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## **TRANSFORMATIONAL LEADERSHIP LEADS TO CORPORATE INNOVATION AND DEVELOPMENT—Based on the case study of Zhang Ruimin of the Haier Group**

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### **ABSTRACT**

: Leaders play a crucial decision-making role in the enterprise growth process and, to some extent, set the enterprise's future development orientation, whereas transformational leaders steer enterprise innovation and development. This research concentrates on Zhang Ruimin (1949-), the chief executive officer of Haier Group, and analyzes the evolution of Haier Group's strategies over more than three decades: Brand Strategy - Diversification Strategy - Internationalization Strategy - Global Strategy - Network Strategy - Ecological Strategy. The change of organization structure: Traditional Positive Triangle Organization Structure - Business Unit Structure - Inverted Triangle Organizational Structure - Platform Organization Structure. The change of talent training mode: people with standardized thinking - people with competitive consciousness -people with market efficiency - people with self-management - people with self-driven. The evolution of innovation spirit: selfless dedication, the pursuit of excellence -creating resources, gaining global reputation - sharing platforms, achieving qualitative breakthroughs and leading - integrity ecology, win-win evolution. These four facets detail how innovative and transformational leaders can steer organizations toward innovation and expansion.

**KEYWORDS:** Transformational Leadership; Strategic Innovation; Organizational Change; Talent cultivation; Spirit of Innovation; Haier Group

### **1. INTRODUCTION**

Economic globalization has now become an inevitable trend, and the term globalization was first introduced by the American economist T. Levy in 1985. Since then, the notion of globalization has been applied to a variety of sectors, including economics and information technology, and it has become pervasive. The rise of globalization has resulted in alterations to the global landscape. Currently, the length of commodity circulation cycles in various fields is shorter than in the past, and the economic system is constantly evolving as a result of the iterative nature of information technology. Furthermore, the economic systems of various countries throughout the world are closely linked to

globalization. Economic globalization presents firms with both an opportunity and a challenge, and as the center of the organization, leadership is in need of transformation. The leaders of a group should implement transformative reforms to steer the organization toward innovation and growth.

A firm that wants to be successful in a rapidly changing market requires the uptake of information from multiple channels for flexibility and innovation. Among them, apart from the wisdom coming from leadership, another important and fully explored source of innovation is employee suggestions (employee voice) (Mesmer-Magnus and DeChurch, 2009). Firms hope that employees, in addition to doing their job, can actively and proactively provide their own opinions and suggestions, leading to new opportunities for corporate innovation development (Zhou and Long, 2012). As the top command of a firm, although not directly involved in the firm's technological innovation, its strategic decision-making process is intrinsically creative, and team members' creative thinking and ability have an important role in corporate strategy and management innovation (Reger, 1997). IBM's business value Institute's survey report on 1541 CEOs worldwide indicates that the performance of current firms largely depends on the ability of executives to cope with complex environmental changes through creative thinking and their operation models. Moreover, Chinese corporate CEOs place a higher emphasis on innovation than the global average, and creativity is considered the most important trait of Chinese corporate executives over the next five years. Therefore, exactly how should creativity be fostered and enhanced among executive team members? Most previous studies focused on technicians and the R & D team, ignoring the special group of executives. Although the academic community has conducted studies on the relationship between the executive team and innovation based on higher-order theory, there is a lack of exploration of the drivers and formation mechanisms of creativity in the executive team. The transformational leadership model then treats the relationship between high-level leadership and employees well, leaving businesses alive and dynamic again. Meanwhile, under transformational leadership, employees are better able to express their understanding and suggestions to leadership, which also improves the competitiveness of firms in the market to some extent.

## 2. LITERATURE REVIEW

### 2.1 *Brief introduction of transformational leadership*

The concept of transformative leadership derives from Downton Abbey (1973). Its development as a central notion in leadership, however, is the consequence of a 1978 book named *Leadership* by political scientist James Mac Gregor Burns. In this book, Burns seeks to establish a connection between the interaction between leaders and employees. He defines a leader as someone who strives to encourage his people and provide a positive atmosphere for them so that they are better equipped to attain shared objectives. Burns believes that leadership is distinct from domination since it cannot be examined in isolation from the requirements of employees. Transformational leadership is the ability of a leader to inspire followers to transform themselves, guide organizational change to meet challenges and seize opportunities as an organization undergoes a period of change, thereby propelling the organization to achieve its goals and meet its challenges. Since then, transformational leadership has been utilized in the administration of businesses.

