

Research on the incentive mechanism of employees based on the core competence of enterprises

Ruihanyu Sun, Tiema Jin

Yunnan Technology and Business University, Kunming 651701, China.

Abstract: With the continuous development of China's market economy, the competition between enterprises is becoming more and more fierce. How to use human resource management to improve employee motivation and improve organizational performance has become a topic that needs to be studied and paid attention to. The effective incentive mechanism is a systematic system that can stimulate people's inherent potential and make them have a huge effect. This paper theoretically analyzes the current situation and problems of the widespread application of incentive mechanism in domestic enterprises. Secondly, this paper combines relevant research results at home and abroad and the actual situation of Chinese enterprises to propose to improve the existing salary system in China and create an incentive mechanism suitable for the development of enterprises, so as to improve employee enthusiasm and enhance organizational performance.

Keywords: Enterprise; Competitiveness; Incentives

1. Introduction

With the development of the economy, the enterprise management system has gradually improved, and the satisfaction of employees with their work has gradually improved. The incentive mechanism is one of the important components of human resource management. How to make good use of this scientific and reasonable and effective tool to mobilize the majority of employees to participate in the process of corporate governance and business decision-making is a topic of concern for researchers of modern enterprises and institutions. Based on relevant theoretical results at home and abroad, this paper analyzes the actual situation in China and proposes suggestions and measures to improve the existing problems by establishing people-oriented management concepts, improving the employee compensation system, building corporate culture system, and improving the effectiveness of incentive mechanisms.

2. Problems of Enterprise Incentive Mechanism

2.1 Incentive Mechanism is not Perfect, and the Effect is not Obvious

The incentive mechanism of the enterprise is not perfect, and the effect is not obvious. In China, many state-owned enterprises lack effective management concepts and methods in the modern sense. Many managers do not know enough about human resources and do not fully realize that human resources are the first resource; Although some companies have established corresponding systems and formulated relevant measures to ensure the stable and orderly development of the workforce, there are still serious problems. First, the salary design is unreasonable or the distribution is not reasonable enough and other phenomena are common in the enterprise, which leads to the lack of obvious incentive effect or even high ineffective effect. Second, the lack of scientific performance appraisal system, resulting in low motivation of employees, which adversely affects the development of the enterprise. Third, the incentive measures lack of target, not from different groups of employees, which leads to the overall cohesion of the enterprise is not enough. Fourth, the salary system is not perfect. At present, many state-owned enterprises only focus on material rewards and spiritual

stimulation when formulating the corresponding human resources strategy, but ignore the psychological guidance and restraint of employees; there are also some companies only to achieve short-term goals or their own interests and ignore long-term development planning, which will cause serious brain drain and even staff jumping, resulting in the decline of enterprise competitiveness [1].

2.2 The Traditional Training Mode of Enterprises can Hardly Meet the Needs of Knowledge-based Enterprises

With the advent of knowledge-based economy, human resource management has become a source of competitive advantage for enterprises, and how to use effective and reasonable motivation methods to make employees give full play to their potential and create more wealth for the company is a problem that modern managers must consider. The traditional model does not provide sufficient training and development for knowledge-based talents. Many enterprises tend to focus on the immediate benefits and ignore the long-term development goals; some even equate "high salary technology" with a cultural capital and material investment, which will not only lead to inefficient human resource management, but also may cause the phenomenon of talent loss, and even lead to the loss of talent, and the decline of enterprise competitiveness. Therefore, it is urgent to establish a set of scientific, reasonable and effective incentive mechanism under the traditional management mode.

2.3 The Low Importance of Human Resource Opportunity Cost

Human resource opportunity cost is the price paid by the enterprise to motivate employees, which mainly includes: first, the resources spent in acquiring and using human capital; second, the cost of obtaining a certain job or position. Third, the training and development of employees and career development planning, etc. At present, the main problems are: (1) Lack of effective institutional guarantee mechanism, insufficient scientific design of the system management system construction program, HR managers do not recognize that talent training is an investment behavior rather than a return process, and thus cannot provide corresponding incentives for employees to meet the conditions of their needs to achieve self-worth, and thus cannot maximize the value of human resources. (2) Single incentive method, lack of flexibility and diversity. At present, enterprises generally use material or time to reward when they adopt two means of material stimulation and spiritual encouragement, while employees tend to choose more methods to meet their self-fulfillment needs by praising and commending them in the form of cash rewards, recognizing their working ability and giving them corresponding promotion opportunities, etc. This type of motivation usually lacks flexibility and variety, and cannot fully motivate each employee to work hard to accomplish the organizational goals [2].

