

Study on the Countermeasures of Chinese Enterprises' Payroll Performance Management in the Context of Fairness and Incentives

Han Wang, Yangzihan Guan*

Kyung Hee University, yongin-si, Gyeonggi-do, Korea

*Corresponding Author

Abstract

In today's society, the core of enterprise competition lies in the competition of talents, and compensation performance management. As the core link of enterprise human resource management, it is of great significance to stimulate the potential of employees, improve enterprise competitiveness and realize sustainable development. This paper takes fairness and incentives as the entry point to explore the strategy of enterprise pay performance management, and provides effective pay performance management guidance for enterprise managers by analyzing the application of fairness theory in pay design, the construction of incentive mechanism in pay performance management, and the impact of fairness and incentives on enterprise performance.

Keywords

Equity; Motivation; Pay Performance Management; Corporate Sustainability.

1. Introduction

With the development of global economic integration, the competition among enterprises is becoming more and more intense, and talents have become the core competitiveness of enterprise competition. How to reasonably design and implement the pay performance management strategy to stimulate the potential of employees, improve enterprise performance and achieve sustainable development has become an important issue for enterprise managers. This paper discusses the enterprise pay performance management strategy from the perspective of fairness and incentive to provide useful reference for private enterprises.

2. Conceptual Understanding of Equity and Incentives

2.1. Conceptual Understanding of Equity

Equity, as a social value, has permeated the course of human social development. In the distribution of resources and the protection of rights and interests, equity pursues the principles of fairness and reasonableness, aiming to ensure that everyone enjoys equal opportunities and treatment.

In modern society, equity has become an important cornerstone for promoting social harmony and common development. In this paper, we will have an in-depth discussion on fairness from three aspects, namely, opportunity fairness, process fairness and result fairness, with a view to providing insights for us to build a fairer and more just society. Fairness of opportunity means that everyone has equal opportunities to participate in social activities and development under the same conditions. In this sense, equity of opportunity is the first step towards social justice. Equality of opportunity requires us to eliminate all forms of discrimination and prejudice, so that everyone can realize his or her own value. This is reflected in the following areas: educational equity: ensuring that everyone has access to high-quality education and laying the

foundation for personal development; employment equity: providing equal employment opportunities so that everyone has the chance to give full play to his or her expertise; and entrepreneurial equity: providing entrepreneurs with a level playing field and boosting innovation and entrepreneurship.

2.2. Conceptual Understanding of Motivation

Motivation refers to the process of motivating individuals to work hard to achieve specific goals by stimulating their inner potential and mobilizing their enthusiasm and creativity. Incentive is an effective management tool that enables individuals to realize their personal values while contributing to the organization and society. Motivation mainly includes the following aspects: material incentives, spiritual incentives, emotional incentives, honor incentives and so on.

Material incentive refers to the individual's motivation and work incentive by giving material treatment such as salary and welfare. Spiritual incentive refers to the way through the commendation, praise, etc., to meet the individual's spiritual needs, improve their self-esteem and self-confidence. Emotional motivation refers to the establishment of good emotional relationships through care and concern to enhance the individual's sense of belonging and loyalty. Honor incentive refers to the way of awarding honorary titles, awarding prizes, etc., to recognize the outstanding contributions of individuals and improve their social status and prestige.

2.3. The Relationship between Equity and Incentives

Fairness and incentives are two crucial elements in the social system. Fairness refers to following the principle of justice in resource distribution and protection of rights and interests, so that everyone can enjoy equal opportunities and treatment. Motivation, on the other hand, refers to the promotion of the common development of individuals and society by stimulating individual potential, improving work efficiency and creativity. The two are complementary to a large extent, but at the same time there are certain contradictions and conflicts. First of all, fairness is the foundation of motivation.

In a fair environment, individuals can feel justly treated, thus enhancing self-confidence, stimulating inner potential, and improving work motivation and efficiency. Fairness can also reduce interpersonal conflicts and contradictions, create a harmonious and stable social atmosphere, and provide a good soil for incentives. Secondly, incentives are a means to achieve fairness. Through incentives, individual enthusiasm and creativity can be mobilized to promote the efficient distribution and use of resources, thus providing material and spiritual support for the realization of equity. At the same time, incentives can also prompt individuals to constantly pursue progress and improve their own abilities, laying the foundation for gaining an advantage in competition and further realizing social equity (Dan Liu, 2022). However, there is also a certain contradiction between fairness and incentives. Excessive pursuit of fairness may lead to an even distribution of resources, weakening individual motivation and thus affecting overall efficiency. And overemphasis on incentives may lead to the widening of the gap between individuals and affect social equity. Therefore, in practice, we need to find a balance between fairness and incentives and realize the organic combination of the two. In the process of building a modernized socialist country, China attaches great importance to the relationship between equity and incentives. On the one hand, it strives to equalize basic public services and safeguard the basic rights and interests of the people by improving the social security system and advancing educational equity, etc. On the other hand, it actively promotes reform and innovation, improves the incentive mechanism, stimulates creativity and vitality of the whole society, and promotes the sustained and healthy development of the economy.

