Research on the Core Competitiveness of Small and Medium-sized Enterprises in China

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Abstract. Small and medium-sized enterprises play an important role in economic growth and social development, but there are many challenges and difficulties in its development. The lack of core competitiveness seriously impedes the development of small and medium-sized enterprises. Enhance the core competitiveness of small and medium-sized enterprises, which is the main way to realize their sustainable development. On the basis of summarizing the theory of small and medium-sized enterprises and core competitiveness, in this work, we analyzed that the reasons for the lack of core competitiveness of small and medium-sized enterprises in China, and then puts forward strategies of improving its core competitiveness.

Introduction

Small and medium-sized enterprises in our country are generally small in scale. Compared with the strong and mature of development of large enterprises, small and medium-sized enterprises are obvious deficiencies in the possession and use of resources such as manpower, material resources and financial resources, and it has been in a weak position in market competition. With the strengthening of global economic integration and the rapid rise of the knowledge economy, market competition is more intense and small and medium-sized enterprise development environment more serious. To make the enterprise always keep up with the development of era and keep long life, small and medium-sized enterprise need to constantly improve their core competitiveness and having the right development countermeasures.

Overview of Small and Medium-sized Enterprises and Enterprise Core Competitiveness

To solve the problem of the core competitiveness of small and medium-sized enterprises, small and medium-sized enterprises need to be solved in the first place and the definition of core competence, etc.

The Connotation of Small and Medium-sized Enterprises and Enterprise Core Competitiveness

Compared with the industry large enterprises in the same industry, mall and medium-sized enterprises in the aspect of personnel quantity, asset size and operation scale are relatively small economic units. Although small and medium-sized enterprises in our country in various aspects have made great progress and achievements, but there are still many deficiencies. At present, the characteristics of small and medium-sized enterprises is: weak market competitiveness; short business cycle; high resource consumption; low technical content; unreasonable input and output ratio.

Enterprise's core competitiveness is also known as the core competitive advantage and core competencies. We can put the enterprise core competitiveness is defined as enterprise through existing or is going to their own ability to integrate resources. Establish dynamics capabilities, which not easy to be rivals learned the enterprise long-term competitive advantage. This ability can bring significant economic benefits to themselves and consumers.
The Components of Enterprise Core Competitiveness

Enterprise's core competitiveness is composed of the following factors: Firstly, human capital, which is the foundation of enterprise core competitiveness. Second, technology innovation, which is the core of enterprise competitiveness elements, including technical transformation, transformation, technology protection, research and development ability, and so on. Thirdly, core technology, it is the key to the enterprise to obtain competitive conditions, conducive to further improve the profit of enterprises. Finally, the management system, and it is very important on formation of enterprise core competitiveness. Management system is mainly through a variety of rules and regulations, organization system and enterprise culture, improving the enterprise to organize, motivate and control.

The Reason of Small and Medium-sized Enterprise Core Competitiveness

The necessity of improving our country small and medium-sized enterprise core competitiveness mainly for the following two aspects. The first is the inevitable trend in the market competition both at home and abroad. Although our country to encourage small and medium-sized enterprise practice the strategy of "going out", but still face barriers in export trade and the low product quality and so on. Therefore, to improve their core competitiveness is the inevitable choice of enterprises to adapt to the fierce competition. The second is the inevitable requirement of small and medium-sized enterprises to obtain long-term sustainable development. As for the current, the number of small and medium-sized enterprises in our country is very large. The existence of many small and medium-sized enterprises are imitating the other enterprises, its share of the market is not stable and easy to be eliminated. It is not conducive to long-term sustainable development of each enterprise.

The Cause of Lack of Core Competitiveness of Small and Medium-sized Enterprises in Our Country

It is an indisputable fact, which the competitiveness of small and medium-sized enterprises is low. Although the number of small and medium-sized enterprises every year in the growth rate is soon, but did not increase with the core competitiveness of enterprises. Its cause mainly has five aspects: human resources; technology innovation; organization management; enterprise culture; national policy.