Transformational leadership is a new type of leadership that uses vision to make subordinates aware of the importance and meaning of their work, to stimulate their higher-level needs and to motivate them to go beyond their personal gains and losses to achieve organizational goals. (3) Intellectual stimulation: the leader encourages his subordinates to challenge themselves, inspires them to innovate, and encourages them to solve problems in their work by new means and methods. (4) Personalized care: the leader values his subordinates' individual needs, abilities and aspirations and develops and guides each one in a differentiated way.

### *2.2 Experimental proof of transformational leadership*

The fit between transformational leadership and the social and cultural context of collectivism in China further supports the above reasoning. In a collectivist cultural context, where subordinates expect care and attention from the leader, actively share the leader's vision and show loyalty to the leader, transformational leaders are more likely to be recognized and followed. Some scholars have found that transformational leadership has a stronger positive effect on collectivists than on individualists. Furthermore, while there is no direct evidence on CEO transformational and executive team creativity, the positive effect of transformational leadership on team creativity is supported by a number of empirical studies. For example, Zhang et al. found that the transformational behavior of team leaders was positively associated with team creativity in a sample of 163 R&D teams (Ann et al., 2011). Cai Yahua et al. demonstrated that transformational leadership positively influenced team creativity in an analysis based on 225 work teams (Zhang et al., 2010). All of the above experiments provide further evidence of how transformational leadership can work in practice.

### *2.3 Research purpose and significance*

Innovation has become the first driving force of enterprise development. The rapid iteration of information technology has increased the degree of competition in the enterprise market. Enterprises cannot rely on single technological or product innovation to achieve long-term sustainable and healthy development. However, they need to create surface innovation in the enterprise. Leaders with the spirit of change and innovation are the most considerable driving force to promote comprehensive innovation in the enterprise. They will constantly carry out strategic innovation, organizational restructuring, and system change to create a suitable living environment for the development of the enterprise. Transformational leadership significantly impacts changes in the corporate management model (Yin and Zhang, 2020). In terms of employee innovation behaviors, transformational leaders positively impact employee innovation performance (Miao, 2019, LI et al., 2019b, Han et al., 2016), and transformational leaders can improve the collaborative innovation performance of teams by promoting cross-border teamwork (Wen et al., 2020). At the same time, transformational leaders play an active role in driving organizational change (Li et al., 2019a, Guo et al., 2019) by improving resource utilization efficiency and preventing "incognito waste" (Chen, 2019).

This study selects Zhang Ruimin, the chief officer of Haier Group, as the object of analysis of transformational leadership and elaborates on the leading role of transformational leadership in the

innovative development of enterprises from four aspects: innovation of corporate strategy, dynamic adjustment of organizational structure form, transformation of innovative talent cultivation concept and mode, and evolution of innovative spirit.

### 3. The evolution of Haier's strategy

The strategic development of Haier Group can be divided into six stages, as shown in **Table 1**. The timely transformation of Haier Group's strategy reflects the wisdom of Zhang Ruimin, who seized the best time for development due to his profound perception of changes in the external environment.

**Table 1 Six strategic development stages of Haier Group**

Time Range	1984-1991	1991-1998	1998-2005	2005-2012	2012-2019	2019- now
Name of Strategy	Brand Strategy	Diversification Strategy	Internationalization Strategy	Globalization Strategy	Network Strategy	Ecological Strategy

#### 3.1 From the brand strategy stage to the globalization strategy stage

Zhang Ruimin had just entered the Haier Group predecessor of the Qingdao Refrigerator General Factory when the factory was facing closure. At this time, technology, cash, talent, and other resources are nearly nonexistent. To put the factory on the right track, Zhang Ruimin began to develop a series of systems, nothing can be accomplished without norms or standards, and he understood the system's importance first. In addition, because the workers in the product awareness is weak, coupled with the refrigerator technology at that time is relatively backward, resulting in the production of many products having quality problems. Nonetheless, because the seller's market at the time frequently outstripped supply, many companies relaxed product quality requirements as long as they could meet national quality standards to reduce production costs and increase profits. At this time, Zhang Ruimin saw the harm of this situation and felt that this would definitely affect the reputation of the enterprise in the long run, so he put forward the concept of total quality management and put forward the slogan "the production of defective products is a waste product", hoping that the concept of quality can be rooted in the heart of each employee. This decision was called the "brand strategy", and it was from this time that consumers in the market gradually recognized Haier's products and felt that the quality of Haier's products would be higher than those of other brands.

