A CORPORATE HUMAN RESOURCE STRATEGY: 
THE CASE OF ZHENGTAI GROUP CO., LTD.

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This study uses Zheng Tai Group Co., Ltd. as an example for the research. As an older state-owned construction enterprise in Jiangsu Province, Zheng Tai Group Co., Ltd. must maintain its market advantage within a very intense market. The company should gradually expand into new market areas, learn how to avoid possible human resource crises, improve the quality of staff competences and meet the demands of personnel in a corporate strategy. It has become imperative for the managers of Zheng Tai Group Co., Ltd to find the corresponding solutions. Our study shows that human resource management, human resource strategy, and the human resource strategy theory of the construction industry are interrelated. Our initial intent has been to understand and analyze the gap between the current situation with the human resources at Zheng Tai Group Co., Ltd. and the development strategy of this enterprise. The study carries out a comparative research and formulates a corresponding human resource strategy to match the company strategy, explaining the sequence of human resources, including acquisition, maintenance, development, and the reduction plan. A series of HR strategy implementation plans have been presented and suggested. The main methods of this paper include the literature research method, the case study method, and the interview method. This research also clarifies some ideas for the future of human resource development at Zheng Tai Group Co.,

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Ltd. These developments should include a strategic perspective; formulated human resources development objectives, and the strategies based on the actual history of the company. The company in question should be more open to the idea of human resources allocation as this enhances the abilities to cope with external market environments, thus indirectly strengthening the competitiveness.

Keywords: construction company; human resource strategy; corporate strategy

Introduction

Research Background

In the context of integration into the world economy, the scope of enterprise competition has expanded significantly and the market competition has become increasingly fierce. In order to achieve a competitive advantage, it is necessary to have resources that other competitors do not have and to have their own core competitive advantages.

Human, financial, material and technical resources are all necessary for the development of enterprises. Compared with the latter three resources, human resources can obtain sustainable development advantages for an enterprise, as they are unique, scarce and difficult to imitate. Thus, they are often regarded as the first resource of any enterprise. Modern enterprises are not only facing a complex and changing external environment, but they are also facing the problem that the needs and values of employees within the enterprise are becoming more and more diversified. At the same time, the core competitiveness of enterprises can only be achieved through strategic and systematic human resource management activities.

As an old state-owned construction enterprise in Jiangsu Province, Zhengtai Group Co., Ltd. has a certain market base and its own brand advantages, but as the competition in the construction market becomes more and more intense, the business of general contractors sinks and professional subcontracting starts to participate where Zhengtai Group Co., Ltd. is located, with the private enterprises that have the same qualifications.

How to maintain its market advantage under such a fierce market competition, retaining its market position as an old construction enterprise in Jiangsu Province while gradually expanding into new business areas? How to effectively improve the ageing structure of the key personnel, fight poor quality and excessive redundancy and also avoid a possible human resource crisis, thus meeting the needs of the enterprise strategy for high-end technical and management personnel in geotechnical, environmental and design fields? How to improve the management level of the company's human resources work, enhance the competence qualities of the staff, promote the company's operational management efficiency, expand and maintain the company's competitive advantage? These are the most urgent problems that the managers of Zhengtai Group are facing these days.

This paper takes Zhengtai Group Co., Ltd. as the research object, focusing on how to raise the company's existing human resources to a strategic level, basing on the development of a practical human resources strategy and implementation policy and taking various safeguard measures to break the resistance and ensure the implementation so as to meet the demand for human resources for the purposes of further strategic development, also providing quantity, quality and structure of personnel to achieve the strategic goals of the
enterprise. All this would ultimately help with cultivating and maintaining the core competitiveness of the enterprise and thus provide support for its long-term development.

**Research Questions**
1. How does Zhengtai Group Co., Ltd's human resource management ensure the realization of its strategic goals?
2. How does Zhengtai Group's human resource strategy contribute to the impact of changes in the internal and external environments of the company's development?
3. What positive impacts does talent introduction have for this company?

**Objectives of the study**
Through comprehensive research and analysis, and also clarifying Zhengtai Group's corporate strategic objectives, this paper finds out the current situation with the company’s human resources, finds out the gap between the strategy and these human resources, analyzes the causes behind the major problems, and puts forward the human resources strategy suitable for further strategic development of the company in question. How to put forward the corresponding implementation plan and safeguard measures through the formulation of a human resource strategy is also part of our study.

