

Analyses Specificity Human Assets Management

Lianrong Zhao¹, Ling Huang²

^{1,2} School of Humanities and Economic Management, China University of Geosciences(Beijing), P.R. China

Abstract. In current times with knowledge, information and other factors becoming the main drive factors of economic development, scientific development becomes more and more professional. Professional height division and comprehension makes specific human assets play a more and more important role in current economic development and competition, It becomes a problem that how to manage specific human assets and make its benefit exerted effectively and efficiently, which shall be cared by many enterprise. This paper begins from relevant basic concepts of specific human assets, analyzes the characteristic of specific human assets and disadvantages on its management research, and advances suggestions on perfecting the management mechanism of specific human assets characteristics in order to be beneficial for managing specific human assets.

Keywords: Specific Human Assets, Management mechanism, Excitation, Counterbalance

1. Introduction

Along gradual knowledge, informatization and globalization of economy, scientific development becomes higher, refiner and shaper; the enterprise's human assets specificity becomes higher and higher with professional height division and comprehension; with the characteristic of scarcity, high value, non-duplication and non-replacement, specific human assets becomes the source of enterprise's core competitiveness, enhances its status and effect in welfare creation and allocation, and exerts huge influence on enterprise's treatment and major decision.

Specific human assets is the source of current enterprise's competitiveness, the same to current service industry with high intensiveness in information, knowledge and human assets; compared with current enterprises and traditional enterprises, it gives prominence to knowledge and technology background, which decides that specific human resource is the source of current enterprise's core competitiveness. Therefore, whether to manage specific human assets or not will directly influence the efficiency and development of organization and has extraordinary significance on organization.

2. Definition of Relevant Concepts and Theories of Specific Human Assets

2.1. Definition of Relevant Concepts of Special Human Assets

American economist Theodore Schultz advanced the concept of human assets firstly. He thinks that human is the decisive factors of social advancement and is the most important one of all production resources; human, knowledge and skills shall be considered as an assets status, which is called as human assets. Becker Gary develops Schultz's opinion and has special research on human assets in terms of income allocation relationship and discloses the natural requirements of human assets which occurs in the production process by a form of assets factor. ^[1]

Concept of specific assets was firstly advanced by Benjamin Klei and other persons in Article "Longitudinal integration, occupying rent and competitive restriction process" released in American "Legal Economy Journal" in Oct. 1978.

Human assets specificity is a pattern of assets specificity and can be seen as nature that human assets is higher than that of any other purpose in certain specific purpose.

Special human assets is some special knowledge and capacity formed through accumulated study and experience; these special knowledge depends on the enterprise's product features, market situation, process

¹ Lianrong Zhao. Tel.: + 86 13581566199; fax: +86 01082321783. E-mail address: zhaolr@cugb.edu.cn

² Ling Huang. Tel.: + 86 18611702046; fax: +86 01082321783. E-mail address: 54848841@qq.com

flow and corporate culture. When special human assets user leaves the enterprise, the knowledge income will reduce substantially or even disappear. Generally, the specific knowledge adhered to human assets includes: special thinking, skills, professional knowledge, social relationship network, etc.

2.2. Property of Specific Human Assets

2.2.1 Human Assets Specificity has Absoluteness and Relativity

The absoluteness of human resource specificity mainly aims at human assets subject (entrepreneur and key technical personnel); for a particular enterprise and a specific human assets user, he obtains knowledge and capacity as his speciality through constant investment and long-term sharpening and inborn endowment; and meanwhile, he is trapped by this specific investment. The specific human assets has irreplaceable position compared with other assets in particular enterprise; but in terms of whole human assets market, its specificity is also relative.

2.2.2 Specific Human Assets and Enterprise's Specific Substance Assets have Two-Way Dependence

In the contract of specific human assets and enterprise's non-human assets, any party's quit midway will bring the danger of depreciate the assets value for both parties. The specific features of human assets shapes the barrier for the human assets property subject to quit from the enterprise; the exertion of specific human assets value not only depends on the stage provided by the specific material assets but also depends on the existence of enterprise team and behaviors of other team members, which will loss organization and environment consistent with the direction of human assets specificity; and it is possible to destroy the specific human assets value.

2.2.3 It is the Most Difficult to Measure and Supervise Specific Human Assets

This feature includes two meanings: 1. As the specific human assets is incomplete and there is basic unit in measurement, we can roughly judge the size of human assets stock through comparison; however, we can't know the precise value of specific human assets till now; 2. It is difficult to measure and supervise the use and exertion of specific human assets. As it is impossible to measure and supervise the exertion of specific human assets in terms of technology; or even it is possible in terms of technology, it is infeasible in economy due to its overhigh cost. Therefore, exertion of specific human assets and exertion of its function is closely related with the excitation mechanism of company treatment.

