Research on Management Model and System Innovation of Small and Medium-sized Enterprises in China Based on Regional Economy

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Abstract: The extensive development of SMEs in China has existed for quite a long time, which has led to some problems in the management mode and system of SMEs in China. Therefore, taking regional economy as the theme, the author puts forward the modes and characteristics of technological innovation of small and medium-sized enterprises in China at this stage. Research shows that the modernization of SMEs cannot completely copy the modern enterprise system. Instead, under the premise of maintaining the original management model, the specific management methods of enterprises are transformed to make the enterprise management conform to the trend of modern society. At the same time, it also shows that SMEs have become an important component of Chinese enterprises and provide a large number of jobs for the society.

1. Introduction

With its flexible and changeable management methods, SMEs continue to expand their living space in the increasingly fierce market competition [1]. According to relevant statistics, China's small and medium-sized enterprises account for the absolute position of the market economy, and provide a large number of jobs for the society, effectively solving the employment problem in China [2]. With the advent of the information society, SMEs have emerged as the main force in the economic development of all countries. According to the statistics of the regional GDP of China's Top 100 Industrial Clusters published by the Institute of Industrial Economics of the Chinese Academy of Social Sciences, the development of SME clusters is positively related to economic development, and tends to develop better in economically developed regions [3]. With the gradual advancement of information industry, scholars have carried out a lot of research on the formation mechanism, cultivation strategy, evolution mechanism and core competitiveness of industrial clusters. Finance also has certain advantages in the construction of SMEs' financial service system and product innovation, and provides important support in helping and promoting SMEs' financing and development [4]. Therefore, the healthy development of SMEs and SME clusters is very important to ensure the stable and rapid development of China's economy and to build a harmonious society.

With the deepening of China's reform and opening up, it is undoubtedly a miracle in the history of China's economic development that small and medium-sized enterprises in our country grow from scratch to today's development and growth [5]. With the change of production conditions, the management mode and specific management methods of SMEs should also be changed. Since the reform and opening up, small and medium-sized enterprises in China have developed rapidly, especially a large number of science and technology-based small and medium-sized enterprises have become new growth points of national economic development [6]. By the end of October 2011, there are about 42 million small and medium-sized enterprises in China, accounting for 99.8% of the total number of enterprises in the country. Their total industrial output value, realized profits and taxes, and total exports have accounted for 60%, 50% and 68% of the country respectively [7]. But at the same time, it also faces a series of problems, such as financing difficulties, weak core competitiveness, low overall quality, poor information channels, imperfect credit system, inadequate service system and resource and environmental constraints. Since the reform and opening up, some regions lacked state investment conditions, boldly explored and dared to innovate,
and formed a unique economic development model with high economic benefits, which has become a model for economic development in other regions of the country [8]. There is still a lack of discussion on the issues of co-location, business association and knowledge flow among enterprises under the cluster, especially how to apply modern information technology in the knowledge economy to reduce the cost of enterprises and promote innovation has not received enough attention [9].

2. Methodology

In today's world, as cross-border investment becomes increasingly active, international division of labor continues to deepen, and economic globalization sweeps across the globe, the rise of SMEs and their clustering have formed a vast economic trend [10]. The development of small and medium-sized enterprises is the result of economic evolution. It can enhance the competitiveness and efficiency of the market economy, promote economic growth, serve the development of large enterprises, and promote technological innovation and technology diffusion. Thereby enhancing the national and regional economic competitiveness, it is the most dynamic mainstream industry form of the modern market economy. At present, science and technology small and medium-sized enterprises have become an important force in China's technological innovation and development of high-tech industries. Moreover, our government also supports the development of small and medium-sized enterprises through various policies. Especially after the outbreak of the financial crisis in the last century, the healthy development of small and medium-sized enterprises has received close attention and support from the government. However, the development of most small and medium-sized enterprises is also facing many problems, such as poor technological innovation ability, high production cost, severe market situation and so on. We need to make great efforts to study and explore. The author summarizes practical experience and puts forward corresponding solutions under the guidance of theory. It is undoubtedly of great theoretical and practical significance to study regional economy in order to improve the management level and enhance the competitiveness of small and medium-sized enterprises in China.

In some countries, the characteristics of the degree of familialism are different, which will lead to different choices of SMEs' system. The formal framework of the interaction mechanism between culture and SMEs' organizations is shown in Table 1.

