# Team Culture Project Overview

# Culture of Pang Donglai

## Company Introduction:

Pangdonglai is a retail enterprise established on March 12, 1995, with the business philosophy of "using genuine products with sincerity", committed to providing services that exceed customer expectations. The company enjoys an unshakable position and high reputation in the local area, winning the trust of customers with its integrity and high-quality service. The characteristic of Pangdonglai lies in its high standards for goods and services, ensuring that every shopping experience customers receive is satisfactory and enjoyable. The success of the company is not only reflected in its commercial achievements, but also in its positive impact on the community and employees, demonstrating the company's sense of social responsibility and humanistic care. Pangdonglai, as a leader in the retail industry, continuously promotes industry standards, provides customers with higher quality goods and services, and creates a work environment full of respect and growth opportunities for employees.

## Culture Characteristics

We choose to analyze Pangdonglai from the perspectives of Detail orientation, People/Customer orientation, and Integrity regarding the six primary culture characteristics.

### Detail Orientation：

We choose Detail orientation because details are the key to a company's success. Pangdonglai has a strong Detail orientation, paying close attention to details in service and management to ensure that customer needs are fully met. The company pursues perfection in employee training, service processes, and product placement, striving to provide high-quality service experiences. For example, the employee handbook provides detailed guidance for each scenario. Careful attention to detail helps improve customer satisfaction and reflects the company's pursuit of excellence in service quality.

### Integrity：

Pangdonglai regards integrity as one of the core values of its corporate culture, reflected in its sincere treatment of employees, customers, and partners. The company values consistency in words and deeds, keeps promises, and maintains transparency in its operations, winning the trust of customers and employees. Honesty has laid a good reputation foundation for Pangdonglai and established a loyal customer base in its long-term development. Pangdonglai actively participates in public welfare activities, including charitable donations and natural disaster donations. Pangdonglai also helps old Chinese brands, such as Wahaha, Pangdonglai will set up counters in the mall for promotions.

### People/Customer Orientation：

People/customer orientation is crucial for a company as it plays a vital role in building trust between employees and customers. Pangdonglai not only achieves customer orientation, but also people orientation, which means that Pangdonglai not only values customer experience, but also pays attention to the emotional stability of employees. Pangdonglai's entire company strategy is based on the concept of "fairness, freedom, happiness, and universal love", with 90% of the company's profits given to employees. The company creates a harmonious and customer-oriented atmosphere through open communication and team collaboration. Pangdonglai pays attention to the real needs of customers, listens to their feedback, and continuously improves services, so that every customer can feel the warmth and respect of home.

Pangdonglai attaches great importance to the construction of employee relations and is committed to creating a work environment full of interpersonal harmony and team spirit. Mr. Yu affectionately refers to team members as "younger brothers and sisters", which not only reduces the distance between management and employees, but also enhances the sense of intimacy and belonging among employees. To further promote teamwork, Pangdonglai encourages mutual assistance and support among employees, promotes open communication channels and active participation in the decision-making process, so that each employee feels that he or she is an integral part of the company's success.

## Culture Type

In terms of values, Pangdonglai emphasizes the cultivation of complete personality as the core concept. The company's vision is to help employees develop a sound personality and pursue a sunny and personalized lifestyle. This vision reflects the company's focus on the overall development of its employees and aims to inspire them to become more confident, independent and socially responsible individuals. In addition, Pangdonglai's values also include punishing evil and promoting good, that is, upholding justice in work, opposing improper behavior, and promoting positive energy.

As for the vision of life, Pangdonglai hopes that employees can have a healthy body, a safe living environment, a happy love, a happy family, a stable financial situation, a warm home and a rich holiday experience. These visions reflect the company's strong focus on the quality of life of its employees and aim to create an ideal state of work-life balance for employees.

From a long-term perspective, Pangdonglai is very concerned about the long-term development of employees. The company focuses not only on short-term business results, but also on employee growth and personal achievement. By providing a variety of learning and development opportunities, Pangdonglai strives to help employees achieve career planning and ensure sustainable progress and satisfaction within the company. This people-oriented philosophy fully demonstrates Pangdonglai's deep concern for the well-being of its employees and its determination to invest in the long term.

