

*Full Length Research Paper*

# The effects of TMT interaction on enterprise performance from the perspective of enterprise culture

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The relationship between enterprise culture and enterprise performance and the relationship between top management team (TMT) and enterprise performance have been the hot topics which academy and business circles focused on since Pettigrew put forward the "organizational culture"; Hambrick and Mason proposed the "upper echelons theory". However, previous studies on the relationship between enterprise culture and enterprise performance and the relationship between TMT and enterprise performance were carried out according to two parallel lines, with almost no crossover studies on them. This paper will combine both of them together organically in order to study respectively the relationship between enterprise culture and enterprise performance, the relationship between TMT interaction and enterprise performance as well as the relationship between TMT interaction and enterprise culture and then put forward the research theoretical frameworks on the basis of reviewing previous studies on the enterprise culture, TMT and enterprise performance. Finally, the effect of TMT interaction on enterprise performance from the perspective of enterprises culture will be studied.

**Key words:** Enterprise culture, top management team (TMT), team interaction, enterprise performance.

## INTRODUCTION

The biggest difference between management and leadership is that leadership pays attention to people-oriented management, cultural management, and emphasizes that people are the starting and end point of management; it is people-centered, respects people, trusts people, puts people at the dominant position of enterprise management; and advocates educating people by culture, paying attention to corporate mission, vision, core values, enterprise spirits, enterprise morality and responsibility to stimulate employees' enthusiasm, initiative and creativity in order to achieve the goals of organization. But, management emphasizes to command, control the behavior of employees in order to accomplish the goals of the organization mostly through coercive means. Real leadership is

to establish a kind of follow up atmosphere, which is governed by non-interference. In order to realize organizational goals, the staffs are willing to follow the leader with voluntary efforts and happiness. Real leadership attaches great importance to corporate culture, authority, personal charisma to affect employees' behavior rather than to manage employees by power, all kinds of behavioral norms and system, control and even command. If employees work in these two quite different environments, the impact on corporate performance is self-evident, conceivable. Since Pettigrew put forward the "organizational culture", Hambrick and Mason proposed the "upper echelons theory", the relationship between organizational culture and corporate performance and the

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relationship between TMT and corporate performance have been the hot topics which academy and business circles always focused on. However, previous studies on the relationship between organization culture and corporate performance and the relationship between TMT and corporate performance were carried out according to two parallel lines, with almost no crossover studies on them. In the studies on the relationship between corporate culture and corporate performance, few scholars considered the impact of TMT interaction on corporate performance and vice versa. This paper will combine both of them together organically in order to study deeply the relationship between corporate culture and corporate performance, the relationship between TMT interaction and enterprise performance as well as the relationship between TMT interaction and enterprise culture respectively and then put forward the research theoretical frameworks on the basis of sorting out previous studies on the corporate culture, TMT and corporate performance. Finally, this paper proposes the theoretical framework of impact mechanism of TMT interaction on enterprise performance from the perspective of enterprise culture, which is expected that, to some extent, to provide a theoretical basis for the future empirical research in related fields.

## LITERATURE REVIEW

### Corporate culture

#### Concept and structure of the enterprise culture

Pettigrew (1979) put forward the concept of organizational culture firstly; he thought that organizational culture is symbols, languages, religions, rituals and myths. Deal and Kennedy (1982) argued that most outstanding and successful companies had a strong corporate culture, and put forward the five elements of enterprise culture: enterprise environments, values, heroes, rituals, cultural networks, of which values are the core elements of enterprise culture. Schein (1985) elaborated systematically the concept of organization culture. He thought that enterprise culture is a set of values system formed during the process of all enterprise members' interaction, which is recognized by most of the enterprise members and used also to educate the new employees as a kind of means. He also put forward the development, function and change of enterprise culture as well as the basic theory of enterprise culture construction and divided culture into three layers: artifacts layer (on surface and visible products), espoused values layer (values), basic assumption layer (to learn something new requires resurrection, reexamination, frame breaking, hypothesis becoming reality, etc.). Hofstede et al. (1990) argued that the enterprise culture is symbols, heroes, ceremonies and values from the outside to the inside; in turn, value is the core of enterprise culture, which mainly includes

good and evil, beauty and ugliness, normal and abnormal emotional awareness, and so on.

