

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE
SUMY NATIONAL AGRARIAN UNIVERSITY
ECONOMICS AND MANAGEMENT FACULTY

Public Management and Administration Department

QUALIFICATION WORK

Education Degree - Master

on: **The effectiveness of goal management and modern approaches to its
evaluation in the enterprise**

Completed: student of
073 «Management» (EP «Administrative Management»)

LU YITING

Supervisor ***Tetiana Kharchenko***
Doctor of Public Administration, Associate Professor

Reviewer ***Habib Usman Abraham***
Master of Administrative management

SUMY - 2024

SUMY NATIONAL AGRARIAN UNIVERSITY

Faculty Economics and Management
Department Public management and administration

Education degree «Master»
Field of Study 073 «Management» (EP «Administrative Management»)

Approved:

Head of
Department

« _____ » _____ 20

TASK

on qualification work for student

LU YITING

1. Theme of Qualification work: **The effectiveness of goal management and modern approaches to its evaluation in the enterprise**

Supervisor Tetiana Kharchenko, Doctor of Public Administration, Associate Professor

approved by the university from _____

2. Deadline for student completed project (work) August, 28, 2024

3. Background to the project (work):

educational methodical manuals, monographs, textbooks on the subject of research, scientific publications, economic and financial statements for the period of 2020-2022

4. Contents of settlement and explanatory notes (the list of issues to develop):

The analyze the actual problems of effectiveness of goal management and modern approaches to its evaluation in the enterprise with the help of advanced theoretical knowledge and ideas of effectiveness of goal management, and put forward corresponding optimization suggestions and measures, so as to clear the obstacles on the road of development for the company and achieve the company's long-term strategic goals and sustainable and development.

5. Date of assignment:

CALENDAR PLAN

№	Title the stages of the degree project (work)	Date of performance project stages	Note
1	Definition and approval of the thesis, preparation of the plan - schedule of work	November 2023	done
2	Selection and analysis of literary sources, the preparation of the first theoretical chapter	December 2023	done
3	Preparation and presentation of draft of the first chapter of the thesis	January 2024	done
4	Collection and processing of factual material, synthesis analysis of application issues in the enterprise	February 2024	done
5	Making the theoretical part of the thesis, summarizing the analytical part	March 2024	done
6	Design options improve the research problem	April 2024	done
7	Completion of the project part of the thesis, design chapters	May 2024	done
8	Previous work and its defense review	June 2024	done
9	Checking the authenticity of the thesis	July 2024	done
10	Deadline for student completed the thesis	August 2024	done
11	Defense of the thesis	September 12 2024	done

Student	_____	<i>LU YITING</i>
	(signature)	
Supervisor of science work	_____	<i>Tetiana Kharchenko</i>
	(signature)	
Authentication performed	_____	<i>Nadiia Baranik</i>
	(signature)	
Checking the authenticity conducted. Thesis allowed to defense	_____	<i>Svetlana Lukash</i>
	(signature)	

SUMMARY

LU YITING. The effectiveness of goal management and modern approaches to its evaluation in the enterprise.

Master's thesis in the specialty 073 «Management», EP «Administrative Management» SNAU, Sumy-2024 - Manuscript.

As modern enterprises navigate the complexities of an ever-evolving business landscape, goal management strategies must adapt to remain effective. This adaptation necessitates an understanding of emerging trends that influence how goals are set, pursued, and evaluated. In this section, we explore these trends, focusing on the integration of technology, the importance of continuous feedback, and the shift towards more holistic goal evaluation methods.

The advent of digital technologies has revolutionized the way organizations manage their goals. Enterprise Resource Planning (ERP) systems, for instance, have become indispensable in facilitating the alignment of strategic objectives with operational activities. These systems enable real-time monitoring of performance metrics, ensuring that goals are not only set but also tracked and adjusted as necessary. Cloud-based platforms for project management and collaboration further streamline goal setting by allowing cross-functional teams to work together seamlessly, enhancing the agility of goal management processes.

Continuous feedback mechanisms are another crucial trend in contemporary goal management. Traditional annual performance reviews are giving way to more frequent, informal feedback sessions that provide employees with immediate insights into their progress. This shift not only enhances the accuracy of performance assessments but also fosters a culture of continuous improvement, where goals are refined based on ongoing feedback from peers, supervisors, and customers. The integration of such mechanisms within a more dynamic goal management systems facilitates.

Business planning is an effective management tool that is used almost everywhere in the current economic situation, regardless of the scope of activity, its scale, as well as the form of ownership of small and medium enterprises. Business planning can be characterized as a working tool not only for newly created but also existing organizations.

Keywords: effectiveness, goal management, quantitative and qualitative measures

АНОТАЦІЯ

ЛЮ ІТІН. Ефективність цільового менеджменту та сучасні підходи до її оцінки на підприємстві.

Магістерська робота за спеціальністю 073 "Менеджмент", ОП "Адміністративний менеджмент" СНАУ, Суми-2024 - Рукопис.

Оскільки сучасні підприємства орієнтуються в складності бізнес-ghjwtsd, що постійно розвивається, стратегії управління цілями повинні адаптуватися, щоб залишатися ефективними. Ця адаптація вимагає розуміння нових тенденцій, які впливають на встановлення, досягнення та оцінку цілей. У першому розділі досліджено ці тенденції, зосереджуючись на інтеграції технологій, важливості постійного зворотного зв'язку та переході до більш цілісних методів оцінки цілей.

Поява цифрових технологій революціонізувала спосіб організації досягати своїх цілей. Системи планування ресурсів підприємства (ERP) стали незамінними для полегшення узгодження стратегічних цілей з операційною діяльністю. Ці системи дозволяють у режимі реального часу відстежувати показники продуктивності, гарантуючи, що цілі не лише встановлені, але й відстежуються та коригуються за потреби. Хмарні платформи для управління проектами та співпраці ще більше оптимізують встановлення цілей, дозволяючи міжфункціональним командам бездоганно працювати разом, підвищуючи гнучкість процесів управління цілями.

Механізми безперервного зворотного зв'язку є ще однією важливою тенденцією сучасного управління цілями. Традиційні щорічні перевірки продуктивності поступаються місцем більш частим, неформальним сесіям зворотного зв'язку, які дають співробітникам можливість негайно зрозуміти їхній прогрес. Цей зсув не тільки підвищує точність оцінки продуктивності, але й сприяє розвитку культури безперервного вдосконалення, коли цілі уточнюються на основі постійного зворотного зв'язку від колег, керівників і клієнтів. Сприяє інтеграція таких механізмів у більш динамічні системи управління цілями. Бізнес-планування є ефективним інструментом управління, який в сучасній економічній ситуації використовується практично скрізь, незалежно від сфери діяльності, її масштабів, а також форми власності малих і середніх підприємств. Бізнес-планування можна охарактеризувати як робочий інструмент не тільки новостворюваних, але й існуючих організацій.

Ключові слова: ефективність, цільове управління, кількісні та якісні показники.

CONTENT

INTRODUCTION	7
CHAPTER 1. THEORETICAL BASIS OF GOAL MANAGEMENT IN MODERN ENTERPRISES.....	9
CHAPTER 2. HUAWEI’S APPROACH TO GOAL MANAGEMENT.....	19
2.1. Overview of Huawei's Strategic Framework	19
2.2. Incorporating Employee Development in Goal Management	26
2.3. Best practices and outcomes from Huawei's system of goal management...	35
CHAPTER 3. IMPROVING THE EFFECTIVENESS OF HUAWEI'S GOAL MANAGEMENT.....	44
3.1. Improving of organizational structure for the effectiveness of Huawei's goal management	44
3.2. Developing a framework of quantitative and qualitative measures Huawei's.....	52
3.3. Directions of adapting of Huawei's goal management to a changing global landscape.....	58
CONCLUSIONS.....	64
REFERENCES	67
APPENDIXES	71

INTRODUCTION

Relevance of the topic. In the dynamic landscape of modern enterprises, goal management stands as a pivotal approach to aligning organizational strategies, enhancing performance, and fostering sustainable growth. Goal management has assumed paramount significance, acting as a pivotal force in driving organizational success. This paper delves into the intricacies of goal management, emphasizing its effectiveness and contemporary evaluation techniques through a comprehensive perspective. We explore the intricate dynamics and mechanisms of goal management, demonstrating how it enables organizations to align their strategic objectives with operational activities, thereby enhancing efficiency and achieving sustainable growth. Drawing parallels from real-world applications, the paper showcases Huawei's innovative approach to goal management, a leading exemplar in the industry. Drawing upon Huawei's innovative approach to goal management, the research highlights the methodologies used in setting and achieving strategic goals within a complex organizational framework. By exploring case studies that exemplify successful goal management practices, the paper underscores the significance of tailored evaluation techniques in measuring the outcomes of these strategies. Huawei's system is characterized by its agility, adaptability, and its capacity to foster a culture of continuous improvement. By integrating modern evaluation techniques and leveraging cutting-edge technology, Huawei has successfully streamlined its goal management processes, achieving remarkable results. The integration of modern approaches to evaluation, such as data analytics and feedback mechanisms, enriches the understanding of how organizations can optimize their goal management systems. Huawei's goal management system reveals a model that seamlessly bridges the gap between theory and practice. It underscores the significance of continuous learning and adaptation in goal management, demonstrating how organizations can harness the power of goals to drive performance and innovation. The findings not only contribute to the theoretical body of knowledge on goal management but also provide practical insights for Chinese enterprises looking to enhance their management practices.

Concluding with future directions for goal management, the paper advocates for a continuous improvement mindset and the adaptation of emerging technologies to maintain competitiveness in an ever-changing business environment. The insights and strategies outlined in this paper serve as a roadmap for enterprises seeking to optimize their goal management practices, thereby propelling them towards unparalleled success in the dynamic and competitive business environment.

The purpose and objectives of the study. The purpose of study is analyzing the actual problems of the effectiveness of goal management and modern approaches to its evaluation in the enterprise with the help of advanced theoretical knowledge and ideas, and put forward corresponding optimization suggestions and measures, so as to clear the obstacles on the road of development for the company and achieve the company's long-term strategic goals and sustainable and healthy development.

The object of study is the impact of the effectiveness of goal management and modern approaches to its evaluation in the enterprise.

The subject of research is the system of the effectiveness of goal management of Huawei Technologies Co Ltd.

Research methods: At the core of goal management lies the concept of alignment-linking individual and team objectives with the overarching strategic goals of the organization. This alignment ensures that every action taken, every decision made, contributes directly to the fulfillment of the company's mission and vision. The process of goal setting is thus critical, requiring clarity, measurability, and achievability. Goals must be SMART (Specific, Measurable, Achievable, Relevant, Time-bound) to be effective, serving as a compass for organizational behavior and decision-making. Goal management, at its fundamental level, is a structured process that involves the creation, deployment, monitoring, and iterative adjustment of goals within an organization. This process is designed to ensure that strategic objectives are not only set but are also systematically pursued and achieved. Central to the definition of goal management are several key components that collectively contribute to its effectiveness.

The database includes scientific research achievements of scientists at home and abroad in problem areas, national statistical report data, world statistical report data, publication of official and scientific journals, report information of enterprise manufacturers, and information of international and Chinese science time conferences.

Scientific novelty of the results sets the stage for a deeper exploration of Huawei's goal management system and the strategies that organizations can adopt to optimize their own goal management practices. By embracing the principles of goal management and continuously refining their methodologies, organizations can propel themselves towards unparalleled success in the competitive business environment.

The practical significance of the results is the formation of model for how goal management can bridge the gap between theory and practice, demonstrating how organizations can harness the power of goals to drive performance and innovation.

Personal Achievements:

1 LU YITING Improving of organizational structure for the effectiveness of Huawei's goal management. *Економіка підприємства: сучасні проблеми теорії та практики*: Матеріали дванадцятої міжнар. наук.-практ. конф., 8 вересня 2023 р. Одеса: ОНУ, 2023. С. 512-514.

2 LU YITING Developing a framework of quantitative and qualitative measures Huawei's. Міжнародна науково-практична конференція “*Стратегічні пріоритети розвитку економіки, фінансів, обліку та права в Україні та світі*”, 24 травня 2024 року в м. Рівне. С. 35-36.

The structure and scope of work. Qualification work consists of an introduction, three chapters, conclusions and suggestions, a list of references, which consists of 29 titles. The main text is placed on 70 pages of computer text, the work contains 13 tables, 9 figures.

CHAPTER 1

THEORETICAL BASIS OF GOAL MANAGEMENT IN MODERN ENTERPRISES

In the dynamic and complex landscape of contemporary business, goal management has risen to the forefront as a pivotal strategy for organizational success. It is no longer merely a set of objectives to be achieved but a comprehensive system that integrates strategic vision with operational activities, thereby enhancing efficiency and fostering sustainable growth. This chapter offers a panoramic view of goal management within the enterprise context, exploring its foundational principles, practical implications, and the innovative approaches that contemporary organizations like Huawei employ to optimize their goal management frameworks [1, p. 87].

At the core of goal management lies the concept of alignment—linking individual and team objectives with the overarching strategic goals of the organization. This alignment ensures that every action taken, every decision made, contributes directly to the fulfillment of the company's mission and vision. The process of goal setting is thus critical, requiring clarity, measurability, and achievability. Goals must be SMART (Specific, Measurable, Achievable, Relevant, Time-bound) to be effective, serving as a compass for organizational behavior and decision-making [2, p. 332].

Understanding the intricate dynamics of goal management requires delving into its theoretical underpinnings. Classic literature in management and organizational behavior offers a wealth of insights into how goals influence performance, motivation, and organizational culture. Notably, the goal-setting theory by Locke and Latham (1990) posits that clear and challenging goals lead to higher performance, while the expectancy theory by Vroom (1964) emphasizes the role of individual perceptions in goal attainment. These theories, among others, provide a

robust framework for the development of effective goal management systems [3, p. 142].

In the practical domain, real-world examples illuminate the multifaceted nature of goal management. Take Huawei, for instance, whose innovative approach to goal management is characterized by agility, adaptability, and a culture of continuous improvement. Huawei's system integrates modern evaluation techniques and leverages technology to streamline processes, ensuring that goals are not only set but also monitored, adjusted, and achieved in a dynamic environment. This case study serves as a model for how goal management can bridge the gap between theory and practice, demonstrating how organizations can harness the power of goals to drive performance and innovation [4, p. 1401].

Moreover, the chapter highlights methodologies for effective goal setting, emphasizing the importance of a participatory approach where goals are collaboratively defined and agreed upon by all stakeholders. This participatory process not only ensures that goals are realistic and achievable but also enhances commitment and engagement among employees. Best practices in goal setting are discussed, including the establishment of cascading goals that align individual performance with team and organizational objectives, fostering a sense of shared purpose and direction [5, p. 146].

