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Employees Training and Development in Chinese State Owned Companies

Case: LQ Coal-Fired Power Plant

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ABSTRACT

With the development of society, talents are more and more important to each field. The final competition of companies is the talents competition. In other words, talents become the core of organizations' development. How to allocate HR reasonably is worth to study. However, HRM is in a developing stage in China. Most issues affect the development of HRM. Chinese state owned companies are the typical representatives for studying the development of HRM in China.

Training and development is the indispensable part of HRM. This study is to use induct interview method to find out the existing issues of training and development in Chinese state owned subsidiaries. The case company LQ Coal-Fired Power Plant is a third level subsidiary of a global top 500 company that is named China Huaneng Group. By analyzing the data that is collected from the case company, the main issues of training and development in the case company are found.

Key words: HRM, Training and Development, Chinese state owned companies, employees.

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ABBREVIATIONS

HRM	Human Resources Management
HR	Human Resources
PM	Personnel Management
TBC	Training before Career
OJT	On the Job Training
OFFJT	Off the Job Training
TM	Talent Management
R&D	Research and Development
MW	Megawatt
KWH	Kilowatt Hour
MWP	Megawatt Pmax
PV	Photovoltaic plant
SAP	Systems Applications and Products in Data Processing

1 INTRODUCTION

Under this competitive environment, Companies have to improve and develop continuously. Talent is a kind of crucial factor for the final success of a company. It means every field needs talents. For instance, a government needs leadership talents, the diplomacy of a country needs diplomatists, a company needs talents of management, etc. In other words, human is the carrier of knowledge, information and technology (The necessary and significance of Human Resources Management, 2011). Therefore, there is no doubt that HRM occupies a decisive position in every company. Moreover, HRM is more and more significant for both for-profit organizations and non-profit organizations. The final purposes of HRM in these two kinds of organizations are sufficient discovering staff potential and effective utilizing human resources (The Comparative Study on Strategic Human Resource Management Practices in Organizations From For-Profit Section and Non-Profit Sector, 2012).

In China, HRM is in a developing stage. The current situation of HR in China is enormous quantity with lower quality (The analysis of Chinese human resources current situation, 2008). Thus, the level of Chinese human resources is not high. In addition, in the training section of HRM, although it is developing, the series problems still exist. Training and developing is the most effective method for HR development and utilization (The analysis about the training on human resources in our country, 2013). Hence, this thesis is to study one HRM part that is training and developing in a Chinese state owned company.

This chapter is divided into three sections including the introductions of this study. The first section introduces the background of the study followed by the purpose of the study containing the research question. Finally, the last section presents the structure of the study.

1.1 Background of the study

The case company, which is chosen, is a traditional Chinese state owned company without an employee who is in charge of training and developing in HRM department. In addition, my practical training takes place in the HRM department

of this company. My position is the assistant of the manager in HRM department. Generally speaking, my job is to deal with several simple assignments such as to upload or renew the personal information of employees to the organization's system as well as to calculate salaries sometimes. Moreover, I also check the personal information of retired people. Besides these tasks, to learn how to use organization's HRM management system and how does HRM operate in the case company are my assignments as well. Thus, it is worth for me to study and finish the thesis.

1.2 Purpose of the study

Chinese state owned companies' HRM is different from other kinds of companies' HRM such as foreign-owned enterprises'. In addition, there is lack of an employee who is in charge of training and developing job. Hence, the purpose of this study is to find out the existing problems in Chinese state owned companies especially in training and developing sector through analysis the case company and giving suggestions. Besides, to develop employees' ability adequately and to motivate them through training and developing methods are necessary.

Based on the purpose of the study, the research question is put forward as follow:

What are the issues of training and developing in Chinese state owned subsidiaries?

1.3 Structure of the study

The study of this thesis is to analyze the general situation of HRM department in Chinese state owned companies and to combine a case company in order to find out problems by using interview, then giving suggestions.

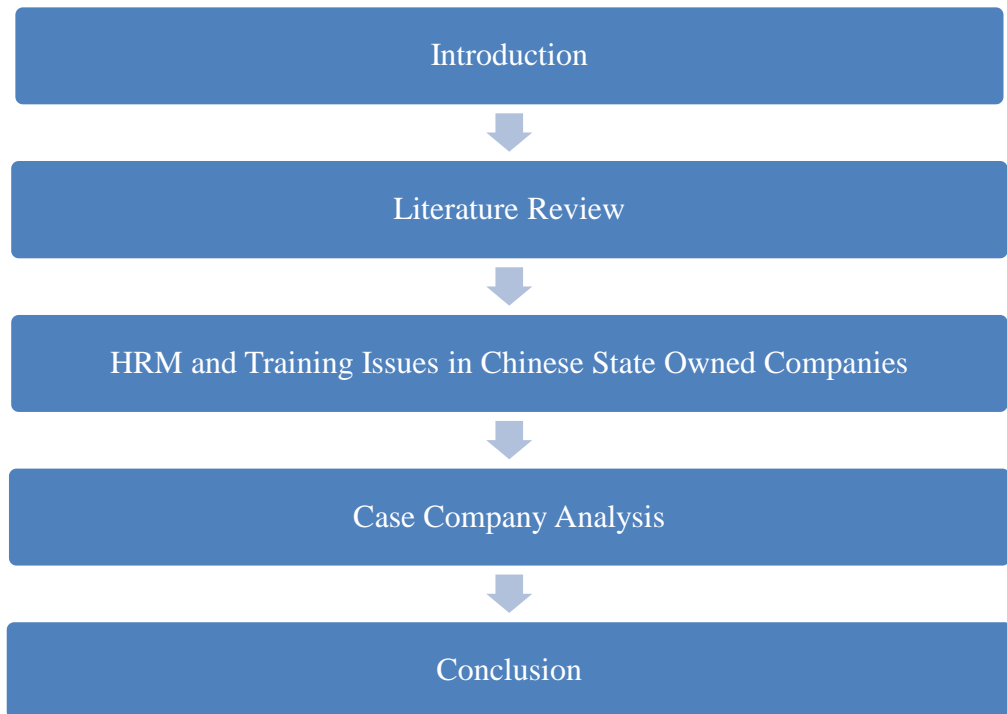


Table 1 Structure of Thesis

As the Table 1 shows, the thesis is divided into six chapter. Following the introduction is literature review. In this chapter, relevant concepts and information of HRM, training and developing as well as social media are introduced. All the contents of this chapter relate to this study.

In the third chapter, HRM as well as training and developing issues in Chinese state owned companies are stated. The general issues of HRM and training and developing are illustrated. Furthermore, the training and developing issues are introduced in detail.

Chapter four refers to the case company and HRM in the case company. In addition, the research takes place in the case company. The qualitative research method is used to collect data. All data obtains from the employees who are from all kinds of departments and different positions of the case company. The key findings are showed in this chapter and followed by results analysis.

The final chapter is conclusion, which gives the overall view of this study. This includes the suggestions that are based on the research result analysis.

2 LITRTATURE REVIEW

This chapter is the overall view of the theories and concepts of HRM and training and developing, which can be used in this study. This chapter is divided into three main sections. They are introduction of HRM including definition and duty of HRM, which is followed by training and development section. The explanation of what, how and why are stated in this section. “What” refers to the explanation of training and developing. “How” means the methods of training and developing and “why” signifies the necessity of training and developing. Finally, the last section social media is a hot topic in nowadays. Social media has a great influence on HRM and internal communication.

2.1 Human Resources Management

Human resources management is the outcome of the modern industry revolution. The development of society and technology facilitates HRM development. The core of HRM is human rather than things. To discover human potential and to motivate human are the main principles of HRM (Yingshuang, 2011).

2.1.1 Definition of HRM

Firstly, in order to perform management well, to well-known human resources is necessary. General speaking, human resources is the people who are able to work, whatever the people are at the working-age, below the working-age or over the working age (Liu, 2010). When people with working ability are hired by an organization, they become the employees of the organization. It can be say that employees are a kind of resource rather than cost. The development of organizations has close connection with this kind of resource. (2011)

Human resources is a kind of intangible asset. It cannot be calculated or recorded in an accounting method; it cannot be purchased or simulated; it can be utilized repetition without depreciation (Liu, 2010). Human resources management is the development of PM. To compare with PM, HRM is more strategic (Chris Rowley, Keith Jackson, 2011). It means a talent is used in a right position, which the talent is able to create the biggest value for an organization (Liu, 2010). In brief, HRM

is in charge of human resources planning, recruitment, training and developing, performance evaluation, remuneration management. Besides, HRM deals with the problems between employees and organizations, for instance, it adjusts contradictions and motivates employees. Moreover, HRM focus on providing a comfortable and safe workplace and environment for all people who work in a company. (Heathfield)

In a word, on one hand HRM is to help an organization to choose the most suitable talents; on the other hand, HRM is to provide the most suitable workplace and environment to employees.

2.1.2 The Duty of HRM

As mentioned in the last section. HRM is in charge of activities that refer to employees. Figure 1 presents HRM activities. At first, it has to understand well the organization where HRM operates, then the HRM department designs a human resources planning based on the organization's situation. The HRM department not only needs to well known the organization's situation, but also the job analysis as well. After jobs are analyzed, HRM department publishes advertisements of different jobs. Then the second big part starts, which refers to recruitment, selection and introduction. PM as well as training and developing activities that are followed the second part can be performed. Besides these, the employees' performance and rewards are managed by HRM department. Moreover, talent management (TM), succession, and career planning are the duties of HRM as well. Among all the activities, labor relation issues are handled by HRM. (2011)



Figure 1 What is HRM (Shankar)

- **Human resources planning**
Human resources planning refers to HRM department formulates plans about staff attraction and exclusion. This activity includes the prediction of employees' turnover both internal and external. Thereby, effective human resources plans can be drawn up. The effective human resources plans are able to help an organization discovering talents they need, as well as eliminating redundant personnel. (Liu, 2010)
- **Recruitment, selection and introduction**
Normally, when there is a vacancy in an organization, the HRM department considers internal transfer firstly. If there is not a suitable employee, they will hire a new employee to satisfy their need. The purpose of recruitment is to obtain enough applicants. However, the aim of selection is to select the most suitable people for an organization. Several methods such as written test, interview, and psychology test are used in selection part. In other words, recruitment focuses on quantity and selection focuses on quality. Besides, introduction is a way to convey an organization's mission, vision and the purpose of this recruitment to applicants. (Minjia Liu, Jiatian Chen, 2014)
- **Personnel management**

Personnel management or Personnel administration is the first step of HRM development (Per14). It is responsible for many HRM duties such as recruitment, selection, training, developing, employees' motivations, personnel data management (Amico). All in all, PM deals with the issues that refers to coordination, management and information (Per141).

- Training and developing

This activity is the main topic of this study. The details of training and developing are introduced in the next section.

- Performance and reward management

Performance management can be a core among the whole HRM activities. It has a great positive influence on the target of an organization, which is based on the employees' performance. Performance management focuses not only on the result, but also on the motivations, tutorship and guidance that employees are given by managers. Reward management is what employees get after working. It is returned after employees provide knowledge, skills, and technologies to a company. In addition, the performance assessment is a precondition of the final reward of an employee. (Liu, 2010)

- TM

Talent management is about getting the right people in the right jobs doing the right things. (Hunt, 2008)

In other words, TM is to develop employees 'talent sufficiently in order to create value as the most as possible. For the purpose of discovering employees' talent, managers' guidance and motivate are necessary. (Hunt, 2008)

- Succession and career planning

Succession and career planning is accepted and utilized by more and more organizations. The leaders of a company are allowed to bring up their succession. This can provide a future path for employees, so that they are motivated easily. (Newton)

- Labor relations

This labor relations refers to the relationship between organizations and employees. It contains employees' participation in management,

employees' satisfaction, transfer management, organization culture development, dispute management and employee assistant program. The purpose of labor relations management is to make sure the long-term corporation between organizations and employees. Besides, it is utilized to avoid huge loss that is caused by the negative labor conflict (Liu, 2010).

