

# Talent investment, Training, Health Protection, Incentive investment for Small and Micro Enterprises in Hunan, China

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## ABSTRACT

The research investigated the talent investment, training, health protection, incentive investment for small and micro enterprises in Hunan, China. The conceptual framework was developed from the literature review, survey, and other contemporary research in human capital and human resource management. Accordingly, the researchers consider the importance of talent investment, training, health protection, salary and welfare, incentive investment and work performance for small and micro business in Hunan of China. In this, the researchers employed the quantitative research approaches. The instruments of research were the steps of a questionnaire. Data were collected from 258 people who are entrepreneurs of small and micro business in Hunan of China. The data collected were analyzed using descriptive statistics as mean, standard deviation, and percentage on the basis of observing the actual work performance of the organizations studied through all operational links in management. Findings are applications of talent investment, training, health protection, salary and welfare, incentive investment and work performance are high-level.

**Keywords:** talent investment, training, health protection, salary and welfare, incentive investment and work performance

## INTRODUCTION

Characteristics of human capital investment

(1) The lag nature of human capital investment income.

Generally speaking, the investment behavior of human capital is completed after a period of time. Compared with his investment, human capital investment takes some time to test whether the value increases, so the recovery cycle is longer. The reason is that the long investment cycle of human capital is long, the projects are scattered, and the amount is not easy to count. In addition, the basis and conditions of human capital investment appreciation are higher. Hou Menglong, Sun Hui (2016) While maintaining a certain human capital stock, enterprises also need the recognition of employees and a high degree of coordination of investment behavior. Even so, the investment can fail. Enterprise human capital investment to employees as the investment object, hope to improve the professional ability and quality of employees through investment. However, it takes a long time for employees' tacit knowledge and ability to cultivate, and it is not easy to show up. Therefore, there is a serious time difference between human capital investment and income. (Chen & Pan, 2004).

(2) High marginal growth rate of human capital investment.

Although the return on human capital investment lags behind, its return period is long. If applied properly, the return period can last into the employee's life. For other tangible factors of production input, the marginal income of each additional unit of investment will show a

downward trend. However, with each additional unit of human capital investment, the combination of employee knowledge and skills can produce higher benefits, that is, a higher return on investment. Zhang Hongfeng (2017) For enterprises, to increase human capital investment, if the management means and supporting strategic decisions are reasonable and effective, coupled with the long-term income of human capital investment, the enterprise can obtain higher investment returns. Therefore, enterprises should increase their Human capital investment. (Hu, 2006; Huang, 2020).

### (3) The risk of human capital investment.

The lag of human capital investment income will also bring many risks, such as human capital recruitment risk, human capital use risk, human capital transfer risk, personnel job matching risk, training risk, incentive risk and so on.

Human capital recruitment risk: that is, the applicants may forge their work experience, provide wrong information to the interviewer, or due to the wrong judgment of the recruiters, so that the enterprise misses the right candidate, and the recruitment fair will increase the selection cost again. The consequences of this risk may also continue to the job matching at the time of personnel appointment, because the employees fail to meet the skills required by the position, resulting in the lack of employment and the reduction of production efficiency, resulting in the risk of uncertainty in the expected investment return of enterprises. (Zhang, Chen & Zhang, 2009).

Training risk: The training of employees is often a hidden effect, especially the investment of highly skilled talents. If the enterprise does not have a training effect evaluation system, the training of employees cannot be shown in the short term, resulting in continuous blind investment and increasing the cost of enterprises. However, the enterprise spends a lot of training costs, which increases the operating costs of the enterprise, which makes the enterprise lose other opportunity costs of increasing profits, such as the additional cost of dismissing employees or the cost of selecting more matching new employees for the position. Xing Qianli (2008) that if the enterprise does not set up reasonable standard training and talent appointment linkage mechanism, may cause trained employees in training promotion appointment did not reach its psychological expectations, cause employees carry enterprise pay for its human capital flow to competitors, may make enterprises face more difficulties in the market competition.

