; Performance Management; Effective Application.**

## 1. Introduction

Benchmarking management, also known as benchmarking. Benchmarking management first appeared in Xerox in the United States in the late 1970s. Because Xerox learned the advanced management experience and technology of its competitor Japanese companies, its strength has been greatly improved and is ahead of other first-class enterprises in the same industry. The evaluation process of benchmarking management is systematic and sustainable. It is the result of enterprises' continuous exploration of the management of the same industry. Then compare with the benchmark enterprises in the same industry, gradually get the advanced methods of the opponents, master the concept of excellent management, analyze the specific problems, and carry out reasonable innovation in combination with the enterprise's own situation, so as to promote the enterprise to improve its performance.

## 2. Current Situation of Benchmarking Management in Chinese Enterprises

Benchmarking management law first entered China in the 1990s. Since many domestic enterprises have achieved fruitful results after using benchmarking management method, benchmarking management method has quickly attracted the attention of many domestic enterprises. One successful example is Baosteel Group, which was the first to implement benchmarking management. Benchmarking management successfully makes its company have the potential to become a giant in the international steel industry in all aspects. In view of this, we can know that the great success of benchmarking management lies in its ability to continuously help enterprises find development goals, improve their competitiveness and strengthen self innovation. At present, without sufficient understanding of benchmarking management, some enterprises can not give full play to the advantages of benchmarking management, so they can not become giant enterprises.

### **3. The Role of Benchmarking in Enterprise Performance Management**

The significant role of benchmarking management in improving enterprise performance is to help enterprises find appropriate and accurate goals, provide continuous driving force for enterprises to improve themselves, so as to promote their independent innovation. As a learning goal for enterprises, it encourages enterprises to improve their competitiveness and realize independent innovation. The following will list four aspects of benchmarking to promote enterprise development.

#### **3.1. Benchmarking Method Optimizes the Performance Management of Enterprises and Realizes Efficient Enterprise Management**

Benchmarking can guarantee the improvement of performance. Benchmarking management method provides a clear direction and continuous driving force for the progress of enterprises. On this basis, enterprises can more actively achieve their own continuous breakthrough and transcendence through a variety of ways. At the same time, by imitating and summarizing the experience of excellent enterprises and then carrying out self innovation, enterprises can formulate appropriate performance evaluation standards in combination with themselves, so as to improve deficiencies and accurately find solutions, so as to effectively improve performance and increase their own economic benefits [1].

#### **3.2. Benchmarking can Promote the Implementation of Objectives**

Enterprises directly connect their own goals with employee compensation, and the realization of their own goals will directly determine the growth of employee compensation. This method helps employees establish a sense of collective honor, stimulate employees' potential and achieve the goal as soon as possible. Using these connections, the enterprise can pool the strength of all employees and encourage employees to strive for the goal of the enterprise. So as to accelerate its own growth rate, better occupy the dominant position of the market and become a leading enterprise in the same industry.

#### **3.3. Benchmarking Management can Promote the Implementation of Reward Mechanism**

In order to maximize the interests of enterprises, it has a place in the market. Chinese enterprises need to formulate and constantly improve the reward mechanism. Whether the reward mechanism is reasonable will directly affect the employees' work enthusiasm and enterprising degree. A reasonable reward mechanism can stimulate the employees' work enthusiasm and promote them to be proactive, while an unreasonable reward mechanism may destroy the employees' enthusiasm and creativity. It can be seen that the performance evaluation standard is closely related to the effect of the reward mechanism. Only by forming a market-oriented distribution system according to market rules and establishing fair, fair, reasonable and effective standards can we better realize distribution according to work and get more for more work.

#### **3.4. Benchmarking Management can Stimulate the Development Potential of Enterprises**

Benchmarking management condenses the strength of employees through excellent enterprise organizational culture, excavates its own potential and stimulates the development potential of the enterprise. While learning from the advanced management experience and science and technology of leading enterprises, enterprises also pay attention to the changes of the external market at all times, timely conduct market research and feedback, understand the real lack of the market, and better meet the market demand [2].

## **4. Shortcomings of Benchmarking Management in the Application of Enterprise Performance Management in China**

Benchmarking theory has been introduced into China from the West. Although it has attracted the attention of the public and has been widely practiced, it "does not have a universal truth". Due to the different market environment at home and abroad, it has not fully played its role in enterprise performance management in China.

### **4.1. Insufficient Understanding of Benchmarking Management Leads to the Failure to Fully Implement Benchmarking Management**

At present, some Chinese enterprises do not have a comprehensive understanding of benchmarking management, and some enterprise managers do not have a deep understanding of benchmarking management. Therefore, in the work, benchmarking management will float on the surface and do not play a substantive role, resulting in the full implementation of benchmarking management, and its effect can not be obvious.

