

The Effects of Employee Initiative Behavior on the Development of Small and Medium-Sized Enterprises in China under New Crown Pneumonia Epidemic

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Abstract: With the diversification of the demands to enterprise work task and the increase of environmental uncertainty, the proactive behavior of employees has gradually become a key factor for the healthy development of enterprises. This study starts with a brief introduction of relevant theoretical basis from the perspective of the new COVID-19 epidemic. Then an in-depth analysis of the characteristics of the structure of small and medium-sized enterprises in China and the challenges they are currently facing during the COVID epidemic will be presented. Finally, the effects of employee initiative behavior on the development of small and medium-sized enterprises in China at present facing a major public emergency will be discussed, and put forward the targeted strategies, The results from this study will provide a guidance for the future development model of Chinese small and medium-sized enterprises under the epidemic situation.

1. Introduction

Since the beginning of the COVID-19 outbreak in 2020, the living environment of people around the world has been under a deadly threat, and the economic development level of various countries has stagnated. In order to curb the widespread spread of the virus and protect people's survival rights and interests, many urban areas in China have passively implemented static management, restricting human travel in schools and parks and other public places. In the face of multiple adverse factors, such as customers' declining consumption desire, weak market demand and rising raw material prices, enterprises can no longer meet the challenges using the conventional management model, i.e., the business owners to directly manage employees and employees to complete their own work [1]. Motivating employees to take initiative will help to improve the relationship between employees and business owners, stabilize the internal environment of small and medium-sized enterprises, etc., and to a large extent affect the subsequent healthy development of enterprises.

2. Related Theoretical Concepts

2.1 Employee Proactive Behavior

Employee initiative behavior is a manifestation of individual-level initiative, and a collection of comprehensive positive behavior concepts. It is usually defined as the active behavior of individual employees in an organization to actively complete tasks or overcome difficulties in order to improve themselves or change the status quo of the organization [2]. It has the characteristics of forward-looking and innovative. In the daily work environment, the higher the initiative, the lower the defense silence mechanism, the more can trigger positive behaviors such as voice advice. In contrast, if most employees in an enterprise take little initiative, then most employees will feel more cautious about speaking out their true opinions, leading to an unfavorable environment for the development of the enterprise.

3. Characteristics of SMEs

3.1 Short Life Cycle

United States and China are the world's two largest economies. According to research, the average life expectancy of Chinese enterprises is 2-3 years, while 62% of the companies in the United States have an average life expectancy of less than 5 years. Therefore, short life cycle is a main feature of small and medium-sized enterprises [3]. The main reason for short life cycle is that most of the small and medium-sized enterprises are in the initial stage of entrepreneurship, i.e., the primitive accumulation stage, and usually have relatively insufficient funds. In addition, external factors such as the strict restrictions on bank lending conditions will also limit the development of small and medium-sized enterprises.

3.2 Vulnerable to External Environment

The business models of small and medium-sized enterprises are mainly divided into two categories: the first type is to supply the demand for supporting products for large enterprises, and the second type is to fill the shortage of some product in the supply chain of large enterprises that are not suitable for production. The first category is vulnerable to the dominance of large enterprises, although the demand-supply relationship between the large enterprises and SMEs is stable. In the second category, there are a large number of lower-level suppliers, and the competition environment is harsh, so the challenge for a SME is to continuously reduce production costs and control prices to stand out of the peer competition.

3.3 The Assignment of Responsibilities to Employees is Not Clear

The work tasks of employees in small and medium-sized enterprises are different from those in large enterprises. There is no clear division of responsibilities. The work of each employee often overlaps. The advantage is that the working time of each employee in the enterprise will be fully controlled by the business owner and the employees has to opportunity to get a training of comprehensive ability because they often need to deal with miscellaneous situations [4]. The disadvantage is that it will keep employees in a high-load state for a long time, and when employees do not understand the principles of other work skills, there will be usually problems. For example, a

temporary worker often does not have a good understanding of other parts of the company and can often cause problems.

