

# *The Dilemma and Effective Outlet of Enterprise Human Resources Compensation Management*

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**Abstract:** Under the background of the development of the new era, actively improving and optimizing the human resource salary management of enterprises is conducive to improving the core competitiveness of enterprises, avoiding the loss of talents, promoting the maximization of economic benefits of enterprises, and realizing the development goals of enterprises. This paper briefly analyzes the dilemma faced by the enterprise human resource salary management, preliminarily discusses the significance of the improvement and optimization of the enterprise human resource salary management, and puts forward practical and effective development and innovation paths to provide guarantee for the long-term operation and development of the enterprise in the future.

## **1. Introduction**

With the development and progress of The Times, enterprises have put forward higher requirements for human resource salary management, aiming to achieve the long-term development goals of enterprises through the improvement and optimization of salary management. The problems of imperfect salary structure system, imperfect salary performance appraisal, lack of fairness within enterprises and unsuitable salary market environment generally exist in the human resource salary management of enterprises, which have a serious impact on the healthy application and development of enterprises. Enterprises should pay attention to the importance of human resource salary management, and help enterprises optimize and improve comprehensive benefits.

## **2. Analysis of the dilemmas faced by enterprise human resource salary management**

### **2.1 The salary structure system is not sound**

The salary structure system is generally composed of five parts: basic salary, subsidy, business bonus, corporate welfare and social insurance. The salary structure system of different enterprises is different due to the different business conditions, and the salary structure system is generally lack of stability and unreasonable salary ratio <sup>[1]</sup>.① Lack of stability of the salary structure system: In the process of enterprise operation, with the change of the scale of the enterprise and the actual situation of employees, the salary structure system of the enterprise will be constantly improved and adjusted. However, the frequency is too high and the stability is insufficient in the operation process.

Often only special adjustments and improvements are made after problems occur, rather than overall optimization and promotion, and employees cannot obtain stable compensation protection. Unreasonable salary ratio of enterprises: the proportion structure of fixed salary and variable salary is the key factor affecting the work effect and work quality of employees. The high proportion of fixed salary is easy to reduce the operation vitality of the enterprise, the staff lack of work enthusiasm and business development, and it is difficult to improve the production and operation efficiency of the enterprise. The high proportion of variable salary is easy to reduce the sense of security and regulation of employees, resulting in the loss of outstanding talents.

## 2.2 The salary performance appraisal is not perfect

The result of salary performance appraisal is the key index to determine the employee's salary return, which has an important impact on the improvement of the employee's work efficiency and work ability. In the process of enterprise operation, the compensation performance appraisal mechanism is imperfect, incomplete, unscientific, and the process is not open, which greatly hinders the healthy development of enterprises.<sup>①</sup> The salary performance appraisal mechanism is not comprehensive: due to the differences in the functions of enterprise employees, the work effectiveness of production and operation R & D employees can be directly presented through economic benefits, while management and service employees need performance appraisal to be deeply involved in their daily work and life. Incomplete compensation and performance appraisal mechanism will lead to the lack of accuracy and completeness of enterprise evaluation, resulting in employees' dissatisfaction with the results of compensation and performance appraisal.<sup>(2)</sup> Unscientific salary performance appraisal indicators: common salary performance appraisal indicators are mainly business indicators, but often ignore the embodiment of management and growth indicators. Enterprises should scientifically and accurately implement assessment indicators, emphasize the rationality and effectiveness of assessment indicators, so as to effectively quantify the performance management of employees.<sup>(3)</sup> The process of salary performance appraisal is not disclosed: employee compensation is the focus of employee work, and enterprise salary performance appraisal should ensure fairness and justice. However, in some enterprises, the assessment information is not transparent and the assessment process is not open, and the employees are easy to question the assessment results, which seriously affects the authenticity and effectiveness of the performance assessment results, and thus leads to the decline of the cohesion of employees.

