

The Influence of Organization behavior on Business Performance: Taking Baiji Mining Company as an Example

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Abstract—This paper discussed the “1.12 Mine Blast” in Baiji Mining Company in Shanxi Province, China. A total of 87 miners entered the mine on duty. The organization management in this company must have some problems. Therefore, this paper’s analysis includes three steps: firstly, it analyzed the structure and culture in this company to find out whether it is extraordinary and what the effects on its management are; secondly, it discussed the factors that could influence individual behavior to show the workers’ attitude to work at this company; and thirdly, it describes the leadership and management in the company to explain how it works. Finally, we found that the leadership and management style is too tight to limit the workers’ creativity, so the mine can choose a flexible way to manage the organization, such as team work.

Keywords—*Mine blast; Organization behavior; Leadership; Management*

I. INTRODUCTION

The accident happened in Baiji Mining Company in Shanxi Province. When the accident happened, there were 87 workers under the ground and 66 people were survived. The death tolls hit 19 and 2 men were still missing. After the explosion, more than 20 mine workers have been fired and Shenmu City started the emergency plan to carry out accident rescue. In China, although many small and dangerous mines have been closed, the coal mine gas explosion still happened frequently and killed many people every year. This has been a serious problem on the organization management.

Organization behavior would have a significant impact on a business, not only in the management but also in the performance. An appropriate organization management can help the company operate efficiently. However, the “1.12 Mine Blast” gave us too much grief and shock. Hence, we ought to discuss, analyze and find out the problems of organization management in this mine company so that we can improve the management level and hope the accident never happen again. This case study indicates the organization management of Baiji Mining Company and some further proposals would be offered in the recommendation in the final of the study.

II. ORGANIZATION STRUCTURE AND CULTURE

Some managers make the conscious decision to retain as much decision-making authority as possible at the higher levels of the organizational structure; others decide to push authority as far down the hierarchy as possible. While we can think of these two extremes as anchoring a continuum, most companies fall somewhere between the middle of such a continuum and one end point or the other.

A. Organization structure

Baiji Mining was a part of state-controlled mine in the early time, but now is a private enterprise belonging to the local government and the ownership of the company is partnership. The main objective of that coal mine company is coal mining. Because of this task, they group together working for the coal products to make money. According to the investigation, the top to down level management is followed as below, it will help introduce the structure in the company.

- Level 1 The State Work safety Supervision Department
- Level 2 The Province Supervision Department
- Level 3 The City Supervision Department
- Level 4 The Local Supervision Department
- Level 5 The Local Coal Mine Safety Department
- Level 6 Mine manager
- Level 7 Mine Security Manager & Production Manager
- Level 8 Workers

As can be seen from the above, the tall organization structure of supervision of Baiji Mining Company shows many levels in its management. Centralized firms typically require multiple layers of management and thus tall organizational structures, as in the example, because information, whether upward or downward bound, must pass through so many organizational layers, tall structures are prone to delay in information flow. Therefore, in a centralized organization, most decision-making authority is held by upper-level managers. Centralized authority is most commonly found in companies that face relatively stable and predictable environments and is also typical of small businesses.

It is not difficult to find out that the span is a bit too narrow, so this would cause some organization management problems, which would be the indirect killer in the accident. These may be:

- A tendency to interfere in over-supervision. The supervision system is so cumbersome and rigid that it would block the subordinates' initiative and sometimes they even go against the management [1].
- Duplicate work. The same work passes through too many hands to reach the chief manger. Obviously, the organization can not function effectively and sometimes would miss some serious supervision work.
- Communication problems. It takes a long time to make decisions. Probably, some firms are operating straight away as they want, because they can not wait for the final decision.

In addition, in order to get the maximize profits, they may conceal mine's producing status or lie to the superior, which I mean, for instance, maybe they give bribery to the Local Supervision Department Manager or The Local Coal Mine Safety Department Manager. That would often happened in the middle management, like the level 4, 5, 6.

Compared with the 8 levels, the structure in figure 1 is simple. There are only three management levels. The factors in table I determined the company's size and we can also realize that it is really easy to organize the mine company without any formal procedures and further considering [2]. However, from my own understanding, although the department structure is small and simple, it can break out following negative problems.