Although domestic system research on enterprise culture started relatively late, based on the research results of western scholars, Chinese academy circle also explored the connotation and structure of enterprise culture through China's outstanding traditional culture and enterprise reality. Mingjie (1999) believed that corporate culture refers to the sum of values, group consciousness, behavior norms and thinking mode, which are formed during the long-term practice process and are generally accepted and voluntarily complied with by enterprise staff. Zhang (2003) discussed the connotation and structure of enterprise culture from material layer, system layer and spirit layer. Guangming (2002) discussed in detail enterprise culture from four layers (the material layer of surface layer, the behavior layer of the shallow layer, the system layer of the middle layer, the spirit layer of the deep layer) and further expounded the connotation from the broad definition and narrow definition as well as explicit and implicit culture.

#### The intrinsic effect mechanism of enterprise culture

Foreign scholars began to study the inner mechanism of the effect of enterprise culture from the mid-1980s after studying the conception and structure of enterprise culture. They explored the relationship between corporate culture and leadership, enterprise climate, enterprise environment, enterprise strategy and enterprise management process; they carried out quantitatively tracking study on the relationship between corporate culture and corporate performance. Cameron and Freeman (1985) who worked in School of Business Administration, University of Michigan researched the relationship between cultural integration, cultural power, culture type and organizational performance, using 334 research institutions as samples. Barney (1986) thought that if a company's enterprise culture is valuable, rare and imperfectly imitable, then the company's culture could be a source of sustained competitive advantage. Hofstede et al. (1990) studied deeply enterprise culture and enterprise performance, which showed that there was an important impact of enterprise culture on business performance, and predicted that enterprise culture is likely to become one of the key factors of the rise and fall of enterprise in future.

Studies on the intrinsic effect mechanism of corporate culture in China mostly focused on qualitative research about the guiding function, constraint function, incentive function, cohesive function, radiation function of corporate culture. Some scholars regarded corporate culture as a kind of "soft power" which could enhance the core competitiveness of enterprises. Some scholars studied the intrinsic effect mechanism of corporate culture through the relationship between corporate culture and enterprise performance.

## Measurement, diagnosis and evaluation of enterprise culture

Studies on corporate culture in the Western paid much attention to the combination of qualitative and quantitative research, which put forward the model of corporate culture measurement diagnosis and assessment and thus developed a series of scale based on the theoretical studies on enterprise culture. Hofstede et al. carried out qualitative and quantitative research about enterprise culture using 20 companies as research samples. Zammuto and Krakower (1991) did qualitative and quantitative research on enterprise culture using the method of cluster analysis. Cameron et al. (1998) published monograph "diagnosis and changing corporate culture: the model based on competitive value theory", on the basis of competitive value framework CVF; they put forward the famous OCAI (Organizational Cultural Assessment Instrument) model, which provided effective measurement, diagnosis, assessment tool for the diagnosis of organizational culture and management ability and provided systemic methods for changing the organizational culture and individual behavior.

So far, the measure of enterprise culture in China also had some achievements. Guanghua School of Management, Peking University proposed 34 questions from 7 dimensions (fair punishment, care for staff, customer orientation, interpersonal harmony, social responsibility, normative integration, innovation) based on the measurement of enterprise culture in foreign countries. Economics and Management School of Tsinghua University proposed 40 questions from 8 dimensions (employee orientation, harmony orientation, customer orientation, action-orientation, innovation orientation, result orientation, control orientation, long-term orientation). Abroad corporate culture measurement scale had higher reliability and measuring validity. However, the relevant scale measurement of enterprise culture in China is still in development stage; it needs to be further strengthened in the development of scale.

## Top management team (TMT)

At present, although the academy circles are divergent in the definition of TMT, there is such a consensus that TMT is composed of the chairman of the board of directors, general manager, deputy general manager, etc. who take part in the company's decision-making and possess the power of decision-making and control the enterprise management; and whose decision making functions are stronger compared with the ordinary work team. Previous studies on top managers and leaders almost focused on the individual characteristics, especially on the characteristics of the chief executive officer (or general manager), without centering around the characteristics of TMT. Until Hambrick and Mason (1984) put forward the

concept of TMT, the scope of study was extended to the characteristics of the entire TMT. Research on TMT can be divided into two stages.