In this process, we must fully recognize the dialectical relationship between equity and incentives, and effectively bring into play the mutually reinforcing roles of the two, so as to

provide a strong guarantee for the realization of the common prosperity of all people and the revitalization of the nation.

3. The Current Situation and Problems of Compensation and Performance Management in Enterprises

3.1. Current Situation

With the vigorous development of China's economy, the competition among enterprises is becoming increasingly fierce. In this context, human resources have gradually become an important part of the core competitiveness of enterprises. In order to stand out in this competitive environment, enterprises have begun to pay attention to pay performance management, with a view to stimulating the enthusiasm and creativity of employees through scientific and reasonable incentive mechanisms.

In modern enterprises, compensation performance management is regarded as a key human resource management tool, which can effectively combine employees' personal goals with the overall goals of the enterprise. By establishing a scientific and perfect pay performance management system, the enterprise can better mobilize the work enthusiasm of the employees, improve the work performance of the employees, and then enhance the overall competitiveness and market share of the enterprise. However, it is not easy to establish a set of pay performance management system in line with the enterprise's own characteristics. It requires enterprises to formulate a set of fair, reasonable and competitive salary policies, as well as a set of scientific and clear performance evaluation standards on the basis of a full understanding of the needs of employees, job responsibilities and market competition conditions (Sun Yunlong, 2022). Only in this way can we ensure the effectiveness and relevance of the pay performance management system.

3.2. Problems

Although enterprises have a full understanding of the importance of pay performance management, but in the actual operation process, there are still some problems and deficiencies. Mainly manifested in the following aspects: 1. Performance appraisal index is not clear: some enterprises in the performance appraisal, failed to develop a clear, targeted performance appraisal index.

This leads to the phenomenon that the assessment results are difficult to accurately reflect the employee's work performance, thus affecting the fairness and reasonableness of salary distribution. 2. pay incentives are not perfect: some enterprises in the pay incentives rely too much on material incentives, ignoring the spiritual needs of employees. This leads to the limited effect of pay incentives, and it is difficult to stimulate the passion of the employees. 3. Non-transparent performance appraisal process: some enterprises fail to fully protect the employees' right to know and participate in the performance appraisal. This makes employees question the results of performance appraisal, affecting the credibility of corporate management. 4. Disconnect between pay and performance: Some enterprises fail to link employee performance and pay closely in pay distribution. This leads to the phenomenon that the results of salary distribution and the actual performance of employees do not match, which in turn affects the enthusiasm and work commitment of employees. 5. Improper use of appraisal results: some enterprises in the performance appraisal failed to give full play to the role of the results of the appraisal, such as the promotion of outstanding employees, training, etc. This makes the performance appraisal a formality. This makes the performance appraisal a mere formality, which is not conducive to the optimal allocation of enterprise human resources.

4. Compensation Performance Management Strategies under the Principle of Fairness

4.1. Ensure the Fairness of the Remuneration System

Establishing a clear compensation system: In the operation of an enterprise, compensation management plays an important role. In order to stimulate the enthusiasm and satisfaction of the employees, the enterprise must formulate a set of clear, quantifiable and objective compensation system based on the position level, scope of responsibilities, work complexity and performance results of the employees. This will enable employees to clearly recognize the value of their work and the corresponding salary level, thus enhancing their motivation.

Implementation of performance appraisal mechanism: In order to closely integrate compensation with job performance, companies need to build a comprehensive performance appraisal system. The system should take into account the work process and results, comprehensively evaluate the performance of employees and provide a strong basis for salary adjustment. Through performance evaluation, employees can clearly see the close connection between their own work results and remuneration, which in turn stimulates their enthusiasm for work and improves their work efficiency.

Regular adjustment of salary levels: In a competitive market environment, in order to ensure the competitiveness of employees' salaries, enterprises need to carry out market salary level surveys on a regular basis. The survey covers the salary status of competitors in the same industry and the overall salary development trend of the industry. According to the results of the survey, the enterprise should adjust its own salary level in time to ensure the competitiveness of employees' salary. In addition, regular adjustment of salary level also helps to attract and retain excellent talents, thus enhancing the overall competitiveness of the enterprise.

Shaping a positive corporate culture: Enterprises should be committed to creating a positive corporate culture, so that employees can feel the care and respect of the enterprise. By organizing various employee activities and providing training and communication opportunities, the company can enhance the professionalism and skill level of its employees and promote their continuous growth at work. At the same time, the enterprise should also pay attention to the welfare and psychological health of employees, to create a harmonious and pleasant working environment for employees.

4.2. Enhancing Transparency in Pay Administration

As a key human resource management strategy within an enterprise, compensation policy has a direct and far-reaching impact on employee satisfaction, work efficiency and motivation. (Li Zhaohui, 2015) has clearly pointed out that enterprises are obliged to fully disclose their remuneration policies to employees, including the basic principles of remuneration formulation, specific elements of remuneration composition and relevant mechanisms for remuneration adjustment. Through such transparent practices, employees can more clearly understand the basis and process of salary management, which not only helps to enhance employees' trust in the enterprise, but also stimulates their enthusiasm and commitment to work.

