

The Influence of the Management Mode of “RenDanHeYi” on Enterprise Performance-Taking Haier Smart Home as an Example

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Abstract:

With the development of information technology and the change of economic environment, the traditional management theory and business model are facing new challenges. In this context, after more than 10 years of continuous improvement, Haier's “RenDanHeYi” model proposed in 2005 has formed a set of solutions to the management dilemma of large enterprises in the Internet of Things era. This paper takes Haier Smart Home Co., Ltd. (Hereinafter referred to as: Haier Smart Home) as an example to analyze the operation mechanism of “RenDanHeYi” mode, and analyzes its impact path on enterprise performance based on literature research and second-hand data (enterprise annual reports, news reports, industry reports). The study found that “three modernizations” (enterprise platformization, employee makerization, user personalization) can improve operational efficiency, promote innovation and expand the market. The purpose of this paper is to enrich the research on the relationship between management mode and enterprise performance, and to provide a reference for management innovation, strategic adjustment and performance improvement in the transformation of manufacturing enterprises in the new era.

Keywords: Management mode; RenDanHeYi; Haier Smart Home; enterprise performance

1. Introduction

In the era of „Internet +“, the manufacturing industry is facing changes such as individualization of user demand, diversification of organizational mode and

acceleration of technological innovation. The traditional management mode with „control and efficiency“ as the core can not meet the core requirements of „Internet +“ enterprises- „adaptation and innovation“-which needs to respond to dynamic demand,

activate organizational vitality and integrate network resources. In 2024, the Decision of the Central Committee of the Communist Party of China on Further Deepening Reform in an All-round Way and Promoting Chinese-style Modernization, which was deliberated and adopted at the Third Plenary Session of the Twentieth Central Committee of the Communist Party of China, emphasized that „high-end, intelligent and green development of the manufacturing industry should be promoted“.

In this context, in 2025, Haier’s one-in-one model gave birth to the world’s first International Organization for Standardization (ISO) international standard (ISO 56012) based on China’s original management model, reflecting the high recognition of the world’s economic and management circles. Zhang Ying believes that the key reason for „RenDanHeYi“ to promote the high-quality development of enterprises lies in improving investment efficiency and reducing transaction costs through internal independent decision-making of product production, rather than synergistic advantages or spiritual incentives for employees [1]. However, the existing literature is more static in exploring the innovation points of the model, and the discussion of the impact path of enterprise finance, management and other aspects is more general and incomplete, and generally lacks data support.

In terms of enterprise performance, the existing literature has proposed a variety of factors affecting the performance of manufacturing enterprises, and the factors related to this study include innovation ecosystem, digital transformation of supply chain and integration of industry and finance. Li Xin proposed that digital measures can reduce the operating costs of enterprises, improve operational efficiency, and thus improve the financial performance of enterprises [2]. However, the existing literature pays less attention to the innovation of management mode, and lacks mechanism discussion and case analysis.

Taking Haier Smart Home as a case, it has irreplaceable representativeness in discussing the advantages of RenDanHeYi. This is because, as the pioneer and practitioner of this model, Haier Smart Home, with its continuous practice for more than ten years, has proved the adaptability of RenDanHeYi model in manufacturing enterprises under the information revolution. At the same time, as the global leader of household appliances, Haier Smart Home’s performance data is the touchstone of the effectiveness of RenDanHeYi model.

Based on this, this paper takes “mode characteristics → conduction path → performance change” as the research idea, focusing on “three modernizations”-enterprise platformization, employee makerization, and user personalization, and combining Haier Smart Home case to verify the impact of „RenDanHeYi“ on enterprise performance, aiming at exploring the relationship between management mode innovation and enterprise performance. It also pro-

vides a reference for enterprises to optimize and improve their performance through management mode, especially for strategic adjustment in the transition period of the manufacturing industry.

2. Case Introduction

Haier Smart Home Co., Ltd. is a subsidiary of Haier Group. It was founded in 1994 and renamed from „Qingdao Haier“ to „Haier Smart Home“ in 2019. It is a smart family ecological brand that customizes solutions for a better life for global users. Through a rich combination of products, brands and solutions, it creates a full-scene intelligent life experience to meet the needs of users to customize a better life.

