Effect of Social media platform, Human resource management, Customer satisfaction on Efficiency of SMEs in Beijing, China

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ABSTRACT

The research was to investigate actual effect of social media platform, human resource management, customer satisfaction on efficiency of SMEs in Beijing, China. The conceptual framework was developed from the literature review and survey in the area and other contemporary research in human resource management and marketing management. Accordingly, the researchers consider the importance of the factors of social media platform, human resource management, customer satisfaction, and efficiency. In this the researchers employed the quantitative research approaches. The instruments of research were steps of a questionnaire. Data were collected from 340 people who are entrepreneurs of small and medium enterprises in Beijing who use social media platform for products sale in Beijing. The data collected were analyzed using multiple regression analysis and on the basis of observing the actual efficiency of the small and medium enterprises studied through all operational links in the human resource management and marketing management.

Findings are as follows: Applications of social media platform, human resource management, customer satisfaction were explanatory of the variance in efficiency at 32.9 percent ($R^2 = 0.329$). Each factor involves significant aspects with the total being 33. All aspects should be addressed if problems are to be successfully solved over the long haul.

Keywords: Social media platform, Human resource management, Customer satisfaction on Efficiency

INTRODUCTION

The Chinese government carried out a series of reforms to improve business environment, including reducing taxes, cut-off tedious administrative licencing procedures and reshaping commercial registration system. According to China's Business Environment Report (The National Development and Reform Commission, 2020, China reduced taxes and fees by CNY 2.36 trillion, more than 13000 certification items were cancelled, and the processing time for business start-up was reduced by more than half in 2019. China is gradually fostering a business environment that is based on market principles, governed by law and up to international standards. In 2020, there are about 2.52 million new market entities in China, about 22 000 new business are created every day. Vast growth in this area is likely due to the government's continued reforms of the commercial registration system. (China Institute for Small and Medium Enterprises of Zhejiang University of Technology, 2021; The People's Bank of China, China Financial Institute, 2020)

In 2020, interest rates for SMEs and large firms were 4.84% and 5.06%, down respectively 0.02 and 0.05 percentage points compared to 2019. The interest rate gap between SMEs and large enterprises remains negative, with the difference declining from 0.25 to 0.22 percentage points in 2019-2020. The negative interest rate spread between SMEs and large firms is driven by the support from the Chinese government to reduce the cost of SME loans, including interest rates and bank charges. In 2020, the People's Bank of China reduced re-financing rates and set up special low-cost re-financing funds multiple times to support SMEs.

Inclusive finance loans to SMEs significantly increased and the comprehensive financing cost of loans declined steadily. In 2019, the 1-year interest rate in the shadow banking sector ranged from 12.23%-13.81%, with a spread of about 7.4%-8.9% compared to formal bank loans. In 2020, the shadow banking assets reached CNY 59.2 trillion, a slight increase of CNY 200 billion. However, the share of SME loans in shadow banking is difficult to estimate. (China Institute for Small and Medium Enterprises of Zhejiang University of Technology, 2021)

METHODOLOGY

The study of the effect of Social media platform, Human resource management, customer satisfaction on Efficiency of SMEs in Beijing, 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 small and medium enterprise (SMEs) business in Beijing China, the total number of entrepreneurs is 2,280 people in Beijing, China. The survey sample was 340 people from entrepreneurs of SMEs Businesses in Beijing. The researchers used a simple random sampling method to conduct a random sample size, as determined according to the Taro Yamane formula (Yamane, 1973). The researchers conducted a simple random sampling calculation using the Taro Yamane formula, and based on the calculation results, the number of samples was 340. The confidence level is 95%. The tolerance of the sample is at the level of 0.05. Multiple Regression Analysis to test the influence of variables between social media platform, customer satisfaction, human resource management and 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 Business of Beijing, 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
Social media platform		0.932
1. The company uses social media to sell products	0.843	
2. The company uses social media in sales promotion	0.889	
3. The use of social media is created to create awareness in the organization's brand.	0.897	
4. The use of social media to create awareness in every product	0.885	
5. The company uses social media in all types of products of the organization.	0.893	
6. The company has criteria for choosing social media as appropriate for the target group.	0.843	
7. The company has criteria for choosing social media as appropriate for the product.	0.877	
Human resource management		0.889
1. The company has appropriate criteria for selecting employees.	0.869	
2. The company has used the recruitment process appropriately for the selection of employees.	0.823	
3. The company has a policy to work according to the expertise of employees.	0.844	
4. The company has trained employees until they can work well.	0.902	
5. Employees have good knowledge of using social media platforms.	0.745	
6. The company pays salaries systematically and officially.	0.822	
7. There is a transparent operating system and good governance.	0.836	
8. All employees work according to the job description.	0.901	
9. Employees have complete welfare money paid to employees.	0.921	
10. The company has a policy to take care of employees after retirement.	0.874	

Customer Satisfaction		0.848
1. Customers are satisfied with their purchases with no returns.	0.844	
2. The company has never received complaints about products and services.	0.854	
3. The customer is satisfied with the purchase conditions.	0.769	
4. The customer receives the product exactly as ordered.	0.841	
5. The customer receives all the products according to the order.	0.868	
6. Customers receive products on time.	0.822	
7. Customers will always receive the same quality products.	0.875	
8. Customers never receive expired or spoiled products.	0.887	
9. The customer has never received a product damaged or lost during delivery.	0.778	
Efficiency		0.921
1. The company has control over the use of corporate resources.	0.887	
	0.902	
2. The company has an appropriate control over the use of company funds.	0.886	
3. The company uses the labor of the personnel with worthiness.	0.894	
4. The company has reduced the amount of waste in the work system.	0.886	
5. The company seeks new ways to operate efficiently.	0.881	
6. The company works quickly and reduces time for various activities.	0.892	
7. The company has always reduced operating costs.		

