

2014

# BioTechnology

*An Indian Journal*

FULL PAPER

BTAIJ, 10(24), 2014 [16035-16040]

## Research on development of qualified personnel in state-owned enterprises restructuring

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### ABSTRACT

The development of qualified personnel is an important task in state-owned enterprise (SOE) restructuring, as well as a key factor affect the success of SOE restructuring and integration. This paper proposes the general idea of the qualified personnel development in SOE restructuring and integration. Then, we put forward the specific measures for qualified personnel development from three aspects, i.e. cultivate knowledge-based and innovation-oriented talents, and build backbone of the team and introducing high-level talent. Finally, the development modes of qualified personnel in SOE restructuring are discussed.

### KEYWORDS

State-owned enterprise (SOE); Enterprise restructuring; Qualified personnel; General idea; Specific measures; Modes.



## INTRODUCTION

In face of fierce market competition and the rapid development of business, state-owned enterprise (SOE) generally have enormous pressure about talent shortage after restructuring<sup>[1,2]</sup>. On the one hand, the talent gap of mature business become increasingly prominent with the market development and business growth<sup>[3]</sup>. The weakness of qualified personnel in professional field become the bottleneck which limits the further development of SOE. On the other hand, the growth of various talents needs a specific process and a certain amount of time, which promote the formation of contradiction between the urgent need for talent caused by the multifaceted development and rapid growth of business. This contradiction is particularly prominent in the new business.

In view of this situation, the restructured SOE should firmly grasp the core concept of “prospering enterprise”<sup>[4]</sup>. Establish and improve diversified talent training mechanism, fair talent using mechanisms, market-oriented talent flow mechanisms, systematic talent incentive mechanisms, personalized talent service mechanisms, and scientific talent leadership mechanisms. By means of various human resources management mechanisms<sup>[5]</sup>, such as systems, standards, training, appraisal, compensation, rewards and punishments, optimizing existing employees, enhancing the attraction of social talents, expanding the scale of qualified personnel, improving the knowledge structure of qualified personnel<sup>[6,7]</sup>, enhancing the overall quality of qualified personnel, and establishing a qualified personnel with excellent ideological style, work style and professional quality.

The qualified personnel of SOE should be continuously optimized<sup>[8]</sup> through recruitment, training, evaluation, motivation and job competition, etc. In this study, we present the general idea and specific measures for the development of qualified personnel in SOE restructuring from three aspects, i.e. training knowledge-based and innovation-oriented talent, building backbone of the team and introducing high-level talent. Finally, the development modes of qualified personnel in SOE restructuring are discussed.

## DEVELOPMENT STRATEGIES OF QUALIFIED PERSONNEL IN SOE RESTRUCTURING

### **The general idea of qualified personnel development in SOE restructuring**

At the beginning of SOE restructuring, it is difficult for some employees to adapt the new management and business structure of the restructured SOE. Also, there are not enough trained qualified personnel ready to take over from older experts, the knowledge structure of employees is simple, and the employees’ market awareness is weak and they lack the spirit of innovation. Particularly, the shortage of professionals in new business areas has become the bottleneck limiting the further development of enterprises.

In view of this situation, the restructured SOE should firmly grasp the “people-oriented” modern enterprise management concepts. Focus on the scientific and reasonable human resource development and adhere to the “talent is the first resource” development concept. Give full play to the organizational advantages of SOE and make efforts in the employees’ ideological work. By means of improving employees’ ideological concepts, changing employees’ specific behaviors and developing human resource strategies, pay particularly attention to the value-oriented role of enterprise culture, and inspire employees’ enthusiasm, and finally enhance the identity of employees to the restructured SOE.

At the same time, new human resource strategies need to be implemented and scientific and reasonable human resource management system and enterprise culture should be built in the process of qualified personnel development. According to the “clearly defined functions, management in place, coordination and consistency, efficient operation” standard, establish correct employment mechanism. Taking qualification as the core, the post system is established. Implement the management mechanism that “set-demand jobs, competition for employment, employment based on post, give full scope to the talents, jobs match people”, as well as the employment strategy that “let the people who want to work have the opportunities, let the people who have capability have stage, let the people who have work successfully become a respectable person”. Combine the organizational change with the building of

modern human resource management systems, reform the mechanism of selection and appointment, conduct scientific design and specification of institutional settings, job responsibilities and staffing. Transform the original fixed identity of employees to flexible labor contracts, implement full competition employment, and form echelon personnel structure and scientific employment system. Adhere to the principle that combining personnel training and introduction, equally emphasizing professionals and compound talents, particularly pay attention to exercise and train personnel during use. Preliminarily create an echelon personnel with outstanding professional skills and reasonable knowledge structure, also has the ability to adapt to the requirements of market economy. Change the concept of employing and mechanism, achieve the reasonable flow of talents, form correct guidance in appointing, inspire employees' enthusiasm and vitality, enhance employees' sense of competition. All of these measures can lay a solid base for the sustainable and rapid development of restructured SOE.

