

# The Impact of Management Innovation, Organizational Inertia, and Organizational Learning on Organizational Performance: A Case Study of the Manufacturing Industry in the Yangtze River Delta Region of China

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## Abstract

Enterprise innovation has always been a hot issue in enterprise development and theoretical research. China has now entered a new stage of development. The implementation of innovative strategies and the acceleration of the construction of an innovative country have made innovation even more critical to business operations and development. Technological limited resources of the enterprise and the uncertainty in the research and development process, the implementation of technological innovation will face great unknowns and challenges. The successful implementation of management innovation must effectively integrate the existing knowledge and resources of the enterprise. Organizational learning is the process of using existing resources and learning new knowledge. The development of management innovation will effectively promote the enterprise to carry out organizational learning. Only when the organic combination of management innovation and organizational learning is realized, can the organization's competitive advantage be enhanced and the enterprise's own performance improved. This study's purpose is attempts to explore the relationship and provide data support for it, and then puts forward management suggestions for enterprises trying to improve organizational performance by implementing management innovation. After sorting out the relevant literature, for the research design, this study takes organizational learning as an intermediary variable and constructs a theoretical model among management innovation, organizational inertia, organizational learning, and organizational performance; uses SPSS and AMOS software to conduct an empirical test on the collected 2407 valid questionnaires. The findings and the conclusions are management innovation and organizational inertia influence organizational performance, and organizational learning has a mediating role. Finally, management suggestions are put forward for enterprises to improve organizational performance by implementing management innovation.



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## **Introduction**

In 2020, the GDP of the Yangtze River Delta region was 24.5 trillion-yuan, accounting for 24.1% of the country's total GDP with less than 4% of the country's land area, and it created nearly a quarter of my country's total economic output. It is a representative economic zone. Since modern times, the Yangtze River Delta region has rapidly developed the manufacturing industry by virtue of its regional advantages and has become one of the advanced manufacturing regions in my country. However, with the increasingly urgent situation of economic transformation, the transformation and upgrading of the manufacturing industry in the Yangtze River Delta region has become the current focus. With the expansion of economic globalization and the development of market informatization, the competitive pressure faced by enterprises in the Yangtze River Delta region is intensifying, and the changes in the business environment of enterprises also show the characteristics of discontinuous changes, which makes it difficult for enterprises to grasp the diversification of customer needs. Relevant survey data show that the average life expectancy of domestic enterprises is 7-8 years, while that of small enterprises is no more than 3 years, which fully shows that the survival problem is a very serious problem that enterprises face and needs to be solved urgently. The manufacturing industry, which is the cornerstone of the national economy, is also facing the same problems in the current political, economic, cultural, and social environment. Some scholars believe that innovation is also an effective measure to enable enterprises to adapt to changing environments. (Wang 2021; Yu & Li 2021; Sun & Ren 2020). A common law in the history of world enterprise development is that enterprise innovation promotes enterprise growth. In the study of enterprise development, in addition to change and innovation, there is also organizational inertia. In the study of organizational theory, scholars have two diametrically opposed views on the mechanism of organizational inertia affecting organizational performance. The theory based on the resource view believes that with the strengthening of organizational inertia, enterprises will gradually accumulate a large amount of valuable and difficult-to-imitate resources. However, the theory based on the concept of inertia believes that: organizational inertia will reduce the adaptability of enterprises to the external environment, and cannot adjust their own strategies in time, thereby reducing organizational performance. Some scholars believe that the impact of organizational inertia on organizational performance is related to the stability of the environment. In a static environment, it has a promoting effect, and in a dynamic environment, it has a hindering effect. Although some scholars have begun to study this issue, few scholars have studied the effect of organizational inertia on organizational performance for a specific type of enterprise, making the current research relatively incomplete and needs to be further deepened and refined. Therefore, this paper tries to quantify variables such as organizational inertia and organizational performance on the basis of synthesizing the research results of domestic and foreign scholars on the effect of organizational inertia on organizational performance and analyzes the interaction between these variables from the perspective of the mediating role of organizational learning, to discuss the sustainable development of Chinese manufacturing enterprises. (Wang 2021; Yu & Li 2021; Sun & Ren 2020)

## **Problem Statement**

The Twelfth Five-Year Plan clearly pointed out that in the case of a bad external environment, enterprises need to increase organizational innovation, strengthen internal control, accelerate organizational structure adjustment, implement management system and management method innovation, increase technological innovation, and improve product quality, to ensure the long-term stable development of the enterprise. Facing the severe internal and external environment, it is becoming more and more urgent for organizations to implement organizational reform and innovation for long-term, stable, and sustainable development.

