

# ASSESSING THE IMPACT OF MANAGEMENT CAPACITY ON ENTERPRISES' BUSINESS PERFORMANCE OF SOUTHEAST REGION IN VIETNAM

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## ABSTRACT

*In 2020, many enterprises faced difficulties and had to temporarily suspend their operations, increasing 20% compared to 2019, especially in the large market of the Southeast region in Vietnam. It recognizes this importance for managers. When the company's director has a better response level of leadership capabilities, the business performance will also be better. Therefore, the article aims to assess the impact of management capacity on enterprises' business performance in the Southeast region in Vietnam. The authors surveyed 800 managers and used a convenient sampling method. Still, SPSS tools processed 746 samples to measure Cronbach's alpha, Exploratory Factor Analysis (EFA), Confirmation Factor Analysis (CFA), and Structural Equation Modeling (SEM). The results showed four factors affecting management capacity and enterprises' business performance in Vietnam's Southeast region with 1% significance. Four factors include Strategic Vision (SV), Effective Leadership (EL), the Leadership of People (LP), and Organization Capability (OC). Based on the research results, the authors gave several recommendations to improve the management capacity.*

**Keywords:** Management, Capacity, Business, Performance, Enterprises, SGU

## INTRODUCTION

In the past year, the Covid-19 epidemic appeared and developed in a complicated way, seriously affecting all countries in the world by Galbreath (2020). Vietnam's economy has a significant openness, and international integration is deepening, so it has suffered many negative impacts of the epidemic in the socio-economic fields. Production, supply, trade, aviation, tourism, labor, and employment have been delayed or interrupted due to the epidemic's impact. Enterprises are severely affected. Many businesses have to suspend operations or go bankrupt, dissolve or reduce production and business scale. In 2020, Vietnam had some enterprises temporarily suspending business. It had 41.8 thousand enterprises, increasing 58.7% over the same period in 2019. Besides, 13.5 thousand enterprises completed dissolution procedures, up 0.1%.

Vietnam capital of newly established enterprises that are 1,594, 1 trillion VND. Besides, in the face of difficulties caused by the Covid-19 epidemic, the Vietnamese business community quickly changed its direction, implementing many solutions to maintain production and business activities such as: promoting e-commerce activities; transforming essential products and services; actively seek new markets for input materials as well as markets for output products. Generally, in 2020, the total registered capital added to the economy is 3,892.1 trillion VND, up 17% over the same period last year. And 2,298 trillion VND of additionally registered capital of 32.6 thousand enterprises changing money. The average registered capital of an enterprise in 2020 is VND 14.3 billion, up 14.4% over the same period in 2019. Due to the impact of the Covid-19 epidemic, the production and business situation in most industry groups was difficult, along with the fear and caution of investors when the epidemic was complicated, so the number

of newly established enterprises decreased significantly. Therefore, the article assesses the impact of management capacity on enterprises' business performance in the Southeast region of Vietnam.

## LITERATURE REVIEW AND HYPOTHESIS

### Managerial Competence (MC)

According to Carrie & Devitt (2018), there are many different conceptions of managerial competence: Management competence can motivate and inspire oneself and then inspire others. Management capacity can win the maximum support and effort from the organization's members. Management capacity combines qualities, knowledge, behaviors, attitudes, and skills leaders need to complete their tasks. Governance is an individual's ability to influence, motivate and get others to contribute to the effectiveness and success of the organization by Christensen (2017).

Testman in the study & Barry (2019) showed that the management capacity of directors of small and medium-sized enterprises applied as the synthesis of knowledge, skills, qualities, and attitudes. They had an enterprise director needs to have in their operations by Agostini & Nosella (2017). The act of leading yourself, leading subordinates, leading the organization to achieve the goals of the enterprise by Gerstman (2017).

According to Wawes (2019); Teshpan & Farley (2018), the concept of governance capacity mentioned four issues that leaders and managers of enterprises have, namely

1. Strategic Vision.
2. Effective Leadership Organization.
3. People Leadership In The Organization.
4. Organizational Competence.