The discussion is enriched by an analysis of the role of technology in goal management. Digital tools and platforms have revolutionized how goals are set, tracked, and measured, offering real-time insights and facilitating more responsive and adaptive goal management. From project management software to analytics dashboards, technology serves as a catalyst for enhancing the effectiveness of goal management systems, making it more accessible, transparent, and dynamic.

In conclusion, this overview chapter underscores the critical role of goal management in the enterprise context, providing a comprehensive understanding of its theoretical foundations, practical implications, and innovative approaches. It sets the stage for a deeper exploration of Huawei's goal management system and the strategies that organizations can adopt to optimize their own goal management

practices. By embracing the principles of goal management and continuously refining their methodologies, organizations can propel themselves towards unparalleled success in the competitive business environment [6, p. 65].

Goal management, at its fundamental level, is a structured process that involves the creation, deployment, monitoring, and iterative adjustment of goals within an organization. This process is designed to ensure that strategic objectives are not only set but are also systematically pursued and achieved. Central to the definition of goal management are several key components that collectively contribute to its effectiveness.

Goal Setting is the initial stage where objectives are defined. Goals should be specific, measurable, achievable, relevant, and time-bound (SMART), serving as clear and precise targets that guide the actions of individuals and teams. The clarity of goals is crucial as it provides direction and purpose, ensuring that every member of the organization understands what is expected of them [7, p. 45].

Goals must be aligned with the overall strategy of the organization. This alignment ensures that individual and team efforts contribute directly to the achievement of broader organizational objectives. It fosters a cohesive organizational culture where every action is geared towards a common goal.

Effective communication is vital in goal management. Goals need to be communicated clearly and regularly, ensuring that every stakeholder is aware of the objectives and progress. This transparency enhances accountability and engagement, allowing for timely adjustments and corrections.

Goals must be monitored to assess progress and evaluate performance against the set targets. This involves regular reviews and feedback mechanisms to ensure that goals remain relevant and achievable, even as circumstances change. Monitoring and evaluation also facilitate the identification of challenges and opportunities for improvement [8, p. 132].

Goal management is not a static process but rather a dynamic one that requires flexibility and adaptability. Organizations must be ready to adjust goals in response to

changing internal and external conditions. This adaptability ensures that goals remain relevant and achievable, even in volatile environments.

Engaging employees in the goal-setting process fosters a sense of ownership and commitment. When individuals have a say in the goals they are tasked to achieve, they are more likely to be motivated and engaged, leading to higher performance and goal attainment [9, p. 467].

Modern goal management systems often incorporate technology to enhance efficiency and effectiveness. Digital tools, such as project management software and analytics platforms, provide real-time tracking and analytics, making it easier to monitor progress, identify trends, and make informed decisions.

Understanding these components is crucial for the successful implementation of goal management strategies in an organizational context. By focusing on these elements, organizations can create a robust goal management framework that supports the achievement of strategic objectives and drives organizational performance. This chapter lays the groundwork for a deeper exploration of how these components are integrated into practice, particularly within the innovative context of Huawei's approach to goal management [10, p. 225].

In the intricate ecosystem of contemporary businesses, goal management serves as the backbone of strategic execution and operational alignment. Its significance cannot be overstated, as it fundamentally influences organizational performance and sustainability. The importance of goal management in businesses can be elucidated through several critical dimensions.

Firstly, goal management acts as a strategic compass, guiding organizations toward their vision and mission. By setting clear, measurable, and achievable objectives, businesses can ensure that all actions and decisions are aligned with strategic imperatives. This alignment fosters a coherent organizational culture where every department and individually understands their role in achieving broader goals. As such, goal management becomes the primary mechanism for translating strategic plans into actionable steps, ensuring that the organization moves in a unified direction toward its desired outcomes [11, p. 323].

Secondly, goal management is pivotal in enhancing operational efficiency. Through the establishment of SMART goals, organizations can optimize resource allocation and streamline processes, leading to more efficient operations. By identifying key performance indicators (KPIs) and aligning them with strategic goals, businesses can monitor and improve performance, thereby reducing waste and enhancing productivity. This efficiency is not only limited to cost savings but also extends to time management, employee engagement, and customer satisfaction, demonstrating the multifaceted impact of effective goal management on operational excellence.

Moreover, goal management facilitates continuous improvement and innovation. By setting challenging yet achievable goals, organizations can foster a culture of innovation and learning. Regular reviews and adjustments of goals encourage adaptability and agility, allowing businesses to respond swiftly to changing market conditions and technological advancements. This dynamic approach to goal management ensures that organizations remain competitive and relevant in their respective industries, driving them to continuously innovate and improve their processes and offerings [12, p. 5368].

Another critical aspect of goal management is its role in enhancing employee motivation and engagement. Goals that are collaboratively set and communicated clearly can significantly boost employee morale and commitment. By giving employee a sense of ownership and alignment with organizational objectives, goal management can lead to increased job satisfaction and loyalty. Furthermore, this sense of purpose and direction contributes to a positive work environment, where employees are motivated to contribute their best efforts toward achieving shared goals.

Additionally, goal management plays a crucial role in risk management and strategic decision-making. By setting clear objectives and regularly evaluating performance against these goals, organizations can identify potential risks and challenges proactively. This foresight enables businesses to mitigate risks effectively and make informed decisions that are aligned with strategic objectives. Furthermore,

goal management helps in creating a data-driven decision-making culture, where decisions are based on performance metrics and strategic priorities, leading to more robust and effective strategies [13].

In the realm of contemporary business operations, goal setting emerges as a cornerstone of strategic planning and organizational performance. This practice involves defining clear, measurable, and achievable objectives that align with the broader mission and vision of the enterprise. The significance of goal setting lies not only in the goals themselves but also in the process that facilitates their establishment and attainment. This section will delve into the critical role that goal setting plays in modern enterprises, drawing from theoretical foundations and empirical evidence to illustrate its importance.

Goal setting theory, originally proposed by Locke and Latham, posits that specific and challenging goals lead to higher performance compared to vague or easy goals. This theory, supported by extensive empirical research, highlights the motivational power of goals, which energizes employees and directs their efforts towards achieving desired outcomes. In the context of modern enterprises, goal setting is not merely a formalistic exercise but a dynamic process that involves all stakeholders, from top management to frontline employees, in setting and pursuing strategic objectives [14, p. 22].

Furthermore, goal setting in enterprises promotes a culture of accountability and transparency. When goals are clear and communicated effectively, employees understand their roles and responsibilities, leading to enhanced commitment and engagement. This alignment of individual and organizational goals fosters a sense of purpose, encouraging employees to contribute to the company's success while pursuing them.

In conclusion, the importance of goal management in businesses is multifaceted, impacting strategic alignment, operational efficiency, innovation, employee engagement, and risk management. By integrating effective goal management practices, organizations can enhance their overall performance, adaptability, and competitiveness. This chapter highlights the significance of goal

management and sets the stage for a detailed exploration of how innovative approaches, such as those employed by Huawei, can further optimize goal management systems, propelling organizations toward unparalleled success in the dynamic business landscape [15, p. 265].

As modern enterprises navigate the complexities of an ever-evolving business landscape, goal management strategies must adapt to remain effective. This adaptation necessitates an understanding of emerging trends that influence how goals are set, pursued, and evaluated. In this section, we explore these trends, focusing on the integration of technology, the importance of continuous feedback, and the shift towards more holistic goal evaluation methods.

The advent of digital technologies has revolutionized the way organizations manage their goals. Enterprise Resource Planning (ERP) systems, for instance, have become indispensable in facilitating the alignment of strategic objectives with operational activities. These systems enable real-time monitoring of performance metrics, ensuring that goals are not only set but also tracked and adjusted as necessary. Cloud-based platforms for project management and collaboration further streamline goal setting by allowing cross-functional teams to work together seamlessly, enhancing the agility of goal management processes.

Continuous feedback mechanisms are another crucial trend in contemporary goal management. Traditional annual performance reviews are giving way to more frequent, informal feedback sessions that provide employees with immediate insights into their progress. This shift not only enhances the accuracy of performance assessments but also fosters a culture of continuous improvement, where goals are refined based on ongoing feedback from peers, supervisors, and customers. The integration of such mechanisms within a more dynamic goal management systems facilitates [16, p. 1702].

Business planning is an effective management tool that is used almost everywhere in the current economic situation, regardless of the scope of activity, its scale, as well as the form of ownership of small and medium enterprises. Business planning can be characterized as a working tool not only for newly created but also

existing organizations. The business plan is a short, accessible and clear description of the enterprise, a key mechanism in studying future activity in the market. The business plan gives an opportunity to identify relevant project solutions in the long run, define and calculate funds to achieve them. All this contributes to the business planning importance in modern economic environment [17].

In order to see the whole picture of business, it is necessary to build a plan. It is a kind of forecast for the future to assess possible prospects. There are specific business planning tasks [18]:

- to determine in which areas an organization can develop, and what place in the target markets it will occupy;

- to formulate long – and short – term goals, and develop a strategy and tactics to achieve them;

- to select specific people responsible for each point of business planning;

- to present the main indicators of goods and services that will be offered to consumers in the market;

- to assess production and trade costs for their creation and implementation;

- to find out how to properly motivate staff to clearly comply with the requirements for the shaped plans implementation;

- to evaluate the financial condition of the organization. Business planning in an enterprise has its important reasons [3, p. 142]: — if money is needed for development and one has to look for investors, the first thing they will look at is a detailed business plan that will help to understand whether the investment will be profitable — planning helps to outline the goals to be pursued in the enterprise development; — business planning development can be called a kind of helper to solve urgent problems.

The plan describes the methods of recruitment, the rules of concluding agreements and other nuances of the organizational policy — predicting different situations, so when developing the plan you need to consider not only an optimistic scenario; conducting analysis, research and knowledge acquisition. This reason is

due to the fact that during the plan development one will have to study the aperture of consumers, competitors and other important aspects.

The plan describes the methods of staff recruitment, the rules of concluding agreements and other nuances of the organizational policy; conducting different situations, so when developing a plan one needs to consider not only an optimistic scenario; conducting analysis, research and knowledge acquisition. This reason is due to the fact that during the plan development one will have to study the aperture of consumers, competitors and other important aspects. In modern practice business planning performs the following basic functions [4, p. 1402]:

The first function is related to the possibility of using the business plan to develop a business strategy. This function is necessary during the creation of the organization, as well as while new activities development.

The second function is planning. This feature helps to evaluate the opportunities development of a future enterprise, as well as control the processes within the organization.

The third function allows to raise money, namely loans and credits. The main reason is not so much the problem of high interest rates as the high degree of loans irreversibility. In this situation, banks take a range of measures to ensure the funds return, among which should be noted the requirements of bank guarantees, real collateral and others, but the decisive factor in granting credit is the existence of a wellprocessed business plan.

The fourth function helps to attract potential investors to the company plans implementation, who will be willing to invest in the production or sale of equity or technology available to them. Only in the presence of the business plan is it possible to address the issue of providing capital, resources or technology, as it reflects the course of the company development for a certain period of time.

The fifth function includes involving the employees in the business plan development, which helps to improve their awareness of future actions and the work process, coordinate efforts, create motivation to achieve a common goal.

Thus, in the business planning process, an enterprise performing the abovementioned functions, can assess, analyze, conduct positioning, control and management in conditions of uncertainty and dynamism of both external and internal environment of the enterprise. Implementing those functions, goals and objectives of the business plan allows to increase the level of adapting all the business processes of the enterprise to the constant changes of the environment. A business plan aim is to develop a fairly broad goals and objectives of the entrepreneurial activity for the period up to five years, it also includes the goal i.e. to identify the strengths and weaknesses of the future project; receiving support from partners and investors; reducing the risks of the organization activity.

The most important component of a business plan is its development goals. In the researched literature references many purposes variations of the business plan are resulted, the basic of them are [5, p. 146]:

- Attracting investors' attention to the enterprise;
- Means of conveying and disseminating information among those who directly implement the project;
- Preparing of the social base for the project implementation (public opinion, proving the project feasibility);
- Control and management that allow to evaluate the results of the enterprise activity for a certain period of time.

The value of business planning is determined by the fact that it: — It gives an opportunity to determine the viability and prospects of a project development in a competitive environment; — It contains information on how the project (enterprise) should develop; — It is an important tool for obtaining financial support from external investors

CHAPTER 2

HUAWEI'S APPROACH TO GOAL MANAGEMENT

2.1 Overview of Huawei's Strategic Framework

Huawei's approach to goal management stands as a testament to the synergy between theoretical robustness and practical innovation. A global leader in information and communications technology (ICT), Huawei has cultivated a goal management system that is characterized by its agility, adaptability, and a pervasive culture of continuous improvement. This case study delves into the intricacies of Huawei's implementation of goal management, offering valuable insights into how an organization can harness the power of goals to drive performance and innovation.

At the heart of Huawei's goal management system lies a comprehensive integration of modern evaluation techniques and cutting-edge technology. The company has developed a sophisticated digital platform that enables real-time tracking and monitoring of goals, facilitating a dynamic and responsive approach to goal management. This platform not only provides a clear and transparent view of progress but also allows for instant adjustments in response to changing internal and external factors, ensuring that goals remain relevant and achievable.

Huawei's goal management approach is also distinguished by its emphasis on a participatory goal-setting process. The company encourages collaboration between different levels of management and employees in the formulation of goals, ensuring that objectives are not only aligned with the strategic vision of the organization but also resonate with the employees' sense of purpose and motivation. This participatory approach not only enhances the realism and achievability of goals but also fosters a strong sense of ownership and commitment among the workforce, leading to higher engagement and performance.

Moreover, Huawei has developed a system of cascading goals, where high-level strategic objectives are broken down into specific, measurable targets at every

level of the organization. This hierarchical structure of goal setting ensures that every individual's efforts contribute directly to the broader strategic goals, fostering a unified organizational culture where every action is geared towards a common purpose. It also facilitates a clear line of sight for employees, allowing them to see the direct impact of their work on the company's overall success.

Huawei's commitment to continuous learning and adaptation is exemplified in its goal management practices. The company regularly reviews and refines its goal management processes, incorporating feedback from employees and incorporating new technologies and methodologies as they emerge. This ongoing cycle of evaluation and improvement ensures that Huawei's goal management framework remains at the forefront of best practices, enabling the company to adapt swiftly to market changes and technological advancements.

In addition to these innovative strategies, Huawei places significant emphasis on the role of leadership in goal management. Leaders are trained to facilitate the goal-setting process, provide ongoing support and guidance, and ensure that goals are aligned with both the individual's career aspirations and the company's strategic objectives. This leadership involvement in goal management creates a supportive environment that encourages employees to strive for excellence and fosters a culture of high performance and innovation.

The effectiveness of Huawei's goal management system is reflected in its remarkable achievements and sustained growth in a highly competitive global market. By seamlessly bridging the gap between theory and practice, Huawei demonstrates how a well-designed goal management system can be a powerful engine for driving organizational performance and innovation. This case study not only highlights the best practices in goal management but also offers a roadmap for other organizations seeking to optimize their own goal management practices, propelling them toward unparalleled success in the dynamic and competitive business environment.

