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## MANAGEMENT OF HUMAN RESOURCES DEVELOPMENT IN SMALL AND MEDIUM-SIZED ENTERPRISES – THEORETICAL REVIEW

## УПРАВЛІННЯ РОЗВИТКОМ ЛЮДСЬКИХ РЕСУРСІВ НА МАЛИХ І СЕРЕДНІХ ПІДПРИЄМСТВАХ – ТЕОРЕТИЧНИЙ ОГЛЯД

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Talent is the most important resource in the 21st century, and human resources play a crucial role in the survival and development of small and medium-sized enterprises. However, due to various reasons such as the weak strength of small and medium-sized enterprises themselves and the lack of advantages in the external environment, there are many problems in human resource management of small and medium-sized enterprises. This article analyzes the current situation of human resource management in small and medium-sized enterprises in China, and analyzes the problems that exist in human resource management: inadequate awareness of human resource management among managers, non-standard human resource planning, inadequate professionalism of human resource management personnel, lack of necessary human resource management evaluation after human resource management, narrow channels for human resource management, insufficient investment in funds, and lack of competitive advantage. And analyze the causes of the problems and propose corresponding specific improvement measures.

**Keywords:** small and medium-sized enterprises; human resources; development; administration.

Талант є особливим і найважливішим, проте дещо недооціненим ресурсом XXI століття, а людські ресурси в цілому відіграють надзвичайно важливу роль, особливо у виживанні і розвитку маленьких та середніх підприємств. Через різні причини, зокрема слабку силу самих маленьких та середніх підприємств і недостатню перевагу у зовнішньому середовищі, існує багато проблем у керуванні людськими ресурсами. Ця стаття аналізує поточну ситуацію керування людськими ресурсами у маленьких та середніх підприємствах Китаю і аналізує проблеми, які існують у керуванні людськими ресурсами: недостатнє свідомості про керування людськими ресурсами; дозволяє проаналізувати причини проблем і пропонувати відповідні способи покращення. В роботі ідентифікуються та узагальнюються проблеми, які виникають при розвитку та управлінні людськими ресурсами на малих і середніх підприємствах. По-перше, і масштаб виробництва, і персонал, і власність на активи, і вплив менші, ніж у великих підприємств. Через це більшості малих і середніх підприємств важко забезпечувати високі зарплати та пільги для залучення талантів. Відзначається проблема стабільності малих і середніх підприємств; вплив внутрішніх чи зовнішніх змін середовища. По-друге, недостатня увага приділяється управлінню людськими ресурсами, відсутність системного планування кадрів та аналізу робочих місць, а також надійної системи та функцій управління персоналом, не кажучи вже про спеціальні процедури відбору персоналу. По-третє, не вистачає здорового робочого середовища, а малі та середні підприємства мають недоліки з точки зору масштабу виробництва та накопичення капіталу, що ускладнює виконання завдань фундаментальних досліджень та науково-інноваційних завдань. Здатність талантів працювати і розвиватися обмежена, бракує місць, можливостей і умов для демонстрації своїх талантів. Розроблено рекомендації щодо впровадження системного управління людськими ресурсами з наголошенням ролі талантів на малих та

середніх підприємствах Китаю. Узагальнено стратегії та методи управління людськими ресурсами, які відповідають характеристикам підприємства, щоб поступово стандартизувати та ефективно управляти людськими ресурсами.

**Ключові слова:** Малі та середні підприємства; людські ресурси; розвиток; адміністрація.

**Formulation of the problem.** Most of China's enterprises are labor-intensive, absorbing a large amount of labor resources. There are many labor resources, but the structure is unreasonable and the overall quality is not high. There is a significant gap in the high-quality management talents and high-level technological talents of enterprises, with a general surplus of personnel. A portion of the talent flows overseas, and China has 450000 professionals with undergraduate or above degrees in various fields only in the United States; A portion of foreign enterprises flowing to China have attracted a large number of domestic talents due to their advantageous treatment, research environment, and efficient talent management methods in science and technology. The lack of talent has seriously hindered the healthy development of small and medium-sized enterprises in my country. In addition, small and medium-sized enterprises, especially family owned enterprises, have a phenomenon of "favoritism" and "proximity" in their employment mechanisms. At present, most enterprises do not have a dedicated human resource management season, which can only be held concurrently by the general manager's office or administrative department. Although many enterprises have changed their original "personnel department" to "human resources department" according to the needs of market development, even so, this department still has to concurrently undertake many other management functions that are not closely related to human resources management. In a sense, some traditional theatrical practices still exist, where the human resources department serves as a 'placement place' for special personnel. Most enterprises do not have dedicated human resource management personnel, and even if they do, they only manage archives, wages, and labor insurance, operating according to the traditional "static" and "matter centered" personnel management model. This is not only related to the ideological concepts of enterprise decision-making, but also to the quality of personnel engaged in human resource management.