# Five OB Topics

The following is the theory of organizational behavior that we will discuss in detail, and the corresponding concepts.

1. **Attitude & Satisfaction**

Organizational Commitment

Cognitive Dissonance

1. **Moods & Emotions**

The source of emotions

Emotional labor

1. **Personality & Values**

Organizational values

Person-Organization Fit

1. **Motivation**

2-Factor Theory

Empowerment

Equity Theory

1. **Leadership**

Charismatic Leaders

Authentic Leaders

In our mid representation, we chose two topics: Group-and teamwork and Conflict and negotiation. However, with the deepening of learning, we changed these two subjects to more appropriate Leadership and Motivation.

As for Group-and teamwork, we mainly want to discuss why Pangdonglai does not choose rapid expansion and how to enhance internal cohesion. With the deepening of our study, we found that the content in the chapter Structure Change can better explain the reasons for Pangdonglai's non-expansion: As Pangdonglai expands, other supermarkets in new areas will be forced to face a crisis of organizational restructuring, which is inconsistent with Pangdonglai's original intentions and values.

As for Conflict and negotiation, we initially wanted to discuss how to resolve the conflict between Pangdonglai and customers, which did not match the content in the lecture. The content of the lecture can be related to the conflict and negotiation between organizations.

## Topic1: Attitudes and Satisfaction

### Concept 1: Organizational commitment

Organizational commitment theory is a psychological theory that explains the relationship between employees and the organization. An employee with organizational commitment identifies with a particular organization and its goals and wishes to remain a member. Most research has focused on emotional attachment to an organization and belief in its values as the “gold standard” for employee commitment. (Robbins & Breward, 2018). It suggests that employees' level of commitment to the organization affects their work attitude and behavior. According to this theory, employees may develop emotional commitment due to their identification with the organization, satisfaction with their work, and loyalty to the organization. This commitment can motivate employees to be more engaged in their work, improve their job performance, and reduce the likelihood of turnover.

In Pangdonglai, the company created a positive working environment that emphasizes mutual respect and recognition, which is directly related to employees' emotional commitment. Employees feel respected and recognized by the company, which enhances their sense of identification and belonging to the company. This culture not only makes employees feel that their work is meaningful, but also inspires them to contribute to the company's common goals. Pang Donglai has further strengthened the emotional commitment of its employees by distributing bonuses, providing holiday care, offering support during important moments in life, and setting up various awards.

### Concept 2: Cognitive dissonance

The theory of cognitive dissonance refers to the psychological discomfort people feel when faced with inconsistent behaviors and beliefs, and therefore take action to reduce this inconsistency. When an employee's behavior is inconsistent with their attitude or belief, they may change their attitude to align with their behavior in order to reduce psychological discomfort.

Pangdonglai also pays attention to the personal pursuits and spiritual world of employees. CEO Yu Donglai hopes that the company can become a school for employees to learn and progress. This approach meets the personal development needs of employees, reduces inconsistencies between their behavior and attitudes, and thus lowers cognitive dissonance. Employees are therefore more satisfied because they not only work for a living, but also for personal growth and the realization of their self-worth.

## Topic2: Moods

### Concept 1: Emotion Resources

The theory of emotional resources involves the role of emotions in organizations, particularly in how to manage and utilize employees' emotional resources. Pangdonglai may cultivate a positive emotional work environment by providing emotional support and reward mechanisms, which can help employees better manage their emotions, improve job satisfaction and performance. For example, the company provides a subsidy of 5000-30000 yuan to employees who have been wronged due to normal work processes. They maintain the work hour of their employees, make sure each employee would work no more than 7h/day, 40h/week. This is not only an economic compensation, but also a recognition and support for employees' emotions.