Huawei's ability to go from an agent to a giant-type company in just a few decades lies largely in the choice of strategic philosophy and tireless efforts.

Strategically Huawei has always insisted on technology R&D as its leading role. Through Figure 1, Huawei's latest published data, as of the end of 2022, in the world Huawei holds a total of more than 120,000 valid patents, R & D expenditure in 2022 of about 161.5 billion yuan, accounting for 25.1% of the company's annual down payment, the cumulative R&D investment in the past ten years of more than CNY977.3 billion, R&D employees more than 114,000, accounting for the total number of staff of 55.4%. The value of the patents held by Huawei in the industry is fully recognized and applied by the industry. Such a huge determination and R&D strength of R&D, but also explains the reason why Huawei can become a giant in the industry. 5G technology development strategic layout, but also its advantages, in the construction and application of the global 5G network, the technical facilities are gradually laying in place, commercialization digitalization gradually penetrate into the production and life, Huawei is looking towards his and the goal of looking at the pace of the steadily to the strong.

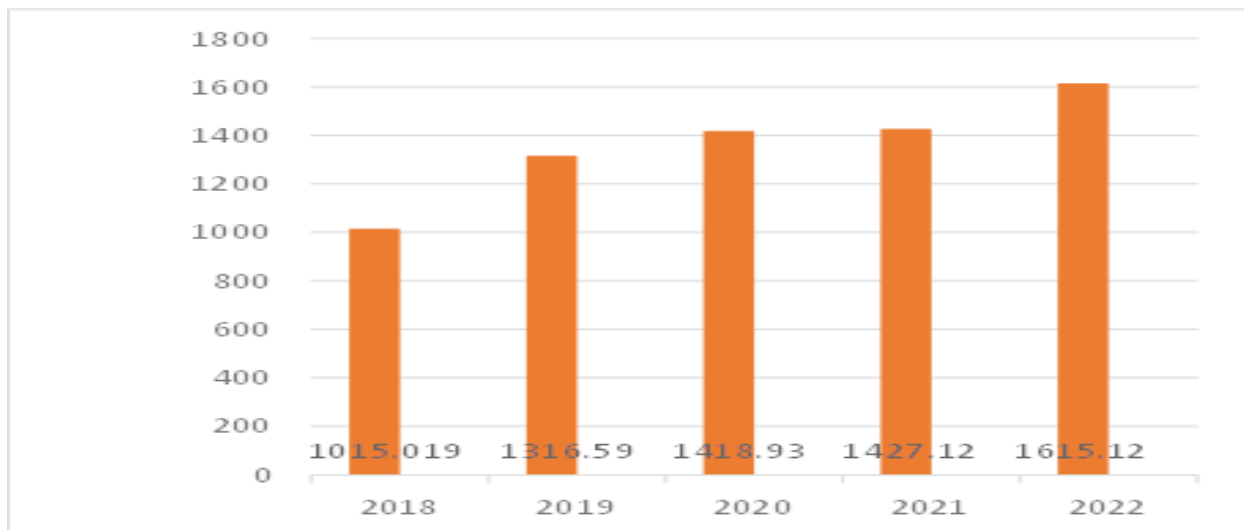


Figure 2.1 - Trend of Huawei's investment and research amount in the past 5 years.

Source: [19]

In the product line, in order to meet the diversified needs of customers. Huawei is gradually building a full product ecosystem, from the perspective of the main business in the consumer field, the consumer business mainly consists of "1+8+N"

product intelligent panoramic industry, of which "1" refers to the smartphone, "8" is the smart life of eight auxiliary entrances, including PC, tablet, wearable, etc.. The "1" refers to smartphones, and the "8" is the 8 auxiliary entrances of intelligent life, including PC, tablet, wearable and so on [2]. In the field of global electronic consumption, it has a good market share and strong penetration ability, whether from the use of the product or the sense of experience, in the industry within the community have been recognized. In relying on strong technical research and development capabilities, in the product update and iteration and technical experience to better meet customer needs. Huawei's rich and intelligent product line adds a great advantage in the field of consumer electronics.

In order to gain advantages in the harsh market environment, survive and develop, enterprises have to understand the needs and preferences of customers, constantly explore customer resources, and effective management, to meet the needs of customers and exceed their expectations, in order to win the satisfaction and trust of customers, only in this way [3]. Both domestic and foreign users attach great importance to after-sales service. Huawei's wide range of products poses a challenge to its after-sales service. Relying on the GCRMS (Global Customer Problem Management System), Huawei has set up three centralized response centers to provide full coverage to solve after-sales service problems for customers around the world. As shown in Figure 2.2, 29 technical service R&D centers are set up domestically to serve as the basic platform for the after-sales system, and a technical support center is set up down at the headquarters for solving and providing feedback on technical issues, and then regional/representative service centers are used to connect customers so that after-sales processing can be formed into a closed-loop pattern, with mutual support and feedback, to facilitate the solving of customer problems. At the same time, the customer response to the regional representative center of the problem, the headquarters technical support and R&D center can be vertical technical guidance. In Huawei's official website, page consumer support, always mounted questionnaire link, the question is concise and targeted, so that we

can better judge the product from which aspects should be optimized and strengthened.

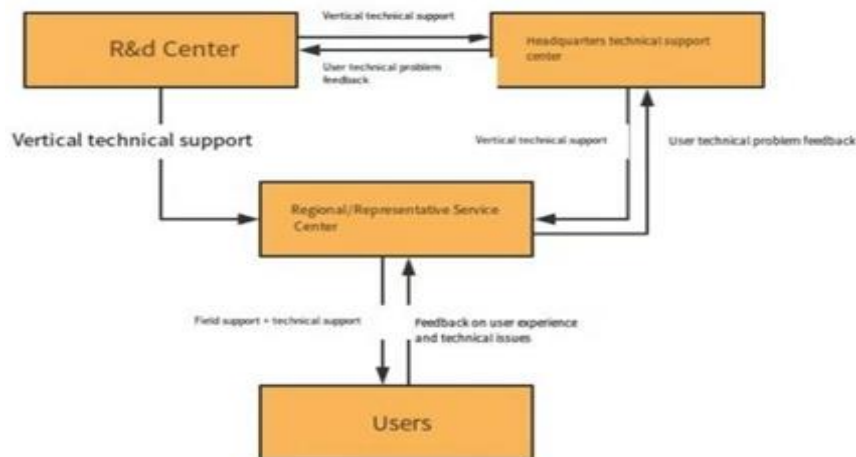


Figure 2.2- Huawei after-sales at a glance

Source: [19]

The basic condition for the operation of the enterprise is that the capital has good liquidity, for Huawei, as opposed to Cisco, Alcas after the listing and financing of the enterprise and so on. The enterprise gearing ratio is controlled at 60%-80%. Huawei's gearing ratio in the last 5 years has basically remained at about 65%, which is a reasonable gearing ratio. In 2015, the gearing ratio grew to 68%, which enhanced the risk of creditors to a certain extent, to the extent that it led to Huawei's weak financial resources, and there is a greater risk of solvency in terms of solvency[4]. Based on the strategic assessment of Huawei's upper echelon, no financing may be more suitable for Huawei's development objectives and actual situation at this stage, but it should not be ruled out as a possible strategy for subsequent listing and financing. Employee shareholding plan refers to the voluntary purchase of part of the company's shareholdings, including residual income rights, by employees within the company, which is a long-term talent incentive mechanism characterized by non-public issuance, simple procedures, benefit-sharing and risk-sharing[5].

The employee shareholding system is one of Huawei's major financing channels. Huawei's employees become shareholders of the company by purchasing internal shares. On the one hand, options and internal shares can be used as long-term

incentives to make every employee become a community of interest with Huawei's development; on the other hand, it can solve the problem of insufficient funds in the short term.

However, this capital chain is relatively fragile, because a single form of financing is not systematized and faces certain financing risks. The cash flow problem will be the biggest constraint on Huawei's further development and growth, and is also a key constraint on the success of Huawei's next internationalization strategy [6]. It does not satisfy Huawei's long-term and internationalization, which is also one of the disadvantages Huawei faces.

At the heart of HUAWEI's strategic framework lies the implementation of SMART goals, embodying a methodology that is Specific, Measurable, Achievable, Relevant, and Time-bound. This approach is pivotal in ensuring that objectives are clearly defined, quantifiable, attainable within the constraints of the organization, directly linked to broader strategic objectives, and have a definitive timeline for completion. By employing SMART goals, HUAWEI not only enhances the clarity and focus of its objectives but also facilitates a systematic approach to monitoring and evaluating progress.

The specificity of SMART goals enables HUAWEI to articulate clear and unambiguous outcomes, minimizing ambiguity and enhancing alignment across organizational levels. For instance, instead of setting an abstract goal such as "improve customer satisfaction," the company might set a specific target, such as "increase customer satisfaction ratings by 15% within the next quarter." This specificity not only guides the efforts of employees but also facilitates the allocation of resources and the development of strategies tailored to achieving the stated objective.

SMART goals are equally crucial, as it allows for the objective assessment of progress and the effectiveness of strategies. HUAWEI employs a variety of quantitative metrics to track the attainment of its goals, ensuring that performance can be benchmarked against set

In tandem with the adoption of SMART goals, HUAWEI has integrated the use of Objectives and Key Results (OKRs) as a complementary framework for goal management. OKRs, pioneered by Intel and popularized by Google, offer a flexible and dynamic approach to setting and achieving goals, particularly in rapidly evolving environments. Unlike traditional goal-setting methods that might be revisited only annually or semi-annually, OKRs are typically set on a quarterly basis, allowing for greater agility and responsiveness to market changes.

At HUAWEI, the implementation of OKRs is not merely a top-down directive but a collaborative process that involves all levels of the organization. Each department and team is encouraged to set its own objectives, which are then aligned with the broader strategic goals of the company. This bottom-up approach fosters a sense of ownership and engagement among employees, as they see the direct link between their work and the company's success.

The Objectives in OKRs serve as the "what" to achieve, closely resembling the "goal" component of SMART goals. These objectives are aspirational yet achievable, designed to stretch the capabilities of teams while remaining grounded in reality. Key Results, on the other hand, define the "how" of achieving these objectives acting as measurable.

In the ever-shifting landscape of global markets, HUAWEI's approach to goal management is characterized by a dynamic and adaptive strategy that ensures the company remains agile and responsive to environmental changes. This section explores how HUAWEI adapts its goals to navigate the complexities of dynamic markets, highlighting the company's innovative methodologies and continuous improvement mindset.

HUAWEI's strategic framework is designed with a deep understanding of market volatility, recognizing that goals must not only be specific and measurable but also flexible and revisable. The company operates within a highly competitive and rapidly evolving industry, where technological advancements and geopolitical shifts can significantly impact business operations and strategic outcomes. To address these

challenges, HUAWEI employs a proactive approach to goal setting, emphasizing the importance of situational analysis and predictive planning.

One of the key strategies employed by HUAWEI is the regular review and adjustment of objectives based on market conditions and emerging trends. This iterative process involves monitoring external factors such as economic indicators, consumer demands, and competitor strategies, alongside internal performance metrics. When significant shifts are detected, HUAWEI swiftly adapts its goals, aligning them with the new realities of the market. This adaptability is a testament to the company's commitment to staying ahead in a competitive landscape.

2.2 Incorporating Employee Development in Goal Management

In the intricate dance of goal management, the alignment of individual employee objectives with overarching company goals is paramount for organizational success. At HUAWEI, this alignment is achieved through a carefully crafted process that integrates employee development, goal-setting, and performance management. The company understands that each employee's personal and professional growth is intertwined with the achievement of its strategic objectives, fostering a symbiotic relationship that benefits both parties.

To align employee objectives with company goals, HUAWEI employs a dual approach that combines personal development planning (PDP) with the organization's strategic objectives. Personal development planning is a structured process that enables employees to set their own professional goals, aligning these ambitions with the company's vision and mission. This approach not only enhances employee engagement and motivation but also ensures that individual efforts contribute directly to the company's strategic objectives.

The first step in this alignment process involves a thorough understanding of HUAWEI's strategic direction, as outlined in the company's annual strategic planning sessions. These sessions, attended by key stakeholders from various departments, define the company's goals and the key results that need to be achieved to realize

these goals. Once the strategic objectives are established, they are communicated to all employees, emphasizing the role of each individual in contributing to the company's success.

In the dynamic environment of modern enterprises, continuous performance management (CPM) has emerged as a critical component of HUAWEI's approach to goal management. This methodology shifts the paradigm from annual or semi-annual performance reviews to a more fluid, ongoing dialogue between employees and their managers. CPM facilitates real-time feedback, continuous coaching, and regular check-ins, ensuring that employees are consistently aligned with their objectives and the broader goals of the organization.

At HUAWEI, CPM is not merely a performance evaluation tool but a strategic process for fostering employee development and engagement. This process is underpinned by three key principles: regular communication, timely feedback, and a focus on growth and development.

Regular Communication: HUAWEI implements regular one-on-one meetings between managers and employees, typically on a bi-weekly basis. These meetings are not just about reviewing performance metrics but serve as platforms for open dialogue, where employees can discuss their progress, challenges, and aspirations. Managers are encouraged to adopt a coaching style rather than a directive one, empowering employees to take ownership of their professional development.

Timely Feedback: Feedback is a crucial element of CPM at HUAWEI. Instead of waiting for annual reviews, employees receive immediate feedback on their performance.

In fostering a culture that supports the seamless integration of employee development into goal management, HUAWEI emphasizes the importance of a cultural shift. This transformation goes beyond mere policy adjustments; it requires a fundamental change in mindsets, behaviors, and values across the organization. By promoting a culture that values continuous growth, open communication, and a growth mindset, HUAWEI ensures that goal management is not only a managerial imperative but a collective ethos embraced by all members of the company.

At the core of HUAWEI's cultural shift is the cultivation of a growth mindset. This mindset encourages employees to view challenges as opportunities for learning and growth rather than obstacles. By adopting a growth mindset, individuals are more likely to embrace feedback, persist in the face of setbacks, and see effort as a path to mastery. HUAWEI fosters this mindset through training programs, workshops, and mentorship initiatives that emphasize the importance of resilience and adaptability.