On the other hand, performance appraisal, as a key means to measure the performance of employees, is not only closely related to the professional growth of individual employees, but also directly related to the overall operational efficiency of the enterprise. Therefore, companies should display the results of employees' performance appraisals in a fair and open manner, so that each employee can clearly recognize his or her own work performance. This practice can not only effectively stimulate the enthusiasm of employees, but also point out a clear direction for them to improve their own ability.

In terms of compensation management, enterprises should endeavor to establish a reasonable correlation between compensation and performance to ensure that employees who perform well are rewarded accordingly. In this way, enterprises can not only motivate employees to strive to improve their personal performance, but also cultivate deep loyalty to the enterprise in their hearts.

5. Compensation Performance Management Strategies under the Incentive Principle

5.1. Fair and Impartial Assessment of Employee Performance: A Key Link in the Realization of the Incentive Mechanism of the Enterprise

Under the promotion of incentive mechanism, the enterprise must make a fair and impartial evaluation of each employee's work performance. To this end, the enterprise must establish a set of clear, objective and fair performance appraisal system, so that each employee can clearly understand their own work objectives and expected results.

At the same time, the appraisal process must remain transparent to avoid interference by human factors, thus ensuring the objectivity and fairness of the performance evaluation results. In order to achieve this goal, companies should first set clear and measurable work objectives and expected results for employees. These goals should be achievable, challenging, and in line with the overall development strategy of the enterprise, in order to provide employees with a clear direction and motivate them to work hard to improve their performance. In addition, companies need to develop a set of comprehensive and fair performance appraisal standards to ensure that the assessment results truly reflect the performance of employees. These standards should cover a variety of dimensions such as work quality, work efficiency, teamwork, business ability, etc., so as to realize a comprehensive evaluation of the comprehensive quality of employees (Zhang Suzhen, 2014).

5.2. Constructing an Incentive-based Compensation System that Closely Links Performance and Compensation

Based on the principle of incentives, enterprises should implement pay performance management strategies to ensure that employees' pay is closely linked to performance. In order to achieve this goal, companies need to follow the following strategies: build a fair and objective performance evaluation system, companies should ensure the fairness and transparency of the performance evaluation process, so that employees fully understand the evaluation criteria and process. With the help of scientific and reasonable performance evaluation methods, the performance of employees can be accurately reflected to provide a solid basis for salary adjustment. Adjustment of remuneration according to performance, enterprises should reasonably adjust the remuneration according to the performance level of employees to ensure that excellent employees get their due returns.

This will not only stimulate the enthusiasm of the employees, but also promote the employees to continuously improve their own ability to create greater value for the enterprise. Set up a clear salary promotion mechanism, the enterprise should establish a fair and transparent salary promotion system, so that employees clearly understand the promotion conditions and process. Through efforts to improve performance, employees have the opportunity to obtain higher remuneration packages, thus stimulating their work motivation and improving job satisfaction. Implementation of diversified incentives, in addition to salary incentives, the enterprise should also give incentives to outstanding employees through promotion opportunities, training and development, honor recognition, etc., to further enhance the sense of belonging and loyalty of employees. Strengthen the implementation and supervision of pay performance management, enterprises should strengthen the implementation and supervision of the pay performance

management system, to ensure that the policy of linking performance and pay is truly implemented. Through regular inspections and audits, the payroll distribution within the enterprise should be monitored to prevent potential problems.

6. Conclusion

Compensation performance management is the core link of enterprise human resource management, which is related to the stable development of the enterprise as well as the personal growth of employees. In order to ensure the efficient operation of compensation and performance management, enterprises need to comprehensively evaluate the implementation effect of their management strategies, and constantly adjust and improve the relevant programs according to the evaluation results. In this way, not only can realize the achievement of corporate goals, but also promote the win-win situation of employees' personal development. First of all, enterprises should establish a sound pay performance management system. This system should include clear objectives, reasonable evaluation standards, effective incentive mechanism and perfect feedback mechanism. Through this system, the enterprise can ensure the fairness, justice and openness of pay performance management, and provide a platform for employees to compete fairly. Secondly, enterprises need to pay attention to the publicity and training of pay performance management. To let employees fully understand the enterprise's pay performance management policies, objectives and processes, and improve the sense of identity and participation of employees. Enterprises can also organize training activities on a regular basis to enhance the knowledge and skills of employees in pay performance management, laying the foundation for the smooth promotion of management. In short, through the above methods, enterprises can fully understand the implementation effect of the pay performance management strategy, and constantly adjust and improve the relevant programs according to the evaluation results. In this process, enterprises should pay attention to the personal development of employees, stimulate their enthusiasm and creativity, and realize the win-win situation of corporate goals and personal development of employees. Only in this way can the enterprise be invincible in the fierce market competition and contribute to China's economic development.

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