

# Literature review and learning journal

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Energy is an extremely significant cost factor in managing the United States petrochemical industry (Neelis et. al, 2008). According to the current business scenario, US faces an increasingly competitive and challenging business environment all over the globe, the US petrochemical industry seeks out to curtail their production costs without affecting their production output or yield. The uncertainty in oil prices is one of the most crucial factors that have a negative impact on forecasted earnings of the petrochemical industry.

The most applicable method of price forecasting in petrochemical industry is making the estimations of average cost that has to be produced in a new plant in order to determine the economic size and eventually the reasonable profit. Viable and cost-effective investment in the petrochemical industry through installing energy efficient practices as well as technologies meets the tremendous challenge of preserving the maintenance of a high quality energy product. Energy usage is a significant source of emissions incorporated in the petrochemicals industry.

This source of emission in the petrochemical industry causes a tremendous improvement in energy efficiency. Also the competitive factors comprising of number of manufacturer as well the employment of new technologies for the development of petrochemicals are the cause of strategic options employed in the manufacture of petrochemicals. Discussion Strategic management evaluates critically the significant initiatives taken by an organization's top management to allocate its resources efficiently and effectively in order to attain maximum business feasibility and profitability. The Chinese petrochemicals companies are Petro China Company limited and China

National Petroleum Corporation. CNPC holds approximately total reserves of 3.7 billion barrels (590,000,000 m<sup>3</sup>) of oil equivalent. CNPC produced approximately 54 billion cubic metres of natural gas in 2007. CNPC invested most of its domestic assets into a separate company known as Petro China, during a plan of restructuring their organization. CNPC has around 30 international production as well as exploration projects.

These projects are completed in joint cooperation with numerous Asian, European, American as well as several countries that are included in USSR. The countries that are included comprised of Azerbaijan, , Peru, Sudan, Thailand, Canada, Iran, Indonesia, Turkmenistan, and Venezuela, Myanmar, Oman. The exploration projects, both domestic and overseas, are run by a wholly owned subsidiary, the Great Wall Drilling Company (GWDC). So, strategic management consists of making clear the organization's mission, business goals that are necessary to be achieved for the survival of business as well as its objectives.

Public sector does not measure in cost but it is equivalent that is very much central to the production as well as delivery of public commodities and services. The market failure occurs because the goal of private sector in the economy organizations is usually to increase efficiency and effectiveness, thus attaining the business objective of producing the goods and services at a lower cost in comparison to the prevailing production costs in the industry (Baume & Tolbert, 1985).

As private sector failed because of the market failure, public sector does fails because of the higher inefficiencies in the deliverance of service. The most

common example of these inefficiencies is regarded as Public Education. The area of public education has immensely failed to match up to the level of Private Institutes that are operating independently in providing quality education as well as incorporate improved learning with the students. There have been dire movements that consist of demanding the transfer of the Public Education charter into the cruel hands of the Private sector NPO's.

If the public sector is to collaborate effectively with the private sector, the most important decision is to tackle the appropriate selection of organization related to that sector (Bryson, 211, pp. 473). The discussion of the most eligible alternative that is widely known as public choice is very critical. This also holds true for how values that are holding private sector's infrastructure can be institutionalized into public sector. Institution itself is independent (Olson & Euyong, 1998). It is the design that is the most integral part of any organizations goal realization.

Conclusion: Further research and development should be conducted in order to set up plants for producing oil efficiently and effectively. Also, there is a need to eliminate and reduce oil wastage in order to maximize oil production. 2nd literature review Introduction: This literature review highlights the issue of building up manpower through effective human resource management skills. Setting up an oil company requires good people management skills as any good organization always requires the capable human resources to fulfill the needs of a successful and viable organization.

Organizations work through people and these people need some skills and competencies to perform their duties. Today, skillful workforce is considered

as a single source of gaining sustainable competitive advantage and to manage this force human resource departments are established and huge amount of budget is allocated for this purpose. Recently training is taken as a critical component for the success of any organization. Therefore, companies are increasing their investment in training programs to improve employees' performance that in turn can give rise to overall performance of organization.

Basically training is conducted because of current or expected performance deficiency related to skills, knowledge, and abilities. So, undoubtedly, training and performance is naturally interlinked. When any management person realizes the problem in productivity they identify which type of training is required for solving the issue. Discussion Employee training in an oil sector is an important factor in the success of an organization. Also the labor is particularly cheap in China so it requires effective management in working efficiently and effectively (Armstrong, 2000).

Training is not a single step process but it is a group of activities to provide employees with required or improved KSA's that helps them to perform efficiently and in accomplishment of organization's goals. It provides organizations increased employee commitment, improved job performance, enhance organization flexibility to adopt changes due to internal and external factors, reduce conflicts among employees, gives high motivation, improve thinking, creativity and physical competencies, and create an overall environment of dedication towards organizational objectives.