A key element in promoting a cultural shift towards effective goal management is the encouragement of open and transparent communication. HUAWEI implements practices that ensure all employees feel safe to express their ideas, concerns, and feedback. This includes regular town hall meetings. The entity list is an export control regulation established by the United States to safeguard its national security interests. U.S. exporters may not help companies on these lists obtain any items subject to this Regulation without obtaining a license. This will not only lead to losses for Huawei but also harm the interests of every enterprise in the global supply chain. [9]

Delays in the launch of the new Matebook laptop and more than 600 job cuts at its subsidiary have made the negative impact of the "physical list" apparent. It will be hard to replace most of Huawei's high-end components anytime soon. The technical level of components independently developed by Huawei is still very different from that of the United States. Even if the independent research and development are intensified now, it is still unknown whether the quality of Huawei's products can be the same as before, which impacts the interests of Huawei's customers to some extent. In addition, the "entity list" has hit Huawei's suppliers in the United States. An American ban on Huawei would hurt not only Huawei but also its suppliers around the world, many of them American companies. Of Huawei's \$70 billion component procurement spending in 2018, about \$11 billion went to American companies such as Qualcomm, Intel, and Micron technology. On the day Huawei was added to the "entity list", Qualcomm's shares fell 4%, While The shares of Citation, Corvo, and Silas closed down 6.06%, 7.14%, and 7.27%, respectively. The "physical list" has deprived many US companies of a heavyweight buyer. Their shares fell sharply after

the announcement on May 15 amid concerns about the adverse impact on profitability. [10]

The exclusion of Huawei from the rollout of high-speed 5G mobile networks is motivated by political and commercial interests, but not in the national interest. Since Huawei is banned, its competitors may corner the market, which could result in ordinary consumers paying more for worse service [11]/ In addition, Huawei's 2022 annual report showed that cash flow from operating activities was 35.2 billion yuan, down 61.56% year on year.

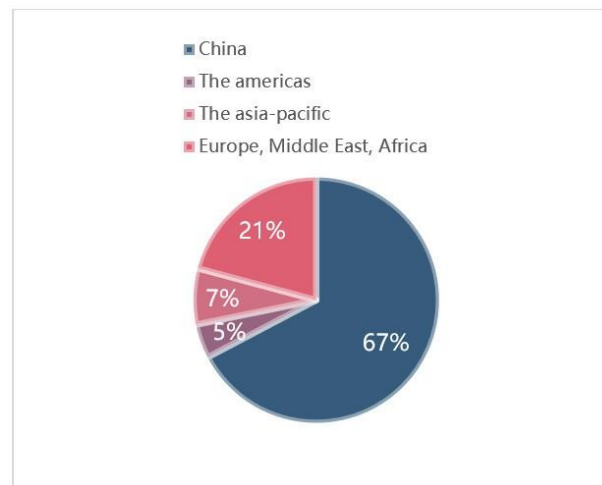


Figure 2.3 - Regional sales revenue on

Source: [19]

The global market share of Huawei 5G equipment is declining rapidly. In 2018, Due to Huawei's huge technological and cost advantages compared with other competitors, Huawei is far ahead in 5G contracts and occupies an overwhelming market share. However, starting from 2019, under the continuous actions of the United States, Huawei lost its overwhelming advantage in market share rapidly, while Ericsson and Nokia began to reverse the trend surprisingly without changing their technological disadvantages, and overtook Huawei successively.

Below, we use a game model to analyze why Huawei invests a lot of money in developing new technologies instead of marketing or developing new fields in the absence of external interference. For the convenience of analysis, we assume that the governments of the two countries do not interfere in enterprise innovation. We

assume that there are only two enterprises A and B in the world. A and B have the same production scale, research, and development capacity, and produce the same products. Both companies have two strategies in the production process: innovation or marketing; In the long run, innovation will reap the greatest benefits. Marketing only works in the short term.

In the absence of external regulation, if neither of the two enterprises innovates, the technology will stagnate and the economy will stop developing, and the income of the two enterprises will be affected. Assume that the income of each enterprise is A; On the contrary, if both enterprises innovate, a higher environment will reduce the production cost of the enterprise and improve its earnings, assuming that the earnings of each enterprise are B; In addition, if one enterprise does not innovate and the other innovates in the environment, the income of the innovative enterprise will be greater than that of the non-innovative enterprise. It is assumed that the income of the non-innovative enterprise is C and that of the innovative enterprise is D. We assume that $c < a < b < d$, then the matrix of the above game is as follows:

Table 2.1 - Game model innovation and marketing

		B	
		marketing	Innovation
A	marketing	a , a	c , d
	Innovation	d , c	b , b

Source: [19]

In this game, it is assumed that enterprises a and b fully understand each other's selection strategy, and the information is completely symmetrical. the

When enterprise a chooses innovation, enterprise b must choose innovation, because for enterprise b, if the choice of innovation. If we choose not to innovate, we get c, and $c < b$; Conversely, if a chooses. If enterprise b chooses not to innovate, then enterprise b must also choose to innovate, because if enterprise b chooses not to innovate, its income is a.

The benefit of innovation is d . At this point, for b , the benefit of innovation strategy is greater than that of choice Returns of non-innovative strategies, $a < d$. (b, b) is a Nash equilibrium.

In the following repeated game model with complete information, we assume that there is no interference from other countries and markets. In the face of Huawei's development and competition in the European and American markets, the United States has two choices: hostile blocking actions and friendly policy support. Huawei also has two strategies to respond, the hostile counter-attack strategy, such as no longer providing equipment and services to the United States, and the friendly concession strategy,

To provide products and services as required by the United States under U.S. sanctions. Since the HIGH- TECH industry of the United States has been at the leading level for a long time and controls the local market of the United States, the loss benefit of the hostile strategy of the United States is -3 , which is smaller than the loss benefit of the hostile strategy of Huawei is -4 . In this game, it is assumed that the enterprises of Party A and Party B fully understand each other's selection strategy and the information is completely symmetrical.

Game in the first round, the United States and Huawei are friendly policy choices, to achieve the benefit maximization, later in the game, the United States to change strategy, first choose a rival, Huawei profit loss less than $3, 1$, U.S. interests in the next step, Huawei to punish the United States, can choose the hostile policy, both for hostile policy at this time, but for the maximum profit, Ultimately Huawei will choose a friendly strategy even if the US is hostile. The subgame refined Nash equilibrium $(4,4)$ is obtained. The conclusion is that only friendly development and mutual benefit can maximize the benefits. Hostility and blockade will only hurt others and ourselves. However, at the current stage, The United States is hostile to Huawei. Huawei has to endure the American target and still try its best to expand the European and American markets and sell products.

Table 2.2- Game model hostile and friendly

	Huawei		
		hostile	friendly
America	hostile	-4 , -3	5 , 5
	friendly	-2 , -3	4 , 4

Source: [19]

Now, using the finite number of repetitions of the prisoner's dilemma game with unilateral incomplete information:

Assume that the US is rational, but Huawei has two possible types: (1) the "irrational" type (probability p) will only choose tit-for-tat strategy: in the first stage, choose cooperation; Starting with stage 2, choose your opponent's actions in the previous stage. (2) The "rational" type (probability $1-P$) can choose any strategy. If Huawei is rational, it will choose betrayal in the second and third stages, but it may also choose cooperation in the first stage because establishing an image of cooperation can exchange for the cooperation of the United States in the second stage: If p is greater than or equal to 0.25, and Huawei believes that "The United States will cooperate in the first stage, and the United States will cooperate in the second stage when Huawei cooperates in the first stage", then, when Huawei chooses to cooperate in the first stage, it can get benefits $3+4+0 = 7$. When Huawei chooses to betray in the first stage, it exposes its type, which leads to the United States must choose to betray in the second stage, and Huawei gets $4+0+0 = 4$. Huawei chose cooperation over betrayal in phase 1.

Table 2.3 - A Finite number of repetitions of the Prisoner's Dilemma game with unilateral Incomplete Information

		T1	T2	T3
Huawei	irrational (p)	cooperation	Y=cooperation	X=cooperation
	rational ($1-p$)	cooperation	betrayal	betrayal
America	rational	Y=cooperation	X=cooperation	betrayal

Source: [19]

America must choose betrayal in stage 3. In the second stage, if Huawei chooses to betray in the first stage, it can be concluded that Huawei is rational and the United States will choose to betray. In the second stage, it is observed that Huawei chose to cooperate in the first stage, but it is still impossible to judge whether Huawei is rational. Therefore, the United States can choose either cooperation or betrayal. In the first stage, the game has just started, and the US cannot base its choice on its observation of Huawei's behavior, so it can choose to cooperate or betray.

After eliminating bad strategies, the US has four options:

((the cooperative | $A1 = \text{cooperation}$, betrayal | $A1 = \text{betrayal}$), betrayal) expected return $8p + 2$ (cooperation, (betrayal | $A1 = \text{cooperation}$, betrayal | $A1 = \text{betrayal}$), betrayal) expected return $4p + 3$ (betrayal, betrayal | $A1 = \text{cooperation}$, betrayal | $A1 = \text{betrayal}$), betrayal) expected return $4p + 3$ $A1$ indicates the actions selected by Huawei in phase 1.

There is a clear trend of a long-term game between China and the United States over scientific and technological innovation and the development of high-tech industries. At present, the United States adopts "market compression under the coordination of technological restrictions" to continuously compress Huawei's market space through the coordination of various means. Force Huawei to enter a vicious circle of "shrinking market space -- decreasing enterprise income

-- decreasing R&D investment -- shrinking R&D team -- decreasing technological strength -- further shrinking market share -- and finally total collapse", so as to destroy Huawei's entire industry and its accumulated technological strength. To the greatest extent, the opponent's technological innovation and high-tech industry development. [4]

Second, the prerequisite for Huawei to break through the technology blockade is that Huawei can maintain its market base to support huge r&d investment. Independent innovation relies on R&D investment, and the increase of R&D investment promotes knowledge accumulation and the improvement of independent innovation level, thus promoting technological progress. R&d investment mainly

achieves the goal of technological progress through physical capital and human capital. [14] At present, Huawei's cash flow is decreasing, and r&d needs a large number of funds. Huawei should make use of its huge market influence as a leading enterprise, constantly radiate to the industrial chain and supply chain, promote, coordinate and integrate related technology research and development. It provides relevant enterprises with market application scenarios required for technological research and development, provides sufficient market orders to support r&d investment required for a technological breakthrough, and finally realizes effective coordination between the entire industrial system and supply system on technological breakthrough and industrial upgrading. Huawei can try to reduce its dependence on a certain country or enterprise, diversify its business risks and technology development risks, and consider carrying out trade cooperation with countries along the Belt and Road to expand overseas markets.

Third, Huawei should adhere to the rules explored in the past, make bold innovations, learn from the best, enrich the corporate culture, optimize the management mode, constantly metabolize, and adhere to the market-oriented development direction. Try to get rid of US sanctions as soon as possible and flourish.

Fourth, Huawei has not made a major breakthrough in chip technology at the present stage, so it should appropriately expand its product direction and fields. For example, Huawei has made progress in smart homes and smart cars, which can also become another sales business for Huawei besides the mobile phone business to increase its sales revenue.

Fifth, to improve enterprise compliance management as the element. The US technology export control system is strict and its extraterritorial effects are widespread. Once an enterprise violates the US export control system, it will be investigated for civil, administrative, or even criminal liability. In the worst cases, it will be subject to us technology blockade and international supply chain isolation, which will have a huge impact on the long-term development of the enterprise. Therefore, relevant agencies should strengthen export compliance management in daily operations. On the one hand, enterprises should learn from the experience of

their American partners, establish a sound internal control system, strengthen the "negative list" screening of their overseas trading partners and products, and especially do a good job in the background investigation of their first-time trading partners. On the other hand, we will strengthen the construction of compliance and legal forces and do a good job in crisis planning. At the same time, enterprises should broaden the supply channels of high-tech products and parts, and do a good job of emergency supply chain reserve in advance [15].

2.3 Best practices and outcomes from Huawei's system of goal management

Huawei's innovative approach to goal management has not only set a benchmark for contemporary organizations but has also yielded tangible outcomes that underscore the efficacy of its practices. Central to Huawei's success is its meticulous adherence to best practices that align seamlessly with theoretical foundations and real-world applications. This section delves into these best practices and the outcomes they have produced, illuminating how Huawei's goal management system fosters a dynamic and high-performing organizational culture.

Participatory Goal-Setting: Enhancing Engagement and Ownership

A cornerstone of Huawei's goal management system is its participatory approach to goal-setting. This strategy involves active engagement from all stakeholders, including employees at all levels, in the formulation of goals. By involving employees in the process, Huawei ensures that goals are realistic, achievable, and closely aligned with individual and team capabilities. This not only enhances the achievability of goals but also instills a sense of ownership and commitment among employees. The participatory approach significantly increases motivation and engagement, as employees feel valued and empowered to contribute to their organization's objectives.

Cascading Goals: From Strategy to Action

Huawei's system of cascading goals exemplifies the effective translation of strategic objectives into actionable steps. Strategic goals are broken down into specific, measurable targets that are then assigned to various levels within the organization. This hierarchical goal structure ensures that every individual understands how their role contributes to the company's broader objectives. The process of cascading goals fosters a cohesive organizational culture, where every action is directed towards a shared vision, thereby enhancing efficiency and effectiveness.

Continuous Learning and Adaptation: Cultivating a Culture of Improvement

Huawei's commitment to continuous learning and adaptation is a critical component of its goal management system. The company encourages a culture of feedback and improvement, regularly reviewing and refining its goal management processes. By fostering an environment where adaptability is a core value, Huawei is able to respond swiftly to changes in the market and technological advancements. This culture of continuous improvement ensures that the company's goals remain relevant and achievable, even in a rapidly evolving landscape.

Leadership Involvement: Setting the Tone for Success

Effective leadership plays a pivotal role in Huawei's goal management system. Leaders are not only involved in the goal-setting process but also provide ongoing support, guidance, and mentorship to their teams. By demonstrating a commitment to goals and aligning them with both individual career aspirations and organizational objectives, leaders set a positive tone that permeates the entire organization. This involvement from the top down fosters a high-performance culture where goals are not only set but actively pursued and achieved.

Technology Integration: Leveraging Digital Tools for Enhanced Effectiveness

Huawei's innovative use of technology in goal management is a testament to its modern approach. Digital tools and platforms are integrated into the company's goal management system, enabling real-time monitoring, tracking, and evaluation of goals. This technology-driven approach not only streamlines the process but also ensures transparency, allowing for instant adjustments in response to changing

circumstances. The use of technology in goal management underscores Huawei's commitment to efficiency and adaptability.

The outcomes of Huawei's innovative goal management system are evident in its sustained growth, increased operational efficiency, and high employee engagement. By adhering to best practices and continuously refining its methodologies, Huawei has created a system that bridges the gap between theory and practice, demonstrating the power of goals in driving performance and innovation. This success serves as a model for organizations seeking to optimize their own goal management practices, offering a roadmap to unparalleled success in the dynamic and competitive business environment. Through a combination of theoretical rigor and practical innovation, Huawei's goal management system stands as a shining example of how well-designed goals can propel an organization toward its strategic objectives.

Huawei hopes that this approach can be followed internationally to facilitate coordination of efforts regarding principles of privacy, data protection, and cyber security. Given the global nature of the ICT supply chain, it is very important for vendors, service providers, and corporations to have consistent standards and approaches as they conduct business across multiple continents and various countries.