Lack of Enterprise Human Resources

Enterprise core competitiveness with strong knowledge, which is the enterprise human resources as the carrier. The first of overall quality of the enterprise should be the quality of people. On the one hand, the small and medium-sized enterprises is not scientific and effective mechanism of introduction, cultivation and use of human resources, causes the enterprise human resources shortage. It is difficult to form the human resources of continuous competitive advantage. On the other hand, the enterprise is not take talent management, and regarded human as costs, efforts to cut the manpower cost. Many enterprises are rarely make effective employee incentive measures and lower degree to the attention of the employees. Not on the basis of personal characteristics to reasonably arrange the employee's work task. Not only reduces the working efficiency, and tend to keep talents, reduced the enterprise competition ability.

Lack of Technology Innovation Ability

Many small and medium-sized enterprise technology level is low in our country, lack of innovation mainly for the following several aspects. On the one hand, the influence of enterprise core competitive ability is a national innovation system. For example, the scientific research institutions in our country has been in core of academy, hindered the effective combination and allocation of resources of the scientific research institutes and small and medium enterprises, restricts the transformation of the scientific research achievements into productivity. On the other hand, the lack of enterprise technology innovation fund investment. In terms of the small and medium-sized enterprises in our country, the technology development funds less than 40% of the national research
funding. A serious shortage of research input caused unfavorable to technical improvement and innovation of enterprise and severely weakened the sustainable competitive capacity of enterprises.

**Organizational Management Inefficiency**

With the development of knowledge economy and information technology companies, the enterprise organization structure gradually to the development in the direction of flexibility and flat. While the majority of small and medium-sized enterprises in our country still is a traditional linear structure. Due to the slow adjustment of the organizational structure lag, the small and medium-sized enterprise is more and more difficult to adapt to the fierce market competition environment. In addition, compared with large enterprises at home and abroad, small and medium-sized enterprises in our country is relatively backward in cost management, quality management, marketing management and strategy management, and so on. This makes our country small and medium-sized enterprise can not form the enterprise core competitive ability because of its organization and management inefficiency. It also can't provide the corresponding management for the development of its core competitiveness.

**Lack of Good Corporate Culture**

Business enterprise is a kind of culture of business, the enterprise competition is actually a culture of competition. At present, the majority of small and medium-sized enterprises in our country enterprise culture seriously distorted, it cannot arouse the enthusiasm of the enterprise and resulting in less competitive. The common cultural distortion phenomenon of small and medium-sized enterprises in our country mainly are as follows. The paternalistic corporate culture, in the beginning, mainly adopts "workshop" mode of operation. Business owner is supreme, the enterprise management system can be evaded, far from the improvement of management level. The interests of the enterprise culture, most of small and medium-sized enterprises will be immediate economic benefits in the first place, ignore the improvement of product quality and service level.

**Inadequate National Policy**

To promote the development of small and medium-sized enterprises, although various departments and regions in our country have issued a series of policies including tax breaks, the fiscal expenditure policy, financial credit policy, etc. In order to improve the operating environment of small and medium-sized enterprises. However, China through reform lagging behind to help small and medium enterprises create jobs. According to the world bank group analysis of the officials, compared with foreign companies and large enterprises, China's small and medium-sized enterprise survival environment more difficult. Compared with western developed countries, the management system of small and medium-sized enterprises in China is affecting the development of small and medium-sized enterprises "bottleneck". Such as small and medium-sized enterprises create cumbersome, high management, excessive administrative intervention, and regional blockades, departments, industry monopoly and local protectionism, and so on.