Hambrick and Mason (1984) discussed the impact of demographic characteristics of TMT on strategy and enterprise performance systematically and proposed the upper echelons theory model of organization from the perspective of demographic characteristics, which marked the beginning of the first stage of TMT research. At the beginning of the first stage, most studies focused on the impact of the observable demographic characteristics on strategy choice and corporate performance; studies on TMT psychological cognitive basis and value were very few. This was mainly because the cognitive basis, values, perception process were difficult to inspect and measure. The variables of demographic characteristics were more objective, more economic to explain organization, and more easily measured variables compared to the psychological cognitive variables (invisible). As a result, most studies focused on the impact of the observable demographic characteristics (such as functional experience, age, tenure, education background, other career experience, etc.) on the strategy choice and organization performance. During the mid and late period of the first phase, researchers began to focus on the heterogeneity of TMT demographic characteristics, which showed that in a stable environment, TMT homogeneity had positive effect on profitability; however, in the complicated and changeable environment, TMT heterogeneity had positive effect on profitability, and heterogeneity TMT was more creative than homogeneous TMT.

During the second stage, scholars mainly focused on the impact mechanism of TMT demographic characteristics on the strategy choice and organization performance from the perspective of TMT team process (interaction, communication, coordination, etc.) and situational regulating variable. Carpenter et al. (2004) improved the theoretical model that was put forward by Hambrick and Mason (1984), which emphasized the role of regulating variables in the model. Hambrick (2007) summarized four kinds of core situational regulating variables in the team process: freedom of management, job requirements, power configuration and behaviour integration, and studied respectively the impact of them on the strategy choice and the output of enterprise.

Scholars in China also studied TMT based on foreign research, by combining reality of the domestic enterprises; they achieved certain research results. Wenming and Shuming (2004) studied systemically the behaviour process of TMT from three aspects of "characteristic - Process - Environment"; Chongming and Xuefang (2007) studied the impact of TMT cohesion on the family business succession performance; Ge Yuhui (2011) studied the relationship between TMT human capital and the degree of differentiation of power distribution from perspective of human capital; Weizhong and Ge Yuhui (2012) made an empirical study on the impact of TMT

cognitive heterogeneity, emotional and task reflexivity on decision-making performance based on the information processing theory using 365 paired samples from 85 TMT teams.

### **Enterprise performance**

Corporate performance is the concrete embodiment of enterprise management effectiveness and efficiency; to achieve good performance is the basis for enterprise survival and development and is also the fundamental reason for the existence of the enterprise. The connotation and measurement of corporate performance have been the hot topics which domestic and foreign scholars and business circles always focused on; however, there was much difference about the connotation and measurement of corporate performance, which have not formed the consensus; it is a benevolent person that sees benevolence, the wise sees wisdom.

Drucker was one of the earliest experts who researched enterprise performance evaluation; he put forward the enterprise performance 8 evaluation indexes by empirical research: profitability, productivity, physical resource and financial resource, market position, manager performance and development, employee performance and development, innovation ability, social responsibility. Ruckert et al. (1985) thought that enterprise performance included efficiency, effectiveness, adaptability; Venkatraman and Ramanujam (1986) thought that enterprise performance should be composed of three aspects: financial performance, operational performance, organizational efficiency.

There were many Chinese scholars who also studied enterprise performance and obtained certain achievements; e.g. Hongming (2005) believed that enterprise performance is the function and ability which organization itself has; he also created a very authoritative performance measurement scale from the profit and loss of economic income, the range of products and services, competition ability, etc. Min (2004) suggested that organizational performance was the degree of realizing the multiple goals which evaluated the organization; he also discussed the connotation and evaluation of enterprise performance in detail from three aspects: organization overall expression, organization goals and social common expectations. In this study, the author will take financial performance, market performance, social performance, innovation performance, employee satisfaction, etc as the measure indicators of corporate performance.

### **Effect of TMT interaction on enterprise performance from the perspective of corporate culture**

#### **Enterprise culture and enterprise performance**

At present, there is a consensus in both the academy and

business practice fields that excellence enterprise groups must have some special and distinctive culture, which can be a source of sustained competitive advantage and can form a kind of driving force and bring organizations to a higher strategic situation in the drastic business competitions until built to last.

