



# Takes Shenzhen Chengyixin Technology Co., Ltd. As An Example

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## ABSTRACT

*In the era of knowledge economy, the competition between enterprises is actually the competition between talents. Especially for small and medium-sized enterprises, once enterprises lose too much outstanding talents, then they will gradually lose their core competitiveness, and a key reason for this is the lack of a reasonable salary system. This paper mainly focuses on the incentive effect of compensation, and the analysis of Shenzhen Cheng letter technology co., LTD., through the modern enterprise management concept and using compensation incentive mode, according to the current development situation of Shenzhen Cheng letter technology co., LTD., only establish a relatively perfect, and meet the needs of enterprise compensation incentive system, can properly handle the compensation incentive problems.*

**Keywords:** *Small and Medium-Sized Enterprises; Compensation Incentive; Salary Management*

## I. INTRODUCTION

With the rapid development of the market economy, Chinese enterprises have ushered in good opportunities for development, and the importance of employees in the development of the enterprise has also attracted more and more attention. For employees, whether they can form the necessary loyalty to enterprises actually depends entirely on the labor remuneration they get, that is, compensation, because compensation can have an important impact on their income, not only involves their daily life, but also determines their social status.

Although after the reform and opening up, our small and medium-sized enterprises have achieved very rapid development, however, most of the enterprises in human resources management, especially in the employee salary management still appeared a series of problems, seriously affected the enthusiasm of employees and loyalty to the enterprise, thus hinder the further development of small and medium-sized enterprises, Shenzhen sincere letter technology co., LTD.

## II. RESEARCH METHOD

According to the author's specific investigation on the employee salary system currently implemented by the enterprise, and then fully taking into account the actual operation situation, product characteristics and organizational structure of the enterprise, it is not difficult to see that the salary system implemented by the enterprise has the following deficiencies

## III. DISCUSSION

### 3.1 Modern Physical Science of Descartes and Newton

The status quo introduction of Shenzhen Chengxin Technology Co., Ltd

#### a) Background introduction of Shenzhen Chengxin Technology Co., Ltd

Shenzhen Chengxin Technology Co., Ltd., established in 2002, is an engaged in precious metal precision casting, laser molding enterprises. Shenzhen Chengxin Technology Co., Ltd. was established in 2002, located in ilang Juyin High-tech Industrial Park, Shenzhen jewelry industry distribution center. The company focuses on precious metal precision casting, laser molding, digital wax injection, metal smelting, automatic pouring, polishing and laser welding marking and other all jewelry equipment casting process.

#### b) Current status of the salary and welfare incentive mechanism of Shenzhen Chengxin Technology Co., Ltd

According to the current situation of the enterprise, the salary and performance bonus can be said to be all the income of the employees, and they must also abide by the corresponding pay system in terms of paying the salary, so the salary system currently implemented by the enterprise is actually the wage system. However, the concept related to

generalized salary has not been detailed understood, so there is no way to use it, which is similar to most enterprises, which is transformed from the more traditional grade salary in the past.

The salary formula of the official employees of Shenzhen Chengxin Technology Co., Ltd. is calculated as follows:

Employee salary = basic salary + performance bonus + seniority award + welfare + other subsidies provided by the enterprise.

### 3.2 Position Value

Post salary is mainly about the enterprise according to the employees' work responsibility, work strength and work skills evaluation and other related factors to decide. Shenzhen Chengxin Technology Co., Ltd. divides the post salary into three series of senior management, middle management personnel and grass-roots employees, with nine salary levels in each series. Each salary grade is given the ABCD five-gear standard. Among them, senior management personnel should enter 5000 yuan per gear, middle management personnel should be 2000 yuan per file, and 1000 yuan per grassroots staff. At the same time, the company links the job salary with the performance assessment, the annual assessment results affect the promotion of the job salary; the overall salary structure is supplemented by seniority salary and post subsidy, and formed a job change mechanism, in fact, we are often known as a post multiple salary, so that you can fully motivate all employees.