**Scope of the study**
First, we would like to briefly introduce the object of this paper and analyse the development strategy of the company in question in the past five years as well as the current situation with human resources in the company, identifying the gaps between the human resources required for the company's development strategy and the existing human resources.

With the help of SWOT analysis of the company's human resources we will determine the corresponding human resources strategy and also analyze the strategic objectives of human resources, determine the key issues with achieving the strategic objectives. Then, we could formulate a balanced plan and principles concerning the demand and supply of human resources for Zhengtai Group. The analysis of acquisition, development, retention and reduction of human resources is used for further development of a suitable HR strategy and implementation policy.

**Research Significance**
Our study on the formulation of a human resource management strategy and implementation of a guarantee system for Zhengtai Group Co., Ltd, on the one hand, theoretically enriches the contents of human resource management of this company through realization of the combination of a human resource strategy and the strategic objectives of the company, and on the other — effectively guides human resource development of the company and its business development overall.

First: formulation and implementation of Zhengtai Group's HR strategy can effectively guarantee the achievement of this enterprise's strategic objectives. Human resources strategy is based on the enterprise development strategy and is in line with the strategic objectives of enterprise development and human resources management. It accelerates development and implementation of the human resources strategy and can ensure that a company operating at the traditional building/construction market has enough competitive advantage to maintain
municipal construction, design and integrate part of its operations into other, related business areas, thus carrying out the realization of its strategic objectives.

Second: Defining Zhengtai Group's human resource strategy would help this enterprise to establish HR management policies that are in line with the actual development of this enterprise and be according to the changes in the internal and external environments and the needs of the enterprise's own human resource development. This would also help with formulation of human resource planning that meets the development needs of the enterprise according to its strategic requirements, namely, with formulating a competitive incentive mechanism that meets the market economy’s needs and is reflecting the contribution and the value of employees. This would also help with formulation of reasonable career planning for employees so that to meet the needs and expectations of employees and the requirements of the organization overall. Finally, this can help the enterprise to use more advanced and reasonable methods so that to reduce the manpower costs, improve the efficiency of the enterprise's employment and promote lean management principles. The enterprise in question would now be able to carry out better targeted staff training, improve the quality and the capability of all its employees, and fully mobilize their motivation and creativity potential.

Thirdly: Our analysis and study would help Zhengtai Group with exploring its new vitality by identifying the gaps between the company's strategy and the current situation with its human resources. Now the organization under study can bring in new talents, reduce redundancies, change the organization structure and style, and innovate in the ways its human resources are managed, so that the company can be revitalized.

**Literatures Review**

*Strategic management theory analysis*

The term "strategy" has been interpreted differently in China and in the West. In ancient China, strategic thinking came mainly from the military and political spheres. The term "strategy" was first used as a separate term applied to "war" (Stern, 2020). The term "war" referred to battles and wars, while "strategy" referred to planning and tactics. The term "strategy" was also used by Zuo Zhuan and Shi Ji and at the end of the third century AD. The Western Jin historian Sima Biao wrote a book titled "Strategy".

In the West, the word "strategy" has derived from the Greek word "strategies", which originally meant "the art of war" or "the way of war". "At that time, this word meant the art and the science of commanding an army. It can be said that the word “strategy” was originally a military concept. The Chinese concept refers mainly to the wisdom of a general and a commander, while according to the Western concept of strategy, it originated in ancient tactics and originally referred to the general himself, but later to the activities in military command overall. As society has been developing, the term “strategy” was gradually transplanted to various social fields, such as politics and economics.

The term "corporate strategy" first appeared in Ansoff's book "Corporate Strategy". Subsequently, H. Mintzberg drew his four Ps of marketing — Product, Price, Place and Promotion. He proposed the definition of strategy in five different ways, i.e., “strategy” is: Plan, Ploy, Pattern, Position and Perspective. Since the 1980s, four main perspectives on business strategy have prevailed: strategy is an Intent, strategy is a Choice, strategy is a Revolution, and strategy is a Process (Ni & Wu, 2001).
In summary, we can briefly state that business strategy consists of two aspects: firstly, the long-term objectives of a business; and secondly, all the ways and means to achieve the strategic objectives. Strategy defines the unique capabilities that a company has and what it does better than its competitors. It explores the ways in which a company achieves competitive advantage, such as technological innovation, improved customer service and superior quality, or effective integration of products and services and lower production costs than competitors. Thus, it includes identifying solid foundations on which the company's competitive advantage can be strongly sustained and also identifying long-term goals for the company, including growth targets, market share targets and market penetration targets. Finally, it includes identifying the range of actions to be taken to achieve these targets.