2.2 Training and Developing

“Change” is an eternal theme of an organization. In other words, an organization primary task is to adapt the changing environment. Furthermore, training and developing is a significant measure for improving strain capacity of an organization. It means training and developing provides efficiency, improves work quality, enhances products quality and strengthens competitive to an organization. (Xiaofang Chen, Xinggui Zhang, 2008)

2.2.1 What is Training and Developing

Generally speaking, training and developing is a process of employees' potential releasing through teaching their organizations culture, information, technologies, knowledge, and ideas. On the other hand, employees' qualities, abilities, working efficiency can be improved via training and developing. (Xiaofang Chen, Xinggui Zhang, 2008)

There are distinctions between training and developing. From the management aspect, the main purpose of training is to coach employees about how to complete the jobs they do at the moment. However, developing refers to teach employees knowledge and technologies for the future work. The purpose is to develop employees' creativity and motivations. (Training and Developing, 2011) The differences are illustrated clearly by the followed Table 1.

Item	Emphasis	Time	Connotation	Participation	Working experience
Training	Current job	Short-term	Lesser	Compulsory	Lower frequent utilization
Developing	Future job	Long-term	larger	Elective	Higher frequent utilization

Table 2 The Distinctions of Training and Development (Xiaofang Chen, Xinggui Zhang, 2008)

It is obviously seen the differences between training and developing. In a word, training is an organization providing a short-term and lesser connotation coach that is compulsory and lower frequent utilization for the current job. Nevertheless, developing is an organization providing a long-term and larger connotation coach that is elective and higher frequent utilization for the future job. Although they are different, the final purpose of training and developing is to facilitate employees working efficient, as well as create more value for the organization.

2.2.2 The Methods of Training and Development

The first step is to make sure what kinds of training and developing activities should be implemented. In other words, needs decide training and developing. The needs are called training needs. Before training and developing, an organization should analyze whether this training or developing is necessary and what results can be caused after the activities. This analysis is called needs assessment. It combines an organization's needs, jobs' needs and employees' needs. The organization is able to make sure who needs training and developing, as well as what kinds of training and developing concepts and methods are needed

according to this analysis. (Xiaofang Chen, Xinggui Zhang, 2008)

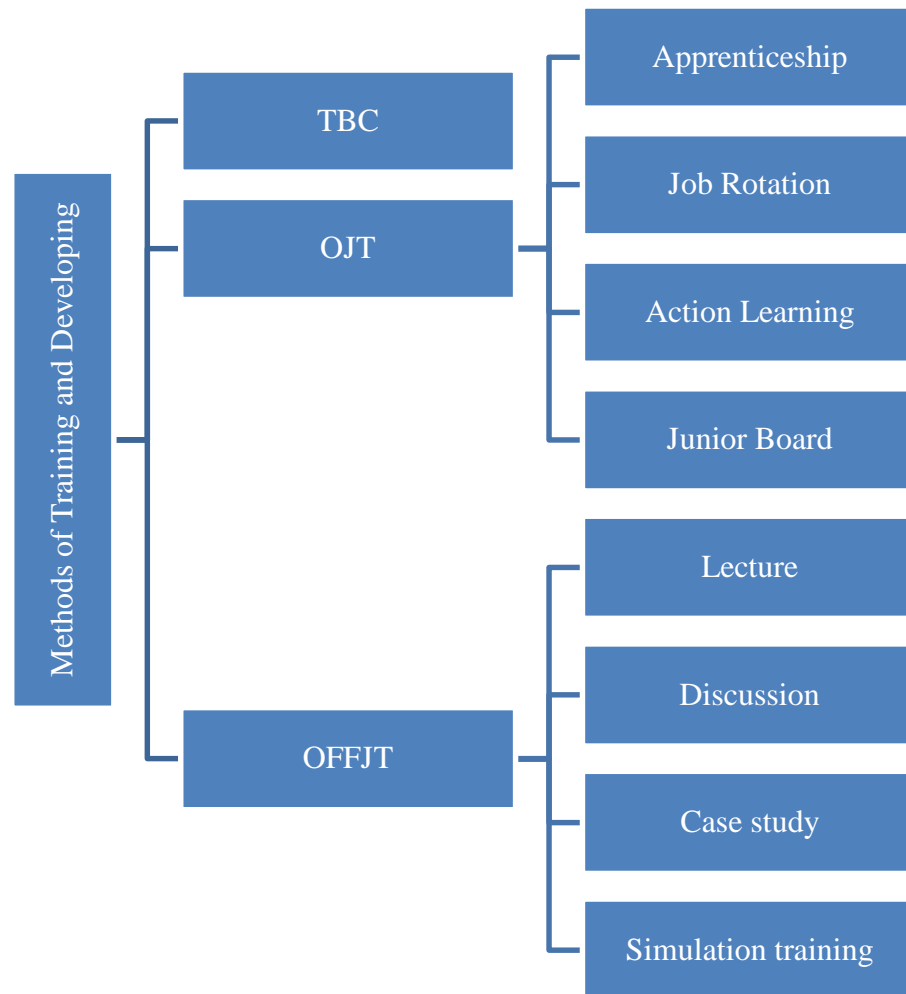


Figure 2 Methods of Training and Developing

Training and developing can be divided into TBC, OJT and OFFJT three main sections. OJT gets working and training together. (Li, 2012)

- TBC aims at new employees. It refers to new employees' orientation that contains introductions of the organization, guideline to new employees. This can reduce new employees' anxiety in the unfamiliar environment. (Li, 2012)
- Methods of OJT
 - Apprenticeship is mainly used in skills training and developing such as pipeline maintenance. It includes oral instruction, speech, and performance inspection. The advantage is that the trainees can receive salaries when they learning. Besides, the salaries increase

with the skills improving. However, this method is easy to cause conflict of interests. (Zhang)

- Job rotation refers to job transfer in a short-term. Organizations provide different positions with assignments that organizations give. This method offers comprehensive training and developing for the purpose of understanding employees' abilities. Nevertheless, the performance cannot be guaranteed. (Training and Developing, 2011)
- Action learning means that participators take part in several practical tasks or deal with a number of realistic issues, which is to develop participators leadership ability. This method can bring effective consequences but it is hard to operate. (Training and Developing, 2011)
- Junior board is short for a junior board constitution of participator. They discuss and propose suggestions to the management strategies, policies or measures of an organization. (Jun13)
- Methods of OFFJT
 - Lecture is a traditional and general training method. It is divided in to two main topics. One focuses on theories, the other one focuses on issues. It requires simple venue and equipment, but it is lack of the situation than training is in accordance with trainees' aptitude. (Li, 2012)
 - Discussion includes group discussion, putting forward questions of a speech and debates. Participators obtain positive results from the discussion. However, it is lower efficiency. (Training and Developing, 2011)
 - Case study is named case analysis as well. It concentrates on knowledge and technologies utilization. It is a specific, abundant and vivid method to trainees. Nevertheless, this method is not appropriate for understanding system theory and knowledge. (Training and Developing, 2011)
 - Simulation training refers to arrange participators in a simulation-working environment in order to deal with all kinds of possible

issues. It combines reality and theories well but with high cost. (Fu, 2012)

2.2.3 The Necessity of Training and Development

The necessity of training and developing is cognized by more and more organizations. For organizations, the most significant asset is people rather than equipment or capital. (Li, 2012) The necessities are:

- It facilitates organizations to adapt in the changing environment, as well as meeting the needs of marking competition. The environment is changing day and day. An organization utilizes training and developing to improve employees capacity so that to enhance the organization's competition. Generally speaking, organizations competition are human resources competition. Thus, training and developing is necessary. (Li, 2012)
- Organizations operation quality and capacity are raised by training and developing. The employees who have experience about training and developing are able to grasp new knowledge and technologies well. This improves working standards, reduces waste and enhances efficiency. (Training and Developing, 2011)
- It urges employees accepting changes. An organization getting pressures from both internal and external factors are unavoidable. When facing pressures, the employees who are trained are easy to accept the changes and to adjust themselves efficiency. However, the employees without training and developing are negative when facing changes. Therefore, training and developing is necessary. (Li, 2012)
- The new employees' value is identified with organizations' culture through training and developing. One the other hand, training and developing is a part of an organization's culture. (Li, 2012)
- Employees' self-development can be satisfied. Every employee would like to improve. Stuffy working life causes employees turnover. Training and developing can motivate and encourage employees. Besides, employees are able to enlarge their scope of knowledge, expend their sight, boost leadership and decision making ability. All of these obtain through training and developing. (Li, 2012)

2.3 Social Media Affects HRM

2.3.1 Introduction of Social Media

With the development of information technology, social media is a great outcome of this era. It has enormous attraction for the people all over the world.

WORLD MAP OF SOCIAL NETWORKS

December 2014

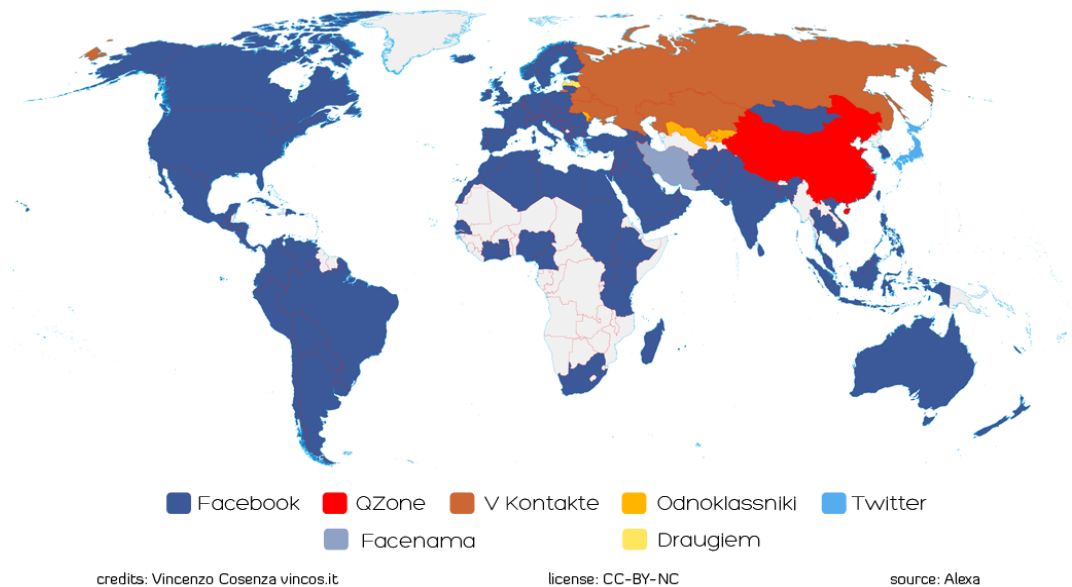


Figure 3 World Map of Social Networks (Alexa, 2014)

Figure 2 demonstrates the situation of social networks utilization. While the meantime, social media shortens the distance among countries. It means people are able to achieve instant connection in different countries. In the past, to understand the world is extravagant hope to common folks. However, in nowadays, social media solves the issue. Users only swipe of their fingers, and then they can learn different people, learn different cultures and learn the world. In a word, the connections of person-to-person, even person to organizations are more and more convenient and easier. (Taifarro, 2013) Social media has many different forms such as blogging, microblogging, images, video, etc. All of these forms have their own characteristics. For instance, a microblogging like a blogging but the size is smaller. Other social media, for example, Wikipedia presents academic information. (Lamphere, 2012)

Social media brings more benefits to people. Most of social media are free to use. To compare with the traditional media such as TV, social media is more popular especially for populace. (Salcido) Almost everyone is able to utilize social media to show their own opinions free if they have the technology conditions. Besides, organizations such as governments and companies publish information or data through social media. This way is easier to be accepted by public. Thus, social media is a popular platform to all sectors of society. (Chang, 2009) Although social media brings conveniences, there still are several issues caused such as cybercrime and false information. In a word, network supervision and management are hard to operate. In spite of this, social media changes the living standards to be better.

