

Human Resource Management Practices in Small and Medium-Sized Enterprises in Jining City[†]

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Abstract

The research objectives were as follows: 1) to examine the current human resources management practices in small and medium-sized enterprises in Jining City; 2) to study the problems of human resources management practices in small and medium-sized enterprises in Jining City; and 3) to propose guidelines for effective human resources management practices in small and medium-sized enterprises in Jining City. Quantitative research and document study were used, focusing on HRM practices in SMEs in Jining City. A questionnaire survey was conducted to collect data from 81 SMEs, targeting owners based on specific criteria, selecting SMEs based on scale, industry, geographical distribution, legality, and willingness to participate. Respondents were SME owners chosen for their work experience, education, company size, and industry background. Data analysis included questionnaire data analysis using frequency, percentage, mean, standard deviation, correlations analysis, and multiple regression, and document analysis by content analysis. The research findings revealed that: 1) the current human resource management practices in SMEs in Jining City faced several challenges. These included dissatisfaction with communication during recruitment, lack of transparency in selection criteria, mixed perceptions on training programs and performance evaluation processes, issues in compensation management, and discord regarding the HR department's strategic role; 2) problems in HRM practices in SMEs in Jining City included low employee satisfaction, engagement, inadequate skill development, and communication gaps. Employees felt undervalued, leading to disengagement, while ineffective communication exacerbated these issues. Skill development efforts were perceived as lacking, and there was a notable communication gap. Addressing these challenges required prioritizing employee well-being, engagement, skill development, and transparent communication; 3) guidelines for effective human resource management practices included enhancing the work environment, recognition for contributions, and management style. Fostering effective communication, recognition, and reward mechanisms. Investing in comprehensive training programs. Ensuring clear communication channels and cross-departmental collaboration. Prioritizing employee well-being and compliance with legal requirements. Promoting diversity and inclusion. Embracing continuous improvement by soliciting feedback and making necessary adjustments.

Keywords: Human resource management, Small and medium-sized enterprises, Employee engagement

Introduction

In the macro context where China entered the world with the highest level of aging population by 2030, the scarcity of “human resources” transformed from a hypothetical economic theory to a tangible risk factor. Furthermore, from the analysis of external factors, on November 15th, 2016, when China joined the World Trade Organization (WTO) at the age of 15, Japan, the United States, and some EU countries still made various excuses not to recognize China's market economy status. Indeed, there existed a gap between China's market economy status and that of market economy countries, excluding political factors. Among these, small and medium-sized enterprises, as significant components of the enterprise system, relied on

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low wages and prices to produce cheap goods, seriously impacting China's image and status as a major country. However, the position of small and medium-sized enterprises in China's national economy was crucial, both in terms of the number of enterprises and their impact on China's economic development and employment opportunities (Anderson et al., 2003). The number of small and medium-sized enterprises in China was significant nationwide. From the current development perspective, the number of registered small and medium-sized enterprises in China had exceeded 10 million, accounting for over 99 % of the total proportion (Dai et al., 2021). Small and medium-sized enterprises accounted for about 60 % of profits, and the national industrial output value accounted for about 40 %. More than 90 % of the circulation and retail outlets in the country provided employment, accounting for 75 % of the total labor force. Social small and medium-sized enterprises created employment opportunities, reaching 80 %. In recent years, the growth rate of small and medium-sized enterprises was four times that of large enterprises (Lam & Liu, 2020).

From the current development trend, small and medium-sized enterprises exhibited a more sensitive vitality in the development process, and in most cases, they could continue to expand the entire employment market. Simultaneously, they played a significant role in improving people's living standards and quality of life. As the engine of rapid economic growth, they gradually became an important pillar supporting the national economic structure. In the 21st century, with the rapid development of economic globalization and science and technology, the position of small and medium-sized enterprises in the process of economic development became increasingly prominent (Varga, 2021).

Therefore, in the growth stage of small and medium-sized enterprises, they had to face the impact of economic globalization, clarify development and innovation ideas in the current development environment, and use this innovative thinking to accelerate the transformation, development, and upgrading of human resources in small and medium-sized enterprises. It was necessary to provide some management methods and experiences for the development of human resource management in small and medium-sized enterprises from a strategic perspective, ultimately improving the overall management level of small and medium-sized enterprises, enhancing international competitiveness, and promoting internationalization (Knezović et al., 2020).

Small and medium-sized enterprises in Shandong Province had made tremendous contributions to the economic development of the province, and talents had played a crucial role in the development of enterprises. The survival and development of small and medium-sized enterprises could not be separated from the development, operation, and management of human resources. However, most small and medium-sized enterprises in Shandong Province, especially in Jining City, had not established a complete management system, and the work of human resource management was not comprehensive, nor did it pay enough attention to human resource management, limiting the healthy and rapid development of small and medium-sized enterprises. Due to the gradual entry of information networks, electronic capital, big data, and other technologies into the management of small and medium-sized enterprises in developed regions, especially foreign human resource management (Vu & Nguyen, 2022), it was beneficial for small and medium-sized enterprises in Jining City to not play their due role. The fundamental reason was that there was a lack of understanding of scientific human resource management.

