

# An Analysis of the Current State of Human Resource Management in Chinese State-Owned Enterprises and Strategies for Development Optimization: A Case Study of Electric Power Companies

Yuyao Geng \*

Human Resource Management, University of Leeds, Leeds, UK

\* Corresponding Author Email: nhlb9192@leeds.ac.uk

**Abstract.** In the age of knowledge economies, to promote social and economic development, talent is a key resource, which is especially important in the power industry. If electric power enterprises want to achieve efficient development, they need to pay attention to and optimize human resource management and attract high-quality talent to enhance the vitality of the business. However, some enterprises have shortcomings in management concepts and performance systems, which limit employees' potential and affect competitiveness. To solve these problems, electric power enterprises need to update the management concept, improve the performance system, stimulate the enthusiasm and creativity of employees, and promote the sustainable development of enterprises. It is hoped that through the research of this thesis, we can solve many difficulties in human resource management of the enterprise, have a certain theoretical support for the design of human resource management plan of the enterprise, and have a reference for the detailed criteria decision-making of human resource development and management in the later stage of enterprise.

**Keywords:** Electric power enterprises; human resource management; HRM innovation.

## 1. Introduction

### 1.1. The Background to The Study

As China's economic reforms have gathered pace, the electric power sector has become a significant contributor to the country's growth. However, the management of these enterprises has also encountered challenges. In the context of the big data era, the traditional model of human resource management in electric power enterprises is no longer applicable, and it is necessary to optimize and improve the management model to improve the utilization rate of resources [1]. For enterprises to achieve long-term development, it is necessary to do a good job of planning around the cultivation of talents and accumulating development power [2]. At present, electric power enterprises have deficiencies in human resource management mechanisms, personnel composition, and assessment, which affect internal vitality and competitiveness. To cope with challenges, electric power enterprises must innovate their management methods, establish a sound human resource management system, and establish a reasonable performance appraisal mechanism to meet the needs of the new period and promote the smooth and sustainable development of the enterprises.

### 1.2. Significance of the Study

Despite the abundance of research on human resource management in China, there is a paucity of studies that have examined the challenges confronting the growth of electric power companies. Optimizing human resources and management in the context of SOE reform and power system reform can further enrich human resource theories. Human resource management in electric power enterprises can effectively promote the development of the enterprise, promote the gradual improvement and development of China's human resource management, and promote the long-term development of electric power enterprises [3].

Whether the company can really make good use of these talents depends on whether the company has mastered and implemented modern human resource management development techniques and

methods and whether the company can create a good corporate culture environment conducive to human resource development. Therefore, this study has some practical value.

## **2. Literature Review**

### **2.1. The Logic of Human Resource Management in Chinese State-Owned Enterprises**

It is imperative that the human resource management of Chinese state-owned enterprises (SOEs) be closely aligned with the government's macroeconomic policies, particularly regarding the valuation of state-owned assets, the reform of SOEs, and employee welfare. State-owned enterprises (SOEs) typically prioritize long-term workforce stability, making infrequent personnel changes. This is partly due to their social responsibilities, including providing employment security and promoting employee welfare. Overall, human resource management in SOEs needs to fulfill its responsibilities to the state and society while maintaining market competitiveness, which makes its management system complex and uniquely flexible.

### **2.2. Human Resource Management and Operational Logic in Chinese Power Companies**

As a core component of national strategic resources, electric power enterprises must closely follow the national energy development strategy, especially in green energy transformation and new energy development. Chinese electric power enterprises usually operate in the form of large groups with an intensive management model, presenting a multi-level management structure, and human resource management with strong administrative characteristics, with unified planning by the group and specific implementation by branch offices. Due to the high security and technical requirements of the power industry, the career stability and sense of belonging of employees are strong, and stability is regarded as the key to guaranteeing the safe operation of the power system.

With the advancement of power market reform, human resource management in power enterprises has gradually transformed into a more flexible and market-oriented mechanism while continuing to emphasize technology orientation, talent cultivation, and safety culture construction. This management model integrates the traditional management logic of state-owned enterprises with the special needs of the power industry.