2.3.2 How does Social Media Affect HRM

The convenience that social media brings reflects in HRM as well. Organizations utilize social media in Recruiting. Normally, they publish recruiting advertisements in recruitment social media such as LinkedIn. Besides, applicants can upload CV through social media. It has wide range characteristics. Thus, recruiting via social media is more efficient than traditional ways. (Varghese, 2013)

In addition, organizations investigate employees through social media. While the meantime, employees give feedback to organizations through social media. Moreover, social media facilitates the communication among colleagues. For example, some organizations have their own social media applications that are used for internal connection. Furthermore, organizations can provide training or developing by using specific social media such as video sessions, online learning and online examinations. In summary, the appearing of social media not only changes human life, but also organizations' operation modes are changed, as well as HRM methods. (Brief Introduction of Social Media effect on HRM, 2010)

3 HRM AND TRAINING AND DEVELOPING ISSUES IN CHINESE STATE OWNED COMPANIES

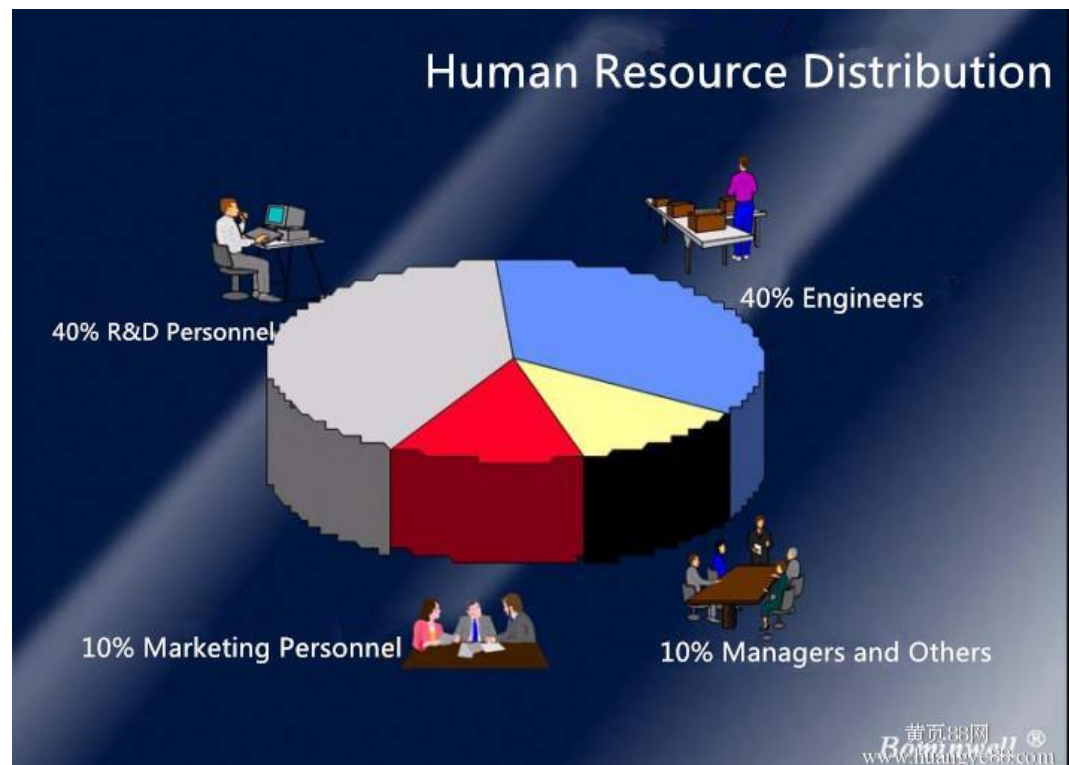


Figure 4 Human Resource Distribution (Man)

In China, HRM is in developing stage, especially in Chinese state owned companies (Chinese Human Resource Management, 2011). Human Resources in different departments are distributed unequal. As Figure 3 demonstrates, R&D and engineers personnel are 80% in total, which are needed much more than marketing personnel, managers and others personnel together that are 20% in total. In addition, the management and operation styles are disparate between Chinese state owned companies and other kinds of companies such as foreign invested company. We can say HRM in Chinese state owned companies has Chinese characteristics (Chinese Human Resource Management, 2011). This chapter concentrates on the issues that exist in HRM, especially, in training and developing field in Chinese state owned companies.

The chapter is divided into two main sections, which are the general issues of HRM in Chinese state owned companies and detailed introduction about training and developing issues.

3.1 The Introduction of HRM Issues in Chinese State Owned Companies

With the social and economy development, valuable human resources is attached great importance by managers. It means the position of HRM for organizations operation is increasing. If a Chinese state owned company that is a mainstay of the national economy would like to survival and development, human resources must be paid more attention (The Brief Introduction of HRM Issues Countermeasure in Chinese Stated Owned Company, 2010). In brief, there are three main issues of HRM in Chinese state owned companies as the Figure 3 shows.

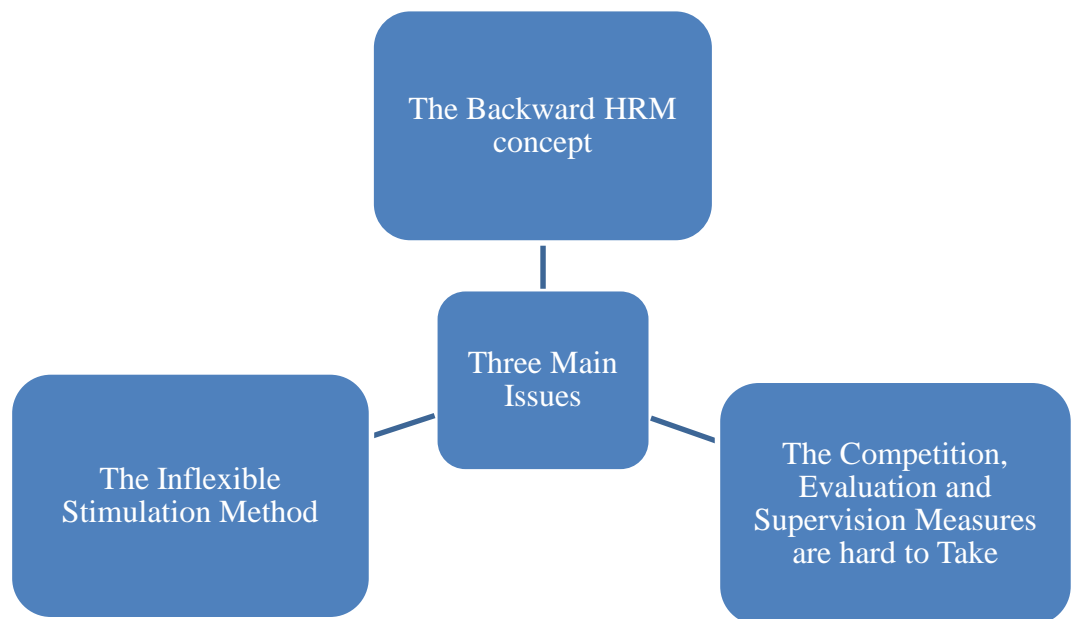


Figure 5 Three Main Issues of HRM

3.1.1 The Backward HRM Concept

HRM rose in the early of 1980s in America. It was one of the frontiers of management study in America at that time. (The Brief Introduction of HRM Issues Countermeasure in Chinese Stated Owned Company, 2010) However, the phrase “human resources management” was unfamiliar to most people. HRM was mistakenly believe same as PM in China, which was thought a kind of tool of management and control. In the middle of 1990s, Chinese started to study and practice HRM. (Jia, 2012)

In addition, companies still use the ways that are nomination by supervisors, HRM department investigation and discussion meetings (Jia, 2012). It is lack of

fair play system. One more thing, Chinese state owned companies utilize the labor contract system to all of the employees or appointment system in general (Jia, 2012). In other words, employees with low performance are rarely be weeded out as long as they are not crime, dereliction of duty or breaking the rules (The Brief Introduction of HRM Issues Countermeasure in Chinese Stated Owned Company, 2010). These stop young blood bringing into companies.

3.1.2 The Inflexible Stimulation Method

Stimulation is the core of HRM. However, in Chinese state owned companies the traditional and single stimulate methods cause issues. Normally, the major material incentives are salaries and rewards, and the major spirit incentive is honor title. (Jia, 2012) Nevertheless, to compare with private enterprises, monetary motivation such as salary in Chinese state owned companies is lower (The Brief Introduction of HRM Issues Countermeasure in Chinese Stated Owned Company, 2010). There is a gap between managers and employees. Especially, new employees' salaries are not matched with companies developing. Regardless of employees' performance, as long as companies obtain profits, the salaries are risen. (Chinese State Owned Companies HRM Training and Developing Situation, 2012) Besides, in the employees' arrangement aspect, employees' transfer should be in order. These depress employees' desire to work positively.

3.1.3 The Competition, Evaluation and Supervision Measures are Hard to Take

The managers of Chinese state owned companies are appointed by superior departments. Naturally, evaluation and supervision are in charge by superior departments. These measures contain competition, evaluation and supervision in Chinese state owned companies emphasizes training of political quality rather than operation quality. One of the issue that is caused by these measures is duration long. Normally, the measures cannot bring effective results. The other issue is imperfect performance system. It means there is lack of scientific performance management rules. (Brief Introduction of Social Media effect on

HRM, 2010) All in all, these issues cannot provide a favorable environment for talents selection and competition.

3.2 The General Training and Developing Issues in Chinese State Owned Companies

Employees' training and developing is a significant method for employees' skills and quality improvement (Zhao, 2011). Besides, it is a indispensable part of HRM. Training and developing is benefit to companies' short-term, medium-term as well as long-term goals achievement. Thus, training and developing should be planned, strategic and continuous. However, these are replaced by profits in the majority of Chinese State owned companies. (Jia, 2012) Flowing Figure illustrates the main issues of training and developing issues in Chinese State Owned Companied.

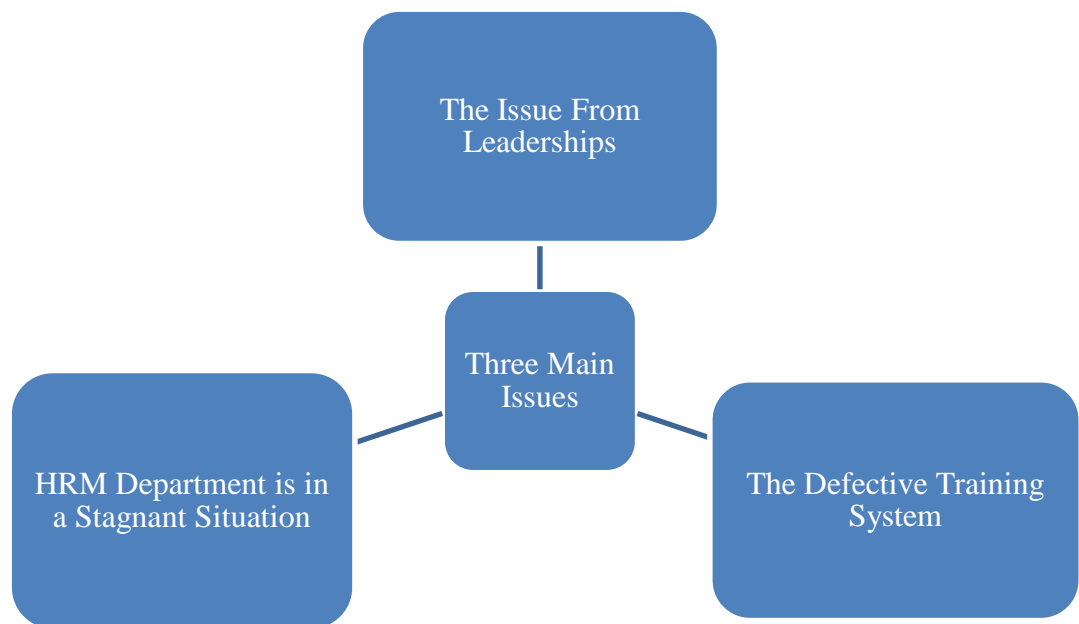


Figure 6 Three Main Issues of Training and Developing

3.2.1 The Issue from Leaderships

In the most of companies, managers are pay more attention to train employees' production skills rather than the modern management knowledge and operation knowledge. It is lack of long-term HRM planning. In addition, training and developing in a number of companies is used to promote companies' images. It

means training and developing merely is a kind of image project in these companies. Actually, the training and developing is simple. The purpose of these simple training and developing is demonstrate to employees and outsiders. Thus, the effect of the training and developing is lesser or even none. (Training and Developing, 2011)