**Strategy of the Promoted Core Competencies of Small and Medium Enterprise**

**Attaches Great Importance to Human Resources Training**

Firstly, a sound system of selecting talents and use, choose appropriate talents. Do a good job in human resources development plan, the demand and supply of human resources for enterprises in the future to make scientific evaluation. Mobilizing the enthusiasm and creativity of employees, to promote enterprise and the staff common progress and development. Secondly, the internal incentive mechanism should be established in order to retain talent. Establish retain employees and to ensure its within the organization is able to fully development mechanism of human and the environment. Finally, to build the learning organization, improve the quality of employees.
Improve the Ability of Technology Innovation

Firstly, we should establish and perfect the enterprise technology innovation system and building their own technology research and development center. Enhance technical research and development strength, speed up development and leading products with independent intellectual property rights technology. Secondly, to actively explore new technology innovation model. Various kinds of university-industry cooperation should be carried out, and attract scientific research institutions and university research institutes into enterprises, realized the breakthrough of technology and cross, promoted the transformation of scientific and technological achievements into realistic productivity. Finally, we should form effective technology innovation mechanism and deepen the reform of the enterprise personnel system and distribution system. Making capital, technology and other production factors participate in the distribution of rights and interests. Having attention to the cultivation of scientific and technological personnel and reserves, thus enhance the competitiveness of enterprise technology.

To Improve the Enterprise Internal Management

Small and medium-sized enterprise must, in accordance with the requirements of modern enterprise system, transformation and reform and the existing enterprise system. Make it more scientific, more rational, more standardized, more modern, to cultivate and improve the core competitiveness of provide a system guarantee. At the same time, the small and medium-sized enterprises should change the management ideas. Abandon the experience type, vulgar, parents arbitrary type way of management at random. Get rid of the “centralized management” of the past and the original family management, scientific management. Perfect the incentive and supervision mechanism in enterprises, enhance the awareness of employees, the effective guarantee to improve the core competitiveness of enterprises.

To Improve the National Policies

Implement effective industrial policy guide. For the relevant state industrial policies should be to redesign and clean up. Modify the content of the unjust for small and medium-sized enterprises, support private capital to the infrastructure and public sector investment, and so on. Increase entrepreneurship support policies, and the government should encourage small and medium-sized enterprises to introduce foreign capital, advanced technology and management experience, build Chinese-foreign equity joint ventures and Chinese-foreign cooperative enterprises. The small and medium-sized enterprise should be encouraged to conform the conditions of to overseas investment. By conducting import and export credit, export credit insurance business, such as support for small and medium-sized enterprises explore foreign markets. Encourage individuals or legal person in accordance with the law on industrial property or non-patented technology such as small and medium-sized enterprise investment co-founded.

Cultivate the Excellent Enterprise Culture

Small and medium-sized enterprises must seize two construction of enterprise culture. One is to cultivate the spirit of the unique enterprise. Small and medium-sized enterprises must have their own unique business philosophy, values, moral values and spirit. The other is to build a "Shared vision" it makes staff closely united around the enterprise, for a common goal. The establishment of the target should be in line with the development for the enterprise strategic thinking, practical, and the establishment of enterprises and their employees unified value system.

Reform of Investment and Financing Systems

One is the reform of financing system, in view of the small and medium-sized enterprises in different stages of financing needs, providing multi-level financing channels. through the establishment of Small and medium-sized enterprise financial institutions in the government system, and establish the corresponding policy Banks. Second is to improve the direct financing way, through the joint stock cooperative system renovation. By way of the joint stock cooperative system
for small and medium-sized enterprises make huge savings in China. Finally, actively guide the folk capital, establish regional private bank. It is easy for retain local funds use for local development, and convenient for small and medium-sized enterprises and farmers loan business.

**Conclusion**

In moving towards a new era of knowledge economy, any enterprise rely on one or several functional strategies, only temporary advantage. Only to cultivate the core competitiveness, which is the fundamental strategy, to make the enterprise impregnable. Therefore, faced with new challenges, small and medium-sized enterprises only cultivate and develop its unique competitive advantage, and improve constantly and keep improving. Through the integration of internal and external resources to build and improve their core competitiveness. Making the business grow up quickly, enhance their ability to compete in the domestic and international market.

**References**

