

Review of the Literature on Flat Management Structures

Yiping Zhao*

University of Manchester, Manchester, England

*Corresponding author. Email: yiping.zhao@student.manchester.ac.uk

Keywords: Flat management structure, The enterprise management, Vertical structure, The efficiency of management.

Abstract: Flat management is a kind of management mode that enterprises implement in order to solve the problem that the hierarchical organization form faces in the modern environment. When the level of management is reduced and the extent of management is increased, the pyramidal organizational form is "compressed" into a flat organizational form. In the Internet era, flat enterprise management has obvious advantages, but also has great defects. This review paper concludes the objects, strategies, and influence factors of flat management. It helps improve the efficiency of enterprise management. It is hoped that the literature review of this paper can provide some help for future researchers in this field.

1. Introduction

Flat management means the level of superior decrease between staff and managers. Flat management is controversial in firm management since most firms use tall management. Therefore, in-depth study of apartment management is very important. There are many researches on flat management structure at home and abroad, but different authors have different viewpoints. Some studies have analyzed the image of future apartment management based on some existing factors. Other studies focus on the application of existing flat management in real-world companies. Most of them are connected with the discipline angle of view by using the statistical method and doing experiments. Some research collect data by having a questionnaire.

2. Flat Management Structure Objects

Flat management can be used in many areas, including government, firms, and hospitals. The research number of flat management objects is huge, as most of the research mentioned the objects of flat management. But, the quality of them is limit, as flat management objects mentioned by different authors are similar. Most authors conclude flat management objects to saving time for decision making. Since employees are closer to the managers, it is easy for them to deliver information from employees to managers, which helps saving time. This also increases the efficiency and productivity of firms[1]. Although most of the research mentioned this object, there is still another valuable view of the object of flat management. A flat management structure decreases the cost of developing middle management since the wage of the middle management can be saved and the time and cost of teaching and choose middle managers [1]. Then, flat management makes the flexibility of firms increase, as the strategies can be worked quickly [2]. Meanwhile, flat management can make firms more competitive, as it is more fit for the modern society with the internet and makes the worker more creative[3]. Last, the flat management structure can help to decrease the number of corruption, since tall management gives space for the middle class to be corrupted [4].

Author Fengjia Qu considers flat management structure is different from traditional pyramid management structure. The application of a flat organizational structure reduces the middle management structure and shortens the time of command decision-making and information transmission within the enterprise. The original vertical business structure of the enterprise has become a horizontal network structure, which improves the management control range and process

management level of the enterprise. In addition, the flat organizational structure is also in line with the current network and information society [5].

Meanwhile, because the application of flat management structure becomes simple, and the situation of overstaffing of enterprise is greatly alleviated. The important information and decision-making content of enterprise can be quickly transmitted, executed and feedback, so that enterprise management decisions are directly faced to the market, improve the enterprise to the market resilience [6].

Then, the flat organizational structure reduces the intermediate management of enterprises. Therefore, the grass-roots management personnel of enterprises needs high decision-making and execution ability, organizational ability, operation ability, and management ability. Excellent personnel will grow rapidly in a short period, and enterprises can quickly establish an excellent management team. Moreover, in enterprise management, reduce the management level and management organization, coupled with the extensive use of network technology and information technology, the enterprise's office management cost can be effectively controlled, to improve the economic efficiency of the enterprise [1]. Flat management can boost employee motivation [7].

Also, compared with the rigid hierarchical organizational structure of traditional enterprises, the flat organizational structure has higher management efficiency and more reasonable personnel allocation. Use a flat organization structure, enterprise employees can efficiently complete the exchange and transmission of information, enterprise leadership decisions can start executing fastest, so that we can make the enterprise in the market changes to respond immediately, to improve the creative and flexible force of the enterprise, outstanding enterprise competitiveness in the market [1].

Kang Jia considers flat management can helps to reduce the corruption of managers. Since there is a dark side of the human being. Many officers in government use administrative examination and approval, market access, annual routine inspection to collect money, which lower the efficiency of government and increase the cost of local firms.[2] For instance, if the company gives money to the superior environmental protection agency, they can pass environmental assessment without achieving the standard of nation standardization.