- Centralization. The company operates with poor co-ordination, for the mine manager has the most rights to do the task decision making [3].
- Over-confidence. Managers can easily impact the company's ability. By this time, the operating may go against the facts or the nature rules.
- No creativeness. Because of the expanded power of manager, communication can be a problem. The workers just obey the leader and have no enthusiasm for work, decreasing the morale.

TABLE I. DETERMINING FACTORS

Item	Short introduction
Size	A rural private enterprises and annual capacity is 150,000 tons.
Task	Coal mining for earning profits.
Staff	Farmers and unemployed around the mine with lower education.
Age	Most of the workers are 30 to 45

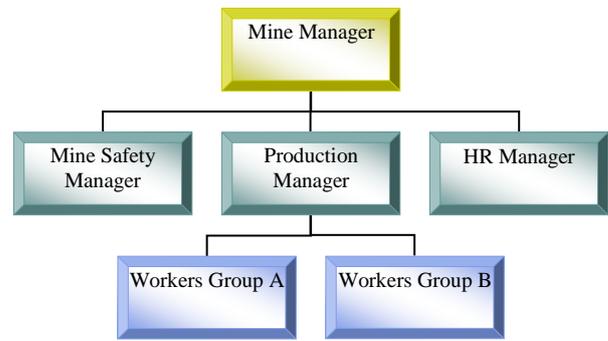


Fig. 1. The organization department structure of Baiji Mining Company

As a company gets larger, more decisions must be made. Thus, the company tends to adopt decentralized organization (like it shows in Fig 1), in which much decision-making authority is delegated to levels of management at various points below the top. Decentralization is typical in firms that have complex and dynamic environmental conditions. It makes a company more responsive by allowing managers more discretion to make quick decisions in their areas of responsibility. Decentralized firms tend to have relatively fewer layers of management, resulting in a flat organizational structure. In a flat organizational structure, the number of people directly managed by one supervisor, the manager's span of control, is usually wide.

Up till now, we talked about the structure of the mine company. we can see that this is part of the organizational theory of the mine organization management and the theory underpins part of the principles and practices in an inappropriate way, causing some management problems and influencing the efficiency of work. In tall organizations, span of control tends to be narrower. Employees' abilities and the supervisor's managerial skills influence how wide or narrow the span of control should be, as do the similarity and simplicity of tasks and the extent to which they are interrelated. If lower-level managers are given more decision-making authority, their supervisors will have less work to do and may then be able to take on a widened span of control. Similarly, when several employees perform either the same simple task or a group of interrelated tasks, a wide span of control is possible and often desirable. For instance, because of the routine and interdependent nature of jobs on an assembly line, one supervisor may well control the entire line. In contrast, when jobs are more diversified or prone to change, a narrow span of control is preferable.

B. Organization culture

Every organization, big or small, more successful or less successful, has an unmistakable 'feel' to it. Just as every individual has a unique personality, every company has a unique identity, a corporate culture: the shared experiences, stories, beliefs and norms that characterize an organization. This culture helps define the work and business climate that exists in an organization.

A strong corporate culture serves several purposes. For one thing, it directs employees' efforts and helps everyone work toward the same goals. Some cultures, for example, stress financial success to the extreme, whereas others focus more on

quality of life. In addition, corporate culture helps newcomers learn accepted behaviors. If financial success is the key to a culture, newcomers quickly learn that they are expected to work long, hard hours and that the “winner” is the one who brings in the most revenue. But if quality of life is more fundamental, newcomers learn that it’s more acceptable to spend less time at work and that balancing work and no work is encouraged.

Organization culture influences management philosophy, style and behavior. Managers, therefore, must carefully consider the kind of culture they want for their organizations and then work to nourish that culture by communicating with everyone who works there.

The main task for the company is concentrating on coal mining and the structure of the company is emphasize on control. These factors have an intersection which is marked as money orientation. In fact, this is the mainstream culture of the firm that is determined by the mine manager of the company, for only the boss of the organization concentrate on the maximize profits, for instance, the mine manager provides a poor working surrounding, in order to reduce the costs and acquire maximize working value [4].

The mine manager sits in the center with the others around, which goes to the part of the organization and the function seems as centralization. Thus, the manger’s personality is important to create the organization culture. However, the boss focuses on how much he has earned, so when the manager makes decisions which would probably go against to the fact, the personality of the manager is not adaptable to the organization. Manager who has the money orientation theory can easily turn into centralization and the workers just do as the boss told [5]. If they are unsatisfied with something, there will not be another way to choose. That would largely beat the staff’s enthusiasm to work, decreasing the efficiency. As followed, the boss will enforce the employee working more. Finally, this can become a vicious circle, creating a bad working atmosphere. A good culture cannot get a result like this.