## **3. Research Content and Methodology**

### **3.1. Research Content**

The specific content of this paper is divided into six parts: the introductory part of Chapter 1, which introduces the background and significance of the study and outlines the research. Chapter 2 provides related concepts and relevant background knowledge. Chapter three explains the research process and methodology of this paper. Chapter 4 diagnoses the human resource management problems of electric power enterprises and further refines the existing problems in human resource management of electric power enterprises. Chapter 5 proposes the optimization of such human resource problems in electric power enterprises. The last is the concluding part of this paper, which comprehensively summarizes and outlines the contents of the whole paper. To further deepen the targeted role of the management recommendations proposed in Chapter 5 on the human resource problems of electric power enterprises.

### **3.2. Research Methodology**

This paper adopts the research method of a literature study to analyze the problems and reasons in the existing human resources management and explore the human resources optimization suggestions suitable for electric power enterprises.

This research is for electric power enterprises' human resource optimization research, with more related theories, the research link in the Wanfang database, the Wipo foreign language journal website,

and so on to collect and read a lot of theories and literature information on the relevant research results to do a certain collation, summary, and induction.

## **4. Human Resource Management Pain Points in Chinese Power Companies**

### **4.1. Outdated Human Resources Management Mechanisms**

At present, there is a lack of long-term planning and systematic problems in human resource management in electric power enterprises, which leads to low efficiency in the implementation of tasks and is prone to deviations. In the process of formulating management regulations, some leaders of power enterprises seldom consider the actual development of the enterprise, resulting in various rules and regulations in formality [4]. The absence of data support presents a significant challenge for companies seeking to develop and implement scientific solutions. In the absence of reliable data, it is difficult for companies to make informed adjustments in response to changes in the internal and external environment. At the same time, external talent demand standards are unclear, and internal staffing is unreasonable, which affects management efficiency. The human resource management of electric power enterprises is still "work-centered" and adopts a highly centralized vertical management mode, which means that the grassroots enterprises lack autonomy and can only passively carry out the instructions of their superiors, resulting in a small income gap among employees, a lack of incentives, and a lack of initiative.

### **4.2. Complex Staff Composition, Difficult to Manage**

The intrinsic structure and characteristics of power companies impede the effective implementation of a modern human resource management system, thereby increasing the complexity and difficulty of management. The large and complex personnel structure lacks unified ideological training and unified management, which causes many management dilemmas. Despite the ongoing enhancement of the company's technological resources, the collective proficiency of its workforce has not paralleled the advancement of these resources. In addition, the recruitment mechanism of electric power enterprises is gradually closed, and many employees enter through relationships or internal channels, resulting in low overall quality and insufficient professional and technical skills, which makes it difficult to meet the needs of enterprise development and affects technological progress and long-term development.

### **4.3. No Perfect Staff Appraisal System**

There are obvious shortcomings in the employee appraisal system of electric power companies, which lacks accurate performance evaluation and skill testing, making it difficult to improve the career level of employees and reducing their work motivation and initiative. At present, an appraisal is conducted only once a year, which fails to fully understand the work performance and achievements of employees and misses the important opportunity to train and improve employees. In addition, the appraisal standards are not detailed enough, and the management is loose, which makes the performance appraisal virtual and unable to play its due role. Employees lack an understanding of appraisal results, making it difficult for them to understand their own work status and effectively adjust their working methods and goals. Furthermore, personal interests are not aligned with performance appraisal. The absence of a corresponding reward mechanism results in a lack of motivation among employees to enhance the quality and efficiency of their work.

## **5. Initiatives to Optimize Human Resources Management in China's State-Owned Power Enterprises**

### **5.1. Optimize Human Resource's Structure and Allocation**

Electric power enterprises have many employees, but there is a relative lack of real technical talent. Enterprises should actively release talent recruitment information to the community to attract more excellent and high-quality talents and expand the scope of recruitment, open talent recruitment, to introduce innovative, professional, and practical talents, injecting fresh blood for the development of enterprises. At the same time, strengthen recruitment efforts and improve recruitment standards through a variety of ways to recruit, upholding the principle of meritocracy. In addition, enterprises can also try to sign a strategic plan for talent training with major universities, which can not only cultivate excellent personnel but also reduce the phenomenon of relationships, to ensure that enterprises are in the competition to maintain basic fairness. Effective human resources management not only helps to attract, develop and retain talented people, but also enhances the competitiveness of an enterprise, improves its performance and contributes to its sustainable development [5].