Thus, the governance capability had four essential components presented below.

### Business Performance (BP)

According to Aloulou (2019), adopting an appropriate business performance measurement and management framework is a significant challenge in a rapidly changing business environment. Manufacturing enterprises often evaluate business performance through traditional accounting, cost, profit and loss reporting, etc., by Trant (2019); Abdullah & Rosli (2015). This factor is the static view of the no longer relevant cost in the environment modern business school by Sou (2018). Performance management is a core issue that ensures efficient and high-performance operations by Movich (2019). In particular, the results measurement system plays an important role, serving as the basis for assessing the level of achievement of the enterprise's goals in its competitive strategy by Hitt & Nisi (2015).

According to Wearce (2018), this research paper follows the customer and customer viewpoint to assess customer satisfaction and is considered an essential criterion for evaluating most of the organization's strategies by Aloulou (2019). Strategies for improving service quality, promoting brands, expanding distribution channels, and investing in new products geared towards customer satisfaction. The numbers of loyal customers, the market share of each product type, the number of new customers are collected for regular re-evaluation by Beneke, Blampied, Dewar & Soriano (2016). Customer satisfaction represents the effectiveness of organizations in delivering value to customers and is often seen as a precondition for profitability by Tapold & Wadi (2017). Customer aspect: Some commonly used customer dimension metrics: customer satisfaction; customer loyalty; market share; the percentage of additional customers; revenue per channel by Pekkola (2016); Presutti & Odorici (2019).

### Strategic Vision (SV)

According to Hamarque (2015), the strategic vision of the business leader is to present a clear and inspiring vision for the organization and the team. And to determine the best way to move towards the enterprises' vision, mission, goals while simultaneously taking into account the needs of all stakeholders. Demonstrate a global perspective and understanding of global markets and think globally by Menguc & Rauh (2016). Strategic foresight is the ability to see far into the future so you can plan for formal statements to a person, a company, or an organization by Titts (2018). It is a clear and vivid idealized description of the desired outcome that can excite its followers by Haider, Asad & Fatima (2017). It is an essential characteristic of a good leader because it clearly distinguishes it from a manager by Bourne (2017). Lack of strategic vision often has a devastating impact on people, companies, and organizations by Wellis (2018) and Filatotchev, Su & Bruton (2017). Therefore, the proposed research hypothesis is H1 and H2: There is a positive relationship (+) between small and medium enterprises' financial capacity and business performance.

*Hypothesis H1: Strategic vision (SV) has a positive relationship with the managerial competence of enterprises in the Southeast region of Vietnam.*

*Hypothesis H2: Strategic vision (SV) has a positive relationship with the business performance of enterprises in the Southeast region of Vietnam.*

### **Effective Leadership (EL)**

According to Treeman & Robinson (2017), Ensuring that the organization and department managed risk and continuous change while striving for excellence and constant improvement by Wearce (2018). Each leader often has his way of working with his employees by Sydanman (2017). However, each leadership style mentioned above has its advantages and disadvantages, so it is necessary to know how to coordinate to lead appropriately in each stage and case by Pisano & Shuen (2018). When choosing a leadership style, managers need to consider many factors at once, such as time allowed, type of task, and level of work pressure, staff qualifications, and relationships in the team, who have the information. However, good leaders coordinate and flexibly use all three leadership styles mentioned above appropriately in specific cases by Falahat, Tehseen & Van Horne (2018). Influential leaders are recommended to others to do something, not that ordered by Sarver (2018). People effective leaders always make suggestions to follow. Influential leaders are always ready to engage in work Saaij (2016). Therefore, the proposed research hypothesis is H3 and H4: There is a positive (+) relationship between management competence and business performance of small and medium enterprises.

