

Knowledge Management-Based Construction and Safeguarding of the Generalized Business Environment Postprint

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Abstract

[Purpose/Significance] Under the new development stage, new development philosophy, and new development pattern, the traditional business environment can no longer meet the development needs of enterprises, especially those of real economy enterprises, small, medium, and micro enterprises, and private enterprises.

[Method/Process] Applying knowledge management theory and conceptualizing the business environment as an innovative knowledge product and knowledge service system, this study analyzes the knowledge management characteristics of socio-economic systems that integrate knowledge innovation and knowledge services from the perspectives of knowledge innovation, knowledge service, and knowledge management. It constructs a generalized business environment encompassing external environments at the macro, meso, and micro levels as well as the internal enterprise environment. This will provide a favorable business environment and systematic business knowledge services for enterprise development, particularly for real economy enterprises, small, medium, and micro enterprises, and private enterprises, as well as for green, high-quality, and digital economy development.

[Result/Conclusion] The generalized business environment not only embodies innovation in knowledge management but will also be capable of resolving the bottleneck problems confronting the business environment.

Full Text

Preamble

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Abstract: [Purpose/significance] Under the new development stage, new development concept, and new development pattern, the traditional business environment can no longer meet the needs of enterprises, especially those in the real economy, small and medium-sized micro-enterprises, and private enterprises. [Method/process] Applying knowledge management theory, this paper conceptualizes the business environment as an innovative knowledge product and knowledge service system. From the perspective of knowledge innovation, knowledge service, and knowledge management, it analyzes the knowledge management characteristics of socio-economic systems that integrate knowledge innovation and knowledge service, and constructs a general business environment encompassing macro, meso, and micro-level external environments alongside the internal enterprise environment. This will provide a favorable business environment and systematic business knowledge services for enterprise development, particularly for real economy enterprises, small and medium-sized micro-enterprises, and private enterprises, as well as for green, high-quality, and digital economic development. [Result/conclusion] The general business environment represents an innovation in knowledge management that can help solve the bottleneck problems currently facing business environments.

Keywords: knowledge management; knowledge innovation; knowledge service; business environment

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1.1 The Role of Business Environment

The business environment generally refers to the sum of external factors and conditions—such as government affairs, market conditions, rule of law, and humanistic culture—that market entities like enterprises encounter during market entry, production and operation, and exit processes. Undoubtedly, a sound business environment constitutes an important manifestation of a country or region’s economic soft power and represents a critical dimension for enhancing comprehensive competitiveness.

Based on the United Nations' "World Happiness Report," which employs nine domains—education, health, environment, governance, time, cultural diversity and inclusiveness, community vitality, subjective well-being, and standard of living—as evaluation criteria, along with various sub-indicators and considerations such as life expectancy, life satisfaction, per capita resource consumption, and environmental pollution, creating a favorable business environment can also contribute to improving a country or region's "global happiness index."

For China, under the new development stage, new development concept, and new development pattern, and considering the relationship between the global pandemic and the unprecedented global changes in the real economy, as well as the implications for people's livelihoods and national stability and security, the business environment is critically important for real economy enterprises, particularly small and medium-sized micro-enterprises and private enterprises. However, current domestic and international research and practice have yet to produce an innovative business environment. Existing business environments, lacking holistic, systematic, scientific, and disruptive innovation considerations, tend to adopt expedient "band-aid solutions" that fail to address root causes. Consequently, they no longer satisfy the development needs of enterprises—especially real economy enterprises, small and medium-sized micro-enterprises, and private enterprises—and have become a significant bottleneck constraining development.

1.2 New Understanding of Business Environment Innovation

To address these bottleneck problems, we must broaden our perspectives, transform our concepts and attitudes, and approach the issue from the larger context of socio-economic and natural ecology along with disruptive innovation. Driven by innovation, we need to re-examine, reconstruct, and implement a new business environment from the perspectives of knowledge management, knowledge innovation, and knowledge service. Based on the connotations and extensions of business environment and knowledge (product) concepts, the business environment is typically expressed through constitutional laws and regulations, development plans and strategies, institutional norms and policies, implementation guidelines, and management measures related to external factors such as government affairs, market conditions, rule of law, and humanistic culture. Consequently, the constructed business environment itself represents a crystallization of collective wisdom drawn from theory and practice, experience and lessons, and inheritance and development. Therefore, the business environment is a knowledge product obtained through knowledge innovation—including learning knowledge (receiving knowledge services) and creating knowledge (providing knowledge services)—that offers knowledge services to enterprises. Documents serve as the knowledge carrier of the business environment, while specific mechanisms, institutions, regulations, and policies within these documents constitute its knowledge content. Strictly speaking, constructing a business environment

highlights knowledge innovation while conducting knowledge service and knowledge management; implementing a business environment highlights knowledge management while conducting knowledge service and knowledge innovation. The term “creating” in “creating a business environment” can thus be understood as a “learning-by-doing” approach of “implementing while constructing, and constructing while improving.”