Training is a five step process that starts from the training need analysis and ends at evaluation stage. Training is not only provided to improve and teach new skills but also to refresh existing skills with the alignment of new technologies and other factors. According to the research, there are five major benefits of training programs. First one is enhanced skills, second is succession planning, decrease time of supervision, management of risk, and improved motivation. Performance management is also a major function of Human Resource Management. It has different components related to measures of managing and assessing employee performance.

Performance management includes improvement of individual and overall performance, delivering expectations of management from supervisors and managers, promote communication between management and employees, supervising subordinates to improve their performance by rewarding and recognizing them, and solve poor performance issues. Performance management comprise of five key factors as motivation, appraisals, promotions, coaching or supervising, and poor performance issues are resolved. The US petro chemical company operating in China needs to set up a learning organization in order to enhance faster growth and sustainability in the region.

The successful organizations have focused on creating learning organizations through incorporating the five disciplines of personal mastery, mental models, building shared vision, team learning and systems thinking (Senge, 2010). As human resources are the assets of an organization they need to be developed efficiently and effectively through the approaches of gaining

personal mastery. Personal mastery is a discipline that focuses on creating and broadening personal vision as an employee to gain focus and motivation for achieving better results in terms of output and profit as well as personal development (Senge, 2010).

Mental models describe the perspectives, generalizations and assumptions that the employees hold in their minds about the world. If the mental models are negative then it can hamper the employees in their personal growth as well as in attainment organizational objectives and vision. Positive attitudes of employees helps build up a shared vision towards organizational success. (Senge, 2010). This can be major human resource gap. Human resource development is an strategy to fill out HR gaps that causes major problems in achieving effective organizational performance and profitability (Ulrich, 2012).

Human resource development encompasses human resource practices that are crucial to the effective, competitive and sustainable development of human resource management system. The categorization of human capital has been sub-divided into three categories which are intellectual capital, social capital and organizational capital. Human resource development encompasses crucial aspects of effective work practices that include recruitment and selection processes, employee training and development and performance management and compensation management to enhance the knowledge, skills and abilities of employees.

These HRM practices conducted effectively results in the retention of quality employees and the dismissal of shirkers. One is of the major aspect of

human resource development and management is the recruitment and selection of employees (Senge, 2010). Job Assignment, Recruitment and Selection Recruitment and selections are crucial for the organization, because it makes sure that the right kind of individual is selected so that they can bring success to the company (Senge, 2010). The strategic fit between the individual and the organization is done through recruitment and selection and it can be seen in the following diagram.

Recruitment and selection is one of the most crucial and important phases of human resource development. It is the most initial phase in human resource development and management. As a first step a pool of candidates are selected that meet the eligibility standards for the jobs in an organizations, then out of these pool of candidates the most suitable ones are screened and selected through various tests and interviews by which their knowledge, skills and abilities are analyzed. After the recruitment and selection phase comes the next crucial step of training and development of employees.

### Conclusion

It is a fact that China is a very successful company and its overall economic performance is improving year after year. The proof of its success can be seen in its wide operations in almost every country. Training and performance management as HR functions are very important for developing a sound management in the petrochemical sector of the country. So, the US management believes on the key role of performance management system and training programs in retaining and attracting high performers that in



turn leads to improved overall business performance and gives extreme consideration to these functions.

So, in the success or increasing financial results training and performance management functions are playing vital role. In conclusion, performance management is directly related to business performance or success. Training is indirectly related to business success because without measuring performance gap, need of training cannot be identified and performance management helps in recognizing this need. Training is directly related to performance management because when training is given it increases performance of individuals that leads to improve business performance and when a business perform well it becomes successful.

The success of an organization is based on attracting and retaining the right kind of individuals. The process of recruitment tends to discover the sources of human resources to meet the requirements of staffing of the company and to implement effective measures so that talent could be attracted to fulfill the positions within the organization (Senge, 2010). Recruitment is very much Recruitment and selection are one of the major functions of the HR department.

Recruitment process is based on a systematic procedure that starts from sourcing the talent and ending on interviews (Ulrich, 2012). There is a major gap in efficient recruitment procedures if they are not planned by keeping in mind the HR needs of an organization. (Senge, 2012) Recruitment procedures can be conducted effectively by laying out a proper recruitment plan through extensive research and analysis by creating a strategic human

resource management plan and recruiting employees to create a competitive advantage in the industry.

It is a strategic task and forms the basis for how the company is able to grow and achieve their business targets (Ulrich, 2012). Learning Journal

Introduction The United States of America is faced with cut throat competitive and challenging business environment all over the globe, the US petrochemical industry seeks out to curtail their production costs without affecting their production output or yield. The uncertainty in oil prices is one of the most crucial factors that have a negative impact on forecasted earnings of the petrochemical industry.