Many empirical studies have confirmed that organizational innovation positively affects organizational performance. The researchers believe that although in the Yangtze River Delta manufacturing enterprises, different enterprises have different enterprise conditions, innovation will bring higher performance to the organization. (Wang 2021; Yu & Li 2021; Sun & Ren 2020). Organizational innovation prompts enterprises to increase their efforts in new production technologies and new management technologies. It promotes enterprises to actively develop new products and implement technological transformation; optimizes the organizational structure, reduces the coordination cost of enterprise management; It ensures the rational allocation of organizational resources, enhances the market competitiveness of enterprises, and finally brings about the improvement of organizational performance. With the development of the Internet and the prosperity of e-commerce, information technology has broken the information barriers between industries and adjusted the industry rules of each industry. Innovations in various business models and product technologies have emerged in an endless stream. And these new technologies have also greatly changed people's life and way of thinking, which makes traditional manufacturing companies must continue to innovate to improve their own competitiveness. Also in the rapidly changing environment, more and more enterprises have lost their competitive advantage and even eventually failed because they failed to make timely and rapid adjustments to adapt to the rapidly changing environment. More and more scholars have noticed that the characteristics of enterprises that keep their operating status unchanged and resist changes, that is, organizational inertia, hinder their own development and become the root cause of enterprise decline (Song, 2015). Today, modern enterprises are facing a dynamic environment of rapid technological advancement, shortened product life cycle and globalization. Continuous organizational learning and transformation have become the strongest voice in the field of global enterprise management in recent decades. Especially since entering the era of knowledge economy, enterprises need to promote and enhance innovation activities and cultivate innovation capabilities through continuous learning. Organizational learning is the key source for enterprises to obtain and maintain competitive advantage. Because of this, organizational learning has become a focus topic related to the sustainable survival and development of enterprises and the improvement of competitiveness, and the establishment of learning organizations has become the starting point and destination of scholars' research and managers' practice (Wang, 2016). Based on the above points of view, the impact of management innovation, organizational inertia and organizational learning on organizational performance is significant. Most of the current academic research focuses on the impact of organizational innovation and technological innovation on organizational performance, the impact of organizational inertia on organizational performance, and the impact of organizational learning on organizational performance. However, there are very few studies that use management innovation and organizational inertia as two independent variables to ultimately affect organizational performance through the effect of the intermediary variable organizational learning. Therefore, this paper mainly examines the interrelationship and internal logic of management innovation, organizational inertia, organizational learning, and organizational performance through literature review and on the basis of previous research, using empirical research and data analysis. And on this basis, discuss the impact of management innovation and organizational inertia on organizational performance under the intermediary role of organizational learning.

### **Research objective**

In the review of related literature on management innovation, organizational inertia, organizational learning and organizational performance, this research finds that there is a gap in the empirical research on the relationship between management innovation and

organizational performance. At present, there are not many discussions on the integration of management innovation, organizational inertia, and organizational performance. Therefore, this study will use organizational learning as an intermediary variable to conduct an in-depth discussion on the relationship between management innovation and organizational performance and introduce job characteristics variables in combination with the triggering factors of organizational inertia and use them in the relationship between management innovation implementation and organizational inertia analysis of the mediating role.

### **Research question**

This paper builds a relationship model based on management innovation, organizational inertia and organizational performance under the background of the Yangtze River Delta manufacturing industry, integrates organizational learning theory, and proposes organizational learning as an intermediary variable. I adopt literature research method, implementation of questionnaire survey, and data statistics to study the constructed model, so as to provide guidance for manufacturing enterprises in the Yangtze River Delta region from the theoretical and practical aspects. Based on this, this paper proposes the following research questions as: (1) Does the management innovation of manufacturing enterprises in the Yangtze River Delta region of China have a significant impact on organizational performance?; (2) Does the organizational inertia of manufacturing enterprises in the Yangtze River Delta region of China have a significant impact on organizational performance?; (3) Does the organizational learning of manufacturing enterprises in the Yangtze River Delta region of China have a significant impact on organizational performance?; (4) Does the organizational learning of manufacturing enterprises in the Yangtze River Delta region of China play an intermediary role between management innovation and organizational performance?; (5) Does the organizational learning of manufacturing enterprises in the Yangtze River Delta region of China play an intermediary role between organizational inertia and organizational performance?

### **Scope of study**

The research topic of this paper is the influence of the relationship between management innovation and organizational inertia on organizational performance. Based on this, to ensure the rigor and standardization of academic research, first of all, the scope of sample sampling in this paper is limited to the Yangtze River Delta region, and the industry of the sample is the manufacturing industry. Secondly, the relationship between the variables explored in this paper only explores the research objectives proposed in this paper, including only the relationship between the four variables of management innovation, organizational inertia, organizational learning and organizational performance, without considering the influence of other variables. In summary, the scope of this study is defined.

