

Development Strategy of Enterprise Human Capital Value in Digital Economy Era

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Abstract: Under the background of the digital economy, the production and management of enterprises are facing unprecedented challenges, and new requirements are also placed on the value of human capital. This paper expounds the importance of enterprises to enhance the value of human capital in the era of digital economy. On this basis, aiming at the ways to realize the promotion of human capital value, this paper puts forward the strategies to enhance the value of human capital from four aspects: establishing scientific human capital values, increasing digital human capital investment, establishing effective incentive mechanism, and the enhancement of employees' own value and competitive advantages.

1. Introduction

The current economic trend is developing toward a digital economy, and China's digital economy is growing quickly. With a value of around \$5.4 trillion in 2020, China's digital economy was the second largest in the world, accounting for more than 35% of its GDP and expanding at the fastest rate in the world—9.6% year-on-year. It was defined in the report of the 19th CPC National Congress that it is necessary to "promote the deep integration of the real economy and the digital economy," "promote the accelerated development of the manufacturing industry towards digitalization, networking and intelligence," and "accelerate the development of the digital economy." At the end of 2020, the central economic work conference stated: "We should strongly promote the digital economy." The digital economy is a concrete manifestation of innovation and technological progress in the context of contemporary globalization, bringing important opportunities and challenges to the labor market and human capital accumulation and development. The digital economy is technology-driven, and people are the carrier of technology and the most important foundation and driving force for the development of the digital economy. Therefore, it is important to study the value of human capital to promote the development of digital economy.

At present, enterprises are faced with the external environment of volatility, uncertainty, complexity and ambiguity. The competition between enterprises is constantly intensifying, and the competition between enterprises has also changed from the original material competition to the competition between talents. Human capital is the explicit and tacit knowledge and ability contained in employees, which is difficult for competitors to imitate in a short period of time. Therefore, who can discover or cultivate the higher-level talent faster, who will be able to occupy a competitive position in the fierce competition.

In the context of the digital economy, human capital, as the sum of individual knowledge, skills and experience, plays an important role in enterprise competition. It is a common problem faced by many enterprises to effectively enhance the value of an enterprise's human capital. However, most of the existing research focuses on the input and output of human capital. Especially in the era of the booming digital economy, few scholars have summarized and expounded the ways to enhance the value of human capital from the perspective of the digital economy. Therefore, this paper attempts to study the importance of enhancing the value of human capital for enterprises in the context of the digital economy, and proposes a path of enhancing human capital, so as to help enterprises achieve sustainable development in the changing digital environment.

2. Factors Influencing Value Promotion of Enterprise Human Capital

Human capital is the knowledge and skill condensed on the laborer, and the labor force embodied by it[1]. The ultimate goal of human capital development is not to obtain value itself, but to realize the continuous improvement of value. The promotion of human capital value refers to the development of human capital through education and training, scientific and technological development, salary and welfare, social security and other human capital investment methods and the comprehensive use of various human capital value management mechanisms and systems, effectively promote employees knowledge, skills and ideological quality to improve the enterprise's ability of value creation. In order to study the promotion of human capital value, we must first understand the influencing factors of the promotion of human capital value.

2.1 Traditional Concept

Under the influence of the traditional planned economy and the traditional personnel management idea, most of the enterprises in our country have the misunderstanding and do not fully understand the positive role of the promotion of the value of human capital in accelerating the improvement of the independent innovation ability of the enterprises, lack of a good environment and cultural atmosphere for the development of human capital, do not pay attention to human capital investment. In the past, most enterprises believed that the development of enterprises mainly depended on material resources, and did not fully realize the role of human beings. At the same time, in order to save costs and reduce staff training, there was a lack of targeted training, result in the knowledge and ability of employees have not been fully enhanced.

2.2 Human Resource Management Practice

At present, the development of human resource management practice in China is relatively backward compared with the change of external environment. Human resource managers are busy with business work in their ordinary work and lack strategic support for the long-term development of enterprises. According to Gan and Yusof, six types of effective Human Resources practices play essential roles in organizations, namely, knowledge management, HR policy making, training, recruiting, a reward system, and job design[2]. As the most direct means of motivation, if the salary system can not reflect the value of human capital fairly and comprehensively, the enterprise will lose a large amount of high-value human capital.

