

# Research on Human Resource Development and Management of Small and Medium-Sized Enterprises in China

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**Abstract**—Small and medium-sized enterprises refer to economic units that are smaller in terms of personnel scale, asset quantity and operation scale compared with large enterprises in the same industry. Since the middle of the 20th century, the past personnel management in enterprise management has gradually evolved into the current human resource management. Through more than half a century of continuous evolution, the status of human resource development and management in enterprise management has been increasingly enhanced, especially for the development of small and medium-sized enterprises. The small and medium-sized enterprises in China play an indispensable role in the national economy and are gradually becoming the backbone of China's social productivity. So far, the total number of small and medium-sized enterprises in China accounts for more than 99% of the total number of registered enterprises; It accounts for more than half of GDP, exports and tax revenues, and 80% of employment. This shows that SMEs in China play a vital role in promoting rapid economic development and improving employment rate.

**Index Terms**—Human resource development, management, small and medium-sized enterprises.

## I. INTRODUCTION

The concept of human resource development and management in small and medium-sized enterprises in China still remains on the definition of personnel management in the past, and there is a huge difference between the two. The human resources development and management of modern enterprises have broken through the restrictions of the traditional labor and personnel management. In the human resources development and management of modern enterprises, talents are regarded as a constructive potential factor, rather than a technical element. Talents are regarded as a special resource, which affects the rise and fall of enterprises. Enterprises pay attention to giving play to their own potential and subjective initiative, rather than being passively supervised and controlled. Enterprises cherish human resources as they cherish natural resources, and no longer have to face the phenomenon of talent waste and abuse. The concept of human resource development and management in China's small and medium-sized enterprises lags far behind the pace of the development of The Times, and even has incorrect understanding [1]-[3]. This makes China's small and medium-sized enterprises ignore the role of talents in the

development of the enterprise, the recruitment and appointment of talents to take a more casual way. The unreasonable recruitment of talents often leads to many bad consequences such as low efficiency of employees, brain drain and great loss of enterprises, which hinders the development of small and medium-sized enterprises to a certain extent.

## II. PROBLEMS EXISTING IN HUMAN RESOURCE DEVELOPMENT AND MANAGEMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES IN CHINA

### A. The Traditional Concept of Small and Medium-Sized Enterprises is Deeply Rooted and Lacks in-Depth Understanding

It can be seen from the current situation of small and medium-sized enterprises in China that their weak position in scale, capital and technology limits the development, training and management of human resources in small and medium-sized enterprises. In addition, the concept of staff training in China's small and medium-sized enterprises is not strong or even backward, making the vast majority of small and medium-sized enterprises in China appear that there is no training, or just a simple short-term training phenomenon. In addition, the problem of brain drain in small and medium-sized enterprises also increases the cost of training for enterprises.

### B. The Lack of Efficient and Scientific Assessment System and Incentive System

The lack of efficient and scientific assessment system and incentive system is a major problem in the human resource development and management of most small and medium-sized enterprises in our country. Their incentive means have the characteristics of single and random. In an environment without an efficient and scientific assessment system and incentive system, employees are prone to dissatisfaction. They will feel that they are not being treated fairly and often feel that they are not being rewarded for their efforts. As a result, employees' enthusiasm and work efficiency are low, and it is difficult for enterprises to effectively encourage employees, which will directly affect the interests of enterprises.

### C. Serious Brain Drain

In China, there are many human resource management problems in small and medium-sized enterprises, including some crucial production and management personnel and excellent employees have left the enterprise, which has

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brought huge losses to the enterprise. First, China's small and medium-sized enterprises pay relatively low salaries, poor welfare, unable to meet the current increasing living standards, resulting in low employee satisfaction. Second, most of China's small and medium-sized enterprises have not established a sound assessment system and incentive system, do not motivate employees very well, so that employees' enthusiasm and work efficiency is low. Third, China's small and medium-sized enterprises have poor working environment, corporate culture is not sound and other problems, which makes the small and medium-sized enterprise working environment and corporate culture are not enough to meet the long-term pursuit of employees.

#### *D. Lack of Sound Corporate Culture*

In today's business competition, corporate culture, as the soft power of an enterprise, plays an indispensable role in the process of human resource management. The enterprise culture is formed by continuous condensation and precipitation in the long-term business practice, which reflects the values and spirit of the enterprise and can greatly affect the thinking and habits of the employees. However, in China, SMEs are not clear about the importance of corporate culture construction, not to mention the integration of corporate culture into human resources development and management, so the function of corporate culture has not been excavated.