### **Enterprise culture and cultural power**

Enterprise culture is the soul of the enterprise core competitive ability, which, as a kind of soft power, contains a huge amount of energy, causes power of enterprise idea, enterprise strategy, action and enterprise image. These four powers unite as one to form a kind of huge driving force. Enterprise culture has an important impact on employees, customers and other stakeholders and thus has an important impact on the corporate performance through guiding function, constraint function, cohesion function, incentive function, radiation function, coordination function, education function and the function of setting up the enterprise image, etc.

### **Corporate culture and sustained competitive advantage**

Barney (1991) pointed out that only those valuable, rare, imperfectly imitable resources can generate sustained competitive advantage when he discussed the relationship between firm resources and sustained competitive advantage in detail. As the intangible asset of an enterprise, distinctive, excellent enterprise culture just possesses these features; therefore, the outstanding enterprise culture can form a kind of culture driving force and produce a kind of sustained competitive advantage and thus achieve sustained superior business performance. As Barney (1986) said: firm culture can be a source of sustainable competitive advantage if that culture is valuable, rare, and imperfectly imitable. Therefore, if the enterprise culture in a firm wants to produce the core competitive advantage, to form the sustained core competitiveness, it must meet two conditions: on the one hand, the enterprise culture should be valuable, rare and imperfectly imitable, on the other hand, the enterprise culture must be recognized by enterprise employees and voluntarily abide by it.

As a kind of intangible asset, corporate culture can be the source of sustained competitive advantage only when it has value (i.e., can produce the efficiency and benefit in the enterprise management process). If enterprise culture does not have the attributes of value, then it cannot become the source of sustained competitive advantage, and does not have any impact on the enterprise performance, either. Other than the value attribute, enterprise culture also should have rare (unique) feature; otherwise, it could not become the source of enterprise sustained competitive advantage. If a kind of enterprise

culture is possessed by most firms in the same industry, then each firm will have the ability to develop the resources in the same way. We can take for granted that there is no competitive advantage and sustained competitive advantage for one firm. In addition, the imperfect imitation of the enterprise culture is also very important; only those firms that do not have certain corporate culture resource cannot obtain or imitate the corporate culture resource. Can the valuable and rare culture resource become a source of sustained competitive advantage? Finally, the enterprise culture should be recognized and kept by enterprise staffs, which is very important for the impact of enterprise culture on enterprise performance. Therefore, enterprise culture needs to fall to the ground according to the following aspects: 1) Internalization, namely employees should accept the enterprise culture from perception to cognition and then identify and engrave it in the depths of their soul and form individual value pursuit; 2) Externalization lies in action, that is to say, to change the value idea of enterprise culture into enterprise and workers action; it also lies on image, namely, externalization of enterprise culture shows the good corporate image not only through the employees actions, but also the unique cultural symbols which can shape and propagate the corporate image; 3) Groups, the enterprise culture should be agreed on by all staffs (or most) and form the group psychology; 4) Habituation, employees are in the long-term influence of corporate culture, become accustomed to the corporate culture over time.

### **The impact mechanism of enterprise culture on enterprise performance**

The relationship between corporate culture and business performance has been an important topic which both academy and business practice fields focused on. Many domestic and foreign scholars believed that corporate culture has an important effect on corporate performance. In order to study the impact of mechanism of enterprise culture on corporate performance comprehensively, this paper discusses the impact of enterprise culture (mission, vision, strategy, enterprise values, norms, business ethics, social responsibility, etc.) on employees, customers and other stakeholders (stockholders, government, suppliers, etc.) from the perspective of the cultural force and sustained core competitiveness. Then the paper discusses the impact of enterprise culture on corporate performance (financial performance, market performance, social performance, innovation performance, employee satisfaction, etc.) from the perspective of employees, customers and other stakeholders.