General risk

Based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework and in line with our organizational structure and operating model, Huawei designed and implemented an enterprise risk management (ERM) system with a corresponding ERM policy.

Huawei also established the ERM Department and an operational mechanism. The company ensures the continuity of our business operations by taking risks into account when making strategic decisions and planning, while also preemptively controlling risks in our business plans and execution.

Strategic Risks

Intense competition: The markets Huawei operates in are intensely competitive in terms of price, functionality, and service quality as well as the timing of new

product and service development. In certain geographical markets, our main competitors may offer more attractive prices, products, services, or other incentives. The rapid development of science and technology, and changes in alternative technologies or industry standards, will lead to shorter product lifecycles and may also increase the number of entrants into the markets in which we operate.

In this market context, the ability to fully understand and satisfy customer needs is a prerequisite as technologies change rapidly and competition intensifies. To stay competitive and protect our operating results, we must constantly introduce new products and functionalities into the market while reducing the cost of new and existing products.

External Risks

- **Economic environment:** The global economic downturn could cause telecom carriers to postpone investments or initiate other cost-cutting measures to improve their financial position. These factors could result in reduced demand for network infrastructure and services, which would in turn affect Huawei's operating results.

- **Country-specific risks:** Huawei conducts business in more than 140 countries. Operating in these countries involves certain risks, such as civil unrest, economic and political instability, trade protection, imposition of exchange controls, nationalization of private assets, and debts. All these risks require Huawei to have a high aptitude for risk management. In addition, there may be uncertainties in the legal environment in certain regions. Although we strive to comply with all such laws and regulations, unintentional violations could have material adverse effects on our business.

- **Natural disasters:** Earthquakes, floods, and other natural disasters may slow down or even prevent delivery and impact the company's supply chain operations.

Operational Risks

- **Business continuity:** Although Huawei strives to avoid single-source supplier solutions, it is not always possible. To find an alternative supplier or to re-

design products may take significant time. As such, supply and delivery of our products to our customers could be disrupted if any of our single-source suppliers were to meet with difficulties. To mitigate this risk, we periodically evaluate and conduct audits on our suppliers, and initiate product replacements or redesign to reduce the risk of obsolescence.

- Rising labor costs: Increasing labor costs in China may offset the company's efforts to reduce our product cost and ultimately affect our profitability.
- Information security: While Huawei has judiciously adopted information security measures to protect our intellectual property rights, they may not be adequate to prevent infringement or improper use of our information, patents, or licensing. Misappropriations of this nature will cause losses to Huawei even though we may be protected to some extent by intellectual property law.

Financial Risks

Include liquidity risk, currency risk, interest rate risk, credit risk, sales financing, etc.

Huawei further improved its financial risk management policies and processes to enhance the company's ability to withstand financial risks and better strategize to achieve business development goals.

2) Cybersecurity risk

As a global leading provider of information and communications solutions, we are engaged in providing information network products and service to society. The global network needs to be stable at all times. It is our primary social responsibility to support the assurance of a stable and secure network for customers, including in times of natural disasters such as earthquake and tsunami, and other emergencies like war. We understand the sensitivity of the ICT industry and the vulnerability of advanced technology. The end-to-end cyber security assurance system has been established and implemented in terms of policy, organization, process, management, technology and specifications. Huawei started its cyber security journey in 1999 when it published its first set of security technical regulations to enhance the security of products and solutions. In 2011, our founder and CEO, Ren Zhengfei, fully

endorsed the strategy and issued the following Cyber Security Assurance policy that further reinforced and enhanced our commitment:

“As a global leading telecom solutions provider, Huawei is fully aware of the importance of cyber security and understands the concerns of various governments and customers about security. With the constant evolution and development of the telecom industry and information technology, security threats and challenges are increasing, which intensify our concerns about cyber security. Huawei will therefore pay a great deal more attention to this issue and has long been dedicated to adopting feasible and effective measures to improve the security of its products and services, thus helping customers to reduce and avoid security risks and building trust and confidence in Huawei’s business. Huawei believes that the establishment of an open, transparent and visible security assurance framework will be conducive to the sound and sustainable development of industry chains and technological innovation; it will also facilitate smooth and secure communications among people.

In light of the foregoing, Huawei hereby undertakes that as a crucial company strategy, based on compliance with the applicable laws, regulations, standards of relevant countries and regions, and by reference to the industry best practice, it has established and will constantly optimize an end-to-end cyber security assurance system. Such a system will incorporate aspects from corporate policies, organizational structure, business processes, technology and standard practice. Huawei has been actively tackling the challenges of cyber security through partnerships with governments, customers, and partners in an open and transparent manner. In addition, Huawei guarantees that its commitment to cyber security will never be outweighed by the consideration of commercial interests.

From an organizational perspective, the Global Cyber Security Committee (GCSC), as the top-level cyber security management body of Huawei, is responsible for ratifying the strategy of cyber security assurance. The Global Cyber Security Officer (GCSO) is a significantly important member of GCSC, in charge of developing this strategy and managing and supervising its implementation. The system will be adopted globally by all departments within Huawei to ensure

consistency of implementation. The GCSO shall also endeavour to facilitate effective communication between Huawei and all stakeholders, including governments, customers, partners and employees. The GCSO reports directly to the CEO of Huawei.

In terms of business processes, security assurance shall be integrated into all business processes relating to R&D, the supply chain, sales and marketing, delivery, and technical services. Such integration, as the fundamental requirement of the quality management system, will be implemented under the guidance of management regulations and technical specifications. In addition, Huawei will reinforce the implementation of the cyber security assurance system by conducting internal auditing and receiving external certification and auditing from security authorities or independent third-party agencies. Furthermore, Huawei has already been certified to BS7799-2/ISO27001 accreditation since 2004.

In connection with personnel management, our employees, partners and consultants are required to comply with cyber security policies and requirements made by Huawei and receive appropriate training so that the concept of security is deeply rooted throughout Huawei. To promote cyber security, Huawei will reward employees who take an active part in cyber security assurance and will take appropriate action against those who violate cyber assurance policies. Employees may also incur personal legal liability for violation of relevant laws and regulations.

Taking on an open, transparent and sincere attitude, Huawei is willing to work with all governments, customers and partners through various channels to jointly cope with cyber security threats and challenges from cyber security. Huawei will set up regional security certification centers if necessary. These certification centers will be made highly transparent to local governments and customers, and Huawei will allow its products to be inspected by people authorized by local governments to ensure the security of Huawei's products and delivery service. Meanwhile, Huawei has been proactively involved in the telecom cyber security standardization activities led by ITU-T, 3GPP, and IETF etc., and has joined security organizations such as

FIRST and partnered with mainstream security companies to ensure the cyber security of its customers and promote the healthy development of industries.”

From an organizational perspective, the Global Cyber Security Committee (GCSC), as the top-level cyber security management body of Huawei, is responsible for ratifying the strategy of cyber security assurance. The Global Cyber Security Officer (GCSO) is a significantly important member of GCSC, in charge of developing this strategy and managing and supervising its implementation. The system will be adopted globally by all departments within Huawei to ensure consistency of implementation. The GCSO shall also endeavour to facilitate effective communication between Huawei and all stakeholders, including governments, customers, partners and employees. The GCSO reports directly to the CEO of Huawei.

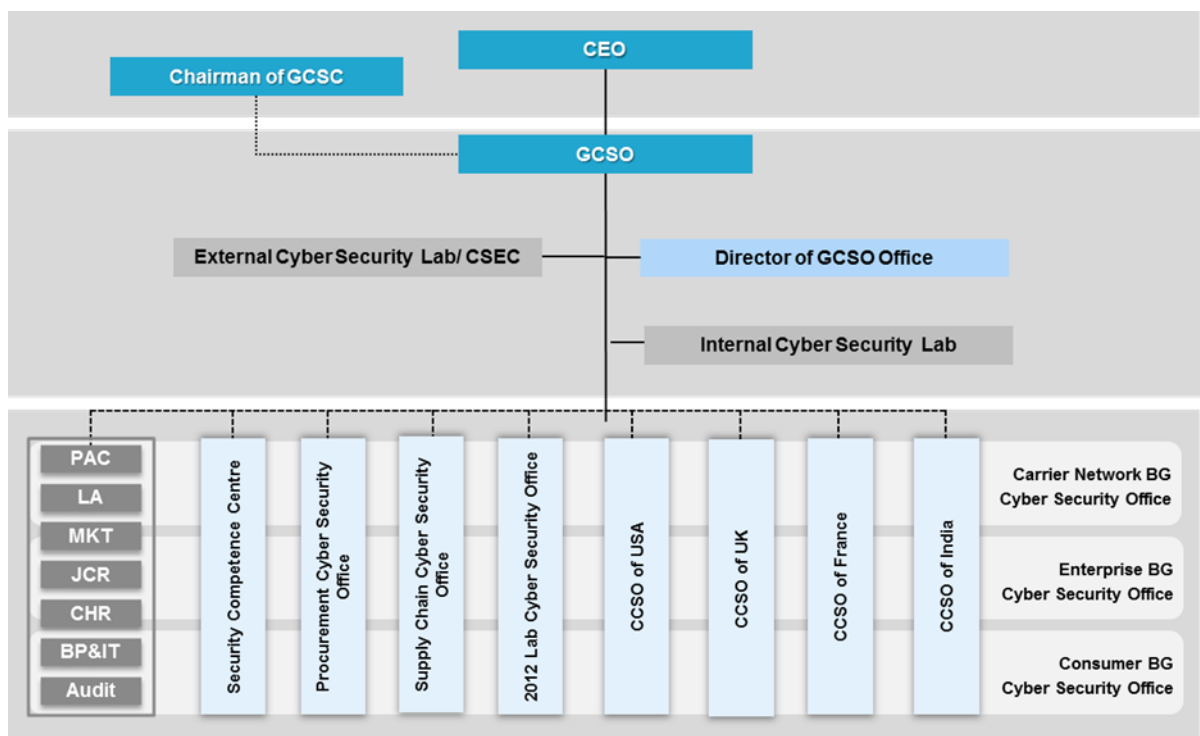


Figure 2.4 - The Global Cyber Security Officer (GCSO) of Huawei

Source: [19]

GCSO: Leading the team to develop the security strategy, establishing the cyber security assurance system internally, supporting GR/PR and supporting global accounts customers externally.

GCSO Office: coordinating related departments to formulate detailed operational rules and actions to support the strategy and its implementation, promoting the application, auditing and tracking of the implementation. The company focal point to identify and resolve cyber security issues

Regional/ Department Security Officers: Accountable for working with GCSO to identify changes to departmental/ business unit processes so that the cyber security strategy and its requirements are fully imbedded in their areas. They are also experts in their own right and contribute to the development and enhancement of the strategy.

CHAPTER 3

IMPROVING THE EFFECTIVENESS OF HUAWEI'S GOAL MANAGEMENT

3.1 Improving of organisational structure for the effectiveness of Huawei's goal management

In the quest for organizational excellence, the formulation of effective strategies for goal setting becomes a pivotal endeavor. This section will explore the methodologies that underpin the creation of strategic goals, emphasizing the principles that guide their successful implementation within complex enterprises such as HUAWEI. Drawing from contemporary theories and practices, we will delve into the intricacies of goal alignment, prioritization, and the incorporation of feedback mechanisms, all of which are essential for achieving organizational objectives [21, p. 54].

Goal Alignment: The Cornerstone of Strategy

Goal alignment entails ensuring that every goal, from the highest strategic objectives to the most granular tasks, is in harmony with the overall vision and mission of the organization. This alignment is critical for maintaining a cohesive direction and preventing internal conflicts that can arise from misaligned objectives. By employing a cascading goal-setting approach, organizations can ensure that all levels of the hierarchy are working towards a common purpose. This strategy not only enhances efficiency but also fosters a sense of unity and shared purpose among employees.

Prioritization: The Art of Choosing Wisely

In the complex web of organizational goals, prioritization emerges as a critical skill. Not all goals are created equal, and the art of prioritization involves discerning which objectives deserve the most attention and resources.

Assessing the feasibility of strategic goals is a critical phase in the goal-setting process. This assessment ensures that the goals are not only ambitious but also achievable within the constraints of resources, time, and market dynamics. In this section, we will explore the multifaceted approach to evaluating goal feasibility, drawing upon HUAWEI's expertise and integrating contemporary evaluation techniques [22, p. 7].

At the heart of any feasibility assessment lies a meticulous resource analysis. This involves a comprehensive review of the organization's internal capabilities, including financial resources, human capital, technological infrastructure, and market positioning. HUAWEI excels in this area by conducting regular audits of its capabilities to ensure that resources are allocated efficiently and that goals are attainable with the available means.

External factors also play a significant role in the feasibility of strategic goals. Market analysis, which includes understanding customer demands, competitive landscapes, and regulatory environments, is essential for setting realistic goals. HUAWEI leverages data analytics to forecast market trends and assess the potential impact on its strategic objectives. This proactive approach allows the company to adjust its goals in response to external changes, ensuring they remain feasible and relevant.

First, Huawei emphasizes innovations from the perspective of ideas and goals all the time, which means innovations are roots or cores of Huawei's survival and development. Corresponding ideas are shown in Huawei's mission and vision. In 2017, a new mission and vision that states result of technological innovations should be beneficial to every person, every family, every organization and even the whole world is proposed. In 2018, the goal stated by its CEO highlights that Huawei should lead innovations to satisfy requirements of clients including persistent R&D inputs, 5G innovation and advanced commercialization and so on. In 2019, Huawei analyzes the whole industry would be accelerated by big data and AI so creation would become more and more important. Hence, ideas of innovation 1.0 involving technological innovations and innovations 2.0 based on the hypothesis of the vision

of future intelligent society are proposed during different eras. In 2020, Huawei reiterates their continuous fund support for the R&D to level up the innovation. Meanwhile, using the technological innovation to push the digital economic development is necessary for the future progress of Huawei. In 2021, Huawei states the systematic innovation is essential for the development of the firm to enhance its competitiveness, and persistent innovations are mentioned in the annual report in 2022 as well. Therefore, it is apparently known that the innovation is a concept being deeply rooted in the mind of the whole company in Huawei.

Second, from the perspective of the technological innovation, Huawei always actively invents or optimizes various advanced technologies and gains the breakthrough of the bottleneck of technologies. Huawei struggles with the transformation from leading technologies to better and more competitive product solutions, aiming at commercial success of customers. For example, in 2017, in the wireless field, Huawei proposes 5G end-to-end solutions and then in 2018 the first full range of 5G end-to-end commercial products and solutions according to the 3GPP standard in the industry have been released, which is based on self-developed chip and antenna technology, with the best 5G series product specifications and performance, taking the lead in completing various tests such as IMT-2020 (5G) and comprehensively leading the way.