The level of consumers' basic necessities has increased in tandem with the general rise in the quality of their living conditions. Zhang Ruimin came to the realization that the market has a range of requirements, and if the firm continues to simply create one product, the market is likely to force the company out of business. To keep up with the changes that have taken place in the consumer market, a "diversification strategy" was developed as an enterprise strategy that should follow the dynamic

adjustment that occurs in the consumer market. Consumers may purchase a wide variety of household appliances from Haier, including refrigerators, washing machines, televisions, and more, since the company has diversified its product line significantly in recent years. Previously, Haier was known mostly for manufacturing refrigerators. The market is undergoing fast transformation. Around the year 2000, a huge number of multinational corporations expanded their operations into China by establishing overseas offices, which placed domestic businesses under intense competitive pressure. In the face of this dilemma, Zhang Ruimin made the decision to enter other nations and dubbed it an "internationalization strategy." He did so with the intention of exporting the Haier brand outside, capturing the market overseas, and choosing the route of international growth. During the "internationalization strategy stage," instead of establishing its own firm overseas, Haier focused on selling its products in international markets. However, because of the disparities in cultural norms, the goods did not always satisfy the requirements of customers in other countries. To discover a solution to this issue, Haier put out a fresh plan centered on internationalization; they identified it as the "globalization strategy". During the globalization strategy stage, Haier began to establish its own production factories overseas. Additionally, they recruited some local talent with management experience to participate in the operation of the enterprise. Finally, they proposed the integration of "design, production, and marketing." Globalization has made it possible for Haier to capture a larger portion of the worldwide market, and as a consequence, the demand for Haier products has steadily increased over the years.

### *3.2 From the network strategy stage to the ecological strategy stage*

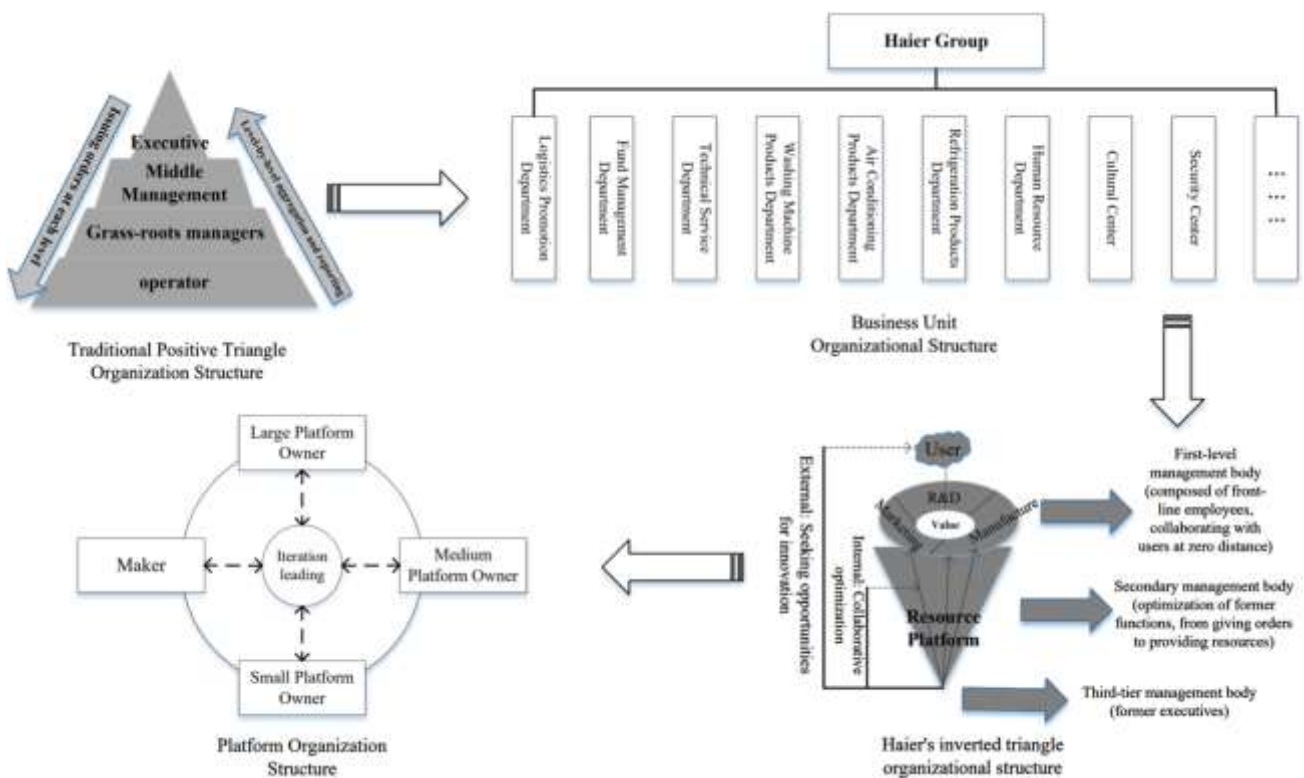
The arrival of the Internet era brought forth difficulties that had never been encountered before for many traditional manufacturing sectors. Zhang Ruimin noticed the significance of the Internet to company processes after visiting the Davos Forum. As a result of this discovery, Zhang Ruimin came to the conclusion that the future strategy for Haier must incorporate the Internet. The year 2012 marked the beginning of the fifth stage of strategic growth for the Haier Group, which Zhang Ruimin dubbed "Network Strategy." During this era, Haier introduced the well-known "three" concepts, which are platformization of businesses, employee creation, and personalization of user experiences. These concepts were introduced so that Haier could gradually transform and boost itself. The year 2019 marked the beginning of Haier's sixth strategic stage of development. Zhang Ruimin was aware that in this era, it was not possible to fight alone like in the past but that it was necessary to create a win-win situation and that the company could only survive in the market by establishing cooperation with everyone, so he proposed the "ecological strategy." Zhang drew attention to the fact that proportionality, trade-offs, and uniqueness are the three fundamental tenets of Haier Group's network strategy and ecological strategy. He did so by referring to the "strategic positioning" principle that was produced by the American management expert Michael Eugene Porter (1947—) . The principle of "proportionality" means that all parts of the organization should be closely integrated, and all organizational structures should serve to achieve "trade-offs" and "uniqueness". "Trade-offs" means making the right choices, following the strategy, deciding what to do and what to leave behind according to the group's strategy. Being "unique" implies having our own original idea, which relates