Moreover, managers are short of the right training and developing concepts. Managers ignore the importance of training and developing for many years until problems appearing in production and operation management. Then, managers may think training and developing is extremely urgent. Because of the indirect profits that training and developing bring, managers consider that it is invalid although they adopt the newest modal of training and developing. In other words, managers carry out employees' training and developing optionally without consider long-term effect. These are the main reasons of low production efficiency in some Chinese state owned companies. Besides, numerous managers own suspicious attitude for employees' loyalty. This leads to managers attach importance to utilize employees rather than cultivation. In other words, managers prefer to spend money on find talents rather than to spend money on cultivate talents. (Training and Developing, 2011)

3.2.2 HRM Department is in a Stagnant Situation

In nowadays, a vast number of Chinese state owned companies treat training and developing as a kind of welfare. HRM department does not plan the purpose and requirement of training and developing; HRM department does not investigate whether employees have joined training or not; HRM department does not track the results of training. In total, HRM department is short of scientific and reasonable training and developing plans. Besides, HRM department is not strict on training exam results. While the meantime, employees cannot be motivated by the fierce market competition. They treat training as a simple work. Furthermore, several employees consider training as a chance for rest. Thus, bad training and good training are same to these employees. (Chinese State Owned Companies HRM Training and Developing Situation, 2012)

3.2.3 The Defective Training System

There are two reasons of employees working. One is economic aspect that includes the necessities of live. The other one is sprit aspect such as reputation, respect and title. This kind of employees would like to search the change through leaning and developing. Normally, they hope to develop their value maximum. However, in Chinese state owned companies, managers do not understand employees' intentions, as well as various motivation methods. The only one method they are adept in is economic returns. Managers in Chinese state owned companies ignore communication with employees and employees' excellent performance. These cause employees' sense of achievement and sense of belonging lack. Thus, companies lose talents seriously (Training and Developing, 2011).

Besides, there is not scientific and normative training and developing systems. A research shows, 86% Chinese state owned companies do not have perfect training and developing systems. Only 36% companies have their own training and developing department. 58% companies declare they have their own training and developing system, but most of them are image project. Moreover, there are less companies' process training and developing analysis. Training and developing in the gross companies means several speeches that are given by the top managers, technology and skills talents or famous professors. These are both in companies and out of companies. (Training and Developing, 2011) The normal training methods refer to apprenticeship and job rotation. In contrast, TBC, lectures and expansion training such as simulation training are almost nonexistent in companies training plans. (Xiaofang Chen, Xinggui Zhang, 2008)

Moreover, Companies almost are without evaluation for training results. They think evaluations are unnecessary. It cannot bring profits as soon as possible. In contrast, it wastes time, as well as money. In summary, these companies are lack of effective and enforceable training and developing implementation and evaluation systems. (Training and Developing, 2011)

In addition, certain HR managers consistent agree that training should be divided into three levels. The first level is knowledge training, followed by skills and

technology training and the last level is qualification training. (Chinese State Owned Companies HRM Training and Developing Situation, 2012) An investigation shows, occupational qualifications training accounts for 41%, on-the-job training is 89%, managers training and new technology training respectively is 69% and 54% (Training and Developing, 2011). Hence, companies' training is focus on on-the-job training and technology and skills training, which are bring direct profits.

4 CASE COMPANY

The case company that I choose is a traditional Chinese state owned company. Due to it is far away from metropolises such as Beijing and Shanghai, it still keeps more traditional operation style. Besides, my practical training takes place in the HRM department of the case company, thus it is easy for me to deep understand this company. Moreover, the thesis topic can be studied by analyzing the case company and the research samples who are from the company. At last, the existing issues of training and developing would be found by analyzing research data as well.

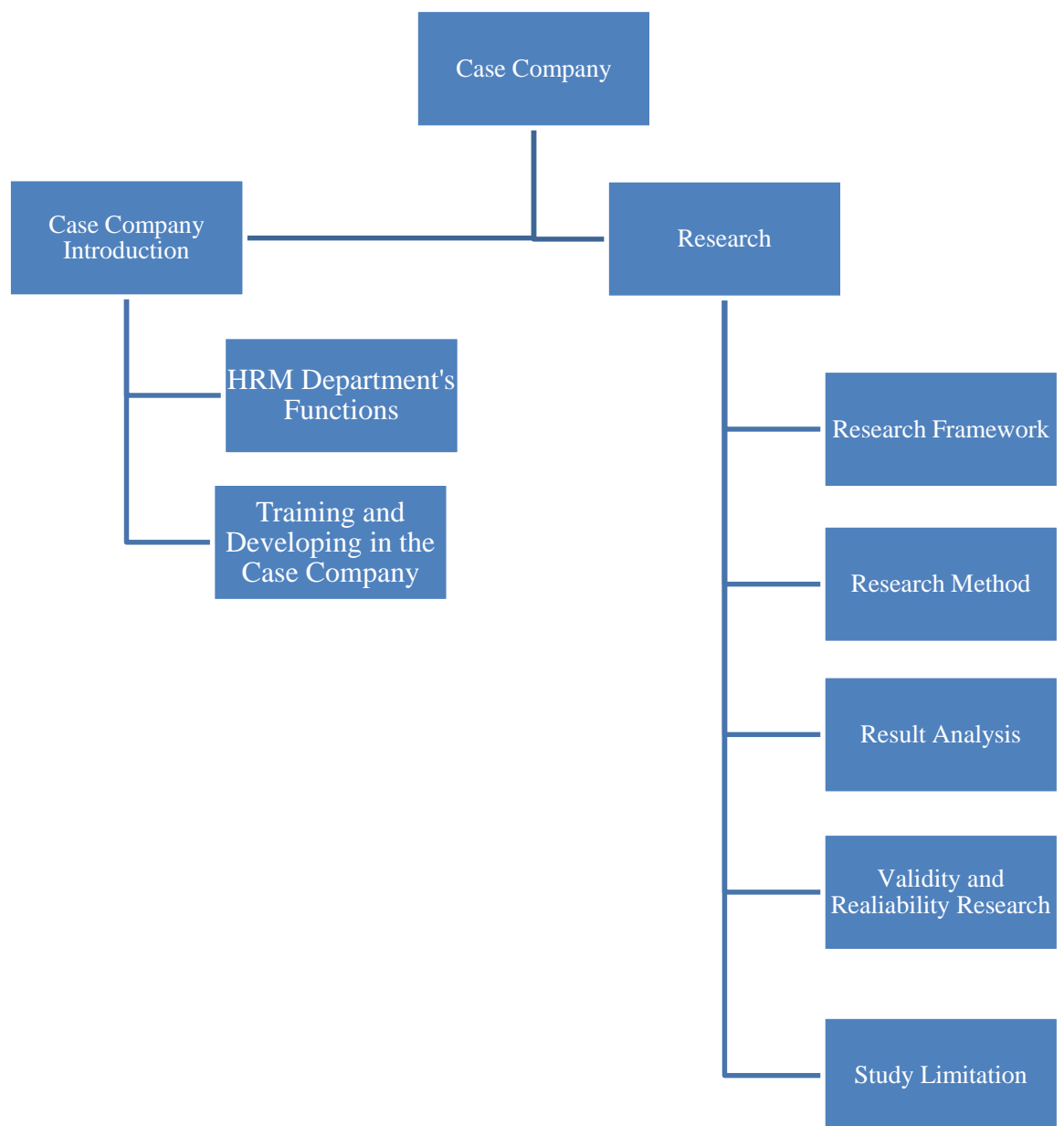


Figure 7 Chapter Four Framework

Figure 6 illustrates the framework of this chapter. In this chapter, topics are mainly divided into two sections. Firstly, the brief introduction of the case company is introduced. In this section, how does the HRM department of the case company work is explained, as well as training and developing in the case company. At last, the research of the study, which contains research method and research results, is presented. Besides, whether the research validity or reliability or not and the limitation are included in the last section.

4.1 The Introduction of the Case Company

Because the manager of the case company does not allow me to show the full name of the company, I use the abbreviation LQ Coal-Fired Power Plant to replace. The case company LQ Coal-Fired Power Plant is a subsidiary of China Huaneng Group. China Huaneng Group that is a global top 500 company mainly operates in electric power development, electricity production and sales, finance field, coal industry, logistics, new energy resources fields as well as environment protection (Bri15). LQ Coal-Fired Power Plant is the third level subsidiary of China Huaneng Group (Hou, 2013).

LQ Coal-Fired Power Plant was located in Jalainur Town, Man Zhouli City. LQ Coal-Fired Power Plant, which owned 13.1 hectares, was found in March of 1974. The operation of LQ Coal-Fired Power Plant started in December of 1977. Until the beginning of 1985, the total installed capacity reached 62MW. At that time, the annual electric energy production had exceed 300 million KWH. With the increasing needs of installed capacity as well as the aging machine sets, LQ Coal-Fired Power Plant started to build cogeneration construction in the autumn of 2002. This construction ended the history of small boilers with high-energy consumption and high pollution. While the meantime, cogeneration construction achieved centralized heating system in Jalainur Town. Heating area had reached 1745.2 thousands square meters. (Hou, 2013)

According to the Country requirement that is about elimination high-energy consumption coal-fired power units with small MW and the agreement of parent company, all of the cogeneration units of LQ Coal-Fired Power Plant HRM in the Case Company have been shut down since April of 2013. Although the company

does not produce electricity and heating, this does not mean that the company does not exist. The name of LQ Coal-Fired Power Plant is retained in order to build two new projects that are four 600MW units and 20MWP PV power plant. During the period of rebuilding, only five main department are kept. They are Production Department General Affairs Department, Financial Management Department, Project Applying Department as well as Leaderships. Employees are reduced from 500 to 89. Among the 89 employees, on-the-job employees are 78 and 11 employees are in an early retirement situation. Besides, the average wage is 4350.26 RMB, which equal to 644€ per month. (Hou, 2015). The followed Figure 8 presents the recent proportion of employees' age of LQ Coal-Fired Plant. It is obviously seen that employees who are over 50 years old account the most, followed by the employees who are 40-50, 35%. The less group is under 40 years old, which are only account for 10%. (Hou, 2015)

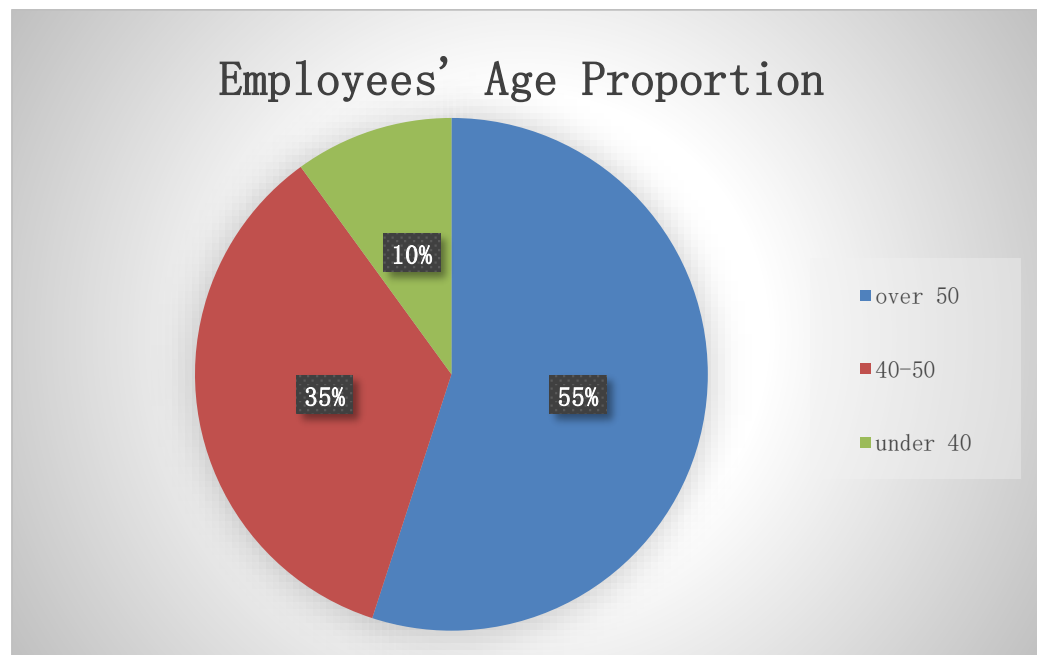


Figure 8 The Recent Employees' Age Proportion in Case Company (Hou, 2015)

4.1.1 The Functions of HRM department in the Case Company

HRM department in LQ Coal-Fired Power Plant is not an independent department. It belongs to General Affairs Department. It means all of the operation activities of HRM should be confirmed by the manager of General Affairs Department. Generally speaking, HRM department implementation

follows laws and regulations relate to labor, personnel and training, which are issued by Chinese government. In details, HRM department is in charge of personnel management, labor organization, remuneration, labor protection, labor insurance, verification of professional technical ability, professional title assessment, employees' training as well as management of retirees. (Le Li, 2014)

Because HRM is in the developing stage in China, the rights distribution is still intensive. Especially in this Chinese state owned subsidiary, HRM department does not have the rights for hiring, firing and promoting. All of the HRM activities, which relate to company's operation, should be decided by the higher-level company that is the second level subsidiary of China Huaneng group.