2.3 Human Capital Status

The shortage of talent in China's digital economy is prominent. China's labor force is no longer in a state of unlimited supply, ushering in the "Lewis turning point", the traditional "demographic

dividend" tends to disappear, and economic development and industrial structure are facing huge challenges[3]. Compared with developed countries such as the United States, the United Kingdom, and Canada, China's digital talent pool is in a backward position. The United States, in the field of artificial intelligence, has more than 850,000 professional and technical personnel, India has 150,000, the UK 140,000 and Canada 80,000. In terms of talent structure, China's artificial intelligence (AI) industry is far behind the United States in terms of the number of talents who have worked in the artificial intelligence (AI) industry for more than ten years. The United States is 71.5%, and China is only 38.7%. There is a large gap in the talent pool, and the supply of digital talents is in short supply in China.

2.4 Macroeconomic Environment

Digital economy refers to a series of economic activities in which the use of digitized knowledge and information is the key factor of production, modern information network is the important carrier, and the effective use of information and communication technology is the important driving force of efficiency promotion and economic structure optimization. The continuous development of digital economy has become an important feature of the world economic system. The rapid rise of the digital economy has a comprehensive and profound impact on production, life and ecology, and also has had a huge impact on the traditional enterprise management system and the production pattern. The foundation of the digital transformation is the transformation of human activities driven by technology, and "Digital Talents" is the foundation and driving force of enterprise development or transformation in this era.

3. The Importance of Enhancing the Value of Enterprise Human Capital

3.1 Support for Enterprises to Obtain Competitive Advantage

In the era of the digital economy, the competition of enterprises is the competition of human capital. Based on the resource-based view, human capital has become a valuable strategic resource and the source of sustainable competitive advantage for enterprises because of its value, scarcity, imitative and irreplaceable nature and organizational characteristics. Becker divides human capital into specialized human capital and general human capital. The former refers to knowledge, skills and capabilities that can only be applied to the employed enterprise, while the latter refers to skills that can be widely applied outside the employed enterprise. The specificity of human capital makes human capital valuable and scarce to the enterprise, so the scarce human capital is the source of the competitive advantage of the enterprise. In addition, with the rapid development of the digital economy characterized by the Internet, the Internet of things, Big Data, cloud computing, artificial intelligence and other digital technologies, the competition among enterprises in the supply of value has intensified, and changed the concrete way of competition between enterprises. In the era of the digital economy, the competition of enterprises is the competition of technology, and people are the carrier and creator of technology, because resources such as capital and technology can be imitated by competitors and even potential competitors very quickly, while human capital is the knowledge and ability contained in the staff, which has a strong path dependence, and it is difficult for competitors to imitate it, thus become the core competitiveness of enterprises.

3.2 Improve Enterprise Performance

The promotion of corporate human capital value is shown to be crucial to enhancing business performance according to the substitution mechanism of human capital value enhancement. Material

capital and human capital are both components of enterprise capital. A variety of material capital types are continuously utilized throughout business operations. Since it lacks consciousness and thought, material capital is passive capital that cannot contribute to an enterprise's performance once it separates from human capital. With the widespread adoption of digital technology, the depth and breadth of resource utilization have also continuously increased, which somewhat mitigates the ongoing loss of material capital and contributes to cost savings. Digital technology promotion and application depend on talents. Therefore, it can be said that the improvement of the value of human capital reduces the demand for other capital of enterprises to a certain extent. Additionally, unlike physical capital, the value of human capital will increase as the enterprise grows and performs better rather than drop as the enterprise's production increases. Employees today must possess both business knowledge and technology abilities because of the digital economy. Through education, training, "learning by doing," and other methods, human capital can build up value. This increasing value of human capital can then be used to substitute the declining value of other capital, so that can enhance overall business performance.