to a differentiated approach that cannot be imitated by anyone in the near future. When concentrating on each individual platform, the approach for each platform needs to be distinctive, blending proportionality with trade-offs to produce an ecosystem that is interconnected both internally and externally. The platform leading the post commerce era is mainly an investment incubation platform. It is also a platform for user interaction and experience, which takes integrity as the core thrust and establishes a community experience ecosystem and a cocreation and win-win ecosystem. Another is the white electricity transformation platform, which is a connected factory platform that connects users through continuous interaction with users to achieve iteration, while connecting Netware, building a Netware interaction ecosystem can meet the personalized needs of users in the market. The last is the financial platform, an industrial finance platform with the primary goal of building a win-win industrial chain ecosystem and becoming a leader in industrial finance.

During a Nisshin meeting, Zhang Ruimin pointed out that at this stage of the entrepreneurial platform of each small and microenterprise to upgrade to Internet enterprises, in the use of a backward mechanism to upgrade specially to emphasize two points, one is not to copy that the sample is not a sample, and the other is not to upgrade that the small and microenterprises cannot exist. Zhang Ruimin said this because at this stage of the entrepreneurial platform of each small and microenterprise to upgrade to the Internet enterprises, at this stage of the entrepreneurial while doing so, for the purpose of directing attention to the orders placed by small and micro businesses, start from the time node that is leading the goal to reverse to the completion time of each node. This can help the reverse to the open system of small and micro businesses be carried out in an even more flawless manner. A win-win value-added table is a driving tool that drives Haier's transformation into an Internet enterprise. Without the drive of the win-win value-added table, it would be challenging to replicate Haier's internal prototype. The third is to focus on the main orders of the field. The main goal is to achieve the leading upgrade of the business model, the use of investment and incubation platforms to create a win-win model in the post electricity era, with the white electricity platform in the global white electricity field, the first Internet of Things ecological model, and the Internet era, the first "Online loans" responsibility for industrial finance model by the financial control platform. The micro and small firms inside Haier that are responsible for generating strategies have, according to Zhang Ruimin's direction, been successful in developing a four-quadrant "Strategic income statement", in which each quadrant has a distinct objective and responsibility. In the first quadrant, the goal is to lead in the development path to achieve qualitative breakthroughs and lead others; in the second quadrant, the goal is to lead in the model to create a business model that is recognized by the entire industry; in the third quadrant, the goal is to implement the win-win value-added table to achieve cocreation and win-win; and in the fourth quadrant, the primary goal is to resurrect the micro and small businesses. In addition, it is underlined particularly that in order for the owners of the domain to attain innovation leadership in terms of business model, they should concentrate on duplicating the example found in the first quadrant.

The history of Haier may be broken down into six distinct stages, as seen from the information shown above. Zhang Ruimin has always been able to steer the growth of the Haier Group in the proper direction at crucial junctures and then proceed to make the appropriate judgments to propel Haier forward toward innovation and development.