### **2.1.2 Concept of employee work performance**

Job performance is a specific description of the expectations placed for their employees and a continuous goal-directed program designed to motivate their employees to improve their job performance. Goal setting is an effective strategy to improve job performance. It can make job responsibilities clearer and give employees the direction of their efforts. There are four main factors affecting work performance, namely, the motivation, skills, environment and opportunities of employees, among which the first two belong to the employees' own subjective influencing factors, and the last two are the objective influencing factors. Zhang & Ning (2021) identifies three levels of performance: organizational performance, team performance, and individual job performance. For an organization, performance is the performance of people in quantity, quality and efficiency. For employees, performance is the examiner's assessment of their work status. Organizational performance should be realized on the basis of individual performance realization, but the realization of employee personal performance does not

necessarily guarantee that the organization has performance. Job performance refers to the benefits of the efforts and contributions of employees within the organization.

### METHODOLOGY

In the study of the talent investment, training, health protection, incentive investment for small and micro enterprises 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. Data was collected by instrument-based interviews. The population is small and micro entrepreneurs in China, the total number of entrepreneurs is 730 people in Hunan, China. The survey sample was 258 people from entrepreneur of small and micro business in Hunan. The researchers used a simple random sampling method to conduct a random sample size, as determined according to the Taro Yamane formula (Yamane, 1973). 1 Information on the small and micro business entrepreneur characteristics of the sample group using Frequent and Percentage distribution. Talent investment, training, health protection, salary and welfare, incentive investment and work performance of small and micro entrepreneurs in Hunan 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.

### RESULTS

Personal characteristics of entrepreneurs of small and micro business in Hunan

Table 4.1 Personal characteristics of entrepreneurs of small and micro business in Hunan

Characteristics of employees	number (n=258)	Percentage
1. Gender		
- Male	128	49.62
- Female	130	50.38
-		
2. Age		
- 18 - 25 Year	53	20.54
- 26 – 35 year	80	31.01
- 36 – 45 year	65	25.19
- More than 46 year	60	23.26
3. Marital status		
- single	64	24.81
- married	115	44.57
- divorced	79	30.62
4. Degree of education		
- lower than bachelor's degree		
- Bachelor's degree	65	25.20
- graduate	96	37.20
	97	37.60

5. Working time		
- 1-3 years	94	36.44
- 4-6 years	105	40.69
- More than 7 years	59	22.87
-		
6. Monthly income		
- 1000-3000 Yuan	114	44.18
- 3001-5000 Yuan	88	34.11
- 5001-8000 Yuan	56	21.71
-		

From the table 4.1, the perspective of gender, female are significantly higher than male, accounting for 50.38 percentage, and male 49.62 percentage.

Regarding the age of entrepreneur, the highest proportion was 26--5 years old, accounting for 31.01%, followed by entrepreneur aged 36-45 years and employees aged 18-25 years, accounting for 25.19% and 20.54%, respectively, and entrepreneur over 46 years old. Representing 23.26% said that airline entrepreneur who responded to the survey were generally middle age.

Regarding marital status, 44.57% were single, 24.81% were divorced, and 30.62% were related to the age distribution. The company had many young entrepreneur.

From the perspective of educational background, Small and micro business entrepreneur generally have lower than bachelor's degree, Bachelor's degree, and graduate accounting for 25.20, 37.20 and 37.60% respectively.

From the perspective of working years, the small and micro business entrepreneur are generally in the range of 1-3 years, 4-6 years of employment, accounting for 36.44 and 40.69 respectively, and the entrepreneur who have worked for more than 7 years also account for a certain proportion, 22.87%.

In terms of monthly income, 34.11% of entrepreneur have a monthly income of 3000-5000 Yuan, 21.71% of employees have a monthly income of 5000-8000 Yuan, and only 44.18% of entrepreneur have a monthly income of 1000-3000 Yuan, indicating that the average income per month of small and micro business entrepreneur has basically reached the middle-income level.

