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Organizational Evolution and Strategic Change of China Construction Machinery Agent Enterprises: Case Study Based on Shandong Jundar Group

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Abstract

China construction machinery agent enterprises were born in the early 1990s, which rapidly develop along with the flooding of foreign construction machinery giants to China. In the short more than 20 years, China construction machinery agent enterprises have almost gone through a journey of recent century of western enterprises and made the astonishing achievements. However, a series of problems have been exposed. Since the majority of construction machinery agent enterprises are weak and small and remains inferior position when cooperating and competing with manufacturers, the industry and academic world have conducted more studies on construction machinery manufacturers than agent enterprises whose studies are often limited to such aspects as the macro market circulation or specific enterprise sales and risk management and control skills during these years. It will not only be of great significance to summarize the successes and failures of this sector over more than two decades and but also practical significance to relieve the pressure on industrial transformation and upgrading by casting an insight into agent enterprises and deeply discussing the organizational evolution and strategic change of agent enterprises to find out evolution law therein under the historical development context of China's macro-economy and construction machinery sector over these decades.

The paper selects the successful representative of China construction machinery agent enterprises - Shandong Jundar (Group) Co., Ltd as the research object based on the punctuated equilibrium, organizational strategic change, organizational life cycle and other theories related to organizational evolution by adopting the case study. Through an in-depth analysis, it summarizes the macro environment, the industrial development environment, inside and outside of the industry to explore the unique law for the development of China construction machinery agent enterprises, ranging from environment variable and enterprise variable, the content and process of strategic changes, great historical depth to the time, the large cross-section to the space, to the historical cross-section featuring the specific strategic phases to the time-space intersection.

The organizational evolution for Shandong Judar Group is divided into four stages in this paper which gives a briefly described. Based on the division, the paper combines relevant financial data to mainly make an analysis of organizational performance, strategic positioning, change pressure and organizational inertia successively in each stage by qualitative analytic method. The paper proposes an organizational evolution model adapting to situation of construction engineering agents which is not only inspecting the theoretical model at earlier age, but developing it further.

The research has found that when it is concerned with the China construction machinery agents, the impact of organizational performance on change pressure and organizational inertia is identical with conclusion of available literature, but meanwhile of change pressure on organizational inertia in the punctuated equilibrium model of original organizational evolution. Case study in the paper found that change pressure weakens the organizational inertia to a certain extent. The organizational inertia tends to strengthen or goes after available organizational activity and thinking model so as to shaken organizational inertia. In a word, research findings in the paper examine the explanatory capability of punctuated equilibrium, organizational strategic change and organizational life cycle and develop these theories in an appropriate way, which will also conduct a comparatively deeper and systematic field research on China construction machinery agent enterprises. Finally, the paper proposes correspondingsuggestions for the China policy-making and policy-making of construction machinery agententerprises, as well as the countermeasures for developing agent enterprises, etc., to serve a reference for the relevant administrative staff from the government and enterprises. In the end, the limitations of the paper and future potential study will be discussed.

Keywords: organizational evolution; punctuated equilibrium; strategic change; organizational life cycle; construction machinery manufacturing; construction machinery agent; case study

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