### 3.3 Merit Pay

Performance salary, in fact, is the salary of the enterprise according to the individual employee, the team or their own overall performance, which fully means that as long as the individual employee, the team or the enterprise itself get a very high performance, then they will certainly provide more labor remuneration for the employees. In addition, the company also determines and pays how much salary according to its own operating benefits and employee personal performance, and regards the performance appraisal results of all employees as five different levels. The detailed results are shown in Table 3-1 below.

**Table 3-1 Classification of performance appraisal of Shenzhen Chengxin Technology Co., Ltd**

grade	A+	A	B	C	D
explain	excellent	outstanding	good	secondary	same as
coefficient of correspondence	1.1	1	0.8	0.7	0.5

In the existing employee salary composition of Shenzhen Chengxin Technology Co., Ltd., employee performance salary accounts for 20% and post salary accounts for 80%. This proportion is "one size fits all", which is not very reasonable without considering the difference between post and post. For example, the finance department, human resources daily routine work, more from strategic organization construction and management, its effect is slow but far-reaching so cannot pay attention to such monthly performance assessment, performance pay does not need to occupy too high proportion, but it is necessary to emphasize the annual performance appraisal, however, for those sales and program staff, they get the performance of the enterprise itself can get how much performance, and performance pay only accounts for 20% of its salary, obviously the proportion is low, is not conducive to mobilize its enthusiasm.

### 3.4 seniority pay

The seniority salary is mainly concerned about the enterprise that provides the corresponding economic compensation for its employees according to the entry number of years, which reflects the accumulation of its employees in the enterprise and all the contributions of the labor time. In this case, the seniority calculation method is actually calculated according to the first day of employees entering the enterprise. The details are shown in Table 3-2 below:

**Table 3-2 Service of Service subsidy comparison table unit: Yuan**

length of service	half a year	annum	Two years	triumnum	quadrennum	five years	Six years	seven years	Eight years	More than eight years
subsidy	20	40	60	80	100	120	140	160	180	200

For enterprises, employees are a very precious wealth, so it is necessary for enterprises to reasonably control employee turnover, and providing them with seniority wages can effectively reduce employee turnover. However, the way to calculate the length of service within the company is the same for all employees, however, for the older, experienced old employees, their contributions may vary.

### 3.5 Employee welfare and Tianjin compensation

The benefits and subsidies that employees can get are also actually the very key contents of the salary management system, which is equivalent to an indirect remuneration that employees can get. In Shenzhen Chengxin Technology Co., Ltd., the benefits of employees mainly include the following aspects:

1. Security of subsistence. The enterprise provides five insurances for employees, but this insurance premium is borne by the enterprise and individual employees according to the proportion stipulated by the law.
2. Statutory holidays. According to the clear provisions of the Labor Law, all employees can enjoy 11 legal holidays.
3. Paid annual leave. Employees who have been working in the enterprise for more than a year can enjoy three days of paid vacation, and then they can spend an extra day off, or up to ten days.
4. Allowance or subsidy. The enterprise shall issue housing subsidies to the employees who do not pay the housing accumulation fund; the site allowance to the front-line employees at the project site according to the site attendance; the post certificate allowance and the professional title allowance. The high standard of the same type of allowance is not calculated accumulative, and shall be paid together with the same salary.

For Shenzhen sincere letter technology co., LTD., employee welfare status, mainly to the government welfare of welfare type, from the perspective of the system itself, the lack of self-design project, the overall form is single, to some extent, the employee welfare as a health factor, the welfare as the cost, it will ignore the satisfaction of employee's individual needs and the development of ability quality. In order to better improve the work enthusiasm, Shenzhen Chengxin Technology Co., Ltd. will give employees other benefits in daily life, such as in summer will boil mung bean soup for employees every summer, provide day care training, parent-child summer camp and other activities for parents with children, so as to improve employees' sense of belonging to the organization.

