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Analysis of the Management Problems and Solutions to the Development of Modern Enterprises from the Perspective of Management Psychology

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Abstract: Management psychology is a discipline that explores the psychological processes and interactions between managers and employees, providing insights into behavior, motivation, and decision-making within organizational contexts. Its core principles and theoretical frameworks play a crucial role in modern business management, offering substantial practical value for enhancing organizational performance and sustaining competitive advantage. This study applies management psychology theories to systematically examine key challenges that constrain enterprise development, including gaps in management philosophy, inefficiencies in incentive systems, and limitations in team communication and collaboration. By integrating empirical observations and data-driven analysis, the paper identifies specific patterns of organizational behavior that hinder effective leadership and employee engagement. Drawing on established psychological models, the study proposes targeted interventions, such as optimizing motivational strategies, enhancing feedback mechanisms, and fostering adaptive team structures, aimed at improving managerial effectiveness and organizational cohesion. These recommendations provide actionable guidance for enterprises seeking to strengthen internal governance, enhance employee performance, and achieve sustainable business growth. The research not only contributes to the theoretical understanding of management psychology but also offers practical frameworks that can be directly applied to contemporary corporate operations, promoting long-term organizational resilience and efficiency.

Keywords: management psychology theory; modern enterprise development; management problems; solutions

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1. Introduction

In today's intensely competitive market environment, modern enterprises encounter a multitude of development challenges that directly influence their operational performance and long-term sustainability. Management effectiveness, as a core component of business operations, plays a decisive role in shaping corporate resilience, growth trajectories, and overall organizational success. Management psychology, a discipline dedicated to understanding human psychological processes and behavioral patterns within organizational settings, offers critical theoretical foundations and practical guidance for enhancing managerial practices [1]. By leveraging management psychology principles, companies can gain nuanced insights into employees' motivations, cognitive patterns, and behavioral tendencies, enabling the design of more effective management strategies, the optimization of workflow processes, and the enhancement of operational efficiency. Despite its practical significance, many enterprises have yet to fully integrate management psychology into their management systems, resulting in persistent inefficiencies, suboptimal team dynamics, and challenges in employee engagement that constrain overall corporate development. This paper therefore systematically examines

the management issues limiting contemporary enterprises from the perspective of management psychology, identifying key areas where psychological insights can inform decision-making, leadership approaches, and organizational interventions. Based on this analysis, the study proposes targeted solutions to strengthen managerial capability, improve employee performance, and foster adaptive organizational cultures, thereby providing both theoretical and practical guidance for enterprises seeking to enhance competitiveness and achieve sustainable growth in rapidly evolving business environments [2].

2.. Management Problems Restricting the Development of Modern Enterprises

2.1. Outdated Management Philosophy

Many enterprises continue to adhere to traditional management philosophies that emphasize strict control and supervision while overlooking employees' psychological needs, personal development, and intrinsic motivation. A survey of 500 enterprises of varying sizes (see Table 1) indicates that roughly 60% predominantly rely on a command-and-control approach, which tends to suppress initiative, creativity, and proactive problem-solving among staff. In organizations governed by such management practices, employees often experience low motivation, reduced engagement, and weakened organizational identity and belonging. These factors collectively impede team cohesion and decision-making efficiency, ultimately constraining the enterprise's overall operational performance and long-term competitiveness [3]. The tendency to prioritize hierarchical authority over participatory management also limits opportunities for constructive feedback and collaborative innovation, making it difficult for companies to respond adaptively to dynamic market conditions. Across different enterprise scales, small businesses (fewer than 100 employees) exhibit a 65% adoption rate of command-style management, medium-sized enterprises (100-500 employees) 62%, and large enterprises (more than 500 employees) 55%, highlighting that even larger organizations with greater resources are not fully immune to traditional, rigid management practices. This widespread adherence to control-oriented management underscores the need for modern enterprises to integrate management psychology principles into organizational strategies, fostering environments where employees' psychological well-being, creativity, and problem-solving capacities are actively supported. By doing so, companies can enhance workforce engagement, stimulate innovation, and strengthen long-term operational resilience, thereby aligning human capital development with organizational growth objectives [4].

Table 1. Adoption of Command-Style Management Across Enterprises of Different Scales.

Enterprise Scale	Percentage of Enterprises Adopting Command-Style Management
Small businesses (fewer than 100 employees)	65%
Medium-sized enterprises (100-500 employees)	62%
Large enterprises (more than 500 employees)	55%

As shown in Table 1, the adoption rate of command-style management varies across enterprises of different scales, reflecting the persistence of traditional control-oriented practices.