## 2.3 Lack of fairness within enterprises

Fairness and justice is the basis of building a high-quality enterprise human resource salary management structure, and is an important prerequisite for the optimization and improvement of enterprise internal control and production and operation effect. The lack of fairness within enterprises is a common problem in the current human resources compensation management of enterprises, which has a significant negative impact on enterprises. The lack of fairness within the enterprise is mainly manifested as the lack of fairness in salary design, the unequal return of employees, and the inflexible and single channels for employee promotion and salary increase.<sup>①</sup> Lack of fairness in salary design: most domestic enterprises implement the system of "one post, one salary", and the salary level of the same level of post is certain. However, there are also significant differences between different jobs at the same level, and special types of jobs, old and new employees, and dangerous positions should be distinguished<sup>[2]</sup>. Under the traditional model of "one-size-fits-all" salary design, employees have an unbalanced psychological state, which has a negative impact on the working environment of enterprises.<sup>②</sup> The employee's pay is not

proportional to the return: the employee's work and pay should be fully matched, and the disproportionate pay structure is easy to lead to an unfair attitude of employees, which reduces the enthusiasm of work and seriously affects the overall operating efficiency of the enterprise.<sup>③</sup> Employee promotion and salary channels are rigid and single: job promotion is the main way to increase the salary of the current enterprise, the promotion space of the enterprise is relatively limited, some employees will not be promoted for a long time, fierce competition among employees, easy to frustrate the enthusiasm of employees and the good relationship between employees. Due to the failure of competition, some employees may have an unbalanced mentality, slack off and even quit the state. Relying too much on the salary channels of job promotion easily leads to the situation of shifting responsibility, power struggle and intriguingness within the enterprise, and it is difficult for employees to focus on the optimization and improvement of their own ability level and performance effect.

## **2.4 The salary market environment is not suitable**

With the development and progress of The Times, the environment of the human resource market has undergone obvious changes. The human resource compensation management mechanism of enterprises should fully meet the development needs of the current market environment and effectively guarantee the high-quality operation and development of enterprises. Under the background of the new era, employees have the characteristics of strong mobility, and they have high requirements for salary, working environment, job promotion space and other conditions. When the salary of enterprises is lower than the market average level or the psychological expectation of employees, it is easy to cause the phenomenon of brain drain of enterprises. Employees cannot meet their own needs of life and entertainment through enterprise salary, it is difficult for enterprises to provide salary treatment that matches employees' own ability, and the welfare treatment lacks humanization construction, which leads to the decrease of talent attraction and core competitiveness of enterprises.

## **3. The significance of improving human resource compensation management**

### **3.1 Is conducive to improving the core competitiveness of enterprises**

The improvement and optimization of enterprise human resource salary management can effectively realize the optimization and improvement of enterprise human resource management effect, shape excellent corporate culture, mobilize the enthusiasm of employees, and effectively help the progress and improvement of enterprise core competitiveness.<sup>①</sup> The effects of improving enterprise human resource management are as follows: A scientific and effective salary management system can optimize the structure of human resource management, promote the allocation of human resource salary management, and fully meet the needs of enterprise development.<sup>(2)</sup> Shaping excellent corporate culture: In the context of the development of the new era, the enterprise human resources compensation management work emphasizes the construction concept of "people-oriented", pays more attention to the core position of individual employees in the management work, and enhances the degree of attention and concern of enterprises. Through human resource compensation management, enterprises can create excellent corporate culture, cultivate employees with positive values, and enhance the infectivity of external environmental factors, thus effectively helping enterprises and employees grow together <sup>[3]</sup>.<sup>③</sup> Enterprises should mobilize the enthusiasm of employees: the attitude of employees is a key factor affecting the work efficiency and work quality of enterprises. Scientific and reasonable enterprise human resource salary management can fully meet the psychological expectations of employees, enhance the

stickiness between employees and enterprises, and help enterprises to improve the work efficiency and enthusiasm of employees.

### **3.2 Help to avoid the loss of enterprise talents**

The brain drain of enterprises is one of the key problems that enterprises need to face in human resource salary management. Outstanding talents are the important cornerstone of long-term high-quality development of enterprises. Improving the human resource salary management of enterprises can realize the construction of diversified, humanized and scientific salary management system of enterprises, emphasize the importance of talent introduction and the key of talent security, create a good development space and ability platform for high-quality talents, emphasize the cultivation of employee cohesion and corporate influence, so as to realize the guarantee of enterprise talents.