Under this research model and background, this article conducted an in-depth analysis of the current management status and existing problems of human resource management in small and medium-sized enterprises in Jining City from the perspective of human resource management in small and medium-sized enterprises. It also analyzed from a subtle perspective to see the big and small. Analyzing and solving the human resource management problems that plagued small and medium-sized enterprises in Jining City made the human resource structure of these enterprises more reasonable, better promoting the development of small and medium-sized enterprises in the region, improving their comprehensive competitiveness, and making greater contributions to the economy of Shandong (Nam & Luu, 2022). The research significance of this study on human resource management of small and medium-sized enterprises in Jining City was twofold: Firstly, it had important theoretical significance. By analyzing and researching the relevant theories of human resource management, combined with the current hot topics and explorations of human resource management in small and medium-sized enterprises in China, the theoretical knowledge of human resource management was enriched, the practicality of this theory was verified, and the development of

related theories was promoted. Secondly, it had significant practical significance. In the development process of a company, the quality of human resource management directly affected the flow of talent and was related to the development of a region and the success or failure of a company. In the development process of small and medium-sized enterprises in the northern part of Shandong Province, the overall awareness of human resource management in enterprises was not strong, the system and mechanism were not perfect, and the problem of talent loss had adverse effects on the development of small and medium-sized enterprises in the entire region. Therefore, research on human resource management of small and medium-sized enterprises in Jining City could provide a good practical reference for human resource management of small and medium-sized enterprises in Jining City, and it had important practical significance for regional development.

Research objectives

- 1) To examine the current human resources management practices in small and medium-sized enterprises in Jining City.
- 2) To study the problems of human resources management practices in small and medium-sized enterprises in Jining City.
- 3) To propose the guideline for effective human resources management practices in small and medium-sized enterprises in Jining City.

This conceptual framework (**Figure 1**) appears to be well-structured and comprehensive for investigating human resources management (HRM) practices in small and medium-sized enterprises (SMEs) in Jining City.

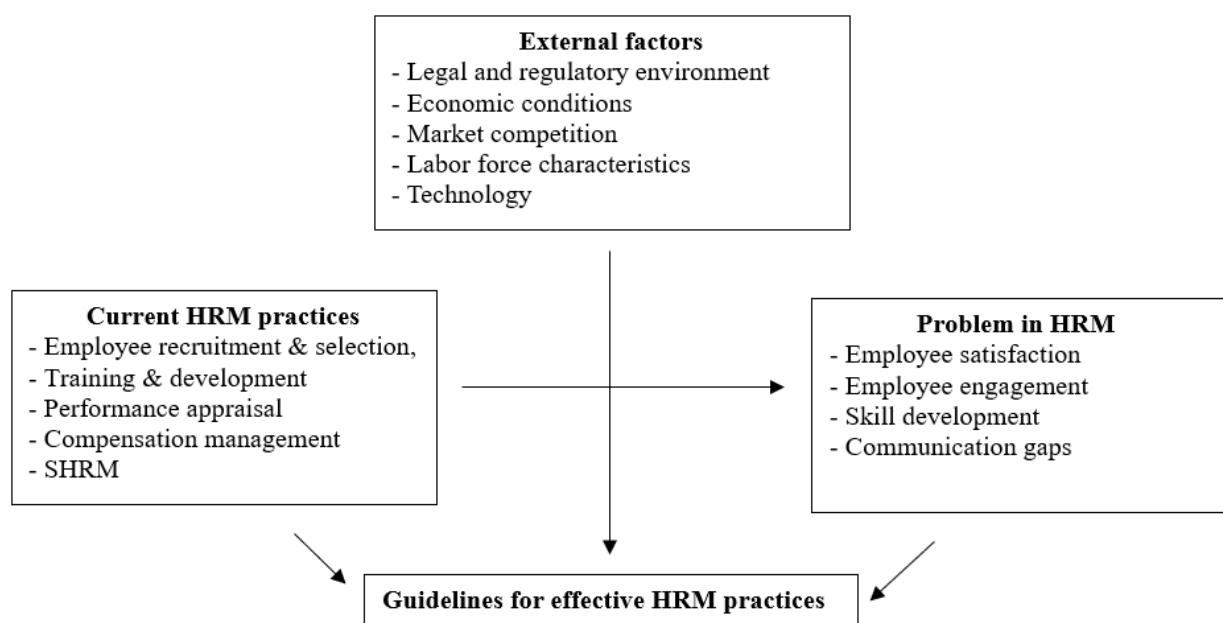


Figure 1 Conceptual framework.

External factors (Scupola, 2003; Todd & Javalgi, 2007; Arefieva et al., 2019) encompass the legal and regulatory environment. This aspect acknowledges the influence of legal and regulatory frameworks on HRM practices. Understanding and complying with these regulations is crucial for effective HRM. Additionally, economic conditions play a significant role in shaping HRM practices, such as budget allocation for HR activities, hiring trends, and compensation strategies. Furthermore, external factors include market competition. Recognizing the impact of market competition on HRM practices is important, as it could involve attracting and retaining talent in a competitive market. Labor force characteristics, this factor takes into account the demographic, skill set, and other characteristics of the labor force in Jining City, providing insights into tailoring HR practices to the local workforce. Finally, technology is another

external factor. Acknowledging technological advancements is essential, as they affect HR processes, from recruitment to training and development.