#### 4. Haier Group’s organizational change innovations



The organizational structure of the Haier Group is undergoing a process of progressive change in tandem with the group's many strategic initiatives to more effectively support the group's strategic initiatives as they are developed. As seen in **Figure 1**, over the six stages of strategic development that Haier has gone through, the company has gone through four significant organizational restructures.

**Figure 1** Haier Group’s organizational structure change process

In the early stages of the company's development, Haier elected to utilize the classic triangle organizational structure. This choice was made since the scope of the corporation was not very massive at the time, and there were few internal functional departments to begin with. On the other hand, the scale of the firm steadily grew greater, particularly after entering the stage of a diversification strategy, which resulted in an increase in the number of items available in a diverse range of categories. The disadvantages of this organizational structure gradually emerged, mainly in the following two aspects: first, senior leadership is too far from the market, and the speed of making decisions is far from the speed of market changes, resulting in the enterprise missing many good market opportunities; second,

too many layers, inefficient information communication and even information distortion. Zhang Ruimin quickly became aware of the presence of this issue, and he immediately recognized the requirement to alter the structure of the organization. In such cases, there would be an excessive waste of resources, which would result in the failure of the business. To accomplish this goal, Zhang Ruimin made the decision to transform the conventional model of organizational structure into one more similar to that of corporate headquarters. The intention behind this decision was to address the issue of ineffective organizational operation. The organizational structure model of the company headquarters improved Haier's operational efficiency over a period of time, but it also has a key flaw, namely, the overlap of functional departments, which results in an extraordinary waste of organizational resources. For example, the refrigerator business headquarters has a human resources department, finance department, culture department and other functional departments, but the same air conditioning business department, washing machine business department, etc., also have such functional departments, which caused the overlap of enterprise functional departments, the waste of resources, and the synergy between departments to also appear as significant problems. To further optimize the organizational structure, Zhang Ruimin announced in 2005 that Haier Group had entered into a comprehensive innovation phase, and the first thing it did was to adjust the organizational structure. At this time, the organizational structure of Haier Group became an inverted triangle. Haier's leaders are no longer just issuing orders, but now the primary responsibility is to serve the employees, to create conditions for the development of Haier employees, and to find the right resources. The entire organization now has three levels of management. According to their initial employment level, all personnel inside the firm are organized into various management bodies, which has substantially boosted the organization's efficiency and multiplied the market reaction rate by many orders of magnitude. Now Haier's organization structure is platform type, in which there are five kinds of people: large platform owner, medium platform owner, small platform owner, maker, and user. The entire organizational structure is completely flat and networked, eliminating the middle layer, and the entire organization is led by user needs for rapid iteration to continuously meet the needs of users. This organizational structure also responds to the requirements of Haier's network strategy and ecological strategy development.

Zhang Ruimin maintained that organizational change is for speed, that a structure that can adjust rapidly to market demand is an effective organizational form and that organizational structure must always be subject to organizational strategy. Otherwise, the enterprise's strategy is unlikely to be effective. Haier Group's organizational structure has undergone major changes many times, and the main reason is also attributed to Zhang Ruimin's determination, especially when carrying out inverted triangle and platform-type organizational changes, removing a large number of middle-level leaders. Without Zhang Ruimin's determination and knowledge, Haier Group would not have been able to move forward.