### **Literature review**

#### **Organizational Performance**

Chen (2010) used return on investment, sales growth rate, net profit rate, customer satisfaction, loyalty, etc. to measure organizational performance; Kai Wah Chul et al. (2011) studied organizational performance from a financial perspective and found that Factors that determine financial capabilities include market value, production capacity, profitability, etc.; Muchlbacher (2012) used organizational innovation as a non-financial factor to measure organizational performance; Dong (2016) proposed to combine non-financial indicators and financial indicators when measuring organizational performance More reasonable. According to the degree of objectivity of the data, it can be divided into subjective performance and objective performance (Jiang, Liu & Jiang, 2014). Among them, subjective performance focuses on the relative value of performance, which is composed of subjective evaluator's cognitive

evaluation, such as satisfaction, etc.; While objective performance focuses more on the absolute value of performance, which is composed of objective data, such as sales, growth rate. Empirical studies by Daniel & Raquel (2011) and Saumyaranjan Sahoo (2019) concluded that a series of products and management innovation carried out by the organization will have a significant enhancement effect on organizational performance; Many domestic scholars have also conducted some research in this regard. Xie (2006) conducted research in South China and found through empirical analysis that enterprises carrying out management innovation practices will effectively improve organizational performance. Eric Viardot (2017) clearly stated in his book that innovation activities, including management innovation, are key drivers of business performance and business growth. Li (2011) also obtained a conclusion similar to that of Damanpour et al. (1989) in his research. He believed that both technological innovation and management innovation will have a positive effect on organizational performance, and the effect of management innovation is stronger. Yu (2017) studied the form of management innovation alone, and the conclusion he reached still supports the positive effect between the two variables. In addition, the General Motors Corporation of the United States and the Haier Group of China have implemented management innovation within the enterprise to adjust the organizational structure, which has improved the operating efficiency of the enterprise and brought higher organizational performance to the enterprise (Su, 2019).

### **Management Innovation**

Xue (2011) believes that management innovation is the invention and application of the latest management practices, processes, structures or skills in the enterprise, and its main purpose is to promote the goals of the organization. Volberda's (2013) study pointed out that management innovation is a series of change activities for the overall or partial improvement of the original management concept, management system, management process and structure of the enterprise, which are difficult to grasp. Zhang et al. (2020) put forward the concept of two-way management innovation in their research on management innovation. Management innovation introduced from the outside to the inside refers to the process by which an enterprise acquires and integrates external management innovation resources to internalize them. From the inside to the inside External management innovation mainly refers to the behavior of enterprises actively self-summarizing and learning to imitate internal management innovation in a theoretical and systematic form, as well as the unconscious spillover process of enterprises in organizational cooperation. Ke (2021) research believes that management innovation is the optimal allocation of resources, including the optimal allocation of human resources and other element resources of the enterprise. Management innovation is a management practice that remodels and innovates the existing management system and improves management capabilities through the introduction or improvement of advanced management concepts, management mechanisms, management processes, management models and systems. Foreign scholars Boscari et al. (2016) pointed out that only fundamental changes in the organization can play the role of "breaking the situation". For example, if the old rigid organizational form, outdated ideas, and original profit distribution pattern are broken, the impact of the change will be reduced. Resistance, laying the foundation for the implementation of management innovation and the improvement of management efficiency. Sun & Ren (2020) took a total of 60 agricultural science and technology enterprises in southern Jiangsu, central Jiangsu, and northern Jiangsu as the research object, and found through empirical analysis that organizational change has a significant positive impact on enterprise innovation capabilities (Wang 2021; Yu & Li 2021; Sun & Ren 2020).

### **Organizational Inertia**

Hodgkinson (1997) pointed out that there is cognitive inertia in the organization, and the organization will rely on the previous successful thinking mode to solve the problem and is unwilling to change. Nickerson and Zenger (2009) studied structural inertia formed by informal organizations, and the results showed that structural inertia is a kind of "double-edged sword", which is related to the external environment of the organization. Therefore, we believe that organizational inertia can be divided into promoting and hindering functions due to its different functions in different environments. Liu et al. (2017) used empirical methods to study the relationship between organizational structure inertia and organizational performance. The research results showed that with the development of the organizational life cycle, the relationship between organizational structural inertia and organizational performance gradually showed an inverted U-shaped curve, and organizational structural inertia Initially, it is beneficial to corporate performance, but when the inertia reaches a certain level, it will have a negative impact on performance. The mechanism of organizational inertia 's impact on organizational change, and pointed out that organizational inertia, as an inherent attribute in the operation of an organization, has the characteristics of stability, accumulation, path dependence, variability, and bidirectionality. Inertia is widely used in the research of enterprise behavior, enterprise activities, organizational structure, etc., thus forming the inertia of the organization.