For current HRM practices (Badejo, 2015; Otoo, 2019; Halim et al., 2023), these encompass employee recruitment and selection, involving the attraction of suitable candidates and the selection of the right fit for the organization. Training and development address the need for ongoing training and development to enhance employee skills and performance. Performance Appraisal involves evaluating employee performance and providing feedback for continuous improvement. Compensation management focuses on managing fair and competitive compensation structures to attract and retain talent. Additionally, SHRM (Strategic Human Resource Management) incorporates strategic elements into HRM practices aligning them with organizational goals.

Problems in HRM, reflected by employee satisfaction, underscore the importance of employee satisfaction as a critical indicator of overall HRM effectiveness. Employee engagement involves addressing challenges related to engaging employees in their roles and within the organization. Skill development entails identifying gaps in skill development and proposing strategies for improvement. Additionally, communication gaps need recognition and addressing to overcome communication challenges that may hinder effective HRM (Welch, 2011; Sahar & Siddiqui, 2019; Paul & Singh, 2023).

Methodology

This study primarily focuses on the implementation of HRM in small and medium-sized enterprises (SMEs). Firstly, through years of relevant research conducted by scholars, our understanding of high-performance HRM practices in SMEs has been deepened, laying a solid theoretical foundation for studying HRM practices in Jining. Secondly, it thoroughly elaborates on the academic significance of comparative research on enterprise human resource management practices under a specific theoretical background. Finally, by reviewing previous research, we have identified the research content and gaps in the practices of enterprise human resource management among Jining scholars.

Quantitative research and document analysis were employed, with a focus on HRM practices in SMEs in Jining City. The population consists of 400 national-level technology-oriented small and medium enterprises (Chinadaily, 2024). By employing Taro Yamane's formula, with a margin of error of 10 %, the sample size is determined to be 80 SMEs. A questionnaire survey was conducted to gather data from 81 SMEs, targeting owners who met specific criteria. SMEs were selected based on criteria such as scale, industry, geographical distribution, legality, and willingness to participate. Respondents were SME owners chosen for their work experience, education, company size, and industry background. Data analysis included questionnaire data analysis using methods such as frequency, percentage, mean, standard deviation, correlation analysis, and multiple regression. Document analysis was performed through content analysis.

Results and discussion

Current human resource management practices in small and medium-sized enterprises in Jining City

The current human resource management practices in small and medium-sized enterprises (SMEs) in Jining City encompass several key areas, including employee recruitment and selection, training and development, performance evaluation, and salary management, as summaries in **Table 1** current human resource management practices in small and medium-sized enterprises (SMEs) in Jining City

Table 1 Current human resource management practices in small and medium-sized enterprises (SMEs) in Jining City.

HRM practices	Key point	Evidence
Employee recruitment and selection	Dissatisfaction with Communication	49.4 % of respondents expressed dissatisfaction with the dissemination of information about recruitment processes.
	Lack of transparency	40.7 % disagreed with the disclosure of selection process criteria to applicants.
	Concerns about Impartiality	40.7 % doubted the impartiality of individuals conducting employee selection tests.
	Varied perception on selection instruments	44.4 % indicated disagreement with the use of various selection instruments.
Employee training and development	Mixed perception	Responses varied regarding the frequency and extent of training programs.
	Significant disagreement	A notable portion of respondents disagreed with the provision of extensive training programs and formal training for new hires.
Performance evaluation	Communication issues	32.1 % were dissatisfied with discussions on performance appraisal criteria and results.
	Inefficacy in development plans	38.3 % disagreed with the use of performance appraisals for providing employee development plans.
	Concerns about decision-making	40.7 % expressed disagreement with using performance appraisals for decisions about promotions and salary increases.
	Transparency issues	34.6 % were dissatisfied with the dissemination of performance appraisal criteria and results.
Compensation management	Disconnect between salary and performance	38.3 % disagreed with the notion that employee salaries should be influenced by their results.
	Alignment with skills and market standards	Mixed perceptions regarding the compatibility of salaries with employee skills, training, and education.
	Lack of employee input	Dissatisfaction with considering employee expectations and suggestions in designing reward systems.
SHRM	Discord regarding strategic contribution	Mixed perceptions about the HR department's role in developing strategy.
	Concerns about forward planning	Significant disagreement regarding forward planning and resource integration tasks of the HR department.
	Varied opinions on HR systems	Divergence in views on whether HR systems drive strategic objectives.
	Disagreement on motivation and commitment	Discord regarding the HR department's role in ensuring high levels of motivation and commitment.