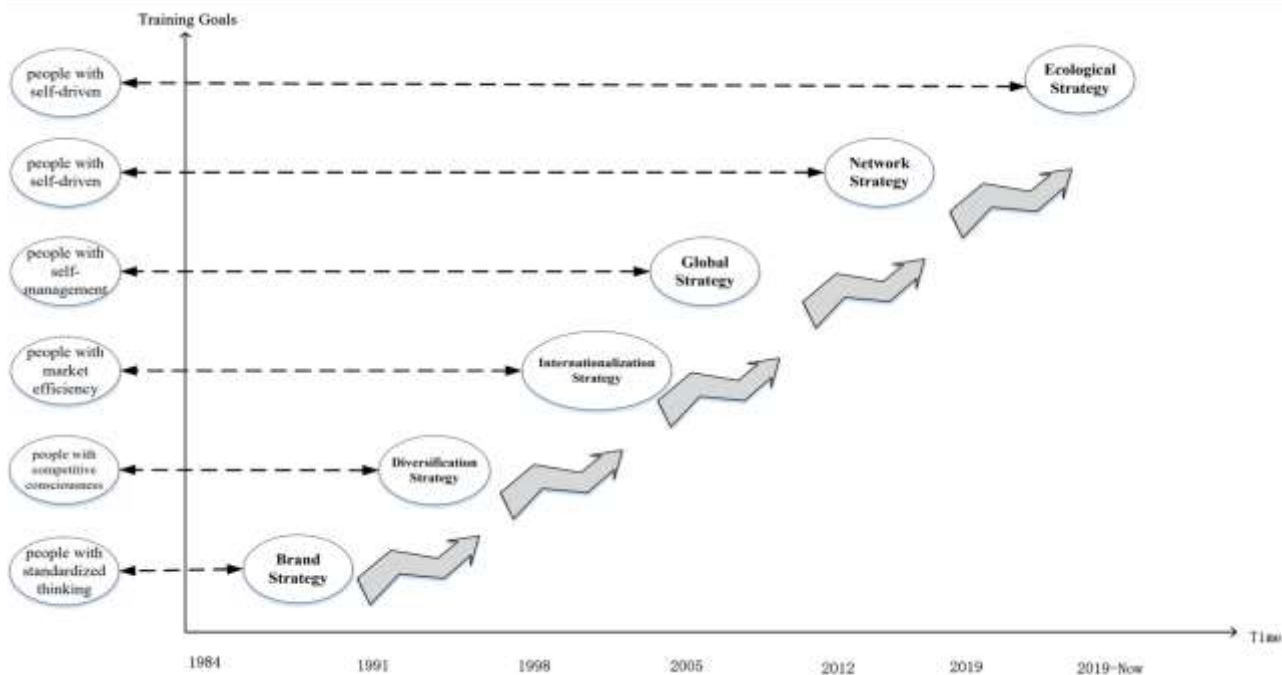


**5. Haier Group's innovative talent training concept and training mode***5.1 Haier's innovative talent training concept*

Zhang Ruimin has stated on multiple occasions that Haier's enterprise management strategy is "people are the key to business"; whether the enterprise can develop and add value, and the enterprise's assets, scale, equipment, technology, etc., have no absolute relationship, the most important factor in development is people. The concept for achieving breakthrough development is to maximize the worth of people, and each employee has his or her own unique value and talent. However, the current scenario is that the majority of large businesses are implementing bureaucracy; it is impossible for employees to play to their own strengths, and there is no place for capacity growth. Therefore, Haier must change the status quo and overturn the traditional practice of removing bureaucracy, transforming the company into a platform for entrepreneurship and inspiring makers, where everyone can bring their creativity to the table and everyone has the space to play to their strengths. At the same time, Zhang Ruimin emphasized that the competitiveness of enterprises in the Internet era should not depend on the number of existing people, but on how many people you can have, how many people can be integrated, which is the Haier proposal that "the world is my human resources department," all of the world's resources can be used for me, and whoever can integrate the best resources may be the first. In the process of transformation for the development of employees, he has always had his own set of development philosophies. He believes that the world's enterprises, whether Eastern or Western, all advocate a people-oriented approach; however, there is a vast gap in the understanding of what "people-oriented" means. However, for Zhang Ruimin, "people-oriented" is to develop a platform so that the value of each individual can be maximized, so that each individual may become his own CEO and finally accomplish the sharing of advantages.

*5.2 Haier's innovative talent training model*

Zhang Ruimin always believes that everyone can be the subject of innovation. At different stages of Haier's strategic development, Zhang Ruimin has clear training goals for the cultivation of talent, as shown in **Figure 2**.



**Figure 2 Haier’s innovation talent training change history**

It is plausible to claim that the early staff quality at Haier was rather low, that staff members exhibited laziness, that they lacked self-awareness and that there was no disciplinary concept. This is mostly because the company lacked specific system restrictions. In addition, Zhang Ruimin is well aware that the expansion of businesses requires the employment of a talented workforce; talent is the fulcrum upon which the expansion of businesses rests; without talent in an enterprise, not only is it impossible for the business to flourish, but it is also impossible for the business to endure for an extended period of time. The quality of items has an additional effect on the enterprise's viability; if consumers do not identify product quality, the business will be unable to achieve profitability. Zhang Ruimin combined the two and concluded that "high-quality people can produce high-quality products". At that time, "smash the refrigerator" was used to cultivate the quality awareness of employees, and the original "six strategies" management system was put forward as the "overall every control and clear" management model. The objective of a series of management tools is to foster the staff's standardization of thought. In the book *Haier is the Sea*, Zhang Ruimin emphasized the necessity of applying the "do not race horses" approach to pick a number of bright workers to establish the groundwork for the future employment of firms during the diversification strategy phase. In this strategic phase, Haier also has a well-known system, which is "three jobs coexist, dynamic transformation"; based on the success of employees, the post level is dynamically adjusted, creating a

work environment reminiscent of my own. Through the "horse-racing mechanism" and the "three occupations coexist, dynamic transformation" approach, Haier was able to tackle the problem of a lack of talent during the diversification phase and achieve the training objective of transforming employees into competitive individuals.

