

## Chapter 5

# Conclusions, Discussion, and Recommendations

### Conclusions

Through Chapter 4 we have analyzed Company D internally and externally. The conclusions drawn from this research are as follows:

#### 1. Current situation of human resource management in D company.

Initially, the company belonged to the personnel department of a state-owned enterprise, with only simple personnel management functions; since 2002, the company has been formally independent, and at the same time carries out HR practice management in accordance with the six modules of planning, recruitment, training, performance, compensation and employee relations; since 2008, the company has put forward the concept of strategic human resources, and formulated the corresponding human resources strategy according to the corporate strategy, emphasizing the importance of the corporate culture. Since 2008, the company has put forward the concept of strategic human resources and formulated corresponding human resources strategies according to the corporate strategy, emphasizing the importance of corporate culture, talent development, leadership and other factors affecting organizational performance. At this stage, the focus of human resource work is system construction, and the company has carried out a number of human resource system construction, such as quality model based on competency, job optimization design based on job analysis, and the establishment of performance appraisal system.

By 2013, the company entered a new stage of HRM from the outside in. Just as Huawei's top executive Ren Zhengfei advocated "let those who can hear the sound of the gun shout the gun", the company began to introduce the three-pillar HR structure, and in order to let the HR strategy reach the business departments, HR personnel began to enter the business departments, consider the changes in the business from the perspective of the market, and design HR tools according to the needs of the business. 2015, the company developed its own HR information system and payroll system. its own HR information system and payroll system to realize comprehensive HR information management and make HR management more scientific and efficient. The three-pillar HR model was first introduced by David Yurich in 1996. The concept was introduced to China around 2001. Based on the traditional six modules, the model

views HR as a holistic system whose core mission is to support business development and achieve organizational performance. Therefore, this model is also known as the HR Troika. According to the different division of labor, the whole HR system consists of HR Shared Service Center, responsible for traditional personnel function services; HR Expert Center, responsible for the knowledge output and tool design of major modules; and HR Business Partner, responsible for deepening and advancing the HR work of the business department, and providing HR decision-making support for business directors. Decision-making support for business executives.

After this model was introduced into China, some large enterprises such as Huawei and Tencent took the lead in exploring and reforming it, and it was followed by many enterprises. However, research shows that 80% of the domestic enterprises that have adopted the three-pillar model still find it difficult to get rid of HRBP as a real business partner due to the limitations of their own management level and human resource allocation.

The reason why HR of Company D adopts the three-pillar model is determined by the characteristics of its own organizational structure; Company D is large in scale, each industrial headquarters has a different business model, and all the employees belong to the group headquarters, so the headquarters is often unable to manage each industrial headquarters. both COE and SSC are located in the headquarters' Human Resources Department, and the SSC is managed according to the window according to the function, responsible for labor relations, social security provident fund, archives and household registration etc.; COE has six modules, including recruitment supervisor, training supervisor, performance supervisor, compensation and benefits supervisor, and organization development supervisor. COE is divided into six modules: recruitment supervisor, training supervisor, performance supervisor, compensation and benefits supervisor, and organization development supervisor.

The HRM at the headquarters is carried out in the form of HRBP at each industrial headquarters. In each industrial headquarters, the HRBP's scope of responsibility is divided according to different business units, and each HRBP's support ranges from 100 to 200 people. the HRBPs are partly sourced from the business units, and partly from HR Transformation.

The human resource management of Company D is at a relatively advanced stage in both management concepts and practices, following the pace of domestic leading enterprises, but the unique corporate culture of Company D as a "listed company in the academy" plays a certain limitation in HRM. On the one hand, it has to adapt to the profitability goal of listed companies, serve the interests of shareholders, and

maintain advanced management concepts, but on the other hand, it is constrained by the shortcomings of the management of state-owned enterprises. Therefore, the biggest dilemma of HRM in Company D is the contradiction between advanced management tools and relatively backward system. No matter how advanced the management tools are, if there is no soil to make them land, then human resource management will become a pavilion in the air and difficult to put into practice, and if the management cannot be put into practice, it will be more of a form than a reality. Specifically, the following performance.

