

Effect of Human Resource Management and UGC User-Generated Content on Business Success in the Digital Era for SMEs cosmetics in Yunnan, China

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ABSTRACT

The research was to investigate actual the effect of human resource management and UGC User-generated content on business success in the Digital Era for SMEs cosmetics in Yunnan, China. The conceptual framework was developed from the literature review and survey in the area and other contemporaneous research in human resource management and marketing management. Accordingly, the researchers consider the importance of the factors of human resource management and UGC User-generated content .In this the researchers employed the quantitative research approaches.

The instruments of research were steps of a questionnaire. Data were collected from 318 people who are entrepreneurs of small and medium enterprises of SMEs cosmetics of Yunnan, China. The data collected were analyzed using the multiple regression and on the basis of observing the actual business success of the organizations studied through all marketing management theory.

Findings are as follows: human resource management and UGC User-generated content were explanatory of the variance in business success at 38.7 percent ($R^2 = 0.387$). Each factor involves significant aspects with the total being 25. All aspects should be addressed if problems are to be successfully solved over the long haul.

Keywords: human resource management, User-generated content, business success

INTRODUCTION

Market entry services in China are valuable in various scenarios. They are particularly beneficial for businesses expanding into the Chinese market for the first time, navigating a highly competitive landscape, or facing industry disruption. These services assist in understanding local regulations, identifying suitable partners, and developing a differentiated market entry strategy. Market entry services also ensure compliance with legal requirements and provide insights on market trends and consumer behavior. By leveraging market entry services, businesses can effectively navigate the complexities of the Chinese market, seize opportunities, and establish a strong presence for sustainable growth.

The COVID-19 (novel coronavirus) outbreak since Chinese New Year has been a particularly direct and damaging headwind for China's consumer sector, its largest contributor to growth, as shown in halved estimates for February 2020 consumer goods sales and dampened future growth predictions. On the basis of this new, challenging environment, a conservative downward revision of estimated consumer goods sales growth in 2020 has been adjusted to 6.5%. Suspensions in food and beverage services related to the coronavirus have directly and negatively affected overall growth in the retail goods market, most profoundly in the F&B and physical retail segments. F&B revenue grew 9.4% and accounted for 11.3% of total retail sales in 2019, but will be encumbered by heavy losses in physical retail as a result

of the epidemic. Physical retail dominated consumer goods revenues in 2019 with 68% of total sales, but the severe impact of the virus on more than half of physical retail businesses will have significant effects, including on specialty and franchised stores across the grocery, apparel and homeware sectors. Furthermore, the seasonal characteristics of F&B, grocery, apparel and other specialty and franchised stores would seem to dissuade hopes of any post-epidemic “retaliatory rebound” in industry consumption that might make up for these setbacks.

The outbreak continues to impact industries and businesses attempting to resume normal production, particularly F&B and physical retail, which appear to be experiencing a much slower recovery than that of online retail, which has already returned to a semblance of normality. This is most probably because physical retail tends to involve potentially crowded public spaces, i.e. a greater risk of infection. The physical retail industry is also making a significant shift online in search of new sales and services, which happens to coincide with a broader trend towards remote, “cloud-based” employment.

METHODOLOGY

The study of the effect of human resource management and UGC User-generated content on business success in the Digital Era for SMEs cosmetics in Yunnan, China, the researcher has studied documents, textbooks, concepts, theories, and related research consistent with the study’s objectives. This research is quantitative in the format is survey research. The research tool was a questionnaire. Data was collected by instrument-based interviews. The population is entrepreneurs of SMEs cosmetics in Yunnan, the total number of entrepreneurs is 1,540 people in Yunnan, China. The survey sample was 318 people from entrepreneurs of SMEs cosmetics business in Yunnan China. The researchers used a simple random sampling method to conduct a random sample size, as determined according to the Taro Yamane formula (Yamane, 1973). Multiple Regression Analysis to test the influence of variables between salary, training, management policy, motivation, welfare and operational efficiency.

RESULTS

Determination of instrument confidence

Reliability Test (Reliability) The researcher used the revised questionnaire to try out the researcher (Try Out) with Entrepreneurs of small and medium enterprises cosmetics product Business of Yunnan, China 30 people who are not a sample group. Internal consistency was tested using composite reliability and Cronbach' Alpha coefficients, where the researchers analyzed the reliability coefficients of each question and each measure. The alpha value is between 0.5 – 0.65, which is a moderately reliable value. And at values from 0.7 and up, it has quite high reliability. But if it is below 0.5, it is less reliable. Normally, the criterion used to measure these two values should not be less than 0.6 (Cronbach, 1990).

Validity checking after collecting the data, the researchers checked their validity using the corrected Item-total correlation. Which is a measure of the correlation between the score of any question and the total score of the category in which the question appears, in the calculation process, the total score must be adjusted by deducting the data value of any question issued in order to prevent the information of the questionnaire from appearing in both places. The decision criteria were that the correlation must not be less than 0.70.

The reliability and validity test results are shown in the following table.