Although HRM department is in charge of many kinds of HR activities such as remuneration in LQ Coal-Fired Power Plant, HRM department does not have the right to make decisions. The task is to implement the second level company's orders. For instance, if LQ Coal-Fired Power Plant lacks an employee of Financial Management department, Financial Management should pass papery situation evaluation to HRM department. Then HRM department submits an application to the second level company. After the second level company assessing and permitting, LQ Coal-Fired Power Plant could recruit or transfer an employee from other subsidiary companies. Normally, the company prefers to transfer employees from other companies that also belong to China Huaneng Group. Like this kind of small quantity and ordinary employees' recruitment, LQ Coal-Fired Power Plant has the right to choose candidates. However, when facing the large-scale recruitment or managers' appointment, all of the procedures are in charged by the second level company such as recruitment advertisement publishing, application verifying, interview organizing, employees' distribution, as well as approving. In addition, about policies of HRM, LQ Coal-Fired Power Plant implements HRM policies that are established by the second level company, the parent company and governments. In other words, HRM department of LQ Coal-Fired Power Plant is a performer of second level company as well as the parent company. Nevertheless, LQ Coal-Fired Power Plant should participate HRM policies establishing for both LQ Coal-Fired Power Plant and China Huaneng Group. HRM department has to hand in development proposal annually. Besides the annually HRM proposal, HRM department has to submit wages performance report of the current year in

every November, as well as the plan of labor and wages of the next year to second level company. In every December, HRM department has to submit a work statement and a work plan about the following year.

With the development of information technology, social media is developing more and more fast and comprehensive. It brings more effective and rapid life style and even work life to us. SAP is one of the amazing social media applications. In China Huaneng Group, all of the subsidiaries and parent company store HRM information and personnel data in SAP system. SAP is the abbreviation of Systems Applications and Products in Data Processing. It combines HR, supply chain management, services and asset management, etc. (2015) We can say that, SAP provides a scientific, effective and integrated system for users. SAP is used by all of the China Huaneng Group companies. HRM department employees utilize it to update employees' data and wages data, submit report and receive or send information. This system has been used by LQ Coal-Fired Power Plant since the beginning of 2014. Through using SAP HRM system, LQ Coal-Fired Power Plant is able to receive new orders or information from the second level company or the parent company immediately. In the same way, HRM activities or issues of LQ Coal-Fired Power Plant could be checked by the second level company or the parent company as soon as possible.

4.1.2 Training and Developing in the Case Company

When groups of new employees are hired, they will be given one weekdays TBC training whatever what jobs they do. Normally, the training is hold in LQ Coal-Fired Power Plant's meeting room or auditorium. This is based on the quantity of the new employees. Generally speaking, the training is divided into four main parts. Firstly, introduction of China Huaneng Group includes current situation, mission, vision, company's culture, etc. This spends one day. In the second day, trainers give LQ Coal-Fired Power Plant's introduction that are company's operation, managers and their responsibilities in different departments, every department and their functions, general schedules about daily work and holidays, personnel regulations, as well as company's culture. This takes one day as well. Thirdly is the training of security knowledge. This covers two main parts: safety

of production and safety of daily work. Because LQ Coal-Fired Power Plant is a production unit, safety in production is pay more attention. This training lasts two days. This first day is theoretical study and the second day is to visit the workshop, in order to well known how it is work and how to put safety theoretical in reality. In the last day training, all of the new employees are separated to their own departments for learning the basic operation and their own working schedule of daily, monthly, quarterly and yearly. However, if there are less five new employees who are transferred from other companies or hired, the company will not give a series of tangible training that is like the before introduction. To be instead, self-learning assignments and contents are given to these new employees. The self-learning of new employees could be at home. After one week, they need to hand in essays that relate to the self-learning. In addition, if the new employees are transferred from the same department of other China Huaneng Group companies, they are not given TBC.

There is one-year probation period for new employees from the first day they start to work. During the probation, LQ Coal-Fired Power Plant adopts apprenticeship method to train new comers in every department and every post. For LQ Coal-Fired Power Plant, apprenticeship is the most effective method of OJT. This is not only to make sure daily work going well, but also to provide a practical learning environment for the new employees. After one-year probation, the new employees who are office workers are given assessments by their supervisor and their department managers. Normally, if they do not break discipline seriously, they will become regular employees. Nevertheless, the new employees who work in workshop are assessed more specific. Besides the evaluations from supervisor and department managers, they have to pass a professional knowledge exam. If they pass the exam and get favorable assessments, they will be regular employees. However, if they do not get any accept of both the exam and evaluations, they could choose to leave the company or to do one more year probation. Moreover, another OJT method is used in LQ Coal-Fired Power Plant, which is Junior Board. It is hold quarterly. The participators are the company's top manager, vice-managers and other managers of different departments. In LQ Coal-Fired Power Plant, it is called Junior Board managers meeting. The meeting holds on Fridays at the end of every quarterly. It lasts one day. During the meeting, top manager or

vice-managers give two to four topics. Then all of the managers start to discuss the topics. After the discussion, they should give a solution of each topic.

OFFJT are the highest rate of utilization method for training and developing. The four main training and developing methods that are lecture, discussion, case study and simulation training are adopted in. Among this, lecture and simulation training are the most common ways, which are used in production units. Training is also different between office workers and workshop workers. Because LQ Coal-Fired Power Plant is a production unit, the attentions are paid more on safety production. Thus, the company is given the right to organize training for safety production. The training applies to LQ Coal-Fired Power Plant in-service staff, contractors of outsourcing, visitors, installation and debugging personnel of production equipment, temporary personnel, trainees as well as other employees who need safety production training (JInglan Guo, 2014). The safety production training is planned and implemented by HRM department of LQ Coal-Fired Power Plant. From 1st of December in every year, HRM department pre-organizes training needs analysis and issue training needs forms to every production departments. Then production departments submit training needs plans to HRM department after one week. In the middle of December, HRM department confirms the training plans about safety production of next year. The plans should be confirmed by the top managers, and then it can be implemented. The training plans normally include professional skills training, safety skills training, and external experts training. Normally, the training for workshop workers is utilized lecture and simulation training methods. The training is carried out in June, because partly workshop workers have several weeks holiday during production sets overhaul. Production departments' managers recommend several employees who are in holiday to take part in the training. Lecture that is online learning is always given inside the company. Employees learn safety skills through video. Besides, company invites external experts come to give speech. The simulation training is always carried out in other companies that have the low production accident rate. Trainees are organized to visit the target companies and to learn professional skills. The OFFJT training for workshop workers is always from one week to on month. Above is the general information about workshop workers OFFJT training.

However, the OFFJT training for office workers is simpler. The HRM department of LQ Coal-Fired Power Plant does not have the right about organizing the training directly. The second level company issues training plans to LQ Coal-Fired Power Plant. Then the HRM department of LQ Coal-Fired Power Plant submits a application form to second level company, which is about the participators. The second level company holds discussions of different office departments annually. The discussions are normally in debate competitions way. A company as a participant joins the debate competitions to compare with other companies. The OFFJT training for top managers, vice-managers and other departments managers are given by the second level company or the parent company. Usually, the training method is case study. This training prefers to self-learning. Managers are given several cases that happen in other companies. Then they have to hand in their analysis about the cases, as well as the solutions. These are the OFFJT training for office workers and managers. Generally speaking, the HRM department of LQ Coal-Fired Power Plant does not have the right for carrying out office workers' training. All kinds of the training plans relate to office workers and managers are decided by the second level company or the parent company.

All kinds of the above training methods are compulsory. Furthermore, employees are able to choose to promote themselves by title examinations. Titles are in favor of employees developing such as salaries increasing and future promotion. The title examinations are voluntary and they are hold by Chinese government. HRM department announces each title exam before the exam. Employees submit personal data to HRM department. HRM department applies title examinations together and it is in charge of printing admission tickets for candidates. If candidates pass the exams, the title certifications will be sent to HRM department and then HRM department awards these certifications to candidates.

Although LQ Coal-Fired Power Plant is not in charge of electricity and heating production at this moment, the Production department still exists. This is because production department need to be responsible for the disassembling of the old equipment. While the meantime, training about safety is necessary. Nevertheless, the training is not as complex and formal as the previous training. Instead, the training is in documents form.

4.2 The Research of HRM in the Case Company

Research method is divided into qualitative research method and quantitative research method. Quantitative research methods focus on positivistic including surveys, cross-sectional studies. However, qualitative research methods emphasize phenomenology. The methods case studies, interview and observation could be used. Qualitative research methods are used to understand phenomena or to discover people experience. In brief, qualitative research methods are used to study the abstract concepts. (Laisi, 2014) Due to the research question of this study is about finding issues of training and developing, qualitative research methods are used in this research. Besides, the research uses inductive approach. Figure 9 illustrates the steps of inductive approach. The relationship of interview and inductive is auxiliary to each other.