(1) Individual departments promotion channels are virtual, there is no exit mechanism for unqualified cadres, there is a glass ceiling, cadre appointment is still a seniority phenomenon;

(2) Some departments, especially functional staff dedication is not high, the pursuit of stability and comfort, there is no competitive atmosphere.

(3) Relatively bloated staffing, even with modern HR tools to identify incompetent employees, many departments do not want to lay off employees, but rather transfer them to departments and positions with less performance pressure because of corporate culture.

(4) Overall profitability has declined and there is an urgent need to improve overall performance levels.

In order to solve the management dilemma and improve organizational performance, Company D started to explore the HPWS in 2014. Through literature research, combined with the HR level of Company D, we proposed a HPWS model based on AOM, i.e., rational job design, recruitment and selection process based on competency model, training and development based on quality model, performance management system based on incentives, human resource informatization, and stable and efficient core management team.

However, Company D has diverse business forms and each business unit operates independently, making it difficult to achieve consistency between company-level HPWS and department-level HPWS. Some studies have shown that there are differences between different departments in the same organization. It remains to be verified whether the HPWS model proposed by the company can be applied and implemented in each business unit. As a result, Company D's HPWS is still in the exploratory stage and is currently only used at the HR application level and has not yet been widely applied across the company. Therefore, the focus of Company D's HR efforts is led by the HR partner (HRBP) to examine the HR practices of the business units from the perspective of the HPWS, identify the high-performance work system

perceived by the business units, narrow the gap between the HPWS at the departmental and company levels, optimize the company. Narrow the gap between the HPWS at the departmental level and that at the company level. The gap between departmental and company-level HPWS is narrowed, the company's HPWS model is optimized, and organizational performance is maximized with the high-performance work system.

## **2. Design a HPWS aligns with the digital transformation of D Company.**

Through the external factor analysis (EFA) and internal factor analysis (IFA), we can see that Company D has coped well with the external competition and opportunities, and in the face of the internal situation, Company D can adjust the system in time according to its own strengths and weaknesses, and continuously enhance Company D's competitive advantages to ensure the sustainable development of Company D. From the questionnaire survey, we can see that the employees of Company D need digital thinking; through the SWOT analysis, we can see that the problems faced by Company D at present are the imperfection of the basic welfare mechanism, the lack of diversity of the company's products and the low degree of internationalization; according to the TOWS analysis, we can see that Company D at present lacks better management talents and the staff lacks motivation. To address these problems we can design a HPWS to improve the performance of employees, thereby improving the market competitiveness of Company D.

### **1) Improve digital thinking**

Initiatives: (1) Develop a long-term strategy for developing digital thinking, which includes continuous learning opportunities, constant updating of emerging technologies, and adapting to the ever-changing digital environment.