RenDanHeYi is a business model proposed and named by Zhang Ruimin, founder of Haier Group, in 2005. „Ren“ refers to the employee; „Dan“ refers to the user value; „HeYi“ refers to the match between the employee’s value realization and the user value created. In Haier’s continuous exploration, this meaning is further extended, people-centered, employees become dynamic partners, relying on projects to form teams. Everyone’s remuneration comes from users, not from superiors and enterprises. In short, under the mode of RenDanHeYi, enterprises listen to employees and employees listen to users. This model is a subversive dynamic change of organizational structure for enterprises, employees and users, which meets the requirements of „zero distance“, „decentralization“ and „disintermediation“ in the Internet era. It is the core concept of Haier to promote the consistency of the interests of users, employees and enterprises, and RenDanHeYi is the symbol of the practice of this concept [3].

With the development of Haier, the mode of „RenDanHeYi“ keeps pace with the times, and its development trend is embodied in „three modernizations“-enterprise platformization, employee makerization and user personalization. Enterprise platformization refers to the transformation of enterprises from traditional hierarchical organizations to win-win platforms; employee customer-creation refers to the subversion of employees from passive executors who accept instructions to makers and dynamic partners who actively create value for users; user personalization refers to the transformation of users from customers who simply buy goods to designers who can participate in the whole process of customization.

3. Case Analysis

„Enterprise platformization, employee makerization, user personalization“ is the fundamental pillar and development trend of the „RenDanHeYi“ model. The following analysis is carried out from the core logic and practical cases of the three dimensions, and the mechanism is de-

duced.

3.1 Enterprise platformization

The enterprise platformization of Haier Smart Home includes three important meanings: at the internal level of the enterprise, it transforms itself into a win-win platform through the collaborative mechanism of „platform owner-small micro owner-small micro“; at the level of enterprise ecological chain, it constructs a resource integration platform to achieve win-win cooperation with partners; at the level of enterprise users, it establishes a cloud platform for Smart home experience to achieve customized solutions.

As far as the enterprise ecological chain and enterprise user level are concerned, the three-winged bird platform launched by Haier Smart Home in 2020 can be regarded as a model of platform strategy. The platform provides users with a one-stop service model by coordinating the resources of ecological partners and analyzing user data. Through the joint creation of ecological parties, connecting users, enterprises and ecological parties, 20000 + designers, 30000 + household appliances customers, 1000 + home decoration companies and 14000 + complete service

housekeepers have been gathered to create personalized solutions that change according to needs. On the demand side, to achieve a rapid response to users' personalized needs; On the supply side, the intelligent scheduling of platform resources is realized. More importantly, by using big data resources, the platform can conduct more comprehensive credit evaluation and screening of customers, give priority to customers with good credit for cooperation, and at the same time, the order execution efficiency under the one-stop service mode is higher, the time node of customer payment is clearer, and the risk of bad debts is minimized.

Through the open platform and resource integration mechanism, enterprise platformization provides convenience for both suppliers and demanders to exchange and share information, significantly reduces the cost of platform members to obtain resources and innovate and start businesses, and improves the efficiency of resource allocation [4]. Specifically, by building a supply chain collaboration platform with distributors and service providers, enterprises can accelerate capital recovery, reduce the accumulation of accounts receivable, and ensure adequate cash flow.