#### *E. Lack of Human Resources Development and Management strategy Consistent with the Enterprise Strategy*

In today's knowledge-based economy era, talent is the decisive resource of an enterprise, employee's work performance is an important guarantee of enterprise benefits, and human resource development and management are in the core position of enterprise strategy. Corporate strategy and human resource development and management strategy should complement each other. However, in China's small and medium-sized enterprises have appeared a very common phenomenon, enterprise strategy and human resources development and management completely do not match. In every stage of the implementation of enterprise strategy, there is almost no consistent human resource development and management in every step [4].

### **III. COUNTERMEASURES AND SUGGESTIONS TO IMPROVE THE HUMAN RESOURCES DEVELOPMENT AND MANAGEMENT OF SMALL AND MEDIUM-SIZED ENTERPRISES IN CHINA**

#### *A. Establish the Basic Thought of "People-Oriented"*

Human resource development and management of modern enterprises adhere to the principle of "people-oriented". In the full practice of human resource development, input and use, enterprises can improve their competitiveness, especially their core competitiveness, so as to achieve the long-term goal of sustainable development of enterprises [5]. In the development of enterprises, human capital can not be measured, it can bring great benefits to enterprises. Human resource development and management is the inevitable choice of modern enterprise development. Enterprises should rely on the innovation and reform

brought by human wisdom, rely on the continuous progress of science and technology, to realize the development of human resources, human wisdom as a huge resource to develop and use, to achieve the goal of promoting the progress of science and technology and rapid economic growth.

For small and medium-sized enterprises in China, we should pay more attention to the role of human resources development and management in their development process, establish the basic concept of "people-oriented", and properly develop and rationally utilize human resources. Set up a dedicated human resources department to improve employee satisfaction, and strengthen their sense of belonging and identity with the enterprise, so as to attract and develop talent. At the same time, strive to create a good corporate environment and corporate culture, encourage employees to play their own personality and initiative. In order to meet the increasingly rapid economic development of enterprises and increasingly fierce competition for talent needs, and finally achieve the rapid and sustainable development of small and medium-sized enterprises economy.

#### *B. Establish a Sound Human Resources Development and Training System*

Talents are playing a more and more important role in the increasingly fierce competition among enterprises, which has higher requirements on the quality of talents. The development and management level of enterprise human resources, the improvement of enterprise's strong competitiveness and the healthy development of enterprise all need the strong support of the perfect human resources development and training system. For small and medium-sized enterprises, the training of their staff can not only improve the quality of staff and work enthusiasm, but also improve their corporate benefits. China's small and medium-sized enterprises should, according to their own needs and characteristics, combined with the potential and quality of different employees, provide employees with a variety of training and learning opportunities, to bring employees different development opportunities and space. Help employees to establish career planning and provide them with higher level position orientation. At the same time, give play to the cohesion of corporate culture, and guide employees to realize their own value.

#### *C. Establish an Efficient and Scientific Assessment System and Incentive System*

The staff is the soul of the enterprise development, and the staff's work efficiency directly affects the interests of the enterprise. There are many factors that affect the work efficiency of employees, objectively including the assessment system, incentive system, working environment and corporate culture. According to Maslow's Hierarchy of Needs, there are five kinds of human needs: physiological needs, safety needs, social needs, respect needs and self-actualization needs [6]. These needs will be transformed into adult motivation through appropriate incentive measures. Different employees have different motivations and needs. Small and medium-sized enterprises in China should adopt different incentive methods according to employees' needs, regions and respective personality

characteristics. No matter what kind of incentive is adopted, things will achieve the expected results with the right method. Therefore, in order to enhance the enthusiasm and enthusiasm of employees, enterprises should establish an efficient and scientific assessment system and incentive system.

On the incentive system, small and medium-sized enterprises can take a variety of material incentives, such as, small and medium-sized enterprises not only employee performance can be linked to the basic salary, bonus, can also points for the old employees in the form of equity and dividend implementation of incentive measures, to perform well at the same time, performance outstanding staff give bonus. In this way, employees can strengthen their identification with the company and enhance their sense of belonging, so as to prevent the occurrence of turnover of important employees such as job-hopping. In addition, the role of spiritual motivation should also be fully valued. First, measures such as goal incentive method can be adopted to mobilize the enthusiasm of employees [7]. Second, all-round and multi-level communication can be carried out, including effective communication between superiors and subordinates and different departments, which not only enables departments within the enterprise to support and encourage each other, but also enables employees to get care and encouragement from leaders. Through this communication, the internal communication of small and medium-sized enterprises is strengthened, the cohesion of enterprises is enhanced, and to some extent, the problem of salary limitation in small and medium-sized enterprises can be solved.