### **2) Improve employee welfare:**

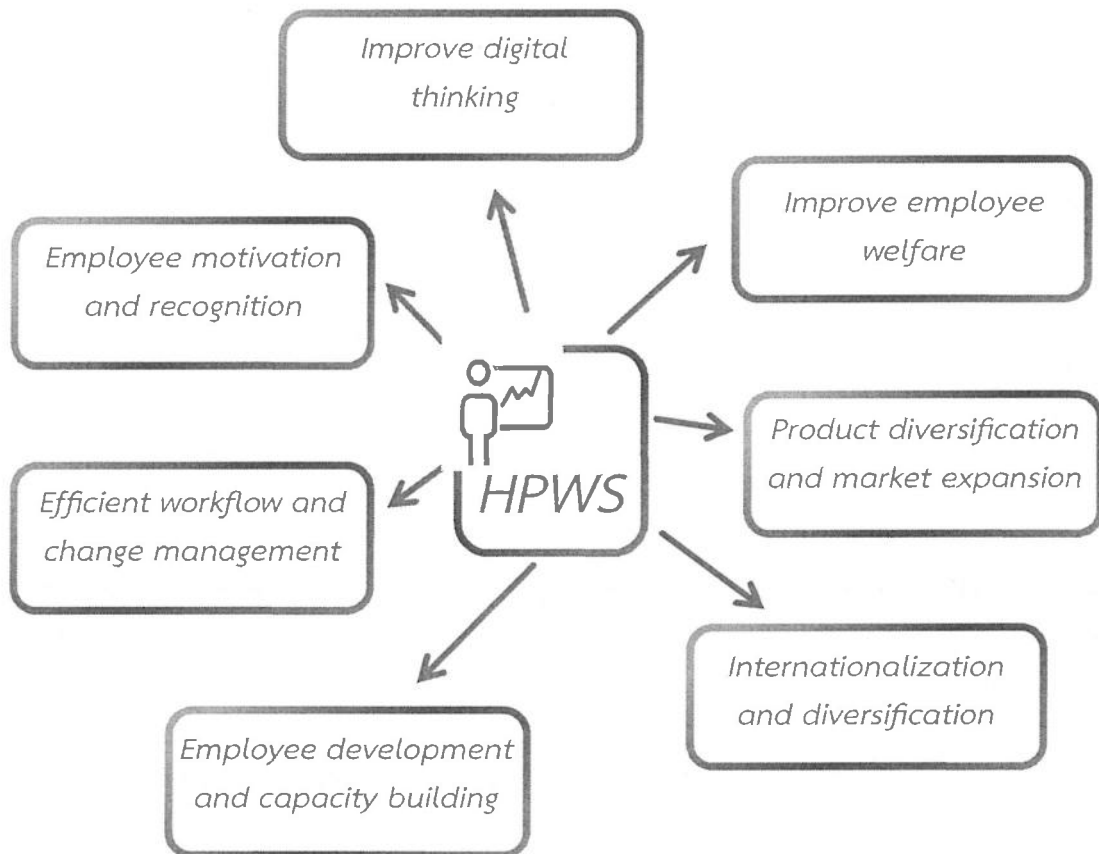
Initiatives: (1) Enhance basic benefits by reviewing and enhancing the basic benefits program for new hires. including competitive health insurance, retirement plans and other basic benefits. Publicize the improved benefits package to attract and retain the best talent.

(2) Comprehensive Employee Benefit Programs, Develop Comprehensive employee benefit programs to address the lack of basic benefits. Introduce wellness programs, flexible work arrangements and employee assistance programs. Regularly evaluate and adjust benefit plans to meet employee needs.

### **3) Product diversification and market expansion:**

Initiatives: (1) Product diversification strategy to analyze market trends and identify opportunities for product diversification.

Invest in research and development to create a more diverse product portfolio. Develop marketing strategies to promote new products and attract a broader customer base.



**Figure 5.1** High Performance Work System

4) Internationalization and diversification:

Initiatives: (1) Diversity and Inclusion Strategy Develop and implement a diversity and inclusion strategy to increase internationalization. Set diversity recruitment goals, implement training programs, and foster an inclusive culture. Establish employee resource groups to support the diversity community within the organization.

(2) Recruit globally and actively recruit talent with diverse backgrounds and international experience. Conduct cultural competency training for all employees to enhance global collaboration. Encourage cross-cultural team building activities to increase diversity awareness.

5) Employee development and capacity building:

Initiatives: (1) Continuous Learning and Development (CLD) Implement continuous training programs to enhance the skills and competencies of employees. Provide specialized training to meet growing industry needs. Establish mentorship programs to facilitate knowledge transfer within the organization.

(2) Leadership Development Leadership Development, identify high potential employees and invest in leadership development programs. Provide opportunities for existing employees to take on leadership roles. Foster a culture of innovation and creativity to improve competitiveness.

6) Efficient workflow and change management:

Initiatives: (1) Agile workflows, implement agile methodologies, and quickly adapt to industry policy changes. Foster a culture of adaptability and continuous improvement. Develop cross-functional teams to enhance collaboration and improve efficiency.