Besides, digitalization and intelligent products to connect basically everything and make consumers convenient are also developing. For instance, in 2018, the innovative "Da Vinci" architecture effectively pushes the two-dimensional vector operation of AI computing units into three-dimensional tensor operation to satisfy applications and functions of intelligent earphones, smartphones, intelligent city and so forth. Another example is ARM compatible processor Kunpeng 920, HarmonyOS, the strongest computing power AI chip Ascend 910, and the full scenario AI computing framework MindSpore have been published in 2019. Besides, in 2020, One Stop AI Development Platform ModelArts3.0 has been released to improve the intelligent products. Moreover, in 2021 Huawei Cloud Pangu Series Pre-Training Large Model has been released, and in 2022, Tiancho AI Solver has been published.

Moreover, Huawei decides to research and explore future technological innovation on the extended online platform on the one hand, and on the other hand, layout sudden technological innovation around the entire process of information generation, storage, calculation, transmission, presentation, and consumption. Hence, it collaborates with researchers, students in universities and other experts in the society to prompt the innovation in the view of knowledge. In 2020, top ten mathematical challenges in the ICT field have been released by Huawei to the world, craving for theoretical research breakthroughs, so that world-class difficulties like higher performance, less resource consumption, DNN interpretability, and large-scale network optimization could be mutually and collaboratively solved. What's more, the company has proposed exceeding 300 postdoctoral research topics. Furthermore, in 2021, 6G has been considered and in 2022 the concept of 5.5G is being defined.

Third, organizational structures are innovative as well, which are frequently changed to suit the uncertain environment. During the whole history of Huawei, there are 18 sorts of organizational structures in each important time concretely, which indicates the structures tend to be more complicated, more intelligent and more flexible. Six main organizational structures are illustrated below. First, the simple structure was used in 1987 because at that moment, the company was directly led by the creator of Huawei named Ren Zhengfei who possessed the centralized authority, and employees could only directly report to him. The Figure 3.1 illustrates the simple structure.

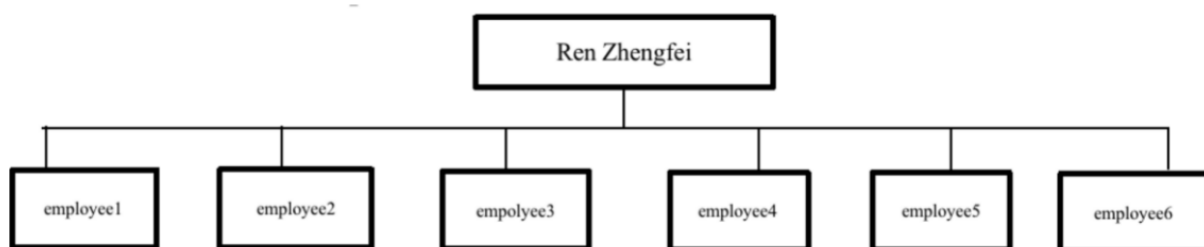


Figure 3.1 - The simple structure

Source: [23]

Later, the simple structure was replaced by the functional structure. Groups

with akin skills were gathered together in a special department. Departments based on different functions were established to work on specific tasks and each department might have corresponding sub-departments being professional to some parts of the certain function. The Figure 3.2 demonstrates the functional structure.

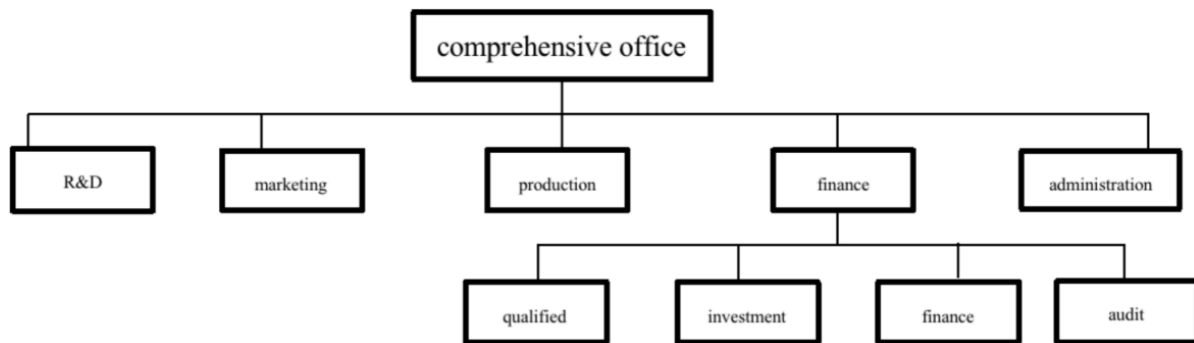


Figure 3.2 - The functional structure.

Source: [23]

Then, divisional structure was introduced. Simultaneously, different areas all had the business of Huawei so various business units should collaborate with each area thereby the two-dimensional matrix organizational structure was formulated. This structure made Huawei tend to be formal. The Figure 3.3 shows the two-dimensional matrix organizational structure

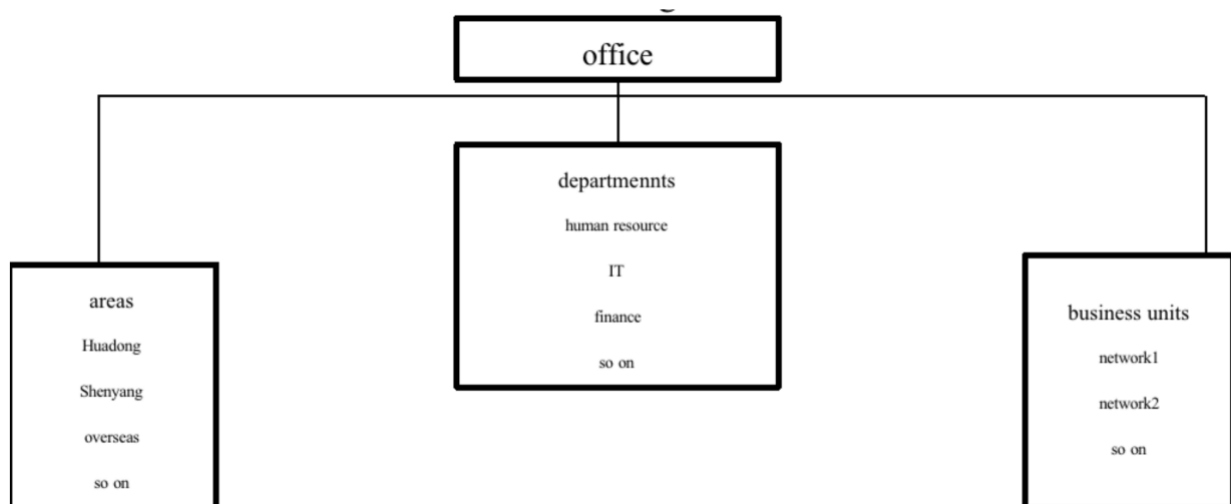


Figure 3.3 -The two-dimensional matrix organizational structure

Source: [23]

Consequently, Huawei used matrix structure and “frontline iron triangle” structure. In the matrix structure, board of shareholders charged board of directors and board of supervisors. Meanwhile, operators, enterprises and consumers are three main businesses that should be managed by various boards of shareholders separately. The Figure 3.4 illustrates the matrix structure.

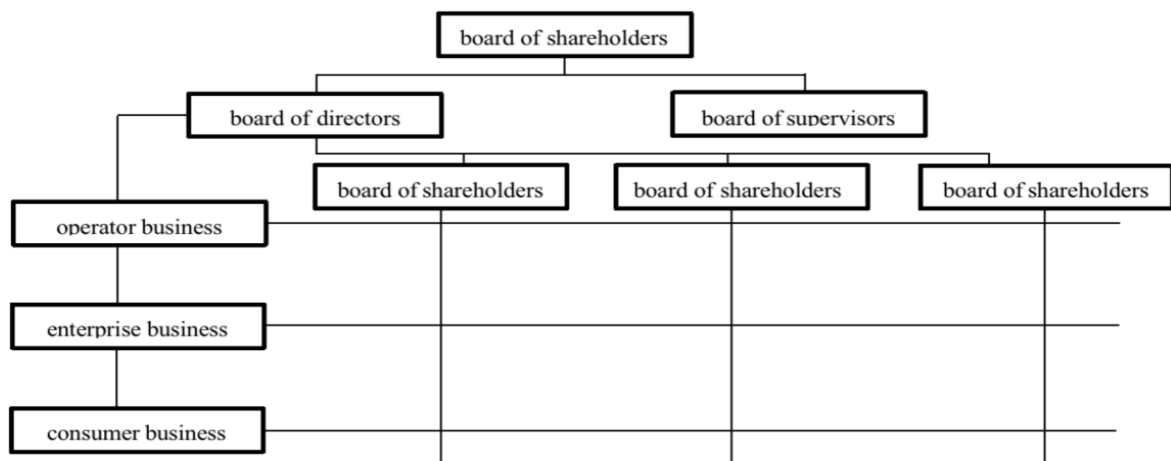


Figure 3.4 - The matrix structure

Source: [23]

So called “frontline iron triangle” structure means customer managers, solution specialists and delivery specialists form an iron triangle to mutually face consumers. The Figure 3.5 demonstrates the “frontline iron triangle” structure.

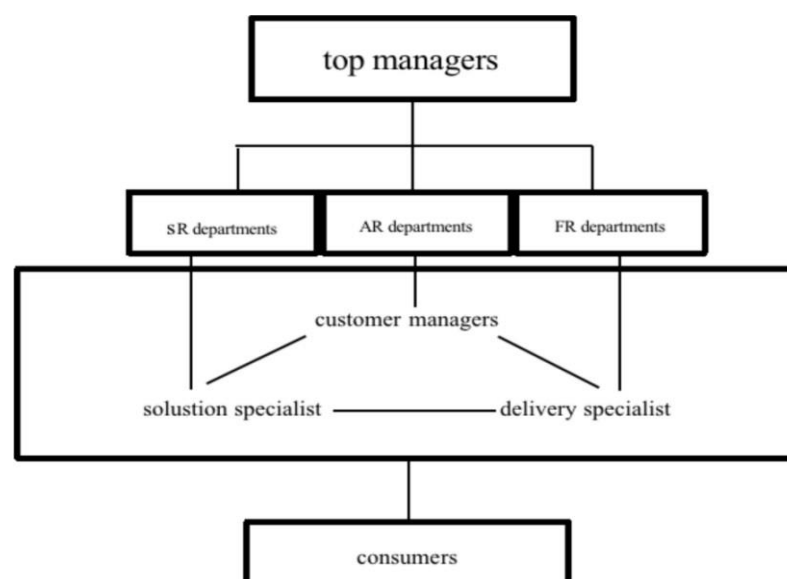


Figure 3.5 - The “frontline iron triangle” structure

Source: [23]

Finally, Huawei adopts the platform-based structure. In this structure, the functional platform entailing strategy marketing, Huawei university and so on, the ICT business organization including Cloud&AI production and service and so on as well as the consumer BG with area organization form three main parts. The Figure 3.6 shows the platform-based structure.

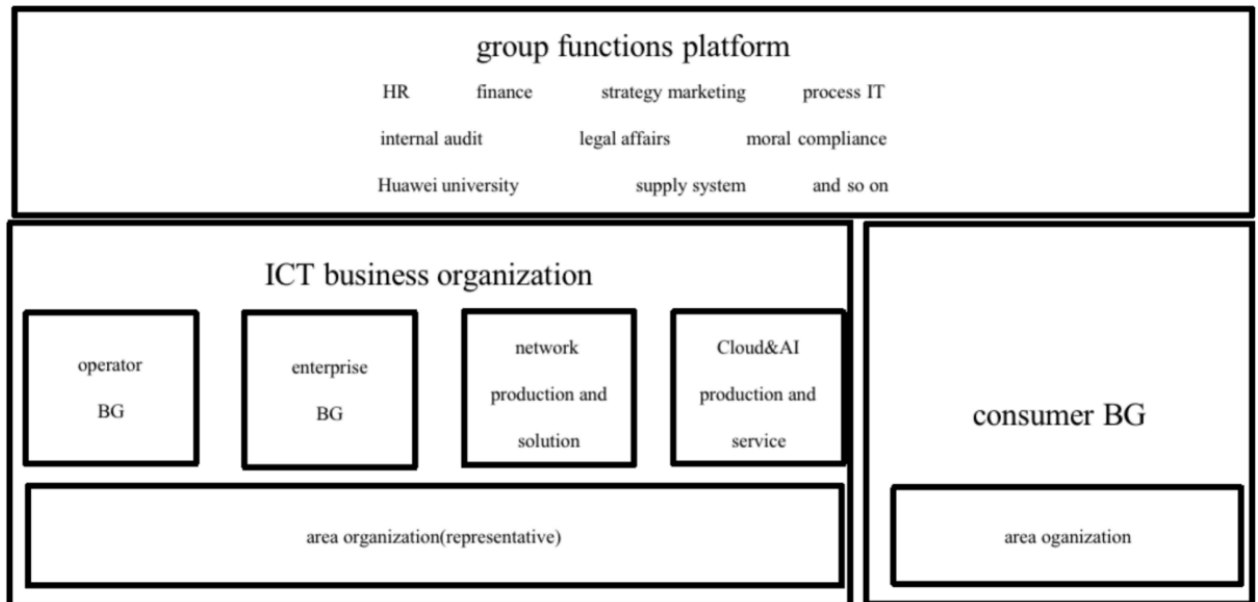


Figure 3.6 -Group functions platform

Source: [23]

The first reason why Huawei innovates and adjusts its organizational structures is according to the contingent theory meaning the structure should be adjusted based on the environment, otherwise the negative impacts of environment changes on the business may hinder the development of the company. Initially, there were only six workers in the company. Hence, they could just deliver reports to their boss Ren.

However, the internal environment changed. As the development of Huawei, both employees and businesses became more so the simple structure became inefficient, therefore the functional structure was adopted. Gradually, both internal and external environments changed. Numerous workers and more complicated businesses in different areas are determinants to require a structure to solve barriers of communications among different departments with different functions and various allocations of resources to different functional departments that would hamper the

achievements of the goal and the development of the whole company. Hence, the matrix structure was used. This structure is dynamic so it is flexible to deal with problems. The external crisis threatens Huawei so from 2012 on, it changes the organizational structure every year. Such adjustments also help Huawei achieve the agility to solve problems. Moreover, the big data era arrives with advanced technology to attack traditional organizational structures because myriad data can't be only solved by human beings without the assistance of AI. Thus, platform-based structure is employed where Cloud&AI production and service is an important factor.