#### *D. Pay Attention to the Problem of Staff Turnover and Strive to Retain Talents*

First, people's quality of life is gradually improved with the continuous development of economy, and they also hope to get greater satisfaction of material needs. The development of small and medium-sized enterprises also depends on excellent talents to a large extent. Small and medium-sized enterprises should gradually improve the salary and benefits of employees, meet the increasing requirements of the living standards of employees, improve the satisfaction and loyalty of employees, retain talents for the enterprise, and avoid the brain drain. Second, small and medium-sized enterprises should pay attention to the working environment of employees, strive to improve and provide employees with a good corporate culture, development space, so as to attract and retain talents, enhance employees' loyalty to the enterprise. Only by retaining excellent talents can we further create value for small and medium-sized enterprises and promote their development.

#### *E. To Establish Their Own Unique Enterprise Culture*

Domestic and foreign scholars on the definition of corporate culture has a different definition method, such as the American scholar Peters and waterman definition of corporate culture is a combination of traditional culture and modern advanced management thought, create clear values and code of conduct for employees, a good environment, promote enterprise's management behavior is called the corporate culture. There are also scholars who believe that

corporate culture contains three circles. The outer circle represents material culture, including machinery and equipment and products used in daily operations; The middle circle represents institutional culture, such as interpersonal relationships. The inner circle represents spiritual culture, such as codes of conduct and values [8]. At home and abroad in recent years, scholars have had a new understanding of the connotation of the enterprise culture, agree that corporate culture is a enterprise or the company in the process of long-term operation of the formation belongs to the special feature of the enterprise values, customs, culture and ethics, etc., it is these factors affecting the production of the enterprise concept, enterprise culture has a subtle influence to the enterprise, make the enterprise gradually form belongs to this enterprise production and business operation mode [9].

For small and medium-sized enterprises, in order to promote their own development and try to catch up with the pace of large enterprises, it is more necessary to establish a unique corporate culture of the enterprise, establish a good corporate image, so as to strengthen the loyalty and trust of employees to the enterprise. Small and medium-sized enterprises should establish the corresponding human resources development and management system according to their own unique corporate culture.

##### *1) Integrate corporate culture into the talent recruitment process*

Recruitment as the main method of talent selection, in the process of the selection of applicants generally only on the ability, education and work experience and other aspects of the inspection, but for the employee's values and the degree of conformity with the enterprise, the correct degree of work attitude, work enthusiasm, investment degree and other aspects are rarely considered. Adding corporate culture in the recruitment process can enable small and medium-sized enterprises to select new employees who are compatible with the enterprise and have a serious working attitude in the first link, thus reducing unnecessary trouble, and also helping applicants to further understand the enterprise, more identify with the culture of the enterprise, and cultivate common values.

##### *2) Integrate corporate culture into staff training process*

Staff training should not only improve the ability and quality of employees, but also pay attention to the training of employees' working attitude. Enterprises should be aware of the impact of corporate culture on the training of new employees, which requires integrating corporate culture into the process of human resource management, so that employees can grow with the development of the enterprise. In addition to receiving basic education on enterprise history, group discipline, rules and regulations, every employee of an enterprise should also receive training on enterprise culture, so as to help employees identify and accept the values of the enterprise [10].

#### *F. To Establish Human Resources Development and Management Strategies in Coordination with the Enterprise's Strategic Planning*

Human resource development and management strategy must be consistent with the strategic objectives of the

enterprise in order to provide corresponding human resources. According to the current situation of human resources of the company, in-depth study of the current situation of supply and demand of personnel, so as to make corresponding plans to implement, to ensure the coordinated development of corporate goals and corporate human resources. Human resource development and management strategies should be adjusted accordingly with the development and changes of enterprises.

#### IV. CONCLUSION

With the rapid development of China's economy, the competition among enterprises is becoming more and more intense. The development and management of human resources in the enterprise management, has become the enterprise in the fierce competition in the rise and fall and the development of the key factors, especially for small and medium-sized enterprises.

At first, this paper aimed at the status quo of small and medium-sized enterprise human resources development and management in our country has carried on the thorough analysis, and to our country small and medium-sized enterprise human resources development and the problems existing in the management of the superordinate, for our country small and medium-sized enterprises to solve these problems in the future of human resources development and management provides some corresponding countermeasures and Suggestions. China's small and medium-sized enterprises should also be aware of their own shortcomings, in-depth development and management of human resources. Perfect corporate culture, corporate culture into the development and management of human resources to go. Establish and improve relevant rules and regulations to provide a good environment for the development of employees and enterprises. Small and medium-sized enterprises also need to learn from large enterprises, excellent foreign enterprises, discard their dross, take their essence, combined with the actual situation of the enterprise, the establishment of human resource management model in

line with the enterprise, improve the interests of the enterprise.

#### CONFLICT OF INTEREST

The authors declare no conflict of interest.

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