### **4.2. "Benchmarking" does not Conform to its Own Reality, Resulting in the Decline of Management Effect**

The core of benchmarking management is to set up a benchmark for enterprises in line with their own reality. However, at present, a considerable number of enterprises fail to objectively understand themselves and find and formulate benchmarks in line with their own reality. More directly apply the templates of other enterprises in the same industry or blindly aim at the leading enterprises in the industry, ignoring the gap between themselves and other enterprises, regardless of whether it is practical or not, which reduces the management effect and doubts the benchmarking management method.

### **4.3. Enterprises Blindly Copy and Lack Self Innovation in the Later Stage**

Many enterprises blindly copy the R & D achievements, business methods and experience of benchmark enterprises, which can create economic value in a short time in the early stage. However, blindly copying without self innovation will lead to market saturation, lead to overcapacity and seriously affect their competitiveness. The core of benchmarking management lies in self innovation after imitation combined with their own reality., Instead of blindly imitating in pursuit of short-term interests.

### **4.4. The Information System of Benchmarking Management is not Perfect**

Information management plays an irreplaceable role in the implementation of benchmarking management: determining benchmarking enterprises, understanding benchmarking enterprise information, finding gaps and other information should rely on a perfect management system. However, China's benchmarking management system is not perfect, which makes it difficult for information to circulate, and it is difficult for enterprises to find suitable benchmarking to develop themselves and carry out win-win cooperation with other enterprises.

## **5. Some Suggestions on Introducing Benchmarking Management into Enterprise Performance Management**

At present, the application of benchmarking management in some Chinese enterprises is still at a relatively shallow level. The problems encountered by enterprises in the application of benchmarking management are inseparable from the current environment of enterprises, and the application divorced from reality may have the opposite effect. Therefore, when using benchmarking management, enterprises should strengthen the analysis of environmental

factors, always pay attention to the changes of bad environment, and change the internal environment in time to adapt to the external environment.

### **5.1. Reasonable Selection of Benchmarking Objects**

It is a concrete embodiment for enterprises to truly understand the significance of benchmarking management to formulate benchmarking in line with their own reality. At present, a current situation of China's enterprise development is that a considerable number of enterprises can not set up a scientific and reasonable pole according to their own development status and needs. On the contrary, blindly imitate and copy other enterprises. Under the guidance of reasonable benchmarking, enterprises will continue to improve themselves, strive to develop themselves, and constantly pursue to reach the benchmark. At the same time, benchmarking management should blossom everywhere in enterprises, rather than just pursuing one aspect and one part. On the contrary, we should pursue comprehensive development and have the idea of systematic optimization. Based on the whole, promote the overall development through local development, and realize the overall development of the enterprise by improving individual deficiencies.

### **5.2. Improve the Benchmarking Management System, Realize Hierarchical Management and Overall Combination**

Benchmarking management system consists of Strategic Benchmarking Management and operational benchmarking management. Enterprises should start from their own reality, understand and analyze the enterprise and market environment, and formulate development strategies through big data analysis. So as to achieve scientific benchmarking, improve the management system, realize hierarchical management, and take the road suitable for the enterprise's own development in combination with the actual market situation and the enterprise's own development.

### **5.3. Strengthen the Idea of Benchmarking Management and Promote the Renewal of Ideas**

The development direction of enterprises is closely related to the management concept and ideological consciousness of senior managers. In view of this, it is necessary for enterprises to organize the study of benchmarking management theory, improve the understanding of benchmarking management thought of all employees, and deepen the understanding of benchmarking theory by senior managers of enterprises, so as to condense the strength of employees and improve their enthusiasm, initiative and creativity [3].

### **5.4. Promote the Establishment of a Reasonable and Efficient Information Management System and Help Optimize Benchmarking Management**

Enterprises should establish a reasonable and efficient information management system, so as to promote information integration, optimize information structure, facilitate information query, update information in time and realize information value. So that enterprises can better promote information circulation, strengthen information exchange and improve the efficiency of benchmarking management. Finally, benchmarking management can be better realized through information management.

### **5.5. Attach Importance to Innovation and Take Various Measures to Strengthen Innovation**

At present, the biggest obstacle to the development of benchmarking management in China is the lack of innovation ability. Many enterprises will only imitate and copy. At the beginning, it may create certain economic benefits and improve its own performance. However, this is not a time when enterprises make great strides in sustainable development. Only by continuous

innovation can they really improve their own strength, which will also become their advantages different from other enterprises, so as to lay their own market. Therefore, imitation should be synchronized with innovation, and innovation should be combined with its own reality. Only in this way can enterprises achieve considerable development.

## 6. Conclusion

In recent years, benchmarking management has developed rapidly by virtue of its own advantages, optimizing enterprise management and creating practical benefits. We should reflect on each aspect of management step by step, and pay attention to each aspect of management step by step.

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