### **Organizational Learning**

Since March & Simon (1958) put forward the theory of organizational learning, many scholars have studied it, and the theory of organizational learning has been greatly developed. Although the relevant theories are still controversial, in practice, the importance of organizational learning has been well recognized. In 1987, March proposed the concept of organizational learning (organization learning) in his related research, but in articles such as Permana & Laksmana (2020), they defined the concept of organizational learning as the process of identifying and correcting errors in a timely manner. Since then, the academic community has carried out a lot of theoretical research and practical discussions on the concept of organizational learning, some of which are listed here. Among them, Zheng, Cheng et al. (2019) mentioned in the article that starting from the aspect of knowledge, the stage composition of organizational learning is divided into four stages: acquiring knowledge, matching knowledge, absorbing knowledge, and organizing memory. It is concluded that building an organizational learning environment is helpful for organizations to form memory and accumulate knowledge. Liang (2016) built the organizational learning framework on the basis of dual learning. She believes that organizational learning is based on the existing development of the organization and the extent to which the organization learns and utilizes new external knowledge and methods and summarizes and integrates existing internal knowledge and methods. Knowledge, and then realize a dynamic process of organizational self-improvement through the double loop of feedforward and feedback. Ding (2016) believes that based on the perspective of cognition, the learning organization can self-examine its deficiencies, and correct them through related reasons, so that the cultural framework of team members can become more complete. Organizational learning is the process of changing organizational cognition and organizational behavior (Islam et al., 2016).

### **Methodology**

#### **Research Design**

By consulting the literature on management innovation , organizational inertia organizational learning and organizational performance , on the basis of summarizing and summarizing , put forward research hypotheses , construct a structural equation model that represents the

interrelationship among management innovation ,organizational inertia, organizational learning and organizational performance in manufacturing enterprises ; combined with research design the questionnaire indicators according to the actual situation, use the internal consistency test and exploratory factor analysis to test the reliability and validity of small sample data, further improve the initial questionnaire according to the analysis results and research purposes, form a formal questionnaire, and collect large sample data; Based on unreasonable data, establish an analysis database based on valid data, and use confirmatory factor analysis to conduct validity analysis and model verification of large sample data, and use reliable data to verify the involved structural equation model, draw research conclusions and summarize the analysis thus forms the research framework. This study mainly uses SPSS17.0 and AMOS18 software for statistical analysis of data. According to the conclusions of frontier research, the questionnaire is designed, the pre-test is carried out, and the unreasonable indicators in the questionnaire are deleted to improve the validity and reliability of the questionnaire. Finally, a formal questionnaire is formed, and a large sample of data is collected. The statistical analysis methods used include descriptive statistical analysis, reliability test, correlation analysis, regression analysis, mediation effect test, etc.

### **Data collection**

Data collection and sample selection are important parts of the questionnaire survey and play a decisive role in the results of data analysis. Among the four variables involved in this paper, the process of management innovation, organizational inertia and organizational learning requires the participation of all staff, while the evaluation of organizational performance mainly involves the managers in the enterprise, so the survey object of this study is the managers Mainly. This paper adopts the form of an electronic questionnaire and distributes paid questionnaires on the questionnaire star platform. To achieve the purpose of sample diversity, the survey objects of the questionnaire are manufacturing enterprises in the Yangtze River Delta region of China. Therefore, this research is carried out in representative cities in the Yangtze River Delta. In 15 cities including Shanghai, Ningbo, Zhoushan, Hangzhou, Jiaxing, Suzhou, Huzhou, Wuxi, Changzhou, Nanjing, Nantong, Zhenjiang, Yangzhou, Taizhou, and Shaoxing, 20 manufacturing enterprises were selected, and a total of 3000 questionnaires were distributed. There were 2800 questionnaires, and the invalid questionnaires were eliminated according to the following principles: (1 ) the working experience was less than one year; ( 2 ) all the invalid questionnaires had the same answer or other obvious mistakes, and a total of 2407 valid questionnaires were obtained , and the effective recovery rate was is 80.23 %.

### **Target population**

The term "target population" refers to a certain group of people that the researchers would like to focus their attention on while carrying out the study (Sekaran & Bougie, 2016). There are many distinct target groups that may be found in various types of research; therefore, we need to choose which target population will provide us with the best opportunities to collect data and information for our study. The employees of manufacturing enterprises in the Yangtze River Delta region of China are the population that will serve as the focal point of this investigation. This study choose 20 manufacturing enterprises to do the questionnaire. There are around 20,000 people in the targeted enterprises. The individual who is going to be given priority in this investigation is the sampling elements.