III. LEADERSHIP AND MANAGEMENT

Leadership focused on qualities and personality characteristic which were thought to be a good leader. And what the leadership looks like determined the management of the company [6]. Therefore, if a kind of humanized leadership is implemented in the company, the staff’s attitude to work will be more active. On the contrary, if the leadership is not so good to fit the company, the problems will come out, influencing the management itself.

A. *The leadership of Baiji Mining Company*

Task-focused leader behavior occurs when a leader focuses on how tasks should be performed in order to meet certain goals and to achieve certain performance standards. This kind of leader tends to be transactional leadership. It is essentially the same as management in that it involves routine, regimented activities. Only a leader with tremendous influence can hope to perform both functions successfully. Some experts believe that change is such a vital organizational function that even successful firms need to change regularly to avoid becoming

complacent and stagnant. Accordingly, leadership for change is extremely important.

The leadership style of Baiji Mining Company is coercive, which simply means do what I told you. Generally, this style, used only in an emergency, has the most negative impact on the overall organizational culture. But from his culture, this is an inevitable results, because the leader do not treat the employee as NO.1 but money comes NO.1 and do not want to give the staff too many rights.

From my own view, if I were the employee, I want a leader who treats his staff first and have patient to tell me how to do the work. If I have some problem in working or myself, the leader can tell me and encourage me to do the work better. That is the leader needed to do, if the leader’s beliefs go against the employee, nothing good will bring to your company because without workers, the company can do nothing.

B. *The management of Baiji Mining Company*

The management style of Baiji Mining Company is Tells (autocratic). That simply means manager makes all the decisions and the subordinates must be obeyed without question. It seems that this is the most efficient types of leadership and management for highly-programmed, routine work, but I prefer to treat it as a vicious circle which I have mentioned in the organization culture.

In my opinion, if I were the staff in this mine, the boss’s belief is opposite to the workers’ benefits, do you think I will happy to follow him? Even I do as he told, the quality of my task should be very low, and so I would like team work than Tells. As far as I am concerned, it is hard to say which leadership style and management style is good or not, but at least, the leadership and management in this mine is not working as the manager want. I think the flexible leadership and management can be chosen to make up those back points in the mine company. Sometimes it maybe lose the control, but free and easy working surroundings can improve the working efficiency and that is good for the company’s further development.

Most people have long assumed that business leaders are ethical people. But in the wake of recent corporate scandals at firms like Enron, Boeing, and AIG, faith in business leaders has been shaken. Perhaps now more than ever, high standards of ethical conduct are being held up as a prerequisite for effective leadership. More specifically, business leaders are being called on to maintain high ethical standards for their own conduct, to unfailingly exhibit ethical behavior, and to hold others in their organizations to the same standards, in short, to practice ethical leadership.

IV. CONCLUSION

When all the factors are examined, we may safely come to the conclusion that the organization management of Baiji Mining Company has many problems and they can summarize as:

- The supervision structure is too large to work efficiency.
- The organization structure tends to centralization.
- The organization culture focuses on leader's belief, simply concentrate on money.
- The manager's self management is poor, one-way decision and over-confidence.
- The leadership and management based on the structure and culture is too tight to create workers' enthusiasm to work and turn into a vicious circle.

The root cause of the serious accident is the shortage of the organization management and these problems can be improved and some problems can correct in time. However, the manager of each level in this organization did not do that and even kept them gonging on that is the reason why the accident happened. All the things come to the final analysis are the weakness of organization management and I hope such a serious accident will never happen again.

From my own understanding of this organization, I would like to give some suggestions.

- Change the narrow of span to a flat one, but don't be too flat.
- Set up some other departments to allocate the manager's rights.
- Do some feasible changes of its organization culture, especially the money orientation theory of the manager's belief.
- The leadership and management style is too tight to limit the workers' creativity, so the mine can choose a flexible way to manage the organization, such as team work and so on.
- The manager ought to improve their responsibilities and qualities.
- For the staff, they should clear their work and expand their knowledge and promote their practical abilities.

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