Many enterprises are trying to specify various human resource management systems and strive to implement them. However, from

the perspective of its content, most of the restrictions are placed on employees in terms of attendance, reward systems, salary distribution, work rules, etc., rather than starting from a "people-centered" approach that fully mobilizes employees' enthusiasm and creativity to regulate the behavior of the enterprise and employees, in order to achieve employee development and organizational goals. Although employees are dissatisfied, due to the behavior of the buyer and seller markets, Most employees have to accept various restrictions and conditions. Therefore, in a sense, the implementation of annual human resource management systems in some enterprises is currently mandatory. With the increasingly fierce competition, enterprises lacking scale management and technological advantages will face the danger of being eliminated. Most talents will seize development opportunities and seek greater development space and better development opportunities. Therefore, the human resource competition environment faced by small and medium-sized enterprises is not optimistic.

**Analysis of recent research and publications.** The "Research on the Development of Small and Medium sized Enterprises" project, jointly established by the China Enterprise Evaluation Association, the Small and Medium sized Enterprise Department of the National Development and Reform Commission, the Industrial Transportation Statistics Department of the National Bureau of Statistics, the Supervision Department of the State Administration for Industry and Commerce for Individual and Private Economy, and the Ministry of Economy of the National Federation of Industry and Commerce, comprehensively evaluated the overall development status of 80408 non-public small and medium-sized enterprises in China from 1999 to 2002 using the "Growth Small and Medium sized Enterprise Evaluation Method" GEP evaluation method. The survey shows that currently, the education level of employees in non-public small and medium-sized enterprises is mainly at junior high school or below, followed by vocational high school, technical secondary school, and college education, with very few graduating from universities; Professional and technical personnel are even more scarce,

with over 80% of engineering and technical personnel in small and medium-sized enterprises accounting for less than 5%. Among the top management personnel of growth enterprises, 40% have a bachelor's degree or above. Regarding employee performance evaluation, approximately 54% of enterprises are able to implement employee performance evaluation for their employees. It can be seen that the current situation of human resource management in most small and medium-sized enterprises in China shows certain volatility and sustainability in management settings, management methods, and similarities similar to traditional personnel management

**Unresolved parts of the common problem.**

Small and medium-sized enterprises have the characteristics of small scale, limited funds, and few personnel, which limits and restricts their human resource development and management. The human resource management of most small and medium-sized enterprises often focuses on recruitment, employee contract management, attendance, salary system, transfer and other matters related to internal employees of the company, while insufficient attention is paid to employee motivation, training, and corporate culture construction. The management methods used in human resource management can only be some remedial measures after the fact, and cannot effectively implement true human resource planning. This management model that lags behind practice is destined to prevent the human resources department from becoming the axis department of the enterprise, but rather a department that cannot be equated with the business department and has equal status. Most small and medium-sized enterprises have short-term behavior in talent cultivation, and it is a common phenomenon to only use without training. The lack of training systems and plans results in low employee quality and skills, making it difficult to meet the necessary quality requirements for further development of the enterprise. The reason for this is not only constrained by the financial and material resources of small and medium-sized enterprises, but also by the constraints of scale.

**The purpose of the article.** Human resources are the primary resource and the most precious resource in enterprises. Human resource management is an important component of enterprise management and the foundation for survival and development in fierce competition. Human resources play a decisive role in the development of productivity and ensure the

implementation of enterprise management strategies. Therefore, to summarize the problems that arise in the development and management of human resources in small and medium-sized enterprises as follows:

First, the scale is small, and both the production scale, personnel, asset ownership, and influence are smaller than those of large enterprises. This makes it difficult for most small and medium-sized enterprises to provide high salaries and benefits to attract talent. Moreover, generally speaking, the stability of small and medium-sized enterprises is worse than that of large enterprises. Regardless of internal or external environmental changes, the impact on small and medium-sized enterprises is much greater than that on large enterprises. Therefore, for talents, the risk of developing in small and medium-sized enterprises is higher than that in large enterprises.