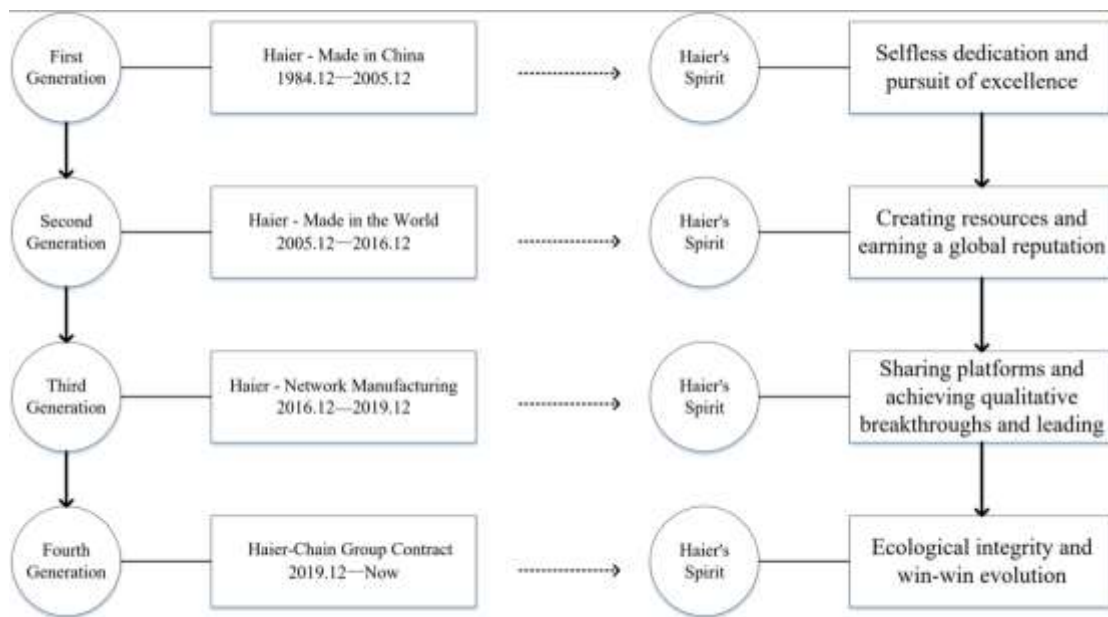
In 1998, Haier entered the internationalization strategy stage and confronted the obstacles posed by internationalization; as a result, market competitiveness intensified, and Zhang Ruimin created the expression "dancing with wolves" to describe the situation. Zhang Ruimin emphasized several times throughout the conference that to avoid being eaten by wolves, he must first transform into a wolf so that he can compete with other wolves for food on the market. Against this background, Zhang Ruimin introduced the market into the enterprise by drawing on Michael Eugene Porter's idea of value chain and built up a market chain model in which all employees had to face the market directly, which was called process reengineering at that time, and put forward the slogan of "everyone is SBU (Strategic Business Unit)". This was called process reengineering, and the slogan "Everyone is an SBU (Strategic Business Unit)" was put forward. Through process reengineering, Haier forced out market-efficient people and solved the talent panic in the process of international development. At the stage of globalization strategy, the scale of Haier Group was already very large, and the drawbacks of "big enterprise disease" were also gradually revealed. Coupled with the thin profit of the home appliance market at that time, the survival of the enterprise was facing difficulties. To solve this difficulty, Zhang Ruimin put forward the "RenDanHeYi (Mutual integration of employee and user values)" win-win model, so that each employee must be able to find his or her own users in the market; otherwise, they will be eliminated by Haier. The "RenDanHeYi" model effectively solved the problem of "big enterprise disease" and greatly increased the enthusiasm of employees. When many employees set up their own business, employees themselves became the masters of these autonomous businesses, needed to manage themselves, and were derived from the autonomous management of people. After entering the networking and ecological stages, Haier's innovative talent training goals fundamentally changed. Zhang Ruimin believed that the innovative ability and enthusiasm of many employees had not been fully mobilized or brought into play and that employees lacked a platform to show their abilities. At this time, Haier has become a platform for training makers. On this platform, employees can make full use of the resources Haier has for innovation and entrepreneurship. In recent years, Haier has incubated many successful enterprises on its platform, of which "Thor" is a typical representative. In other words, after 2012, Haier's goal of training employees has become to train "self-driven makers", and from the current situation, this talent training model is still very successful.

