Problems and Countermeasures Existing in the Development of the Skilled Personnel in the Medium Small Businesses in China

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Abstract. The medium small businesses have been becoming important forces in developing economy and improving people’s life in China for several decades of years. But as they are growing up, they are facing the bottleneck in their further development. Some problems like innovation, core competition, etc come into being. Among these problems, core competition is the key. The core competition mostly depends on the innovation and the innovation relies on the skilled personnel. To solve their problems, the focus is on the development of the skilled personnel. So, the paper first studies the documents concerning the development about the medium small enterprises and finds out the existing problems, then analyzes the roots leading to these problems. Finally, put forward some countermeasures to deal with these problems.

1. Introduction

Since 1980s, the medium small scale businesses in China have been playing more and more important role in people’s life. They have occupied almost half of the national economy in the country whether in the quantity or in the scale. However, with the change of the environment at home and abroad, they are facing cruel competition in the market and their problems are gradually shown out. To make them develop further, it is quite urgent to solve their remarkable problems now.

2. Actual Situation of the Medium Small Enterprises in China

As an important economy body, the medium small enterprises have played quite particular roles in job increase, stabilizing the economic growth and promoting the innovation. By the end of 2018, their scales have surpassed 30 million firms with over 50% of the national revenues, over 60% of the national GDP, over 70% of the technological innovation outcomes and over 80% of the employment[1].

But in recent years, they have been facing some problems [2] in their further development, such as dispirited market at home and abroad, the price in raw materials and labour forces rising and trade war, etc. Especially, they are in strained circumstances in developing the skilled personnel [3].

3. Problems Existing in Developing the Skilled Personnel in the Medium Small Enterprises in China

3.1. Lack of the Modern Human Resources Management Idea and Strategic Planning[4]

Having developing many years, many medium small businesses still can’t do away with the traditional out-of-date management thought, which makes them neither hire who they want nor keep the suitable skilled personnel. Their human resources department can do nothing but design a compensation budget system or an evaluation system. The skilled personnel can’t find a path for the career.
3.2. Development of the Human Resources by Training is Regarded Only as a Burden

According to some statistics, the input into the human resources by the medium small businesses is less than 1%. They only pay much attention to the investment into the machinery, natural resources, etc. As a result, the enthusiasm of the skilled personnel in work can’t be aroused. Besides, they are lack of differential encouraging measures and of scientific mechanism to arrange the skilled personnel.

3.3. Unreasonable Skilled Personnel Structure

Most medium small enterprises can’t do away with the family management model. Highly centralized power in the boss leads to series of malpractices: non-professional administration, non-democratic and non-scientific decision, short of supervision, etc. Once wrong decisions are made, the enterprises will suffer a ruinous attack. The professional administrative personnel in the market are unwilling to work there because they can’t find the suitable position in these enterprises. Meanwhile, the professional technicians in information, finance and foreign trade, etc are insufficient. The shortage of all these professional technicians leads to the following situations: the network unable to be maintained, financing channel narrow and unreasonable, foreign trade difficult to be enlarged.

3.4. Lack of Innovation

Due to the weak innovative idea of the administrators, lots of medium small businesses haven’t formulated the correspondent innovative mechanism and institutions. The skilled personnel’s innovative idea is effectively dug. Let alone the innovative circumstances are formed.

3.5. Lack of the Skilled Personnel Weakens the Core Competitive Competence

Most medium small businesses lie at the lower end of the industrial chain and they mainly produce the low-end product with less technology content. Their weak innovative competence makes them hard to go out of the bottom end of the industry. The product from the bottom end of the industry is short of competitiveness and its profits are quite limited. Such situation will put an end to their survival. Luckily, many administrators are awoken by this state. They also begin to realize that the key to strengthen the core competitive competence is to effectively improve the human resources management policy.

4. Countermeasures to Develop Effectively the Skilled Personnel for the Medium Small Businesses

4.1. Formulate the Human Resources Management Strategy Suitable for the Actual Situation of the Enterprises

First, separate the ownership right from the managerial authority and employ the professional manager. Then, introduce the advanced management experience and technology, set up valid supervision mechanisms and break through the family model closure. Besides, modern enterprises institutions should be formulated so as to adapt to the continuous changing of the human resources market.

4.2. Strengthen the Innovative Competence Based on the Upgrading Industrial Chain

To get more valuable, the businesses must enforce the fostering of the technological innovative competence, focus on the transformation and upgrade of the industry from the bottom manufacturing section to the higher top sections like design, R&D and marketing & service so that the businesses have more profit space and sustainable development.

4.3. Raise the Core Competitive Forces by Consolidating the Human Resources Management

The core competitive forces originated from the innovation in technology, management and the business model. And the innovation comes from the skilled personnel. How to arouse the innovative
enthusiasm of the people is the key to forming the core competitive forces. First, in the perception, do away with the enclosing traditional personnel matters. Instead, establish the flexible open human resources management and development system, which is concentrated on the scientific, fair, stimulating, competitive and supervision compensation and training based on the performance evaluation. Second, emphasize the stirring up of the human capital by increasing the input into it. In the light of the concerned scholar’s research, the value to the businesses created by the human capital is much more than that from the material capital. Then, strengthen the construction of the enterprise culture and foster an atmosphere of inspiring innovation.

5. Conclusion

The crucial issue of the further development of the medium small businesses is the construction of the core competitive forces. The innovation in technology, management and commercial model is decided by the skilled personnel. Therefore, the timely development of the skilled personnel determines the survival and further development. When they are grown up, the medium small enterprises should construct the systematic open human resources management structure and set up the suitable innovation-encouraging policy so as to build a skilled personnel team of innovative spirits, form core competitiveness and keep a sustainable development in the fierce rival market.

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