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## Research on Chinese small and medium-sized businesses' human resource management

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### Abstract

Human capital, as an important factor of production in the 21st century, has become an important resource which determines economic development and business competition. At present, Chinese enterprises face serious challenges, but also bring opportunities. Therefore, Chinese enterprises will update ideas, adjust the structure of human resources, strengthen personnel training, and learn and introduce the advanced human resource management techniques and tools to ensure corporate strategic objectives.

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Key words: enterprise; Human Resources

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### 1. Main text

First, Reality of the Chinese Human Resource Management in SMEs

After China joining to the WTO, facing such a competitive business environment, obtaining and maintaining manpower advantage have become the key to survival and development. People as a corporate core element of survival and development, special resources, have become the most important part of Strategic Management of Organization, which is increasingly importance in enterprises.

After the founding of the People's Republic , Chinese enterprises have been in the traditional personnel management stage. After the reforms, Chinese enterprises have implemented the Mechanism of

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Rewarding hard work and punishing lazy, full implementation of the labor contract system, and have established a social security system, the implementation of "laid off" re-employment and a series of labor and personnel system reform. These measures have made great progress. some enterprises have studied with the actual situation, and strived to learn foreign advanced management system of human resources and technology innovation in practice, and achieved good results. But uneven development of social and economic in China, Enterprises in the different regions and different nature, exist the significant difference in management concept and Management Effectiveness Therefore, the level of knowledge and business of Enterprise Management need to quickly increase ,and the level of human resources market need further improvement.

#### Second, the Chinese Human Resource Management

The 21st century is the era of knowledge-driven economy, and of economic globalization, knowledge and information. The base of Chinese enterprises' human resource management is still relatively weak, mainly in:

1. In the recent years, most of the enterprises changed the personnel department in the past in the "Human Resources Department". But enterprises still followed the traditional labor and personnel management, and the management ideas and management methods did not fundamental change. The management focus is "Resettlement of people" and the management objective is the "controller ". They saw the staff as a "tool", and were concerned about the cost, use and control. They ignored the development and system management of the staffs' enthusiasm and creativity.

2. Human resource management is lack of effective techniques, and the level of information technology is low. In the process of Chinese enterprises managing human resources, limited by the system, it is difficult to advanced human resource management thinking into the system and technical means which suit to the characteristics of Chinese enterprises. According to survey, 58.7 percent of enterprises have a simple human resources information database, and only 7.8 percent establish an intelligent information system of human resource management. The survey shows that the corporate human resources management's information program is not high, and is in the initial and primary stages. So, the low degree of information and low working efficiency is inevitable.

3. The corporate investment in human capital is lack. According to a study of 100 firms in major cities in China, more than 30% of enterprises' annual per capita cost of education and training is lower than 10 Yuan, and nearly 20% in the 10 Yuan -30 Yuan. But, funding for staff development each year is over 500 million U.S. dollars, and is more than 600 U.S. dollars per capita in Motorola's Tianjin branch. And most enterprises don't have a complete set of pre-job training or Medium-term education and training programs, and staff skills' development is penurious. In the talent pool, many enterprises lack the concept of scientific development, unwilling to reserve personnel. They result in reserve forces of enterprises are penurious, and make it difficult to mobilize and play to their potential, and capacity for enterprise development is insufficient.

1. To develop human resource development planning. The present era, the enterprise is becoming more competitive, the transfer of human resources also will be accelerated, so enterprises must not only develop short-term (5 years) human resources development planning, but also to develop long-term development plan, to achieve the combination of planning of short-term planning and long-term. In the development of human resources planning should also combine the functions of human resource management , establish various rules and regulations, and further standardize the management model by regulating the employment system and building a good human resource allocation system within the enterprise.

2, doing a good job analysis and position design. Establishing the Management system work analysis centered on achievements is the base of carrying out human resources management and human resource management platform. In the establishment of institutions and scientific organizations on the basis of business processes, according to the actual needs of production and operation, have the work of scientific analysis and job design ,make reasonable set of jobs and those who regulate the analysis described.

3, To increase staff skills development and capacity building. Investment in human resources development is the most cost-effective investment; modern human resource management objective is the ability of people, especially use the potential as much as possible, take people as resources that could be undertaken through training and other forms of enhancing the quality of enterprise staff. Through training, on the one hand, to change employee work attitude, increase knowledge, improve skills, stimulate their creativity and potential, to better serve enterprises; on the other hand, to enhance the ability of employees, improve their own quality and improve the enterprise staff loyalty.

4, Implement effective incentive measures to retain the talent. Establish a scientific and effective incentive mechanism is an important part of the enterprise human resource management. Through the reform of distribution system, companies recognize the human capital property rights, take income distribution of core employees as a breach, and promote the formation of the price mechanism in human resources. Meanwhile, study seriously of employees especially the core employees' different needs, and fully mobilize the enthusiasm and creativity of staff in order to stabilize and attract talent, make it as the basic strategy to retain talent.

5, Insist on the management innovation. HRM is always closely linked to enterprise business strategy, organizational structure, cultural values, which has a unique personality. Our quality of human resources determines China's enterprises could not directly use the Western model of modern human resource management. Therefore, on the one hand, China's enterprises absorb the advanced developed countries, ideas, concepts, systems and methods; learn management of Western culture and the essence of scientific rationality. On the other hand, we must pay attention to the oriental culture, the characteristics of Chinese enterprises to create the "native" human resources management system. Upgrade human resources management by positioning, improve the quality of human resources practitioners, and while use modern electronic information technology, build and improve human resources information system to improve human resource management level.

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