2. Research on Incentive Mechanism Strategy Based on Enterprise Competitiveness

2.1 Enhance the Target of Incentive and Build a Performance-based Compensation Incentive Mechanism

The performance management of the enterprise is a systematic project, not only focusing on short-term goals, but also realizing the overall strategy and personal interests of the company through long-term development. (1) Establish a sound salary incentive mechanism. In the assessment of employees should be combined with their actual work situation and ability quality and other factors to consider the determination of different levels, different periods and different positions of reward standards; Secondly, set up relevant performance indicators according to the requirements of job duties and link them with bonuses to stimulate employees' motivation; finally, strengthen the construction of corporate culture to improve the participation of all employees. (2) Establish a scientific talent selection and training mechanism. In the enterprise, human resource management is a systematic project, it needs to combine the organization's strategic goals and individual needs to develop the corresponding system. (3) Improve the construction of corporate culture and improve employee satisfaction. In the development of salary incentive mechanism should take into account different positions, job nature and characteristics and other factors.

2.2 Strengthen Staff Training Management and Improve Education and Training System Construction

Enterprise training management is a very important and basic work in enterprise human resources development and management, which is related to the personal development of employees and organizational performance improvement, and plays a vital role in promoting the healthy and sustainable growth of the company. In order to retain talents, enterprises must strengthen staff training management and improve the construction of education and training system. First of all, establish a modern human resources concept of people-oriented, people as the most important and valuable resources in the organization. Secondly, develop reasonable scientific and practical training plans and implementation programs. Thirdly, conduct comprehensive quality training and assessment work for all incumbents in terms of relevant knowledge and skills as well as ideological and moral qualities. Finally, the entire process should focus on employee self-management, to cultivate a group of high-level talent, so that it can become an indispensable part of the long-term development and growth of the enterprise [3].

2.3 Rational Allocation of Human Resources According to the Principle of Opportunity Cost to Maximize Economic Benefits

According to the basic principle of human resource management, enterprises should allocate human resources reasonably to match human resources with physical capital and knowledge and technology. (1) Make full use of training. Systematic arrangements are made when employees receive education or skills training. Through scientific methods to assess their learning ability and personal quality and other factors to determine whether they are excellent personnel to participate in the work; at the same time, we should also regularly conduct professional training courses for new employees and provide corresponding incentives, so as to improve their awareness of career development, and thus promote the level of human resources management and overall competitiveness of the enterprise to enhance. (2) Establish a talent pool. Enterprises should fully consider the needs of talents and create suitable, scientific and effective incentive mechanisms for them, so as to realize the development and utilization of human resources and improve the quality of employees by establishing a perfect personnel management system. (3) Establish a sound training system and provide corresponding support measures to ensure a reasonable allocation of human resources within the organization; at the same time, attention should also be paid to the staff in the knowledge and skills deficiencies in a timely manner to address and target training to meet the needs of corporate development [4].

2.4 Change of the Internal Management of the Enterprise, Focus on the Absorption and Management of Knowledge-based Employees

The change of internal management is an important and indispensable part of the development process of enterprises, which can also be described as human resource management. It not only helps to promote the quality and skill improvement of employees, but also enhances the efficiency of work. In the knowledge-based economy, it has become a trend to cultivate and develop talents, especially for those who have high-level professional and technical skills and rich experience in production and management activities, which requires enterprises to establish a people-oriented ideology and management mode to attract more excellent employees to join them and make them play a greater role.

3. Conclusion

To sum up, the incentive mechanism of an enterprise is a systematic project, which requires the participation of all members of the enterprise, especially all departments and links. Only after fully recognizing the potential value of employees can we develop reasonable and effective measures to motivate them to work and be creative. In this paper, we analyze and discuss the problems of management methods and incentive system of small and medium-sized enterprises, and propose corresponding countermeasures: firstly, build a scientific and perfect incentive mechanism; secondly, establish a scientific incentive mechanism and make a perfect and effective reward and punishment system to motivate employees; finally, it is necessary to pay attention to the important link of human resource management -Payroll design.

References

- [1] Yang YX, Ramachandran Varatharajan. Comprehensive evaluation of logistics enterprise competitiveness based on SEM model[J]. *Journal of Intelligent & Fuzzy Systems*,2021(4):38-40.
- [2] Liu ZY, Li YP, Min QF, Chang MT. User incentive mechanism in blockchain-based online community: An empirical study of steemit[J]. *Information & Management*,2022(7):59-61.
- [3] Svitlana Oleksandrivna FAIZOVA, Maryna Illivna IVANOVA, Olha Latyfivna FAIZOVA, et al. Use of Balanced Scorecard for Enterprise Competitiveness Assessment[J]. *Journal of Advanced Research in Law and Economics*,2020(2):11-14.
- [4] Nataliya Tyukhtenko, Serhii Makarenko, Yana Oleksenko. Formation of corporate culture as a basis for increasing the enterprise competitiveness[J]. *University Economic Bulletin*,2020:44-47.