

Economic Management System Reform of Small and Medium-Sized Enterprises Based on Competency Model

Jie BAI

Tianjin Light Industry Vocational and Technical College, Tianjin 300000, China

30448279@qq.com

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Abstract: Competency is multi-level, multi-dimensional, and cross-professional. In each organization, the content and level of specific competency required by different levels of posts and different jobs are different. SME (Small and Medium-Sized Enterprises) competency model for middle managers forms the talent standard, which makes the enterprise have a basis for selecting people, a goal for training, a direction for talent efforts and a guide for behavior. Therefore, enterprises should pay attention to internal management, strengthen the scientific innovation of economic management system with the help of reasonable strategies, and create more benefits for the development of enterprises, so as to promote the smooth operation of society. By constructing competency models of different types of posts, we can formulate targeted recruitment and introduction, promotion measures, training measures, evaluation standards and incentive measures, so as to promote the fit of people and posts, make the best use of talents, and comprehensively optimize the innovative talent management system. The aim is to enhance SME's practical ability to adapt to the new normal of economy.

1. Introduction

The formulation of enterprise economic management system is to define all the participating elements in the process of enterprise economic management, combine the business development goals and job responsibilities, and form relatively perfect rules, regulations and work processes, so as to strengthen the internal control in the production and operation activities of enterprises, improve the functions of managers, and standardize the operation of enterprise economic management[1].

From the macro point of view, the new economic normal can promote the renewal and development of SME (Small and Medium-sized Enterprises) economic management system, but from the micro point of view, all changes in the economic system may become negative elements that affect the enterprise economy. Then, under the background of the new normal, SME should analyze the connotation of the new normal of economy, and learn its own development problems, limitations, and development opportunities.

2. Competency Model

We believe that any individual characteristics may be the elements of competence; Secondly, the elements of competency must be related to performance. In other words, competency emphasizes performance-oriented, and it is necessary to be able to distinguish those with excellent performance from those with average performance[2].

Competency is multi-level, multi-dimensional, and cross-professional. In each organization, the content and level of specific competency required by different levels of posts and different jobs are different. The basic elements of competency include the following aspects[3-4]: Motivation: Motivation is the internal driving force that drives individuals to take actions to achieve their goals; Traits: the consistent response of personality, physical characteristics, etc. to the external environment; Attitude: it is the evaluation and behavior tendency of something; Skills: the ability of

individuals to use their knowledge and experience in a structured way to accomplish a specific task, that is, the mastery of skills and knowledge required in a specific field.

The iceberg model divides competence into two parts and six levels. Different depths from top to bottom indicate that competence is perceived and mined with different difficulty. The deeper down, the less likely it is to be perceived and mined. The iceberg model of competency is shown in Figure 1.

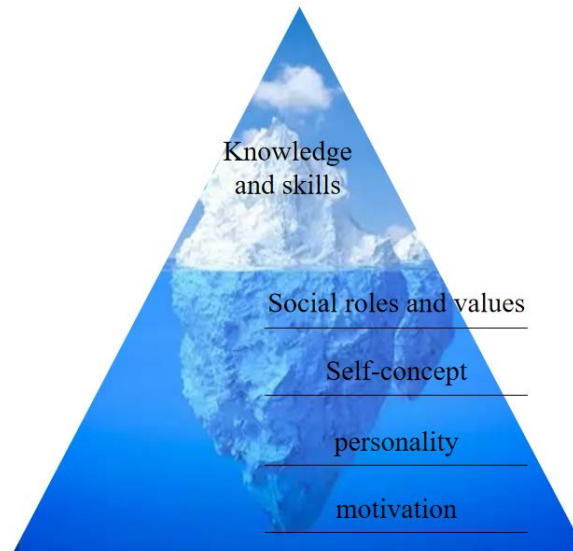


Fig.1 Iceberg Model

The model divides the individual's competence into two parts, and the part exposed on the water is knowledge and skills, that is, the characteristics of benchmark competence, which is only a requirement for the basic quality of the competent person, and it can't distinguish the outstanding performers from the average performers. The latent part of the water surface is the social role, characteristics, motivation and other emotional competency characteristics, which can be collectively referred to as discriminative competency characteristics, and is the key factor to distinguish the outstanding performers from the average performers.

Different enterprises and posts have different requirements for the construction of competency model, which also leads to the influence of different factors on the construction of competency model. The construction of competency model is based on the needs of human resource management and constantly develops[5]. It is an important supplement to the traditional human resource management ideas and methods, and it is not only suitable for the selection and appointment of talents, but also for the training and development of talents. Because the competency model focuses on the quality of non-professional abilities below the iceberg, it is more suitable for the selection and training of managers.