### **Sampling frame and sampling location**

The Yangtze River Delta region of China were the focus of this research. The sampling frame consisted of a list of all employees of the manufacturing enterprises in the Yangtze River Delta region of China that participated in this study. There are 20 manufacturing enterprises in 15

cities including Shanghai, Ningbo, Zhoushan, Hangzhou, Jiaxing, Suzhou, Huzhou, Wuxi, Changzhou, Nanjing, Nantong, Zhenjiang, Yangzhou, Taizhou and Shaoxing. The Yangtze River Delta region of China were chosen as the locations for the sample collection for this study.

**Sampling size**

The size of the sample that is collected from the whole population is known as the sampling size. The size of the sample should be large enough to eliminate the possibility of sampling errors and biases (Gill, Johnso 8, 1 8 0 n & Clark, 2014). Full population research will be impractical and prohibitively expensive to carry out; instead, establishing a sampling size will be the most effective way to cut down on the time and money required to carry out a study. For our study, the population that we focused on consisted of 20 manufacturing enterprises in the Yangtze River Delta region of China. The total employees' number is about 20,000, and this study chooce 3000 sampling, so the sampling size is 15%.

**Questionnaire design and instrumentation**

Questionnaire survey, as a method commonly used in empirical research, has the advantage of directly obtaining data. When researchers use it, they are based on the following assumptions: First, most survey respondents will Choose the answer after carefully reading each item; second, most respondents can understand the content of each item well; third, the respondents will answer truthfully according to the actual situation (Chen et al., 2012). To better meet the above assumptions, the design of the questionnaire has gone through multiple tasks such as consulting many documents, expert discussions, soliciting opinions from managers, and small sample pre-investigation.

**Measurement of management innovation**

This paper uses the subjective measurement scale developed by Lin (2001) and Cai ( 1997 ) according to the need . Various attempts made during management innovation. The scale includes two dimensions: employment and management innovation and organization and planning innovation. The former has 10 items, and the latter has 5 items. Since the item "the company's current complaint handling plan can effectively solve customer complaints" The item has little relevance to this research, so this item was deleted, and finally a management innovation scale with 14 items was formed. The specific content is shown in Table 3-1.

**Table3- 1 Management innovation scale**

measurement dimension	serial number	item	item source
Employment and management innovation	EI1	The salary system currently applied by the company is quite original and can effectively motivate employees.	
	EI2	The company adopts a new financial control system to detect the gap between the company's actual completed work and the target	
	EI3	The benefits system used by the company is quite original and effective in motivating employees	
	EI4	The company has updated the original performance appraisal system and can truthfully and comprehensively measure the contribution of employees to the development of the enterprise	Lin ( 2001 ) Yiping
	EI5	The company adopts a unique employee selection system, and the effect is good	Cai ( 1997 ) Qitong
	EI6	The company has formulated a new production operation system and can implement the completed task indicators to the greatest extent. How far is it from the expectation?	
	EI7	The company created a new assessment method to help leaders better measure the completion and quality of employees' work	
	EI8	The leadership will adopt a different leadership style than in the past and be able to effectively connect the strength of subordinates to complete the work	
	EI9	The director of the company has used new management methods and can fully mobilize the enthusiasm of employees	



Organizational and Planning Innovation	O11	The company tweaked certain workflows and it worked out well
	O12	The company actively implements new policies that can improve performance
	O13	The company will change the service items and improve the service method according to the needs of customers
	O14	The company will adjust the division of responsibilities of each department according to the changing environment
	O15	The company will adjust the work of employees in a timely manner to better achieve the company's goals

Source: Compiled and drawn by the author

**Measurement of organizational inertia**

Zahra, Ireland, etc. developed a scale for measuring organizational inertia, which divides organizational inertia into two dimensions , capacity extension and change capacity restriction , and uses them for measurement. Among them, capability extension includes the upgrading of existing technologies, investment in mature technologies, and improvement of existing organizational processes; the limitations of organizational changes include the company's slow response to market changes and the lag in implementing organizational changes. The speed of communication of decision-making information is slow, and the company's product line portfolio is stable. In view of the fact that the scale has good reliability and validity and has been widely used in the research field of organizational inertia , this paper will use this scale to measure organizational inertia . The specific items are shown in Table 3-2.

**Table3- 2 Organizational inertia scale**

measurement dimension	serial number	item	item source
Capability Extension (AE)	AE1	When technology is updated, enterprises adopt technology upgrading strategy instead of introducing brand new technology	Zahra , Ireland (2016)
	AE2	Companies love workflow optimization to increase productivity	
	AE3	Companies prefer to build upon existing products rather than redesign them from scratch	
Organizational Change Constraints (OCR )	O CR 1	Companies value short-term profits over risky long-term investments	
	O CR 2	The company's technology investment cycle is long	
	O CR 3	It is easy for companies to ignore information about environmental changes that have a direct impact on operations	
	O CR 4	The company's response to market changes is slow, and the speed of making strategic changes is relatively lagging	

Source: Compiled and drawn by the author.