Then, flat management can increase the loyalty of consumers, as they can have a closer relationship with employees. Managers and employees in flat organizations can have a closer relationship with their consumers. According to Bill Gates in "Innovation Management Policies for Large Corporations," people who have a closer relationship with consumers can respond faster to changing customer demands, make decisions faster, inspire employee creativity and manage ideas better [3]. Thus, the relationship between workers and employees can be closer.

Also, another object of flat management is to make the worker become self-actualization, which helps them to work efficiently and can work longer in the company. A flat management structure has some of the effects in the self-actualization need area, that is, in such opportunities as those for self-development and the realization of an individual's unique capabilities [14].

Last, flat management is beneficial to mobilize the enthusiasm of workers. Under the flat management system, closer cooperation between departments and personnel can get direct contact with top managers in improving the relationship between ordinary workers and enterprise management, enhance each other's identity, the worker will be better in the enterprise, and enterprise reform, development and contribute an own strength[8].

In conclusion, most research considers flat management structure can help to increase efficiency. Feng Jian considers flat management structure can also increase the competitiveness of companies, reducing the cost organizations, Kang Jia considers flat management can help to reduce corruption in governance as well.

3. Flat Management Structure Strategies

There are many research mention the strategies using to make sure the efficiency of flat management. Some of them are based on real successful flat management examples, others are based on the trend of the era. Using the internet to optimize the way information is transmitted is the way that most research suggests. Improve the quality of staff to make them can face different situations and

assign tasks collectively is also there in common. But, the real example of the WaHaHa group in China proves that the ability of every superior is also a good strategy.

The first strategy is using the internet to achieve flat management. With the help of advanced computer network means, all kinds of information quickly delivered to different levels of staff[10]. To achieve this establish an information system in line with the actual needs, efficiently collect, transfer, analyze and process all kinds of information flow of enterprises, so that enterprises from managers to grass-roots can receive and process all kinds of information conveniently, quickly, and accurately will be effective[9].

The second strategy is to choose the most competent leaders. Although the number of superiors in a flat management structure decrease, their quality should be improved. In the successful example of Wahaha, the organization structure is simple, highly flat: a general manager, three deputy general managers, and the business departments constitute the entire Wahaha management organization. Project decisions go through three layers at most: ordinary employees report to the department head, the department head reports to the vice president, and the vice president finally reports to the president. This success means the president needs to take a huge responsibility. The successful strategy of wahaha flat management is that the chairman is highly dedicated and accustomed to taking responsibility, likes and dares to make decisions, gets all kinds of decision information in time, and makes the right choice [10].

Then, flat management is indeed convenient for employees to fully and accurately understand all kinds of enterprise information, but when the amount of information is too large, the screening, extraction, and processing of information will become very difficult, and it will test the comprehensive ability of employees [11]. Thus, improve the comprehensive quality of staff is another strategy.

The last strategy is to improve the task allocation and rules and regulations of each department. Optimize and refine the large process at the group level and small process within the department. Hierarchical authorization management, each task is decomposed and implemented to each person step by step, and the corresponding rules and regulations, codes of conduct, and operating procedures are formulated to make the enterprise management in perfect order[12].

In conclusion, improving the task allocation. Improving the comprehensive quality of staff and using the internet to achieve flat management is common in all research. Meanwhile, choosing the most competent leaders is an important strategy.

4. Influence Factor Of Flat Management

The research about factors that influence flat management's quantity is not a lot compared with another side of flat management. But, the quality of them is high, since they focus on reality. The factors that influence flat management structure have three kinds. The first kind is the type of industry. For instance, emergent industry and sun-set industry. Meanwhile, the reality of workspace.

The using of the statistic method to investigate how the change of performance will be affected by the multi-unit influences and will accounting revenues be improved. Since the coefficients for a sub is positive, there is a linear relation between flat structure and capital investment efficiency and accounting performance [13]. A Positively linear relation is shown, due to the advantages of huge effect and enlargement could dominant related negative effect related to China is a huge emergent market [13]. Thus, flat management can increase the accounting revenues, but it might depend on the type of market.

The second influential factor is the size of the company. In companies with less than 5000 people, managerial satisfaction did seem somewhat greater in flat rather than in tall organizations. For companies with more than 5,000 employees, the picture was reversed with a tall type of structure producing perceptions of greater need satisfaction [14].