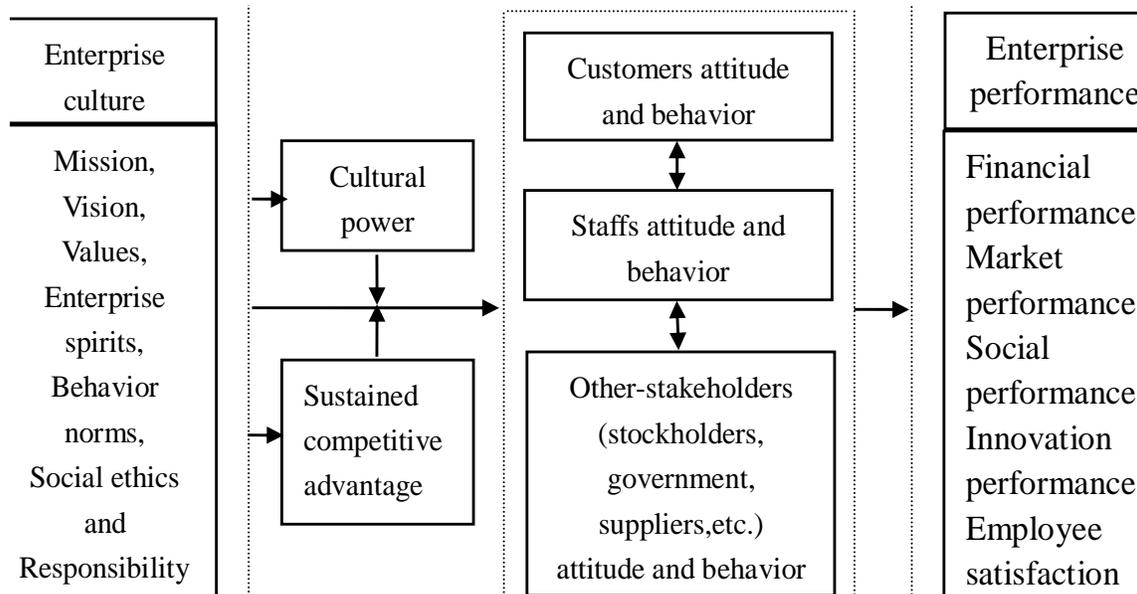
The enterprise mission, vision and core values have condensation effect, incentive effect, guide effect which can produce a huge centripetal force and cohesive force to unite the staffs together closely, all of which not only

can improve employees satisfaction to innovate voluntarily, but also can lead all staffs to strive to achieve the strategic goal of the organization, so as to improve the enterprise financial performance, market performance, etc. The enterprise culture, as the standard organization behavior, is an invisible binding force on the members of organization to restrain the behavior of organization members; it has two restraint force: one is the extern system restraint and other is the inherent cultural constraints. Although the system restraint is certainly mandatory, its role is limited. Once the corporate culture is approved by employees, it can form a kind of soft constraint, so as to achieve the highest realm of management; i.e., to achieve the purpose of management by non-interference. This kind of soft constraint can weaken the collision of employee psychologically, enhance the employee satisfaction, so as to improve the enterprise performance. In addition, the good enterprise culture, especially the social ethics and responsibility, has the role of setting up image, which can help to set up a good brand image to enhance corporate popularity and reputation that have an important impact on the attitude and behavior of the customer and other stakeholder, and thus improve enterprise performance. In summary, this paper puts forward the theoretical framework of the impact of mechanism of the enterprise culture on enterprise performance, as shown in Figure 1.

### **TMT interaction and corporate performance**

Since Hambrick and Mason (1984) put forward the upper echelons theory, the relationship between TMT and corporate performance has been the hot topic that both academy and business circles focused on. Early in the first stage of TMT research, scholars mainly focused on the relationship between TMT observable demographic characteristics and strategy choice and firm performance. During the mid and late period of the first phase, researchers began to focus on the relationship between heterogeneity of TMT demographic characteristics and strategy choice and firm performance. During the second phase of TMT research, scholars began to pay attention to TMT psychological cognition, values to study the impact of TMT on the strategy choice and firm performance from the perspective of team process (such as communication, coordination, etc.). Therefore, previous studies on TMT were mostly around the chain process of "TMT-- Strategy -- enterprise performance", which emphasized the role of TMT on strategy making and business performance, while ignoring the influence of middle managers, first-line managers and staffs on the enterprise strategy and enterprise performance.