### **Specific measures for the development of qualified personnel in SOE restructuring**

The restructured SOE should comprehensively enhance its capacity of human resource allocation, and train the management personnel, professional and technical personnel, technological innovation talents and professional skilled workers with appropriate scale, reasonable structure and excellent quality. In addition, the scientific management and technological innovation capacities of qualified personnel should also be improved. Improve the personnel optimization, training, evaluation and incentive systems, and establish the talent competitive advantage to support the sustainable development of restructured SOE. These can play an exemplary role for the implementation of talent thriving enterprise.

#### **(a) Cultivate knowledge-based and innovation-oriented talents**

The development of qualified personnel should be an important strategy for the restructured SOE. Achieve rapid and healthy development of all the work of the restructured SOE by accelerating the cultivation of knowledge-based and innovation-oriented talents and business talents.

(1) Determine development goals of qualified personnel combine with the development strategic objectives. The restructured SOE should attach great importance to talent personnel work, and fully aware the importance of adhering the coordination of talent structure and business development, and particularly, the role in promoting business expansion and institutional innovation.

(2) Strengthen the knowledge and skills training and smooth the channel of career development. The restructured SOE should adhere the personnel training philosophy that enhancing training and improving staff quality according to the talent development plan. Based on the concept of respecting knowledge and talents, and combining the characteristics of SOE, further expand the scale of personnel training and improve talent innovation. According to the positioning talent in different levels, implement appropriate knowledge and skills training, and accelerate the knowledge update of talent team. Build growth platform for business and management professionals in all levels and kinds, and create a good environment which is conducive to the growth of talent. Encourage their employees to take continuous learning, improve their quality, and smooth the SOE personnel career development paths. In addition, the restructured SOE should establish internal trainer team, and encourage employees to actively participate in staff training. Take full advantage of the human, capital and other training resources of enterprise, safeguard the smooth development of the training. At the same time, further expanding the effective ways for internal knowledge accumulation, sharing and dissemination, thereby improving the overall level of the workforce and enhancing the competitiveness of restructured SOE.

(3) Strengthen incentives and stimulate innovation vigor of talents. The restructured SOE should vigorously implement the strategy of "talent thriving enterprise", comprehensively strengthen the development of qualified personnel, and accelerate the advancement of independent innovation capability. Improve the talent incentive mechanism from the height of SOE development strategy, adhere to the principle of human use-oriented, and break the obstacles that shackles the talent development. Recruit able people without overstressing qualifications, create a dynamic evaluation and incentive mechanism, introduce a variety of distribution methods, and establish a rational talent

allocation incentive mechanism. Improve the selection and employment mechanism, fully mobilize the enthusiasm and work ethic of employees, enhance employees' the sense of crisis and responsibility, stimulate the creativity of qualified personnel, and improve the competitiveness of the talents, thus promoting the sound development of restructured SOE.

**(b) Build the backbone of the team to maintain the sustainable and healthy development of SOE**

The restructured SOE should always take the construction of high-quality backbone as its critical task to maintain the core competitiveness, and continue to explore the methods and ways to enhance the quality of backbone under market environment. Thereby, ensure that the enterprise has always maintained a comparative advantage in the fierce market competition.

(1) Adapt to the needs of enterprise's strategy development and reshape the core values of the backbone. The thinking of backbone must be first unified and their ways of thinking must be changed to achieve strategic objectives of the restructured SOE. Thereby, bringing the backbone at all levels to establish the core values which are compatible with the strategic transformation of SOE. According to the strategic development needs, determine the common value and goals of backbone at all levels. Make the values of backbone in the same direction with the mission, vision, strategies and culture of the restructured SOE. Give full play to the value-oriented role of enterprise culture in the daily work, enhance the employees' sense of identity to the restructured SOE. By considering the existing outstanding problems in enterprise management activities and backbone, and organizing centralized study for core team members, clarify the enterprise's mission, vision and strategy, and make the backbone at all levels to unify their thinking and form consensus. Meanwhile, take the opportunities strategy report meetings, business analysis meetings, departmental meetings, and group workshops, etc. deepening the backbone's understanding of the core values. Make the new values of restructured SOE penetrate into all aspects of business management, and become the code of conduct consciously abided by the backbone of all levels.

(2) Combine the hierarchical classification training and personalized training, quickly upgrade the ability and quality of the backbone. The measures include: optimize and improve the enterprise training mechanism; take the training and learning situation of backbone at all levels as an important part of office investigation. Develop personalized training, take special training for the talents who have outstanding performance and remarkable achievements, and actively use well-known universities and other training institutions to carry out personnel training.

(3) Establish a scientific incentive mechanism and stimulate the backbone constantly pursuit progress. In response to the increasingly fierce market competition, differentiated performance evaluation criteria need to be determined. Implement target assessment for the backbone of functional departments, and strengthen the close integration of salary bonuses and job value, individual contribution. Strive to build all kinds of high-quality backbone, and effectively promote the quickly upgrade of management level of restructured SOE. Thereby, create human resource advantages for the sustainable, rapid and healthy development of the restructured SOE.

