



# Theoretical Basis and Practical Enlightenment of Talent Management in State-Owned Enterprises

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**Abstract.** Focusing on the key links of talent management, such as introduction, training and motivation, this paper selects classical theories such as combing human capital theory, principal-agent theory and modern incentive theory to lay a theoretical foundation for talent management in state-owned enterprises and provide theoretical guidance for state-owned enterprises to build a systematic and integrated talent management system.

**Keywords:** Talent management, Theoretical foundation, Practical enlightenment.

## 1 Introduction

Talent is an important support for building a socialist modern country in an all-round way. In recent years, the CPC Central Committee has systematically planned talent development from the height of national strategy, designed the top-level talent team construction in state-owned enterprises, and continuously optimized the talent management system and mechanism, which has achieved remarkable results. It is of great strategic significance to strengthen the management of scientific and technological talents in state-owned enterprises in the new period. Talent management is an important part of enterprise management, and its core task is to rationally allocate, cultivate, motivate and retain talents through scientific and effective methods, so as to realize the strategic objectives of the organization. Talent management involves personnel recruitment, selection, training, motivation, evaluation and resignation, and needs to be effectively planned and implemented in an all-round and whole process. To improve the talent management system and mechanism, state-owned enterprises need to sum up typical models and experiences from the latest theoretical achievements, so as to guide state-owned enterprises to deeply tap the value potential and strategic role of human resources <sup>[1]</sup>.

## 2 Human Capital Theory and Enlightenment

The theory of human capital emphasizes that human resources are the most important resources among all resources. The theory of human capital breaks through the traditional theory that capital is only material capital, studies economic theory and practice from a new perspective, and divides capital into human capital and material capital. The theory puts forward that material capital is the capital of existing material products, including factories, machines, equipment, raw materials, land, money and other valuable securities, while human capital is the capital embodied in people, that is, the expenditure on general education and vocational training and the opportunity cost of receiving education are condensed on producers, which is manifested as the sum of all kinds of production knowledge, labor and management skills and health quality contained in people. The role of human capital is greater than that of material capital. The reproduction of human capital should not be regarded as a kind of consumption, but as an investment. The economic benefit of this investment is far greater than that of material investment [2].

The theory of human capital provides theoretical basis and tools for talent training and motivation in state-owned enterprises, and state-owned enterprises should pay attention to the investment in human capital. First, enterprises should build a cultural atmosphere through various channels and enhance emotional incentives for scientific and technological talents. Focusing on the business objectives of the enterprise and the characteristics of employees, we can enhance the communication between employees and form a common vision by means of regular league building, rendering corporate culture and organizing cultural activities, which not only effectively enhances the cohesion of employees, but also enhances their sense of identity with the enterprise. Second, enterprises should adhere to the "people-oriented" concept, not only support employees at work, but also help core employees solve the actual needs of family members' employment and housing by expanding the scope of care, so that core employees can fully feel the attention and respect of enterprises. Enterprises can also hold birthday parties and organize regular travel activities for employees, so that employees can feel the warmth and care of the enterprise and enhance their sense of belonging to the enterprise.

## 3 Principal-agent Theory and Enlightenment

Principal-agent theory, which is based on the separation of ownership and management right, has become the logical starting point of modern corporate governance. There are many principal-agent relationships between the state and state-owned entrepreneurs, state-owned entrepreneurs and employees in state-owned enterprises. The principal-agent problems in state-owned enterprises are mainly caused by asymmetric information and long principal-agent chain of state-owned enterprises. With the increase of principal-agent links, the supervision and incentive function from the initial principal gradually weakens, resulting in a decline in operating efficiency. Therefore, it is very important to stimulate the initiative and enthusiasm of state-owned entrepreneurs and

all kinds of talents by improving the governance and supervision mechanism and the incentive and restraint mechanism [3].

