

ROLE OF HUMAN RESOURCE MANAGEMENT AND OPERATIONAL EFFICIENCY OF SME BUSINESS IN HUNAN CHINA

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ABSTRACT

The research was to investigate the current issue of Human Resource Management and Operational Efficiency of SME business in Hunan China. The conceptual framework was developed from the literature review, survey in the area, and other contemporaneous research in human resource management. Accordingly, the researchers consider the importance of salary, training, management policy, motivation, and welfare.

In this, the researchers employed the quantitative research approaches. The instruments of research were the steps of a questionnaire. They have collected data from the entrepreneurs of SME businesses in Hunan by distributing a total of 269 questionnaires to ask for information from the sample group in order to complete all parts of the questionnaire. The data collected were analyzed using descriptive statistics as mean, standard deviation, and percentage on the basis of observing the actual employee satisfaction of the organizations studied through all operational links in human resource management. Findings are applications of salary, training, management policy, motivation, welfare, and operational efficiency is high-level.

INTRODUCTION

According to the definition of the network encyclopedia, small and medium-sized enterprises (SME), also known as small and medium-sized enterprises or small and medium-sized enterprises, is an economic unit with relatively small enterprises in terms of personnel scale, assets scale, and operation scale compared with the large enterprises in the industry. Thus, small and medium-sized enterprises are just a relatively relative concept, and different countries have different regulations, and various industries also have different standards. Over time, the rapid development, from a small and medium enterprise to a large enterprise; if the pace of economic growth, large enterprises may become small enterprises. Generally speaking, SMEs are a relative scale concept, which refers to the economy that is relatively small in terms of assets, operation, and personnel scale, or to become economic units, which are relative to large enterprises. (Bai Yuqin, 2019; Dessler, Gary, 2000; Wang Xiuting, 2004).

In China's market economy, small and medium-sized enterprises play a very important role, essential in promoting employment and economic development. It plays a vital role in mass entrepreneurship and innovation. It has important strategic significance to economic and social development. Scholars Wang Zuqi and Sun Shaorong (2016) believe that the principal agent refers to the subject according to some apparent or hidden contract for another one or more subject contract services, the warranty gives the issue of the right of assistance, realizing the former can get the latter to pay the corresponding remuneration. To some extent, a principal-agent means a contractual relationship between the agent and most principal parties. This is what the logical definition of a main agent means. (Wang Jiwei, 2019; Liu Shanshi, 2017; Dessler, Gary, 2000)

With the continuous development of the economy, the principal agent also appears, the scale of the enterprise is also growing, the management level of managers is constantly improving, the management level of the enterprise is more professional and more complicated,

and it is difficult for the enterprise owners to have enough time and energy to deal with it. Due to the lack of knowledge level, may not be able to fully participate in enterprise management and decision-making. Therefore, from the perspective of cost saving, the enterprise owner is chosen by professional managers for enterprise management and management, the ownership and control of the enterprise separately, and then the principal agent of enterprise management mode. The so-called principal agent refers to the client to consider their own actual situation and enterprise development requirements. Entrusted agents assist some enterprises in managing the business and will delegate a part of their own decision-making power to the relevant authorized agent. Among them, the principal refers to the party with the requirements of the design contract in the contract relationship, while the agent refers to the person who is forced to accept or refuse in the entrusted agency relationship. (Guo Zhizhong, 2016, Eva et al., 2010; Dessler, Gary, 2000)

METHODOLOGY

In the study of the role of human resource management and operational efficiency of SME business in Hunan 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. Instrument-based interviews collected data. The researcher has defined the details of the investigation as follows. The population is SME entrepreneurs in Hunan, the total number of entrepreneurs is 820 in Hunan, China. The survey sample was 269 people from entrepreneurs of SME businesses in Hunan. The researchers used a simple random sampling method to conduct an arbitrary sample size, as determined according to the Taro Yamane formula (Yamane, 1973). The tool is a 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, separating each variable. After collecting the data from the questionnaire, the researcher analyzed and processed the data by using a statistical package and analyzing various aspects of the data. Details are as follows: Salary, training, management policy, motivation, and welfare of SME entrepreneurs in Henan the mean (\bar{X}) and the standard deviation (S.D.) were analyzed using a 5 - interval approximation scale to count and weight each performance level and the performance level of the sample group of respondents by assigning numbers instead of weights. The researcher used a 5-level estimation scale by choosing the Likert method and at each level, there was a range value derived from the following calculation formula. The researcher used a statistics analysis technique to analyze the data by descriptive statistics including: Percentage, Average score (Mean), and Standard Deviation.