**Measurement of organizational learning**

This study uses the scale designed by Sinkula, Baker & Noordewier ( 1997 ) , which is widely used and has high reliability and validity. It includes three dimensions: learning commitment, common vision, and open mind. There are 4, 4, and 3 items in each dimension, and there are 11 items in total. The specific items are shown in Table 3-3 .

**Table3- 3 Organizational learning scale**

measurement dimension	serial number	item	item source
Commitment Learning ( CO )	CO 1	The management of the company agrees that whether the organization has the ability to learn has an important impact on the formation of competitive advantages.	Sinkula, Baker & Noordewier ( 1997 )
	CO 2	The employees of the company agree that organizational learning can help the company improve	
	CO 3	Companies view training of organizational members as an investment rather than a cost	
	CO 4	The company believes that continuous learning is a necessary way to ensure its long-term development	
Shared Vision ( VS )	VS 1	Company leaders share their goals and vision with other members	
	VS 2	Share the same organizational vision from top to bottom	
	VS 3	All members of the company are committed to achieving organizational goals	

	VS 4	All members of the company agree that they are responsible for the development of the organization
Open Mind ( OM )	OM1	The company's employees dare to question the various planning assumptions made by management
	OM2	Company management is open to employees questioning its views
	OM3	Company management encourages employees to think outside the box

Source: Compiled and drawn by the author

**Measurement of organizational performance**

Organizational performance can also start from its form of expression. The scale of Spanos & Lioukas (2001) is composed of financial performance indicators and market performance indicators. The former includes return on investment and sales volume, and the latter includes product coverage and Market share and other aspects; Zhang et al. (2007) focused on two aspects of financial indicators and human capital when designing the organizational performance scale. In addition to the above-mentioned direct financial performance dimensions that can directly reflect the organizational performance surprises of enterprises, non-financial performance dimensions are also very important forms. Banker et al. (2001) and Said & Hassabelnaby (2003) stated in their research that employee satisfaction and customer satisfaction can better reflect organizational performance; Venkatraman & Ramanujam (1986) combined the two indicators of financial performance and non-financial performance. Domestic researchers Xie et al. (2006), Shi (2010), Dong (2016) combined the two dimensions of financial indicators and non-financial indicators to reflect the operation status of the organization more comprehensively. The former and the latter include the satisfaction of the enterprise on operating costs, product development, etc.; this study uses a subjective method to measure organizational performance through the satisfaction of two indicators of financial performance and non-financial performance, which can more comprehensively reflect the organizational performance. overall parameters. Referring to the research of Said & Hassabelnaby (2003), Xie et al. (2006), and Shi (2010), the questionnaire items are determined, and the specific items are shown in Table 3-4.

**Table3- 4 Organizational performance scale**

measurement dimension	serial number	item	item source
organizational performance	OP1	The company's satisfaction with the return on assets is high	
	OP2	High company satisfaction with sales growth	
	OP3	The company's satisfaction with the cash flow in the course of operations is high	Said & Hassabelnaby (2003)
	OP4	The company is highly satisfied with its market position	
	OP5	High level of company satisfaction with the products and services it produces	Xie Hongming et al. (2006)
	OP6	The company's satisfaction with the future development prospects of its employees is high	Shi Ruilong (2010)
	OP7	The company is highly satisfied with its impression and evaluation among the public and employees	

Source: Compiled and drawn by the author

**Findings**

**Demographic Profile**

The results of descriptive statistical analysis of the data in the questionnaire are shown in Tables 4-1 to 4-8:

**Table4- 1 Gender Distribution of Respondents**

		frequency	percentage	effective percentage	cumulative percentage
efficient	male	104	33.8	33.8	33.8
	female	204	66.2	66.2	100.0
	total	308	100.0	100.0	

**Table4- 2 Age Distribution of Respondents**

		frequency	percentage	effective percentage	cumulative percentage
efficient	18-25 years old	194	63.0	63.0	63.0
	26-35 years old	65	22.1	22.1	84.1
	36-45 years old	28	9.1	9.1	93.2
	over 45 years old	twenty one	6.8	6.8	100.0
	total	308	100.0	100.0	

**Table4- 3 Educational Status of Respondents**

		frequency	percentage	effective percentage	cumulative percentage
efficient	Technical secondary school and below	8	2.6	2.6	2.6
	junior college undergraduate	7	2.3	2.3	4.9
	Postgraduate	101	32.8	32.8	37.7
	Doctorate and above	177	57.5	57.5	95.1
	total	15	4.9	4.9	100.0

**Table4- 4 Distribution of Respondents' Working Years**

		frequency	percentage	effective percentage	cumulative percentage
efficient	within 2 years	157	51.0	51.0	51.0
	3-5 years	37	12.0	12.0	53.0
	6-8 years	34	11.0	11.0	74.0
	9-15 years	31	10.1	10.1	84.1
	over 15 years	49	15.9	15.9	100.0
	total	308	100.0	100.0	

Fom Table 4-1 that the proportions of men and women among the respondents are 33.8% and 56.2% respectively, and there are some gaps. It can be seen from Table 4-2 that most of the respondents are 18-25 years old, accounting for 63.0% of the total. From Table 4-3, we can see that there are more respondents with bachelor’s degree and master’s degree, accounting for 32.8% and 57.5% of the total.