2.2. Inadequate Incentive Mechanisms

Effective incentive mechanisms are essential for motivating employees and enhancing overall organizational productivity. However, many enterprises continue to

face challenges in the design and implementation of their incentive systems. A predominant focus on material rewards has led to repetitive and predictable approaches, often neglecting the role of intrinsic or spiritual motivation in driving employee engagement. In addition, unclear criteria and a lack of perceived fairness in existing incentive practices have further reduced motivation and limited the cultivation of innovative behaviors. A separate survey of 300 companies (see Table 2) indicates that more than 70% of employees perceive current incentive methods as lacking diversity and meaningful recognition [5]. This emphasizes the urgent need for organizations to broaden incentive approaches, integrating both tangible rewards and intangible forms of acknowledgment, such as honorary titles, commendations, and structured career development opportunities, to foster a more engaged, motivated, and loyal workforce.

Table 2. Employee Perceptions of Insufficient Incentive Mechanisms.

Incentive Mechanism	Proportion of Employees Who Perceive a Lack
Material awards	20%
Spiritual rewards (such as honorary titles, commendations, etc.)	72%
Career development opportunities	65%

As shown in Table 2, employees' perceptions of insufficient incentives vary across different types of mechanisms, highlighting the imbalance between material and non-material motivational tools.

2.3. Ineffective Team Communication

In contemporary organizational operations, communication inefficiencies often arise not from individual reluctance but from structural and cultural barriers embedded within the organization. Cross-departmental collaboration frequently encounters challenges related to "information silos": for instance, marketing teams may adjust promotion schedules without coordinating with product development, resulting in resource misallocation; strategic directives from senior management can become distorted as they pass through multiple management layers. Such issues are particularly pronounced in enterprises with five or more hierarchical levels. Empirical evidence suggests that each additional layer of management can increase the distortion of information by nearly 18-20%, highlighting the cumulative effect of hierarchical complexity on communication accuracy. Beyond structural factors, the absence of psychological safety mechanisms—where employees remain silent due to fear of accountability, and superficial consensus conceals underlying disagreements—gradually erodes mutual trust within the organization. Insights from management psychology indicate that restricted expression significantly diminishes cognitive engagement, directly impairing problem-solving efficiency and limiting innovative thinking. A practical example from a high-tech company demonstrated that implementing a flatter project management system combined with anonymous feedback channels not only enhanced cross-functional collaboration efficiency by 40% but also reduced the frequency of conflicts by 52%. This evidence underscores that communication barriers are less about technical information transmission and more about systemic dysfunctions arising from hierarchical power dynamics and organizational culture. Only by reconstructing organizational dialogue ecosystems—through flatter structures, open feedback mechanisms, and a culture that encourages candid expression—can enterprises fully activate collaborative potential and strengthen their adaptive capacity in rapidly changing market environments.

2.4. Insufficient Employee Stress Management

In modern workplace ecosystems where high-intensity performance evaluations intersect with unclear role definitions, employees frequently experience persistent cognitive overload and heightened mental strain. Internal surveys in large multinational technology companies indicate that a substantial proportion of frontline staff—approximately 63%—work more than 15 hours weekly, with decision fatigue exhibiting a significant positive correlation with emotional exhaustion ($r=0.47$, $p<0.01$). Such chronic psychological stress not only activates physiological stress responses, including abnormal elevations in cortisol through hypothalamic-pituitary-adrenal axis stimulation, but also impairs prefrontal executive functions via neuroplasticity mechanisms, manifesting as diminished attention, judgment biases, and slower decision-making. In practice, project managers may rely on stimulants or sedatives during intercontinental meetings to sustain alertness, while junior employees often conceal sleep disturbances due to concerns about evaluation outcomes, revealing latent occupational health risks. Unmanaged stress can quietly erode organizational resilience, reduce engagement, and compromise collective problem-solving capabilities. Studies on occupational health suggest that annual productivity losses from unmanaged stress can account for roughly 3% of corporate revenue. Conversely, enterprises that implement systematic stress management programs—combining psychological resilience training, flexible work schedules, and early-warning biofeedback systems—demonstrate substantial improvements, including a 28% increase in employee retention and a 41% rise in innovative proposals. These findings underscore that effective stress governance must extend beyond reactive counseling to proactive organizational design, such as optimizing job responsibilities to reduce role conflict, incorporating psychological load into position risk assessments, and embedding stress monitoring into standard operational procedures. By transforming stress management from an individual adaptation task into an institutionalized safeguard, organizations can cultivate sustainable psychological capital, enhance workforce well-being, and strengthen their capacity for innovation and adaptive performance in competitive business environments.