*Hypothesis H3: Effective leadership (EL) has a positive relationship with the managerial competence of enterprises in the Southeast region of Vietnam.*

*Hypothesis H4: Effective leadership (EL) has a positive relationship with the business performance of enterprises in the Southeast region of Vietnam.*

### **The Leadership of People (LP)**

According to Asiaei, Jusoh & Bontis (2018), People leaders must implement human resource planning, talent management, and development as an integral part of the bank's governance and operations. Encourage and enhance the position of employees themselves in the enterprise. People leaders are managers and heads of an organization, capable of controlling all activities of an organization and leading the whole organization to the assigned cause by Van Dijk, Hendriks & Romo-Leroux (2016). Leaders and managers are like the central nervous system in one body, responsible for sensing external reactions, seeing and thinking of optimal solutions to control other parts of the organization that exists and develops by Soo, Tian, Teo & Cordery (2017). Therefore, the proposed research hypothesis is H5 and H6: There is a positive relationship (+) between product and service quality and business performance of small and medium enterprises.

*Hypothesis H5: Leadership of people (LP) has a positive relationship with the managerial competence of enterprises in the Southeast region of Vietnam.*

*Hypothesis H6: Leadership of people (LP) has a positive relationship with the business performance of enterprises in the Southeast region of Vietnam.*

## Organization Capability (OC)

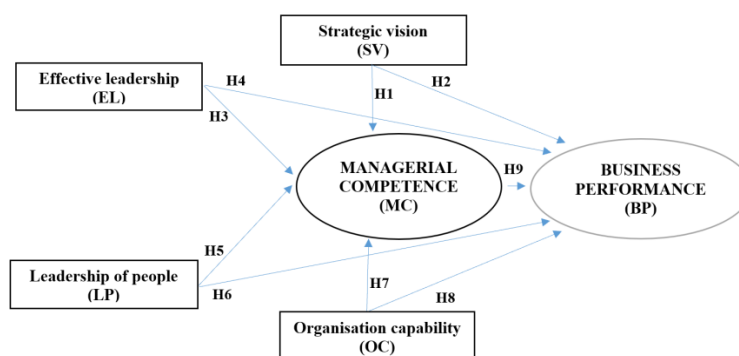
According to Sharabati, NajiJawad & Bontis (2010), Organization capability represents the process of building a culture of innovation and research with an emphasis on continuous improvement and learning for both individuals and organizations by Chavez, Yu, Jacobs & Feng (2017). Maintain a boundary less organization with effective management best practices to achieve organizational goals by Shafique & Kalyar (2018). Human resources are essential and indispensable for any small and medium-sized enterprise by Rafique, Hameed & Agha (2018). The human resource of an enterprise is the element that connects the organization's resources and is also the root of all improvement and innovation by Obeidat, Tarhini, Masadeh & Aqqad (2017). Competitiveness in human resources had through many criteria: training level, professional proficiency, motivation, and commitment to the enterprise by Mubarik, Naghavi & Mubarik (2019). The management ability of business leaders had the enterprise's organizational structure by Mehralian & Nazari & Ghasemzadeh (2018). Organizational structure is an important indicator that reflects the mechanism of resource allocation of an enterprise. The resource allocation has a tool for an enterprise suitable to the size and management level. It is consistent with the competitive characteristics of the industry and the requirements of the market by Han & Li (2015). Dzenopoljac, Yaacoub, Elkanj & Bontis (2017) showed that leadership positively impacts business performance. Therefore, the proposed research hypothesis is H7, H7, and H9: There is a positive relationship (+) between information technology and business performance of small and medium enterprises.

*Hypothesis H7: Organisation capability (OC) has a positive relationship with the managerial competence of enterprises in the Southeast region of Vietnam.*

*Hypothesis H8: Organisation capability (OC) has a positive relationship with the business performance of enterprises in the Southeast region of Vietnam.*

*Hypothesis H9: Managerial competence (MC) has a positive relationship with the business performance of enterprises in the Southeast region of Vietnam.*

Based on the theoretical basis, the authors had introduced the model for the impact of management capacity on enterprises' business performance of the Southeast region in Vietnam following.