### Concept 2: Emotional Labor

We use the theory of emotional labor to analyze the importance of expressing organizational expectations in the workplace. In Pangdonglai, this theory is reflected through its emphasis on employee emotional expression. The company encourages employees to display positive emotions, such as enthusiasm and friendliness, to enhance the customer service experience. This culture requires employees to engage in surface or deep acting, which involves hiding or adjusting their true emotions to meet the company's standards. However, long-term emotional disengagement may lead to employee burnout, decreased job performance, and decreased job satisfaction. Therefore, Pangdonglai closely monitors the actual emotions of employees and strives to provide benefits for them as much as possible to ensure that they maintain a well monitored work mood.

Pangdonglai attaches great importance to the value of emotional labor and sets up the "grievance Award". Employees normally go through the process, but receive any grievances or unjustified accusations (from customers or other employees), will get a reward ranging from 5,000 to 30,000 yuan.( Huanghe Business News,2023) Such practice can reflect Pangdonglai's recognition and emphasis on employees' emotional labor.

For employees, Pangdonglai's culture means that their emotions and feelings are valued and recognized by the company. This culture may bring positive effects, such as increasing employees' sense of belonging and loyalty, but it may also bring challenges, especially when the demand for emotional labor may lead to the depletion of personal emotional resources. Employees need to develop Emotional Intelligence to better perceive, understand, and regulate their emotions, which is crucial for adapting to company culture and maintaining personal well-being.

## Topic3: Values

### Values Profile of Pangdonglai

Pangdonglai upholds the value of "promoting good and punishing evil," with "freedom and love" as its corporate faith. It defines itself as a "school," with a mission to "spread advanced cultural ideas" and a vision to "cultivate a sound personality and achieve a sunny, individualistic life."

This is quite different from the attributes, visions, and values of most companies. How to implement and enforce these values in the management and operations of the company, and how to ensure that employees genuinely identify with and continuously cultivate these values, is a question worth pondering.

### Concept 1: Value

#### Pangdonglai's Value System:

* **Values:** Promote good and punish evil
* **Promote** Good: Sunshine, freedom, respect, trust, sincerity, fairness, justice, courage, benevolence, moderation
* **Punish Evil**: Hypocrisy, selfishness, inferiority, jealousy, greed, constraints, harm
* **Life Guidelines:** Health, safety, love, family, finance, home, vacation
* **Operational Goals:** Excellent detail management
* **Business Philosophy:** Customer satisfaction (abundant products, reasonable prices, warm environment, perfect service)

#### Measures Taken by Pangdonglai:

Pangdonglai has established strict behavioral guidelines that all employees must follow. These guidelines include norms for interacting with customers and requirements for work status. Behavioral guidelines are executed by department and rank, detailing how to handle every possible customer behavior. For example:

##### General Employee Service Standards (Excerpt):

When a customer requests a new item, promptly provide the required product.

If a product lacks a barcode or price tag, apologize to the customer and quickly delegate another staff member to assist.

When a customer asks a question, guide them to their destination based on their needs. If unable to leave the post, provide detailed directions and accurately guide the customer.

Fruit and Vegetable Processing Area Service Standards (Excerpt):

Based on the customer's purchase, proactively suggest they get ice bags from the ice station to keep the items fresh.

Proactively offer candy to crying children and customers with low blood sugar.

Proactively inform customers of the best consumption method and how to store leftovers properly.

These regulations help employees deeply understand and internalize the company's values through enforcement and continuous implementation.

##### Incentive rewards

To encourage employees to practice truth, goodness, and beauty and spread positive energy, Pangdonglai has established awards such as the "Power of Love Award," "Bravery and Justice Award," and "Sunshine Wisdom Award." These rewards motivate employees to align with the company's values.

##### Psychological counseling

To prevent employees from experiencing negative emotions such as inferiority and jealousy, Pangdonglai provides psychological counseling services to help employees address psychological issues at work and in life. The company also regularly organizes team-building activities to enhance trust and cooperation among employees, reducing unnecessary competition and conflicts.

### Concept 2: Person-Organization Fit

People are attracted to and choose organizations that align with their values, and they tend to leave organizations that do not match their personalities. Robbins, (S. P., Judge, T. A., & Breward, K. E., 2018)

##### Pangdonglai's Recruitment Standards (Excerpt):

Like Pangdonglai's cultural ideals and have a certain level of understanding and knowledge. During the interview, candidates must articulate the company's cultural ideals. Those who cannot demonstrate sufficient familiarity and understanding will not be hired.