Opinion level results on factors influencing work performance of small and micro business entrepreneur of Hunan

#### 4.1 Talent Investment

Table 4.2 the level of opinion about the talent investment

<b>Talent investment</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. Satisfaction with the company's talent introduction policy	3.769	.588	high	5
2. Satisfaction with the company's talent introduction fees	4.111	.636	high	2
3. Satisfaction with the company's talent introduction benefits	3.990	.562	high	3
4. Satisfaction with the company's talent introduction efforts	3.833	.631	high	4
5. Satisfaction with the company's talent introduction policy	4.192	.665	high	1
Total	3.979	.616	high	

From Table 4.2, the mean and standard deviation of the opinion level of the talent investment variable is at a high level, with the mean value at a higher level being 3.979. Comprehensive from all aspects, the average of the highest side is "Satisfaction with the company's talent introduction policy ", high level average of 4.192, followed by " Satisfaction with the company's talent introduction fees ", high level of average of 4.111, the last is " Satisfaction with the company's talent introduction policy ", the average is 3.769, in the high level.

#### 4.2 Training

Table 4.3 the level of opinion about the training

<b>Training</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. There is definitely a chance to get promoted if I get professional training.	3.777	.552	high	5
2. Employees here love to train until they are skilled in their work.	4.113	.662	high	2
3. I am very satisfied that the company gave me job training.	3.983	.628	high	3
4. I'm very satisfied with the promotion once I've mastered the training.	3.876	.639	high	4
5. The company arranges for all employees to receive thorough training.	4.120	.766	high	1
Total	3.974	.524	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 3.974. From the various aspects of the variables involved, we found that the highest average is " The company arranges for all employees to receive thorough training". (4.120), at a high level, followed by " Employees here love to train until they are skilled in their work " (4.113), at a high level, the lowest is "There is definitely a chance to get promoted if I get professional training", the average of 3.777, in the same high level.

### 4.3 Health Protection

Table 4.4 the level of opinion about the Health protection

<b>Health protection</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. The company's attention to its employees' health	3.965	.554	high	4
2. Employee insurance policy (medical treatment, accidental injury)	4.187	.575	high	1
3. Physical examination benefits for company employees	4.118	.637	high	2
4. The sense of security of the company's employees	4.102	.655	high	3
Total	4.093	.605	high	

From Table 4.4, the mean and standard deviation of the opinion level of the health protection variable is at a high level, with the mean value at a high level being 4.093. Comprehensive from all aspects, the average of the highest side is "Employee insurance policy (medical treatment, accidental injury)" high level average of 4.187, followed by "Physical examination benefits for company employees" high level of average of 4.118, the last is "The company's attention to its employees' health" the average is 3.965, in the medium level

### 4.4 Salary and Welfare

Table 4.5 the level of opinion about salary and welfare

<b>Salary and welfare</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. Employees have welfare benefits for medical expenses.	4.106	.556	high	2
2. Employees have welfare for medical expenses for parents and children.	3.846	.614	high	3
3. Employees have welfare benefits for their children's tuition.	3.722	.656	high	4
4. Employees have benefits after retirement	4.111	.619	high	1
Total	3.946	.611	high	

From Table 4.5, the mean and standard deviation of the opinion level of the salary and welfare variable is at a high level, with the mean value at a higher level being 3.946. Comprehensive from all aspects, the average of the highest side is "Employees have benefits after retirement", high level average of 4.111, followed by "Employees have welfare benefits for medical expenses", high level of average of 4.106, the last is "Employees have welfare benefits for their children's tuition" the average is 3.722, in the medium level.

#### 4.5 Incentive investment

Table 4.6 the level of opinion about the incentive investment

<b>Incentive investment</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. Incentive policy of company	3.715	.565	high	3
2. Incentive amount	3.988	.637	high	1
3. Incentive cash	3.978	.596	high	2
Total	3.893	.599	high	

From Table 4.6, the mean and standard deviation of the opinion level of the incentive investment variable is at a high level, with the mean value at a higher level being 3.893. Comprehensive from all aspects, the average of the highest side is "Incentive amount", high-level average of 3.988, followed by "Incentive cash", high level of an average of 3.978, the last is "Incentive policy of company", the average is 3.715, in the medium level.