Secondly, there is insufficient emphasis on human resource management. Nowadays, the number of college students is increasing every year, and the number of positions that companies can provide is far less than the number of graduates. As a result, there is an oversupply of job seekers in the talent market. Therefore, most small and medium-sized enterprises mistakenly believe that human resource management is just a simple task and have a unclear understanding of human resource management. A considerable number of small and medium-sized enterprises lack systematic human resource planning and job analysis, as well as a sound human resource management system and functions, let alone specific human resource management selection procedures.

Thirdly, there is a lack of a sound working environment, and small and medium-sized enterprises have disadvantages in terms of production scale and capital accumulation, making it difficult to undertake basic research and research innovation tasks. The ability of talents to work and develop is limited, and there is a lack of places, opportunities, and conditions to showcase their talents. In addition, the content of the labor contract is too simple and rough, which is not standardized, and both parties are prone to develop a sense of distrust, which can affect the long-term stable development of the enterprise. Fourthly, there is a lack of corporate culture and insufficient attractiveness to talent. With the deepening of reform and opening up, people have seen that employees in foreign enterprises have unified clothing and corporate logos, believing that this is corporate culture and

blindly imitating it. However, when asked about the significance of its representation, most people understand its significance. In addition, due to the long-term impact of the planned economy, the corporate culture generated during the planned economy era exists deep in the minds of enterprise leaders and employees, making it difficult for advanced corporate culture to truly penetrate into the production, operation, and management practices of enterprises, thereby seriously hindering the pace of enterprise development.

**Presenting main material.** According to different disciplinary backgrounds and research perspectives, The main solutions to human resource development and management issues in small and medium-sized enterprises include the following:

*1. Transforming the Concept of Human Resources and Establishing the Guiding Ideology of Strategic Human Resources*

Human resource management is the sum of systems, laws, procedures, and methods for effective development, rational allocation, full utilization, and scientific management of human resources. It runs through the entire movement process of human resources, including prediction and planning of human resources, job analysis and design, maintenance and cost accounting of human resources, selection and employment of personnel, reasonable allocation and use, as well as intellectual development, education and training, mobilizing people's work enthusiasm, improving people's scientific and cultural quality and ideological and moral awareness, and so on. Punctuation marks are not correct. Human resource management optimizes the allocation of human resources into the organization through personnel selection, employment, education, and retention. Correctly understand human resource management and distinguish it from traditional personnel management.

Due to social reasons, small and medium-sized enterprises generally believe that talent refers to technical talents. They attribute many aspects of business operations to a lack of technical talent. This narrow talent view creates a dependence on technical talents for small and medium-sized enterprises, making it difficult to identify the real problems they face and neglecting the systematic construction of talent management systems, making it difficult for enterprises to achieve long-term stable development. Technical talents are of course crucial to the success or failure of business operations, and we have indeed seen a situation where a technological breakthrough

brings a new face to the enterprise. But this situation is conditional and does not occur in most enterprises. In most cases, enterprises promote technological progress and innovation in orderly operation, and technical talents are only an important aspect of enterprise operation. Establishing a comprehensive talent perspective is the basic prerequisite for attracting talents in small and medium-sized enterprises. Talents are diverse, and various talents are needed in all aspects of enterprise operation. In addition to technical talents, there are also management talents, marketing talents, public relations talents, and so on. It should be said that everyone with special skills or talents that can be used by the enterprise is a talent of the enterprise. Talents are multi-level, and in business operations, various talents reside at different levels of the enterprise organization. They can be high-level managers or frontline employees in production and operation; It can be an advanced technical development expert or a skilled worker. A comprehensive talent perspective can overcome the drawbacks of a narrow talent perspective, enable enterprises to face opportunities in terms of comprehensive human resources, establish a complete talent system from a systemic perspective, and recruit practical and applicable talents in a targeted manner.

*2. Improving the effectiveness of human resource management in small and medium-sized enterprises*

Doing a good job in pre human resource management work analysis is the foundation of the entire scientific management of human resources, and also the foundation project for the entire development and management of human resources in enterprises. Before implementing employee human resource management in small and medium-sized enterprises, it is necessary to carefully conduct job analysis, turn the description of vacant positions into a series of goals, and concretize these goals and the number and types of relevant job seekers.