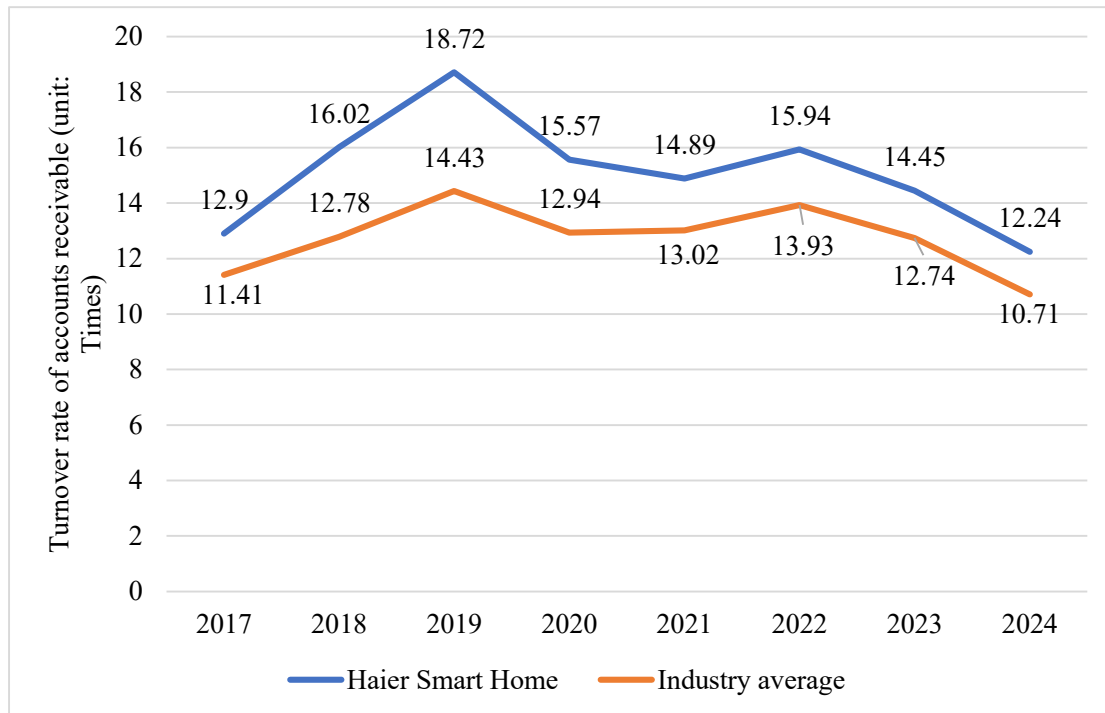


Fig.1 Trend chart of accounts receivable turnover in Haier Smart Home and its industry
(Picture credit: Original)

Data source: www.zhiliaocaibao.com

The turnover rate of accounts receivable is an important indicator to measure the operating efficiency of an enterprise. The calculation method is: turnover rate of accounts receivable = operating income ÷ average balance of ac-

counts receivable. Industry average refers to Changhong Meiling, TCL Smart home, Shengkangjia A, Aucma, Whirlpool and Xueqi Electric, which are listed white household appliances companies with highly overlapping business with Haier Smart Home.

By Figure 1 it can be seen that the turnover rate of accounts receivable of Haier Smart Home has generally maintained the leading level in the industry, especially in 2017-2019, which is closely related to its launch of COSMOPlat and the substantial promotion of enterprise platformization, reflecting its positive role in improving the efficiency of resource allocation.

3.2 Employee Makerization

Zhang Ruimin believes that enterprises in the Internet era should not only break the traditional bureaucracy, but also become a platform for individual innovation. Originally, there were many levels of enterprises, but now there are only three types of „partners“, namely:

Platform owner: responsible for establishing a system to support the development of small and micro enterprises, providing open resource support, and generating entrepreneurial teams and external partners. Small micro owner: that is, the leader of an entrepreneurial team. Small micro: An ordinary employee who becomes a maker, or an entrepreneurial team that operates independently.

The mechanism of „platform owner-small micro owner-small micro“ makes „everyone's maker“ a reality. Haier gives the power of decision-making, the power of personnel appointment and removal, and the power of distribution to ordinary employees, so that small micro

have the right to start their own businesses according to market demand, to obtain resources through enterprise platformization, and to determine salaries according to the value created for users.

