

State-Owned Enterprise Grass-Roots Staff Mobility Research--Shanghai Automotive Industry Corporation, For Example

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Abstract

Along with the deepening of China's reform and opening up, China's socialist market economic system reform has entered the deep waters. Reform in personnel system in state-owned enterprises, the enterprises and the public pay more attention to is the flow of business executives as well as the compensation, but neglected the main body status of enterprises accounted for junior staff liquidity problem, as the direct creator of enterprise wealth, grassroots employees should receive more attention and care, this part of the group's liquidity problems directly affect the enterprise's growth and value realization. Under the background of Oriental culture, therefore, by using the thoughts of Oriental management, analysis of saic in control flow of people at the grass-roots level of good practice and the insufficiency, for our country enterprise entity especially provide beneficial reference for the personnel system reform of state-owned enterprises, to maintain and improve the market competitiveness of state-owned enterprises to provide effective support of human capital.

Key words: State-owned enterprises; liquidity; people-oriented; incentive

The flow of the enterprise personnel since the 18th century industrial revolution, has always been the important problem of enterprise and society from the Angle of enterprises, business owners, by improving the staff's working environment and treatment to reduce staff turnover, reduce the flow of enterprise employees, to maintain the competitiveness of the enterprises. From the perspective of the state and society, in order to maintain the country's industrial advantage, countries have adopted a strict immigration policy, to limit its transnational flow of technical workers, this also from another perspective, to verify the human resources are the important resources of enterprises and even the whole countries, enterprise staff's high flow will only cause the loss of competitiveness.

The flow of the staff is refers to the enterprise staff work by a state to another state. In general, the flow of the enterprise staff can be divided into three categories, namely the inflow, outflow and three types of internal flow. Management guru Peter drucker explicitly pointed out in the "21st century management challenges" : "in the 21st century, a either for-profit or nonprofit organization, it is the most valuable asset is the knowledge workers and their productivity." Through continuous mining of human resource, is the enterprise to obtain competitive power, realize the important means of enterprise growth. Under the condition of market economy because of the competition in the talent market makes the enterprise staff's departure, job-hopping phenomenon is increasingly prominent, and personnel flow direct mean the sinking of the corporate training costs and the decrease of human capital, so enterprise staff liquidity problem has become an important problem in corporations cannot be ignored and avoided.

Katz pointed out that the organization and people, a process of growth, maturity and decline, the best age interval tissue for 1.5-5 years, more than 5 years there will be a group of aging, and the way to solve the problem is through the flow of talent on organizational restructuring. At the same time, he also pointed out that the flow of personnel is not easy too fast, flow interval should be more than 2 years, this is the adaptation to environment and the required time to complete a project limit. American scholar Kuck in its famous Kuck curve, from the perspective of how to better play to people's creativity demonstrates the necessity of employee turnover.

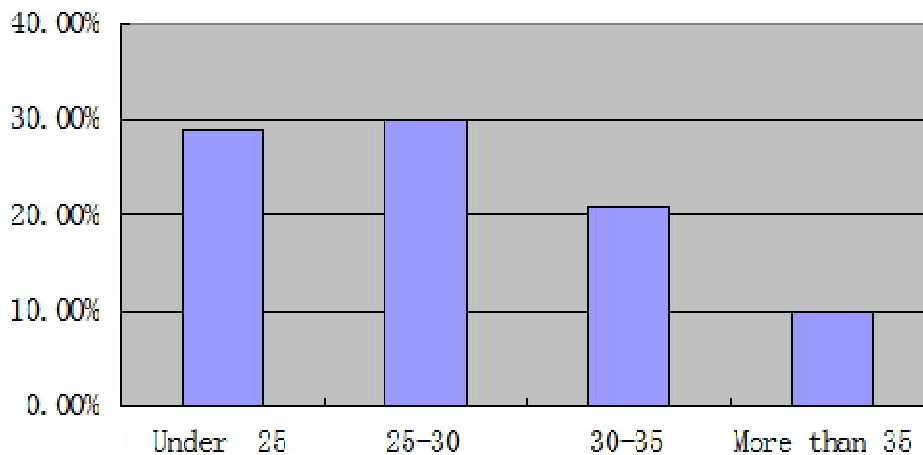
Creativity play a optimal period, more than a fixed number of year, the employee's creativity will enter the attenuation stability. To arouse the creativity of employees, should be timely to the positions of employees quit, changing jobs and the environment, or out of business. Employees at the grass-roots level is the main body of enterprise employees, this part of the group is refers to the enterprise organization system does not hold any position in general, general management, management status and technical personnel, first-line production workers and other types of service personnel. The staff at the basic level organization not only exists as a kind of resource of the enterprise, while carrying a huge cost investment, enterprise staff turnover also means that the sunk cost.

