

Analysis on the characteristics of human resource management in China agricultural sector—case studies  
on state-owned farms in Heilongjiang province

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## 1. Introduction

From the perspective of an organization, human resource management (HRM) plays a strategic role in achieving organizational goals. Usually, it includes HRM policies and practices such as recruiting, selecting, training, rewarding, retaining and firing of employees and it also relates to the whole corporate culture and employment relationship.

In China, under the background of privatization of state-owned enterprises (SOEs), HRM and employment relations are facing profound changes. The state-owned farms have also witnessed the same problems of informalizing employment and regular management. Although the number of agricultural reclamation (8,040) accounts for about 7.2% of major agricultural corporations (not including non-registering units), the number of employees occupies about 36.3% of entire employees (the Second National Agricultural Census in China, 2008). On the other hand, among all the agricultural reclamation systems, agricultural reclamation with typical state-owned farms in Heilongjiang, known as the “the Great Northern Wilderness”, is the important production base of commercial grain in China. However, the deficiency of HRM in reclamation area has been pointed out by existing researches as follows: First, they didn't pay much attention on HRM, and there are no sufficient human resources, especially high-level human resources. Second, they lack of plan and there is serious flow out of human resources. Third, they neglected the promotion of human resources and the transfer system of human resources is not complete. Forth, professional technicians of farming, forestry and animal husbandry industry are few, and the overstock and insufficiency of human resources exist simultaneously (Song, Yan, 2011; Lu, 2011; Yu, 2011).

However, there is little empirical research on the actual situation of HRM in reclamation area especially on the state-owned farms in China. This study chose state-owned farms in Heilongjiang province as subjects to explore the characteristics of HRM and factors affecting the attraction and cultivation of agricultural human resources in the area.

## 2. Survey of existing studies and research framework

### 2.1 Studies of HRM

Paauwe (2009) considers HRM as an evolving field of academic inquiry focusing on the study of the employment relationship and of the way in which people are managed at work. Many researches have been focused on the relationship of HRM and business performance and their causal order with quantitative multilevel methods (Arthur, 1994; Huselid, 1995).

In China, some findings indicate that HRM practices affect financial performance, but the levels of adoption of HRM practices were lower in state-owned enterprises (SOEs) than in foreign-invested enterprises (FIEs) and privately owned enterprises (POEs) (Ngo et al., 2008; Akhtar et al., 2008).

### 2.2 HRM in agriculture

Howard and McEwan (1989) presented a framework of HRM and reviewed studies on the problem of labor in agriculture. From the perspective of resource-based theory, Amin (2004) conducted a case study on

six dairy farm enterprises and concluded that dairy farms have the potential of achieving competitive advantage through the HRM function. In Japanese agricultural corporations, studies have been conducted on the employment consciousness and job-leaving of employed farmers under the framework of HRM (Kiminami et al., 2010; Kiminami and Kiminami, 2011).

However, few studies focus on the relationship of HRM and business performance in Chinese agricultural corporations. Therefore, this study intends to explore the characteristics of HRM on state-owned farms in China. Based on the existing studies, the research assumption is shown in Figure 1: an organization should have its own aim and plan, which is called organization strategy; HRM strategy is made according to organization strategy; HRM policies and practices are the implement of strategy, which will affect HRM performance; HRM performance will give influence on HRM strategy even on organization strategy.

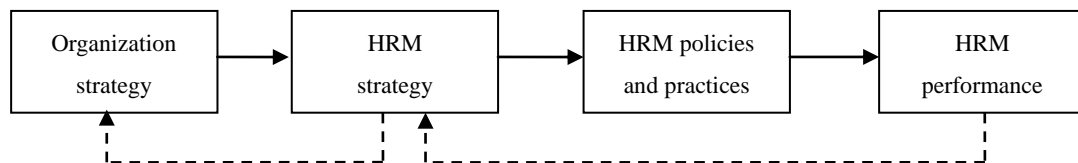


Figure 1 Research framework

### 3. Analytical method and results

This study uses the method of person to person and telephone interview (undertaken from June to August, 2012) targeting managers from Human Resource Departments of Youyi (represented by Y) farm which belongs to Hongxinglong administration as well as Baoquanling (represented by B) and Xinhua (represented by X) farms which belongs to Baoquanling administration.

#### 3.1 Human resource management in state-owned farms

State-owned farm is a state-owned agricultural corporation, which also has governmental functions. Households of farm employees can keep some surplus besides meeting production quotas by making contract on agricultural land with farms. Farm provides technical and infrastructure services for households. However, households no longer receive wages from farm.