From Table 4-4, among the respondents, employees with working experience within two years accounted for the majority, accounting for 51.0% of the total, and the number of respondents with other working years was close. It can be seen from Table 4-5 that among the respondents, the employees whose company size is more than 1,000 people accounted for the most, accounting for 33.8%. It can be seen from Table 4-6 that among the respondents, employees of state-owned enterprises accounted for the most, accounting for 32.8%, and employees of foreign-funded enterprises accounted for the least, accounting for 6.8%. From Table 4-7, we can see that among the respondents, employees in the service industry accounted for the largest proportion, 45.5%. It can be seen from Table 4-8 that among the respondents, the proportion of employees in technical positions is 70.8%.

**Table4- 5 Respondents' Company Size**

		frequency	percentage	effective percentage	cumulative percentage
efficient	Less than 50 people	64	20.8	20.8	20.8
	50-100 people	52	16.9	16.9	37.7
	100-500 people	53	14.2	14.2	54.9
	500-1000 people	35	11.4	11.4	66.2
	More than 1000 people	104	33.8	33.8	100.0
	total	308	100.0	100.0	

**Table4- 6 Respondents' Company Types**

	frequency	percentage	effective percentage	cumulative percentage
State-owned enterprises	101	32.8	32.8	32.8
Private Enterprise	93	30.2	30.2	63.0
efficient Foreign companies	twenty one	6.8	6.8	69.8
other	93	30.2	30.2	100.0
total	308	100.0	100.0	

**Table4- 7 Post Distribution Respondents**

	frequency	percentage	effective percentage	cumulative percentage
Management position	90	29.2	29.2	29.2
efficient Technical position	218	70.8	70.8	100.0
total	308	100.0	100.0	

**Reliability and Validity**

**Reliability analysis of the scale**

The reliability of the scale means that the results have a high consistency no matter how many times they are measured. The higher the reliability, the more stable the results. Reliability analysis can be done directly with the help of the "reliability" function in the statistical software, and the result is expressed in the form of Cronbach's coefficient. According to the standard given by DeVellis (1991), the level of reliability is determined by the two critical values of Cronbach's  $\alpha$  coefficient. If the value of this coefficient is greater than 0.7, the reliability of the scale has passed the test; if the value of this coefficient exceeds 0.8, indicating that the level of stability of the scale is very high. In this paper, with the help of SPSS19.0 software, the results shown in Table 3-5 are obtained.

**Table3- 5 Scale Reliability Analysis**

scale name	measurement dimension	Number items	ofCronbach's alpha coefficient value	Overall Cronbach's alpha coefficient value
management innovation	Employment and management innovation	and 9	0.927	0.933
	Organizational Planning Innovation	and 5	0.878	
organizational inertia	Capability extension	3	0.851	0.869
	organizational change inhibition	4	0.854	
organizational learning	learning commitment	4	0.867	0.887
	common vision	4	0.842	
organizational performance	open mind	3	0.875	0.925
	organizational performance	7	0.925	

Source: Compiled and drawn by the author

It can be seen from the above results that the overall Cronbach's  $\alpha$  coefficient values of the four scales involved in this study are all above 0.8, and the coefficient values of each dimension of the scale are also greater than 0.8. Therefore, the reliability of the scale in this study is higher.

**Validity analysis of the scale**

The operating premise of exploratory factor analysis is that the variable is suitable for factor analysis. According to the standard of Kaiser (1974), the KMO value must reach at least 0.7 to be considered suitable for factor analysis, and the larger the value, the higher the degree of suitability. In addition, the p-value of Bartlett's sphericity test should reach a significance level of less than 0.05. The results of this test are shown in Table 3-6.

**Table3- 6 Variable KMO and Bartlett sphericity test results**

research variable	KMO	Bartlett test for sphericity Approximate chi-square	df	Sig
management innovation	0.937	2939.034	91	0.000
organizational inertia	0.862	1448.653	28	0.000
organizational learning	0.838	1955.713	55	0.000
organizational performance	0.918	1524.387	twenty one	0.000

Source: Compiled and drawn by the author

From the results in the table above, we can see that the KMO value of management innovation is 0.937, the KMO value of organizational inertia is 0.862, and the KMO values of organizational learning and organizational performance are 0.838 and 0.918, respectively, all of which are above the standard, and the four the p-values of the variables also meet the requirements, indicating that the variables of the scale are very suitable for factor analysis.