Indeed, TMT holds the absolute resources distribution and decision-making power in enterprise, which has very important influence on enterprise performance. However, if TMT pays attention to the interaction process (such as



**Figure 1.** Theoretical framework of the impact mechanism of the enterprise culture on enterprise performance.

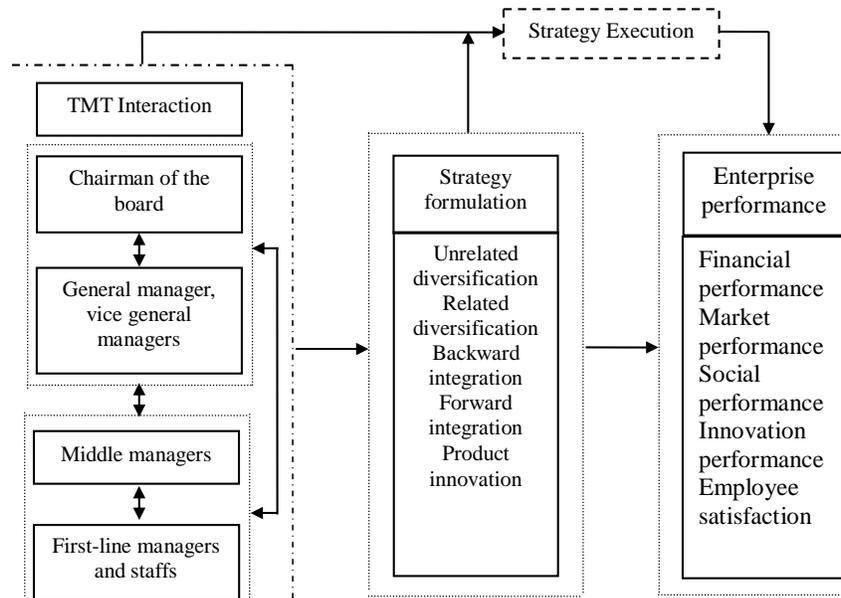
communication, coordination etc.) with middle managers, first-line managers and staffs in order to mobilize fully the enthusiasm of staffs at the "TMT--strategy" link, then the strategy quality which is made by TMT will be better. It is noteworthy that interaction within TMT also has an important impact on the enterprise strategy formulation. Therefore, in order to improve strategy formulation quality, TMT should pay attention to the internal interaction among TMT members and the interaction between TMT and subordinates during the process of enterprise strategy choice and formulation. In addition, enterprise performance is not only related with strategy formulation, but also with the strategy effective implementation that is an important part which cannot be ignored. If TMT are effective decision makers, then middle managers, first-line managers and employees are the effective strategy performers. Strategy itself can not realize the enterprise performance; only through the effective strategy implementation can strategy value and expected performance goals be realized. In order to improve the effective implementation force of the strategy and to better achieve the strategic goals which are drawn up by TMT, TMT must pay attention to the interaction process among TMT, middle managers, first-line managers as well as staffs. It is noteworthy that strategy decision-making and firm performance may be affected by lots of influencing factors. For the purpose of this study, this paper only discusses the impact of TMT on strategy decision making and enterprise performance from the perspective of team process. In summary, this paper puts forward the theoretical framework of the relationship between TMT interaction and business performance, as shown in Figure 2.

### TMT interaction and enterprise culture

Schein (1983) believed that the values, management concepts, management ideas, management philosophy, leadership styles of the founder and top leaders play an important role in the formation of corporate culture; however, enterprise culture is not the culture of leaders and boss culture; only most employees that recognize and identify it can form the driving force of culture and become the source for the enterprise to have sustained competitive advantage. Then, how can the enterprise culture be accepted, identified and consciously abide by it? TMT interaction is a good way. This paper will discuss the relationship between TMT interaction and enterprise culture from following two aspects.

### TMT Internal Interaction

TMT Internal Interaction mainly refers to the interaction among the enterprise main shareholders, chairman, general manager (CEO), vice general managers (executive vice presidents). In order to make the enterprise mission, vision, core values, enterprise spirits, business ethics, social responsibility be accepted, identified by all staffs, all the members of TMT should accept, identify and form consensus firstly; otherwise, it is impossible for the enterprise culture to be popularized in all employees. In a sense, a firm enterprise culture is just the concentrated reflection of entrepreneurs' values, management concepts, management ideas, management philosophy, leadership styles. TMT members will form cognitive differences even if it is cognitive conflict because of their



**Figure 2.** Theoretical framework of the relationship between TMT interaction and enterprise performance.

different cognition, beliefs, values. Only through internal interaction process such as conversation, communication, discussion and even controversy can TMT reach an agreement and make a consensus on the enterprise culture. If TMT members cannot reach an agreement on the enterprise culture, it is very difficult that middle-level managers, first-line managers and employees can make a consensus; much less it can be a source of the enterprise sustained competitive advantage.