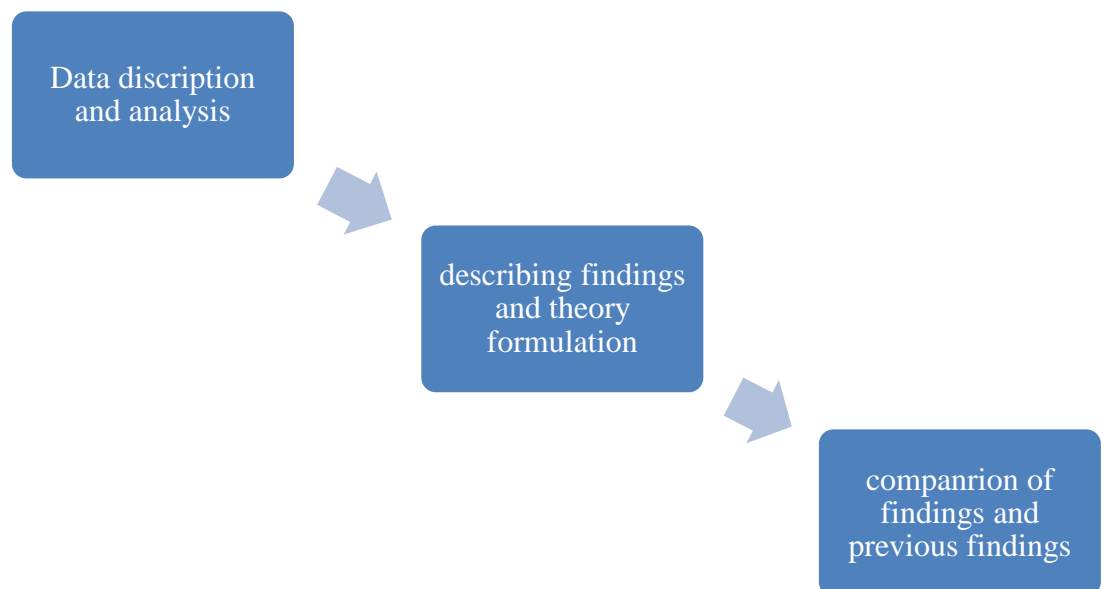


Figure 9 Steps of Inductive Approach (Rantapuska, 2014)

4.2.1 The Research Framework of the Study

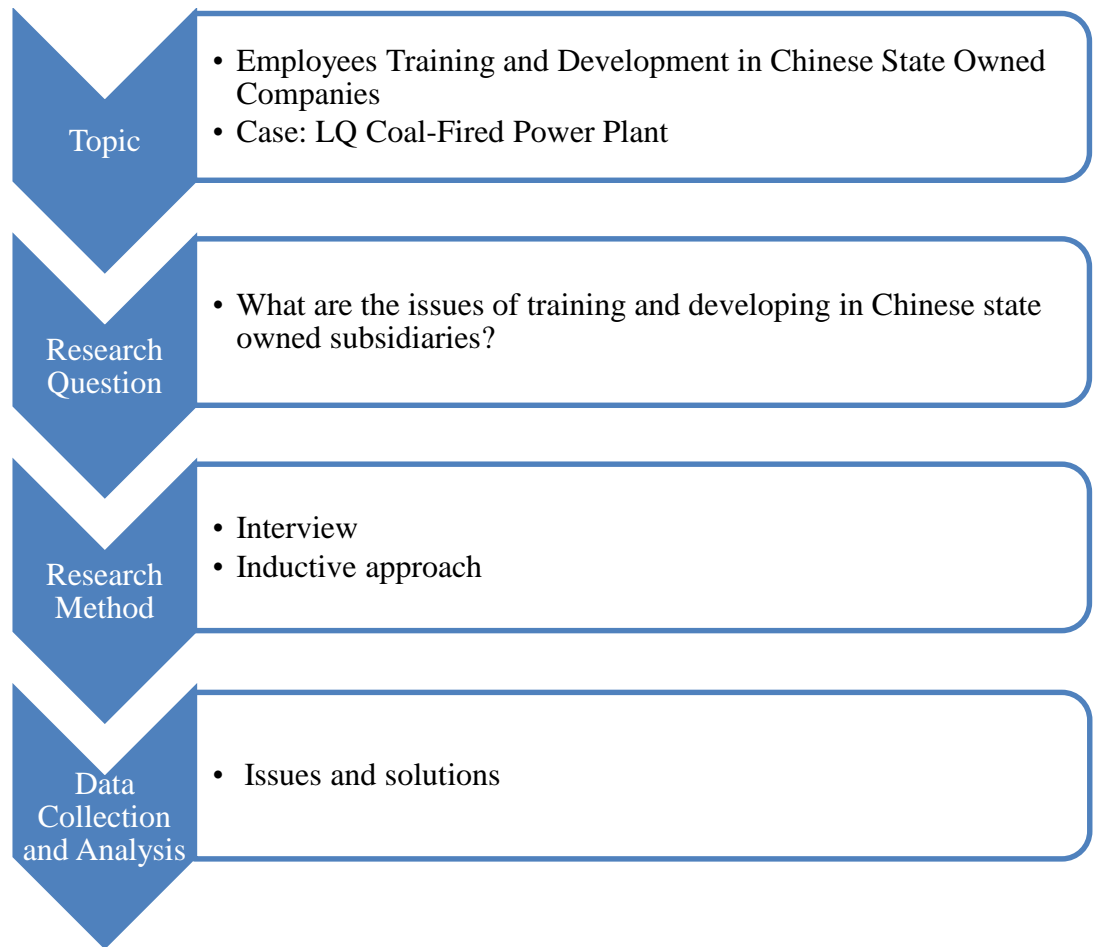


Figure 10 Research Framework

4.2.2 Interview in the Case Company

Twenty samples are picked up for the interview. All of the samples are on-the-job employees in the case company. It means, the samples are chosen from the 78 employees who are working in LQ Coal-Fired Power Plant currently. The interview spends one-day time. Each interviewee takes approximately 20 minutes to finish an interview.

There are three types of interview, which are structured, semi-structured and unstructured. Structured emphasizes standard format. Normally, it combines quantitative methods. Semi-structured is similar to structured, but the questions asking no need in order. Unstructured seems like discuss reactions. Usually, the lead question is fixed, but the sub-questions are not prepared before. (Laisi, 2014)

In this interview, structured and semi-structured are combined. The interview questions are divided into two main parts. The first part is question 1 to question 10. Structured interview is used in the first part. These ten questions concentrate on basic personal information with fixed answers. Based on these basic personal data, the flowing open questions could be understood well. The second part is from question 11 to question 20. They are open questions, which focus on the topic about training and developing. Besides, semi-structured is utilized in the second part.

4.2.3 Research Data and The Results Analysis

Firstly, ten pie charts are used to illustrate the research data of question 1 to question 10. In other words, these pie charts show the basic personal information of samples that are chosen.

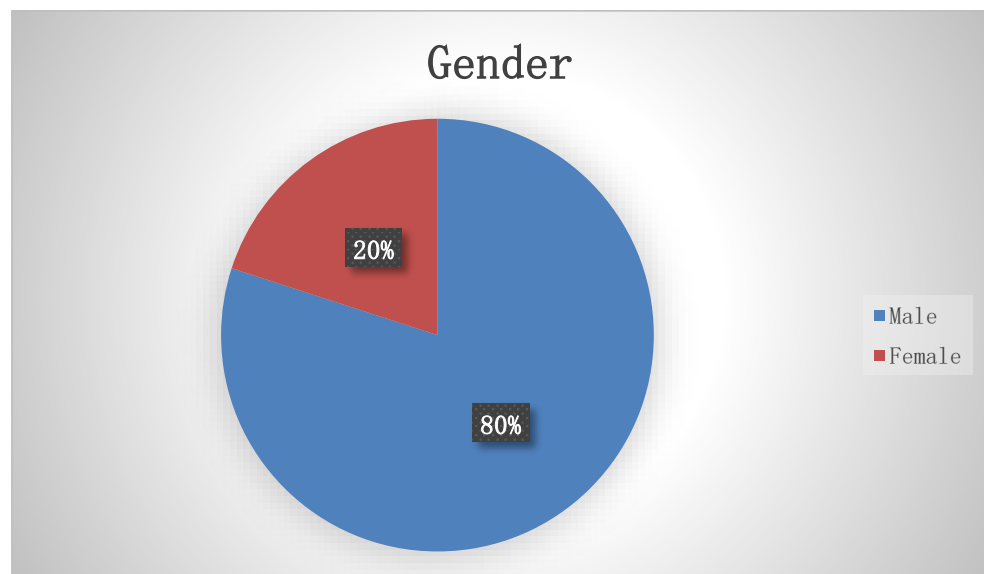


Figure 11 Gender

In the interview, 16 males and 4 females are chosen. This is because the large unequal proportion of males and females in the case company. The total amounts of males in the case company are 62, but females are only 16.

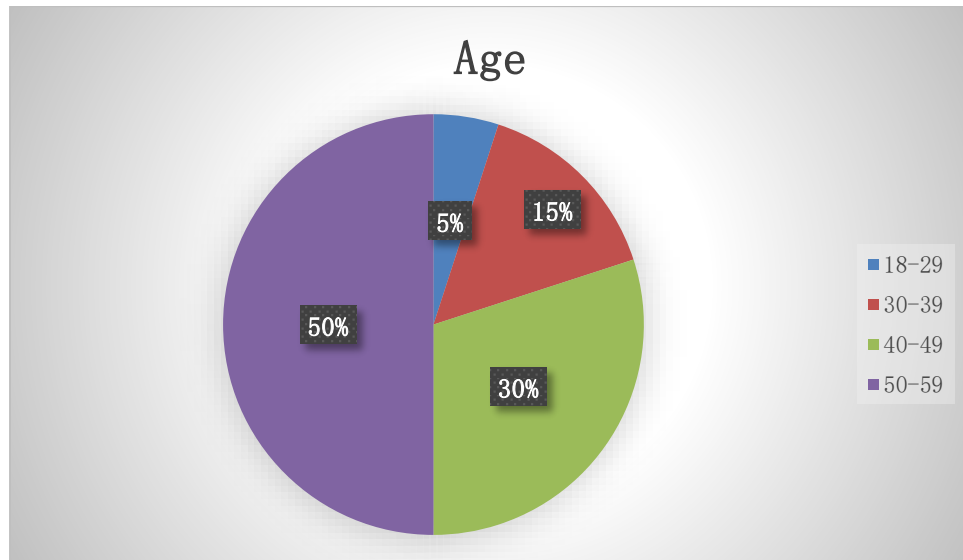


Figure 12 Age

The chosen samples are most 50-59 years old, which account 50%. In contrast, the employees at 18-29 years old are only 5%. It means, in this interview, only one sample is under 30 years old. Like mentioned in Figure 8, the company is in an aging situation. Over half employees are in the 50-59 years old group.

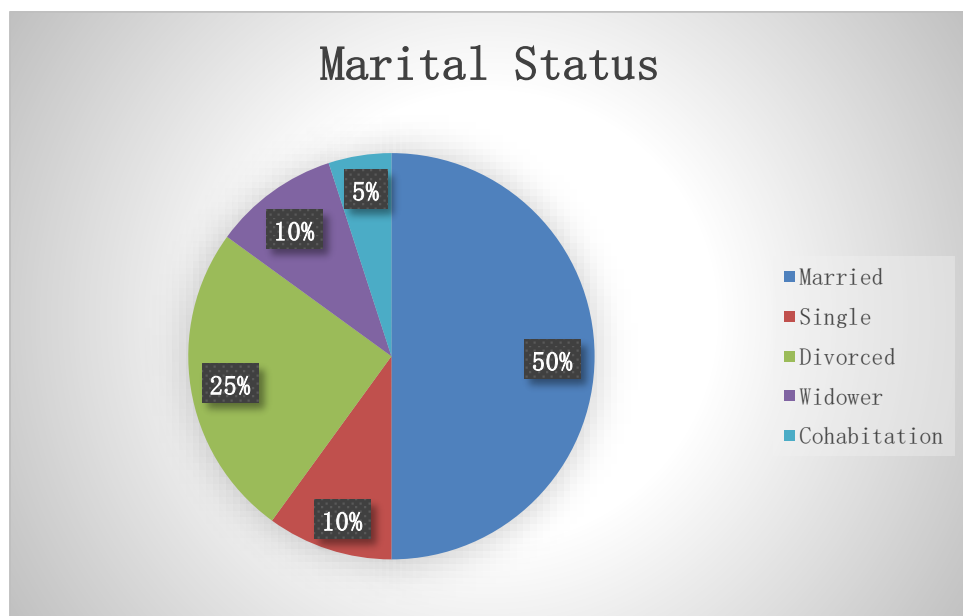


Figure 13 Marital Status

There are 10 samples married account for 50%. There are two employees single, that is equal to the widower employees, 10%. Besides, Divorced employees in the samples account for 25%. Moreover, only 5%, one employee is in the cohabitation relationship.