The term "strategic management" first appeared in the book "From Strategic Planning to Strategic Management" by the American management scientist H.I. Ansoff back in 1976. According to this author, "strategic management" refers to a series of management operations that combine daily business decisions with long-term planning decisions. The term "strategic management" reappeared then in Steiner's 1982 book "Corporate Policy and Strategy". According to this author, "strategic management" is the process of defining a company's mission and making decisions based on its external environment and internal economy. According to (Ma, 2021), strategic management is a dynamic process of defining corporate objectives and ensuring that they are correctly implemented and that the mission of a company is ultimately realized. According to Prof. Xiang Baohua of Zhejiang University, strategic management = right direction + efficient operation + comfortable mood, which means that strategic management means doing the right thing in the right way.

**Strategic human resource management**

According to (Kamala & Pfebruary, 2021), human resources is a general term for the population of a country or a region that is capable of creating material, spiritual and cultural wealth for the society and performing intellectual and physical work. Scholars from various periods and countries have different views on human resource strategy. Walker and Schuler, American HRM scholars, defined HR strategy as "the collection of processes and activities that work through the HR department and line management to achieve the strategic goals of the business and in doing so improve the current and future performance and sustain the competitive advantage of the business."

Other scholars, such as Comais I Magea, define HR strategy as "the deliberate use of human resources by a firm to help it gain and maintain its competitive advantage; it is a plan or approach adopted by the organization and used to achieve the organization's objectives through the effective activities of its employees."

HR strategy is a long-term plan for HR development and management that is formulated in accordance with the organization's development strategy, taking full account of employees' expectations, in order to meet the needs of an increasingly changing external environment and the needs of HR development and management itself (Sudarmo, 2020). Any HR strategy involves construction of a cultural mechanism suitable for the development of the organization; the strategy of how the career planning of employees is carried out in all parts of the company; how HR policies and practices are consistent with various other organizational aspects, etc. HR strategy is a functional strategy within a corporate strategy, which supports the overall corporate strategy and a business strategy. HR strategies can be divided into a lure strategy, an investment strategy and an engagement strategy for
employees within the company, and it can also be divided into a developmental strategy, a mission strategy, a paternalistic strategy and a transformation strategy, depending on the degree of changes within the company.

Regardless of a strategy used, it would have an important guiding role in HR development and management activities, and is also an important part of the organization's development strategy as well as an effective guarantee for the implementation of an organization's strategy (Li, 2020).

**Studying human resource strategies in the construction industry**

China's construction industry has been developing faster and faster since the reform and opening up, and the market scale is getting bigger all the time. As one of the key pillars of the national economy, construction industry has a large number of employees. Thus, the questions of how enterprises can improve their human resource management and how to help them enhance their competitiveness through human resource management is receiving more and more research attention from various scholars.

Zheng (1999) believes that strategic human resource management includes planned training and employment of various talents necessary for the implementation of a business strategy of an enterprise according to the characteristics of the industry of presence. Therefore, construction enterprises should formulate appropriate human resource strategies according to the characteristics of their industries and their business strategies, and thus strengthen personnel management to improve the utilization rate of their human resources.

Sun (2001) argued that the quality of employees in China's construction industry is not high and there is an obvious gap compared with more developed countries. Local enterprises thus should do a better job in terms of human resources planning, building a reasonable personnel structure, promoting the development of corporate culture, more vigorously participating in education and training of personnel, and establishing a scientifically based incentive system to improve the level of human resources management at enterprises.

Han (2009) believed that influenced by the previous management practices and the traditional concepts of the planned economy period, the human resources composition and human resources management system of the state-owned construction enterprises have many problems these days, while the HR teams of state-owned construction enterprises are really huge, but the enterprise talent structure is still unreasonable: on the one hand, there are redundant staff, on the other — there is a strange lack of professional and senior management personnel. Thus, the construction industry’s personnel composition is both complex and complicated, while the overall quality of personnel is rather low. The level of human resources management of enterprises is also somewhat backward.