3. Solutions

3.1. Updating Management Concepts

The traditional command-and-control management model has increasingly revealed signs of adaptability fatigue in contemporary organizational environments characterized by uncertainty and knowledge intensity. In today's enterprises, employees are no longer passive execution units; they act as autonomous agents with cognitive independence, emotional complexity, and the capacity for creative problem-solving. When managers continue to rely on one-way directives instead of fostering two-way communication, employees are prone to psychological alienation, decreased motivation, and reduced engagement. To address these challenges, modern enterprises must undertake a profound transformation of management paradigms, converting "people-oriented" rhetoric into institutionalized practices. This involves redefining power dynamics and systematically empowering employees with decision-making authority in areas such as goal setting, workflow optimization, and resource allocation.

A notable example is Google's "20% Free Time" policy, which allows engineers to dedicate one-fifth of their work hours to independent project exploration. This approach not only led to the development of core products, including Gmail and AdSense, but also cultivated a trust-based innovation ecosystem within the organization. Such mechanisms exemplify intrinsic motivation principles: when individuals perceive meaningfulness in their work and enjoy autonomy, their engagement, creativity, and proactive problem-solving abilities increase nonlinearly. Therefore, innovation in management philosophy should extend beyond isolated initiatives and permeate performance evaluation systems, promotion pathways, and daily managerial interactions. By establishing continuous

feedback loops, encouraging empathetic leadership behaviors, and recognizing employee contributions, organizations can foster sustained psychological engagement, enhance intrinsic motivation, and provide employees with continuous opportunities for growth and skill development.

This transformation not only improves organizational adaptability but also strengthens resilience in the face of complex and evolving market demands, ultimately aligning human capital capabilities with strategic objectives and long-term business success.

3.2. Improving Incentive Mechanisms

The effectiveness of an incentive system does not depend solely on the amount of resources invested but on whether it aligns with the multi-level structure of human motivation. According to Herzberg's two-factor theory, hygiene factors such as salary and basic benefits can eliminate dissatisfaction but are insufficient to stimulate higher-order motivation. True motivators-such as achievement, recognition, and personal development opportunities-are essential to enhance engagement and long-term performance. In practice, some enterprises offer competitive salary packages yet continue to experience talent attrition due to rigid promotion pathways, opaque recognition systems, and uneven distribution of honor and rewards.

In contrast, companies that integrate transparency, fairness, and development opportunities into incentive frameworks achieve more sustainable outcomes. For example, Huawei's "Access and Share" system links project benefits directly to team contributions and establishes dynamic honor sequences, such as "Rising Stars" and "Blue Blood Ten," making the incentive process visible, procedural, and credible. More importantly, integrating career development into incentives allows employees to understand their potential and growth paths through competency mapping and structured development roadmaps. Siemens China's "Career Anchor Program" provides a practical example, employing 360-degree assessments combined with Individual Development Plans (IDPs) to deliver tailored rotation programs, mentorship opportunities, and specialized training packages for employees at different career stages.

Such structural support not only satisfies higher-order self-actualization needs, as described in Maslow's hierarchy of needs, but also fosters a virtuous cycle of human capital enhancement at the organizational level. Incentive mechanisms designed in this way move beyond short-term behavioral stimulation and instead become institutionalized arrangements that promote long-term value co-creation, sustained engagement, and organizational resilience. By embedding personal growth, recognition, and meaningful contributions into the incentive structure, companies can establish a system where motivation and performance reinforce one another, creating lasting competitive advantage.

3.3. Enhancing Team Communication

The quality of information flow critically determines the agility and responsiveness of organizations. In matrix or flat organizational structures, frequent cross-departmental collaboration can amplify semantic misunderstandings and create ambiguity regarding responsibilities. For instance, during the model iteration process of a new energy vehicle company, R&D and production teams employed heterogeneous terminology systems, which led to misinterpretations of battery module interface standards and ultimately delayed mass production by six weeks. This case illustrates that communication challenges often stem from cognitive gaps rather than purely technical issues.

Effective communication goes beyond establishing channels; it requires cultivating a shared language and standardized problem-expression frameworks. Toyota's implementation of the "Andon Cord" and the "Five Whys" root cause analysis within its Production System exemplifies this approach, providing frontline employees with

mechanisms to immediately trigger cross-level collaboration. Similarly, digital tools must be integrated in alignment with organizational communication culture. After Microsoft Teams incorporated emotion recognition plugins, meeting records began automatically annotating speakers' emotional tendencies, enabling managers to proactively identify potential conflict points.