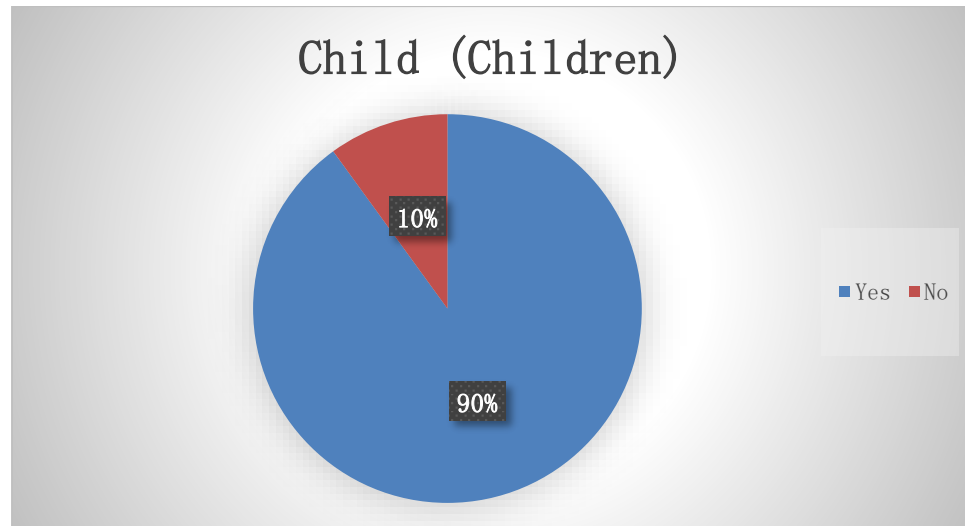


Figure 14 Child (Children)

There are two samples single, naturally, two samples 10% do not have children. The other 18 samples, 90% have children. As mentioned, the employees over 50 years old are the most. These people are more traditional. Besides, in Chinese state owned companies, the spiritual civilization and lifestyle are paid more attention. For example, if a person is married before he/she goes to a company, it will cause a bad influence. This is a traditional unwritten rule.

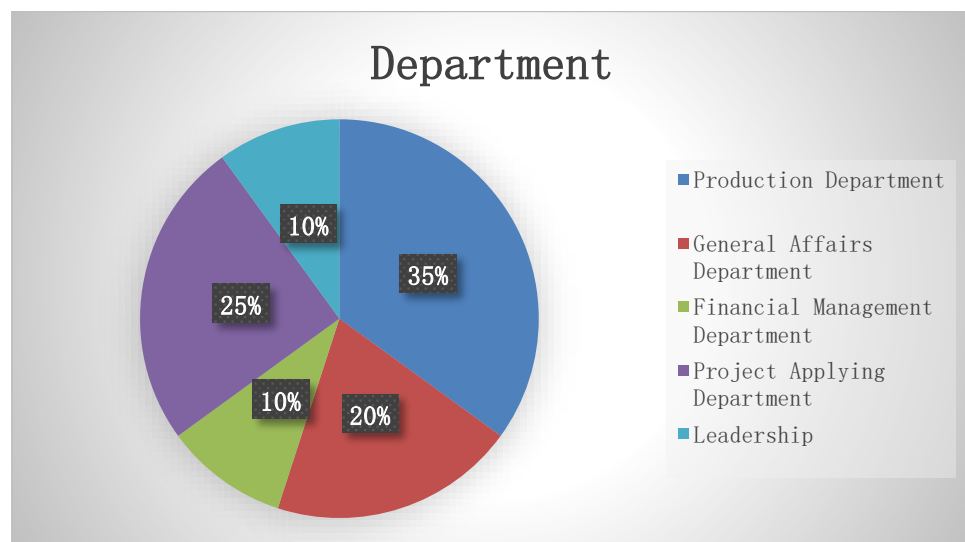


Figure 15 Department

According to departments, the quantity of chosen samples is much more equal. The chosen quantity in different departments is based on the total number of people in each department. The Production department owns the most employees at present, followed by project applying department.

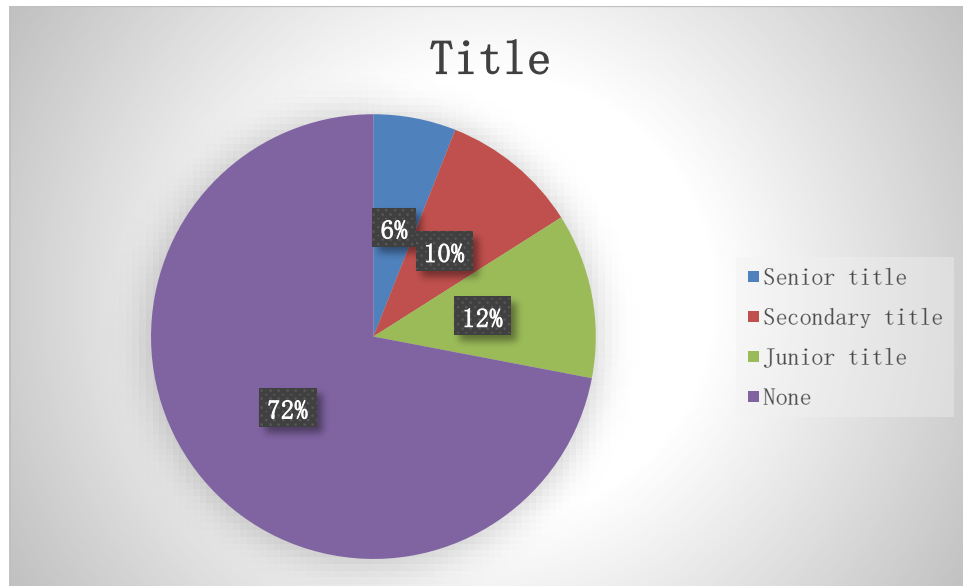


Figure 16 Title

Title relates to employees self-promotion via taking part in title exams. However, most employees do not have any title. To combine with Figure 15, because the most employees belong to production department, titles are unnecessary to them. Besides, title exams are voluntary, thus more employees do not have strong motivations to participate the exams. Although 12% samples have titles, they are junior titles level. Senior level titles only account for 6%. All of the senior level titles are contributed by the case company's top manager and vice-managers.

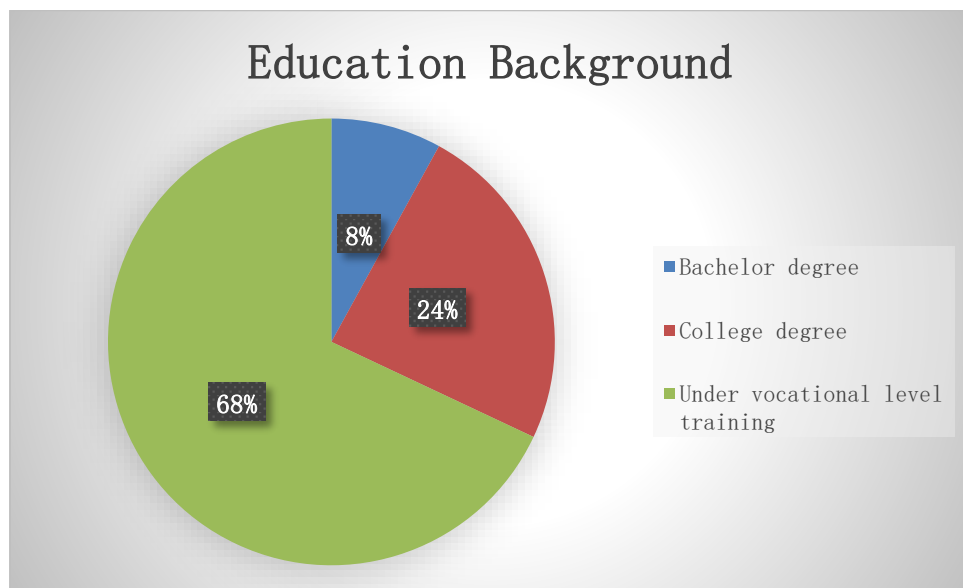


Figure 17 Education Background

Figure 17 should be interpreted together with Figure 12. The education background has connection with age. Over 50 years old employees are half percent. Several years before, LQ Coal-Fired Power Plant uses quota system. If one employee works in the case company, after he/she retires, one of his/her children could replace his/her quota to work in this company. Thus, employees do not care about having a higher degree to apply a job in this company. This is the reason why under vocational level training accounts for 68% and bachelor degree is only 8%.

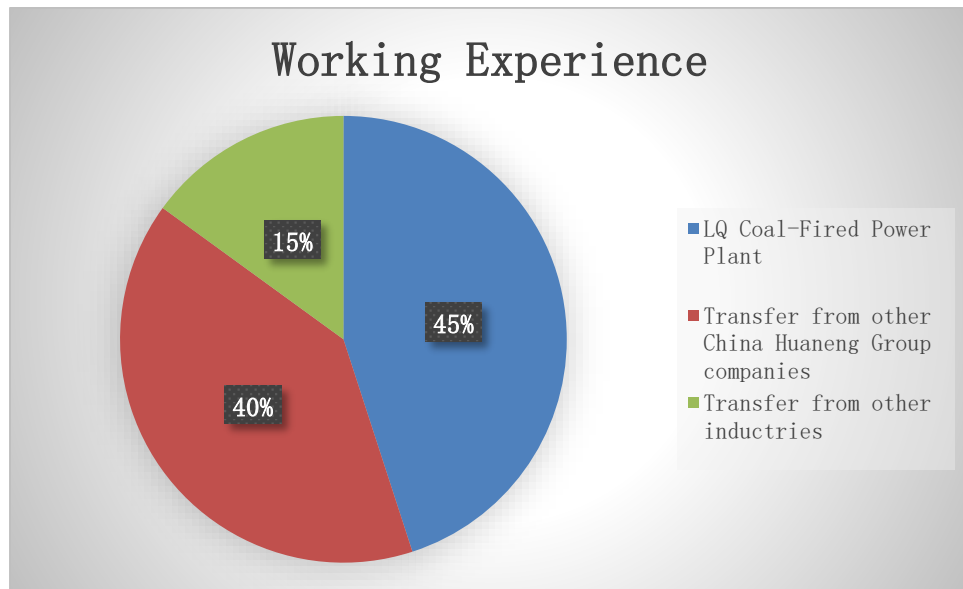


Figure 18 Working Experience

Because transfer among China Huaneng group companies is a common way, the proportion between the original employees and transfer employees from other China Huaneng Group companies are almost same. The transfer employees from other industries are fewer in contrast.

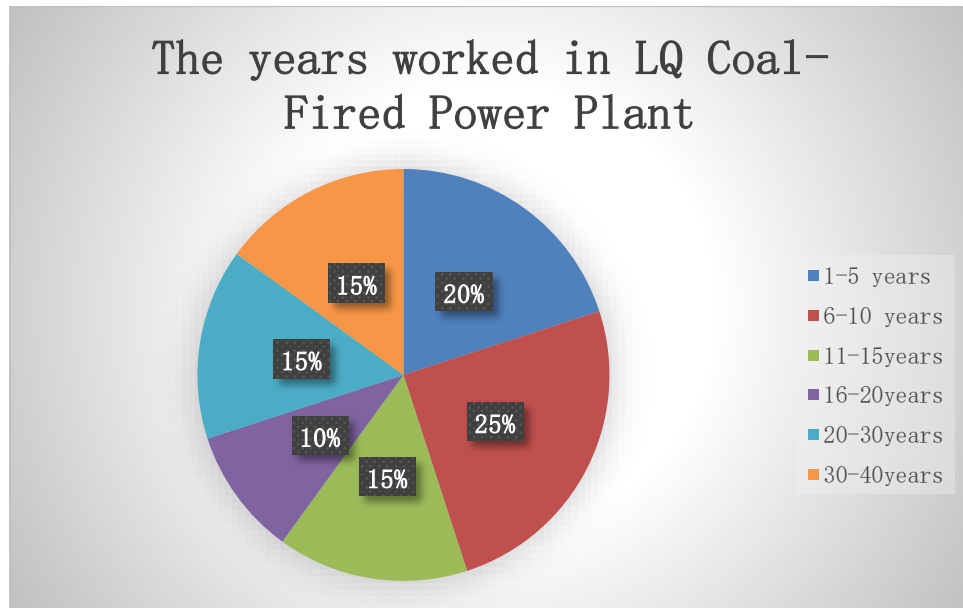


Figure 19 The Years Worked in LQ Coal-Fired Power Plant

The most people of the samples have worked in LQ Coal-Fired Power Plant for 6-10 years, 25%, followed by 1-5 years, 20%. Others are similar. The reason can be found in Figure 18. Because 55% samples are transferred from other companies, the original employees, especially working for 30-40 years, account for 15%. In addition, there is another situation. Several original employees are transferred to other China Huaneng Group companies, and after several years, they are transferred back. Thus, the statistic is based on the total years that employees have worked for.