2.2.4 Use and Input of specific Human Assets is United

The "Thousand Middle School" further forms specific human assets through study in practice.

3. Current Disadvantages in Management of Specific Human Assets

In China, many scholars make deep research on human assets and has fewer fruits in management and research of specific human assets. Among these research fruits, Zhang Weiying and Song Xiaomin are representatives. The scholar Zhang Weiying thinks using a good counterbalance mechanism to restrict specific human assets; while the scholar Song Xiaomin advances three famous discount policies of using specific human assets reasonably based on clear definition of specific human assets.

However, besides that, it has less breakout in research field of specific human assets management; and among these fewer research fruits, the literatures about specific human assets management mainly limit to the excitation of researching the specific human assets; and when studying the excitation factors and methods of human assets, most of literatures limit to the research of three discount policies.

Actually, in terms of practice, the enterprise's management on specific human assets is similar to the research on this field, with less attention and disadvantages in management. Currently, the enterprise's management on specific human assets still has no large difference with traditional human resource management, which mainly pays attention to excitation, especially the salary excitation. But based on the property of specific human assets, management on human assets shall not only limit to excitation; in terms of specific human assets, the excitation element and method is different from general human assets and has its characteristics; they always pay more attention to high-level demand without limitation to salary; therefore, it

can't use the excitation method of general human assets. With regard to the disadvantages I mentioned, I'll discuss how to perfect it in analyzing specific human assets management strategy.

4. Analyze Perfection of Specific Human Assets Management Mechanism

Different from general human assets management, specific human assets management based on the specific talents' characteristics (namely special thinking, skills, professional knowledge, social relationship network, etc of specific talents), shall set up a feasible and effective excitation and restriction mechanism for effective management. As long as setting up an effective excitation and restriction mechanism, it can carry out effective management on specific human assets and exert their specific benefit high efficiently. Hereby, I will analyze the improvement of specific human assets management mechanism in terms of excitation mechanism and restriction mechanism.

4.1. Improvement of Excitation Mechanism

No matter Abraham Maslow's Hierarchy of Needs Theory, Herzberg's Two-Factor Theory, or McClelland's Success Demand Excitation Theory, it emphasizes on one point that people's high-level demand is the most important factor of motivating its production activeness, which has more stable and lasting power. It is the same to the specific talents; therefore, excitation on specific human assets shall pay more attention to meeting high-level demands namely emotion, reputation and self-achievements, and self-realization.

4.1.1 "Three Discounts" Policy

Three Discounts mean income discount, emotion discount and reputation discount. The timely and proper income discount, emotion discount and reputation investment are three policies for reasonably using specific human assets and effectively managing specific human assets. The income discount policy advocates that the income of specific human assets shall be basically the same with the employee's creation value and can't have large difference with their expectations. I consider they can accept this point as long as specific human assets is not lower than certain standard; and this point will not become the most important factor whether they can be excited effectively. As income discount is not the most important; as long as the income reaches the certain standard, they can accept and will not pay attention to it; they always emphasize on other excitation factors, such as emotion discount and reputation discount from the angle of Three Discounts,

Emotion discount is a kind of trust relationship established among staff, including mechanism's trust relationship and individual trust relationship. As the name implies, emotion discount certainly pays attention to emotion cultivation and maintenance, which is embodied in understanding, caring and sympathizing people. As the investment on emotion with strong and lasting drive can always move the heart of staff; there is an old saying in China that Gentlemen die for those who appreciate them, which shows the effect of such emotion discount. In an environment and cultural atmosphere with trust, equality, and harmony brought by emotion discount, the staff can really realize their existence and life value and feel the interests of labor and the study atmosphere; and his contribution to the organization will achieve a good state naturally. Meanwhile, long-term persistent emotion discount will make specific human assets obtain more pleasure and satisfaction in physics and mentality and then generate powerful inhibition to behaviors of opportunism and moral hazard. The reasonable use of reputation discount can also generate large excitation on specific human assets. The enterprise's reputation and brand is always concentrated with long-term input value and is embodied as value of repeated sales in order to meet the customer's requirements by the enterprise. Under the situation of locking specific human assets and specific non-human assets highly, the specific reputation and brand has particular appetency and attraction on specific human assets; emotion on specific reputation and brand of organization is always one of the highest-level factors of keeping and exciting specific human assets. The pursuit of good reputation is to meet the operator's need on achievement, namely achievement need in McClelland's Achievement Need Theory, or respect need and self-realization need in Abraham Maslow's Hierarchy of Needs Theory. The specific human assets are always persons with personality, who always prefer emotion, reputation and other thing with high-level needs; however, in research and practice of specific human assets management, this point doesn't always receive the due attention, which needs to be

improved greatly. Aiming at the features of specific talents and each person's feature, it is an optimal measure to adjust the proportions of three discounts and fully pay attention to the significance of emotion discount and reputation discount so that it can exert the optimal benefits by a kind of optimized combination in specific human assets management.