4. Challenges Faced by Chinese SMEs

4.1 The Significance of Small and Medium-Sized Enterprises to China's Economic Development

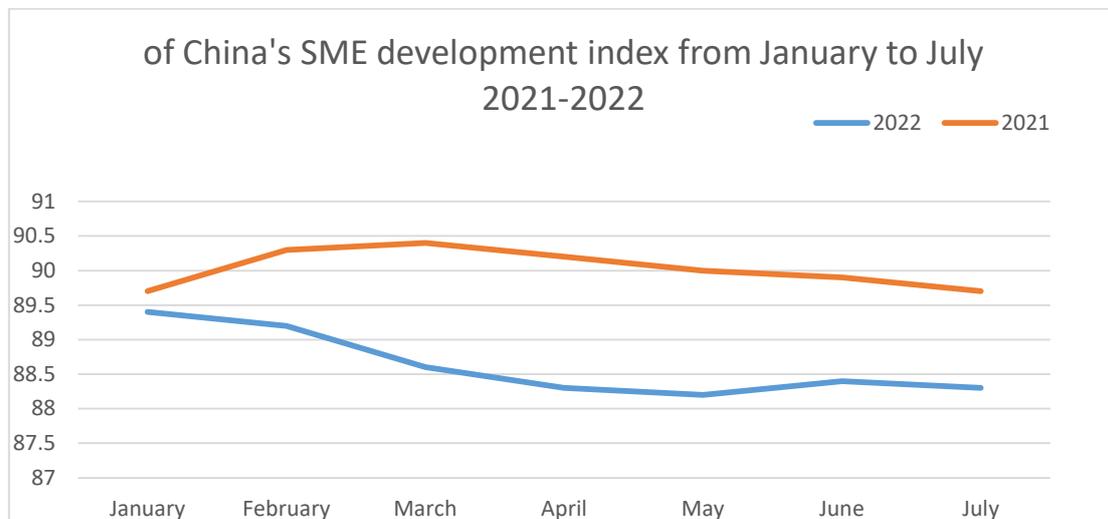
According to data from the Ministry of Industry and Information Technology of China, by the end of 2021, the number of Chinese enterprises will reach 48.42 million, and more than 99% of them are small and medium-sized enterprises, a growth rate of 1.7 times. Among them, the number of employees in small and medium-sized enterprises accounted for 80% of the total number of employees, and the total number reached 400 million [5].

While small and medium-sized enterprises create large numbers of jobs, the overall form of economic growth also cannot be ignored. In the industrial sector as an example, by 2021, the number of small and medium-sized enterprises will reach 400,000, with the operating revenue exceeding 75 trillion yuan, and the total profit reaching 4.7 trillion yuan. Revenue and total profit increased by 19.9% and 25.6%, respectively, year-on year, making a huge contribution to China's economic development.

4.2 Impact of COVID-19 on Chinese SMEs

The international and domestic business environments are still not optimistic. According to the data provided by the China Association of Small and Medium-sized Enterprises, since 2022, the living environment of small and medium-sized enterprises has become more difficult. Due to the impact of the COVID pandemic, the development index of small and medium-sized enterprises across the country has declined over the same period. See the Table 1. In March alone, 1.262 million market entities nationwide were cancelled, a year-on-year increase of 24.5%, including 291,000 enterprises, 9,000 agricultural cooperatives, and 962,000 individual industrial and commercial households. Due to the epidemic policy, the supply and demand sources cannot be connected, and there are negative effects such as weak demand and high costs nationwide.

Table 1: Comes from the China Association of Small and Medium Enterprises



5. Employees' Initiative Behavior on the Development of Small and Medium-Sized Enterprises

5.1 Improve Employees' Work Innovation Ability

Work innovation refers to the innovative ideas that employees put forward in the enterprise and in the working environment, which is beneficial to the enterprise. It is the main feature of active behavior. When employees are more than just fulfilling the needs of the established workflow, they will produce learning behaviors in their daily work and focus on improving their skills to deal with the difficulties they face in their daily work. The senior employees have rich work experience, they not only can effectively improve their own skills, but also quickly adapt to the complex environment [6]. At the same time, the appropriate voice behavior generated in the work innovation will reduce the probability of error in the enterprise, leading to a positive feedback for enterprise development.