Organize effective interviews and strive to create an independent, closed, quiet, and comfortable interview environment. Ensure that the interview process is not disturbed by work, outsiders, phone calls, etc., and ensure the effectiveness of the interview. In addition, creating a relaxed and harmonious atmosphere in human resource management enterprises can also enable candidates to fully exert their true strength, making human resource management work more fair and effective. We must have evidence to rely on, objectively, scientifically,

and fairly select talents. During the interview process, human resources managers must have objective and scientific selection criteria, based on pre established job descriptions and job descriptions.

Choose the appropriate channels for human resource management. Nowadays, the channels for talent human resource management are becoming increasingly wide, including internal human resource management, acquaintance recommendation, newspaper publishing, talent market, campus human resource management, intermediary agencies, individual search, online human resource management, and so on. However, for small and medium-sized enterprises, they must carefully choose their own human resource management approach when their own strength is limited. For example, online human resource management is a good choice for small and medium-sized enterprises. Compared with newspaper and magazine advertisements, human resource management fairs, and talent headhunting, online human resource management has a wide coverage, no regional restrictions, strong targeting, convenient promotion and communication, time-saving and low cost, continuous use, and wide applicability, which is precisely suitable for the characteristics of small and medium-sized enterprises themselves.

### 3. *Develop scientific human resource planning and clear job analysis*

Human resource planning and job analysis are the foundation of human resource management. Small and medium-sized enterprises must attach importance to the basic work of human resource management and make sufficient preparations for effective human resource management. Human resource planning is a type of strategic planning that refers to the process of scientifically and reasonably analyzing and predicting the supply and demand of human resources, formulating necessary policies and measures to ensure that enterprises obtain the necessary candidates in the required time and positions in a changing environment, based on their own strategic development goals and tasks. Job analysis is the analysis of the responsibilities and required qualifications of various positions in an enterprise, providing a primary reference for human resource management and detailed information about the positions for applicants. Through job analysis, managers can understand the scope of job responsibilities and tasks to be completed, clarify work processes, and clarify the subordinate relationships between superiors

and subordinates in the enterprise. Therefore, before human resource management, small and medium-sized enterprises must carry out human resource planning and job analysis, accurately define the responsibilities and content of the proposed human resource management position, and clarify the qualifications and requirements of the incumbent. In the process of human resource management, truly achieve targeted and scientific human resource management, reduce blindness and arbitrariness.

### 4. *Pay attention to corporate image design and corporate culture promotion*

Small and medium-sized enterprises are not strong in terms of attracting talent and are not as competitive as large enterprises. They should pay special attention to the promotion of their corporate image and culture. The purpose of image design is to enhance the attractiveness of applicants. From advertising and booth layout to receiving interviews, venue layout, and visiting companies, all aspects should promote and highlight the highlights of the enterprise to attract candidates. Advertisements and booths should have unique and innovative ideas, and reception personnel should be energetic and tidy in appearance. Every step should leave a favorable impression on the applicant, but any fraudulent behavior needs to be eliminated. Corporate culture is the spirit of a company, its social image, its reputation, and the driving force for its survival and development. In the context of the new economic era, small and medium-sized enterprises should promote innovative spirit, teamwork spirit, and work passion, and focus on shaping the personality charm of leaders, improving the comprehensive quality of employees, establishing sound rules and regulations, and employment policies, all of which will form excellent elements of corporate culture. Strengthening the construction of corporate culture in small and medium-sized enterprises is to create an excellent corporate culture, attach importance to and vigorously promote the corporate spirit, so that the unique cultural and spiritual concepts of the enterprise run through the entire system and all links of human resource development and management, strive to create a harmonious and cooperative environment and atmosphere, and cultivate employees' dedication and loyalty. Strengthening the construction of corporate culture is to shape an enterprising spirit, provide employees with good living conditions and a beautiful and fresh work environment, fully demonstrate respect for employees in management, strengthen

management communication, improve employee satisfaction, and enhance employee cohesion.

**Conclusions.** Human resource management is the continuous process. After the completion of human resource management work, enterprises should analyze and summarize human resource management work: whether human resource management work is implemented according to plan, whether human resource management budget is exceeded, whether the channels used for human resource management are effective, whether interview methods are appropriate, whether human resource management standards can meet job require-

ments, and so on. By summarizing and summarizing the success and failure experiences of human resource management afterwards, and if necessary, forming human resource management texts, in order to enable the enterprise to enhance its strengths and avoid weaknesses in subsequent human resource management work, gradually improve the effectiveness and efficiency of human resource management work, and summarize human resource management strategies and methods that are in line with the characteristics of the enterprise, so as to gradually standardize and efficiently manage human resources.

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