

Problems and Optimization Strategies in Enterprise Management of Hualing Group

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Abstract:

This paper conducts an in-depth analysis of the problems in enterprise management of Hualing Group and proposes corresponding optimization strategies. Firstly, this article introduces the basic situation of Hualing Group and the importance of enterprise management. Then, it analyzes the main problems in Hualing Group's enterprise management. Finally, this article proposes specific optimization strategies to address these issues, which can help Hualing Group improve its management level, enhance market competitiveness, and achieve sustainable development.

Keywords: Hualing Group, Enterprise management, strategy, measure

1. Introduction

Hualing Group, as an important steel manufacturing enterprise in China, has achieved significant results since its establishment with its excellent technology and efficient management. However, with the continuous changes in the market and the intensification of competition, Valin Group has gradually exposed some problems in enterprise management. This article aims to analyze these issues in depth and propose corresponding optimization strategies.

2. Analysis of the Current Situation of Enterprise Management in Hualing Group

(1) Enterprise Overview

Hualing Group is a large-scale enterprise group jointly established by Xianggang, Liangang, and Henggang, established in 1997. The business scope of the group covers the main steel industry, as well as sectors such as resource development, steel deep processing, finance, logistics, strategic emerging industries, and has formed a complete steel industry chain. Hualing Group is one of the top ten steel enterprises in China, with a crude steel production capacity of over 20 million tons. Its main technical equipment and production processes have reached advanced domestic or world levels. In the 2021 Hunan Top 100 Enterprises List, Hualing Group continues to rank first. In addition, according to public information, Valin Group has also partnered with the world's leading steel company, ArcelorMittal, to establish Valin ArcelorMittal Automotive Plate Company; Invested in FMG, the third largest mining company in Australia, providing a guarantee of iron ore resources for the development of the enterprise. Overall, Hualing Group is a strong and diversified enterprise group with extensive

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(2) Current situation of enterprise management

The current management situation of Hualing Group has demonstrated its unique characteristics and challenges in many aspects. The following is an analysis of the current management situation of Hualing Group:

Strategic planning: Hualing Group has high foresight and flexibility in strategic planning. They actively respond to market changes and adjust their strategic direction to adapt to constantly changing market demands. However, during the implementation process, they also face some challenges, such as diversification strategies that may lead to resource dispersion and difficulty in forming core competitiveness.

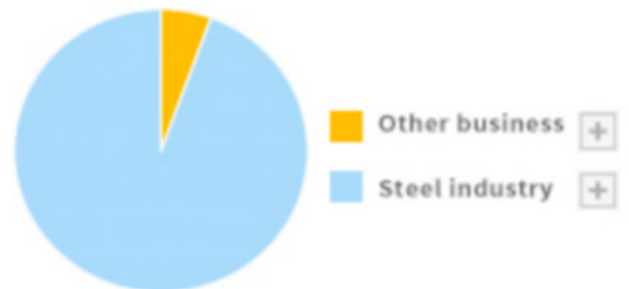


Figure 1 Competitive ranking of China's steel industry in 2022 (by operating income)(unit: 100 million yuan)

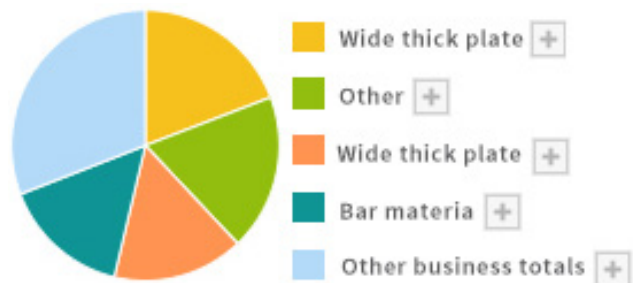
Organizational structure: The organizational structure of Hualing Group is relatively complex, but it also has high flexibility and adaptability. They strive to optimize internal management processes, improve decision-making efficiency, and strengthen communication and coordination among departments. However, there are still some issues of information asymmetry and low decision-making efficiency.

Human resource management: Hualing Group attaches great importance to the introduction and cultivation of talents, but the phenomenon of talent loss is still relatively serious. They establish incentive mechanisms and corporate culture construction to stimulate employees' enthusiasm and creativity, and improve their satisfaction and loyalty. However, the effectiveness of these measures still needs further observation and evaluation.

Financial management: Hualing Group's financial management is relatively standardized, with a sound financial system and internal audit mechanism established. They focus on risk control and prevent financial risks. However, there are still some problems in financial management, such as inaccurate and untimely financial data.



