

**Research on Diversity Management in Chinese Small and Medium-sized Enterprises
: Focusing on the career development of diversified human resources**

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Abstract

In China, since the reform and opening-up, the transition from a planned to a market economy has led to an increase in the mobility of human resources, and the labor market's concern for human resource diversity is growing day by day. However, diversity research in China has not yet addressed the issue of how to effectively manage diverse human resources. In addition, research on corporate diversity and diversity management is clearly in direct opposition to the original purpose of diversity management - "to treat all members of an organization as unique human resources".

On the other hand, small and medium-sized enterprises (SMEs) in China apply more diverse human resources than large firms. SMEs are also more active in innovation, which is the goal of diversity management, compared to large firms. However, although SMEs face the challenge of attracting and retaining talent under human resource mobility, how to manage diverse human resources (e.g., promotion, training, etc.) and how to establish a system suitable for an individual's career (work-life balance, individuality, etc.) has not yet been sufficiently discussed with a focus on Chinese SMEs. Therefore, this study focuses on the career development of diverse human resources in diversity management in Chinese SMEs. The results of the study will be of great significance to the academic research and practice of diversity management in Chinese SMEs.

In order to construct an analytical framework, this study first explores the relationship between diversity management and career formation from the perspective of career formation of diversified human resources. From the perspective of career categorization, this study focuses on three mechanisms to explain the facilitating mechanism of career formation: diversity training, work-family enrichment (WFE) , and career shock. To demonstrate the effectiveness of this mechanism, this study also examines diversity training, WFE, and career shock by linking diversity management to small and medium-sized enterprises in the United States, Germany, and Japan. In addition, the empirical study analyzes individuals and firms under the same framework. To further clarify the research objectives, the results of these analyses are also synthesized and discussed from the perspective of the Chinese cultural context. The results from the individual perspective suggest that diversity training, WFE and career shock have a positive effect on promoting the career development of diverse human resources in Chinese SMEs. By exploring the career development

of diverse human resources, it provides a theoretical basis for solving the problem of diversity management in Chinese SMEs. In this study, questionnaires were distributed to 116 Chinese SMEs and 473 individuals (432 questionnaires were collected), and 376 valid questionnaires were collected (valid recovery rate: 79.49%). The results of exploratory factor analysis showed that the data had high validity. The close connection between the samples and items as well as the good validity of the questionnaire enabled us to conduct factor analysis. The factor structure of the scale was then found to match the data, with all indicators within acceptable limits ($\chi^2/df = 2.120$, RMSEA = 0.055, GFI = 0.915, SRMR = 0.046, CFI = 0.948, TLI = 0.937, NFI = 0.907, and NNFI = 0.937). Multiple regression analyses confirmed "positive shocks," "negative shocks," and "success of diverse employees." Multiple regression analysis showed that "diversity training" ($\beta = 0.285$, $p < 0.001$), "work-family life amenities" ($\beta = 0.309$, $p < 0.001$), and "positive shocks" ($\beta = 0.194$, $p < 0.001$) were statistically significant for "success of diverse employees". These factors were predicted to be key factors affecting the management of corporate diversity. "Work-Family Life Interference" and "Negative Shocks" were not statistically significant, but were predicted to indirectly influence "Diverse Employee Success".

The findings from the firms' perspectives suggest that the three initiatives of diversity training, WFE and career shock are important for the career development of diverse human resources in Chinese SMEs. In the case of diversity training, the potential of diverse human resources is developed through training activities within the firm. The case study of the WFE measure illustrates how the introduction of systems related to work and family life enhances the role of the individual. The occupational shock measure allows firms to increase their commitment to influencing HR behaviors by confronting unexpected or fortuitous changes in the external environment.

In addition, this study examines the career development of diverse human resources in Chinese SMEs based on the characteristics of the Chinese cultural context. The study found that diversity training is a human resource development program based on improving personnel job performance. Firm-led total employee engagement measures harmonized and facilitated individuals' different role responsibilities at work and in family life by combining instrumental and emotional enrichment. Career shock measures are HR strategies that attract and retain diverse human resources in response to changes in the external environment. The results of these analyses shed light on the specificity of diversity management in China in terms of diversity training, WFE and career shock.