RESULTS

Part 1 Personal characteristics of entrepreneurs of SME business in Henan

Table 4.1 Personal characteristics of entrepreneurs of SME business in Henan

Characteristics of employees	number (n=253)	Percentage
1. Gender		
- Male	118	43.86
- Female	151	56.13

Characteristics of employees	number (n=253)	Percentage
2. Age		
- 18 - 25 Year	55	20.44
- 26 – 35 year	81	30.11
- 36 – 45 year	67	24.91
- More than 46 year	66	24.54
3. Marital status		
- single	68	37.27
- married	119	32.25
- divorced	82	30.48
4. Degree of education		
- lower than bachelor's degree	67	24.91
- Bachelor's degree	98	36.43
- postgraduate	104	38.66
5. Working time		
- 1-3 years	91	33.83
- 4-6 years	106	39.40
- More than 7 years	72	26.77
6. Monthly income		
- 1000-3000 Yuan	116	43.13
- 3001-5000 Y uan	82	30.48
- 5001-8000 Yuan	71	26.39

From the table 4.1, the perspective of gender, female are significantly higher than male, accounting for 56.13 percentage, and male 43.46 percentage.

Regarding the age of employees, the highest proportion was 26--5 years old, accounting for 30.11%, followed by employees aged 36-45 years and employees aged 18-25 years, accounting for 24.91% and 20.44%, respectively, and employees over 46 years old. Representing 24.54% said that airline employees who responded to the survey were generally middle age.

Regarding marital status, 32.25% were single, 37.27% were divorced, and 30.48% were related to the age distribution. The company had many young employees.

From the perspective of educational background, SME business entrepreneur generally have lower than bachelor's degree, Bachelor's degree, and postgraduate accounting for 24.91, 36.43 and 38.66% respectively.

From the perspective of working years, the SME business entrepreneur are generally in the range of 1-3 years, 4-6 years of employment, accounting for 33.83 and 39.40 respectively, and the employees who have worked for more than 7 years also account for a certain proportion, 26.77%.

In terms of monthly income, 30.48% of entrepreneurs have a monthly income of 3000-5000 Yuan, 26.39% of employees have a monthly income of 5000-8000 Yuan, and only 43.13% of employees have a monthly income of 1000-3000 Yuan, indicating that the average income per month of SME business entrepreneur has basically reached the middle-income level.

Part 2 Opinion level results on factors influencing operational efficiency of SME business entrepreneurs of Henan To study salary, training, management policy, motivation, welfare, and operational efficiency of SME business of Henan in China

4.2 Salary

Table 4.2 the level of opinion about the salary

Salary	Mean	S.D.	Level	Rank
1. My employees get fair salary for my work.	3.569	.688	high	5
2. My employees get a steady salary increase.	4.011	.676	high	2
3. My employees always get paid overtime at work.	3.988	.568	high	3
4. My employees happy with my chance to raise my salar	3.887	.699	high	4
5. My employees have enough salary to live.	4.092	.595	high	1
Total	3.909	.645	high	

From Table 4.2, the mean and standard deviation of the opinion level of the variable remuneration is at a high level, with the mean value at a higher level being 3.909. Comprehensive from all aspects, the average of the highest side is " my employees have enough salary to live", high level average of 4.092, followed by " my employees get a steady salary increase ", high level of average of 4.011, the last is " My employees get fair salary for my work ", the average is 3.569, in the high level.