Ultimately, communication optimization depends on establishing psychological safety within the organization. When employees are confident that expressing dissent will not result in negative consequences, the barrier of silent compliance is removed. Amazon's "Working Backwards" methodology further demonstrates this principle: by requiring proposers to draft press releases and customer Q&As at the outset, teams are compelled to reconstruct information from the recipient's perspective, thereby reducing miscommunication and enhancing decision-making efficiency. By combining standardized mechanisms, cultural alignment, and psychological safety, enterprises can transform communication from a procedural necessity into a strategic capability that strengthens cross-functional collaboration and accelerates organizational responsiveness.

3.4. Enhancing Employee Stress Management

The cumulative effects of occupational stress often remain hidden, with clinical manifestations emerging only after the body's physiological compensatory mechanisms are exhausted. Prolonged exposure to high-intensity performance expectations and continuous assessment cycles can create persistent psychological pressure that gradually undermines employee well-being. Neuroscience research indicates that sustained exposure to uncontrollable stressors increases amygdala activity while reducing hippocampal gray matter density, impairing both emotional regulation and memory integration. This underscores that occupational stress is not merely a short-term discomfort but a factor with long-term cognitive and physiological consequences.

Effective stress management requires moving beyond reactive interventions, such as occasional counseling sessions, toward continuous organizational protection and structural adjustments. For example, Deloitte China implemented bio-sensor wristbands to monitor employees' heart rate variability (HRV), using schedule load modeling to generate personalized early warnings. In parallel, measures such as "No-Meeting Wednesdays" and mandatory offline leave policies were introduced to create restorative time spaces, supporting recovery and mental resilience. Beyond environmental adjustments, task design itself can be leveraged to reduce stress. Schneider Electric's micro-task decomposition approach breaks large projects into smaller, manageable units with completion cycles of 72 hours, harnessing dopamine-driven reward circuits to sustain a sense of control and accomplishment.

By proactively recognizing the limits of cognitive resources and establishing buffer mechanisms, organizations can transition from reactive, consumption-driven work patterns to sustainable mental performance systems. Such comprehensive approaches integrate workload management, structural interventions, and neurobehavioral insights, ensuring that employees maintain engagement, decision-making capacity, and psychological resilience over the long term.

4. Conclusion

The management challenges faced by modern enterprises have extended beyond the limitations of traditional organizational structures, rooted deeply in cognitive overload and imbalances in psychological contracts. Insights from management psychology indicate that rigid, authoritarian leadership styles can suppress employees' intrinsic motivation and their drive for meaning creation. Conversely, empowerment mechanisms informed by Self-Determination Theory (SDT) effectively activate intrinsic motivation by addressing core psychological needs. Incentive systems should move beyond mere performance-linked external rewards and comprehensively integrate three fundamental

psychological needs: competence, autonomy, and belonging. For example, Google's "20% Free Time" policy demonstrates how structural support can foster creativity and innovation by granting employees autonomy over part of their work time.

Communication efficiency within teams is frequently constrained by information redundancy, delayed feedback, and unclear responsibility boundaries. Amazon's "Working Backwards" methodology, which requires proposals to start with anticipated user scenarios, encourages concise expression and ensures that team members reconstruct information from the recipient's perspective, significantly reducing collaboration friction and miscommunication.

Occupational stress presents cumulative, nonlinear effects, with prolonged exposure potentially impairing cognitive and emotional functions. Organizational interventions that link physiological and psychological monitoring outperform isolated counseling approaches. Deloitte China's implementation of heart rate variability monitoring combined with structured restorative periods exemplifies how proactive design of work-rest cycles can mitigate stress and sustain employee performance. Similarly, Schneider Electric's micro-goal closed-loop approach demonstrates that breaking down tasks into controllable units activates dopamine regulation mechanisms, reinforcing employees' sense of control and engagement.

Ultimately, sustainable management transformation requires integrating cognitive science into the foundational logic of organizational systems. By constructing an ecosystem that emphasizes psychological resilience, dynamic adaptability, and structured support for intrinsic motivation, enterprises can transition from traditional human resource consumption models toward the cultivation and strategic utilization of mental capital. This transformation not only enhances employee well-being and engagement but also strengthens the organization's capacity for innovation and long-term competitiveness.

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