

HUMAN RESOURCE MANAGEMENT ON OPERATIONAL EFFICIENCY OF SME BUSINESS IN HUNAN OF CHINA

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ABSTRACT

The research was to investigate actual human resource management factors affecting the operational efficiency of SME businesses in Hunan China. The conceptual framework was developed from the literature review, survey in the area, and other contemporaneous research in tourism marketing. Accordingly, the researchers consider the importance of customer-perceived value, social exchange, service quality, reliability, quick responsiveness, and customer satisfaction.

In this, the researchers employed the quantitative research approaches. The instruments of research were the steps of a questionnaire. Data were collected from 269 people who are entrepreneurs of SME businesses in Hunan China. The data collected were analyzed using path modeling and on the basis of observing the actual operational efficiency of the organizations studied through all working links in the management of SME business.

Findings are as follows: Applications of salary, training, management policy, motivation, and welfare were explanatory of the variance in operational efficiency at 44.1 percent ($R^2 = 0.441$). Each factor involves significant aspects with the total being 28. All aspects should be addressed if problems are to be solved over the long haul.

INTRODUCTION

In recent years, our country's economic development level has steadily improved, people's yearning and desire for a high-quality life is increasingly intense, Chinese SME business and market demand, wealthy people for business timeliness, comfort, and privacy have higher and higher requirements, for business SME, facing increasing competition of official product market and service needs to improve customer groups. At the same time, we must face the challenges facing the development of the SME business. At present, the SME business is faced with some human resource management problems in the development process, such as serious staff loss, uneven talent quality, and the lack of talents with SME business and management backgrounds. After the outbreak of COVID-19, under the impact of the epidemic, the loss of employees in the SEM business has become more serious. Many practitioners are confused about their development, and their operational efficiency has decreased. It is urgent to improve the human resource management level of the SME business. Under the current severe development situation, the quality of human resource management can determine the future of an enterprise, and the employee satisfaction survey is the "barometer" of enterprise human resource management, with the utility of an "earthquake monitor" and "compass", is a diagnostic tool to help enterprises find human resource management problems. Exploring the issues and coping strategies of human resource management in the SME business from the perspective of operational efficiency can enhance employees' sense of identity in the enterprise, enhance the centripetal force of employees in the enterprise, and help enterprises to improve human resource management, to promote the long-term development of the enterprise. (Bai Yuqin, 2019; Dessler, Gary, 2000; Guo Zhizhong, 2016; Liu Shanshi, 2017; Wang Xiuting, 2004)

Concept of Operational efficiency: Operational efficiency is the index of enterprise successes, to a certain extent, can see the team spirit of the enterprise, and is a comprehensive index. Improving operational efficiency has become an essential topic for scholars to study. Foreign scholars started earlier in their research on employee satisfaction. As early as the early 20th century, F.W. Taylor put forward the critical conclusion that high reward equals high succession, thus opening the door of scientific management, and was called the "father of scientific management". The researcher took the lead in putting forward the concept of job satisfaction in the book "Job Satisfaction", believing that the success of an organization is the subjective satisfaction of the work itself and its work environment from both psychological and physiological aspects. (Bai Yuqin, 2019; Dessler, Gary, 2000).

However, since the research intention of operational efficiency is very different, the corresponding definition is also different, The Researcher summarizes its concept into three concepts: the first is a comprehensive definition, Considering employee satisfaction in salary as a single concept, That is, employees' subjective feelings of the work itself and the environment; The second is the expectation gap definition, That is, the gap between the labor remuneration they want to get after working hard and the labor remuneration they actually get, Can affect the work enthusiasm of employees to a large extent; The third is the reference architectural definition, This view holds that employee satisfaction is a subjective feeling of employees formed by comparing their personal gains and work achievements with a self-reference framework, This reference architecture is easily influenced by other factors such as past experience and colleagues around you. (Wang Xiuting, 2004; Wang Jiwei, 2019; Eva et al., 2010)

Human Resource Management Theory: In 1954, Drucker first proposed the concept of HM, a process of acquiring, training, evaluating, and paying employees, as well as a process focusing on labor relations, health and safety, and equity. At present, the number of aviation service and management personnel account for more than half of the total staff of the civil aviation industry, play a vital role in the development of civil aviation, aviation enterprises how to obtain employees, get what kind of employees, the evaluation of staff standard is what, is the use of human resource management theory need to solve the problem. The quality of aviation service and management talents determines the development level of China's civil aviation industry to a certain extent. (Dessler, Gary, 2000; Guo Zhizhong, 2016; Liu Shanshi. 2017).