Possess personal qualities such as sincerity, kindness, optimism, and a sunny disposition.

Have an outgoing personality, strong interpersonal skills, and effective communication abilities.

Love life and have good living habits and behaviors.

Through these evaluation methods, Pangdonglai can select candidates who align with the company's values, thereby reducing recruitment risks and improving team cohesion and efficiency. New employees who pass the interview must attend Pangdonglai's new employee training. After completing the training courses and passing the exam, they enter a probationary period (3 months). During the probationary period, new employees typically undergo a mentoring program where experienced employees guide them. Each new employee has a mentor who evaluates them at the end of the internship. Only those who pass the evaluation can officially start working. Through continuous training and education, Pangdonglai ensures that employees maintain alignment with the company's values throughout their careers, thereby enhancing their sense of belonging and loyalty.

## Topic4: Motivation

### Profile of Motivation in Pangdonglai

In its unique employee management policy, Pangdonglai focuses on customer service and employee benefits, emphasizing employee contributions and effectively enhancing their work motivation. By combining Two Factor Theory and Empowerment Theory, we can conduct a more in-depth analysis of Pangdonglai's incentive strategies.

### Concept 1: 2-Factor Theory

Herzberg's two factor theory suggests that employee job satisfaction stems from Motivating Factors

The dual role of Hygiene Factors. In the employee management of Pangdonglai, Hygiene Factors are reflected in the protection of employee benefits, work environment, and company policies. By providing good working conditions and comprehensive welfare measures, Pangdonglai has reduced employee job dissatisfaction. These hygiene factors ensure that employees do not develop negative emotions due to working conditions while their basic needs are met.

Meanwhile, Pangdonglai further enhances employee job satisfaction through Motivating Factors. For example, the company sets clear career development paths for employees, not only providing a two-way development channel for position experts and management experts, but also through star differentiated incentive mechanisms, allowing employees to have clear goals and promotion opportunities between different levels. These motivational factors inspire employees' desire for a sense of achievement and recognition, connecting their personal development with achieving company goals. This approach effectively enhances employees' intrinsic motivation, making them not only satisfied with basic job needs, but also more willing to pursue excellent performance, thereby increasing job satisfaction and sense of belonging.

### Concept 2: Empowerment

Pangdonglai's motivation system also incorporates the principles of empowerment theory, which effectively enhances employee motivation by granting them autonomy and a sense of participation. The empowerment theory emphasizes that by giving employees more autonomy and decision-making power, their sense of responsibility and work engagement can be enhanced. In the incentive mechanism of Pangdonglai, the company provides clear behavioral guidelines and job development directions for employees, allowing them to independently plan their career paths and take responsibility for their work results. At the same time, Pangdong encourages employees to participate in the company's various services and management, making them feel that their efforts and contributions have a direct impact on the company. This empowerment approach not only enhances employees' job satisfaction, but also strengthens their sense of responsibility and self motivation, prompting them to work more actively towards the company's goals.

Pangdonglai emphasizes the connection between employee effort and performance, which can be analyzed using expectancy theory. According to expectancy theory, employees' motivation comes from their expectations of the "effort performance reward" relationship. The incentive policy of Pangdonglai provides employees with clear development paths and timely performance feedback, enabling them to understand how their efforts directly affect performance and bring corresponding rewards. For example, employees can obtain corresponding star ratings through their own efforts and receive matching rewards. This mechanism effectively increases employees' expectations of their work performance, making them believe that putting in effort will bring positive results, thereby stimulating higher work enthusiasm and initiative.

### Concept 3: Equity Theory

In addition, Pang Donglai ensures that employees receive the same return on investment through star rating differences and fair evaluation mechanisms. This is consistent with the core concept of equity theory. The equity theory holds that employees compare their efforts and rewards with those of others, and if they feel unfair, it will affect their work attitude. Pang Donglai's policy ensures that employees of the same level receive similar rewards for the same effort by establishing unified standards, avoiding feelings of unfairness. This fair evaluation mechanism not only promotes healthy competition among employees, but also effectively enhances team cohesion and collaboration awareness, making employees willing to continue contributing to the company's development.