The current state of Human Resource Management (HRM) practices within Small and Medium-sized Enterprises (SMEs) in Jining City reveals several areas of concern that demand attention and enhancement. In the realm of employee recruitment and selection, dissatisfaction with communication practices is evident, as nearly half of the respondent's express discontent with how information regarding recruitment processes is disseminated. Transparency issues further exacerbate these concerns, with a significant portion disagreeing with the disclosure of selection criteria to applicants, indicating a lack of transparency in the hiring process. Moreover, doubts regarding the impartiality of individuals conducting employee selection tests underscore potential biases in recruitment practices. Perceptions on the effectiveness of various selection instruments diverge among respondents, indicating inconsistencies in evaluation methods. Regarding employee training and development, a mixed perception prevails, with

respondents expressing varying views on the frequency and extent of training programs, suggesting a lack of uniformity in skill-building initiatives. This inconsistency is echoed in the significant disagreement observed regarding the provision of extensive training programs and formal training for new hires. Similarly, issues persist in performance evaluation processes, where communication gaps hinder discussions on appraisal criteria and results, while inefficiencies are noted in using performance appraisals for employee development plans and decision-making regarding promotions and salary increases.

Transparency issues also plague compensation management, with a disconnect between salary and performance noted by a substantial portion of respondents, alongside mixed perceptions on alignment with employee skills and market standards, and dissatisfaction with employee input in designing reward systems. Strategic HRM practices face discord regarding the HR department's role in strategy development and forward planning, alongside varied opinions on the effectiveness of HR systems in driving strategic objectives, and disagreement on the HR department's responsibility in ensuring employee motivation and commitment. In essence, addressing these multifaceted challenges requires concerted efforts to improve communication, transparency, consistency, and employee involvement across all HRM practices within SMEs in Jining City.

Problems of human resource management practices in small and medium-sized enterprises in Jining City

Problems of human resource management practices in small and medium-sized enterprises in Jining City summarized in **Table 2**.

Table 2 Problems in human resource management of SMEs in Jining City.

Issues	Key points
Employee Satisfaction	There are significant gaps in overall employee satisfaction, particularly concerning retention rates, satisfaction with the physical environment, management style, and recognition for contributions. A substantial portion of employees' express dissatisfaction with recognition for their efforts, indicating a lack of appreciation from management.
Employee Engagement	Many employees lack satisfaction with the company, commitment to its goals, and feel their efforts are not adequately recognized or rewarded. Communication of strategic goals and objectives by the company is perceived as inadequate, contributing to disengagement among employees.
Skill Development	Employees perceive deficiencies in the company's investment in activities that enhance professional skills, communication of learning and growth opportunities, feedback mechanisms for skill improvement, and support for additional skill development. The existing skill development strategies may not effectively cater to the diverse needs of employees, indicating a need for more personalized approaches.
Communication Gap	There is a notable communication gap within SMEs in Jining City, particularly concerning the perceived looseness and informality of the workplace, openness of written and oral communications, and cross-departmental communication. Varied opinions among employees highlight inconsistencies in communication practices and suggest a need for more cohesive and transparent communication channels.

The investigation into human resource management (HRM) within small and medium-sized enterprises (SMEs) in Jining City reveals numerous significant problems across various facets. Notably, issues surrounding employee satisfaction, engagement, skill development, and communication emerge as focal points of concern.

Firstly, concerning employee satisfaction, there exists a substantial disparity in overall contentment, particularly regarding retention rates, workplace environment, management style, and acknowledgment of employee contributions. Moreover, a notable proportion of employees' express dissatisfaction with the recognition they receive, indicating a deficiency in management's appreciation. Secondly, employee engagement appears to suffer, with many employees displaying dissatisfaction with the company and a lack of commitment to its objectives. Poor communication of strategic goals further exacerbates this disengagement. Thirdly, concerning skill development, employees perceive shortcomings in the company's investment in enhancing professional skills, as well as in communicating learning opportunities and providing feedback for improvement. Lastly, a significant communication gap is evident, notably in the perceived informality of the workplace and the openness of written and oral communications, alongside cross-departmental communication. The variance in employee opinions underscores inconsistencies in communication practices, necessitating a more cohesive and transparent approach.

These findings collectively underscore the intricate nature of HRM challenges facing SMEs in Jining City, advocating for tailored strategies prioritizing employee well-being, engagement, professional growth, and transparent communication.

Regression analysis of human resources management practices and employee satisfaction

The analysis of regression between human resources management practices and employee satisfaction, as depicted in **Table 3**, yields several key insights.

Table 3 The regression analysis of human resources management practices and employee satisfaction.

Table 5 The Regression Analysis of Human Resource Management Practices and Employee Satisfaction								
Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.527 ^a	0.277	0.229	0.96984				
ANOVA ^a								
	Model	Sum of Squares	df	Mean Square	F	Sig.		
1	Regression	27.068	5	5.414	5.756	0.000 ^b		
	Residual	70.545	75	0.941				
	Total	97.613	80					
Coefficients ^a								
	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	0.855	0.380		2.251	0.027		
	Recruitment	−0.337	0.208	−0.300	−1.623	0.109	0.283	3.537
	Training	0.796	0.196	0.744	4.054	0.000	0.286	3.497
	Performance	−0.086	0.188	−0.082	−0.457	0.649	0.303	3.303
	Compensation	0.166	0.222	0.157	0.746	0.458	0.219	4.568
	SHRM	−0.020	0.200	−0.019	−0.101	0.920	0.264	3.795

^b. Predictors: (Constant), SHRM, recruitment, performance, training, compensation

^a. Dependent variable: Employee satisfaction

Firstly, the model exhibits an R value of 0.527, an R square value of 0.277, and an adjusted R square value of 0.229. This indicates that the model accounts for 27.7 % of the variance in employee satisfaction. Secondly, ANOVA analysis reveals the regression model's significance ($F = 5.756, p < 0.001$), underscoring the substantial impact of HRM practices on employee satisfaction.