Source: The authors proposed

**FIGURE 1**  
**A RESEARCH MODEL FOR THE IMPACT OF MANAGEMENT CAPACITY ON ENTERPRISES' BUSINESS PERFORMANCE**

## METHODS OF RESEARCH

The authors conducted two phases in the research process: qualitative research and quantitative research detailed.

The study aims to discover, adjust and supplement the proposed research model and build a scale to measure the elements constituting management capacity to business performance applied to a specific field, particularly in the Southeast region, Vietnam.

Focus group discussion is one of the suitable tools for this research program. The group of experts is knowledgeable about business operations and understands the theory of management capacity. Therefore, business managers and researchers working in Vietnam who are knowledgeable in the theory and practice of business operations had to participate in the discussion. In the order of questioning and clarifying in in-depth interviews, ask open-ended questions on the theoretical basis of each component. In this study, 15 experts participated in discussions to review and discover new research models and scales of elements in the research model. The authors conducted the meeting to shed light on the following specific issues. (1). Definition of management capacity. (2). Determining the elements constituting the management capacity of entrepreneurs. (3). Impact of management capacity on business results of enterprises. (4). Explore the measurement criteria for the elements constituting enterprises' governance capacity and business results to build a scale by Hair, Anderson, Tatham & Black (2021).

After analyzing the results in the preliminary study, the questionnaire was adjusted and finalized for use in the official survey. The authors identified formal study sample and data collection methods, as well as proper survey subjects.

The results had on the number of observed variables in the structural equation model requiring a sample of over 800 respondents selected and used the population sampling method for the primary survey. According to Hair, Anderson, Tatham & Black (2021), experience shows that a sample size of 300 is good, 500 is very good, and 1,000 is excellent. To meet the necessary information for the research, the subjects of the investigation were directors and deputy directors of enterprises in the Southeast region, Vietnam. When talking with the directors and deputy directors of enterprises, they said that now they are given the right to take the initiative in business activities and use resources and capabilities to carry out the business activities and current competitive strategy. On the other hand, a director or deputy director understands all aspects of business activities and is responsible for the business results of the unit they manage. Therefore, the director and deputy director are the subjects who can provide all the necessary information for the research by Hair, Anderson, Tatham & Black (2021).

The model had suitable when the Chi-square test has a p-value of 0.05. However, Chi-square has the disadvantage that it depends on the sample size. The larger the sample size, the larger the Chi-square, reducing the model's goodness of fit. Therefore, besides the p-value, the criteria used are  $CMIN/DF \leq 2$ . In some cases, it is acceptable to  $CMIN/DF \leq 5$ ; GFI, TLI, CFI  $\geq 0.9$ . However, according to Hair & CTG (2021), the GFI index is still acceptable when it is less than 0.9; RMSEA 0.08, the case of  $RMSEA < 0.08$ , according to Hair et al. (2021), is considered very good.

## RESEARCH RESULTS

### Testing Cronbach's Alpha for Managerial Competence and Business Performance of Enterprises

<b>Code</b>	<b>Managerial competence (MC), Cronbach's alpha: 0.949</b>	<b>Cronbach's Alpha if Item Deleted</b>
MC1	Leadership knowledge: Knowledge of the field of business	0.934

MC2	Leadership skills: Skills in mobilizing and coordinating resources	0.895
MC3	Leadership attitude: Innovative and creative thinking	0.945
Code	Business performance (BP), Cronbach's alpha: 0.892	Cronbach's Alpha if Item Deleted
BP1	Achieve planned market share growth	0.884
BP2	Developing many new products and services to meet market demand	0.825
BP3	Achieve a planned profit margin	0.883
BP4	Achieve customer satisfaction	0.849

Source: Data processed by SPSS 20.0

Table 1 showed Cronbach's alpha for the Managerial Competence (MC), Cronbach's alpha: 0.949, and the Business Performance (BP), Cronbach's alpha: 0.892. The test results of two dependent variables meet the requirements of reliability.