Li (2009) pointed out that construction enterprises have their certain special characteristics, such as large investment volumes, higher risks and usually dispersed personnel. Therefore, the construction industry also has a great deal of specificity in the way it operates and manages its human resources. Therefore, construction enterprises should formulate appropriate human resources strategies according to the characteristics of their industry and then the business strategies of enterprises should strengthen management and improve the utilization rate of human resources at enterprises.

Zuo (2010) believed that the HR structure of construction enterprises is seriously out of balance, the overall quality of employees is low, and personnel reform has been rather simplistic, etc. He also believed that construction enterprises should change their concepts
and introduce the new concept of human resources development and management; through scientific research and study, to formulate scientifically reasonable strategic planning of human resources, and establish recruitment, personnel training and development, salary management and performance assessment that would match the corporate strategy policies, thus improving the overall competitiveness of enterprises.

Meng (2010) summarized the current human resource management problems of the construction enterprises and discussed relevant policies suitable for HR management at construction enterprises.

Research Methodology

*Literature research method*

On the basis of a comprehensive collection of relevant literature and materials on HR strategy analysis of Zhengtai Group Co., Ltd, after summarizing, sorting out, analyzing and identifying, this paper may systematically and comprehensively comment on the progress of HR practices of the enterprise in question during a certain period of time. Reviews here can be divided into two forms: comprehensive and thematic. A comprehensive review is a strategic analysis and summary on Zhengtai Group, with more effective suggestions to be put forward.

Literature review, in its turn, is characterized by pointing out the current level, trends, problems to be solved and also future development directions based on the in-depth analysis of the previous research results, and putting forward one's own views, opinions and suggestions.

*Case Study Method*

By taking Zhengtai Group as the study object, this paper analyses the gap between the existing human resources and the corporate strategy, collates the human resource management issues that hinder the achievements of Zhengtai Group's strategic goals, and then constructs a human resource strategy that would be compatible with the corporate strategy, also proposing measures to be implemented to safeguard the company's strategic HR management.

Findings and Conclusions

Through comprehensive research and analysis, this paper identifies the current situation with human resources, also identifying the gaps between the strategy and the actual human resources. It analyses the causes of the problems, and proposes a human resources strategy that would be suitable for the strategic development of Zhengtai Group on the premise of clarifying the company's strategic objectives. After the formulation of the HR strategy, corresponding implementation plans and safeguards are proposed.

First, a clear understanding of the enterprise’s strategic objectives and of the internal and external environments in which the enterprise is operating is a major prerequisite for the formulation of any HR strategy.

The second in line is finding out the existing HR situation of the enterprise and evaluating the quantity, quality and structure of the existing human resources of the
enterprise and also analyzing the gap between them and the company's strategy, which is the basic work when it comes to formulating the human resources strategy.

The third step is to develop a human resources strategy, analyzing all the company's human resources with the help of the SWOT method and identifying the company's strategic human resources objectives to then forecast the demand and supply of human resources.

Fourthly, the company's human resource strategy is implemented through the development of HR management policies that support the strategic objectives of the business.

Fifth, good job needs to be done in terms of guaranteeing all the aspects in strengthening enterprise leadership, building enterprise culture, changing the role of the HR management department, improving the quality of human resources department staff and establishing an HR information system. Only through the implementation of the correct human resources strategy can we ultimately form a team of talents, sufficient in terms of quantity and optimal structure, and also of excellent quality, thus improving the quality of staff competence and job satisfaction, and ultimately — achieving the strategic goals of the enterprise.

**Recommendation**

This paper takes the advanced HRM-related theories as the basis and the foundation of this research, and closely integrates them with the actual situation of Zhengtai Group Co., Ltd. It tailors the solutions to the actual problems existing in HRM practices of Zhengtai Group. At the same time, this paper mainly analyses the current situation with HR management at Zhengtai Group, proposing effective solutions for this current situation.

In summary, although certain results have been achieved from the research of this paper, due to the limited practical conditions and the lack of academic skills of the author, this research paper is far from being profound or perfect. The author hopes that in the future there will be opportunities to apply these results and conclusions more into practice, so that a better combination of theory and practice may eventually have a real application value for this and other enterprises.

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