Upon scrutinizing the regression coefficients, it becomes evident that, amidst other considerations, training emerges as the most influential factor on employee satisfaction (standardization coefficient: 0.744, $t = 4.054$, $p < 0.001$). Following closely, salary also exhibits a notable impact (standardization coefficient: 0.157, $t = 0.746$, $p = 0.458$). Conversely, recruitment, performance, and strategic human resource management demonstrate no significant influence on employee satisfaction.

These findings furnish a crucial foundation for devising strategies aimed at enhancing employee satisfaction, with particular emphasis on augmenting training initiatives and compensation structures, which have been identified as pivotal avenues for substantially elevating employee satisfaction levels.

Regression analysis of human resources management practices and employee engagement

Result of regression analysis of human resources management practices and employee engagement as show in **Table 4**.

Table 4 The regression analysis of human resources management practices and employee engagement.

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate					
1	0.625 ^a	0.390	0.350	0.84542					
ANOVA ^a									
	Model	Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	34.318	5	6.864	9.603	0.000 ^b			
	Residual	53.605	75	0.715					
	Total	87.923	80						
Coefficients ^a									
	Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	0.747	0.331			2.255	0.027		
	Recruitment	−0.108	0.181	−0.101		−0.596	0.553	0.283	3.537
	Training	0.719	0.171	0.708		4.201	0.000	0.286	3.497
	Performance	−0.142	0.164	−0.141		−0.864	0.391	0.303	3.303
	Compensation	0.188	0.194	0.187		0.970	0.335	0.219	4.568
	SHRM	−0.054	0.175	−0.055		−0.310	0.757	0.264	3.795

a. Dependent variable: Engagement

b. Predictors: (Constant), SHRM, recruitment, performance, training, compensation

The regression analysis presented in **Table 4** yields several key insights regarding the relationship between HRM practices and employee engagement. Firstly, the model exhibits an R value of 0.625, an R square value of 0.390, and an adjusted R square value of 0.350. This suggests that the model can account for 39.0 % of the variation in employee engagement. Secondly, ANOVA analysis indicates that the regression model is significant ($F = 9.603$, $p < 0.001$), underscoring the substantial impact of HRM practices on employee engagement. Thirdly, upon examining the regression coefficients, it becomes evident that training emerges as the most influential factor on employee engagement (standardization coefficient: 0.708, $t = 4.201$, $p < 0.001$), surpassing salary (standardization coefficient: 0.187, $t = 0.970$, $p = 0.335$). Notably, recruitment, performance, and strategic human resource management do not significantly influence employee engagement. These findings serve as crucial groundwork for devising strategies aimed at enhancing employee engagement, particularly emphasizing the potential of training initiatives to substantially elevate engagement levels.

Regression analysis of human resources management practices and skill development

Regression analysis of human resources management practices and skill development as show in **Table 5**. The regression analysis sheds light on the relationship between human resource management practices and skill development. Several key conclusions can be drawn from these findings. Firstly, the model exhibits an R value of 0.529, an R square value of 0.280, and an adjusted R square value of 0.232, indicating that the model accounts for 28.0 % of the variation in skill development. Secondly, ANOVA analysis reveals that the regression model is significant ($F = 5.822$, $p < 0.001$), underscoring the notable impact of human resource management practices on skill development.

Table 5 The regression analysis of human resources management practices and skill development.

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.529 ^a	0.280	0.232	0.90291				
ANOVA ^a								
	Model	Sum of Squares	df	Mean Square	F	Sig.		
1	Regression	23.731	5	4.746	5.822	0.000 ^b		
	Residual	61.144	75	0.815				
	Total	84.875	80					
Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	0.763	0.354		2.156	0.034		
	Recruitment	−0.045	0.193	−0.043	−0.233	0.816	0.283	3.537
	Training	0.563	0.183	0.565	3.083	0.003	0.286	3.497
	Performance	−0.036	0.175	−0.036	−0.203	0.840	0.303	3.303
	Compensation	0.093	0.207	0.094	0.448	0.656	0.219	4.568
	SHRM	−0.023	0.187	−0.024	−0.124	0.902	0.264	3.795

a. Dependent variable: Skill development

b. Predictors: (Constant), SHRM, recruitment, performance, training, compensation

Upon closer examination of the regression coefficient, it becomes evident that, among the various factors considered, training emerges as the most influential contributor to skill development (standardization coefficient: 0.565, $t = 3.083$, $p = 0.003$). Conversely, recruitment, performance, compensation, and strategic human resource management show no significant impact on skill development. These insights serve as a pivotal foundation for devising strategies aimed at enhancing skill development, particularly emphasizing the potential for substantial improvements through training initiatives.