The most applicable method of price forecasting in petrochemical industry is making the estimations of average cost that has to be produced in a new plant in order to determine the economic size and eventually the reasonable profit The modules I have chosen are strategic management to gain competitive advantage and development of a core competency that is what others do not have is the key to implement a successful business strategy as is the case with the globally successful business schools of the world.

Micheal Porter's five forces also impacts to a great extent in the viable strategic management of a business.

These forces are bargaining power of suppliers, bargaining power of customers, threat of new entrants, existing rivals and threat of substitute products and services. These are the industrial competitive forces that have to be analyzed and assessed for capturing the market by implementing a viable strategy. The mangers who are involved in the strategic planning

concerned with the business of petrochemicals must be concerned with the future prices forecasting of petrochemicals as well as the factors that regulate these prices.

Strategic management is concerned with developing effective policies as well as strategic plans, more often related to projects and the programs. These projects and programs are effectively developed and designed to accomplish and achieve these goals and objectives. After that the allocation of resources is done to implement strategically these policies as well as plans, in addition to projects and programs. A balanced scorecard is often used to evaluate the overall performance of the business and its progress towards achievement of its business goals and objectives efficiently and effectively.

Recent studies and leading management theorists have advocated that strategy needs to start with stakeholders expectations and use a modified balanced scorecard which includes all stakeholders. I learnt that the collaboration between the public and private sector organizations is inevitable to ensure that the public policy has been implemented and met. Public sector organizations are mostly government owned. They cannot ensure efficiency in every public goods and service they are providing.

This is the system where private sector organizations are offered the tenders from public sector in order to carry out the production as well as deliverance of different varieties of public goods. Personal development is one of the major factors of attaining success in achieving one's learning objectives as well as career development. Personality traits, economic stability, social

status, institutional, cultural and dispositional variables are some of the most important factors when people decide upon their career decisions.

Career development and decisions are one of the most crucial decisions of one's life as they shape a person's future prospects and sets out his vision for future. Discussion Economic stability is one of the major factors that influence the role in executing one's career objectives. The ever increasing tuition fee is one of the major causes that affect students of not so high calibre for students who could not get into the university they choose.

There seems to be a dearth of good educational institutions particularly in Asian countries because many high achievers in academics do get scholarships for getting into the best university. The students who cannot get scholarship are often the ones who have the aptitude for the subject but just because they have not secured good grades they are left out from scholarships. There is a contrasting situation if we analyze the European countries and United States as there is a wide range of good universities to take into account when applying for higher education in universities (Daib, 1999).

Psychological factors also impacts to a great extent on career choices. The introverts and the extroverts are the two major personality categories; the introverts choose to vary in their selection of subjects as compared to extroverts. There is also a third category of individuals which is known as extroverted introverts ( The extroverts usually choose careers that require field work whereas the introverted personalities choose careers that will not let them reach out from their comfort zones.

Both can choose the same career fields relating to the level of how introverted or extroverted are they (Wright, 1987). The extroverted introvert individuals are one of the important and complex personalities when it comes to analyzing their career choices (Sofer and Raimés, 2002). They pose a defensive self which reflects their extroverted side whereas deep inside themselves they know that they are introverts. Their career choices can be unexpected as compared to both the categories of individuals that is the extroverted and the introverted (Blackhall and Michelle, 2010).

There are four stages of career development that consists of exploration, option analysis and decision-making, planning and implementation (Sofer and Raimés, 2002). The stage of exploration consists of analyzing different career options and exploring a wide range of career options including different studies and aptitudes required. The stage of option analysis comprises of the options available to make a successful and promising career as well as the fulfilment of learning objectives (Underwood, 1989). The third stage is planning in which you plan to tread on the way as a career you have chosen for yourself (Bouma and Atkinson, 1995).

The research and development should have to be enhanced in order to support the further viability of the new petrochemical setup in China

Conclusion The module also helped me in understanding personal development. Personal development is one of the major factors of attaining success in achieving one's learning objectives as well as career development. Personality traits, economic stability, social status,

institutional, cultural and dispositional variables are some of the most important factors when people decide upon their career decisions.

Career development and decisions are one of the most crucial decisions of one's life as they shape a person's future prospects and sets out his vision for future. The determination of career and learning objectives is one of the basic human rights and it is the right of every person to have his dreams of education and careers fulfilled. Also, it is of utmost importance that an individual should make a right career choice irrespective of the cultural, social and other pressures that have an impact on the long term mission and vision of an individual.

With many factors influencing the career choices and learning objectives it is imperative that the right learning and career choices should be made in order to have a promising and successful future. Direction For Further Research How can the strategic management of the US petrochemical industry be improved to gain more markets in China? What are the ways to attract ideal employees for the organizational setup for petro chemical industries in China?