#### 4.6 Work performance

Table 4.7 the level of opinion about the work performance

<b>Work performance</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. Employees intend to work efficiently without mistakes.	4.006	.562	high	2
2. Employees do not miss work.	4.182	0.663	high	1
3. Employees don't come to work late.	3.965	0.552	high	3
4. Employees do not strike.	3.854	0.583	high	4
Total	4.002	.590	high	

From Table 4.7, the mean and standard deviation of the opinion level of the work performance variable is at a high level, with the mean value at a higher level being 4.001. Comprehensive from all aspects, the average of the highest side is "Employees do not miss work", a high-level average of 4.182, followed by "Employees intend to work efficiently without mistakes", high level of an average of 4.006, the last is " Employees do not strike", the average is 3.854, in the medium level.

#### 4.7 The factors affecting the overall

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

<b>Variable</b>	<b>Mean</b>	<b>S.D.</b>	<b>Level</b>	<b>Rank</b>
1. Talent investment	3.979	.616	high	2
2. Training	3.974	.524	high	3
3. Health protection	4.093	.605	high	1
4. Salary and welfare	3.946	.611	high	5
5. Incentive investment	3.893	.599	high	4
Total	3.977	.591	high	

As can be seen in Table 4.8, the mean and standard deviation of opinion levels regarding factors affecting work performance are at a high overall level, with a higher-level mean at 3.977. From each variable, we found that the highest average was Health protection (4.093), at



a high level, followed by Talent investment (3.979), and the lowest was Salary and welfare, with an average of 3.946.

## CONCLUSION

### (1) The level of opinion about the factors affecting the overall

The mean and standard deviation of opinion levels regarding factors affecting work performance are at a high overall level, with a higher-level mean at 3.977. From each variable, we found that the highest average was Health protection (4.093), at a high level, followed by Talent investment (3.979), and the lowest was Salary and welfare, with an average of 3.946.

### (2) Talent investment

The mean and standard deviation of the opinion level of the talent investment variable is at a high level, with the mean value at a higher level being 3.979. Comprehensive from all aspects, the average of the highest side is "Satisfaction with the company's talent introduction policy", high level average of 4.192, followed by "Satisfaction with the company's talent introduction fees ", high level of average of 4.111, the last is "Satisfaction with the company's talent introduction policy ", the average is 3.769, 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 3.974. From the various aspects of the variables involved, we found that the highest average is "The company arranges for all employees to receive thorough training". (4.120), at a high level, followed by "Employees here love to train until they are skilled in their work" (4.113), at a high level, the lowest is "There is definitely a chance to get promoted if I get professional training", the average of 3.777, in the same high level.

### (4) Health Protection

The mean and standard deviation of the opinion level of the health protection variable is at a high level, with the mean value at a high level being 4.093. Comprehensive from all aspects, the average of the highest side is "Employee insurance policy (medical treatment, accidental injury)" high level average of 4.187, followed by "Physical examination benefits for company employees" high level of average of 4.118, the last is "The company's attention to its employees' health" the average is 3.965, in the medium level.

### (5) Salary and Welfare

The mean and standard deviation of the opinion level of the salary and welfare variable is at a high level, with the mean value at a higher level being 3.946. Comprehensive from all aspects, the average of the highest side is "Employees have benefits after retirement", high level average of 4.111, followed by "Employees have welfare benefits for medical expenses", high level of average of 4.106, the last is "Employees have welfare benefits for their children's tuition" the average is 3.722, in the medium level.

#### (6) Incentive investment

The mean and standard deviation of the opinion level of the incentive investment variable is at a high level, with the mean value at a higher level being 3.893. Comprehensive from all aspects, the average of the highest side is "Incentive amount", high-level average of 3.988, followed by "Incentive cash", high level of an average of 3.978, the last is "Incentive policy of company", the average is 3.715, in the medium level.

#### (7) Work performance

The mean and standard deviation of the opinion level of the work performance variable is at a high level, with the mean value at a higher level being 4.001. Comprehensive from all aspects, the average of the highest side is "Employees do not miss work", a high-level average of 4.182, followed by "Employees intend to work efficiently without mistakes", high level of an average of 4.006, the last is "Employees do not strike", the average is 3.854, in the medium level.

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