Regression analysis of human resources management practices communication gap

The regression analysis conducted on the disparity between human resource management practices and communication, as presented in **Table 6**, yields several noteworthy conclusions. Firstly, the model exhibits an R-value of 0.504, an R-square value of 0.254, and an adjusted R-square value of 0.204, indicating that the model elucidates 25.4 % of the variance in the communication gap. Secondly, ANOVA analysis demonstrates the significance of the regression model ($F = 5.097$, $p < 0.001$), suggesting that HRM practices exert a substantial influence on the communication gap.

Table 6 Result of regression analysis of human resources management practices and communication gap.

Model Summary								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate				
1	0.504 ^a	0.254	0.204	0.89582				
ANOVA ^a								
Model	Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	20.452	5	4.090	5.097	0.000 ^b		
	Residual	60.186	75	0.802				
	Total	80.639	80					
Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	1.058	0.351	3.014	0.004			
	Recruitment	−0.134	0.192	−0.131	−0.699	0.487	0.283	3.537
	Training	0.593	0.181	0.610	3.272	0.002	0.286	3.497
	Performance	−0.086	0.174	−0.089	−0.492	0.624	0.303	3.303
	Compensation	0.079	0.205	0.082	0.386	0.701	0.219	4.568
	SHRM	−0.026	0.185	−0.027	−0.139	0.890	0.264	3.795

^a. Dependent variable: Communication gap

^b. Predictors: (Constant), SHRM, recruitment, performance, training, compensation

Lastly, upon scrutinizing the regression coefficients, it becomes evident that among all considered factors, training emerges as the most impactful determinant of the communication gap (with a standardized coefficient of 0.610, $t = 3.272$, $p = 0.002$), while recruitment, performance, compensation, and strategic human resource management exhibit no significant impact. These findings furnish a crucial foundation for devising strategies to enhance communication effectiveness, particularly highlighting the potential of training improvements in mitigating communication gaps.

Guidelines for effective human resource management practices in small and medium-sized enterprises (SMEs) in Jining City

Guidelines for effective Human Resource Management Practices in Small and Medium-Sized Enterprises (SMEs) in Jining City as show in **Table 7**.

Table 7 Guidelines for effective human resource management practices in small and medium-sized enterprises (SMEs) in Jining City.

Guidelines	Initiative
Prioritize employee satisfaction	<ul style="list-style-type: none"> Employee Satisfaction Surveys Employee Recognition Programs Professional Development Opportunities
Foster employee engagement	<ul style="list-style-type: none"> Regular Town Hall Meetings Cross-Functional Collaboration Projects
Invest in skill development	<ul style="list-style-type: none"> Individualized Training Plans Mentorship and Coaching Programs Cross-Training and Job Rotation
Enhance communication channels	<ul style="list-style-type: none"> Regular Town Hall Meetings Employee Feedback System

Guidelines	Initiative
	<ul style="list-style-type: none"> ● Strategic Communication Plan
Prioritize employee well-being	<ul style="list-style-type: none"> ● Flexible Work Arrangements ● Wellness Programs ● Access to Mental Health Resources
Ensure compliance with legal and regulatory requirements	<ul style="list-style-type: none"> ● Regular Legal Compliance Audits ● Employee Training and Awareness Programs ● Regular Policy Updates and Review Processes
Promote diversity and inclusion	<ul style="list-style-type: none"> ● Diversity Training and Awareness Programs ● Diverse Recruitment Strategies ● Employee Resource Groups (ERGs)
Encourage continuous improvement	<ul style="list-style-type: none"> ● Regular Employee Feedback Sessions ● Cross-Departmental Collaboration Workshops ● Pilot Testing of New HRM Initiatives

Discussion of current human resource management practices in small and medium-sized enterprises in Jining City

The challenges observed in HRM practices within SMEs in Jining City underscore significant areas for improvement, warranting in-depth research discussion. The dissatisfaction with communication practices in employee recruitment and selection processes, evidenced by nearly half of the respondents expressing discontent, highlights the importance of effective communication channels during hiring processes (Smith & Rees, 2021). This aligns with prior research emphasizing the role of clear communication in enhancing the recruitment experience for both candidates and employers (Jackson et al., 2014). Furthermore, the transparency issues surrounding selection criteria disclosure and doubts regarding impartiality indicate potential biases, highlighting the need for fair and transparent recruitment practices (Paauwe & Boselie, 2005). Similarly, the mixed perceptions regarding training and development programs suggest a lack of consensus on the effectiveness of existing initiatives. This finding underscores the importance of tailored training programs that address specific skill gaps and cater to the diverse needs of employees (Goldstein, 1993).

Moreover, the disagreement regarding the provision of extensive training programs for new hires implies a discrepancy in perceived training needs and organizational priorities, highlighting the necessity of aligning training initiatives with strategic objectives (Armstrong & Taylor, 2020). In the context of performance evaluation, the identified communication gaps and inefficiencies in using appraisals for employee development plans and decision-making resonate with prior literature emphasizing the importance of feedback and goal-setting in performance management (DeNisi & Murphy, 2017). Dissatisfaction with transparency in compensation management reflects the need for fair and equitable reward systems that align with employee contributions and market standards (Milkovich et al., 2014). Regarding strategic HRM practices, the discord surrounding the HR department's role in strategy development and employee motivation underscores the evolving role of HR in driving organizational performance and fostering employee engagement (Pawar & Charak, 2014). This aligns with research emphasizing the strategic importance of HR in aligning human capital with organizational goals and driving competitive advantage (Wright et al., 2001).