(2) talent management and succession planning, talent management and succession planning, implement a robust talent management and succession planning system. Identify key positions and develop plans for smooth transitions during changes. Provide training for managers to help them lead their teams through industry policy changes.

7) Employee motivation and recognition:

Initiatives: (1) Performance Recognition Program Implement a performance recognition program to motivate and reward employees.

Link performance rewards to individual and team achievements. Communicate success stories and recognize employee contributions.

(2) Employee Feedback and Engagement, Employee Feedback and Engagement, Establish regular feedback mechanisms to measure employee satisfaction and engagement. Act on feedback to address employee concerns and improve the work environment. Encourage employee participation in the decision-making process.

By implementing these measures, Company D can create a HPWS that addresses identified challenges, increases employee motivation, and enhances the overall competitiveness of the organization. Periodic evaluations and adjustments should be made to ensure the continued effectiveness of the system.

## Discussions

### 1. Discussions of current situation of HRM in D company.

Company D draws the following conclusions based on the research framework while considering variables such as efficiency and labor force in the context of digital transformation.

At the beginning of digital transformation, because human resource management did not keep pace with digital transformation, it caused turnover and inefficiency, which led to a decline in the market competitiveness of Company D.

As the competition among enterprises intensified, the demand for talents became more urgent and pressing. Enterprises maintain and enhance their core competitiveness mainly through talent recruitment, training and retention. When promoting talents, we can't only evaluate them from the performance appraisal of employees, but also take into account various indicators of employees, the most important of which is to let employees find their own positions. For this reason, the following two points should be analyzed in the process of employee promotion evaluation. Firstly, the daily performance of the employee needs to be checked. Check the effectiveness of the staff in completing the work within the stipulated time and also the managers can fulfill the corresponding objectives. Secondly, the dedication of the staff needs to be reviewed. There is a gap between different employees, dealing with different work should comply with the corresponding management system, in order to fully guarantee the corporate image and at the same time play the role of HRM, to check whether the staff in their daily work to listen to the views of the leadership, as well as whether they have to provide assistance for the development of the enterprise. (Li, 2023, pp. 96-98)

The demand of modern enterprises for talents is not only a simple resume, but also to hire talents who meet the requirements. At this stage, enterprises need to strengthen the punctuality of talent recruitment should be based on the actual needs of their own development, to determine the content and direction of talent recruitment. At the same time, you can also choose the right person for the job according to the job requirements, in the process of HRM, the need to adjust the staff position according to the daily performance of the staff as well as the ability to work. (Li, 2023, pp. 96-98)

With the continuous development and application of artificial intelligence and big data technology, the staff is not based on "more" and "faster", but a more reasonable allocation of personnel and resources, so as to optimize the process and

improve efficiency. Business leaders need to understand the inner thoughts of the staff, according to the actual situation of the staff's future career development for reasonable planning, to develop a talent management strategy in line with the development of the enterprise. Make full use of the staff's strengths to improve work efficiency. Secondly, mutual value-added to achieve the effect of common development. It is necessary to carry out scientific and reasonable allocation of staff, fully understand the staff's problems as well as advantages, so that it understands its own duties and tasks, and improve the efficiency of the staff as well as the level of service while enhancing the staff's advantages. (Li, 2023, pp. 96-98)

Talent management has changed from the previous purely emphasizing the index system to the human aspect of psychology and culture. Enterprises in the process of operation need to establish a people-oriented corporate culture, and talent management as an important part of enterprise development. Enterprises in the development should be incentivized to introduce talent, the establishment of a perfect talent training mechanism, set up a reward and punishment system within the enterprise, the excellent staff to give rewards, not active, not progressive, the work attitude of the staff to give penalties, and strengthen the training mechanism, combined with the staff's actual working conditions for training, enhance the staff's skill level and comprehensive quality, master the new management concepts and management methods. Employees in their daily work can put forward different opinions on the future development of the enterprise as well as the current stage of management, managers should be considered in conjunction with the actual situation, so as to better realize the two-way management of talent and enterprise, and to promote the win-win situation of enterprise and talent management. (Li, 2023, pp. 96-98)

The above findings are based on the data obtained from the interviews.