Therefore, based on the relationship among knowledge innovation, knowledge service, and knowledge management, creating a business environment can be summarized as a process that integrates knowledge innovation, knowledge service, and knowledge management. This business environment provides systematic knowledge services to market entities such as enterprises within the socio-economic system. Because it differs from traditional business environments, we call this new approach the *general business environment*, which is essentially an innovative knowledge service system. It provides comprehensive and systematic knowledge services for enterprise development, particularly for real economy enterprises, small and medium-sized micro-enterprises, and private enterprises, as well as for green, high-quality, and digital economic development. Thus, knowledge service constitutes the core concept of the general business environment, encompassing both the demand for and provision of knowledge services in business environment innovation, as well as the business environment itself as an innovative result that is a knowledge service (product) providing a knowledge service system to enterprises.

2.1 Knowledge Innovation and Knowledge Management in Human Activities

In human activities, individuals fundamentally engage in three things throughout their lives: living, learning, and working. Living permeates one's entire life, accompanied by learning and working. Financial management and retirement planning are important activities within living. Similarly, learning runs throughout life, accompanied by work and life. Human life can also be broadly divided into three stages: an early learning stage (systematic education before entering society and the workforce), a middle working stage (participation in social work), and a later retirement stage (enjoying old age after retirement). Likewise, for learning, there is on-the-job continuing education during the working stage and elderly learning after retirement; for work, there is part-time work and social public service during the later learning stage, as well as part-time work or participation in public welfare services after retirement.

Knowledge has become the primary factor, and learning—particularly lifelong learning—has become the primary need. Through “learning by doing,” individuals learn how to learn, work, live, manage finances, and plan for retirement, thereby enhancing their personal cultivation, learning capacity, and knowledge power to fulfill social responsibilities and obligations in pursuing environmentally friendly, happy, and simple living. Therefore, whether in learning, working, living, financial management, or retirement planning, all require corresponding

knowledge innovation, knowledge service, and knowledge management—all require personal knowledge management. In other words, human activities constitute a process of knowledge innovation, knowledge service, and knowledge management that runs throughout our entire lives.

Furthermore, human activities in living, learning, and working manifest as groups formed through organic connections and mutually beneficial cooperation, constituting an organic whole according to certain behavioral norms, economic relations, and social systems—namely, society. Within society, economic activities in human living, learning, and working form the economic system, which comprises enterprises, industries, and macroeconomic sectors. Enterprises serve as market entities, with similar enterprises forming certain industries, and all industries constituting the macroeconomy. According to geographic and administrative relationships, the economic system can also be divided into enterprise, regional, and macroeconomic levels. Clearly, micro-level enterprises form the foundation, meso-level industries or regions serve as the link connecting macro and micro perspectives, and the macro level represents the overall top layer. The vast majority of people work in enterprises within the economic system, while a smaller number work in industrial and macroeconomic sectors. Others work in non-economic systems in fields such as politics, administration, markets, law, culture, science and technology, education, and healthcare. Based on both the natural attributes of human life processes and the social attributes of living, learning, and working processes, we believe that work in these fields is directly or indirectly related to work in the economic system, as well as to learning and living. The economic, political, cultural, and other interrelationships among working subjects constitute a social system embedded with cultural characteristics. Thus, the elements of the social system are individuals, groups, and organizations, connected through economic, political, and cultural relations.

As previously mentioned, knowledge innovation, knowledge service, and knowledge management will play increasingly significant roles in both social and economic systems. Therefore, socio-economic systems require not only personal knowledge management but also organizational knowledge management across all departments, institutions, and units at various levels and dimensions—a necessity determined by the universality of knowledge management and its validation in socio-economic systems.

From a macro perspective, the economic system is also divided into the real economy and the virtual economy. The real economy consists of real economy industries, while the virtual economy consists of virtual economy industries. Real economy enterprises form the cornerstone of the real economy, with similar real economy enterprises forming certain real economy industries; virtual economy enterprises similarly form the cornerstone of the virtual economy, with similar virtual economy enterprises forming certain virtual economy industries.

Real economy enterprises produce and provide products (services), creating real products (value) to meet the material and spiritual needs of production, work, living, and learning—especially the needs for information, knowledge, and cul-

ture. Virtual economy enterprises produce and provide products (services), creating virtual products (value) to meet the production needs of real economy enterprises and the needs of people working, living, learning, and managing finances and retirement. It is worth emphasizing that virtual economy enterprises' virtual products and services only have meaning when integrated into real economy enterprises' real product offerings; at this point, the value of virtual products merges into the value of real products and participates in real value distribution. In other words, only real products create real social wealth, while virtual products only constitute virtual social wealth. Therefore, virtual social wealth calculated independently of or deviating from real value creation by real economy enterprises is merely a symbol; only "virtual social wealth" that serves and integrates with real value creation by real economy enterprises and participates in real social wealth distribution possesses real value and significance, representing a share of real social wealth.