The second reason is based on the process reengineering theory. Huawei focuses on customers and processes when it runs the business. In order to fit the bigger size and more complex businesses of the company, new process and corresponding structure should be designed. So in 1998, Huawei invited IBM to remold the process of ISC, IPD and CRM. Correspondingly, the structure became the two - dimensional matrix. Besides, after 2004, Huawei reformed its process to increase the speed of decision and make the main process more mature. In other words, decentralization is necessary to ensure that the process could be conducted efficiently. Frontline must have sufficient rights to determine fast so that customers could get resources in time and rivals couldn't get the opportunity. Therefore, "frontline iron triangle" structure was established

Fourth, Huawei innovates its business model as well. During the whole history of Huawei, there are three kinds of business models that are respectively agency model, communication equipment provider model and multilateral market business model [13]. Huawei creates or adopts different business models to cater for its organizational strategies and goals. The transition from communication equipment manufacturers to ICT solution suppliers is to achieve new value propositions through technological innovation [13]. In other words, during this procedure of business model innovations, Huawei initially accumulates certain assets including some intangible assets like the knowledge and skills of technology production and development, thereby then new values to consumers could be realized by new services and products.

3.2 Developing a framework of quantitative and qualitative measures Huawei's

In evaluating the effectiveness of goal management within modern enterprises, a comprehensive approach that incorporates both quantitative and qualitative measures is indispensable. This section delves into the methodologies employed by organizations, including HUAWEI, to measure the outcomes of their goal management practices, offering a balanced perspective that captures the full spectrum of performance.

Quantitative Measures: The Objective Gauge

Quantitative measures form the backbone of goal management evaluation, providing objective indicators of progress and success. These metrics are typically numerical and can be easily quantified, making them ideal for measuring performance against predefined targets. At HUAWEI, quantitative measures are used extensively to assess the attainment of SMART goals and OKRs. Key performance indicators (KPIs) such as revenue growth, market share, customer satisfaction ratings, and employee productivity are monitored regularly. Data analytics plays a pivotal role in this process, allowing for the aggregation and analysis of large datasets to identify trends, patterns, and areas for improvement. The utilization of predictive analytics further enhances the value of quantitative measures by enabling foresight into future performance and potential challenges.

Qualitative Measures: The Nuanced Perspective

While quantitative measures offer clarity and precision, qualitative measures provide a deeper understanding of the context in which goals are pursued. These measures are often associated with subjective assessments that capture

In the dynamic realm of goal management, feedback loops serve as a pivotal mechanism for continuous improvement and strategic refinement. This section explores how organizations, with a focus on HUAWEI's practices, employ feedback loops to enhance goal management effectiveness, foster a culture of learning, and maintain competitiveness in an ever-evolving business landscape.

Feedback loops are iterative processes designed to collect, analyze, and act upon information regarding the performance and outcomes of goal management strategies. At HUAWEI, this mechanism is integrated into the fabric of its operations, promoting a continuous cycle of evaluation and adjustment. The company recognizes that feedback is not merely a post-performance review but an ongoing dialogue that informs decision-making and drives innovation [24, p. 485].

The Role of Feedback in Goal Management

Feedback in goal management serves multiple functions. It acts as a mirror, reflecting the organization's progress towards its objectives, highlighting both successes and areas for improvement. Moreover, it enables organizations to adjust their strategies in response to changing conditions, ensuring that goals remain relevant and achievable.

HUAWEI's approach to feedback loops is characterized by its inclusivity and transparency. Feedback is sought from a wide range of sources, including employees, customers, and external partners. This broad perspective ensures that the feedback collected is comprehensive, encompassing various viewpoints that

In the intricate orchestration of goal management, performance metrics and Key Performance Indicators (KPIs) serve as the conductors, guiding the direction and assessing the effectiveness of strategic initiatives. At HUAWEI, these quantitative measures are intricately woven into the fabric of goal management, offering a clear and measurable path toward achieving organizational objectives. This section explores the depth and breadth of HUAWEI's approach to utilizing performance metrics and KPIs in evaluating the success of its goal management practices.

The Architecture of KPIs and Performance Metrics

At the heart of HUAWEI's goal management system lies a well-structured architecture of KPIs and performance metrics. These are not merely a list of numbers but a strategic tool for aligning individual, team, and organizational performance with overarching goals. KPIs are specifically designed to reflect the strategic priorities of the company, translating broad objectives into tangible targets. Performance metrics, on the other hand, offer a granular view of operational effectiveness, providing

insights into the day-to-day activities that cumulatively lead to the achievement of strategic goals.

Dynamic Alignment with SMART Objectives

HUAWEI's approach to performance metrics and KPIs is deeply rooted in the SMART (Specific, Measurable,

In the realm of goal management, the interplay between employee satisfaction and goal attainment is a crucial metric for assessing the effectiveness of an organization's strategies. HUAWEI, as a leading case study in this domain, has cultivated a work environment where employee well-being and professional growth are harmoniously aligned with corporate objectives. This section explores how HUAWEI measures employee satisfaction as a critical component of its goal management effectiveness, providing insights into how Chinese enterprises can emulate this approach to enhance their management practices [25, p. 110].

Employee satisfaction is not merely an abstract concept; it is a tangible force that drives productivity, innovation, and loyalty within an organization. HUAWEI understands this deeply and has implemented comprehensive systems to monitor and improve employee satisfaction. The company's approach is multifaceted, encompassing regular surveys, focus groups, and individual feedback sessions to gauge employee sentiments and identify areas for improvement.

One innovative technique that HUAWEI employs is the Employee Net Promoter Score (eNPS), a metric borrowed from customer satisfaction analysis. The eNPS measures how likely employees are to recommend HUAWEI as a great place to work, serving as a proxy for overall satisfaction and engagement. By tracking eNPS trends over time, the company can pinpoint changes in employee sentiment and

In the intricate tapestry of goal management, market performance stands as a pivotal indicator of strategic goal alignment. HUAWEI, amidst the competitive landscape of technology and global markets, meticulously aligns its strategic goals with market dynamics, ensuring that every endeavor contributes to its overarching vision. This section examines the intricate relationship between HUAWEI's market performance and the alignment of its strategic goals, offering insights into how the

company navigates the complexities of the modern business environment.

Market performance, encapsulated in indicators such as revenue growth, market share, and customer satisfaction, serves as a direct reflection of an organization's ability to meet and exceed market demands. HUAWEI's strategic goal alignment is evident in its consistent market dominance, as the company's goals are intricately woven with the evolving needs of its customers and the technological advancements of the industry.

At the core of HUAWEI's strategic planning is a robust market analysis framework, which includes comprehensive competitor analysis, customer behavior studies, and technological trend forecasting. This framework enables the company to set strategic goals that are not only ambitious but also feasible, ensuring that each goal is grounded in market realities. By continuously monitoring and adapting to market changes, HUAWEI ensures that its strategic goals remain relevant and aligned with the ever

The effectiveness of HUAWEI's goal management strategies is not confined to the telecommunications sector; instead, it offers valuable insights and adaptable frameworks for a diverse array of industries. This section explores the potential for adapting HUAWEI's approach to goal management in various sectors, highlighting the universal principles that can be applied across different organizational contexts.

The Versatility of HUAWEI's Goal Management Framework

HUAWEI's goal management framework is designed to be adaptable and scalable, making it applicable to a wide range of industries. Central to this framework is a focus on strategic alignment, continuous improvement, and employee engagement, which are universally relevant across sectors. By customizing the core components of HUAWEI's approach—such as SMART goals, OKRs, and feedback mechanisms—to suit the specific demands and dynamics of different industries, organizations can enhance the effectiveness of their own goal management systems.

Case Study: Adaptation in the Healthcare Industry

The healthcare industry, with its unique challenges and regulatory environments, can benefit significantly from HUAWEI's goal management strategies.

For instance, setting SMART goals can help healthcare providers in clearly defining objectives related to patient care, operational efficiency, and medical research [26, p. 1502]/

In the continuous exploration of goal management effectiveness, drawing from diverse case studies and best practices is essential for fostering a culture of learning and innovation. HUAWEI, as a frontrunner in goal management, offers invaluable insights that transcend industry boundaries, enabling organizations to refine their strategies and enhance performance. This section delves into the lessons learned from HUAWEI's practices, focusing on key takeaways and best practices that can be applied by enterprises seeking to optimize their goal management systems.

Key Takeaways from HUAWEI

One of the most significant lessons from HUAWEI is the importance of aligning goals with organizational vision and mission. This alignment ensures that every goal serves a higher purpose, contributing to the overall success and strategic direction of the company. HUAWEI's approach to goal setting not only reinforces the company's core values but also promotes a shared sense of purpose among employees.

Another crucial takeaway is the role of continuous feedback in goal management. HUAWEI's robust feedback mechanisms facilitate an ongoing dialogue on performance, allowing for real-time adjustments and improvements. This practice not only enhances goal attainment but also fosters a culture of transparency and accountability within the organization [27].

In the pursuit of effective goal management, organizations often encounter challenges that can impede progress and success. This section examines common obstacles faced in goal management and explores practical solutions inspired by HUAWEI's strategies, as well as lessons from other enterprises. By addressing these challenges head-on, organizations can enhance their goal management effectiveness and achieve sustainable growth.

Challenges in Goal Management

One significant challenge in goal management is overcoming resistance to

change. Employees may be hesitant to adopt new goal-setting frameworks if they perceive them as disruptive to existing routines. This resistance can stem from a lack of understanding about the benefits of new approaches or fears about the implications for job security and performance expectations.

Lack of Clarity and Alignment

Unclear or misaligned goals can lead to confusion and inefficiency. If goals are not clearly communicated or do not align with individual, team, and organizational objectives, they may fail to motivate and guide employees effectively. This misalignment can result in wasted resources, reduced productivity, and a disengaged workforce.

Inadequate Feedback Mechanisms

Without robust feedback systems, organizations may struggle to monitor progress accurately, identify areas for improvement, and make necessary adjustments. The absence of regular, constructive feedback can hinder the

In the realm of future directions for goal management, the integration of innovative technologies stands as a transformative force, enhancing the precision, efficiency, and adaptability of goal tracking systems. This section explores how emerging technological advancements can revolutionize the way organizations, including HUAWEI, monitor and manage their objectives, leading to higher achievement rates and more agile organizational responses to dynamic market conditions.

The Rise of Digital Platforms for Goal Management

Digital platforms are becoming indispensable tools for goal tracking. These platforms offer a centralized hub for setting, monitoring, and adjusting goals in real-time. HUAWEI, for instance, has adopted sophisticated software solutions that integrate with other management systems, providing a seamless experience for both managers and employees. Such platforms facilitate the alignment of individual and team goals with broader organizational strategies, ensuring that every action contributes to the company's vision [28].

Artificial Intelligence (AI) in Performance Analytics

Artificial Intelligence plays a pivotal role in enhancing goal management by automating data analysis and providing predictive insights. AI algorithms can sift through vast amounts of performance data to identify patterns and predict future performance trends. At HUAWEI, AI is used to forecast potential challenges in goal achievement, enabling proactive adjustments to strategies and resources. This predictive capability ensures that goals remain achievable and relevant/

3.3 Directions of adapting of Huawei's goal management to a changing global landscape

In the era of globalization and rapid technological advancement, adapting goal management strategies to accommodate a changing global landscape is paramount for maintaining competitiveness and relevance. This section delves into how HUAWEI and other enterprises can evolve their goal management approaches to address the complexities of a dynamic business environment, ensuring sustainable growth and strategic alignment with evolving market demands.

Globalization and Multinational Operations

As HUAWEI expands its footprint across continents, the company faces the challenge of managing goals in diverse cultural, regulatory, and economic contexts. To overcome this, HUAWEI has developed a culture of flexibility and adaptability. By incorporating local insights and expertise into its goal-setting processes, the company ensures that its objectives are not only ambitious but also culturally sensitive and legally compliant. This approach not only enhances goal achievement but also fosters a global mindset among employees, promoting cross-cultural understanding and collaboration.

Technological Disruption and Digital Transformation

Technological disruption is a double-edged sword for goal management. While it presents opportunities for innovation and efficiency, it also requires organizations to continuously update their strategies to remain relevant. HUAWEI, being a technology leader, is at the forefront of this transformation. The company has

integrated digital tools and platforms to support goal tracking and performance monitoring.

Notably, IPD is a structured process for developing new products. Huawei's IPD management system encompasses the MM, RM, and IPD processes (see Fig. 3.7), which seamlessly integrate business decisions, project management, and cross-departmental teams/

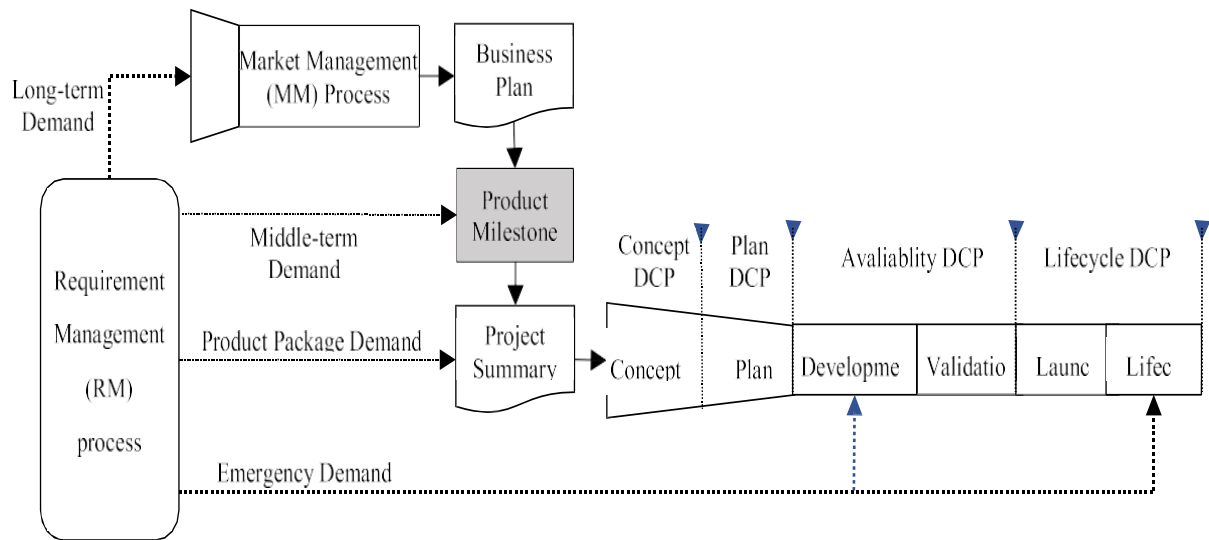


Figure 3.7 - Huawei IPD management system

Source: [28]

The goal of Huawei's investments in products is to pursue value maximization, profits, long-term core competitiveness, and the interests of customers and industrial chain ecological partners. After Huawei changed from a "fast follower and active competitor" to an industry leader, Xu Zhijun, rotating chairman of Huawei's board, believed that "management needs to gain a deep insight into industry trends to ensure that Huawei does not lose its direction on the road to industrial development". The core of market segmentation is finding valuable customers who can provide the right input for the IPD process. Ren Zhengfei believes that "Huawei has limited capabilities and can only focus on choosing valuable customers as strategic partners". Market management provides consistent methods and processes for analysis, and it encourages management to constantly adjust the product portfolio through lifecycle management while monitoring market performance [29, p. 534].