### Testing of Cronbach's Alpha for Managerial Competence Affecting Business Performance

TABLE 2 TESTING OF CRONBACH'S ALPHA FOR MANAGERIAL COMPETENCE AFFECTING BUSINESS PERFORMANCE		
Code	Strategic vision (SV), Cronbach's alpha is 0.965	Cronbach's Alpha if Item Deleted
SV1	Management understands a clear vision and inspires employees	0.944
SV2	Active management motivates and encourages employees to understand the vision of the business	0.959
SV3	Professional business-oriented development planning management	0.964
SV4	Management demonstrates a good understanding of domestic and global markets	0.948
Code	Effective leadership (EL), Cronbach's alpha is 0.864	Cronbach's Alpha
EL1	Governance ensures a strong focus on goals, performance, and achievement	0.814
EL2	Governance demonstrates a pioneering ability and attitude to achieve challenging goals	0.822
EL3	Management balances risks with results, not avoiding risks	0.857
EL4	Management accepts market challenges to achieve business goals	0.813
Code	The leadership of people (LP), Cronbach's alpha is 0.966	Cronbach's Alpha
LP1	Management can manage human resources to achieve business goals effectively	0.952
LP2	Human resource planning is part of the annual business planning process	0.961
LP3	Powerfully empowering governance - allowing scope for employees to grow	0.961
LP4	Governance maintains a culture that supports current employee values	0.946
	Organization capability (OC), Cronbach's alpha is 0.889	
OC1	Good governance builds a culture of innovation and continuous improvement in the enterprise	0.861
OC2	Governance maintains an organization with few boundaries, which is confident and effective in the leadership process	0.824
OC3	Robust and effective balance management across teams/teams with individual autonomy	0.884
OC4	Governance demonstrates a solid commitment to continuous learning for individuals and enterprises	0.858

Source: The authors processed by SPSS 20.0

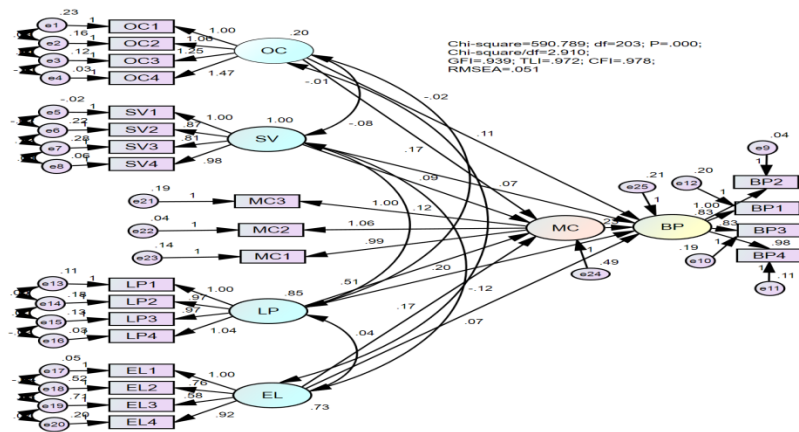
Table 2 showed that Cronbach's alpha for managerial competence affecting business performance. There are four factors: Strategic Vision (SV), Cronbach's alpha is 0.965. Effective Leadership (EL), Cronbach's alpha is 0.864. The Leadership of People (LP), Cronbach's alpha is 0.966, and Organisation Capability (OC), Cronbach's alpha is 0.889. The research results showed that the observed variables of this scale include 16 observed variables of four independent variables that meet reliability requirements.

TABLE 3 KMO AND BARTLETT'S TEST FOR MANAGERIAL COMPETENCE AFFECTING BUSINESS PERFORMANCE		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.840
Bartlett's Test of Sphericity	Approx. Chi-Square	17308.923
	df	253
	Sig.	0.000
Extraction Sums of Squared Loadings: Cumulative is 84.740 %		

Source: The authors processed by SPSS 20.0

Table 3 showed that the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) is 0.840 (>0.5). This result is consistent with the actual data investigated by 800 leaders managing many enterprises of the Southeast region in Vietnam. Extraction sums of squared loadings: cumulative is 84.00 %.