From the perspective of both real and virtual economies, real economy enterprises and virtual economy enterprises that serve real economy enterprises require knowledge innovation, knowledge service, and knowledge management to produce real products (services) and create real product (service) value and real social wealth. Of course, developing the real economy depends on the development of the virtual economy and non-economic systems engaged in politics, administration, markets, law, culture, science and technology, education, healthcare, and other fields. However, fundamentally, developing the real economy is the foundation, requiring knowledge service support provided by virtual economy innovation, as well as knowledge service support from innovations by departments, institutions, and units in politics, administration, law, culture, science and technology, education, and healthcare. Therefore, as innovation entities, real economy enterprises require not only their own R&D innovation but also knowledge service support from corresponding institutional mechanisms, regulatory oversight, and policy management innovations at industrial, regional, and macroeconomic levels.

Thus, in today's knowledge economy, regardless of whether we work in the real economy, virtual economy, or in political, administrative, legal, cultural, scientific and technological, educational, or medical fields, we are all knowledge workers who both need knowledge services and need to provide knowledge services for innovative knowledge. In socio-economic systems, we are directly or indirectly engaged in macro, meso (regional), and microeconomic activities. In essence, based on serving real economy enterprise product innovation, virtual economy enterprises and workers in industrial, regional, and macroeconomic sectors focus on knowledge innovation and providing knowledge services, while workers in political, administrative, legal, cultural, scientific and technological, educational, and medical departments and institutions who are indirectly engaged in economic activities similarly focus on knowledge innovation and providing knowledge services. Therefore, from the perspective of knowledge innovation and knowledge service, we are all knowledge workers and personal knowledge managers, as well as organizational knowledge managers in political, adminis-

trative, legal, cultural, scientific and technological, educational, and medical departments, institutions, and enterprises.

3 The General Business Environment

As previously discussed, for enterprises, the general business environment includes both external and internal environments, jointly forming a knowledge service system created through knowledge innovation. This comprises three external levels—macro, meso (regional and industrial), and micro—as well as the internal environment (i.e., the enterprise’s soft environment). Simultaneously, the socio-cultural environment plays an important safeguarding role in business environment construction.

3.1.1 Macro Level

The macro level should be based on knowledge-based government and knowledge service innovation to evaluate and innovate mechanisms, institutions, laws, regulations, and policies related to politics, economy, markets, law, culture, science and technology, education, and healthcare. According to the 14th Five-Year Plan and the 2035 Long-Range Objectives, and considering future development environments and goals, it is essential to understand actual enterprise needs. Macro-level top-down design must, on one hand, innovate and provide knowledge services related to political, administrative, legal, cultural, scientific and technological, educational, and medical mechanisms, institutions, laws, regulations, and policies. On the other hand, it must correctly handle the relationship between government and market, central and local governments, govern according to law, balance equity and efficiency, strictly enforce labor laws, and combine “effective government” with “efficient markets” and “central holism with local particularism” to innovate and provide knowledge services in fiscal finance and insurance, market access regulation and traceability, employment expansion and environment, innovation and talent, intellectual property protection, precise taxation and government transfer payments, and reasonable income and wealth distribution mechanisms, institutions, laws, regulations, and policies.

Additionally, it must innovate and provide knowledge services regarding systems, regulations, access rules, and oversight for major critical technology R&D and industrialization, as well as fiscal, taxation, insurance, and financial support policies. It should leverage finance to serve the real economy, particularly green, high-quality, and digital economic development, from technical, legal, and economic and national security perspectives. It must also innovate and provide knowledge services in legislation protecting scientists, entrepreneurs, and enterprise assets, especially regarding data production, data property rights, data security, and data sharing. Furthermore, it should foster an environment that advocates scientific spirit, respects scientists, cherishes entrepreneurs, and promotes social responsibility, practitioners, and their labor, creating an innovative social and cultural soil and environment for talent selection, cultivation, and utilization.

In summary, given that innovation-driven development is essentially talent-driven, and that talent is both the subject of innovation and the most critical and decisive factor in innovation, the general business environment innovation and enterprise, especially real enterprise product (service) innovation, cannot succeed without talent. Therefore, at macro, meso, and micro levels, and throughout society as a whole, providing good, healthy humanistic care for all types of talent through mechanisms, institutions, and policies related to human capital investment is of paramount importance.