5.2 Contribute to Internal Stability of the Enterprise

Affected by the COVID-19, the cost of raw materials in the market supply chain has risen, and the demand in the international market has weakened, and the living environment of Chinese small and medium-sized enterprises has been seriously threatened. Not only is the external environment becoming more and more hostile, but some small and medium-sized enterprises have been in arrears of wages for their employees for a long time even in cities with average economic levels,. If things go on like this, the working conditions of corporate employees will continue in a negative mood. The initiative of employees is usually built on the basis of mutual trust, which will generate a sense of organizational identity. When a crisis occurs in the company, employees will maintain the internal stability of the company as soon as possible, actively help colleagues who are in difficulty, or stop those who damage the company's image. Rather than self-protective negative behaviors such as remaining silence to defend themselves.

5.3 Alleviate Pressure on Business Owners

Small and medium-sized enterprises usually adopt the linear management mode. When employees are not motivated and work negatively, leaders need to share their energy for work supervision. When employees are highly motivated, they not only can efficiently complete their own quota work, but also affect their surrounding work environment, which in turn will relieve the pressure of leadership and devote more energy to business strategy.

6. Effective Strategies to Improve Employee Initiative

6.1 Increase the Sense of Identity to Leadership

Connecting the relationship between leaders and employees. Employees will seek equal communication with their leaders when they are not satisfied with the minimum security of their current environment. This kind of communication tends to give feedback on the demands to the superior leaders. Influenced by the personal characteristics and ability level of the leaders, the outcome of the communication may be uncertain factors. If leaders have positive conditions such as personal charm, work support, self-cultivation and clear communication, it will make employees

have a sense of identity with their leaders. This sense of leadership identity will give employees a sense of intimacy and respect, reduce the negative emotions at work, and then improve the personal initiative behavior.

6.2 Create a Fair Organizational Atmosphere

The essence of enterprise management lies in order to encourage and support the development of employees, with the development of employees to feed back the development of the enterprise is the secret of the benign development of the enterprise. However, the structure of small and medium-sized enterprises has employees of family members, and the proportion of salary is often higher than that of employees of non-family members. Over time, the sense of belonging of employees will be reduced to the enterprise. The establishment of a fair organizational atmosphere can make the employees within the enterprise feel equal treatment, and thus improve their satisfaction with the enterprise, promote personal initiative behavior, and reduce the tendency to leave office.

6.3 We Will Improve the Reward and Punishment System for Enterprises

The fundamental purpose of enterprise employees' work performance in exchange for salary is to meet their own life needs. When the enterprise improves the incentive system, the extra reward will drive the active behavior of the employees. Similarly, when employees are punished for failing to complete the minimum requirements of their work tasks, they will also be positive for fear of punishment, actively seek their own ways, and try their best to complete their own work tasks without receiving punishment. Therefore, in the final analysis, the reward and punishment system is to bind the interests between employees and enterprises, so that employees and enterprises can advance and retreat together, and take the protection of the interests of enterprises as their own responsibility, which is also an important link for small and medium-sized enterprises in urgent need of reform.

7. Conclusions and Remarks

In short, proactive behavior of employees, as a positive behavior with a spontaneous nature, will bring about beneficial changes to the organization, or trigger meaningful self-change for oneself. This behavior will also transform the working environment within the enterprise and improve the relationship between employees and leaders. When employees identify with their leaders and work in a fair and harmonious environment, they are also more willing to work hard to improve the current situation of the company. Therefore, improving the initiative behavior of employees by improving the personal ability of leaders and the internal enterprise reform will also be an important link in the stable development and cost control of the small and medium-sized enterprises in China in the future.

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