3. Problems Existing in Sme Economic Management System

3.1 The Financial Strategy Does Not Match the Enterprise Development Strategy

At present, the investment and fund-raising strategies of enterprises are mainly based on the background of market competition, but there is a certain lag in reality, and the channels of fund-raising are rather restrictive, which can not meet the requirements of the overall strategy of enterprises, especially the development goal of entering the packaging market[6-7]. There are uneven problems in the enterprise development strategy of new cooperation and income distribution strategy.

For new joint ventures, the income of grass-roots employees is difficult to meet, and the development of enterprises is not examined from the overall perspective. At present, SME is in the critical period of scale expansion, but in order to maintain stable development, the old mode is the main mode in the formulation and implementation of investment strategy.

3.2 The Level of Sme Managers is Insufficient

Because many small and medium-sized private enterprises in China are further derived and established by small-scale peasant economy. This leads to the fact that the founders of SME are generally not educated in professional and systematic management knowledge, and they don't know much about the general relationship they are now operating. Lack of a certain spirit of SME family. The overall education level of the SM family is not high, and the emphasis on talents needs to be further strengthened. It is difficult to carry out and implement the decisions made by foreign professional managers[8]. They are often ill-considered in formulating some market policies and innovative consciousness.

3.3 Shortage of Funds and Limited Development

At present, the market environment will never allow enterprises to relax their vigilance, and the international development pattern has caused a large number of trade commodities from all over the world to flood into China. SME not only needs to compete with foreign brands in industrial products, high-tech products and daily application products, but also suffers from certain constraints in industrial services. Without a strong follow-up fund guarantee, most enterprises may be restricted by the development tendency brought by the new normal only by the existing product structure and service model[9]. Low level of informatization, backward enterprise management system, long industrialization development cycle and lack of market service concept will all point to the actual efficiency of enterprise economic management. The financial management system of enterprises is not perfect, and it does not have high control power in some economic management activities.

4. Reform Path of Sme Economic Management System

4.1 Strengthen the Training of Middle Management Reserve Talents

The competency model consists of three parts (Figure 2): qualification requirements, ability requirements and quality requirements. Qualifications are evaluation conditions such as academic qualifications, majors, jobs, knowledge and experience, which are used to ensure the accumulation of professional and management abilities; Competency requirement refers to the ability of communication, execution and innovation required by the position; Quality refers to the overall concept, discipline, sense of responsibility, cooperative spirit, etc. required by this position.

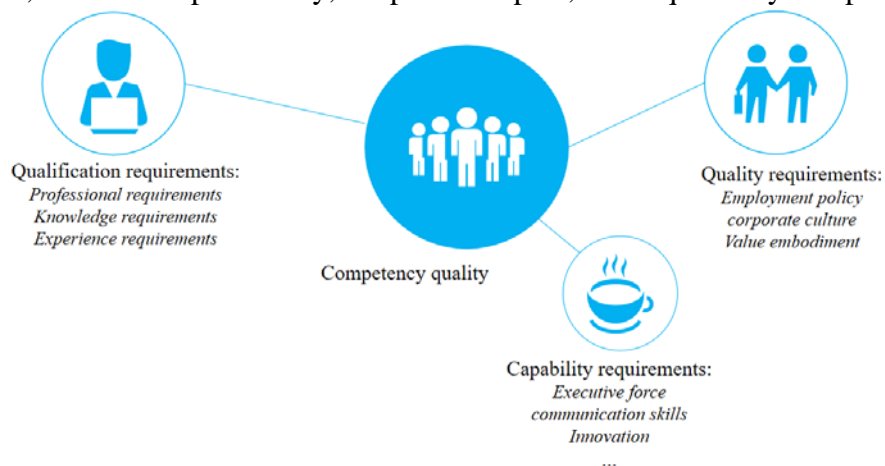


Fig.2 Competency Quality Model

With the help of competency model, we should establish a competitive and dynamic talent management mechanism, in which people can move up and down, move in and out, and let outstanding talents come to the fore. We should also establish a more comprehensive and competitive job promotion mechanism for enterprise employees, and improve the career promotion channels for outstanding talents, so as to meet the needs of employees other than senior management positions to achieve job promotion through examination and appointment.