3.1.2 Meso Level

Based on knowledge-based industries or regions, as well as political, economic, market, legal, cultural, scientific and technological, educational, and medical departments and institutions, the meso level must implement and concretize macro-level mechanisms, institutions, laws, regulations, and policies to specific regions, industries, departments, or institutions under macro-level top-down design. This level plays a bridging and linking role “connecting macro to micro.” On one hand, it should formulate scientifically sound and effective preferential, reward and punishment, and legal responsibility policies for green, high-quality regional or industrial development and digital economic development based on resource endowments, development environment advantages and disadvantages, experiences and lessons, opportunities and challenges, and support for macro socio-economic development. It should adhere to the principles of “reduction, reuse, recycling, and harmlessness” and “polluter pays,” operate in accordance with laws and regulations, enforce laws strictly, implement supervision and traceability, ensure fair competition, thoroughly crack down on counterfeit and substandard products, reject “bad money drives out good,” and create a “clean” market that allows premium pricing for green, high-quality products. It should also cultivate urgently needed talent for green, high-quality, and digital economic development, providing “0-to-1 innovation” and “bottleneck” key technologies.

On the other hand, it should leverage think tank functions to provide intellectual support and knowledge services to decision-makers and enterprises, such as analyses of cutting-edge technologies related to national security, resource and ecological environment security, and industrial development trends, as well as macro-quality profiling and early warning analyses for enterprises related to green, environmental, and people’s health and safety.

3.1.3 Micro Level

Under macro and meso guidance and requirements, not only must real and virtual enterprises and institutions in science and technology, education, and healthcare provide products and knowledge services to each other according to laws and market rules, but more importantly, they must create a cultural environment of mutual dependence and mutual constraint—a “close interdependent relationship.” Specifically, under macro and meso guidance, virtual enterprises need to create new products, such as financial and insurance knowledge prod-

ucts, to serve real economy enterprises. Simultaneously, science and technology, education, and healthcare institutions or units must innovate to provide corresponding knowledge, technology, talent, and health knowledge services to real and virtual enterprises.

3.2 Internal Environment

Under favorable macro, meso, and socio-cultural external environments, the internal environment of enterprises is also indispensable to the general business environment. For instance, under the same external environment, technology, processes, facilities, and factor inputs, enterprises' outputs, efficiency, and effectiveness—including innovation, quality, and level, as well as their social responsibilities and contributions—vary due to differences in internal mechanisms, institutions, management, and culture. These internal mechanisms, institutions, management, and culture constitute the internal environment, which becomes part of the general business environment knowledge service system through enterprises' implementation of egalitarian management and innovation-provided knowledge services.

In green economic development, for example, central government ministries and some provincial and municipal governments have already issued policies conducive to green and high-quality economic development, digitalization and economic digital transformation, and sound systems supporting SME development. These policies empower enterprises and benefit those engaged in green, high-quality, and digital economies to compete fairly in the market, survive through competition, and create high-quality market premiums through shared information and precise decision-making. However, since solutions to hardware and software problems in green economic digitalization leading high-quality development ultimately fall upon real enterprises, enterprises must distinguish which problems require short-term solutions and which need long-term solutions. Given that software problems are more prominent than hardware problems, creating an internal environment focused on attitudes, social responsibility, innovative soil and culture, talent selection and utilization, and concepts of green, quality, brand, and data becomes paramount when fully utilizing digital technology and hardware.

3.3 Socio-cultural Environment

The socio-cultural environment is determined by the values, social consciousness, responsibilities, and behaviors of every entity at macro, meso, and micro levels, as well as every family and individual—that is, a stable, safe, and harmonious social environment; a friendly, livable, and healthy ecological environment; self-disciplined social consciousness and obligations; and a cultural environment with upright, fair, just, and credible public opinion orientation, all cultivated through long-term collective effort.

Strictly speaking, the socio-cultural environment is compatible with the busi-

ness environment: the socio-cultural environment shapes the business environment, and vice versa. The business environment is embedded in and highlights the socio-cultural environment. It is worth emphasizing that the socio-cultural environment plays an important safeguarding role in business environment construction. Simultaneously, the socio-cultural environment can be regarded as the most fundamental and universal knowledge service within the business environment. While this is extremely important, it also requires laws and regulations, advocacy and guidance, and comprehensive individual and organizational commitment starting from oneself. For instance, in green, high-quality, and digital economic development, individual behavior may seem insignificant, but its cumulative effect can produce enormous adverse social impacts—a notable “butterfly effect.” Therefore, studying behavioral science in green, high-quality, and digital economies from social and cultural perspectives is valuable. “Altruism” primarily manifests as benefiting society; conversely, when social thinking, concepts, responsibilities, and obligations regarding green, brand, and data concepts, as well as respecting harmony between humans and nature, are consciously and voluntarily accepted by the whole society and put into action, they form a good ecological and cultural environment for fulfilling social responsibilities and obligations where “those with money contribute money, those with ability contribute effort,” and for giving back to society.

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