Testing CFA for managerial competence affecting business performance. Figure 3 showed that the assessment of the scale of the managerial competence affecting business performance including: CMIN/DF=4.552 (<5.0), GFI=0.906 (>0.8), TLI=0.948 (>0.9), CFI=0.957 (> 0.9) and RMSEA=0.069 (<0.08).



Source: The authors processed by SPSS 20.0 and Amos

FIGURE 3  
TESTING SEM FOR MANAGERIAL COMPETENCE AFFECTING BUSINESS PERFORMANCE

Table 4 TESTING COEFFICIENTS FOR MANAGERIAL COMPETENCE AFFECTING BUSINESS PERFORMANCE						
Relationships	Unstandardized Estimate	Standardized Estimate	SE.	CR.	P	Results
MC <--- EL	0.168	0.165	0.034	4.903	***	Accepted
MC <--- LP	0.512	0.543	0.031	16.383	***	Accepted
MC <--- SV	0.091	0.104	0.027	3.316	***	Accepted
MC <--- OC	0.169	0.088	0.058	2.915	0.004	Accepted
BP <--- OC	0.113	0.087	0.039	2.867	0.004	Accepted
BP <--- SV	0.070	0.119	0.019	3.735	***	Accepted
BP <--- LP	0.196	0.308	0.024	8.107	***	Accepted
BP <--- EL	0.065	0.095	0.023	2.869	0.004	Accepted
BP <--- MC	0.228	0.338	0.027	8.517	***	Accepted

Source: The authors processed by SPSS 20.0 and Amos

Table 4 showed four factors affecting managerial competence and the business performance of enterprises with a significance level of 0.01. The results showed that

managerial competence affecting business performance with a significance level of 0.01. Four factors had the Strategic Vision (SV), Effective Leadership (EL), The Leadership of People (LP) and Organisation Capability (OC).

Parameter			SE	SE-SE	Mean	Bias	SE-Bias
MC	<---	EL	0.037	0.000	0.167	-0.001	0.000
MC	<---	LP	0.039	0.000	0.510	-0.002	0.000
MC	<---	SV	0.026	0.000	0.087	-0.003	0.000
MC	<---	OC	0.087	0.001	0.143	-0.026	0.001
BP	<---	OC	0.069	0.001	0.112	-0.001	0.001
BP	<---	SV	0.020	0.000	0.068	-0.002	0.000
BP	<---	LP	0.025	0.000	0.194	-0.002	0.000
BP	<---	EL	0.024	0.000	0.063	-0.002	0.000
BP	<---	MC	0.030	0.000	0.231	0.003	0.000

Source: Data processed by SPSS 20.0 and Amos

Table 5 showed that the Bootstrap test results are very good with a sample of 80.000 for the managerial competence affecting the business performance of enterprises with a significance level of 0.01.

## CONCLUSION & MANAGERIAL RECOMMENDATIONS

### Conclusion

Effective Leadership (EL). Through several qualitative and quantitative research methods, this study again proves the appropriateness of resource-based development when the managerial competence of the entrepreneur is in scarce and invaluable resources that contribute to creating competitive advantages and improving the business performance of enterprises. Specifically, some sub-groups of business competencies help entrepreneurs fulfill the roles of entrepreneurs and professionals, such as Strategic Vision (SV). The Leadership of People (LP) and Organisation Capability (OC) positively influence the business performance of enterprises.

Managerial competencies act as a solid foundation for entrepreneurs to fulfill different roles in entrepreneurial success. Besides, there is a relationship between many other groups of managerial competencies that helps entrepreneurs achieve the role of an administrator in an enterprise. Such as organizational capacity - leadership, capacity to establish relationships, and business results of the enterprise as well supported in this study. Finally, managerial competence serves as a solid foundation for the entrepreneur to fulfill various entrepreneurial and entrepreneurial process roles successfully. In particular, the business performance of the enterprise had evaluated through the four aspects above. In particular, the enterprise's business performance is assessed fully through 4 elements: finance, customers, internal processes, and learning development. In particular, the business performance of the enterprise had evaluated through customers.