As the source of increasing the value of human capital in enterprises, training is an important means to help enterprises cultivate talents and establish talents' advantages. It is also an important work related to the survival and development of enterprises. Therefore, after the selection of reserve talents has been completed, it is necessary to start the training of talents in combination with the comprehensive situation of talents' abilities observed in the selection process[10]. First, we should comprehensively analyze the current ability of reserve talents. In fact, this is the process of comparative analysis according to the standards of talents' abilities, so as to grasp the gap between their abilities and standards that need to be improved at present. At the same time, it provides a scientific basis for the cultivation of future talents of enterprises, and also enables reserve talents to know themselves and point out the direction for individual efforts.

Combined with personal growth planning, the training plan is determined for specific problems. It is necessary to take organizational development needs as the basis, take into account personal growth plans, not only adhere to overall consideration and unified deployment, but also pay attention to individual differences and differences. Only by organically unifying the two can we achieve the most ideal results. The training goal of management talents is to speed up the training of a reserve team of energetic, pioneering and innovative talents, and strive to train high-level compound management talents based on the improvement of comprehensive quality. Then formulate more feasible training plans according to individual needs, and promote the win-win development of enterprises and talents.

4.2 Expanding Financing Channels and Capital Utilization Ratio

SME is risky, and once it fails in the fierce market competition, it must be caught by the safety net of social security. When the enterprise is in normal operation, it should prepare a security fund for possible bankruptcy, unemployment, illness and retirement in the future, so as to form a complete social security system and relieve the worries of SME employees. Under the background of the new normal, SME should not only actively explore financing channels, but also master the effective use of its own funds, and realize the optimization effect of optimizing the allocation of production materials on the basis of improving the utilization rate of funds, so as to gradually adapt to the development of the new normal and realize a longer-term development plan.

In the process of enterprise production and operation, it is necessary to combine the background and development characteristics of the new economic normal, explore the new development pattern of enterprises, and strengthen the communication among various functional departments by highlighting the flexible management in the internal organizational structure of enterprises, so as to ensure that enterprises can maximize their internal resource efficiency while improving their own economic benefits, effectively reduce their high energy consumption production and save their economic costs. Therefore, enterprises need to take the lead in measuring their own development potential, planning a long-term feasible development direction, and then examining the economic activity trends of the whole industry market, so as to actively change the long-term inconvenient economic activity strategies of enterprises, and create a more promising economic benefit model by taking the offensive as the defensive.

4.3 Innovation of Distribution System

SME should further innovate the distribution system, further enhance the enthusiasm of employees through the reform of the distribution system, make a reasonable distribution system based on scientific, effective and reasonable basis, and make a comprehensive evaluation according to the job's labor intensity, skill level, labor responsibility and other job elements. In order to encourage all staff to accept the competency-based human resource management model, we can build a corporate culture that pays attention to competency. Enterprise culture is the basic belief and cognition that enterprises set up to solve the problems of survival and development, which is considered effective and shared by the members of the organization, and followed by them together. By complementing the advantages of competence, we can fundamentally improve the competence of enterprise leaders. In this way, by building a corporate culture that focuses on competence, business leaders can consciously measure themselves by the standard of competence, enhance their

competence, and promote the common and sustainable development of individuals and enterprises.

The implementation of financial management depends on the cooperation of the human resources department of the enterprise, which records and compiles the employees and work contents of the enterprise in detail. Generally, the incentive mechanism can take two forms, such as material incentive, which links the salary of employees with the strategic management of corporate finance; You can also use spiritual incentive methods to help enterprises establish a stable corporate culture and spirit.

According to the running state of each department of the enterprise, the internal control management system should be established first, so as to optimize and improve the economic management monitoring system and ensure that the supervision management system can be practically implemented in every detail of the daily operation management of the enterprise. At the same time, it is necessary to constantly update and improve the performance appraisal system, so as to continuously exert its incentive function, retain the core talents of the enterprise, and at the same time further ensure the development of enterprise talents and absorb more foreign talents.

5. Conclusions

Competency model is an important foundation for human resource management and development and effective implementation of various functions, and it focuses on the quality of non-professional abilities below the “iceberg”, which is more suitable for managers. Different enterprises and posts have different requirements for the construction of competency model, which also leads to the construction of competency model being influenced by different factors. We should innovate and reform the distribution system of private SMEs, retain the core talents of enterprises through reasonable distribution system, and attract more people to the development of enterprises. Only in this way, can enterprises continue to grow and develop, can they be stable and far-reaching, and constantly add vitality to the healthy development of China's economy and society, and contribute more strength.

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