Another influencing factor is the real situation. For instance, It helps to improve the professionalism of anti-money laundering work, reduce costs and enhance the monitoring of money laundering cases. However, although flattening is helpful to solve some problems existing in anti-money laundering management, it can not solve all problems or even bring problems. Because the work enthusiasm of

anti-money laundering personnel in the network cannot meet the requirements of flat management, the quality of anti-money laundering work is difficult to be guaranteed. The purpose of many branches is to improve the performance, so in the absence of strong external monitoring, once the anti-money laundering work conflicts with the performance, the branches are bound to require the anti-money laundering work to make concessions. At the same time, after the implementation of flat management, the supervision of targeted branches is bound to be greatly weakened -- the information advantage of the anti-money laundering department of the provincial bank is difficult to reach the level of the original branch management department [10]. Thus, the use of flat management might not fit in this situation.

In conclusion, the type of industry, the real society, and the size of the company might affect the effect of a flat management structure.

5. Conclusion

There have been many studies of flat management. Many of them are qualitative approaches. These articles use questionnaires and other methods. Experiments are also very common, using experiments to get data or using existing data into mathematical-statistical formulas to get flat management and the correlation of results. Some of them focus on the comparison of flat management and tall management. Some of them just focus on the real examples. Some studies are too theoretical, without considering the actual situation of different organizations and departments, blindly thinking that flat management is good. Future studies in these areas can be more focused on the real effect of flat management as these kinds of research is limited. Meanwhile, the hypothesis of flat management mix with tall management can be an area to work in.

References

- [1] Fengjia,Qu, Establishment and analysis of enterprise flat organizational structure, DOI:10.19424/j.cnki.41-1372/d.2021.04.046
- [2] Zhou Xiao owl, Fang Yao, Jia Kang, member of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) : We will promote the flattening of government levels and speed up the compilation of lists of powers at the central, provincial, city and county levels, 21st Century Business Herald /2017 / March / 7th/special report on the 2017 National "Two Sessions", page 002
- [3] Mr.Abhijit Chandeatreya; Ms Pallavilehandale Sajanapwar,AN EXPLORATORY STUDY OF TALENT MAN, ZENITH International Journal of Multidisciplinary Research, ISSN 2231-5780 Vol.3 (3), March (2013)
- [4] Xie Peiyan, The enlightenment of organization flattening theory to the reform of government management system, [CLC Number] G647 [Document code] A
- [5] Ai qi, Wu,"Efficiency king" Wahaha's organizational system,(c) 1994-2020 China Academic Journal Electronic Publishing House. All rights reserved. <http://www.cnki.net>
- [6] Jia Wei1, Yanchun1 Xu *, Qinggang1 Zhang, Xiaowei2 Ma, Yinghui1 Yang, Lin Zhao, Flat management mode is applied to the transmission of tobacco quality inspection report, doi : 10.3969/j.issn.1004-275X.2020.003.049
- [7] Liu Wenxiu, Suggestions on building flat management system under the background of state-owned enterprise reform, (c) 1994-2020 China Academic Journal Electronic Publishing House. All rights reserved. <http://www.cnki.net>
- [8] He Xiaolong, Wang Mintao, Ma Jinyan, Flat management analysis of state-owned enterprises,(c) 1994-2020 China Academic Journal Electronic Publishing House. All rights reserved. <http://www.cnki.net>

- [9] Zhang shoulong, Analysis of the Impact of organizational flattening theory on government Management System,(c) 1994-2019 China Academic Journal Electronic Publishing House. All rights reserved. <http://www.cnki.net>
- [10] Wang Huili, On the Impact of "Internet +" on the Flattening of Government Organizational Structure, Chinese Journal of Classification Number: G630 Document code: A Article NUMBER: 1674-8883 (2017) 15-0117-01
- [11] Song Zhu Assistant Professor ,Business Strategy, Flat Structure and Operating Efficiency: Evidence from China ,<http://ssrn.com/abstract=1808288>
- [12] Rocco Carzo, Jr. and John N. Yanouzas, Effects of Flat and Tall Organization Structure,<https://www.jstor.org/stable/2391096>
- [13] Saerom (Ronnie) Lee,The Myth of the Flat Start-up: Reconsidering the Organizational Structure of Start-ups,<https://ssrn.com/abstract=3835538>
- [14] Wu Yuhui, Luo Wenna, Analysis of commercial bank anti-money laundering Management mechanism -- from the balance of advantages and disadvantages of flat management mode,(c) 1994-2021 China Academic Journal Electronic Publishing House. All rights reserved. <http://www.cnki.net>