Comrade Jiang Zemin pointed out in reports of The Fifteenth National People's Congress: "talent is the most important resource for scientific and technological progress and economic and social development, to establish a favorable talent training and the use of incentive mechanisms." Practice has proved that through the establishment of a reasonable set of personnel system and incentive mechanism to maintain the appropriate level of personnel flow is an important means to maintain and enhance the competitiveness of enterprises. How to maintain the level of appropriate personnel flow is a business entity is an important subject in the reform of the personnel system in state-owned enterprises, also is the key to maintain and enhance the market competitiveness of state-owned enterprises.

Analysis of enterprise grass-roots staff mobility

At the enterprise level employees, 35 years old of the following staff often occupy a large proportion, after 80, after 90 to occupy the main body of enterprise employees, according to Maslow's hierarchy of needs theory,different ages, different people will have different needs, liquidity analysis for enterprises to strengthen liquidity control be of great advantage to the grass-roots staff the age structure of different employees and special needs.

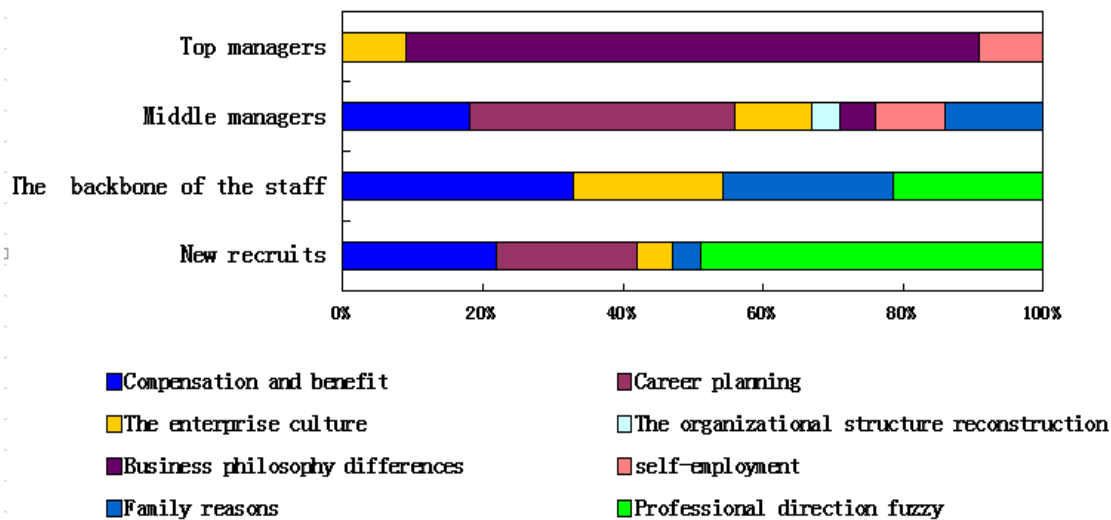
Ages turnover rate analysis



(Data sources: PXC. 2012 semi annual report turnover rate, 2012)

According to the survey data of PXC turnover rate, turnover rate in the first half of 2012 more than 30% of the population is concentrated in the 30 years old the following, the so-called after 90 and 80 employees. Enterprise very large proportion of these grassroots employees stay at less than 30% of the enterprise development a year later, at the same time, this part of the employees are often faced with secondary career choice, is the high jump, turnover rate reached 32.5%. 30-35 aged population basic belongs to the career orientation period, taller also to settle down and start a family needs, tend to seek a better salary, benefits and stable career development space. This part of the population owns strong knowledge and experience, their departure bring adverse effect than the former two. And over the age of 35 employees basically in the career plateau, turnover rate will decrease accordingly.

Reasons analysis of different levels of staff turnover



(Data sources: PXC. 2012 semi annual report turnover rate, 2012)

Through leaving reasons of the different age, different professional levels analysis, we found that new recruits is affected by the initial orientation, career planning is unclear, thus become the main reason for his departure. Backbone employees at the grass-roots level is in the rising of my career, career direction basic determine, for career development and compensation benefits have very high demand, at the same time at the grass-roots level backbone layer is also a family settled in the concentration of population, family reasons is often one of the main factors of choosing a career. Meet their physiological and safety needs become an important means to reduce this part of the group turnover.

