Research on Evaluation and Development of Human Resource in State-owned Enterprise in China

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Abstract. The purpose of this research is to establish a human resource evaluation system, which can be used to evaluate human resource management in Chinese state-owned enterprise. A four-dimension model has been developed and applied to evaluate the effects of human resource management in Chinese state-owned enterprise in power industry. This model may reflect the human resource effect in three aspects which are manager, party member and employee. Suggestions on how to enhance human resource management have also be supplied for Chinese state-owned enterprise.

Introduction

Human resources are the first resource for enterprise, and a high-quality talent team plays a key role in the long-term development of enterprises. Research on human resource evaluation and development has been many years, while there are still few studies on Chinese state-owned enterprises. Compared with Western company, Chinese state-owned enterprise has its own particularities, mainly because state-owned enterprise has the characteristics of both commercial and public welfare. Its commercial nature is reflected in the pursuit of state-owned assets value-added, and its public welfare is reflected in the role on national economy regulation. Due to the different characteristics and nature of the company, human resource evaluation and development of state-owned enterprise has its uniqueness. This paper takes a large state-owned enterprise in China as an example, constructs a human resource evaluation system, evaluates the status quo of human resource, and combines the evaluation results to design a plan in human resource development.

Construction of Human Resource Evaluation System

Dimension of Human Resource Evaluation

China’s state-owned enterprise team building emphasizes politics, ability and attitude. It is required to continuously improve leadership of managers, model role of party members and ability of employee. Therefore, combined with the characteristics of human resources management in state-owned enterprises, this study construct three dimensions of human resource evaluation which are manager evaluation, party member evaluation and employee evaluation.

In the dimension of manager evaluation, state-owned enterprises require managers to adhere to the principle such as excessive belief, political firmness, strong responsibility, excellent ability and positive attitude. Manager performance is evaluated in five aspects which are diligence, enthusiasm, honesty, trust, and integrity. State-owned enterprise is striving to create a high quality of loyalty, responsibility and ability manager team. Manager should always work striving for the first place and be focus on the public rather than himself.

Party member evaluation is necessary because state-owned enterprise has continued to strengthen party building and put forward higher requirements for party members these years. In terms of human resource evaluation, state-owned enterprise requires party members to play a role of leading and pioneering. Party members are required to always reflect the advanced nature and adhere to high
standards and strict requirements, following the principle of ‘see me, follow me, and let me’. Party members are encouraged to take initiative and creative role in promoting the high-quality development of enterprise. By driving the masses, party members will lead all employees to make breakthroughs in innovation.

Employee evaluation is necessary because employee is the main body of human resource in state-owned enterprise. State-owned enterprises require employees to uphold the concept of ‘doing the best and excellent’ and building a team of diligence, innovation and dedication. Employee is encouraged to work proactive and think more in order to master true skills. Enterprise is trying to develop knowledge-based, skilled and innovative talents. ‘Doing ones job, loving ones job, mastering ones job’ is encouraged so that the majority of employees could make extraordinary performance in ordinary positions.

Construction of Human Resource Evaluation Indicators

**Indicators of Manager Evaluation.** There are two indicators of manager evaluation. The first indicator is Strong Leadership, which mainly reflects the comprehensive leadership of the company’s manager team. We takes manager democratic evaluation excellent merit rate for assessment. The second indicator is Integrity, which mainly reflects whether the managers are compliance with the rules and regulations the enterprise demands. We takes number of incidents in which manager violates laws and regulations or eight regulations for assessment.

**Indicators of Party Member Evaluation.** There are three indicators of evaluation. The first indicator is Pursuit of Excellence, which mainly reflects the overall development of the party building work of the company. We takes the ranks of the company’s party building performance evaluation in SGCC for assessment. The second indicator is Pioneer, which mainly reflects the amount of advanced typical models of party members. We takes the number of “National Pioneer Model Individual” and “National Pioneer Model Group Accumulated Quantity” as assessment. The third indicator is Party Development, which mainly reflects building and development of Party construction. We takes the rate of party member in all employees as assessment.

**Indicators of Employee Evaluation.** Normal employee is the backbone of human resource. The goal of human resource management is to make the employees create extraordinary achievements in ordinary position. The indicators of employee evaluation are divided into two parts which are Competency and Performance. In order to evaluate the Competency of employee, we design four indicators. The first indicator is Competition Test Results, which mainly reflects the knowledge and skill level of the first-line staff. It is evaluated by the test results which is organized by the relevant national ministries and commissions, or the China Electricity Council, or the State Grid Corporation. The skill competition, knowledge contest and professional examination results are measured. The skills of the top ten in the skill competition, knowledge contest and professional examination are used as evaluation indicators. The second indicator is High-Level Talent Development Effectiveness, which mainly reflects the development of leading talents and experts at all levels. The indicator is evaluated by the proportion of four types of talents among all employees, which is an honor of the excellent employee in the corporation. The third indicator is Skilled Talent Development Effectiveness, which mainly reflects the improvement of the quality and ability of the skills talents. The indicator is evaluated by the proportion of senior workers, technicians, senior technicians and dual-skilled personnel in the power industry. The forth indicator is Comprehensive Quality Improvement, which mainly reflects the development and cultivation of the overall quality and ability of the staff. It measures by the talent equivalent density, which evaluates the improvement of comprehensive quality from the aspects of academic qualifications, degree, professional title, skill level and expert talent level. In order to evaluate the Performance of employee, we use Labor Productivity as the indicator, which takes per capita labor production value of workers to evaluate.
The evaluation system and the calculation of the indicators are showed as table 1.