Human resource departments in farms take charge of directors of operating areas, agricultural technicians, operators and accountants, which we mainly took (not including households) as agricultural human resources in this study. Therefore, this study interviewed managers of human resource departments in farms for exploring the characteristics of HRM in agriculture.

#### 3.2 Case studies and results

Table 1 Basic information about targeted farms

Farm	Population	Total land area (hectare)	Domestic product(10 thousand yuan)	Social-economic composite index	Farm type	Domestic product per capita(10 thousand yuan)
Average	13334	47783	53538			
B farm	27023	67100	105749	182.96	I	3.9
X farm	23027	55873	70650	147.82	I	3.1
Y farm	101723	188812	217062	581.07	I	2.1

Calculation method: (1) composite index = (population on farm/average population\*50) + (total land area/average land \*30) + (domestic product /average domestic product\*20) (2) The composite index of farm type I is more than 130, type II is between 50 and 130, and type III is less than 50. Source: Compile of employment policy, 2011

According to table 1, the farms we chose all belong to type I. Amongst, Youyi farm is the biggest in China. Although composite index of Youyi is highest, Baoquanling has higher domestic production per capita. It shows that the effect of scale is not obvious in the case.

(1) HRM strategy and “Baiqianwan Talents Project” (BTP)

“BTP” means to introduce one hundred graduate students to farms, one thousand of college students to administration area, and ten thousands of students graduated from junior college or technical secondary schools to the reclamation area. However, according to interview, the duration of this project is not clear. Moreover, this strategy is mainly conveyed to employees by documents and meetings. Managers of HR department mainly take the HRM strategy as the organizational strategy. “BTP” helps to change the structure of agricultural human resources and improve the ability of college students (Table 2).

Table 2 HRM strategy and “BTP”

	<b>B farm</b>	<b>X farm</b>	<b>Y farm</b>
<b>HRM strategy</b>	“Support farmers, beautify city, enrich citizens and strengthen industry”	Achieve the increase of cereals per capital income.	To achieve modern and big agriculture.
<b>Content of “BTP”</b>	To build the practical base for agricultural technicians in reclamation area.	Within two years, we introduced about 60 people.	Stock human resources for the aim of providing 43 billion jin cereals, and for the development of technology.
<b>Implementation method</b>	Train college students in operating areas, strengthen their contacts with basic staff and cultivate everyone.	There are 44 agricultural human resources working in operating areas.	Provide college students housing allowance and treatment of vice section (fukeji).
<b>Effects and evaluation</b>	Their practical ability is relatively poor. They can’t endure hardship. There is shortage of human resources majored in agricultural machinery. They should have more training in schools, and cultivate willpower and practical ability.	The quality of human resources is improving. The average of 44 college students is 26 years. They make up for the deficiency of human resources. But their practical ability should be improved.	Technicians should have more practice and work on the producing line. We need human resources of agricultural machinery. They should increase experience, knowledge, as well as social knowledge, such as interpersonal relationship knowledge.

Source: Author’s interview

(2) Recruitment methods

The administration of bureau organizes farms to participate recruitment fairs. They arrange fairs in agricultural universities, advertise job opening on internet and provincial human resource center. However, the recruitment was limited in agricultural universities, and there was no widely and deeply understanding about reclamation area of students, especially the students from south areas. Furthermore, some students who majored in agriculture are not willing to do agricultural work.

(3) Training and development

Table 3 shows that all the three farms emphasize on training of human resources not only on professional

skills but also on comprehensive quality. They also have some practice such as “one old helps one new”. However, because of large land, Youyi farm has a bigger development space than others.

Table 3 investigation results- training and development

	<b>Training projects</b>	<b>Effects and evaluation</b>
<b>B farm</b>	Every year we have training on professional skills and comprehensive quality of agricultural, accounting, agricultural machinery, husbandry, and water conservancy human resources.	After working for a while, they know what they need to learn. After training they improved their professional skills.
<b>X farm</b>	We have training on general introduction of the farm, agricultural technique, financing, animal husbandry and comprehensive knowledge. We support college students to get agricultural or accounting undergraduate degree.	After training they improved their professional skills.
<b>Y farm</b>	We have training on management and agroeconomic management to cultivate young cadres. Provide college students general introduction of the farm, knowledge of agriculture, forest, and agriculture machinery. Provide opportunity to get agricultural extension master degree.	After training we have reserve cadres.