In 2014, Sun Chuanbin, an employee of Qingdao Haier, noticed that some users complained about the dirt problem of washing machines on social media, and put forward the technical direction of „cleaning-free“ through analysis. After the bidding of the enterprise, Sun Chuanbin became the „micro-owner“ of the washing-free washing machine, and began to form a team for self-organization, self-management and self-entrepreneurship. In June 2014, this product went on the market, with sales of 200000 units and sales of 700 million yuan in half a year. Through „user payment“, Sun Chuanbin's team gained excess profits. In 2017, Sun Chuanbin set up a small and micro company called Yunshang Internet of Things (IoT), to start a business, and Haier Internet of Things came into being, and then achieved success.

This case proves that employee makerization stimulates the innovation enthusiasm of employees, enables the staff team to transform ideas into new products, promotes enterprise innovation, and improves the core competitiveness of enterprises in the context of the digital transformation of the manufacturing industry.

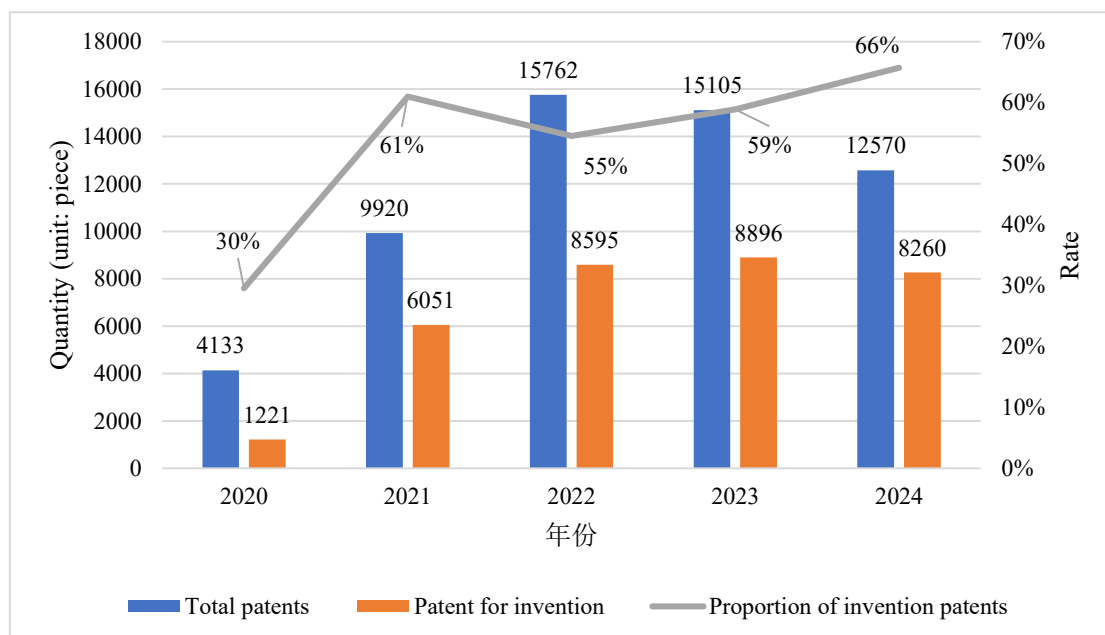


Fig. 2 Haier smart home patent application quantity chart (Picture credit: Original)

(Data source: Wanfang Data Knowledge Service Platform)

It can be seen from Figure 2 that the number of patents applied by Haier Smart Home and the proportion of invention patents in total patents have increased significantly

in the past five years. This data further shows that under the strategy of Employee makerization, Haier Smart Home has outstanding performance in R&D output and R&D quality, and has great potential for sustainable development.

3.3 User Personalization

In the era of „Internet +“, when choosing products, users will not only compare the subtle differences between commodities, but also pursue the experience gained in the production process or consumption process [5]. In many years of production and marketing practice, Haier has realized that „personalized service“ and „mass production“ are compatible, and has put forward the strategy of „mass customization mode“. Its core logic is: based on big data analysis, with the help of social platform to perceive user needs and carry out targeted marketing; relying on industrial Internet platforms for modular manufacturing, resource management platform for intelligent logistics and distribution; creating an interactive community platform to cultivate lifelong users.