(a)



(b)

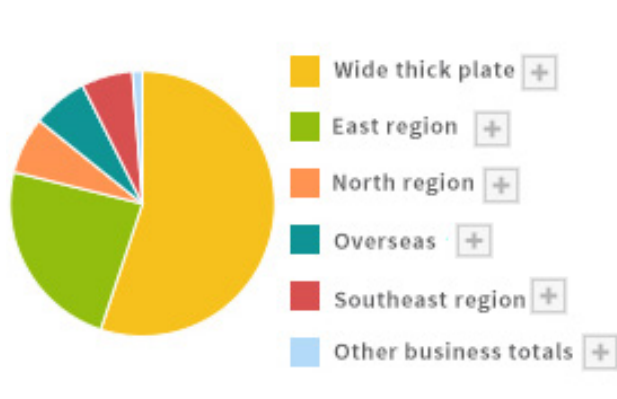


Figure 2: Product for list 2021-2022 (a) by industry; (b) by product; (c) by region

Note: Typically disclosed in interim reports and annual reports

Business Name		Operating income(yuan)	Income ratio	Regular operating cost(yuan)	Cost ratio	Profit ratio	Gross profit
by industry	Steel industry	1587.76billion	94.45%	141.622billion	93.95%	98.85%	10.80%
	Other business	9.323billion	5.55%	9.124billion	6.05%	1.15%	2.13%
by product	Wide thick plate	32.314billion	19.22%	27.279billion	18.10%	29.01%	15.58%
	other	31.409billion	18.68%	30.164billion	20.01%	7.18%	3.96%
	Hot rolled plate coil	26.627billion	15.84%	23.589billion	15.65%	17.51%	11.41%
	Bar material	25.900billion	15.41%	24.251billion	16.09%	9.50%	6.37%
	Wire rod	16.053billion	9.55%	15.306billion	10.15%	4.30%	4.65%
	Steel pipe	13.463billion	8.01%	11.628billion	7.71%	10.57%	13.63%
	Cold rolled sheet and coil	8.865billion	5.27%	7.949billion	5.27%	5.27%	10.33%
	Aluminum coated roll	7.085billion	4.21%	4.535billion	3.01%	14.70%	35.99%
	Galvanized	6.366billion	3.79%	6.035billion	4.00%	1.91%	5.20%
	Other business	16,806,900	0.0100%	89.418billion	0.0059%	0.05%	46.80%
by region	Central south region	92.661billion	55.12%	87.739billion	58.20%	28.36%	5.31%
	East region	398.65billion	23.72%	32.701billion	21.69%	41.28%	17.97%
	North region	11.650billion	6.93%	9.206billion	6.11%	14.08%	20.98%
	overseas	11.377billion	6.77%	9.811billion	6.51%	9.02%	13.76%
	Southeast region	10.531billion	6.27%	9.491billion	6.30%	6.00%	9.88%
	Northwest region	1.617billion	0.96%	1.434billion	0.95%	1.06%	11.32%
	Northeast region	381 million	0.23%	355 million	0.24%	0.15%	6.81%
	Other business	16,806,900	0.0100%	8,941,800	0.0059%	0.05%	46.80%

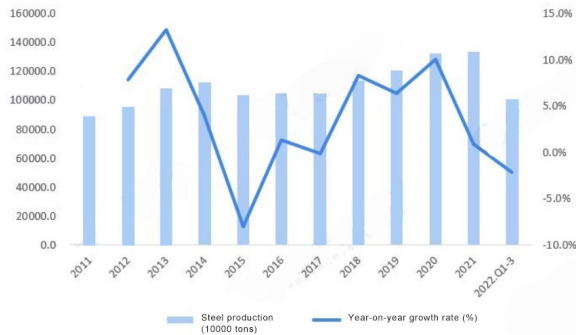


Figure 3 China's steel production and growth from 2011 to 2022 (Unit:10000 tons%)

Source: Former Industrial Research Institute of the National Planning Bureau

Market management: Valin Group focuses on market research and innovation in marketing strategies, striving to improve customer satisfaction. They improve customer relationship management to increase customer loyalty and market share. However, the implementation effectiveness of market research and marketing strategies still needs further observation and evaluation. Hualing Group has demonstrated a high level of enterprise management, but there are still some problems and challenges. They need to continue optimizing strategic planning, organizational structure, human resource management, financial management, and market management to achieve sustainable development and enhance competitiveness.

3. Problems in Enterprise Management of Hualing Group

(1) Unreasonable organizational structure

The organizational structure of Hualing Group is relatively complex, with too many management levels, resulting in low decision-making efficiency. At the same time, due to unclear division of responsibilities among departments, there are overlapping or missing situations, resulting in insufficient communication and coordination between departments. These issues not only affect the decision-making efficiency and overall operational efficiency of enterprises, but also increase their management costs.

(2) Poor human resource management

Hualing Group has certain problems in human resource management. Firstly, companies lack effective mechanisms for talent introduction and cultivation, leading to talent loss and shortage. Secondly, the incentive mechanism for employees is insufficient, and their work enthusiasm and creativity are suppressed. These issues not only affect employees' work enthusiasm and efficiency, but also have adverse effects on the long-term development of the enterprise.

(3) Backward information management

Hualing Group's information management is relatively lagging, lacking a unified information management system, resulting in untimely and inaccurate information transmission. This not only affects the decision-making efficiency of enterprises, but also restricts their innovation and development. In today's information age, information management is crucial for the competition and development of enterprises.