Pang Donglai has established a positive feedback mechanism, providing timely recognition and support for every improvement made by employees. This instant feedback makes employees feel a sense of achievement and valued, thereby enhancing their intrinsic motivation. This recognition not only meets the motivational needs in the two factor theory, but also encourages employees to pursue higher standards in their work through the empowerment theory. Through timely recognition and feedback, Pangdonglai not only provides employees with a sense of satisfaction, but also encourages them to actively engage in their work, thereby improving the overall service quality.

## Topic5: Leadership

### Profile of Leadership in Pangdonglai

When it comes to Pangdonglai, its chairman and CEO, Donglai Yu, is an unavoidable topic. The internet in China is filled with nearly "mythical" content about Yu's life and interviews. One could say that Yu Donglai is the core leadership of Pangdonglai, and his management strategies and business philosophy are the key to Pangdonglai's remarkable achievements (Baijiahao, 2023).

Pangdonglai currently owns 13 stores, employs over 10,000 people, and has a total business area of 310,000 square meters. Compared to other large chain supermarkets, Pangdonglai's scale may not be as significant, but all of this was created by Mr. Yu starting from a 40-square-meter shop. In June 2023, Mr. Yu announced his retirement. Prior to this, various "unconventional" practices and regulations at Pangdonglai were decided by Mr. Yu (Baijiahao, 2023).Developing, managing, guiding, and supporting such a large enterprise, Mr. Yu used a nearly autocratic leadership style. However, he is loved and respected by his employees, which is inseparable from his personal qualities, leadership style, and source of power.

### Concept 1: Charismatic Leaders

Followers attribute heroic or extraordinary leadership abilities when they observe certain behaviours and tend to give these leaders power.

Sociologist Max Weber defined charisma more than a century ago as “a certain quality of an individual personality, by virtue of which he or she is set apart from ordinary people and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are not accessible to the ordinary person and are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a leader.” (Robbins & Breward, 2018).

Mr. Yu, the CEO of Pangdonglai, is just such a charismatic leader who leads the company with his strong personal charisma.

Rational, free, kind, strong, open-minded, and smart—these are the consistent impressions people have of Mr. Donglai Yu. After experiencing entrepreneurship, being deceived, incurring debt, and even having his first supermarket maliciously set on fire, Yu Donglai began to reflect on the principles of making money. From then on, reflection and insight became a characteristic of Yu Donglai (Baijiahao, 2023).

The more he reflects, the deeper his understanding of society becomes. Many of Pontonley's "unconventional" regulations stem from his deep understanding and thinking of economics and markets. His deep thinking and broad mind, as well as his values of "love and freedom", make employees regard him as a great and legendary figure, which virtually improves the organization's commitment and trust and respect for Mr. Yu Donglai.

"Mr. Donglai is a good person with a unique personality!" An early employee who followed Yu Donglai for many years said. He described Yu as someone who can derive wisdom from the minutiae of life, being clever when needed and unbothered by trivial matters. This allows him to lead with ease. When doing business together, his foresight always surpassed others. For example, when everyone was selling color TVs, Yu Donglai advised paying attention to the potential of rear-projection TVs. By the time others focused on rear-projection, he was already considering the market for flat-screen TVs (HNTV, 2023).Mr. Yu seems to be an absolute idealist. In 1996, Yu Donglai and his brother and cousin brought 20,000 yuan from Henan to Beijing to donate to China's aircraft carrier manufacturing project. This act is still praised today and adds to the legend of Yu Donglai (Baijiahao, 2023).

