

Research on the Practice of Wage System Reform in Typical Enterprises at Home and Abroad

Lanjun Xu^{1,*}, Jianfei Lu², Yunfei Xu³, Liyu Xia⁴

xulanjun@sgeri.sgcc.com.cn^{1,*}, lujianfei@sgeri.sgcc.com.cn², xuyunfei@sgeri.sgcc.com.cn³,
xialiyu@sgeri.sgcc.com.cn⁴

State Grid Energy Research Institute Co. LTD, Changping, 102209, Beijing, China

Abstract. At present, a new round of deepening and upgrading actions of state-owned enterprise reform has begun, and new and higher requirements have been put forward for the reform of the wage distribution system of state-owned enterprises. In this context, from the aspects of salary structure, broadband post level, synergy and supporting mechanism, this paper sorts out the wage system reform practices of state-owned enterprises such as CETC, China Telecom and CNOOC, private enterprises such as Huawei and foreign enterprises such as IBM. In order to provide a starting point for state-owned enterprises to further deepen the reform of the three systems with the reform of the wage distribution system.

Keywords: Enterprises at home and abroad; Wage system reform; Practical research

1 Introduction

The reform of post performance salary system is an important measure for state-owned enterprises in the new era to optimize salary distribution, deepen the reform of the three systems, and improve the market-oriented operation mechanism. It is also a key starting point for deeply implementing the principle of common prosperity, implementing the reform requirements of state-owned assets and state-owned enterprises, and fully stimulating the entrepreneurial vitality of employees^[1]. It is of great significance to promote state-owned enterprises to become stronger, better, bigger and achieve high-quality development.

At present, with the deepening of the reform of state-owned assets and state-owned enterprises and the in-depth implementation of high-quality development of enterprises, the salary distribution of state-owned enterprises is facing new challenges and opportunities, and it is necessary to fully learn from the practical experience of domestic and foreign enterprises in the adjustment of salary structure, broadband post level setting, reform work linkage and coordination, and the improvement of supporting mechanisms. It provides experience and practical reference for deepening the reform of post performance pay system in state-owned enterprises.

2 Implement a relatively uniform salary structure

A relatively unified salary structure is the basis for enterprises, especially group enterprises, to achieve salary standardization and standardized management, and is also an important means to maintain internal fairness and stability. In the reform of the wage distribution system, the major enterprises also regard the relatively unified salary structure as one of the important contents of the reform.

2.1 CETC:A "five dimensions" salary structure

Taking into account the diverse nature, wide range of business fields and different development stages of the member units, China Electronics Technology Group Co., LTD.(CETC) combines different attributes and development stages of institutions, enterprises, listed companies and other units to form a "five dimensions" structure^[2] covering basic salary, post salary, performance salary, subsidies and medium - and long-term incentives, regulating the salary structure and standards. Form a relatively unified performance wage system for the whole system. At the same time, in order to enhance the position management ability of the group company, a system-wide unified post system of 5 ethnic groups, 46 ethnic groups, 296 departments and 13 levels has been re-organized to achieve "post fixed salary, post change salary change", which effectively drives the overall improvement of the basic management level of the whole system and the ability of collectivized management and control.

2.2 CNOOC: Unified basic wage system

In the process of the reform of the salary distribution system, China National Offshore Oil Corporation(CNOOC) has gradually established a standardized and unified salary structure and improved the salary distribution management system. In the unification of the basic wage system, the member units in accordance with the requirements of the Implementation Plan of the basic wage system for employees of China National Offshore Oil Corporation, adopt different methods to reform and incorporate the unified basic wage system. After continuous reform and optimization, the company has formed a basic salary structure of "basic salary (50%) + performance salary (30%) + performance salary (20%)"^[3], which has laid the foundation for deepening the reform of salary distribution system in the new era.