(4) Insufficient risk management

Hualing Group has certain problems in risk management. Firstly, the risk warning mechanism of enterprises is not sound, making it difficult to detect potential risks in a timely manner. Secondly, insufficient risk response ability leads to being caught off guard in the face of unexpected events. The existence of these problems will increase the operational risks and uncertainties of enterprises, and have adverse effects on their stable development. Hualing Group has some problems in enterprise management, which require measures such as optimizing organizational structure, improving human resource management, strengthening information management, and strengthening risk management to improve the management level and competitiveness of the enterprise.

4. Hualing Group Enterprise Management Optimization Strategy

(1) Optimize organizational structure

Hualing Group should optimize its organizational structure, focus on streamlining management levels, strengthen horizontal communication and coordination capabilities, and thereby improve decision-making efficiency and execution. This can be achieved by establishing a flat organizational structure, providing employees with more opportunities to participate in decision-making, and improving the innovation ability of the enterprise. In addition, reducing management costs is also an important goal, which helps improve the overall operational efficiency of the enterprise. In addition, Hualing Group should establish a cross departmental collaboration group to strengthen communication and cooperation among departments, break information silos, achieve resource sharing, and further promote the development of the enterprise.

(2) Strengthen human resource management

Hualing Group should improve its talent introduction and training mechanism to attract more outstanding talents to join the group. By increasing talent introduction efforts, we can ensure that the company has excellent talent resources. At the same time, establish a sound talent cultivation mechanism to provide employees with growth space and career development opportunities, and enhance

their professional literacy and comprehensive abilities. In addition, Hualing Group should also establish a scientific employee incentive mechanism. Develop a reasonable salary and benefits system that links employees' salaries and benefits to their contributions and abilities, and stimulate their work enthusiasm and creativity. It is also very important to pay attention to employee welfare and career development. Hualing Group should improve employee benefits, including salary, benefits, and work environment, to increase employee satisfaction and loyalty. At the same time, provide employees with a good career development platform to help them achieve a win-win situation between personal value and corporate value. This can be achieved through providing training opportunities, internal promotion mechanisms, and career planning support.

(3) Improve the level of information management

Hualing Group should increase its investment in information technology, establish a unified information management system, achieve efficient integration and sharing of information resources, and improve the level of information management. Through this measure, Hualing Group can better utilize information technology to improve operational efficiency while reducing decision-making risks caused by information asymmetry. Improving the timeliness and accuracy of information transmission is also very important. Companies can improve the efficiency of information transmission, accuracy, and timeliness through information management systems. This will help Valin Group make decisions faster and reduce the risks caused by information asymmetry. In addition, Hualing Group should strengthen employee information literacy training, improve the information literacy level of all employees, and promote the popularization and application of information management. Employees can learn about new information technologies and applications through training activities, and enhance their ability in information management. This will help Hualing Group better utilize information technology to enhance business collaboration and process optimization, thereby enhancing the overall efficiency of the enterprise.

(4) Strengthen risk management

Hualing Group should establish a sound risk warning mechanism, promptly identify potential risks and take corresponding measures to reduce the losses caused by potential risks. At the same time, strengthen the construction of internal risk control system and improve the risk response ability of enterprises. In addition, establish close cooperative relationships with suppliers, customers, and other partners to jointly address market risks. Hualing Group should also strengthen its crisis management capabilities to respond to emergencies

and crisis events. By improving the development and training of crisis emergency plans, we can quickly respond correctly, effectively reduce losses, and quickly restore the normal operation of the enterprise. Monitoring and improvement are also very important. Hualing Group should regularly evaluate and monitor enterprise management, identify problems in a timely manner, and make improvements. Continuously improving enterprise management systems and processes to improve management level and efficiency. This requires continuous attention and necessary measures to ensure the stability and sustainable development of enterprise operations.

5. Conclusion

As an important part of China's steel manufacturing enterprises, Valin Group simultaneously sees the opportunity of transformation and upgrading while facing the organ challenges. This paper analyzes the problems of Valin Group, and analyzes the existing problems in organizational structure, human resources, information management and risk management. The emergence of the problem has an impact on the operation efficiency and market competitiveness of Valin Group at the present stage, and also points out the direction of enterprise reform and innovation.

In view of these problems, the optimization strategy proposed in this paper is designed to assist Valin Group to better adapt to market changes and improve management efficiency and enterprise competitiveness. Specifically, optimizing the organizational structure helps to improve decision-making efficiency and execution; strengthening human resource management can attract and retain talents and stimulate the potential of employees; improving information management will enhance the information processing ability and decision-making quality; and strengthening risk management can help enterprises to effectively respond to market changes and potential crises. The implementation of the above targeted optimization strategy not only relies on the decision support and promotion of the management of Valin Group, but also requires the active cooperation and participation of each employee. Take this opportunity to deepen the construction of corporate culture, promote the sense of identity and sense of belonging of employees, and form a positive corporate atmosphere.

In short, Valin Group is expected to occupy a more favorable position in the future market competition through continuous improvement and optimization of management strategy. This will not only promote the sustainable development of Valin Group, but also provide a demonstration for the transformation and upgrading and

high-quality development of China's steel industry.

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