In terms of user experience, users can query the production progress of products through the COSMOPlat, and participate in the whole process of Research and Development (R&D), production, and distribution. Users can express their needs and ideas on the Hope innovation eco-

logical platform and participate in voting for innovative solutions. In addition, Haier has also established a sound after-sales service system, using big data and cloud platform to actively monitor the product situation.

As far as the differentiation strategy is concerned, Haier Smart Home has built sub-brands such as Haier, Casati, Leader and GEA in the world to achieve full coverage of all kinds of consumer groups from ultra-high-end to the public, from the elderly to the young. At the same time, Haier focuses on the needs of users in different parts of the world to carry out localized innovation: developing air conditioners with cool core bridge technology for extreme high temperature weather in the Middle East, introducing generator air conditioners in areas with unstable power supply in Africa, and introducing intelligent indoor smokers in the United States that allow users to cook smoked food directly in the kitchen. The differentiation strategy has not only gained the reputation of consumers, but also achieved the continuous increase of market share in various regions.

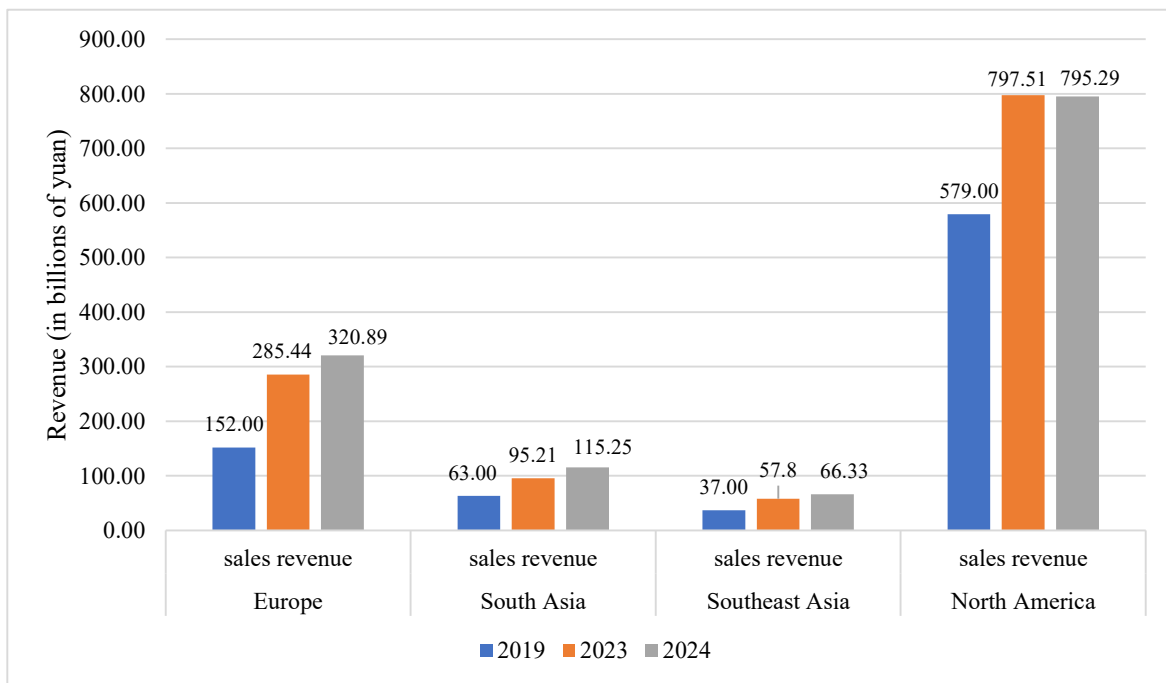


Fig. 3 Haier smart home overseas market scale (part) (Picture credit: Original)

(Data source: Haier Smart Home Annual Report)

Figure 3 shows that Haier Smart Home's sales revenue in overseas markets has been rising in recent years, with outstanding performance in both mature and emerging markets. User personalization strategy helps Haier to rank first in the retail sales of large household appliance brands in the world for many years, and to build a world brand with an industry-leading attitude.