METHODOLOGY

The study of Human Resource Management on Operational Efficiency of SME business in Henan of China, the researcher has studied documents, textbooks, concepts, theories, and related research consistent with the study's objectives. This research is quantitative research in the format is survey research. The research tool was a questionnaire. Data was collected by instrument-based interviews. The population is SME entrepreneurs in Hunan, the total number of entrepreneurs is 820 people in Hunan, China. The survey sample was 269 people from entrepreneur of SME business in Henan. The researchers used a simple random sampling method to conduct a random sample size, as determined according to the Taro Yamane formula (Yamane, 1973). The tool used in this research was the Questionnaire, created by the researcher from the literature review combined with the study of the actual area and from the sample interviews. Questionnaire about salary, training, management policy, motivation, and welfare the nature of the questionnaire is a Rating Scale questionnaire with 5 levels. Weights are assigned according to the Likert method by determining each item's weights, scores, and performance levels. There are 5 levels of questions in the questionnaire, by separating each

variable. Multiple Regression Analysis to test the influence of variables between salary, training, management policy, motivation, welfare and operational efficiency.

RESULTS

This paper aims to study human resource management factors affecting the operational efficiency of SME business in Hunan of China, and then provide some optimization ideas for human resource management. We used a quantitative study approach. The instrument used in the study was a questionnaire survey. Researchers collected the data with a sample group of 253 samples. Details are as follows:

Determination of instrument confidence

1) Reliability Test (Reliability) The researcher used the revised questionnaire to try out the researcher (Try Out) with Entrepreneurs of SME businesses in Henan 30 people who are not a sample group. Internal consistency was tested using composite reliability and Cronbach's Alpha coefficients, where the researchers analyzed the reliability coefficients of each question and each measure. The alpha value is between 0.5 – 0.65, which is moderately reliable. And at values from 0.7 and up, it has pretty high reliability. But if it is below 0.5, it is less reliable. Usually, the criterion used to measure these two values should not be less than 0.6 (Cronbach, 1990).

2) Validity checking After collecting the data, the researchers studied their validity using the corrected Item-total correlation. Which is a measure of the correlation between the score of any question and the total score of the category in which the query appears, in the calculation process, the total score must be adjusted by deducting the data value of any question issued in order to prevent the information of the questionnaire from appearing in both places. The decision criteria were that the correlation must not be less than 0.70.

The reliability and validity test results are shown in the following table.

Table 4.1 Results of testing reliability and validity by statistical methods

Variable	Corrected Item-Total Correlation	Cronbach's Alpha
Salary		0.879
1. I get fair salary for my work.	0.765	
2. I get a steady salary increase.	0.889	
3. I always get paid overtime at work.	0.812	
4. I am happy with my chance to raise my salary	0.728	
5. I have enough salary to live.	0.824	
Training		0.872
1. There is definitely a chance to get promoted if I get professional training.	0.764	
2. Employees here love to train until they are skilled in their work.	0.822	
3. I am very satisfied that the company gave me job training.	0.798	
4. I'm very satisfied with the promotion once I've mastered the training.	0.745	
5. The company arranges for all employees to receive thorough training	0.777	