### Interaction among TMT, middle managers, first-line managers, employees

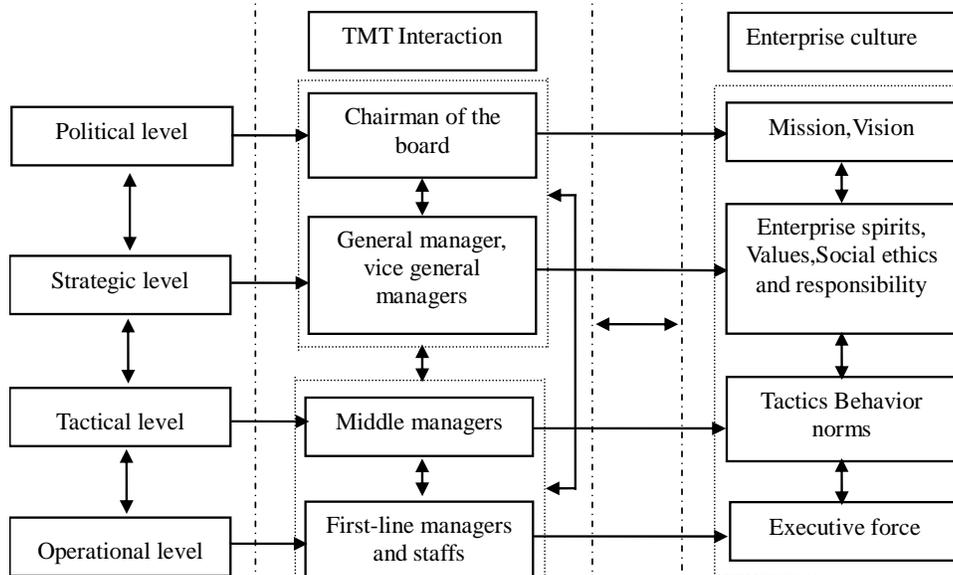
If enterprise culture, as a kind of soft strength, wants to be the source of the enterprise sustained competitive advantage after reaching a consensus in the TMT, there is also an important condition that all staffs (most) accept, identify and consciously comply with it, that is to say, enterprise culture must fall to the ground. Therefore, TMT should pay attention to interact with middle managers, first-line managers and employees by publicity, conversation, communication, feedback, etc. It is only through interaction can the enterprise culture in an enterprise be internalized in the mind, solidified in the system, and made manifest in the physical and external action. In addition, it is very indispensable for TMT to set an example by their own action as enterprise culture demonstrators. Just as Confucius said in "The Analects of Confucius": "an upright man will be obeyed even if no orders are given; a crooked man will not be obeyed even if orders are given". Only in this way, can the enterprise

culture be accepted, identified by employees, and consciously abided by. Finally, it is noteworthy that corporate culture, as a kind of soft power, once be recognized and accepted by everyone, which in turn will help to interact among the members of TMT and to interact among TMT, middle managers, first-line managers, employees. In summary, this paper puts forward the theoretical framework of the relationship between TMT interaction and enterprise culture, as shown in Figure 3.

### TMT interaction and enterprise performance from the perspective of enterprise culture

Enterprise performance is the comprehensive reflection on all kinds of business activities (production, marketing, human resource management, finance, research and development, etc.) of the enterprise organization in a certain period of time, which will be affected by many factors such as enterprise resources, enterprise internal and external objective environments, strategy formulation, the implementation of the staffs, and so on. For the purpose of this study, the paper explores the impact of TMT interaction on enterprise performance only from the perspective of corporate culture

Firstly, enterprise culture, as a kind of intangible asset and soft power, can be a source of a driving force and sustained competitive advantage with certain conditions, which can form a soft constraint and then reach the highest realm of management (i.e. to govern by non-interference), once all staffs approve, identify and accept the enterprise culture. Outstanding enterprise culture can



**Figure 3.** Theoretical framework of the relationship between TMT interaction and enterprise culture.

motivate employees to work hard to realize the enterprise performance goals by affecting the staffs attitude and behavior.