2.3 China Baowu: A+B+C basic salary system

After years of exploration and practice, China Baowu Iron and Steel Group Co., LTD. (China Baowu) has established a basic salary system of "A+B+C"^[4]. "A" refers to the base salary. The salary scale of the base salary is determined according to the evaluation of the value of the position, the initial salary of the base salary is determined according to the service years of the position, and the adjustment of the base salary is determined according to the accumulated points of the assessment. "B" refers to the performance salary, which is linked to the performance coefficient of the company, the performance coefficient of the department and the performance coefficient of the individual, reflecting the performance level and performance contribution. "C" refers to the regional salary, including purchasing power subsidy, overseas subsidy and special subsidy, mainly applicable to overseas personnel. On this basis, according to the needs of different types of personnel such as core managers, core

technical talents, overseas talents, proprietary talents in diverse fields, etc., to design individual salary systems to reflect the differences.

3 Progressively widen the pay scale band

With the rapid development of enterprises and the continuous improvement of employees' qualifications and abilities, there is less and less room for promotion and salary increase. In order to change this situation, many companies have introduced the concept of broadband pay and continue to expand the salary scale.

3.1 China Telecom: Expanded to 6 pay scales

By adjusting the salary standard of posts, China Telecom has increased the salary grade of each post, from the previous three salary grades of A, B, C or four salary grades of A, B, C, D to six salary grades of each post, expanding the space for salary promotion of employees. The adjusted post wage system has a total of 42 post wage grades^[5]. Reasonable crossover of pay scales between adjacent job levels. At the same time, the salary grade crossing area between the adjacent job levels is expanded, and two salary grades are crossed between the upper and lower job levels.

3.2 CNNC Huaxing: Widen the pay scale

China Nuclear Industry Huaxing Construction Co., Ltd. is problem-oriented and takes solving practical difficulties as the starting point, focusing on the problems of low salary and small salary gap faced by employees. On the premise of not changing employees' post levels, the salary range corresponding to each post level is appropriately widened, and the salary difference within the salary range of the same post level is increased, so as to ensure that employees achieve income growth without being able to upgrade their post levels. After the implementation of this initiative, the income of employees increased by 30%, and the income gap of employees in the same grade increased to double.

4 Pay attention to the linkage with performance appraisal, staff allocation, etc

Wage distribution system reform is a systematic project, affecting the whole body. When enterprises reform the wage distribution system, they often combine it with performance, staff allocation and talent training.

4.1 Huawei: Pay according to responsibility, performance and contribution

Huawei Technologies Co., LTD. (Huawei) carried out a key compensation reform in the relatively stable and mature stage of development, and began to implement compensation based on responsibility, performance and contribution, rather than seniority. The salary distribution adopts the competency-based functional wage system, which applies to posts rather than people, pays salaries equivalent to the value of employees' positions, and the

distribution of bonuses is linked to the performance improvement of departments and individuals, and more work is more pay, and unswervingly tilts to excellent employees.

4.2 IBM:Pay according to the completion of PBC

IBM has a Personal Business Commitment Program (PBC) ^[6]built into its compensation system that covers every IBM employee. At the end of each year, the employee's direct leader will score the employee according to the completion of the individual commitment plan, and allocate the salary increase amount of the management group according to the score result. Specifically, PBC mainly examines the work situation of employees from three aspects. The first is WIN, that is, the plan formulated in the PBC must be completed, which is the first; The second is EXECUTIVE (execution), which is a process monitoring quantity, which reflects the quality of employees to implement work tasks; Finally, TEAM (team spirit), IBM is a very mature matrix structure management model, a job involves multiple departments, so team cooperation should become the first consciousness. In short, the focus of the PBC inspection is that you must really understand the operational objectives of your department, grasp the priorities, perform the best team spirit, and execute thoroughly.

4.3 Three Gorges Leasing:Amplify the impact of assessment results

Three Gorges Financial Leasing Co., LTD. (Three Gorges Leasing) takes "marketization" as the top priority, forcibly ranking according to performance, and interviewing, salary reduction, post transfer and dismissal of the bottom 5% of employees. At the same time, the gap between performance salary coefficients corresponding to different assessment results was increased, and the impact of performance results on salary was further amplified^[7]. For employees who did not complete the performance target, 50% variable salary was deducted. For major strategic project teams, the implementation of total salary separate management, the establishment of long-term major project milestone node special rewards.