### 3.6 Paradigm Shift

Shenzhen Chengxin Technology Co., Ltd. to solve the existing problems in compensation incentive

#### 3.6.1 Determine the compensation standard according to the talent market value

In general, companies determine employee compensation based on work, skills, qualifications and market compensation levels, in which work and performance are the main factors. Managers of Shenzhen Chengxin Technology Co., Ltd. need to determine the salary level based on the talent market value. Although this method is relatively complex, it can be completed quickly by using the current information technology. Handan Iron and Steel Company has used the "cost reverse push method", that is, to refer to the market price and the profit space to estimate the cost of each enterprise link it can have. In terms of employee salary, it is used to determine the salary value of employees according to the market value of talents.

For the personnel salary system, the salary level is subject to the company organization structure, the company personnel system organization structure is level 5 (headquarters supervisor level, manager level, regional division manager level, general manager level and general personnel level), so the salary level is also designed to level 5 (A, B, C, D, E), and 5 ladder within each level. The highest score of post value at each level can be calculated based on the post value evaluation results and the cascade within each level. First determine the highest score and lowest score for each level, the highest score of level A is 575. Since the highest score in the personnel system, the highest score of level B is set to 415 and the ladder is 5 in layer A, the average difference  $[(575-415) / 4=40]$  and the highest value of other levels can be calculated in the same way.

### 3.7 Martha Beck

According to the post value evaluation score and the highest post value score in the salary level table, you can determine the post level of each post, and then obtain the post salary of each post according to the standard salary in the table. The standard salary at each position level is determined based on the salary situation of the company in recent years, under the guidance of the annual overall salary strategy, combined with the market salary level, external salary competitiveness, and the incentive nature of internal compensation. The specific data are shown in Table 4-1.

**Table 4-1 Personnel Compensation Level Table of Shenzhen Chengxin Technology Co., Ltd. (K= 1,000 yuan)**

top class	The highest score of post value	The annual standard salary of tier A	B Level Annual Standard Compensation	Grade C year Standard pay	D-level annual standard compensation	E
A1	575	8.7K				
A2	535	8.2K				
A3	495	7.7K				
A4	455	7.3K				
A5	415	6.8K				
B1	390		5.9K			
B2	370		5.6K			
B3	350		5.2K			
B4	330		4.8K			
B5	310		4.4K			
C1	280			4.0K		
C2	264			3.8K		
C3	248			3.6K		
C4	232			3.4K		
C5	216			3.2K		
D1	200				2.5K	
D2	192				2.3K	
D3	184				2.1K	
D4	176				1.9K	
D5	168				1.7K	
E1	160					1.5K
E2	153					1.4K
E3	146					1.3K
E4	139					1.2K
E5	132					1.1K

According to the job value assessment form and salary level table, the senior post value assessment score is 294, the post level is level B5, the standard job salary should be RMB 4400 to enjoy the same post level; the deputy manager post value assessment score, the post level is level C3, the standard post salary should be RMB 3600, enjoy the same job level as the deputy manager; the same treatment for staff and management positions at the same level. Therefore, it is shown that the salary system based on the post value established in this article can well reflect the internal fairness. Although the senior personnel do not have the administrative post authority, the contribution of its post to the enterprise is not less than the administrative post, and they can also enjoy the post salary of the administrative post.

### 3.7.1 Improve the salary competitiveness

Money is a basic condition on which employees survive, and at the same time, the biggest motivation to work hard. Therefore, for the vast majority of employees, a high salary is undoubtedly the most effective incentive measure. However, the basic salary for each post is different. As long as the company provide no way to meet employees, or do not fully show their personal value, then they will certainly choose to leave. In general, if Shenzhen Chengxin Technology Co., Ltd. wants to fully mobilize the work enthusiasm of all employees by establishing a new salary and welfare system, and attract and retain more outstanding talents for itself, then it must provide corresponding benefits for employees according to some of their own personalized needs.