Variable	Corrected Item-Total Correlation	Cronbach's Alpha
Management policy 1. Executives have very high working abilities. 2. Employees satisfied with the executives who are fair in their work. 3. Executives always listen to employees' opinions. 4. Employees are very satisfied with my supervisor's management policy. 5. Employees are very satisfied with the commander's way of working.	0.729 0.768 0.739 0.811 0.738	0.875
Motivation 1. Supervisors take good care of their colleagues. 2. Supervisors are friendly to everyone. 3. There is good cooperation working within the department. 4. There is no conflict within the department. 5. Colleagues are very helpful and supportive.	0.821 0.729 0.826 0.738 0.755	0.898
Welfare 1. Employees have welfare benefits for medical expenses. 2. Employees have welfare for medical expenses for parents and children. 3. Employees have welfare benefits for their children's tuition. 4. Employees have benefits after retirement.	0.833 0.787 0.792 0.817	0.908
Operational efficiency 1. Employees intend to work efficiently without mistakes. 2. Employees do not miss work. 3. Employees don't come to work late. 4. Employees do not strike.	0.759 0.819 0.739 0.872	0.940

The results of the research hypothesis test
 To study factors affecting operational efficiency of SME business in Henan
 The results of the study of factors affecting operational efficiency of SME business in Henan are as follows:

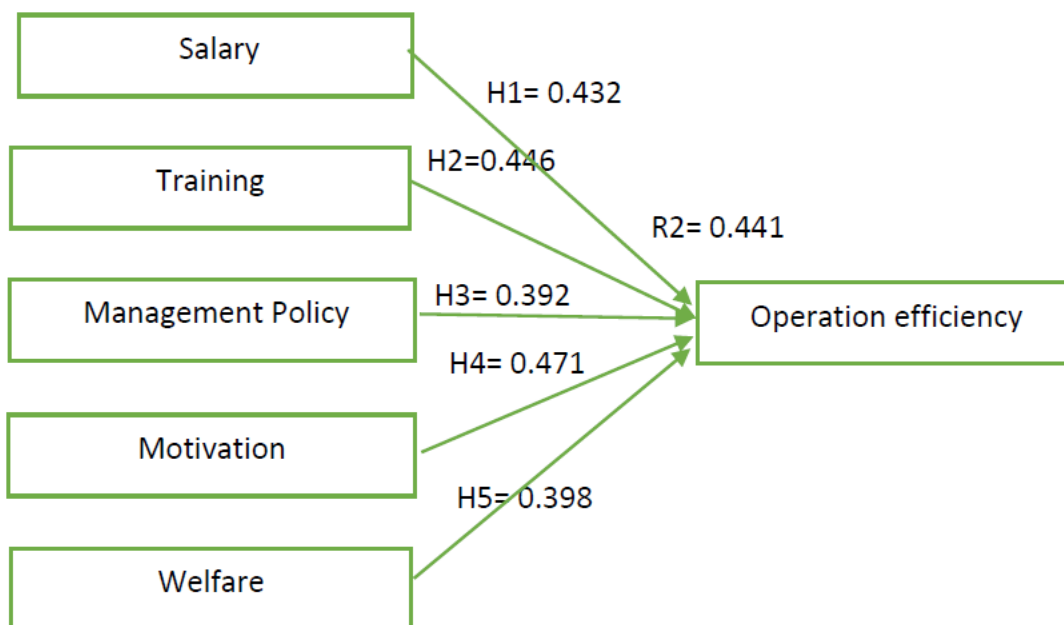


Figure 1 Results of path analysis

Research hypothesis testing

The researcher formulates research hypotheses for testing in accordance with the route equation according to the route analysis model with the following equations and assumptions:

$$EMS = \beta_0 + \beta_1 EAR + \beta_2 SKD + \beta_3 MAN + \beta_4 WOR + \beta_5 HAW + \zeta_1 \dots \dots \dots (1)$$

Hypothesis 1 Salary has positive effect on Operation efficiency

Hypothesis 2 Training positive effect on Operation efficiency

Hypothesis 3 Management policy has positive effect on Operation efficiency

Hypothesis 4 Motivation has positive effect on Operation efficiency

Hypothesis 5 Welfare positive has positive effect on Operation efficiency

Table 4.2 Hypothesis Testing Results

Path	Path coefficient	t-stat	p-value	Hypothesis
H1: Salary → Operation efficiency	0.432	4.218***	0.000	support
H2: Training → Operation efficiency	0.446	3.891***	0.000	support
H3: Management policy → Operation efficiency	0.392	4.219***	0.000	support
H4: Motivation → Operation efficiency	0.472	3.875***	0.000	support
H5: Welfare → Operation efficiency	0.398	3.421***	0.000	support