Discussion of problems of human resource management practices

The investigation into HRM practices within SMEs in Jining City has unveiled several significant challenges that demand attention and resolution. These findings shed light on issues related to employee satisfaction, engagement, skill development, and communication, all of which align closely with existing literature on HRM challenges in small and medium-sized enterprises.

Regarding employee satisfaction, the observed disparities in contentment levels resonate with prior research emphasizing the importance of fostering a positive work environment, implementing effective

management practices, and recognizing employee contributions (Robertson & Cooper, 2010; Guest, 2017). Dissatisfaction with recognition also mirrors findings that highlight the critical role of acknowledgment and appreciation in boosting employee morale and commitment (Grawitch et al., 2006). The noted lack of employee engagement and commitment corresponds with studies that connect ineffective communication and unclear organizational objectives to reduced employee motivation and involvement (Saks & Gruman, 2014). This underscores the impact of poorly communicated strategic goals on employee disengagement and emphasizes the importance of aligning organizational objectives with employee roles and expectations (Purcell, 2014).

Perceived shortcomings in skill development initiatives are consistent with research emphasizing the significance of continuous learning and development opportunities in retaining talent and improving organizational performance (Watkins & Marsick, 1992). The importance of effective communication in conveying learning opportunities and providing feedback for improvement is in line with studies emphasizing communication's role in facilitating employee development (Annor & Burchell, 2018). The identified communication gap is supported by research that underscores the importance of transparent and open communication in fostering trust, collaboration, and organizational effectiveness (Shockley-Zalabak, 2015). The need for cohesive and transparent communication channels to bridge variance in employee opinions echoes studies advocating for clear communication practices to address organizational challenges (Bondarouk & Brewster, 2016).

Discussion of guideline for effective human resource management practices

To tackle the identified challenges and enhance HRM practices in SMEs in Jining City, we propose the following guidelines, informed by theoretical insights and empirical evidence.

First and foremost, prioritizing employee satisfaction is crucial. This approach aligns with Herzberg's Two-Factor Theory, emphasizing the significance of both hygiene factors (such as work environment and management style) and motivators (like recognition for contributions) in boosting job satisfaction (Herzberg, 2015). By addressing these dimensions, companies can cultivate a more content and productive workforce, as evidenced by studies linking employee satisfaction to improved organizational performance (Akdere & Egan, 2020).

Secondly, fostering employee engagement is essential for organizational success. This notion is supported by theories such as Kahn's Engagement Theory, which suggests that engagement occurs when employees feel physically, cognitively, and emotionally invested in their work (Kahn, 1990). Implementing strategies that promote effective communication, recognition, and reward mechanisms can enhance employees' commitment to organizational goals, leading to higher levels of engagement and performance (Terry et al., 2013). Investing in skill development is also crucial, as highlighted by theories such as Human Capital Theory. This theory underscores the value of investing in employee skills and knowledge to enhance organizational productivity and competitiveness. SMEs should allocate resources towards comprehensive training and development programs to bridge skill gaps and promote continuous learning among employees, ensuring they remain adaptable in the dynamic business landscape (Tilly et al., 2022).

Enhancing communication channels is vital for organizational effectiveness. Clear and transparent communication, as emphasized by Communication Theory, fosters collaboration and cohesion within organizations. Clear communication channels facilitate the effective dissemination of information, feedback mechanisms, and cross-departmental communication, ultimately enhancing organizational agility and responsiveness. Moreover, prioritizing employee well-being is essential, drawing from theories such as the Job Demand-Resources (JD-R) Model. This model suggests that a favorable balance between job demands and resources leads to positive work outcomes, including employee well-being. Initiatives promoting work-life balance, health, and safety contribute to employee satisfaction and overall organizational performance (Sheppard, 2016).

Ensuring compliance with legal and regulatory requirements is equally vital for organizational legitimacy and sustainability, aligning with Institutional Theory. This theory emphasizes the influence of external institutional pressures on organizational practices. Staying updated with relevant laws and regulations ensures that HRM practices adhere to ethical standards and mitigate legal risks, safeguarding

the organization's reputation and operations (Meyer et al., 2011). Promoting diversity and inclusion is imperative, supported by theories such as Social Identity Theory. Creating an inclusive work environment that values diversity fosters employee engagement, innovation, and organizational performance (Luu et al., 2019).

Encouraging continuous improvement aligns with principles of Organizational Learning Theory. This theory underscores the importance of ongoing reflection, evaluation, and adaptation to improve organizational effectiveness (Robinson, 2011). Embracing a culture of continuous improvement involves soliciting feedback, evaluating HRM practices, and implementing necessary adjustments to optimize organizational effectiveness and employee satisfaction, ensuring sustained growth and success for SMEs in Jining City. Incorporating these theoretical insights into practical HRM guidelines can provide SMEs in Jining City with a comprehensive framework for addressing challenges and improving organizational performance in the dynamic business environment.