The principal-agent theory provides reference for state-owned enterprises to revitalize the existing scientific and technological talent resources, optimize the allocation of scientific and technological talents, and build a diversified incentive system. State-owned enterprises should innovate and build a diversified incentive mechanism to stimulate the initiative, enthusiasm and creativity of the talent team. First, enterprises should innovate diversified classified incentives to promote the healthy development of scientific and technological innovation talents. Pay attention to the use of work incentives, special benefits, one-time incentives for technological innovation and other incentives to meet the needs of personalized incentives for scientific and technological innovation talents, and form a diversified incentive system that combines distribution incentives, career incentives and honor incentives. We can implement the performance-based salary system in scientific research units, fully mobilize the enthusiasm, initiative and creativity of scientific research personnel, and provide norms for effectively encouraging scientific and technological innovation talents. The second is to improve the special reward system that matches the career development of scientific and technological innovation talents, such as setting up a team performance reward fund, paying attention to giving full play to the dual spiritual and material incentives of various special allowances to scientific and technological innovation talents, and embodying the company's orientation of respecting talents and knowledge through special rewards. The third is to provide free and flexible special benefits, such as providing honorary incentives, establishing research studios for leading scientific and technological talents and outstanding scientific research experts, providing assistants, project funds and places, and encouraging and supporting leading scientific and technological talents and outstanding scientific research experts to establish scientific and technological research teams.

## 4 Incentive Theory and Enlightenment

Incentive theory provides an important theoretical basis for state-owned enterprises to establish and improve the salary incentive mechanism. Classical incentive theories include hierarchy of needs theory, two-factor theory, fairness theory and expectation theory. Motivation is the core measure of employee management, which is to make employees' interests related to the interests of enterprises, stimulate employees' initiative and enthusiasm, stimulate employees' passion and dedication in an event or goal, and strive to give full play to employees' potential and value. Motivation is not only reflected in material satisfaction, but also in promoting employees' motivation and behavior. How to influence the psychology and motivation of the incentive object to stimulate its good work attitude and behavior is an important issue to be explored in incentive research [4].

Porter and Lawler's comprehensive incentive model (1968) is a comprehensive incentive theory based on expectation theory and fairness theory. The theory points out that the level of employees' job performance is influenced by many factors, including

the potency of performance and reward, expectation, personal effort, cognition and understanding of their role, personal ability and environmental factors. Work performance may be rewarded internally or externally. If the job design can make employees feel self-satisfied as long as they do a good job, then performance is directly related to internal rewards. Both internal and external rewards may cause employees' satisfaction to varying degrees. If the individual's reward is higher than what he thinks he deserves, it will improve his satisfaction; On the contrary, it will reduce satisfaction. Job performance also affects the individual's understanding of the remuneration. Job performance feedback will affect employees' expectations for the job in the future. Satisfaction will also feed back the valence that affects future work performance. Porter and Lawler believe that the relationship among performance, reward and satisfaction is as follows: performance leads to reward, and then reward leads to satisfaction. They believe that: performance can be satisfied first; Reward is very important, it is the intermediary link that performance leads to satisfaction. The level of reward must be commensurate with the level of reward that the parties think should be obtained.

Managers should implement the chain process of effort-performance and reward-satisfaction into the process of stimulating scientific and technological talents, and form a virtuous circle to promote their positive behavior. According to Porter Lawler's comprehensive incentive model, it can be determined that the incentive system mainly has several incentive factors, such as reward, expectation, ability and understanding of work. Therefore, the incentive strategies for scientific and technological talents include reward incentive, spiritual incentive and work incentive. There are various incentive methods in different incentive strategies, and the truly effective incentive method for scientific and technological talents is to effectively select and combine various incentive methods based on the characteristics of employees. Only in this way can we motivate scientific and technological talents more effectively and make the best use of their talents.