To study the effect of the effect of human resource management, social media platform, customer satisfaction on efficiency of SMEs business in Beijing, China

The results of the effect of human resource management, social media platform, customer satisfaction on efficiency of SMEs business in Beijing, China
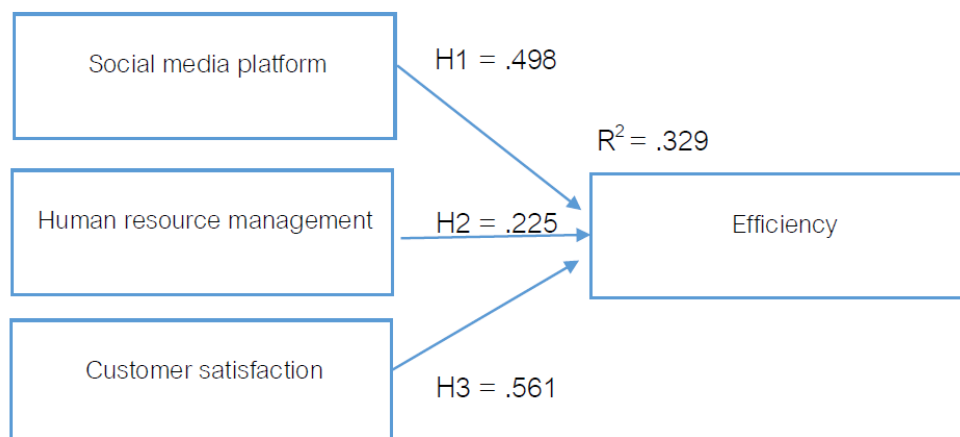

Figure 1 Results of path analysis

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:

$$EFF = \beta_0 + \beta_1 SMP + \beta_2 HRM + \beta_2 CUS + \zeta_1 \ldots\ldots\ldots(1)$$

Hypothesis 1 Social media platform positive direct effect on efficiency of SME business in Beijing, China

Hypothesis 2 Human Resource Management positive direct effect on efficiency of SME business in Beijing, China

Hypothesis 3 Customer satisfaction positive direct effect on efficiency of SME business in Beijing, China

Table 2 Hypothesis Testing Results

Path	Path coefficient	t-stat	p-value	Hypothesis
H1: Social media platform → Efficiency	0.498	3.102***	0.000	support
H2: Human resource management → Efficiency	0.225	2.436***	0.000	support
H3: Customer satisfaction → Efficiency	0.561	4.192***	0.000	support

Table 3 Influence of variables affecting behavioral intention to use

Variable	R square	Effect	Variable		
			SMP	HRM	CUS
EFI	0.329	Direct Effect	0.498	0.225	0.561
		Indirect Effect	N/A	N/A	N/A
		Total Effect	0.498	0.225	0.561

From the table of hypothesis test results

Hypothesis 1 found that Social media platform (SMP) positive direct effect on efficiency (EFI) of SME business in Beijing, China true to the hypothesis. The path coefficient is equal to 0.498 and the t-statistics value is 3.102. The p-value is close to 0.000, which is a statistically significant value.

Hypothesis 2 found that Human Resource Management (HRM) positive direct effect on efficiency (EFI) of SME business in Beijing, China true to the hypothesis. With a path coefficient of 0.225, a t-statistics value of 2.436, the p-value is close to 0.000, which is a statistically significant value.

Hypothesis 3 found that Customer satisfaction (CUS) positive direct effect on efficiency (EFI) of SME business in Beijing, China), true to the hypothesis. It has a path coefficient of 0.561, a t-statistics value of 4.192 and a p-value 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: Social media platform positive direct effect on efficiency of SME business in Beijing, China	Accept	0.498	0.329
H2: Human Resource Management positive direct effect on efficiency of SME business in Beijing, China	Accept	0.225	0.329
H3: Customer satisfaction positive direct effect on efficiency of SME business in Beijing, China	Accept	0.561	0.329

CONCLUSION

A study on the Effect of social media platform, human resource management, customer satisfaction, efficiency of SMEs in Beijing, China. based on regression analysis It was found that the linearity precondition check and the regression coefficient check had a positive linear relationship between the 4 variables, social media platform, human resource management, customer satisfaction, efficiency of the SMEs in Beijing, China has a positive linear nature in line with the agreement. In addition, it was found that there was a mutual positive influence fo social media platform, human resource management, customer satisfaction had a positive direct influence on efficiency of the SMEs in Beijing, China indicating that the results of the study confirmed business consistency the SMEs in Beijing, efficiency variables that is consistent and truly relatable. And can be used in the business of the SMEs in Beijing, China**.**

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