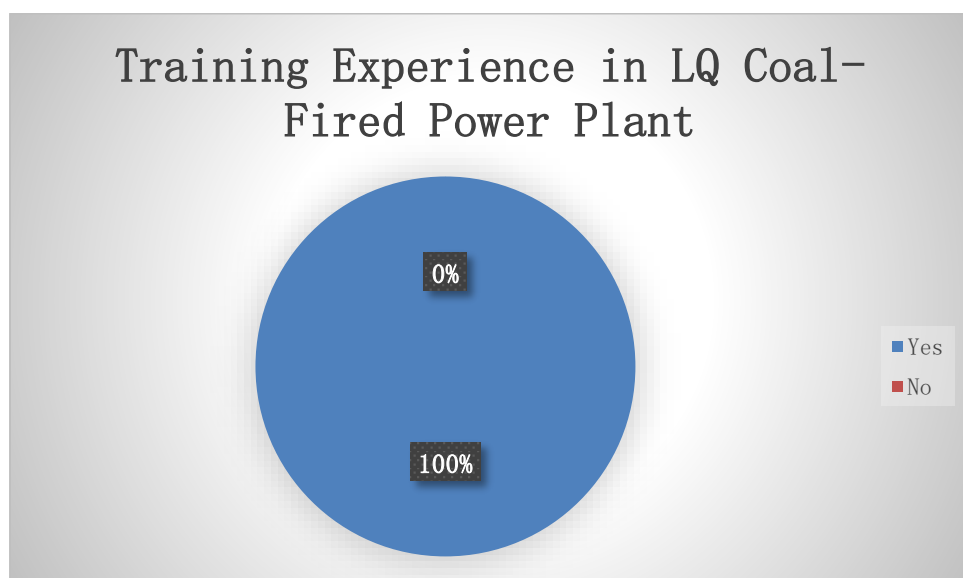


Figure 20 Training Experience in LQ Coal-Fired Power Plant

There is no doubt that all samples are given training more or less by the case company. The more details about training and developing are in the following paragraphs.

The second part interview is open question. By analyzing sample employees' answers, the results could be gotten. Like the 4.2.1 training and developing in the case company, the training is mainly divided into workshop workers' training and office workers' training. To all of the new employees, they are given five days TBC. This is require by the parent company. Moreover, apprenticeship, junior Board, Lecture and simulation training methods have the highest utilization rate in the case company. Most kinds of training are taken place in the case company. Parts of lectures and simulation are carried on in other countries. Apprenticeship lasts one year. Junior Board is usually quarterly. However, if there is a special situation, the junior board will be cancelled. Thus, Junior Board is not necessary.

Figure 21 and Figure 22 separately illustrates how many employees are interested in training and are these training plans useful to the sample employees. Form the following pie chart Figure 21, we can see that 60% sample employees are interested in training. The reason is funny. These 60% employees think training is a good time to relax, especially the OFFJT. The rest 40% employees are not interested in training because some personal reasons such as taking care of children or family. The interesting in training and the useful of the training are inversely proportional. 70% sample employees think training is not useful. Although training is not useful, if there is OFFJT, employees will prefer to take part in because of having a rest.

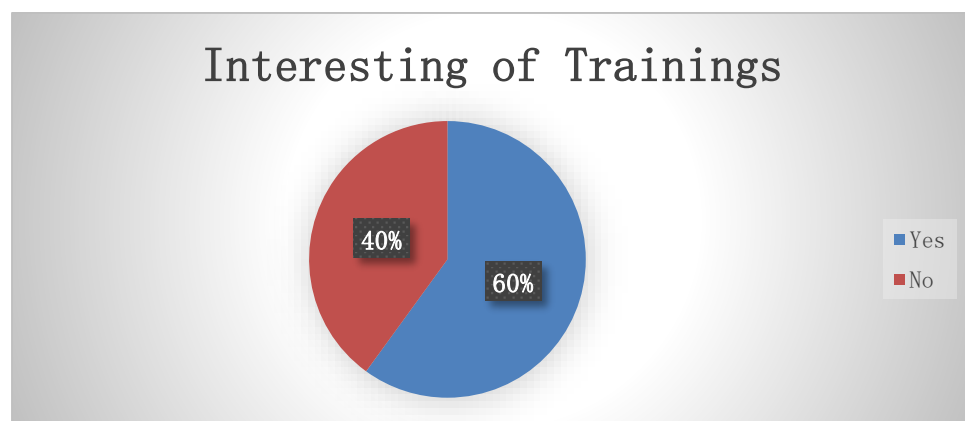


Figure 21How Many Employees are interested in Trainings

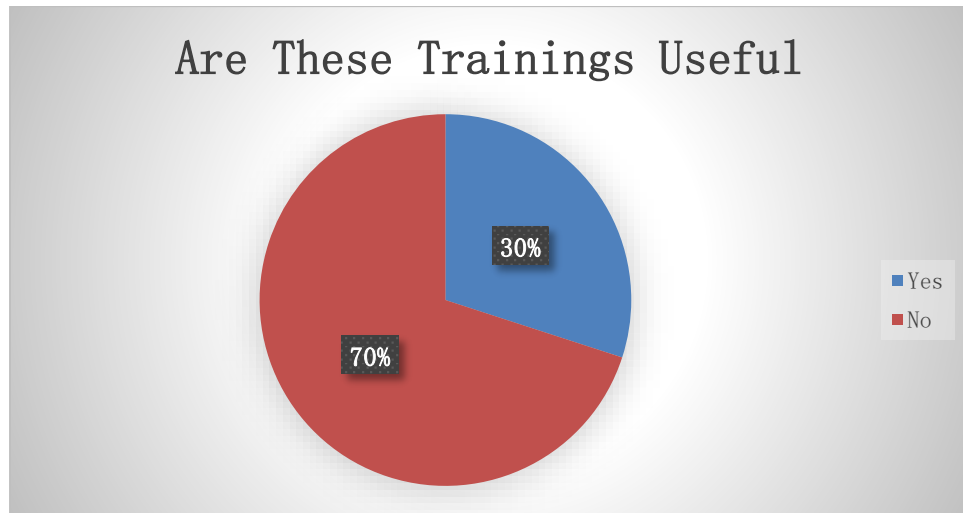


Figure 22 Are These Trainings Useful

Furthermore, from the interview we can see, employees do not have deep understand of training and developing. To face the compulsory training, they have to join it. However, when facing the voluntary training, employees prefer to choose training with rewards. If employees would like to improve themselves, they always choose to take part in the title exams. This is in favor of the future development and salaries increasing. About the training policy, most employees do not have any concept about this. Although HRM department knows much about this, the employees of HRM department do not have extreme rights to make decisions. Besides, training and assessment are disunity. This phenomenon exists in office workers training. Normally, the required skills to office workers are not as high as workshop workers are required. Thus, company supervises office workers training laxly. In contrast, the supervision of workshop workers is serious, because the safety production and employees' safety are the most important things that the company considers.

In summary, all of the issues about training and developing of Chinese state owned companies exist in the case company. Leaderships ignore the importance of training and developing. They do not have a true recognition to training and developing. Besides, HRM department is in an unequal treatment situation. This means, workshop workers' training is serious, but office workers do not accept the same treatment. This causes office workers lazy or lack of desire to improve. In addition, the training to managers is not enough. After all, workers are the basis of a company, and managers are the core. Managers training cannot be ignored.

Moreover, supervision and tracking system are imperfect. The training results and feedback are the basis of the next training. Without these assessments and feedback, HRM department cannot make the exact plans for future training. This is waste time and resources. While the meantime, motivations for training are necessary. The appropriate rewards and motivations are able to facilitate employees to take part in training positively. Combining assessments and rewards or motivations together, training and developing could be more effective. Furthermore, there is one more issue in the Chinese state owned subsidiaries, which is rights are centralized. This issue causes the HRM department in a subsidiary to be an implementation department of its superior company. The rights controlled, which has a bad influence on the initiative in the case company. These are the issues in the Chinese state owned subsidiaries.

4.2.4 Research Validity and Reliability

Due to my practical training takes place in the case company, I am familiar with the employees and the operation style of this company. All of the data are collected by interviewing the employees who are still working in LQ Coal-Fired Power Plant. The interviews are one-to-one and anonymous. Besides, I promise to them I will not use the data except in my thesis. Thus, the samples do not hesitate to tell me the truth. In addition, it is obverse that the results that I find are matchable with the theoretical analysis. In total, the research is validity and reliability. The results can be used in other China Huaneng Group subsidiaries.

4.2.5 The Limitations of the Study

Although the research is validity and reliability, there still are limitations. Firstly, the thesis is to study training and developing issues in Chinese State owned subsidiaries. The case company is a traditional state owned subsidiary, but the diversity existing in different industries. It may be not suit for all kinds of subsidiaries. Secondly, the case company is rebuilding in the research period, the deviation existing more or less. Thus, the research results are not perfect. After the case company restarting, the research could be more comprehensive.

5 CONCLUSION

With the development of society, talents are more and more important to each field. The final competition of companies is the talents competition. In other words, talents become the core of organizations' development. How to allocate HR reasonably is worth to study. However, HRM is in a developing stage in China. Most issues affect the development of HRM. Chinese state owned companies are the typical representatives for studying the development of HRM in China.

Training and developing is an indispensable part of HRM. This study is to use induct way to find out the existing issues of training and developing in Chinese state owned subsidiaries. The case company LQ Coal-Fired Power Plant is a third level subsidiary of a global top 500 company China Huaneng Group. The location of this company is far away from the main cities, thus it keeps more traditional operation style. The research method is interview that combines structured and semi-structured methods together. Form data analysis, finally it can be found four main issues of training and developing in the case company. The first one is the issue from leaderships. It means managers do not have a positive attitude to train employees. Besides, the company pays less attention to managers training. The second issue is that HRM department is in a stagnant situation. In other words, HRM department uses an unequal training way when training workshop workers and office workers. In this research, it is found that workshop workers are more important than office workers are. The third issue is the defective training system. That means the superior, tracking, rewards and motivations to employees training are imperfect. There is lack of superior and tracking system, which causes training inefficiency. The lacking rewards and motivations system lead to employees are not interested in training. The fourth issue is the HRM rights are limited. As an HRM department, they do not have enough rights to operate. They just implement the superior companies' orders. This means the HRM department in case company lacks of vitality.

It is better to restore several basic functions that HRM department should have such as reward management and making proper decisions about employees training and developing. The more flexible training and developing system, it can

bring more benefits to companies. The effective training and developing is able to facilitate organizations to adapt the changing environment, as well as to improve competitiveness. Besides, training and developing motivates employees to promote themselves through compulsory or voluntary methods continually. All of these are in favor of a company long-term development.

In conclusion, issues appear when a new thing develops. To put forward issues and to solve them, the new thing could develop well. HRM is developing in China, thus issues are inevitable. To face issues and solve them, it can bring a bright future.

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APPENDICES

Interview for employees and managers in the case company:

1. Gender
 - a. Male
 - b. Female

2. Age
 - a. 18-29
 - b. 30-39
 - c. 40-49
 - d. 50-59

3. Marital status
 - a. Married
 - b. Single
 - c. Divorced
 - d. Widower
 - e. Cohabitation

4. Child (Children)
 - a. Yes
 - b. No

5. Department:

6. Title:

7. Education background

8. Working experience

9. How long have you worked in this company

10. Have you ever joined any training which is given by the company
 - a. Yes
 - b. No

If it is yes, please answer the following questions:

11. What is the training about
12. What kind of the training (lecture, seminar)
13. How long, how far and how often does the training takes place
14. Are you interested in joining training to improve yourself or it is compulsory
15. Are the training enough for you to improve
16. What is your overview of training policy in this company
17. What do you think about the training you took part in (relevant or not; easy to get or not)
18. What are problems of the training do you think
19. Please give suggestions or advices about the training
20. Is there anything about the topic you would like to add