4.4 Migu Company:Pay according to performance completion degree

Migu Culture and Technology Co., LTD. (Migu Company) constantly improve the classification assessment mechanism, and comprehensively upgrade the team assessment to a three-in-one assessment system of "STA, KPI, and values". Adhere to the value creation orientation, further expand the proportion of labor cost changes, ensure that compensation distribution and performance to keep pace, improve the efficiency of salary use. Adhere to the market-oriented salary distribution model, pay for post value, ability level and performance contribution, take income distribution as an important starting point for annual personnel promotion and demotion, give preference to key personnel who have made outstanding contributions to undertake strategic key projects, and demote employees whose performance needs to be improved. The losers of relegation will adjust the post level treatment^[8]. Adhere to the enrichment and optimization of innovation incentive methods, actively explore the establishment of positive incentive "policy package" and "toolbox" covering the four dimensions of "honor, development, salary and welfare", and promote employees to enhance their value creation ability with concrete incentive measures.

5 Establish a sound supporting mechanism system

A perfect supporting mechanism is an important guarantee for the smooth progress of the reform of the wage distribution system. In the process of wage system reform, many enterprises attach great importance to the establishment of a sound supporting evaluation mechanism and create a cultural atmosphere conducive to reform.

5.1 CETC:Salary management maturity evaluation

China Electronics Technology Group Co., LTD. (CETC) attaches great importance to the evaluation mechanism of salary management, and designs the evaluation model of salary management maturity. The model includes 3 levels of evaluation indicators and 65 detailed standard scale values, and focuses on the overall evaluation of salary management from three dimensions: normative, scientific and incentive. According to the evaluation results, the compensation management level of different units in the group can be divided into five levels: "optimization level, prediction level, definition level, management level and initial level". The evaluation work is carried out once a year, and the units with outstanding evaluation results will be awarded and commended, thus promoting the member units to pay attention to the work of reaching the salary base and control standards, and thus improving the overall ability and level of salary management in China's electricity department.

5.2 China Telecom:Create a market-based salary atmosphere

China Telecom Group Co., LTD. (China Telecom) pays attention to the creation of market-oriented salary atmosphere and the cultivation of competitive culture. On the basis of clarifying the distribution standards of the same position and performance salary, it downplays the differences in employee identity of different employment forms, advocates the market-oriented value orientation of "position depends on competition, salary depends on performance", and guides employees to change their ideas. Through practical efforts, positive progress, value creation and so on to cope with marketization challenges, so as to better play the role of the salary system.

5.3 IBM: Perfect salary communication system

IBM attaches great importance to the regulation and communication of the compensation system. At present, IBM has formed four institutionalized channels to provide opportunities for employee salary communication: First, interview with senior management, employees can choose any matter of personal interest to discuss, the interview questions will be classified and centralized, without exposing the identity of the interviewer. The second is the employee opinion survey, and regularly understand the opinions and suggestions of employees on the company's management, wages, welfare benefits and other aspects. The third is bluntness, in IBM every different employee's opinion is completely likely to be sent to the president's mailbox, and there is no risk of identity disclosure. Fourth is the statement, if the employee has opinions about the work or the company, should first talk with the direct leader, if it can not be solved or inconvenient to discuss with the direct leader, you can appeal to the director of the institution, the personnel manager, the general manager or any relevant personnel, the relevant complaint will be investigated and implemented by the superior.

6 Conclusion

Under the background of the in-depth promotion of the reform of state-owned assets and state-owned enterprises and the in-depth implementation of high-quality development of enterprises, this paper summarizes the practice and specific experience of domestic and foreign enterprises (including state-owned enterprises, private enterprises and foreign enterprises) in the adjustment of salary structure, the setting of broadband post levels, the linkage and coordination of reform work and the improvement of supporting mechanisms. It will provide experience and practical reference for further promoting the reform of the performance salary system of state-owned enterprises in the future, continuously stimulating the entrepreneurial vitality of employees, and improving the quality and efficiency of enterprise development and state-owned assets and state-owned enterprises reform.

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