From the results of these interviews, we can see that the problems faced in human resource management in Company D are centered on recruitment, training, performance and welfare, so we can only link these aspects to create a HPWS and improve work efficiency.

On the whole, HRM has become one of the core competitiveness of modern enterprises, which involves all aspects of enterprises and also plays an important role in promoting them. Therefore, in the future development, we need to adjust and optimize the mechanism, system and process of talent management as soon as possible, focusing on the humanized management and intelligent application of employees, in order to be invincible in the continuous competition and realize the rapid and stable development of enterprises.



## 2. Discussions of design a HPWS align with the digital transformation of D Company.

The design of HPWS is based on the digital transformation of Company D. The conclusion is based on the conceptual framework considering different variables. The original HRM has tended to be outdated and cannot be in the process of adapting to the digitally transformed Company D. In order to improve Company D's competitiveness in the marketplace, a HPWS needs to be designed in line with Company D's digital transformation.

In a high-performance HRMS, all activities of HR practices are complementary to organizational goals and environment, while all HR practices are coordinated and matched with each other. The reason for innovating the existing HRM in enterprises is mainly related to the fact that there are more drawbacks in the existing management practices. Through research, it can be found that the HRM methods used by many enterprises have different degrees of problems, either backward assessment mechanisms, or unsound management mechanisms, or a weak sense of belonging among employees. Under the background of digitalization, in order to achieve further development, enterprises should seize the opportunity to optimize HRM methods, with the help of digital technology to formulate HRM system in line with the actual development needs of the enterprise, to stimulate the staff's work initiative, to enhance the staff's sense of belonging, and to reflect the value of the staff. (Sun, 2015, pp. 867-879)

Digital transformation not only directly improves business performance, but also indirectly improves business performance through dynamic capabilities. Improve the digital HRM process. With the use of digital technology in HRM innovation, the management process can be further improved, effectively making up for the lack of online management in traditional HRM, online and offline connectivity, the human resource management process will be more simple and scientific, and work efficiency will be improved. (Sun, 2015, pp. 867-879)

HPWS organization is a system to achieve competitive advantage through effective coordination and optimization of work organization structure. In the context of digitalization, the realization of enterprise HRM innovation should also pay attention to the innovation of organizational structure. The realization of organizational structure innovation can not only help relevant staff clarify management relationships, but also further reduce enterprise operating costs, stimulate employees' interest in work, and improve organizational efficiency. Define the leading department for digital transformation. First, a digital management department has been established as the lead department for digital transformation, mainly responsible for data construction, platform management

and maintenance. The second is to set up a planning and management department, which is mainly responsible for promoting and planning the use of digital technology, as well as preparing and implementing digital transformation. The implementation of various tasks to specific personnel can not only improve work efficiency, but also lay the foundation for the smooth promotion of HR management digitization. (Sun, 2015, pp. 867-879)

The above findings are based on the data obtained from the interviews.

In general, the competition between enterprises is mainly the competition of talents, in order to enhance the market competitiveness of enterprises, it is necessary for enterprises to do a good job in HRM innovation, and the emergence of digital technology has laid the foundation for human resource management innovation. In order to realize digital innovation in HRM, enterprises need to design a HPWS in line with the digital transformation, and the design should start from improving the ideological understanding of enterprise managers, while paying attention to the innovation of organizational structure, constructing a digital management platform, perfecting the digital human resource demand model, and optimizing the mechanism of human resource management and the work environment, etc., which is the only way to lay the foundation for the healthy development of the enterprise, and attract and retain more excellent talents for the enterprise. Only in this way can we lay the foundation for the healthy development of the enterprise, attract and retain more excellent talents to work for the enterprise, and thus drive the further development of the enterprise.

## **Recommendations**

### **1. Practical Recommendation**

HRM is playing an increasingly important role in all industries. Our goal is to provide excellent HR services to different companies to effectively manage their employees and promote organizational growth. The purpose of this article is to provide some suggestions to help other HR service industries to better fulfill their responsibilities.