### Managerial Recommendations

Based on the research results. The authors proposed some managerial recommendations as follows:

First of all, Managerial recommendations need to improve the leadership of people (0.543). It is to enhance the quality of management personnel. Businesses need to build an open and transparent management selection mechanism. The selection of personnel has in



management positions combined with the annual employee evaluation. It follows the levels of progress in all aspects, the criteria according to comprehensive competence, and a plan. The management plan is to foster resource staff to ensure continuity and avoid unnecessary disturbance when there are changes in management personnel and meet the demand for management personnel when expanding the business network. The management's experience in modern business operations is still weak, especially in modern tools and risk management. Therefore, it is necessary to organize separate training courses for managers and cooperate with foreign enterprises to organize training courses abroad. Training courses should pay special attention to new trends in business development in the region and the world. At the same time, it is necessary to pay attention to the direction of changing business environment.

Secondly, Managerial recommendations need to improve effective leadership (0.165). Leadership skills are an essential and decisive part of working attitude and team performance. By cultivating a dynamic team such as advocating for your employees and setting an example in the workplace, you can hone the skills to manage others and help your employees perform its job consistently. Currently, the organizational structure of enterprises has also separated the functions between the business and administrative functions. However, in the process of operation, there are still problems with information in operation. It allows employees to self-improve professional skills even while working. To address the enterprise's daily business activities and assign responsibilities between functional departments and executive positions. In particular, to focus on exploiting the electronic management information system through internal interactive technology used in the entire system of the enterprise. Enterprises need to coordinate with organizations and centers specializing in personnel training to help employees receive professional training. It is necessary to periodically organize personnel training courses, which are improved and developed according to the human resource classification such as new and old, senior management and lower-level personnel, etc., to have effective human resource training solutions.

Thirdly, Managerial recommendations need to improve the strategic vision (0.104). Design and use appropriate report templates to ensure adequate and timely provision of accurate information about the business's operation and market fluctuations to serve the decision-making of the board of directors. In particular, special attention had to reports for risk management. Establish complete and transparent business handling processes. Currently, businesses have manuals on business processes. However, it is necessary to constantly update new operations arising in the operation of a modern enterprise to ensure compliance with regulations on safety and efficiency in business. It is essential to develop a long-term training strategy based on the business strategy. From there, it will be unified in human resource and business development strategies to increase operational efficiency. Leaders need to evaluate training results scientifically and seriously. Evaluating training results used is a survey method, using a questionnaire to make timely improvements and modifications. On the other hand, it is also necessary to assess the employee's progress after the training courses based on the quality and performance of the work, through the evaluation opinions of the direct managers and the employees themselves.

Finally, Managerial recommendations need to improve the organization's capability (0.087). Human resources are considered the most important of every business. A appropriately recruited, trained, and paid workforce is the basis for enterprises to optimally exploit capital and technology resources, create business efficiency, and improve competitiveness. This result depends significantly on the professional qualifications, professionalism, dynamism, creativity, professional ethics, service attitude of business officers and employees. Therefore, improving the quality of human resources is a strategic and urgent task to solve the current competitive needs and meet the long-term development strategy of enterprises in economic integration, international import. Finally, enterprises need to build corporate culture: It has a crucial position and role in developing each business because any business without corporate culture will be difficult to find can stand and survive. In today's social trend, the resource of an enterprise is a person whose corporate culture connects and multiplies the values for that resource. Enterprise

administrators need to pay attention to building a transparent and scientific employee evaluation system: A system of tools and means to evaluate employees fairly and objectively the work efficiency and proficiency level. Besides, enterprises need to develop a strategy for human resource management and establish a mechanism to implement that strategy effectively. That explains why corporate culture has a high impact on employee satisfaction. It is necessary to contribute to the leadership style of both the leader and the working class of the employees.

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