3.3 Promote the Independent Innovation of Enterprises

The growth of the innovation economy based on digital technology is determined by a high level of human capital[4]. In the age of the digital economy, businesses view enhancing their capacity for independent innovation as a key strategy for competing in the market. Human capital development and investment serve as significant catalysts for fostering independent innovation. Human capital ability fundamentally includes the ability to innovate. Numerous research has supported the beneficial contribution of human capital to innovative potential. On the one hand, human capital can improve its own capacity for innovation through education and training, as well as use "Knowledge spillover" to popularize digital knowledge. These actions can help spread the use of digital technology and foster a favorable environment for the advancement of digital technology. On the other hand, it is challenging for businesses to foster innovation in digital technology through the investment of material capital alone. Only the combination of human capital and material capital can successfully foster innovation while also effectively fostering the transformation and output of material capital.

4. The Path of Enhancing the Value of Enterprise Human Capital in Digital Economy Era

4.1 Set up Scientific Values of Human Capital

Because the competitive advantage brought about by human capital is more obvious and long-lasting than that brought about by physical capital, and because it is difficult to be imitated and surpassed in the short term, the effect of human capital has far outweighed that of physical capital in the digital economy. The importance of improving human capital must therefore be fully understood. Increasing the value of human capital necessitates not only the efforts of businesses and individuals, but also macro-regulation and support from the government to direct society at large to form a scientific human capital value. Under the influence of the digital economy, the talent market currently faces a situation where there is an oversupply of averagely skilled workers and a dearth of highly skilled workers in traditional industries. There are structural contradictions on the supply side of skilled personnel[5]. Therefore, the government must offer some policy support, such as initiatives to bring in foreign digital talent to fill the demand gap in some businesses and other initiatives to help the supply and demand in the talent market balance as much as possible.

Businesses should fully understand the crucial contribution that human capital makes to the growth of their operations in the digital economy and integrate the enhancement of human capital value into their strategic planning. Implement a human capital priority development strategy, and establish

human capital property rights system. The system of human capital property rights provides owners of human capital with an institutional guarantee for the expected returns. Human capital is dynamic, and when motivated, its owners continuously expend energy and deliver positive outcomes. The focus of the human capital property rights system is to implement option incentives for key digital technology human capital and to implement employee share ownership schemes, so that the returns of human capital are directly linked to the growth of the enterprise, the accumulation of experience and the improvement of skills. In order to reap the "digital benefits" as soon as possible, businesses should make the most of the various support policies of the central and local governments, use the industrial guidance funds of the governments at all levels reasonably, take full advantage of local talent policies, train and hire a group of talent with digital skills, and invest heavily in digital technology.

4.2 Increasing Investment in Digital Human Capital

Understanding the importance of increasing human capital investment to increase human capital value is essential. The government should play the primary and directing role in the investment of human capital in digital technology. The government should step up its efforts at the policy, financial, and fundamental educational levels, establish policies for the development of digital talents, continuously improve the system for teaching and training in this field, and assist those who are currently employed in enrolling in retraining programs to gain the most recent skills required by employers. Businesses should concentrate on providing sufficient support resources and ongoing development strategies for talent in the digital economy, as well as on fostering a positive and carefree environment to support talent advancement.

Investigate the collaboration between businesses and universities to develop digital technology talent. The university will gain a deeper understanding of the specific needs of the enterprise's digital economy talent and will be able to better support the enterprise's participation in the digital technology talent's training through the school-enterprise cooperation project, which will allow the enterprise to enter the campus and the teacher and student to enter the enterprise. Incorporating knowledge and skills related to technologies used in the digital economy, such as artificial intelligence, big data, Internet+, Internet of Things, cloud computing, and blockchain into course content, conducting lectures and reports, offering students digital work placements, actively offering skills training courses, and allowing students to comprehend the new status of the current development of the digital economy. This will assist in resolving the paradox that university graduates find it challenging to meet the requirements of employers while employers find it challenging to hire.