#### **1) Human Resource Planning**

Establish a clear plan for HR needs, assess the current employee situation and forecast future needs based on the company's development goals and strategies; develop a reasonable employee mobility plan, including recruitment, training and development, to meet business growth and employee career development needs.

## 2) Recruitment and Selection

Develop appropriate recruitment strategies, including internal and external recruitment; design effective selection processes, including resume screening, interviews, assessments and background checks to ensure that the right people are recruited; ensure that the recruitment process is legal and compliant, and follows relevant labor laws and regulations.

## 3) Employee Training and Development

Analyze employee training needs, formulate training plans, and provide necessary training and development opportunities in order to improve employees' professional abilities and vocational qualities; establish an effective performance evaluation mechanism, and provide employees with feedback and development suggestions for personal growth.

## 4) Performance Management

Develop a clear performance management system, including setting goals, setting key performance indicators, evaluating performance and incentives, etc.; provide employees with timely, fair and accurate performance feedback, recognizing and rewarding outstanding performance, while providing improvement guidance for shortcomings.

## 5) Employee Welfare and Care

According to the needs of employees and the company's welfare policy, provide appropriate welfare benefits and employee care measures to enhance employee satisfaction and loyalty; establish effective communication channels, pay attention to employee feedback and needs, and solve employee concerns in a timely manner.

## 6) Labor Relationship Management

Comply with relevant labor laws and regulations, develop reasonable mechanisms for employee separation, dismissal and labor dispute resolution; maintain good labor relations and establish good communication and cooperation with employee representatives.

## 2. Future Research Recommendation

This paper clearly defines the dynamic capabilities of digital transformation enterprises, and considers that the dynamic capabilities of an enterprise in the process of digital transformation are the ability to adapt to changes in the external environment, integrate and reconfigure resources, reconfigure the organization's knowledge base and learning paths, adjust the organization's structure, optimize the operation mode and business processes, and continuously correct deviations. By summarizing and condensing, it is proposed that the dynamic capabilities in the process of digital transformation include four dimensions: environment perception capability, resource integration capability,

knowledge learning capability, and management and operation capability. Through case studies and empirical research, it is proved that digital transformation has a very obvious positive impact on enterprise performance, and it is also confirmed that dynamic capabilities play a partly mediating role in the improvement of enterprise performance in the process of digital transformation. It is also verified that there are strong and weak differences in the effects of the dimensions of dynamic capabilities on enterprise performance, and that the positive effect of resource integration capabilities on enterprise performance is relatively weak compared with environment-awareness capabilities, knowledge-learning capabilities, and management-operation capabilities. The mediating effect between digital transformation and firm performance is greater than that of environment-awareness capability and management-operation capability, while resource integration capability and knowledge learning capability are smaller.

The dynamic ability of environment-aware capabilities to perceive changes in the external environment facilitates firms' digital transformation decisions. When an enterprise undergoes digital transformation, its dynamic capabilities will improve with the implementation of a specific strategy for digital transformation, and its performance will improve with the level of digital transformation and dynamic capabilities. Environment-aware capabilities will help organizations decide on a digital transformation path in light of changes in the external environment and will drive digital transformation into a new phase, a process that repeats weekly.

Dynamic capabilities play a leading role in the different phases of digital transformation, which are realized through different dimensions at different times in the enterprise. At the beginning of each stage of digital transformation, the environment-aware capability dimension mainly dominates in grasping the specific direction of the enterprise's digital transformation. Entering the middle and late stages of digital transformation, enterprises are mainly dominated by resource integration capability, knowledge learning capability and management and operation capability, and realize enterprise performance improvement with the help of digital transformation. Digital transformation also brings emerging technologies that can reduce the workload of employees and ultimately reduce costs. The survey shows that digital transformation can also improve employee satisfaction by reducing repetitive non-value-added tasks and responding faster to customer needs.

Company D's case study research provides a reference solution for other companies planning to opt for a digital transformation that can take digital transformation beyond technology and positively impact business development for other companies in the industry.