## Conclusion

(1) Management innovation has a significant and direct positive impact on organizational performance

The empirical analysis in chapter 4 has confirmed that the two dimensions of management innovation, that is, employment and management innovation and organization and planning innovation, have a significant positive effect on organizational performance. Enterprises can fully integrate resources through innovations in concepts, methods, structures, and systems, so that enterprises can obtain optimal deployment under the condition of limited resources (Yu & Li, 2021). Employment and management innovation refers to innovations including management methods and systems, as well as the leadership style of managers. Managers can better stimulate the vitality of organizational members through the implementation of employment and management innovation, thereby improving organizational performance; Organizational and planning innovation refers to the innovation of the development concept and the innovation of the organizational structure of the enterprise. The innovation means of this dimension can help the enterprise to adjust the enterprise strategy and enterprise structure in a timely manner, realize the adaptation with the market environment, and thus bring about the improvement of organizational performance. Therefore, when enterprises adopt and implement management innovation, they need to integrate the innovation means of the two dimensions of employment and management innovation, organization and planning innovation, so as to improve organizational performance more effectively. (Wang 2021; Yu & Li 2021; Sun & Ren 2020)

(2) Management innovation can effectively promote organizational learning

The previous empirical analysis has confirmed that management innovation can effectively promote organizational learning, and the two dimensions of management innovation will also have a positive impact on the three dimensions of organizational learning. Among them, employment and management innovation have positive effects on the three dimensions of organizational learning, but organization and planning innovation only have positive effects on learning commitment and common vision. The process of organizational learning is essentially the flow of knowledge and information at the level of individuals, departments or enterprises, and the positioning and setting of factors such as organizational structure, organizational system, and management methods will directly affect the efficiency and effectiveness of the flow process (Liu et al., 2005). If the various systems formulated by the company put personal learning in a very important position, or if the company and departments have formed a concept of encouraging communication and sharing knowledge and information, and the managers are willing to listen to the different opinions of members, this will undoubtedly affect the Provide strong support and guarantee for the effective development of organizational learning. However, organizational and planning innovations have no significant effect on the

dimension of open mind, which does not support the hypothesis. The possible reasons are as follows: first, the innovation of organization and planning emphasizes the adjustment of the company's development strategy and organizational structure, and most of the decisions are made by high-level managers, but the survey objects of this research are not in the majority of high-level managers, so there is a certain error. Second, there may be other ways in which management innovation may affect organizational learning, but this study did not consider it.

(3) Organizational inertia will hinder organizational learning and organizational performance. It can be seen from the previous empirical research that organizational inertia has a significant negative impact on organizational learning, which in turn negatively affects organizational performance. Both dimensions of organizational inertia, capability stretching and organizational change inhibition, negatively affect learning commitment, shared vision, and open mind. Therefore, to improve organizational learning and organizational performance, enterprises should try their best to overcome organizational inertia, reduce capability extension, and weaken inhibition of organizational change, to rejuvenate the enterprise, create a learning atmosphere, and promote organizational performance.

(4) Organizational learning can effectively promote organizational performance

It has been confirmed above that organizational learning and the three dimensions of organizational learning have a positive impact on organizational performance. Organizational learning not only includes the application of existing knowledge and information of the enterprise, but also includes the exploration of new knowledge, which provides a powerful force for knowledge aggregation, thereby promoting the development of enterprises and laying the foundation for the improvement of organizational performance (Wang, 2021). The significance of learning commitment is that learning is regarded as a value within the organization, which helps to improve the enthusiasm of members to learn; having the same vision and concept within the department and the organization will enhance internal cohesion; having an atmosphere of breakthrough thinking in the organization will promote the generation of new knowledge, so all three links can improve performance.

(5) Organizational learning plays a mediating role between management innovation and organizational performance

The results of data analysis have proved this conclusion, and organizational learning also has a partial mediating effect between the two dimensions of employment and management innovation, and organization and planning innovation. In this study, after the hypothesis that both employment and management innovation and organization and planning innovation have positive effects on organizational performance is verified, organizational learning is used as an intermediary variable to continue to explore the positive effect of management innovation on organizational performance. In practice, enterprises carry out management innovation changes, bringing new values and new businesses. Only when organizational learning is fully and effectively carried out among members and departments can the knowledge required for the implementation of management innovation be digested and absorbed, thus bringing about the improvement of organizational performance. (Wang 2021; Yu & Li 2021; Sun & Ren 2020)

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