

Human Resources Development

In 2011, the Group's human resources work relied upon the "systematized, centralized, standardized and informatized" construction and the achievement of breakthroughs in system innovation, and the Group made changes in the human resources management model. Through its forward-looking planning, the Group optimized its organizational structure, established a team of talented personnel, improved its institutional mechanism and enhanced its management efficiency and organization ability. The foregoing measures further strengthened the Group's competitive advantage in human resources and provided strong support for achieving the corporate strategies and business objectives.

In 2011, the Group built for the first time a static and dynamic analysis framework in respect of human resources management information and data, which led to the initial realization of the supporting function of human resources management information and data in the decision-making process and formation of an internal benchmarking system for human resources management work of provincial subsidiaries of the Group. The above measures provided guidance to various units of the Group to improve their capabilities and enhance the management quality in a targeted manner. In response to the needs of business developments, the Group commenced comprehensive analysis and benchmarking of human resources allocation efficiency and directed various provincial subsidiaries to optimize their organizational structure and continuously enhance the efficiency of their human resources allocation. On the foundation of a comprehensive understanding of the Group's human resources and analysis of the existing development status and problems, and in response to the needs for talented personnel arising from the business transformation and development of the Group, the Group clarified the overall framework for human resources work and suggested building four different teams of operational management personnel, professional and skilled personnel, sales and services personnel and functional management personnel as the focus of development. This provides systematic safeguard for building a team of talented personnel with a reasonable structure, proficient quality and outstanding ability which can make notable contributions.

In order to achieve simultaneous growth and development of the Group and its employees and provide capability support for the corporate sustainable development, the Group has, on a continuous basis, paid attention to employee development, implemented classified training programs and focused on the practical efficiency of the training through overall planning and changing models. In order to provide effective training, the Group actively encouraged online learning, continuously innovated its management model and optimized its functional management. In addressing the needs of team leaders, internal training officers and senior network technicians for learning and knowledge sharing, the Group started a learning community which provides a platform for them to share their knowledge and experience. The Group also explored means of cooperative training, strengthened its overseas training and introduced learning through actions to the scope of senior management training. In 2011, training of 975,000 person times was provided to the employees, out of which training of 9,322 person times was provided to the middle and senior management, and the average training time per person reached 57.4 hours.

In 2012, the Group will continuously face tough challenges in its business development as the telecommunications industry enters the phase of stable development. The Group faces pressure in relation to the growth of its business revenue while the market salary levels continue to increase. The Group will enhance the compatibility and consistency between its human resources management and business strategies and optimize the personnel allocation by continuously carrying on its human resources reform. The Group will further adjust and optimize its internal remuneration structure by adopting market-oriented remuneration system as the fundamental principle, and will reasonably save costs by increasing the utilization efficiency of personnel expenses. The Group will incentivize the employees and effectively enhance their competitive consciousness by building a platform of selection and appointment on the basis of fairness, openness, merits and competitiveness. This will maximize the Group's human resources and provide strong support for the achievement of the corporate strategies and business objectives.