### **5.2. Establishment of a Sound Enterprise Staff Training Mechanism**

The incentive mechanism is one of the most important driving forces to motivate employees and achieve business goals. As an excellent human resources manager, you must be good at motivating employees, stimulating their enthusiasm for work, and making them take the initiative to complete their tasks. Cultivating high-quality talents is the key to improving the overall quality of employees but also the core means for companies to take advantage of market competition. Developing internal talent not only reduces recruitment costs, but also increases employee loyalty and motivation [6]. Therefore, companies need to increase investment in employee training and education, provide incentives, encourage employees to study abroad and create a corporate culture that encourages learning and self-improvement. As reported in Saengchai, training and development reinforces an organization's official endeavor to improve its performance as well as employee self-motivation by offering a variety of learning activities and methodologies [7].

### **5.3. Improve the Performance Appraisal System of Electric Power Enterprises**

To ensure the good operation of electric power enterprises, it is crucial to establish a scientific and systematic performance appraisal system. Regular appraisal helps enterprises review and adjust development goals, industrial structure, and employee compensation to optimize human resources and improve overall efficiency. At the same time, the development of an appropriate reward and punishment system can effectively stimulate employees' enthusiasm, create a positive work atmosphere, help employees find their own strengths and weaknesses, and avoid their weaknesses. In terms of salary management, companies should build a comprehensive salary management system based on employees' performance and evaluation results, break the traditional salary policy, adopt diversified salary methods, and attract and retain outstanding talents with a more flexible and comprehensive salary system. By combining performance management with incentives, employees will be more motivated and goal oriented [8].

## **6. Conclusion**

This study faces certain limitations due to a lack of sufficient relevant research data, which has impacted the comprehensiveness and robustness of the findings. The lack of data not only limits the depth of analysis but also raises concerns about the overall accuracy and reliability of the results. Without a broader and more diverse dataset, the study's conclusions may reflect a partial or skewed perspective on the research problem, potentially overlooking key insights interpretations that a more extensive data collection could have provided.

Power enterprises are an important pillar of China's economic development, and the quality and efficiency of their operation have a profound impact on social and economic stability and development. Power enterprises are not only directly related to the healthy development of China's economy but also affect China's competitiveness and status in the international arena. Their rapid development can enhance the country's comprehensive national strength. In terms of human resource management, scientific and effective management can promote the sustainable development of enterprises and improve the overall level of human resource management. Therefore, analyzing the human resource management problems of electric power companies is of great practical importance.

## References

- [1] Lin Jing. (2019). Optimization Path Analysis of Human Resource Performance Management in High-tech Manufacturing Enterprises. *Talent Resources Development*, 19, 74-75.
- [2] Ni Ying. (2019). Research on the optimization of human resource management of electric power enterprises in the context of the new era. *Enterprise Reform and Management*, 21, 96-181.
- [3] Wang, Yurong. (2017). Analysis of existing problems and countermeasures of human resource management in electric power enterprises. *Enterprise reform and management*, 11, 97-97.
- [4] Hou, W. B., & Yang, Biao. (2018). Introduction to the management innovation of electric power enterprises: Problems and countermeasures. *Modern Economic Information*, 34, 45-46.
- [5] Chiang, M. (2023). Discussion on the path of human resource management and high-quality team building in electric power enterprises. *Enterprise reform and management*, 6, 92-94.
- [6] Tandy. (2022). Application of big data technology in human resource management of electric power enterprises. In *China Informatization* (Number 7, pp. 84-85). Marketing Service Centre of State Grid Zhejiang Electric Power Co.
- [7] Saengchai, S., Siriattakul, P., & Jermstittiparsert, K. (2019). The Mediating Role of Employee Engagement between Team and Co-worker Relation, Work Environment, Training and Development, and Employee Performance. *International Journal of Psychosocial Rehabilitation*, 23(4), 853-864
- [8] Sun Jian. (2022). How to realize the innovation of human resource management method of electric power production enterprises in the new economic background. *China Collective Economy*, 9, 130-131.