**Cultivation and Development of Human Resource**

The key to cultivation and development of human resource of state-owned enterprises is to improve the internal management mechanism and stimulate the enthusiasm and innovation of the employees.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Indicator</th>
<th>Calculation</th>
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<tbody>
<tr>
<td>Manager</td>
<td>Strong Leadership</td>
<td>manager democratic evaluation excellent merit rate</td>
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<tr>
<td></td>
<td>Integrity</td>
<td>number of incidents in which manager violates laws and regulations or eight regulations</td>
</tr>
<tr>
<td>Party Member</td>
<td>Pursuit of Excellence</td>
<td>the ranks of the company’s party building performance evaluation in the corporation</td>
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<td></td>
<td>Pioneer</td>
<td>the number of individuals honored “National Pioneer Model Individual” or “National Pioneer Model Group Accumulated Quantity”</td>
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<td></td>
<td>Party Development</td>
<td>the rate of party member in all employees</td>
</tr>
<tr>
<td>Employee Competency</td>
<td>Competition Test Results</td>
<td>the test results which is organized by the relevant national ministries and commissions, or the China Electricity Council, or the State Grid Corporation</td>
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<tr>
<td></td>
<td>High-Level Talent</td>
<td>the proportion of four types of talents among all employees, which is an honor of the excellent employee</td>
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<td>Development</td>
<td>Effectiveness</td>
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<tr>
<td></td>
<td>Skilled Talent</td>
<td>the proportion of senior workers, technicians, senior technicians and dual-skilled personnel in the power industry</td>
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<tr>
<td>Development</td>
<td>Effectiveness</td>
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<td></td>
<td>Comprehensive Quality</td>
<td>talent equivalent density</td>
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<td>Improvement</td>
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<tr>
<td>Employee Performance</td>
<td>Labor Productivity</td>
<td>per capita labor production value of workers</td>
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</table>

**Establish a Human-Oriented Concept of Human Resource Management.** Guided by the company's strategy, talent team construction should be closely linked to the company's development strategy, so that talent cultivation and development of human resource will be organically unified with business innovation and development. Always regard "respecting people, relying on people, developing people, and doing for people" as the starting point and the end result of the construction of human resource management. Development of human resource should consider talents’ ability and motivation of development, providing fair development opportunities for different employee, in order to enhance the comprehensive skills and ability in the long run.

**Establish a Market-Oriented Employment System.** Establish and improve a market-oriented employment system based on contract management and post management. The company should also improve the internal market allocation mechanism of talent teams and encourage internal mobility of talents. Focusing on public information, expanding scope, and two-way choices, we will play a central role in the allocation of human resources, and raise employee awareness and crisis awareness. An internal exit or transfer mechanism should be established, combing exit transfer with performance appraisal, retraining and remuneration. A talent pool should also be formed in order to provide reasonable space for incentives, assessment and job allocation.

**Optimize Incentive Assessment Mechanism.** The linkage between performance and personal income should be strengthened. Performance-oriented, market-oriented, and technology-oriented should be advocated, while the salary gap between employees should be rationally widen, so that employees with performance and ability can get the rewards they deserve. The linkage between employee performance appraisal and salary adjustment as well as allocation should also be strengthened. A special performance award for internal profit contribution should be established. The goal of all these methods is to make personal salary increase and reduce with their performance. In the decomposition of total wages, high-efficiency business, core business, and emerging business should have higher proportion. In the design of salary standards, research and development,
marketing, engineering and market front business positions should have higher base wage. In the process of employee income distribution, high-value, high-contribution, high-performance employees should have more income.

**Build a Learning Organization.** Cultivation of compound and high-level talents should be strengthened. With the rapid change of new technology, upgrading thinking and cognition should be strengthened, in order to improve the awareness of active learning and strengthen the sense of urgency and consciousness of learning new technology. A classified key talent competency model should be established, in order to effectively identify high potential reserve talents in key positions. A key talent pool should be built to lay the foundation for core talent development. Knowledge sharing should be strengthened within and across departments in order to create a learning atmosphere. Innovation should be encouraged through internal display platform which may provide employees with ways to demonstrate self-worth and improve their abilities.

**Create a Corporate Culture that Respects Labor and Creation.** The company should pay more attention to enhance the loyalty of employees, and stimulate the vitality, cohesion and creativity of the broad workforce. Employees' enthusiasm for innovation should be encouraged by providing adequate resource and supportive platform. The company should promote employees' self-worth and play a long-term role in business incentives. The company should establish a craftsmanship spirit in which employees adhere to their work and strive for excellence. The company should also encourage employees to be the pride and mission of employees in the sense of ownership. The company should inspire the talent team to work hard with a great cause and lofty beliefs.

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**References**