Table 1 Results of testing reliability and validity by statistical methods

Variable	Corrected Item-Total Correlation	Cronbach's Alpha
Human Resource Management		0.922
1. The organization has an appropriate employee selection process.	0.843	
2. The organization has a recruitment system suitable for the position.	0.879	
3. The organization has a policy for employees to work according to their expertise.	0.895	
4. The organization trains employees until they can perform well.	0.834	
5. Employees have knowledge of using UGC:User-generated. content as well	0.895	
6. The organization pays salaries systematically.	0.832	
7. There is a transparent operating system and good governance.	0.922	
8. Every employee works according to the job description of the job.	0.932	
9. The organization has full welfare payments.	0.927	
10. The organization has a system for taking care of employees after retirement.	0.942	
UGC User-generated content		0.932
1. The information content of a comprehensive social platform is created to attract more customers.	0.923	
2. Content is created on social platforms to be more targeted so that customers have a clear goal.	0.896	
3. Content is created on social platforms showing product shapes and features.	0.923	
4. Product content is used on social platforms after the product is released to drive customer interest.	0.907	
5. There are many comment channels on social platforms to get customers interested in reading.	0.865	
6. There is a policy of having a large number of likes on social media to generate interest.	0.843	
7. Make content on social platforms highly reprinted to increase customer interest.	0.821	
Business Success		0.886
1. The organization gains market share every year.	0.879	
2. The organization has consistently increasing income every year.	0.915	
3. The organization has more sales every year.	0.929	
4. The organization has new customers increasing every year.	0.886	
5. The organization can keep existing customers continuously.	0.893	

6. The organization has to control costs to always reduce.	0.922
7. The organization's profit continues to increase every year.	0.902
8. The organization improves the efficiency of employees every year.	0.899

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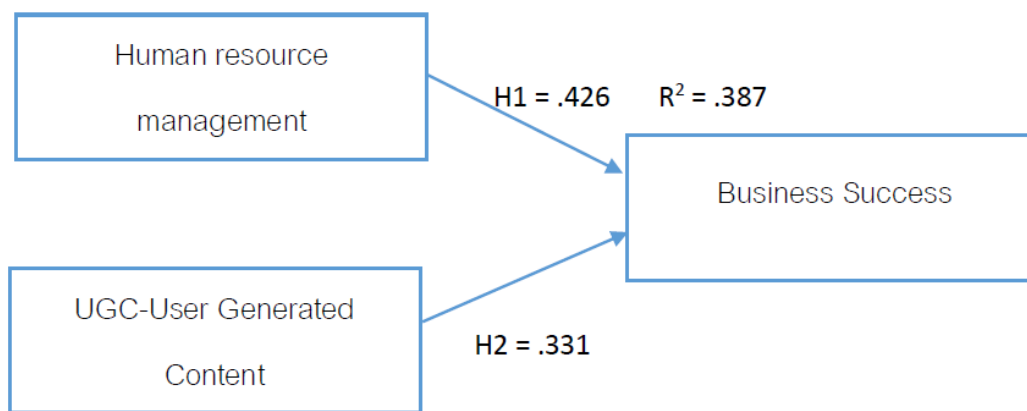


Figure 4 Results of path analysis

Source: Banfield, Kay & Royles, 2018; Björkman & Welch, 2015; Lan Qinhua, 2010; Men Liang, Yang Xiongyong, 2015; Wang Xuhui, Li Lulu, Chen Fenglin, 2019; Zhao Yuxiang, Fan Zhe, Zhu Qinghua, 2012.

Research hypothesis testing

The researcher formulates research hypotheses for testing in accordance with the route equation according to the route analysis model with the following equations and assumptions:

$$BUS = \beta_0 + \beta_1 HRM + \beta_2 UGC + \zeta_1 \dots \dots \dots (1)$$

Hypothesis 1 Human Resource Management positive effect on business success of SME business in Yunnan, China

Hypothesis 2 UGC User-Generated Content positive effect on business success in the Digital Era for SMEs cosmetics in Yunnan, China

Table 2 Hypothesis Testing Results

Path	Path coefficient	t-stat	P-value	Hypothesis
H1: Human resource management → business success	0.426	4.219***	0.000	support
H2: UGC User-Generated content → business success	0.331	3.766***	0.000	support

Table 3 Influence of variables affecting behavioral intention to use

Variables	R square	Effect	Variables	
			HRM	UGC
BUS	0.387	Direct Effect	0.426	0.331
		Indirect Effect	N/A	N/A
		Total Effect	0.426	0.331

From the table of hypothesis test results

Hypothesis 1 found that human resource management (HRM) has a direct influence on Business success (BUS), true to the hypothesis. The path coefficient is equal to 0.426 and the t-statistics value is 4.219. The p-value is close to 0.000, which is a statistically significant value.

Hypothesis 2 found that UGC User-Generated content (UGC) has a direct influence on Business success (BUS), true to the hypothesis. With a path coefficient of 0.331, a t-statistics value of 3.766, the p-value is close to 0.000, which is a statistically significant value.

The significance level was tested at 0.01.

Table 4 Summary of hypothesis test results

hypothesis	results	Path coefficient	R ²
H1: Human Resource Management positive effect on business success of SME business in Yunnan, China	Accept	0.426	0.387
H2: UGC User-Generated Content positive effect on business success in the Digital Era for SMEs cosmetics in Yunnan, China	Accept	0.331	0.387

CONCLUSION

The study of the effect of human resource management and UGC User-generated content on business success in the Digital Era for SMEs cosmetics in Yunnan, China was based on regression equation analysis. It was found that checking the preliminary terms of linearity and checking the regression coefficient had a positive linear relationship between the variables. All 3 factors including human resource management, UGC User-generated content, and business success were positively linear, which was consistent with the agreement. It was also found that there were mutually positive influences on human resource management, UGC User-generated content, and business success. There is a positive direct influence on business success indicating that the study's results confirm the consistency of the digital era for SMEs cosmetics in business success variable that is consistent and has a natural interplay and can be used in a business success in the digital era for SMEs cosmetics in China.

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