State-owned enterprises combine cultural incentives, growth incentives, spiritual incentives and material incentives to build a corresponding comprehensive incentive mechanism to enhance the creativity and enthusiasm of talents and further enhance the core competitiveness of enterprises. In the process of building an incentive mechanism for core employees, enterprises should base themselves on the actual needs of core employees, optimize the working environment, strengthen spiritual incentives, and enhance employees' sense of identity with the enterprise. First, build a good working environment and growth platform to enhance the competitiveness of science and technology enterprises in the recruitment of core employees; Second, the combination of material incentives and spiritual incentives, using a variety of incentives, in which wages, benefits, bonuses, etc. belong to material incentives, while reputation, position, training opportunities, autonomy, etc. belong to spiritual incentives. Through the organic combination of the two, employees' potential can be effectively tapped and their work enthusiasm can be fully mobilized; Third, the construction of rotation system, through job rotation, give full play to the expertise of core employees, and guide core employees to truly participate in enterprise management, which can not only effectively improve the sense of accomplishment of core employees, but also effectively improve their interpersonal relationships, thus improving their work performance; The fourth is to set up

work tasks and work goals. Enterprises can arrange more challenging jobs for core employees, so that core employees can feel the attention and affirmation of enterprises and work harder to move towards the goals.

## 5 Theoretical Enlightenment to Talent Management

First, the talent management of state-owned enterprises should focus on key links such as introduction, training, encouragement and guarantee, and optimize and improve the system and mechanism of scientific and technological talent management. Talent is the first resource. The fundamental source of innovation and development of state-owned enterprises lies in people. How to acquire talents, how to retain talents and how to make good use of talents are the key problems that must be solved in enterprise talent management. Focusing on the key links of talent management, such as introduction, training and motivation, and taking classical talent management theories, such as human capital theory, principal-agent theory, modern incentive theory, career development theory and SECI knowledge transfer model, as the basis and guidance, we will promote state-owned enterprises to strengthen talent introduction and training, establish career channels for talent development, build a multi-incentive system, stimulate talent potential and improve the efficiency of talent innovation and development<sup>[5]</sup>.

Second, the talent management of state-owned enterprises should establish a correct concept of human capital investment and give full play to the efficiency of human capital. The theory of human capital emphasizes that human capital, as an important factor of production, plays an important role in economic development, and investment in human capital will produce huge economic benefits. Therefore, enterprises should pay full attention to the importance of enterprise human capital as a production factor, especially to fully motivate scientific and technological talents. The talent management of state-owned enterprises should pay full attention to the continuous investment in scientific and technological talents, an important human capital, and make early investment in scientific and technological talents through various incentives such as material incentives, growth incentives and honor incentives, and stimulate their vitality and efficiency to make them have higher production capacity to promote the innovative development of enterprises. And after the business performance target is achieved, share the development achievements of the enterprise with employees.

Third, the talent management of state-owned enterprises should pay equal attention to incentives and constraints, and fully stimulate the endogenous motivation of talent officers to start businesses. Principal-agent theory emphasizes the maximization of the principal's value through the separation of ownership and management rights under a certain incentive and restraint mechanism, so it is necessary to reduce the interest loss brought by the agent to the shareholders of the company because of personal interest choice and moral hazard. Medium and long-term incentive mechanism is an effective way to regulate the short-term behavior of agents, and it is also a powerful means for clients to supervise and control the behavior of agents. Medium-and long-term incentives not only closely bind the interests of agents and clients together, but also link the risks of both parties. This way effectively reduces the short-sighted behavior of agents

seeking self-interest, thus effectively motivating agents to fight for the long-term interests of enterprises.

Fourth, Scientific and technological talents is an important breakthrough in talent management of state-owned enterprises. Scientific and technological innovation has become the main battlefield of the international strategic game. The competition around the commanding heights of science and technology is unprecedented fierce, and the influence of science and technology on the future and destiny of the country and the happiness and well-being of the people has reached an unprecedented depth and breadth. As the core element of scientific and technological innovation, scientific and technological talents are the strategic support for making great achievements in scientific and technological innovation. The team of scientific and technological talents such as artisans and high-skilled talents in big countries is the powerful support and guarantee for realizing high-level scientific and technological self-reliance and promoting high-quality development.

## 6 Conclusion

The construction of talent team is the key factor to lead and promote the sustainable development of state-owned enterprises. Talent is the first resource and core element for an enterprise to grow and develop. Doing a good job in talent management is very important for state-owned enterprises to achieve high-quality development. Classical theories such as human capital theory, principal-agent theory and modern incentive theory have laid a theoretical foundation for state-owned enterprises to strengthen talent management.

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