Requirement management module

The core of requirement management is finding a clear product development roadmap. Huawei has been enforcing the "customer- centered" concept for a long time, understanding consumers' needs under various scenarios and cases, and discovering customers' pain points in order to improve understanding of consumer demand. Ren Zhengfei believes that "consumers should be the end users, not just the market operators," and when demand shifts, Huawei should have sensitive insights. Through the collection, analysis, distribution, implementation, and verification of demand, Huawei implements the overall management of consumer demands from business opportunity to value realization. Demands are separately processed in three categories: long-term demand, mid-term demand, and product package demand, while emergency demand is handled through a plan change request (PCR) and added to the currently developing product or solution design to simultaneously fulfill both the mid-to long-term as well as the emergency demands of consumers.

IPD flow integration

The IPD process divides the NPD into six stages: concept, planning, development, validation, launch, and lifecycle management (see Fig. 3.7). There is a clear goal for each of the stages, and four decision checkpoints (DCPs) are defined in the process: concept DCP, planning DCP, availability DCP for the pre-launch period, and lifecycle termination DCP for the post-launch period. There are consistent measurement criteria for each DCP, and the product can only proceed to the next DCP after the prescribed work and quality requirements are met and completed. Moreover, technology review points (TR) are placed in the concept, planning, and development stages to ensure that the end-to-end management requirements are satisfied.

Structural reform

After the implementation of IPD, Huawei underwent a structural change from a pure R&D mode to a cross-departmental team collaborative development and joint responsibility mode. The cross-departmental team model is organized as a matrix. The team manager is appointed by the company and is responsible for the team results, and the members are selected from the functional departments, covering

development, testing, R&D, marketing, technical services, finance, supply, procurement, quality control, and other departments.

The Integrated Portfolio Management Team (IPMT) and the Investment Review Board (IRB) are the management teams. The IRB coordinates strategy and investment management across departments and divisions, while the IPMT is responsible for the basic unit of fundamental business and production and also coordinates the senior team across departments and manages the product portfolio. The PDT is responsible for the execution. They complete the project objectives in a timely, accurate, and high-quality manner under the constraint of limited investment resources.

Huawei performs end-to-end collaborative management of new products from development, testing, production, and marketing, and the cross-departmental team is responsible for the overall project success. The parallel engineering development mode enables manufacturing, procurement, and marketing preparation to be completed at the same time as product testing, thereby shortening the development time.

Effectiveness of Huawei's IPD practice

Under the guidance of IBM consultants, Huawei fully implemented IPD in 10 years. An objective evaluation needs to be conducted to determine whether the expected results have been achieved.

Medium-term economic gains from IPD

Table 3.1 - Compared with PRTM recommended targets and IBM's actual growth

Metric	PRTM's expected gains	IBM's gain (in 3 years)	Huawei's gain (in 5 year)
Decrease in Marketing Time	40 %»60 %	71 % for High-end products and	50 %
Decrease in R&D Waste	50 %»80 %	90 % for Middle-end products 76 %	95 %
Compounded Annual Growth Rate	—	80 %	77 %

Source: [29]

Huawei's IPD implementation focuses on the reliability, manufacturability, deliverability, and serviceability of products at the front- end management of NPD to improve the efficiency of manufacturing, supply, sales, delivery, and service (see Table 3.1).

After Huawei's official IPD implementation, followed by five years of practice, the average product R&D cycle was shortened from 84 weeks to 54.5 weeks; the product failure rate decreased from 17 % to 1.3 %, and the customer satisfaction rating increased from 79 % to 85 %. Sales revenue grew from US\$3.8 billion in 2003 to US\$22.3 billion in 2008, with an average annual growth rate of 77 %.

Long-term value of the IPD project

The value of the IPD project is far-reaching and multi-dimensional. Ren Zhengfei's view that "the essence of IPD is from opportunity to commercial realization" reveals the core role of IPD in the process of value creation.

First of all, the IPD project has actively explored an innovative management mode. Huawei has always regarded technology investment as a strategic move, striving to maintain a leading position in the field of technology. However, the core of business logic is to meet customer needs. Therefore, Huawei has built a virtuous circle mechanism between innovation management and business model. That is, to develop products based on customer needs, and to build a future architecture platform based on technology. The establishment of this model has built a bridge between innovation management and business value creation for enterprises.

Secondly, the IPD project updates the concept of product development. Huawei has changed from traditional technology orientation to customer demand orientation, and regards new product development as an investment behavior. The concept of "engineering businessman" proposed by Ren Zhengfei emphasizes the business literacy that engineers need to possess in the process of product development. He further pointed out that the invention of scientists can only be transformed into a commercially valuable product when the window of opportunity for the real generation of customer needs arises. This change of concept will help enterprises to

grasp market demand more accurately and improve the success rate of product development.

In addition, the IPD project has also enhanced the sustainable innovation management capability of enterprises. Under the guidance of IBM consultants, after more than ten years of understanding and digestion, Huawei has successfully integrated IPD into its own organizational system, and combined it with BLM (Business Leadership Model) to build an iterative closed-loop of innovation management and business value. This IPD paradigm of cross-departmental team model is especially suitable for the management of large and complex projects, and helps enterprises to achieve more efficient and systematic innovation management.

Finally, the IPD project has improved Huawei's ability to cope with uncertainty. Huawei has been able to maintain steady business growth in the face of continued sanctions and a series of challenges from the US government. Although the limited supply of chips has had a certain impact on some businesses in the short term, Huawei has successfully coped with the challenges brought by external uncertainties by adjusting its business structure and increasing R&D investment. This fully demonstrates the important role of IPD projects in enhancing the resilience and risk resistance of enterprises.

CONCLUSIONS

In the realm of goal management, the journey we have embarked upon through this paper has illuminated the intricate interplay between strategic goal setting, evaluation techniques, and performance optimization. HUAWEI's innovative approach has not only enriched our understanding of effective goal management but also highlighted the significance of tailored evaluation techniques in measuring the outcomes of these strategies within complex organizational frameworks.

The case studies presented have underscored the pivotal role of performance metrics and KPIs in gauging the success of goal management practices. Employee satisfaction, as a critical component, has been shown to directly influence goal attainment, while market performance serves as a tangible indicator of strategic alignment with evolving market demands. Comparative analysis with other enterprises has revealed the versatility of HUAWEI's goal management framework, emphasizing its adaptability across industries and the universal principles underlying successful goal management.

Drawing upon the lessons learned and best practices, this paper advocates for a continuous improvement mindset and the adaptive integration of emerging technologies to maintain competitiveness in an ever-changing business environment. The challenges of resistance to change, lack of clarity and alignment, and inadequate feedback mechanisms have been addressed, with practical solutions proposed to enhance goal management effectiveness.

In retrospect, the exploration of goal management and its application within the enterprise context has unveiled a multifaceted system that is essential for organizational success. This chapter synthesizes the findings and insights gleaned from the previous sections, underscoring the significance of goal management, the innovative methodologies employed by industry leaders like Huawei, and the transformative impact of aligning strategic objectives with operational activities.

The foundational principles of goal management, as illuminated in Chapter 1, have set the stage for understanding the critical role it plays in enhancing efficiency

and fostering sustainable growth. The theoretical underpinnings, practical implications, and the innovative approaches adopted by contemporary organizations have been brought to the forefront, showcasing the dynamic and evolving nature of goal management in the enterprise context.

Chapter 2 has delved into the definition and key components of goal management, highlighting its importance in businesses. It has been emphasized that goal management acts as a strategic compass, enhancing operational efficiency, facilitating continuous improvement, boosting employee motivation, and playing a pivotal role in risk management and strategic decision-making. The chapter has underscored the necessity of integrating effective goal management practices to optimize organizational performance, adaptability, and competitiveness.

In Chapter 3, the case study of Huawei's innovative goal management system has exemplified the seamless integration of theoretical knowledge with practical application. The company's approach, characterized by agility, adaptability, and a culture of continuous improvement, has been shown to significantly enhance organizational performance and innovation. Huawei's system of cascading goals, participatory goal-setting, continuous learning, leadership involvement, and the integration of technology have been highlighted as best practices that contribute to its remarkable achievements and sustained growth.

As we look ahead, the future perspectives of goal management are promising yet challenging. The dynamic business landscape necessitates that organizations remain agile and adaptable in their goal management strategies. The increasing reliance on technology and data analytics will play a critical role in the evolution of goal management systems, providing real-time insights, predictive analytics, and facilitating more responsive and adaptive goal-setting processes. Furthermore, the integration of artificial intelligence and machine learning is poised to revolutionize the monitoring and evaluation of goals, offering unparalleled efficiency and precision.

The role of leadership in goal management is expected to evolve, with an increased focus on fostering a culture of innovation, collaboration, and continuous

learning. Leaders will need to be adept at setting aspirational yet achievable goals, while simultaneously empowering employees to take ownership of their objectives. This will require a shift towards more participatory and inclusive goal-setting processes, where employees are actively engaged in defining their goals and are provided with the necessary resources and support to achieve them.

Moreover, the future of goal management is likely to see a greater emphasis on sustainability and ethical considerations. Organizations will need to align their goals with environmental and social objectives, ensuring that they contribute positively to society and the planet. This alignment will not only enhance corporate responsibility but also improve reputation and customer loyalty.

In conclusion, the exploration of goal management has revealed a system that is both complex and rewarding, offering organizations a powerful mechanism for driving performance and innovation. The case of Huawei has demonstrated that by embracing the principles of effective goal management and continuously refining methodologies, organizations can propel themselves towards unparalleled success. As we navigate the future, it is imperative for businesses to remain vigilant, adopting innovative practices and leveraging technology to optimize their goal management frameworks, ensuring that they are well-equipped to thrive in the ever-changing business environment.

REFERENCES

1. Weiyi Li. Research and Analysis on the Application of Strategic Performance Management in Enterprises. *Proceedings of Business and Economic Studie*. 2024. P. 86-91.
2. Ahmad, S., Mallick, D. N., & Schroeder, R. G. New product development: Impact of project characteristics and development practices on performance. *Journal of Product Innovation Management*. 2013. 30(2), 331–348.
3. Anthony, M. T., & McKay, J. From experience: Balancing the product development process: Achieving product and cycle-time excellence in high-technology industries. *Journal of Product Innovation Management*. 1992. 9(2), 140–147.
4. Baldwin, C., & Von Hippel, E. Modeling a paradigm shift: From producer innovation to user and open collaborative innovation. *Organization science*. 2011. 22(6), 1399–1417.
5. Beckman, S. L. To frame or reframe: Where might design thinking research go next? *California Management Review*. 2020. 62(2), 144–162.
6. Blank, S. Why the lean start-up changes everything. *Harvard business review*. 2013. 91(5), 63–72.
7. Bocken, N. M. P., Farracho, M., Bosworth, R., & Kemp, R. The front-end of ecoinnovation for eco-innovative small and medium sized companies. *Journal of Engineering and Technology Management*. 2014. 31, 43–57.
8. Boughzala, I., & De Vreede, G. J. Evaluating team collaboration quality: The development and field application of a collaboration maturity model. *Journal of Management Information Systems*. 2015. 32(3), 129–157.
9. Cankurtaran, P., Langerak, F., & Griffin, A. (2013). Consequences of new product development speed: A meta-analysis. *Journal of Product Innovation Management*. 2013. 30(3), 465–486.
10. Cooper, R. G. Accelerating innovation: Some lessons from the pandemic. *Journal of Product Innovation Management*. 2021. 38(2), 221–232.

11. Durmuso, glu, S. S., & Barczak, G. (2011). The use of information technology tools in new product development phases: Analysis of effects on new product innovativeness, quality, and market performance. *Industrial Marketing Management*. 2011. 40(2), 321–330.
12. Dyer, J. S., & Smith, J. E. Innovations in the science and practice of decision analysis: the role of management science. *Management Science*. 2021. 67(9), 5364–5378.
13. Ehrig, T., & Schmidt, J. Theory-based learning and experimentation: How strategists can systematically generate knowledge at the edge between the known and the unknown. *Strategic Management Journal*. 2022. doi:10.1002/smj.3381.
14. Floren, H., & Frishammar, J. From preliminary ideas to corroborated product definitions: Managing the front end of new product development. *California Management Review*. 2012. 54(4), 20–43.
15. Griffin, A., Langerak, F., & Eling, K. The evolution, status and research agenda for the future of research in NPD cycle time. *Journal of Product Innovation Management*. 2019. 36(2), 263–280.
16. Grimes, M. G. The pivot: How founders respond to feedback through idea and identity work. *Academy of Management Journal*. 2018. 61(5), 1692–1717.
17. Hoonsopon, D., & Puriwat, W. (2021). The role of leadership behaviour of project manager in managing the fuzzy front end in the development of radical and incremental innovation. *International Journal of Innovation Management*. 2021. 25, (02) 2150022.
18. Kagan, E., Leider, S., & Lovejoy, W. S. (2018). Ideation–execution transition in product development: An experimental analysis. *Management Science*. 2018. 64(5), 2238–2262.
19. Huawei. URL: <https://www.huawei.com/en/>
20. Kang, B. The innovation process of Huawei and ZTE: Patent data analysis. *China Economic Review*. 2015. 36, 378–393.
21. Liedtka, J. Putting technology in its place: Design thinking’s social

technology at work. *California Management Review*. 2020. 62(2), 53–83.

22. Liefner, I., Si, Y. F., & Schafer, K. A latecomer € firm's R&D collaboration with advanced country universities and research institutes: The case of Huawei in Germany. *Technovation*. 2019. 86, 3–14.

23. Marion, T. J., & Fixson, S. K. The transformation of the innovation process: How digital tools are changing work, collaboration, and organizations in new product development. *Journal of Product Innovation Management*. 2021. 38(1), 192–215.

24. McDonald, R. M., & Eisenhardt, K. M. Parallel play: Startups, nascent markets, and effective business-model design. *Administrative Science Quarterly*. 2020. 65(2), 483–523.

25. Quach, S., Thaichon, P., Lee, J. Y., Weaven, S., & Palmatier, R. W. Toward a theory of outside-in marketing: Past, present, and future. *Industrial Marketing Management*. 2020. 89, 107–128.

26. Schaefer, K. J. Catching up by hiring: The case of Huawei. *Journal of International Business Studies*. 2020. 51(9), 1500–1515.

27. Von Hippel, E., & Kaulartz, S. Next-generation consumer innovation search: Identifying early-stage need-solution pairs on the web. *Research Policy*. 2021. 50,(8) 104056.

28. Wang, C., Wang, H., Dai, M., & Fang, Y. Lean startup approaches: Convergence, integration and improvement. *Technological Forecasting & Social Change*. 2022. 179, 121640. doi:10.1016/j.techfore.2022.121640.

29. Yu, S. How do accelerators impact the performance of high-technology ventures? *Management Science*. 2020. 66(2), 530–552.

APPENDIXES