Zhang Ruimin is able to always grasp the pulse of the times. According to the development of the external environment, timely adjustment of the enterprise talent training model and goals, timely solution to the lack of talent problems at Haier, and time and again to help Haier through the talent crisis can be achieved. This can be seen through the changes that have been made to talent training philosophy and talent training model.

### 6. The evolution of Haier Group's innovation spirit

Innovation is now widely acknowledged as the most important component in determining a business's success. Businesses that cultivate an imaginative culture are not only more dynamic but also more likely to achieve sustained development. Numerous conventional manufacturing companies are on the point of extinction due to a lack of innovative vigor in their operations, although they are crucial to the process of national economic progress.

Entrepreneurial innovation plays a mediating role between policy perceptions and collaborative innovation performance and is a "baton" for regrouping business factors (Li et al., 2020), which helps to increase the social value of the firm (Song and chen, 2020). Innovation is the fundamental driving force of social development (Feng et al., 2015), and an enterprise with an insufficient innovation spirit may become a "zombie enterprise", and its development will seem unmotivated (Hu et al., 2019). The spirit of innovation has always been the cultural gene of Haier, and it is believed that its innovation spirit has undergone four changes, as shown in **Figure 3**.



**Figure 3 Evolution of Haier's innovation spirit**

From 1984 to 2005, Haier's brand strategy, diversification strategy and internationalization strategy spanned three stages, during which Haier, with the spirit of "selfless dedication and pursuit of excellence", experienced the development process from scratch, from small to large, and from domestic to foreign, but management, manufacturing, technology research and development were all carried out in China. Therefore, this period is also called "Haier - Made in China". The period from 2005 to 2016 includes the first period of globalization strategy and network strategy. To realize "Haier - Made in the World", the spirit of innovation is to "create resources and global reputation". In this stage, to create more resources needed for the development of the enterprise, Haier explored the

"RenDanHeYi" win-win model. The people-alone model pushes all personnel to the user market, and everyone needs to find their own user resources and create their own value. This model was only implemented in China, but after a period of time, it was found to be effective, and soon afterwards, Haier subsidiaries abroad also adopted this model, creating more resources for Haier's globalization and network development and improving Haier's global reputation. From 2016 to 2019 is the late stage of the network strategy, the company pursues "Haier - network manufacturing", and Haier's spirit of innovation is "achieving qualitative breakthroughs and leading". In the final stages of its networked approach, Haier primarily developed a platform for resource-sharing innovation and entrepreneurship. Through a series of resource-sharing platforms, Haier evolved into a series of small and micro enterprises, which gradually developed and grew on Haier's innovation and entrepreneurship resource-sharing platform and ultimately attained a qualitative breakthrough and the objective of leading the enterprises. 2019 joins the ecological strategy via the "Haier" strategy. Through the "Haier - Chain Group Contract", we will enter the ecological strategy in 2019 and foster the innovation spirit of "integrity ecology and win-win evolution." After the advent of the Internet, a sharing economy emerged, resulting in a decline in production efficiency, mostly due to the ease with which knowledge could be accessed. After entering the era of the Internet of Things, Haier believes the next step should be to establish an ecological economy and construct a win-win ecosystem. For this reason, Haier must first become a node of the Internet to develop the greatest user experience-oriented product, to accomplish iterative sharing and then the iterative cocreation and win-win model and to create the best possible user experience.

## 7. CONCLUSION

This paper focuses on how Zhang Ruimin, the chief officer of Haier Group, has led Haier Group to move forward and innovate through continuous change, mainly through Haier Group's vertical development history of more than thirty years, from four aspects: strategy, organization, talent training, and innovation spirit. The above research and analysis show that Zhang Ruimin's ideology and philosophy have been changing and innovating. First, based on the logical link between the opposing growth of the internal and external environment, Haier Group's strategy is always evolving so that the company can always keep up with the times. Second, in accordance with the belief that the organizational structure should serve the enterprise strategy and the concept of speed wins, the organizational structure of Haier Group has been subversively adjusted many times, and each adjustment has substantially increased the enterprise's operational efficiency. Once more, Zhang Ruimin always insisted on the concept of training talent with full innovation and gradually altered Haier Group's innovative talent training mode and objective, which caused Haier Group to repeatedly pass the innovative talent panic and assisted Haier in establishing a resource pool of innovative talent. The innovative spirit gene has formed the core of Haier Group's culture, allowing the company to grow from small to large and large to powerful. Without Zhang Ruimin's innovation and change, it is possible that the Haier Group would not have been able to achieve the same degree of success as it has to date.

**Declaration of Competing Interest:** The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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**Author Statement:** All authors agree with submission of this version.

**Availability of data:** The datasets used and/or analyzed during the current study are available from the corresponding author on reasonable request.

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