**(c) Vigorously introduce high-level talents, and boost the rapid development of enterprise**

High-level talent is an important part of the enterprise core competitiveness, which is directly related to the implement effect of restructured SOE's development strategies and the main direction of the strategies implementation. High-level talents have an irreplaceable important role in accelerating the shift of management philosophy, promoting institutional and technological innovation, creating the enterprise culture of "Let everybody fully display his talents".

(1) Strengthen the organization and leading and assign the talent introduction responsibility. Combining with need for personnel of the strategic development plan, the restructured SOE should take great effort to assign the talent introduction responsibility, and rapidly launch talent introduction. The introduction of talents should adhere to the guidelines of human resource work, determine the development strategy planning of talent optimization, and play the leading role of high-level personnel in the development of SOE and the development of qualified personnel. The responsibility system of

talents introduction should be established and improved so that guarantee the talents introduction on systems and processes. The responsibility system of talents introduction should be implemented in all departments and subsidiaries. Take the introduction and use of high-level talents as an important part to assess the leadership at all levels.

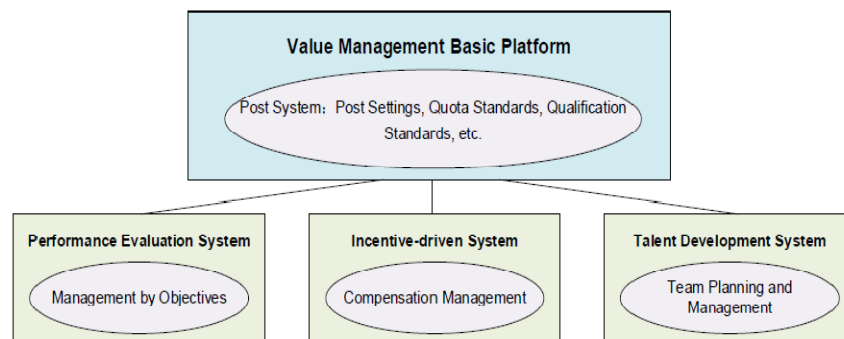
(2) Adhere to the leading role of strategy and focusing on high-level talent introduction. According to the strategic plan of restructured SOE, the need for high-level talents become increasingly urgent in order to realize the development of business by leaps and bounds. The introduction of talents should closely connect with the development plan restructured SOE, and the positioning and focus of talents introduction should be clarified. The talent introduction goal should be world-class enterprises, and the talent introduction objects should be positioned as senior personnel and experts. Through the introduction of high-level talents, and the improvement of personnel structure, build the highly efficient personnel that meet the needs of restructured SOE's development.

(3) Refine policy measures and broaden channels of talents introduction. In order to effectively implement the strategies of high-level talents introduction and better implement the talent thriving enterprise strategy, the human resource management of SOE should transform to a modern enterprise system. The high-level talents introduction policies and measures should be refined and improved. Adhere to both the introduction of talents and intelligence, and develop various talents introduction strategies.

(4) Build career platforms and take bold use of talents. In order to adapt to the needs of development plan and business structure optimization of restructured SOE, the high-level talents introduction should be continuously strengthened and the importance of high-level talents to the restructured SOE should be repeatedly emphasized. The newcomers should be boldly used, and the career platform of high-level talents should be build. Thereby, high-level talents can take root and grow in SOE.

### Development modes of qualified personnel in SOE restructuring

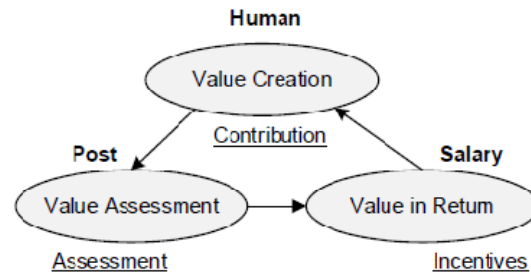
In order to better support the development of qualified personnel, we build a development model of qualified personnel which is consists of a basic platform and three management systems, as shown in Figure 1.



**Figure 1: A model of qualified personnel development in SOE restructuring**

Through the distributed construction and improvement of human resource management system, innovation of incentive mechanisms, the stimulation and realization of personal value, and the promotion and enhancement of enterprise value, the benign interaction between the whole enterprise and personal values is formed. The virtuous circle and dynamic balance of “value creation-value assessment-value in return” are achieved (Figure 2).

According to the above models, the specific measures include clearing and defining employees' development plans, establishing tutorial system of talents training, implementing staff rotation system, and promoting competition for employment system for all employees, etc.



**Figure 2: The virtuous circle of qualified personnel development in SOE restructuring**

## SUMMARY

Talent is not only a valuable kind of resource of SOE, but also a key factor for the successful restructuring of SOE. It is more complex and arduous for the restructured SOE's development of qualified personnel. In this paper, we discussed the general idea, specific measures and development model of qualified personnel development. However, the process of SOE restructuring is a complicated systematic project, in which qualified personnel is an extremely complex task. Furthermore, the objectives and background of qualified personnel development are different for different enterprises. This article is only a preliminary study, more deep and detailed studies are needed in the future.

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