### **3.3 It is beneficial to maximize the economic benefits of enterprises**

Enterprise human resource salary management is mainly divided into two parts: salary system design and salary daily management. Improving and optimizing enterprise human resource salary management can improve the efficiency and quality of enterprise operation and production activities, and effectively help maximize the development of enterprise economic benefits.① In terms of salary system design: Scientific and reasonable setting of salary management system can effectively improve the standardization, stability and diversity of enterprise operations, attract complex high-quality professionals for enterprises, and effectively realize the optimization and improvement of enterprise operation and development effect.② In the daily management of salary, enterprises can reduce the important and difficult contents of human resource salary management, reduce unnecessary capital investment and cost investment, and effectively control the operating costs of enterprises, so as to maximize the economic benefits of enterprises.

### **3.4 Is conducive to the realization of the enterprise's development goals**

Enterprise human resource salary management is set to serve the enterprise development and planning goals. The work content should fully position the enterprise's strategic development, control the salary income of employees at the market level according to the actual requirements, enhance the stability of the company's staff while ensuring the integrity and smooth cash flow of the enterprise, and fully mobilize the enthusiasm of employees. Enterprise development goals need to rely on effective cost management and high-quality enterprise talents, and the improvement and optimization of enterprise human resource salary management can effectively promote the full implementation of development goals. In the management of salary structure adjustment, the salary system should be adjusted based on the requirements of enterprise organization reform, medium-term operating efficiency and market salary changes<sup>[4]</sup>.

## **4. Analysis of the effective way out of enterprise human resource salary management**

### **4.1 Improve the scientific salary management mechanism and strengthen the sense of belonging of employees**

Under the background of the development of the new era, scientific salary management mechanism is an important channel to optimize the effect of human resource salary management and strengthen the sense of belonging and identity of employees. Enterprises should pay attention to

the perfection of the position management system, salary management system and performance appraisal system.① Position management system: Enterprise human resource management should pay attention to normative construction, improve the employee attendance system, emphasize the implementation of the rights and responsibilities of employees, and pay attention to the scientific and fair job competition of enterprises.② Salary management system: Enterprises should fully implement the performance pay system, promote the enthusiasm of employees in different positions through comprehensive coverage of performance policies, reduce the income difference between employees' positions, and help the benign operation of enterprises.(3) Performance appraisal system: Enterprises should implement qualitative and quantitative assessment, conduct quarterly, monthly or weekly assessment based on the actual situation of enterprises, and emphasize the integrity and fairness of performance appraisal, so as to effectively improve the work efficiency of employees [5].The scientific salary management mechanism should be fully compatible with the phased development goals of the enterprise, and the salary management mechanism should be used to form a joint force for internal and external development of the enterprise, strengthen the sense of belonging and identity of employees to the enterprise, and effectively help the optimization and improvement of the operation effect and quality of the enterprise. This is shown in Table 1.

Table 1. Proportion of the salary structure of the employees in different positions

| position sequence | Job category        | The proportion of wage structure |                         |                        |
|-------------------|---------------------|----------------------------------|-------------------------|------------------------|
|                   |                     | position value                   | Monthly performance pay | Annual performance pay |
| Management post   | Senior managers     | 20%                              | 45%                     | 35%                    |
|                   | Middle managers     | 50%                              | 40%                     | 10%                    |
|                   | Grassroots managers | 50%                              | 50%                     | 0%                     |
| Staff post        | Grassroots staff    | 60%                              | 40%                     | 0%                     |

#### 4.2 Build an innovative salary incentive system to enhance the enthusiasm of employees

The long-term development of enterprises needs to further improve the internal driving force of employees. Enterprises should pay attention to the important role of the compensation incentive system in the operation and development of enterprises, emphasize the full embodiment of the performance-linked principle in the human resources compensation management of enterprises, and realize the mobilization and promotion of employees' enthusiasm through humanized compensation management incentive means and innovative compensation management incentive system.① Humanized salary management incentive means: enterprises can regularly create group building activities, tourism and leisure activities and unified training activities, so as to promote the humanized development of salary incentive means through prize competition, team cooperation and paid leave in a relaxed and pleasant atmosphere.(2) Innovative salary management incentive system: Under the traditional model, the incentive method of enterprise salary management is mainly material incentive, and more emphasis is placed on the improvement of specific amount of income. Under the background of the development of the new era, enterprises should implement the incentive system combining spirit and material, deeply emphasize the humanistic care and cultural edification of enterprises while giving employees material rewards, effectively enhance the stickiness between enterprises and employees, and help optimize and improve the effect of human resources salary management.