3.4 Case Summary

Through enterprise platformization, employee makerization and user personalization, Haier Smart Home has formed a virtuous circle of „Driven by user needs-Independent innovation of micro-units -Mass customization production-Cultivate lifelong users“. Its essence lies in the „people-centered“ purpose of RenDanHeYi model, which unifies enterprise value, employee value and user value, pursues the maximization of human value, and realizes

the subversive development of the business management model as shown in Figure 4.

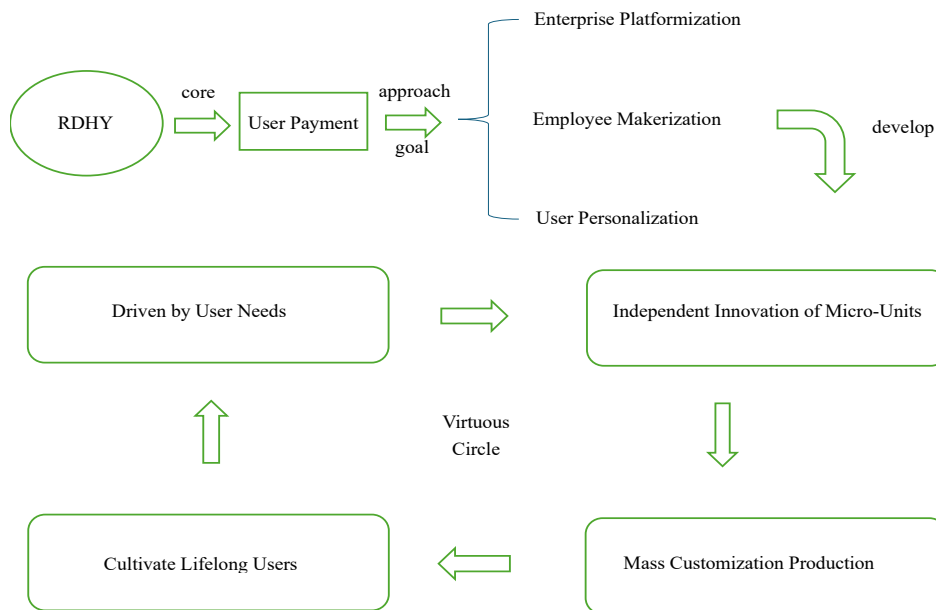


Fig. 4 Rendering of RenDanHeYi model (Picture credit: Original)

4. Conclusion

This study clarifies the driving path of „RenDanHeYi model“ to enterprise performance, and prints the positive impact of „RenDanHeYi model“ mode on enterprise performance through real cases and data. It is found that Haier Smart Home deeply integrates organizational fission, user co-creation, ecological collaboration and technological innovation through the RenDanHeYi model, which conforms to the development trend of manufacturing industry in the new era. Enterprise platformization improves operational efficiency through multi-subject joint creation, employee makerization achieves innovation drive by encouraging employees to innovate and start businesses independently, and user personalization expands the global market by meeting customer needs and experience, thus forming a virtuous circle of „Driven by user needs-Independent innovation of micro-units -Mass customization production-Cultivate lifelong users „. This mode not only promotes Haier Smart Home to rank first in the global household appliances industry for many years, but also becomes the benchmark of enterprise transformation in the era of „Internet +“. Haier uses this increasingly mature solution to provide replicable methodologies for global manufacturing enterprises. As of 2024, 14 research centers on RenDanHeYi model have been established around the world, and 417,000 enterprises in 75 countries have learned from RenDanHeYi model, reflecting the world's high recognition of RenDanHeYi model.

This study focuses on the role of „RenDanHeYi model“ in enterprise performance, while some factors, such as

organizational vitality, user life cycle and employee satisfaction, are difficult to quantify through data. In addition, the reform of management mode needs long-term tracking and verification, and the development of the times may put forward new requirements for enterprise transformation or even subvert the existing conclusions. This study has the defect of a single sample, and future research can be based on multi-industry and multi-enterprise perspectives.

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