Implement a profit-sharing plan for all the current managers of the enterprise. Profit sharing is a main way for human capital to participate in the distribution of surplus value of enterprises, which is enough to reflect the basic attributes of human capital. If standing in the perspective of incentive analysis, enterprise material capital owners and human capital to share profits, enough to reflect the value of human capital, make full use of interest sharing to let human capital and material capital to form a community of interests, so as to effectively encourage human capital, constantly strengthen the senior management team member loyalty to the enterprise, attract talent to join the enterprise, contribute to the development of the enterprise can play a good effect.

### 3.7.2 Improve the team performance incentive

Provide material rewards to all employees within the enterprise, actually a team bonus. Because the previous more traditional basic salary and performance bonus salary payment method has no longer met the investigation of team performance, and it only pays attention to the assessment of employees' own performance. But this approach will damage the team cohesion and discipline. As a result, the team has no way to give full play to their own advantages.

Therefore, Shenzhen Chengxin Technology Co., Ltd. must try every way to constantly improve the performance evaluation method, and establish a more reasonable evaluation system, which can not only help enterprises to strengthen team building, but also vigorously promote the organization's performance evaluation method. In the case, providing team bonuses is the most effective means.

### 3.7.3 Adjust the design of the welfare system

First of all, enterprises must re-establish a perfect welfare system, and try to favor those key positions and outstanding talents, so as to fully show the real value of talents, and ensure that all talents can obtain labor remuneration proportional to their pay. Secondly, play the role of material incentives. Material incentives can actually be divided into two categories, namely incentive factors, the former includes bonus and shares, while the latter includes subsidies and some extra benefits, but the latter is the talent should have, so there is no way to play the incentive role, so it is necessary to emphasize the incentive factors to play the full role of material incentives. Finally, we will implement personalized welfare programs. Benefits for all employees are actually adding a little money to the original salary. However, it is necessary for enterprises to provide welfare in accordance with the needs of different employees. For example, to adopt the "buffet" means, so that it is convenient for employees to choose the activities of interest according to their own wishes in the welfare list formulated by the enterprise, which is conducive to creating a very distinctive welfare plan.

## 3.8 Education in the 21<sup>st</sup> Century

### 3.8.1 Pedagogy.

In the process of China's rapid economic development, there have been many enterprises similar to Shenzhen Chengxin Technology Co., Ltd. They used to be weak, once developed rapidly, and were very brilliant, but most of them cannot achieve a lasting foundation. Shenzhen Cheng Yixin Technology Co., Ltd. is a very reference case, our case analysis and problem-solving process, can provide the enterprise compensation theory research ideas and methods, can also provide enterprise senior managers to develop a reasonable enterprise compensation system guidance and help.

A comparative description on the elements of pedagogy, andragogy and heutagogy is shown in Table 13. It differentiates learning aspects in terms of 1. Dependence, 2. Teaching resources, 3. Learning reasons, 4. Learning focus, 5. Motivation, and 6. Teaching role. Heutagogy is a philosophical approach that aims to help learners self-develop as problem-solvers, trouble-shooters and action-takers making continuous improvement: those who can work developmentally in learning organizations.

The 21<sup>st</sup> century dominated by artificial intelligence (AI) that has invaded our educational institutions, hauntological approach plays a critical mode in the delivery of learning inside and outside the classroom. The renewed interest in heutagogy is partially due to the existence of Web 2.0 being promoted by the technology. With its learner-centered design, Web 2.0 technology offers an environment that supports.

## IV. CONCLUSIONS

In the process of China's rapid economic development, there have been many enterprises similar to Shenzhen Chengxin Technology Co., Ltd. They used to be weak, once developed rapidly, and were very brilliant, but most of them cannot achieve a lasting foundation. Shenzhen Cheng Yixin Technology Co., Ltd. is a very reference case, our case analysis and problem-solving process, can provide the enterprise compensation theory research ideas and methods, can also provide enterprise senior managers to develop a reasonable enterprise compensation system guidance and help.

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