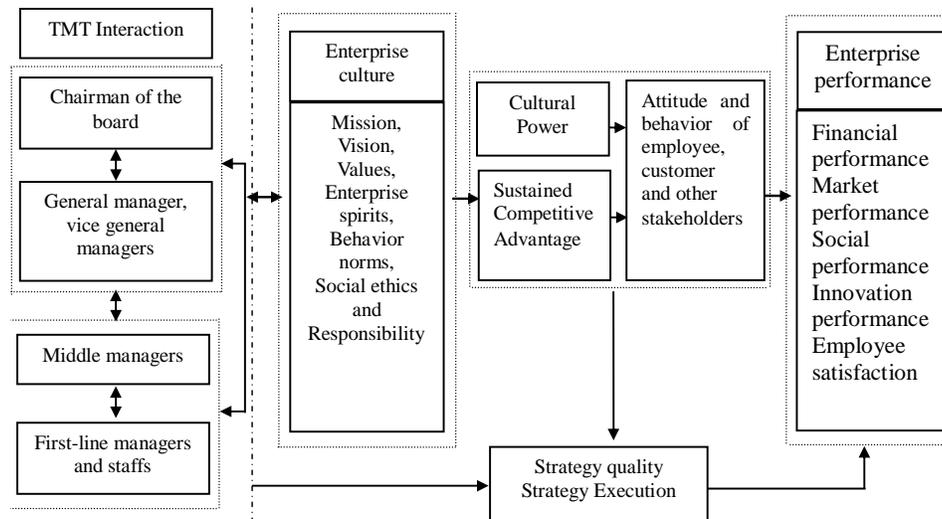
The excellent distinctive enterprise culture also can affect the attitude and behavior of customers and other stakeholders, which can help to establish a corporate brand image, to enhance corporate popularity and reputation, thus to achieve business all kinds of performance goals. Secondly, because of different values, cognition, etc., TMT internal interaction can help TMT members to make an agreement and consensus. The interaction among TMT, middle managers, first-line managers, staffs can help all staffs to agree, identify accept and abide by the enterprise culture. Excellent corporate culture can create a kind of harmonious, pleasant working atmosphere to promote TMT members to interact and to promote TMT to interact with the subordinates. Both of them combine organically together, which affect the attitude and behavior of employees, customers and other stakeholders and improve the enterprise performance better. In addition, because each person's knowledge, ability and energy are limited, TMT interaction can help to improve the quality of strategy making and effective implementation of strategy, which have an important impact on the enterprise performance. Finally, it is noteworthy that the culture driving force and sustained competitive advantage which enterprise culture has, as well as staffs attitude and behavior can effectively improve strategy execution, and then can improve enterprise performance. In summary, this paper puts forward the theoretical framework of the impact mechanism of TMT interaction on enterprise performance from the perspective of enterprise culture, as shown in Figure 4.

## Conclusion

The relationship between enterprise culture and enterprise performance and the relationship between TMT and enterprise performance have been the hot topics which academy and business circles focused on and which also had some research results. However, previous studies on the relationship between enterprise culture and enterprise performance and the relationship between TMT and enterprise performance were carried out according to two parallel lines, with almost no crossover study on them. This paper puts forward the theoretical framework of the impact mechanism of TMT interaction on enterprise performance first time from the perspective of enterprise culture and elaborates it systematically. Enterprise performance is the comprehensive reflection on the enterprise management effectiveness and efficiency in a certain period of time, which will be affected by many factors such as enterprise resources, enterprise internal and external objective environments, strategy formulation, the implementation of staffs, and so on. However, this paper, only from the perspective of enterprise culture, explores the impact of TMT interaction on enterprise performance and proposes four theoretical frameworks. It is expected that, to some extent, this study can provide strong theoretical foundation and stimulus for empirical research into the links among TMT interaction, enterprise culture, enterprise performance in the future.

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**Figure 4.** Theoretical framework of the impact mechanism of TMT interaction on enterprise performance from the perspective of enterprise culture.

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## Conflict of Interests

The author(s) have not declared any conflict of interests.

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