Source: Author’s interview

#### (4) Salary and job-leaving

Table 4 Job-leaving and corporate culture

	<b>B farm</b>	<b>X farm</b>	<b>Y farm</b>
<b>Job-leaving and reasons</b>	We don’t fire employees. Some people left because of treatment.	People left before, but now a lot of people want to go back because of good treatment and development.	We don’t fire employees. Some people left because their couples had better choices.
<b>Corporate culture</b>	The spirit of Baoquanling, and the spirit of Beidahuang.	We have good culture, and emphasize on relationship. We have the culture of army, sent-down youths, and youth who support to build frontier regions.	The culture of Beidahuang: good faith, pragmatic, innovative, and excellent. We also have the culture of Youyi.
<b>The method of conveying culture</b>	Be influenced by what one hears or sees. Old ones take care of new ones.	By meetings, sending pamphlets, and organizing employees to study corporate culture.	Through reports, meetings, educations, sightseeing and travels.
<b>Atmosphere of working?</b>	Pretty good. They are plain and kindness.	Great. We are harmonious and have no questions on communication.	Great. Harmonious. They are active.
<b>Advantage of SOEs</b>	We have policy support.	The advantage can only be seen by outsiders.	With big land and centralized management, it’s convenient to implement policies.
<b>Disadvantage of SOEs</b>	Competitiveness is weaker than private corporations.	The disadvantage can only be seen by outsiders.	The power is too centralized. We need strengthen management and innovation.

Source: Author’s interview

All the three farms provide five insurances (include pensions, healthcare, unemployment, work injury, and maternity insurance), housing fund, food subsidy and legal holidays, which are almost the same with

state-owned enterprises. This system provides insurance for their engaging in agriculture. B farm provides apartments while X and Y farms provide commuting subsidy. Furthermore, they all have professional promotion.

Table 4 shows current years have seen few people left jobs and these state-owned farms take Beidahuang spirit as their corporate culture and they have their local connotation. Besides, B farm emphasizes the intangible influence; X farm conveys culture mainly through written materials; Y farm attaches importance on the tangible education, such as the exhibition of agricultural machines.

The most impressive characteristic of state-owned farms is the corporate culture which is called “Beidahuang spirit”. It has its unique local history and is difficult to be imitated. State-owned farms used to recruit native students for low leaving rate. Because native students have been more influenced by the culture and they have strong motivation to make commitment to the construction of hometown.

(5) Evaluation on human resource department

Table 5 shows that each farm has its key points of HRM policy and typical type. They gave a high evaluation on their work and pointed out their weakness as well.

Table 5 Evaluation on human resource department and key points of HRM policy

<b>Evaluation</b>	<b>B farm</b>	<b>X farm</b>	<b>Y farm</b>
<b>How to evaluate the work of your apartment</b>	We provide information for leaders. We are very young. We provide energy and vitality by putting young people in every department.	Great. Our department has been elected as the advanced section every year. We provide support to human resources and security for achieving aims. We are fair, decent and treat human resources fairly.	We perform our duties. We attach importance to human resources, and give platform for college students.
<b>Weakness and improvement method</b>	We don't have too much experience.	The professional skills of employees need further improvement by various kinds of trainings.	We need to attract more people with professional skills in management, economy, trading and other specific aspects.
<b>Key points</b>	Ability, practice and professional skill of agricultural human resources.	Professional skill of human resources and the good atmosphere of corporate culture.	Experience, training, house allowance, cultivating reserve cadres, cultivating managers and promotion space.
<b>Farm Type</b>	Learn by doing type	Working culture type	Development type

Source: Author's interview

4. Conclusions

In state-owned corporations, HRM problem exists because operators are not interrelated with corporate interest, and operators lack the interest incentives to maximize benefit; they lack HRM system to suit with organization strategy (Li, Yu, 2011; Shi, 2006). In this study, investigated farms also have similar problems, but they attach importance on agricultural human resources. It is concluded as follows:

First, providing good treatment attracts agricultural human resources. Farms provide household allowance even titles to attract human resources, especially when investigated farms are in frontier regions.

Second, providing professional training and cultivation on practical ability helps the development of agricultural human resources. Investigated farms provide practice and experience opportunity for college

students, and create a good environment for the agricultural human resources.

Third, local features and corporate culture have effect on retaining agricultural human resources. Local people of farms tend not to leave their job, but a closed system will lack creativity and competitiveness. Therefore, it is necessary to develop corporate culture to attract and retain human resources not only inside but also outside.

Forth, state-owned farms have the advantage of policy support and centralized management to facilitate the implement of projects. But they also have the disadvantages of too centralized power. Therefore, attention should be paid on these characters in the process of HRM to improve the management performance. At the same time, every farm should have their own scientific management method based on the practice of management and the advantage of state-owned farms.

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