### Concept 2: Authentic Leaders

Mr. Donglai Yu is dedicated to charitable causes. Besides donations made in the name of the company and employees, he has personally made multiple charitable donations. For example, during the SARS outbreak in 2003, Yu donated 8 million yuan; on January 25, 2020, he donated 50 million yuan to the Wuhan Red Cross for COVID-19 prevention and control. On July 21, 2021, when heavy rain hit Henan, Xu Chang Pangdonglai's Chairman Yu Donglai personally led a team to support Zhengzhou. After the flood situation stabilized, he continued to lead rescue teams and various relief supplies to Xinxiang Weihui to participate in disaster relief. These actions not only demonstrate his moral integrity as an entrepreneur but also embody the core values of Pangdonglai, enhancing employees' trust in Mr. Yu (Baijiahao, 2023).In a sharing session in 2021, Mr. Yu defined Pangdonglai as a "school." At the event, he said, "I know that Pangdonglai is truly like a treasure, very precious, because it is not just running a business, but spreading a way, exploring how to live like a human, how to live more genuinely, more easily, more brightly, more bravely, more freely, and more beautifully..." (Linkshop, 2021).

There are many such sharing sessions, and Pangdonglai has set up a "Donglai Lecture Hall" column on its official website (Azpdl, 2023) to share Pangdonglai's business philosophy and commercial concepts. These contents often seem "abstract," touching on humanity, kindness, goodness, and freedom, but they are implemented in Pangdonglai's operations. Employees may be initially attracted to Pangdonglai by perks like the "injustice award" and "unhappy leave," but specific measures—many of which are not fully understood by outsiders—will increasingly build their trust in Pangdonglai and Mr. Yu (Azpdl, 2023).

### Additional Concept: Primal Leadership

Deep thinking and continuous reflection have not only given Mr. Yu a profound understanding of business and the market but also insights into himself and others. In interviews, we often see Mr. Yu's self-analysis and reflections on human nature. He knows his pursuit of "freedom" and understands that corporate operations must rely on rules and regulations. He once said, "What is the greatest value of our company? It is using rational methods to change servility." These aspects reflect his high emotional intelligence—high self-awareness and high social awareness, indicating that Mr. Yu possesses primal leadership (Zhihu, 2023).

Another significant feature of primal leadership is the emphasis on intentional leadership development. (Griffith, B. A., & Dunham, E. B., 2017). Mr. Yu once said, "My sincerity is not innate; it is cultivated through exposure to advanced culture." From this, we can see that he actively cultivates his leadership skills (Zhihu, 2023). From Mr. Yu's early experiences, it is clear that he had no background in business or management; everything was the result of his continuous thinking and exploration. A leader's emotions are contagious. If a leader can inspire energy and passion in people, the organization will thrive (Griffith, B. A., & Dunham, E. B., 2017).

### Additional Concept: Resonant Leadership

A leader's emotions are contagious. If a leader can inspire people's energy and passion, the organization will thrive(Griffith, B. A., & Dunham, E. B., 2017).

Yu Donglai is always gentle but passionate in public, and his speeches and sharing sessions often mention love, equality, and freedom. He repeats these themes so that they become infectious and resonate with his audience (Baijiahao, 2023).

When talking about entrepreneurs, Yu Donglai often says that most entrepreneurs do not understand the meaning of life. They are constrained by responsibility and face-saving, lost in the illusion of success, and distorted by the pursuit of profit. "This is not called being an entrepreneur; it is called being a slave. Truly successful entrepreneurs should be healthy, relaxed, and happy," Yu said (Baijiahao, 2023).

Yu Donglai cares about the development of his employees and provides a variety of training programs, including professional skills and personal growth. Mr. Yu said, "Our goal is not to make the company bigger; our goal is to help more employees understand good values, have a sound personality, and learn to live a healthier, easier, and better life" (Linkshop, 2021).

Pangdonglai uses a competitive hiring system, open to all employees, regardless of whether they are salespeople, cleaners, or warehouse managers. The Human Resources Department of Pangdonglai offers three career development paths for employees: management, professional, and technical.