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<th>Small and Medium-sized Enterprises 'Scale and Characteristics of Network Organizational Ability</th>
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<td>Weak organizational capacity of small-scale enterprises</td>
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<td>Weak (Socialism)</td>
<td>Network Organization Ability in Enterprise Scale</td>
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The rapid development of science and technology has promoted the emergence of a large number of innovative enterprises worldwide, and the geographical integration of innovative elements has led to the concentration of innovative enterprises. The interactive relationship network system of SMEs under the cluster has formed a cooperative competition mechanism for enterprises, complementary management capabilities and innovative technologies in the region, and a high degree of specialization in enterprises and production. However, in recent years, although the total amount of credit at home and abroad is growing at a high speed and the scale of social investment is
increasing, the financing of small and medium-sized enterprises is still difficult. The problem of difficulty in innovation of financial services for small and medium-sized enterprises still exists and needs to be resolved. SMEs also provide about 75% of jobs. According to preliminary statistics, there are more than 70,000 small and medium-sized science and technology enterprises in the whole country, with a total of 3.3 million employees. The annual total income of technology, industry and trade exceeds 600 billion yuan. Tax payments exceed 26 billion yuan, and export earns nearly 10 billion yuan. It has constructed a perfect development environment for SMEs, which has also become an important driving force for the rapid development of SMEs in the past decade. In the process of changing the management system of small and medium-sized enterprises, people have different views on the choice of management mode of small and medium-sized enterprises. Discuss the best management mode of small and medium-sized enterprises in China, and realize the innovation of management system. This requires not only in-depth theoretical research, but also scientific practical analysis.

From Figure 1, we can see that in recent years, the comprehensive level of SMEs' innovation factor agglomeration has continued to rise, the growth curve is close to a straight line, and the growth rate is relatively stable.

![Fig.1. The Innovation Factor Agglomeration Map of Small and Medium-sized Enterprises in China](image)

3. Result Analysis and Discussion

Over the past 30 years of reform and opening up, small and medium-sized enterprises in Beijing have developed rapidly, and have become an important force to increase the total economic volume, increase financial revenue, solve urban and rural employment, promote scientific and technological innovation, and promote the construction of a new socialist countryside. This model requires the participation of banks, securities companies, guarantee companies, accounting firms and other institutions, and often requires the government to take the lead and cooperate, which is difficult to implement. The technological innovation mechanism of small and medium-sized enterprises has not yet been established, lacking the motive force of technological innovation. Mainly manifested in: small and medium-sized enterprises in the market competition due to their own weak scientific and technological strength and financial strength, application technology development is very few, mostly "bring doctrine" to introduce more technology, lack of enterprise own innovation. In addition, small and medium-sized enterprises have begun to actively introduce modern management mode in the management mode, and constantly improve their management level, which has a positive significance for them to enhance their market competitiveness and promote their healthy development. In order to ensure the normal operation of production, small and medium-sized enterprises must also coordinate the production cooperation among various departments within the enterprise. All these require enterprises to manage their production and operation activities. Of
course, small and medium-sized enterprises also have extensive development in the past decades. Many small and medium-sized enterprises pay more attention to immediate interests, but ignore the comprehensive interests and sustainable development.

For this situation, we can visually reflect it by drawing three indicators: the national industrial output value, the state-owned economic output value and the total output value of small and medium-sized enterprises (see figure 2).

![Fig.2. The Trend of National Industrial Gross Output, State-owned Economic Gross Output and Small and Medium-sized Enterprises Gross Output](image)

Small and medium-sized enterprises are not as complicated and complex as large enterprises. In a sense, their formality is relatively poor. The direct production process is not manifested in many dispersed and independent individual labor processes, but requires division of labor and cooperation. Then, in order to coordinate all aspects of labor and make the enterprise operate effectively, the management and command of the labor process will become the necessary condition of the production process. The technological achievements used by small and medium-sized enterprises are controlled by scientific research institutions, but their achievements have not been combined with the needs of enterprises. If the technological innovation achievements can not form products quickly, enterprises can not carry out market innovation. Moreover, the government evaluation and evaluation mechanism is also likely to lead to different levels of blindness and impulsiveness in attracting investment, and many enterprises in the park have no business integration and linkage.

The economy of some regions is famous for the concentration of SMEs. It understands the connotation of SMEs' innovation factors and the formation and agglomeration models of innovation factors and the mechanisms and laws that affect the development of SMEs. Therefore, it is necessary to guide the innovation elements to gather in enterprises, further promote economic development and provide reference for the development of small and medium-sized enterprises in other parts of the country, and become a realistic problem to be explored.

4. Conclusion

The modern enterprise management system has emerged with the expansion of the scale of the enterprise. For small and medium-sized enterprises with small production and operation, the traditional management feature is that the owner is also the business manager of the enterprise. At the same time, under the general trend of international economic integration, China's SMEs are also beginning to face competition from many aspects. SMEs must constantly improve their management level and innovate corresponding management if they want to occupy an advantage in a fierce competitive environment. Model and system. Thereby adapting to their own development, and allowing enterprises to gain certain advantages in a competitive environment. Technological
innovation of small and medium-sized enterprises is conducive to improving the competitiveness of the national economy and maintaining the sustained growth of the national economy. However, the establishment of government-guided funds to support small and medium-sized enterprises clusters is rare. The government-guided funds can give full play to the respective advantages of the government and social capital, and guide the direction of social capital investment through the demonstration effect and multiplier effect of government funds. Many local governments have set up various guiding funds to introduce funds to promote local economic development. Only by innovating the management thinking and system of enterprises, vigorously developing enterprise culture and simplifying the management mode, can the management level of small and medium-sized enterprises be effectively improved. This is conducive to alleviating the financing difficulties and reducing the contradiction between the supply and demand of funds.

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References