Features of state-owned enterprise human resources management system and grass-roots staff liquidity :

The analysis of the human resource management system of state owned enterprises

China's state-owned enterprises of the existing human resources management, most still continue to use the planned economy system that set of personnel management. This pattern from the 500 s and 80 s basic no change, although carried out a series of reform since the reform and opening up, but the overall is still in the traditional personnel management phase, the function of the personnel department for salary allocation scheme and personnel deployment, promotion, training, etc. In stress free flow of people, under the market economic system of the enterprise development strategy, the separation and the lack of a set of effective mechanism of incentives and training of human resource management mode has been difficult to adapt to the needs of the market competition. Overall, China's state-owned enterprise human resources management mainly exist the following problems:

1. The development of strategic human resource management and enterprise separation. Chinese state-owned enterprise human resources department is set for the management of enterprise staff to a great extent, instead of serving for the development strategy of the enterprise, which determines the nature of human resources management of state-owned enterprises, while ignoring the nature of service.
2. Lacking effective the compensation system, which can reflect the individual performance and contribution . State owned enterprises widespread industry monopoly, the monopoly income generally high, wages are high, but the enthusiasm of the staff is not particularly high, more personnel than work available of the phenomenon is still serious, and it is for this reason. Because people have inertia, if can get high salary but also can relax, everybody still does not work hard. Of course, there are also some state-owned enterprises excessive emphasis on individual performance, but lead to insufficient collaboration, serious internal friction, which is obviously the performance index layout is not reasonable, not the team cooperation into account.

3. Lacking a reasonable mechanism that can make full use of human resources effectiveness . China's state-owned enterprises is not without talent, but did not make good use of talent. First is the selection mechanism has problems, the state-owned enterprises basically is the leading proposal, then the personnel department investigation, the organization appointed. It was nothing, but because the owner of the state-owned enterprises is the abstract state, the operator is a specific individual, it is difficult to ensure the responsible person of the enterprise is not seeking, to provide the operation space and choosing mechanism in old, opaque just for this behavior, it is difficult to do justice, merit. Then is the responsibility is not clear, the lack of specific job description, job position indicators and matching power and punishment standards, so the staff or worry about personal gains and losses, put don't open hands, or muddle along, do things carelessly.
4. Lacking the perfect human resources development and training system. To give full play to the utility of human resources, We should not only to exert the enthusiasm and initiative of employees, but strive to improve the quality of staff and skills, which requires the enterprise staff in a planned and continuous training, education and development. Some people think it is a school, or employees themselves should not be done by the enterprise, this is clearly not understand the laws of talent growth. In fact, the environment is the enterprise talented person growth of the best schools, experience and strategy is the enterprise talented person most the study of knowledge, the enterprise the management practice is the best way to enterprise talent growth. Unfortunately, most of the state-owned enterprises obviously have not aware of this, or that they don't want to do this, because these firms are also more than short-term post technical training, and the lack of from the perspective of exploitation potential, combined with its own development strategy, cultivate enterprise development needs of all kinds of talents, especially the enterprise operation and management personnel.

Overall, China's state-owned enterprise human resources is actually the old problems, personnel management mode under planned economy system under the market economic system does not adapt. With the further development of China's market economy, the opening of the industry, as well as the process of economic globalization, the model will be increasingly difficult to meet the needs of the market competition.

State-owned enterprises liquidity characteristics of junior staff

The lack of effective elimination and exit mechanism. Because of the particularity of state-owned enterprises, the principal agent problems reflect the universal existence, to the grassroots, employees also have a corresponding lazy psychology, not only into or more than a little into the personnel management mechanism in the state-owned enterprises always exist bloated or more personnel than work available phenomenon, which seriously affect the market competitiveness of enterprises and innovation capability. Outflow of talented employees is more serious. Due to the state-owned enterprises based on the planned economy era, in terms of salary and promotion inevitably exist disadvantages, under the influence of market economy, as well as other ownership economic flexibility, employees has rich experience of the grassroots constantly tap into the talent market, which not only result in its own productive service losses, at the same time, does for other competitors to reduce the conversion cost of new employees. The lack of effective internal flow channel. the arrangement of the staff of state-owned enterprises tend to be arranged by the form, makes the employees often can't choose their preferences or good at work, at the same time, personnel transfer process of state-owned enterprises is not only complicated but also affected by some of the ways of the world, it often limits the creative play staff and the realization of value, and the solution to the problem only is the outward flow of state-owned enterprises staff.