CONCLUSION

The study of human resource management affecting the operational efficiency of SME business in Henan was based on regression equation analysis. It was found that checking the preliminary terms of linearity and checking the regression coefficient had a positive linear relationship between the variables. All 5 factors salary, training, management policy, motivation, and welfare of SME business in Henan were positively linear, consistent with the agreement. It was also found that there were mutually positive influences, salary, training,

management policy, motivation, and welfare. There is a positive direct influence on operational efficiency, indicating that the results of the study confirm the consistency of the SME business in Henan, The operational efficiency variable is consistent and has a fundamental interplay and can be used in business operations in SME business in Henan of China.

DISCUSSION

Based on the literature review, this study determines the social exchange theory and expectation inconsistency theory of the study, proposes a theoretical model and research hypothesis, and divides the operational efficiency affecting travel SME business into five dimensions salary, training, management policy, motivation, welfare, and verifies the reliability of the survey data and the mean, standard deviation regression analysis and structural equation test the hypothesis to confirm the significance of each dimension of travel agency services affecting customer satisfaction. In general, the research on the structure and dimensions of the assumed variables in this paper enriches the current theoretical achievements and provides an analytical basis for subsequent analysis. The results show that the effects of operational efficiency are: salary, training, management policy, motivation, and welfare. Combined with the empirical studies.

Adjusted $R^2=0.498$ including the following aspects, the factors affecting customer satisfaction of travel agency are salary (Beta=0.432), training (Beta=0.446), management policy (Beta=0.392), motivation (Beta=0.472), and welfare (Beta=0.398).

We will discuss the following results:

(1) Management policy significantly affects the operational efficiency of SME business in Hunan China

According to the results of the Management policy survey, the management policy of SME business entrepreneurs is low, with an average of 3.43, to some extent, this reflects the SME business Company Policy of management, not justice to every operational efficiency, Policy lack of care and did not establish a good relationship with employees, shows that the management level of SME business company Management policy needs to be strengthened. According to the above SME business operational efficiency survey data difference analysis learned that does not have a professional education background of entrepreneurs, working years of 1 year and below entrepreneurs, service personnel satisfaction of the policy dimension, these entrepreneurs the perception of policy lack of management ability and fairness, policy in the future management work to strengthen the attention of these entrepreneurs. Drucker (2009) believes that becoming an effective manager requires enriching oneself and improving its management ability through continuous learning.

At the same time, the "people-oriented" management concept emphasizes that entrepreneurs are the core of the management work. This requires Managers to treat their employees fairly, listen to their ideas, and build good relationships with them. To sum up, the SME business should strengthen the construction of a Manager team, improve the management level of Managers, enhance their management ability, make it establish the "people-oriented" management concept, and do an excellent job in the selection and appointment of SME business in Hunan of China.

(2) Training has a direct influence on operational efficiency of the SME business in China

This also shows that the promotion work of SME business companies needs to be improved. According to the above SME business in Henan, operational efficiency survey data difference analysis that does not have professional education background of employees worked a fixed number of years for 3 years, and below the lowest efficiency of promotion dimension, the research found that most of these entrepreneurs lack career planning and SME business in Henan lack of career management of entrepreneurs, it also provides a reference for SME

business company to improve management work. Studies have shown that the lack of promotion opportunities can cause many adverse effects, such as organizational management challenges and reduced work output. Zhang Xiujuan (2003) believes that ensuring the fairness of the promotion can improve entrepreneurs' satisfaction, otherwise it will increase their tendency to leave their jobs. However, the promotion opportunities are not unlimited. While expanding the promotion channels, enterprises should also guide their entrepreneurs to the right direction of career development and provide care for the entrepreneurs who cannot be promoted. To sum up, SME business Companies should improve the promotion work, improve the fairness of the promotion, broaden the promotion channels, provide career guidance for the entrepreneurs, and provide care for the entrepreneurs who cannot be promoted.

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