4.3 Training

Table 4.3 the level of opinion about the training

Training	Mean	S.D.	Level	Rank
1. There is definitely a chance to get promoted if I get professional training.	3.663	.652	high	5
2. Employees here love to train until they are skilled in their work.	3.983	.772	high	2
3. I am very satisfied that the company gave me job training.	3.893	.668	high	3
4. I'm very satisfied with the promotion once I've mastered the training.	3.785	.659	high	4
5. The company arranges for all employees to receive thorough training.	3.999	.7667	high	1
Total	3.882	.745	high	

From Table 4.3, both the mean value and the standard deviation regarding the opinion level affecting the training are at a high overall level, with the mean value at a higher level being 3.882. From the various aspects of the variables involved, we found that the highest average is "the company arranges for all entrepreneur to receive thorough training." (3.999), at a high level, followed by "employees here love to train until they are skilled in their work" (3.982), at

a high level, the lowest is "there is definitely a chance to get promoted if I get professional training", the average of 3.663, in the same high level.

4.4 Management policy

Table 4.4 the level of opinion about the management policy

Management policy	Mean	S.D.	Level	Rank
1. Executives have very high working abilities.	3.471	.654	medium	5
2. Employees satisfied with the executives who are fair in their work.	4.087	.675	high	2
3. Executives always listen to employees' opinions.	3.997	.635	high	3
4. Employees are very satisfied with my supervisor's management policy.	3.881	.659	high	4
5. Employees are very satisfied with the commander's way of working.	4.114	.628	high	1
Total	3.910	.650	high	

From Table 4.4, the mean and standard deviation of the opinion level of the variable management policy is at a high level, with the mean value at a high level being 3.910. Comprehensive from all aspects, the average of the highest side is "Employees are very satisfied with the commander's way of working" high level average of 4.114, followed by "Employees satisfied with the executives who are fair in their work" high level of average of 4.087, the last is "Executives have very high working abilities" the average is 3.471, in the medium level

4.5 Motivation

Table 4.5 the level of opinion about motivation

Motivation	Mean	S.D.	Level	Rank
1. Supervisors take good care of their colleagues.	3.887	.556	high	3
2. Supervisors are friendly to everyone.	3.746	.714	high	4
3. There is good cooperation working within the department.	3.422	.756	medium	5
4. There is no conflict within the department.	3.996	.619	high	2
5. Colleagues are very helpful and supportive.	4.112	.652	high	1
Total	3.832	.659	high	

From Table 4.5, the mean and standard deviation of the opinion level of the variable motivation is at a high level, with the mean value at a higher level being 3.832. Comprehensive from all aspects, the average of the highest side is "Colleagues are very helpful and supportive", high level average of 4.112, followed by "Supervisors are friendly to everyone", high level of average of 3.746, the last is "There is good cooperation working within the department" the average is 3.422, in the medium level

4.6 Welfare

Table 4.6 the level of opinion about the welfare

Welfare	Mean	S.D.	Level	Rank
1. Employees have welfare benefits for medical expenses.	3.811	.552	high	3
2. Employees have welfare for medical expenses for parents and children.	3.989	.634	high	1
3. Employees have welfare benefits for their children's tuition.	3.878	.598	high	2
4. Employees have benefits after retirement.	3.786	.656	high	4
Total	3.855	.610	high	

From Table 4.6, the mean and standard deviation of the opinion level of the variable welfare is at a high level, with the mean value at a higher level being 3.855. Comprehensive from all aspects, the average of the highest side is "Employees have welfare for medical expenses for parents and children ", high-level average of 3.989, followed by "Employees have welfare benefits for their children's tuition ", high level of an average of 3.878, the last is "Employees have benefits after retirement", the average is 3.786, in the medium level.

4.7 Operational efficiency

Table 4.7 the level of opinion about the operational efficiency

Operational efficiency	Mean	S.D.	Level	Rank
1. Employees intend to work efficiently without mistakes.	3.785	.662	high	2
2. Employees do not miss work.	3.982	0.543	high	1
3. Employees don't come to work late.	3.765	0.652	high	3
4. Employees do not strike.	3.711	0.581	high	4
Total	3.811	.609	high	

From Table 4.7, the mean and standard deviation of the opinion level of the variable Operational efficiency is at a high level, with the mean value at a higher level being 3.811. Comprehensive from all aspects, the average of the highest side is "Employees do not miss work", a high-level average of 3.982, followed by "Employees intend to work efficiently without mistakes", high level of an average of 3.785, the last is "Employees do not strike", the standard is 3.711, in the medium level.