According to China's human resources research network provides a data, for an ideal turnover of enterprises with 45% surveyed chose between 5% and 10%, 33% of the enterprises to choose the 5%, 22% of companies have chosen by 10% to 15%, and no enterprises choose below 5% and more than 15% of the turnover rate. Data shows that researchers of high turnover rate obviously can not be accepted by enterprises at the same time they also hope that through the enterprise employees appropriate flow to maintain and enhance the competitiveness of the enterprises.

For a long time the state-owned enterprises has always been synonymous with stable work, but according to Clayton Alderfer's ERG theory is not difficult to find excessive stability is not conducive to enterprise staff's growth, the personal goals and organizational goals conflict, and when the goals of the organization can not meet the personal goal, the flow will become inevitable. At the same time in the state-owned enterprises of this flow is often associated with the adverse selection, and then coupled with the lack of elimination mechanism, brings to the state-owned enterprises can only be a net loss of competitiveness.

As the mainstay of national economy in China, State-owned enterprises are one of the important force to promote China's economic and social development. Building up bad tide of incentive system and maintaining appropriate personnel flow to enhance the market competitiveness of state-owned enterprises are the purpose of realization of the value of state-owned assets and expectations of the state and society, which is also a important research topic in the Chinese academic circles.

Research of the grass-roots staff mobility control of SAIC

SAIC is currently the largest car manufacturer and distributor, for the three time by Fortune magazine as the world's top 500 enterprises. SAIC not only as the Shanghai Automotive Industry Corporation of English abbreviations also reflects the core value of SAIC Group, which meet the needs of users(Satisfaction from Customer), improve the ability of innovation (Advantage through Innovation), integration of global resources (Internationalization in Operation), advocating humanistic management (Concentration on People),as the Chinese automobile industry eagerly, SAIC always take the human resource as the first resource of the enterprise, and around the core value of people-oriented in talent development strategy and training system of the accumulated unique experience. Provide a useful reference to basic level employee flow control for the state-owned enterprises to strengthen.

Improving human resources management process, not only can effectively enhance the enterprise personnel management, but also can provide effective organization and human resource guarantee for the implementation of enterprise strategic planning and annual business plan. SAIC human resource management process as a closed system, formed from the introduction of talents, occupation career planning, training, assessment, incentives, with the effective mechanism of unqualified staff eliminated, in keeping with excellent reserve talents reasonable mobility of employees, the level of the enterprise at the same time, also provide an effective platform to realize its own value for the staff, so as to realize the win-win of enterprises and employees.

Employee occupation development plan

Career development module mainly includes the design career and personal development guidance, training and the cultivation of reserve forces, and other links, from the management mechanism enables employees to clear its value orientation. Pay to the employee's knowledge and labor and enterprises create career growth opportunities for the employees is balanced. Through design career development plans for employees, SAIC has been clear about the employee development orbit and promotion standards, enable employees to fully understand their own career development trajectory, dependence on the organization, enhance staff provide open career opportunities at the same time, form the benign competition and incentive environment.

There are an important part in this module is to construct an effective of reserve force training processes. Starting from setting key positions by rigorous assessment and audit program found reserve forces, and implement strict tracking examination management, the most talented employees promoted to positions of the most important, avoids the phenomenon of adverse selection, for the continuous development of the enterprise to provide the most effective talent guarantee.

Effective performance management

SAIC 's performance management system is divided into two part and two levels: organizational performance and employee performance. A plane is the various enterprises, set the objective of each business entity has special MBO evaluation team for evaluation. Second is appraisal index, appraisal index decomposition to the sector, according to enterprise and to examine the combined with the construction sector.

For employee performance is mainly based on the division of MBO, and combining its own responsibility, on the basis of job analysis and evaluation, determine the position of the "output" goal.



Rolling development of human resources

On the basis of decomposing the employee's performance indicators to set up key performance indicators for performance appraisal. Ultimately achieve the organization's performance is composed of staff performance, management performance targets reflected in the management of employee's performance goals. And sector performance, the circumstances of the performance of the enterprise, will be reflected in the final performance evaluation of employees.

Rational incentive system

On the basis of effective performance appraisal, the rational use of various incentives can makes the staff always remaining in the excited state is an important work of the enterprise. SAIC by decomposing the performance index, the various products, each department's responsibility, mission, clearly set up incentives based on performance.

The incentive system of SAIC by material rewards, occupation opportunity and values by three modules. In the talent market value driven, material rewards by the fixed salary, performance bonus and welfare, the evaluation of personal ability determines its fixed salary amount and movements, performance bonus is paid according to the performance evaluation results, and on the basis of its performance set the reward, will directly linked to income and performance, in the realization of quality differentiation at the same time, also for employees to achieve internal growth, occupation opportunity provides a fair competition environment. Values encourage more is the organization of staff spiritual encouragement, make employee to work state and creative.