* Management Path: Salesperson → Assistant Section Manager → Section Manager → Assistant Department Manager → Department Manager → Assistant Store Manager → Store Manager
* Professional Path: Salesperson → Position Model → Position Star → Senior Employee
* Technical Path: Technician → Technical Model → Technical Star → Senior Technician

# 3. Are individual and organizational performances affected by this culture (directly and/orindirectly)? lf so, how?

### Introduction

The competition in China's retail industry is becoming increasingly fierce, and the importance of corporate culture in shaping competitive advantages is becoming more prominent. As an outstanding representative of China's retail industry, Pang Donglai's unique corporate culture model is worth in-depth study. Pang Donglai adheres to the core values of "people-oriented, detail-oriented, and integrity," integrating them into every aspect of corporate operations, ultimately achieving a synchronous improvement in customer satisfaction, employee loyalty, and corporate profitability. This report aims to explore the basic elements of Pang Donglai's corporate culture, organizational practices, and their impact on organizational performance, hoping to provide a reference for other enterprises.

### The Impact of Pang Donglai's Corporate Culture on Overall Performance

Pang Donglai's unique corporate culture has had a significant positive impact on its revenue scale and profit margin. According to reports, Pang Donglai's revenue in 2024 is expected to exceed 15 billion yuan, a year-on-year increase of 40%. It is particularly worth noting that this 15 billion yuan in revenue comes solely from 13 stores in Xuchang and Xinxiang, with an average single-store revenue of over 1.1 billion yuan, and a single-store profitability that dominates the entire retail industry. In the face of industry-wide losses, Pang Donglai's 13 stores are expected to achieve a net profit of 140 million yuan, fully demonstrating its excellent operational efficiency and profitability. Pang Donglai's culture has allowed it to maintain a leading position in key indicators such as customer satisfaction and employee loyalty, thereby continuously expanding market share and gradually increasing revenue scale. In terms of profit, through efficient process management and a highly satisfied employee team, Pang Donglai has effectively controlled costs, especially reducing the labor costs brought about by employee turnover, ultimately improving the profit margin.

## People-Oriented Cultural Philosophy and Practice

Pang Donglai's people-oriented philosophy is reflected in its attention to employee needs and sense of identification, aiming to reduce employee "cognitive dissonance." The company shares 90% of its profits with employees and implements equity incentives, allowing employees to share in the growth benefits of the enterprise, thereby stimulating employee enthusiasm and forming a virtuous cycle of "good employee attitude, good service." In addition, Pang Donglai also pays attention to employee emotional management and work-life balance, helping employees improve overall happiness, reduce negative emotions, and thereby increase employee loyalty and reduce turnover rates. In customer service, the company encourages employees to express their emotions sincerely and naturally, reducing unnecessary emotional labor burdens and avoiding excessive fatigue and accumulation of negative emotions. At the same time, Pang Donglai highly focuses on the sources of employee psychological stress and reduces work pressure through corresponding stress management policies, enhancing employee happiness and job satisfaction. Profit-sharing models and a series of motivational management measures bring tangible economic returns to employees, further stimulating their proactive work attitude, improving overall productivity, and service quality. According to reports from "Huxiu," employees at Pang Donglai feel more respected and valued due to the company's profit-sharing mechanism and people-oriented values, which directly affects their work attitude and performance.

### Detail-Oriented Cultural Philosophy and Practice

Pang Donglai focuses on detail orientation, implementing a "direct leadership" strategy in employee training, focusing on employee performance in different situations, and strengthening service quality and process standardization. Through efficient influence strategies, employees gradually internalize the company's culture, consciously adhere to details and processes, and develop a strong sense of ownership, executing tasks with a high sense of responsibility. The company ensures fair incentives and reward mechanisms, and employees feel treated fairly in a procedurally fair environment, thereby consciously paying attention to processes and details. According to reports from "The Paper," Pang Donglai has successfully set a benchmark in the retail industry through its meticulous services and high-standard employee training. This attention to detail not only enhances customer satisfaction but also strengthens the brand's market competitiveness.

### Integrity Cultural Philosophy and Practice

Pang Donglai advocates a culture of integrity, with senior management treating employees with transparency and sincerity in management, enhancing the credibility of leadership, reducing employee unease and doubts, and strengthening employee trust and team cohesion. Pang Donglai actively participates in charitable activities and supports traditional brands, creating an atmosphere of integrity and honesty. This integrity culture makes employees feel that the company not only focuses on profits but also on social responsibility, stimulating employee pride and sense of belonging. The company advocates integrity within, making employees consciously align with this cultural atmosphere, more willing to actively maintain the corporate image, and face work tasks positively. "Sina News" reported on how Pang Donglai has established a good brand image in the hearts of consumers through its integrity culture and social responsibility activities. This positive image not only attracts customers but also outstanding talents, forming the company's core competitiveness.