4.8 The factors affecting the overall

Table 4.8 the level of opinion about the factors affecting the overall

The overall	Mean	S.D.	Level	Rank
1. Salary	3.909	.645	high	2
2. Training	3.882	.745	high	3
3. Management policy	3.910	.650	high	1
4. Motivation	3.832	.659	high	5
5. Welfare	3.855	.610	high	4
Total	3.878	.693	high	

As can be seen in Table 4.8, the mean and standard deviation of opinion levels regarding factors affecting operational efficiency are at a high overall level, with a higher-level mean at 3.878. From each variable, we found that the highest average was management policy (3.910), at a high level, followed by salary (3.909), and the lowest was motivation, with an average of 3.832.

CONCLUSION

The results of level of opinion about factors influencing operational efficiency

(1) The level of opinion about the factors affecting the overall: the mean and standard deviation of opinion levels regarding factors affecting operational efficiency are at a high overall level, with a higher-level mean at 3.878. From each variable, we found that the highest average was management policy (3.910), at a high level, followed by salary (3.909), and the lowest was motivation, with an average of 3.832.

(2) Salary: The mean and standard deviation of the opinion level of the variable remuneration is at a high level, with the mean value at a higher level being 3.909. Comprehensive from all aspects, the average of the highest side is " my employees have enough salary to live", high-level average of 4.092, followed by " my employees get a steady salary increase ", high level of an average of 4.011, the last is " My employees get fair salary for my work ", the average is 3.569, in the high level.

(3) Training: The mean value and the standard deviation regarding the opinion level affecting the training are at a high overall level, with the mean value at a higher level being 3.882. From the various aspects of the variables involved, we found that the highest average is "the company arranges for all entrepreneurs to receive thorough training.." (3.999), at a high level, followed by "employees here love to train until they are skilled in their work" (3.982), at a high level, the lowest is " there is definitely a chance to get promoted if I get professional training", the average of 3.663, in the same high level.

(4) Management policy: The mean and standard deviation of the opinion level of the variable management policy is at a high level, with the mean value at a high level being 3.910. Comprehensive from all aspects, the average of the highest side is " Employees are very satisfied with the commander's way of working" high-level average of 4.114, followed by " Employees satisfied with the executives who are fair in their work" high level of average of 4.087, the last is " Executives have very high working abilities" the standard is 3.471, in the medium level

(5) Motivation: The mean and standard deviation of the variable motivation's opinion level is high, with the mean value at a higher level of 3.832. Comprehensive from all aspects, the

average of the highest side is "Colleagues are very helpful and supportive", a high-level average of 4.112, followed by "Supervisors are friendly to everyone", high level of average of 3.746, the last is " There is good cooperation working within the department" the standard is 3.422, in the medium level

(6) Welfare: The mean and standard deviation of the opinion level of the variable welfare is at a high level, with the mean value at a higher level being 3.855. Comprehensive from all aspects, the average of the highest side is "Employees have welfare for medical expenses for parents and children ", a high-level average of 3.989, followed by "Employees have welfare benefits for their children's tuition ", high level of an average of 3.878, the last is "Employees have benefits after retirement", the average is 3.786, in the medium level.

(6) Operational efficiency: The mean and standard deviation of the opinion level of the variable Operational efficiency is at a high level, with the mean value at a higher level being 3.811. Comprehensive from all aspects, the average of the highest side is "Employees do not miss work", a high-level average of 3.982, followed by "Employees intend to work efficiently without mistakes", high level of an average of 3.785, the last is "Employees do not strike", the average is 3.711, in the medium level.

5.1.3 Summary the results of the research hypothesis test

The study of the 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, which was 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, operational efficiency variable that is consistent and has a real interplay and can be used in business operations in SME business in Henan of China.

DISCUSSION

The researcher would like to present a discussion of the research results according to the five research objectives as follows. 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, 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 research. The results show that the effects of operational efficiency are: salary, training, management policy, motivation, welfare. Combined with the empirical studies

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