Conclusions

The current landscape of Human Resource Management (HRM) practices within Small and Medium-sized Enterprises (SMEs) in Jining City highlights several areas of concern that demand attention and improvement. In the realm of employee recruitment and selection, dissatisfaction with communication practices is apparent, with nearly half of the respondents expressing discontent regarding the dissemination of information about recruitment processes. Transparency issues exacerbate these concerns, as a significant portion disagree with the disclosure of selection criteria to applicants, indicating a lack of transparency in the hiring process. Additionally, doubts regarding the impartiality of individuals conducting employee selection tests underscore potential biases in recruitment practices.

Meanwhile, perceptions of the effectiveness of various selection instruments diverge among respondents, indicating inconsistencies in evaluation methods. Concerning employee training and development, a mixed perception prevails, with respondents expressing varying views on the frequency and extent of training programs, suggesting a lack of uniformity in skill-building initiatives. This inconsistency is mirrored in the significant disagreement observed regarding the provision of extensive training programs and formal training for new hires.

Similarly, issues persist in performance evaluation processes, where communication gaps hinder discussions on appraisal criteria and results. Inefficiencies are noted in using performance appraisals for employee development plans and decision-making regarding promotions and salary increases. Transparency issues also affect compensation management, with a disconnect between salary and performance noted by a substantial portion of respondents. Mixed perceptions on alignment with employee skills and market standards, along with dissatisfaction with employee input in designing reward systems, further compound the challenges. Strategic HRM practices face discord regarding the HR department's role in strategy development and forward planning, alongside varied opinions on the effectiveness of HR systems in driving strategic objectives. There is disagreement on the HR department's responsibility in ensuring employee motivation and commitment.

In essence, addressing these multifaceted challenges requires concerted efforts to improve communication, transparency, consistency, and employee involvement across all HRM practices within SMEs in Jining City.

Recommendations

Practical recommendation

SMEs in Jining City can greatly benefit from implementing several practical recommendations. Firstly, establishing clear and transparent communication channels throughout the recruitment and selection process is paramount. By providing detailed information about selection criteria, processes, and timelines to candidates, SMEs can ensure fairness and impartiality, ultimately enhancing candidates' overall experience. Moreover, regular updates and feedback to candidates will not only improve their perception of the recruitment process but also foster a more engaged and informed pool of applicants.

Secondly, SMEs should focus on developing standardized training programs that cater to the specific needs and skill gaps of their employees. Structured and consistent training sessions for new hires covering essential skills and knowledge, alongside ongoing professional development opportunities for all employees, will ensure a continuous learning environment within the organization. By standardizing training programs, SMEs can guarantee consistency and effectiveness in skill development across all levels.

Thirdly, enhancing communication channels during performance evaluations is crucial to address dissatisfaction and transparency issues among employees. Clear performance evaluation criteria and guidelines should be provided to both employees and managers, with regular feedback sessions conducted to discuss results, areas for improvement, and development plans. This proactive approach to communication will not only enhance transparency but also foster employee engagement and motivation.

Furthermore, SMEs should review and adjust their compensation structures to better align salaries with performance. This may involve implementing performance-based pay systems or revising existing incentive schemes to recognize and reward employees effectively. Soliciting feedback from employees on compensation packages will also help identify areas for improvement and ensure competitiveness in the market.

Lastly, integrating HRM practices more strategically with the overall organizational strategy is essential for SMEs in Jining City to remain competitive in the dynamic business environment. Aligning HR initiatives with business objectives and actively participating in strategic planning processes will enhance organizational agility and performance.

Theoretical contribution

This study contributes significantly to the understanding of Human Resource Management (HRM) practices in Small and Medium-sized Enterprises (SMEs) by applying and integrating several key theoretical frameworks. By drawing upon Herzberg's Two-Factor Theory, the study examines factors influencing employee satisfaction and dissatisfaction, such as recognition and management style. Additionally, Kahn's Engagement Theory offers insights into the factors affecting employee engagement within SMEs, highlighting the importance of communication and recognition mechanisms. Furthermore, Human Capital Theory is utilized to analyze the role of training and development in enhancing organizational performance. Institutional Theory provides a framework for understanding the external pressures shaping HRM practices, such as legal compliance and market standards. By integrating these theoretical frameworks with empirical evidence, this research offers a nuanced understanding of the challenges and complexities inherent in HRM practices in SMEs, enhancing theoretical robustness and practical relevance.

Future research recommendation

While this study provides valuable insights into HRM practices in SMEs, there are several avenues for future research that could further enrich our understanding of this topic. Longitudinal studies tracking the implementation and effectiveness of the proposed practical recommendations could provide valuable insights into their long-term impact on organizational performance and employee outcomes. Comparative studies examining HRM practices across different industries or regions within Jining City could shed light on sector-specific challenges and best practices. Qualitative studies exploring the lived experiences of employees and managers within SMEs could provide deeper insights into the underlying factors influencing HRM practices. Research exploring the role of leadership and organizational culture in shaping HRM practices in SMEs could offer valuable insights into the contextual factors influencing HRM effectiveness. Understanding these factors is essential for developing tailored and effective HRM strategies for SMEs in Jining City.

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