4.1.2 Occupational Planning and Development

The enterprise is an organization consisting of work posts with many different levels. Generally, the enterprise only implements external recruitment in several entrances in the lowest bottom; the staff in need of other high-level posts are filled in through internal promotion.^[3] For example, CEO who can be divided into the scope of specific human assets; generally speaking, CEOs with their particular properties can be in CEO positions; and CEOs elected through internal promotion always have more profound and special emotion on organization and can contribute the largest benefit to the organization through their specific skills wholeheartedly. Jim Collins and Jerry Porras(2002) compare Visionary Company and the contrast company and find that during 1806 to 1992, only Visionary Company has engaged CEO directly from the outside; the ratio is 11.1%; but only 11 contrast companies engage external people as CEO; the ratio is 72.2%; the possibility of Visionary Company's promotion of internal people is 6 times of that of contrast company.^[4] It fully illustrates that internal promotion has major value on enterprise value, of which the function is embodied in 1. On one hand, Internal promotion provides a long-term competition excitement for staff; different from basic pay, capital and short-term excitement means, internal promotion provides long-term excitement; The enterprise's internal work ladder is continuous; the one-level promotion is based on the employee's previous work performance; on the other hand, after achieving one-level promotion, the anticipation of promoting for higher-level post also provides drive for staff struggle further,^[3] which leaves wish for specific human assets; they always have the demand of self-achievement on work and occupation which is higher than earning money purely; with this internal promotion system, they can see the progressive wish; and their self-achievement demand can be stimulated so that they can work hard and better exert their specific effect. Meanwhile, it can also improve their loyalty and stability in the organization, reduce the probability of occurrence of moral hazard behaviors to some extent, and enhance their contribution to the organization.

4.2. Improvement of Counterbalance System

Establish a long-term and effective employment system to inhibit the behavior of opportunism.

In the researches of specific human assets management, a majority of researches concentrate on excitement methods and neglect of counterbalance. For many specific human assets with personality and individual thinking, one dispensable line of effective management is to counterbalance effectively. The enterprise always has no activeness and thinks it's unnecessary to invest universal human assets as the employees accepting universal human assets training improves the salary standard corresponding to labor productivity, which will be reflected in any enterprise; under the short-term employment condition, the enterprise has no activeness in investing specific human assets as specific human assets is indispensable to its specificity; when the specific talents leave the enterprise, it is impossible for the enterprise to reclaim the investment on specific human assets and suffer the loss. The long-term employment provides effective guarantee for the so-called Highway Robbery Problem and thus reduces invalid quit and loss caused dismissal. The scholar Williamson has demonstrated the relationship between specific human assets and long-term employment for Highway Robbery Problem; he advocates to avoid being threatened in order to protect specific assets owner and replace short-term contract of market exchange based on supply-demand relationship by long-term contract based on enterprise integration. The specific human assets under the short-term employment relationship must be insufficient seriously as the employer and the employees are afraid of facing risk of investment loss once the employment relationship can't be continued.^[5] Under the long-term employment relationship, the enterprise doesn't need to worry about the employee's job hop and is willing to have human assets investment. The employee is also willing to bear partial cost for investment on him as he has no worry of being dismissed. Finally, both parties shape optimization of human investment accumulation under the proper allocation policy; and the enterprise and the employee are bonded or locked in together by accumulation of specific human assets to enhance the stability of long-term employment; the

development is accompanied with stability; therefore, the specific human assets can contribute to the organization more stably for long time.

5. Conclusion

Currently as economy becomes knowledgeable, informational and globalized, there is no doubt that specific human assets are the source of current enterprise competitiveness. Whether it is effective for managing specific human assets or not will directly influence the efficiency and development organization and have extraordinary significance. Due to its specific features, specific human assets always have features different from general human assets. Considering its property, the organization manager shall make pointed references to carry out effective excitation and counterbalance, treat its demand and trend timely and properly, and keep a good and dynamic relationship between the specific human assets and organization; therefore, it can only achieve effective management on specific human assets and make specific human assets contribute the most effective contribution for organization.

6. References

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