Through the establishment of a sound human resource management process, from the introduction of SAIC personnel, clear organization need what kind of people, strengthen the training of employees in order to achieve employee knowledge and experience. In the process of working through individual and team performance appraisal to arouse the organization and individual potential, to attract people, retain people, cultivate people, exercise one's vision. But in the whole process of human resource management, performance management is the foundation of the whole system, performance appraisal has become the focus of the entire human resources management, in practice because of the state-owned enterprise of large scale is difficult to realize the feedback communication and information between level, thus causing grass-roots departments and employees are often accepted performance index layer the passive, not conducive to the grass-roots staff's enthusiasm and the initiative, if things go on like this will make the organization rigid, not conducive to the sustainable development of enterprises.

On Oriental Management theory for the grass-roots staff flow problems

Oriental management is created by Professor Su Dongshui in the 80's of last century, rooted in the oriental management culture, and from the perspective of Oriental society and management culture absorbed the essence of creative subject of Western management science, it brings together the wisdom of Eastern Management culture. The "people-oriented", "to Germany for the first", "people-oriented" "three for" thought is the essence of Oriental management, the main line and purpose. In today's context society to pursue the regression, Oriental management is provided to solve the liquidity problem for their staff, and establish incentive mechanism and methods of new perspective.

1. Strengthen the employee career planning education. For junior staff career planning is not clear and departure phenomenon, through such an education can make clear the basic business employees, their own career development orbit, improve employee's expectations of the future, realize the combination of individual efforts and personal goal, finally realizes the organization retain employees, developing the desire of the employees.
2. Improve grassroots employees in corporate earnings allocation proportion, "based on employees". Staff is enterprise's main body, is the enterprise value of the direct implementers, in an era of "capital", the operator more consideration is in the interests of the shareholders, but often ignore the interests of the vast majority of enterprises accounted for the grassroots employees, the profit distribution of unequal, often cause the loss of overall motivation of employees, does not favor the organization to promote the efficiency of the whole.

3. Change "position qualification" for "functional qualification system". The organization form of pyramid in state-owned enterprises generally become the bottleneck of employee career development and management co., LTD has also increased the competition between employees, often cause disharmony within the organization. And qualification system functions by the kinds of positions and duties transversely, according to the staff's practical ability, to evaluate the level of qualification of according to regulations, all have the qualification of the employees have the chance of promotion, the promotion is the qualification of promotion, ultimately through the salary adjustment to reflect. Functional qualification system can avoid the bad competition between employees, makes the knowledge and experience in benign communication between employees and reduce the system cost of the organization.
4. Simplify the organizations at the grass-roots level to level of organization, fully authorized. State-owned enterprises generally have large organizations and multi-level hierarchy, this kind of organization form often causes information transfer the shrinkage and distortion in the organization, is not conducive to communication and feedback of information between higher and lower in the organization. Fully authorized for grassroots organizations is not only beneficial to grassroots organizations and the employees since the implementation of management, from the constraints, but also can cultivate more management personnel for the enterprise.
5. Pay equal attention to material incentive and spiritual incentive . Enterprises should not only as a profitable organization, but also to give employees in mental care, listen to staff needs, respect employees' values, for employees to spiritual encouragement, tend to receive better effect than material incentive.

Entered in twenty-first Century, in the economic crisis and the "occupation of Wall Street" be raging like a storm time big background, "capital" as the idea was widely questioned and criticized, and "people-oriented" proposition is gaining wide recognition of the state and society, "says as Guan Zi Ba Yan": "If the king wants to create the country, he must be people-oriented". As the main body of the enterprise, employees should be paid more attention, as the operator of the enterprise, starting from the employee's perspective, in order to keep and improve the competitiveness of enterprises, establish "to employees for the" incentive system and employment system, can make the enterprise value is widely recognized by the staff, reduce employee especially the grassroots the employee turnover rate, at the same time employees will be accompanied with enterprise common growth, continue to carry out the accumulation of knowledge and experience, so as to provide the impetus for further growth of the enterprise.

As the pillar of the national economy, state-owned enterprises play a leading role to the development of national economy, in the face of the challenges and the impact of market economy, personnel's bloated and the loss of good staff has become the important obstacle of state-owned enterprise to improve its market competitiveness, saic, the practice of the reform of state-owned enterprise personnel system provides a valuable experience. To establish a people-oriented incentive and appraisal system, reconstruction of human resources management process is inevitable important issues the personnel system reform of state-owned enterprises, but also become the only way for the sustainable development.

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