#### 4.3 Implement the life-based salary management design, emphasizing the combination of life reality

Enterprise human resource salary management should emphasize the close combination of

design content and employees' actual life, implement the life-oriented design concept, and promote employees' salary to fully meet the needs of employees' life and reflect the value.<sup>①</sup> In terms of employee salary, salary indicators should be adjusted according to the actual situation of enterprise development, and the weight design method of salary indicators combining quantitative and qualitative methods should be adopted to reduce the influence of human factors as much as possible, and the salary management design based on life should be carried out in a scientific, reasonable, objective and comprehensive way. The basic salary of employees should be determined based on the daily life needs of employees, the general salary level of the human resources market, the individual ability level of employees, work intensity and risk degree, and other aspects, emphasizing the flexibility and stability of employees' compensation.<sup>②</sup> In terms of welfare benefits: welfare benefits are an important part of meeting the life needs of employees. Enterprises can conduct anonymous questionnaire statistics in advance to optimize and improve the welfare benefits system based on the actual life needs of employees. For example, companies can care for employees through the flexibility of leave for major life events such as "weddings and funerals," as well as provisions for daily customs such as ethnic minorities and special faiths <sup>[6]</sup>. The flexible mechanism is implemented into the welfare treatment design of the enterprise human resource salary management, so as to make the enterprise human resource salary management fully fit the actual life of employees.

#### 4.4 Open and transparent salary assessment standards to improve employee satisfaction

"Fairness, fairness, transparency and openness" is the basic concept to optimize and improve the quality and effect of human resource salary management. Transparent salary assessment standards can improve employees' recognition of performance assessment results, help employees enhance their trust in the enterprise and sense of belonging, and clearly point out the direction of talent demand and training objectives of the enterprise. Reasonably expand the promotion channels and salary channels of enterprise employees, and help the effective embodiment of the economic value of enterprise employees. Enterprise employees can implement the prudent system of promotion, demotion and downgrading, so as to make the working ability of enterprise employees fully fit with the enterprise salary treatment, and use the salary treatment to form positive reinforcement for employees, so as to effectively realize the optimization and improvement of employees' work enthusiasm and initiative. Enterprises can also carry out a clearly graded salary increase system based on employees' work contributions, such as efficiency and quality, without affecting the company's management structure, and create competition and development channels for old employees. The salary assessment standard process is fully open and transparent, so as to effectively optimize and improve employee satisfaction. This paper surveyed 150 employees and conducted complex regression analysis according to organizational fair variables, as shown in Table 2.

Table 2 Complex regression analysis of organizational fair variables (N=150)

| regression coefficient      |                        | Fair organization  |                   |                     |                      |
|-----------------------------|------------------------|--------------------|-------------------|---------------------|----------------------|
| predictive variable         |                        | procedural justice | Fair distribution | Leadership fairness | Information fairness |
| Compensation agency         | Competent compensation | 0.267              | 0.138             | 0.215               | 0.129                |
|                             | Job salary             | 0.019              | 0.115             | 0.075               | 0.058                |
|                             | Performance pay        | 0.306              | 0.22              | 0.052               | 0.116                |
| R2                          |                        | 0.277              | 0.156             | 0.076               | 0.072                |
| f-number                    |                        | 20.040             | 10.193            | 5.083               | 3.763                |
| Note: * p <0.05, ** p <0.01 |                        |                    |                   |                     |                      |



## 5. Conclusion

To sum up, the enterprise human resource salary management should actively explore and excavate new ways and methods of optimization and innovation, and effectively realize the optimization and improvement of enterprise operation effect and quality. Enterprises should improve the scientific salary management mechanism, strengthen the sense of belonging of employees, build an innovative salary incentive system, enhance the enthusiasm of employees, implement the life-based salary management design, emphasize the combination of life reality, open and transparent salary assessment standards, and improve employee satisfaction. Through the diversified compensation management mode system, we can help the long-term development of the operating enterprises.

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