### Conclusion

Pang Donglai's culture has built an organizational atmosphere that is people-oriented, detail-oriented, and integrity-based, promoting the improvement of organizational and individual performance at multiple levels. This culture not only brings high customer satisfaction, low employee turnover, and high employee loyalty but also significantly enhances the company's profitability and brand image. The successful experience of Pang Donglai shows that a positive and healthy corporate culture can become a powerful engine for the sustainable development of an enterprise.

# 4. Problems & Suggestions

On June 16, 2024, Yu Donglai, chairman of Pang Donglai, announced his retirement, but it does not mean that he left Pang Donglai. His current focus of work has shifted from management to construction and dissemination of life concepts, from decision-making to training talents.

Yu Donglai is a typical resonant leader who leads Pang Donglai's unique corporate culture and business management. Pang Donglai's success is largely connected to Yu Donglai's right decisions. But this makes us worry, when Donglai really leaves Pang Donglai, what will happen?

## Potential Problems

### 1. Distrust of public

The success and fame of Pang Donglai Company has a lot to do with Yu Donglai's own exposure and publicity. After Yu Donglai retired, Pang Donglai left Yu Donglai, may not be able to be concerned and trusted by the public. Pang Donglai may not be able to maintain his current achievements after Yu Donglai leaves.

### 2. Distrust of employees

Yu Donglai himself use personal appeals leadership with strong personal charm. Pang Donglai's internal management system and culture are directly related to Yu Donglai's own ideas. Employees and management all trust and love Yu Donglai. After Yu Donglai leaves Pang Donglai, employees may not have the same enthusiasm for work and job satisfaction as they do now, and the organizational structure may not be as stable as it is now.

### 3. Difficult to guarantee the former decision implementation

In Pang Donglai's ownership structure, the chairman is not as closely connected to others as a family business. There is no strong guarantee that Yu's decisions and programs will continue to be smooth and recognized after his departure.

In conclusion, in order to prevent these problems, the choice of successor must be correct and appropriate, which is a prudent and difficult choice and will take a long time to cultivate and select. How to guarantee the succession plan is a big problem for Pang Donglai at present.

## Solution:

According to these problems, our team proposed the following solutions.

### 1. Establish a strong succession plan

Through a long-term selection and training to select the successor who can inherit Yu Donglai's philosophy and leadership style. And strengthen the exercise to improve the successor. Push the successor into the public eye for publicity and marketing, accepting testing of public and followers, in order to increase public trust and goodwill towards the new successor. Let the successor accept the inspection and evaluation of the board of directors, strengthen the trust in him within the company, and firmly strengthen the effectiveness of the succession plan.

### 2. unchanged treatment

Ensure that employees' financial treatment and job security remain unchanged, and ensure employees' rentention. In this way, long-term stable management improves employees' willingness to work and job satisfaction. And stable the structure.

### 3. Independent brand trust

In order to maintain public attention and trust after Yu Donglai's retirement, Pang Donglai should strengthen independent brand publicity. By emphasizing the core value of the brand, the quality of service and the quality of employees, cultivate the public's trust in the fat Donglai brand itself.

### 4.ensure the continuation of core value

Strengthen the presentation and publicity of mission, vision, culture and value. Ensure the inheritance of values and ensure the continuation of Pang Donglai's core culture and business philosophy in the future.

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In addition to vertical advancement, employees can also develop horizontally. Once employees discover their strengths, they can apply for lateral transfers and follow the procedures for development and promotion (WeChat Official Account, 2023).

Through effective career planning, employees are given a clear future, which can resonate with them and improve their performance. These practices demonstrate that Yu Donglai is a resonant leader(Griffith, B. A., & Dunham, E. B., 2017)..

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