4.3 Enterprises Should Establish an Effective Incentive Mechanism

Wright et al. [6](2001) and Jiang et al. [7] (2013) argue that whether human capital resources can achieve the desired results when used by enterprises to create value depends on the initiative and motivation of employees. The ultimate authority over the creation and effective use of human resource capital belongs to the human resource individual. According to research, a person's ability is only 20–30% of their potential without motivation, but that ability can increase to 80–90% with the right motivation. Giving employees the assurance of a sufficient and scientific incentive system has thus become a significant way to increase the value of human capital and is essential to the value creation of the business in the digital economy.

As employee needs become more individualized in the digital economy, the traditional model of salary plus benefits is no longer able to accommodate these needs. Companies should stop determining salaries solely from the perspective of labor costs, focusing on external, short-term material incentives while ignoring internal, long-term non-material incentives. Businesses should

introduce the idea of comprehensive salary motivation. Look at payroll and employee development as a whole and consider payroll as a type of investment and value management. Optimize the material type of incentive, based on the performance of the staff, in the short term to satisfy employee needs for paying labor and generating profits. Additionally, by using an incentive system, employers can encourage their staff to follow the development trends of the digital economy and acquire the skills and knowledge necessary to maximize the value of their human capital and increase their organization's capacity for value creation.

Additionally, businesses should look into and maximize their non-financial incentives, concentrate on enhancing employees' skills and giving them a platform for growth, create a system for employee training and development, and closely link business growth to the improvement of workers' human capital values. To promote employees' sense of cultural identity and organizational commitment, cultivate and build a corporate incentive culture with a long-term outlook, promote employees' sense of responsibility and mission, and inspire them to continually raise their own value.

4.4 Employees Should Enhance their Own Value and Competitive Advantage

The most effective way to raise the overall intrinsic value of human capital is through the active assimilation and digestion of newly acquired knowledge and skills by the individual human resource. Workers should be made aware of their leadership role in human capital investment and the link between the accumulation of human capital and future returns in order to encourage individual self-investment in human resources. This will increase the motivation of human resources to actively learn and acquire knowledge.

Many jobs have been replaced by machines as a result of the growth of the digital economy. Despite an increase in the number of highly skilled workers currently available on the job market and a general increase in population education levels, there is still a dearth of highly skilled workers and professionals. Enterprise layoffs and a rise in social unemployment are the current situation. Given this, employees of businesses need to develop a sense of crisis and constant improvement to reduce their risk of being fired. Only by taking the initiative to learn and accumulating a broad range of knowledge and vocational skills will we be able to cope with environmental change. The current external environment is unpredictable, digital technology iteration cycles are short, and only relying on university professional learning or enterprise training is unable to keep up with the pace of change. Employees should adopt a "career without boundaries" mentality[8], expand their employability, and apply their knowledge and skills in new settings. At the same time, workers should make it clear that career planning encompasses more than just planning and emphasizes "Career concept," which is not only limited to a specific period of time or stage of choice-making but also includes the actions taken to advance one's career. Employees should act in light of this by utilizing opportunities and modern technology to their fullest potential in order to foster their own sustainable development.

5. Conclusions

The competition between businesses is the competitiveness of individuals in the setting of the digital economy and the complex environment of strong competition. Enterprises should fully recognize the significance of enhancing the value of their human capital. Enhancing human capital value is a crucial component of a company's strategy for gaining a competitive advantage, a way to boost enterprise performance, and a way to foster independent innovation within the company. This paper analyses that the enhancement of human capital value in enterprises is influenced by conceptual factors, human resource practice factors, human capital status factors and macroeconomic factors. On the basis of this, it is hypothesized that increasing the value of human capital in businesses calls for the efforts of the government, society, businesses, and individuals in numerous aspects. Establishing

scientific human capital values and cultivating a favorable environment for the rapid advancement of digital technology are essential. Businesses must also establish an efficient incentive system to encourage the value of human capital. Finally, employees must enhance their own value and competitive advantage and cultivate a mindset of self-improvement and continuous learning. In this approach, human capital may contribute fully to the firm, assisting it to adapt to changes in the external environment and achieve sustainable development.

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