

Research on the Problems and Countermeasures of Equity Incentive System in High-tech Enterprises——Based on the Perspective of Anhui Province Enterprise Analysis

Gang Ji, Xinyuan Ma, Xiwu Cheng

Anhui University of Finance and Economics, Bengbu 233030, China.

Abstract: Innovation is the main performance of enterprise core competitiveness and an important factor of economic development. As an important driving force of national innovation economy, high-tech enterprises are the leader of scientific and technological innovation. It is very necessary for high-tech enterprises to implement equity incentive, which is of great significance to their innovation and development. But at present, there are some disadvantages such as low incentive level and not obvious incentive effect in high-tech enterprises. In view of this, this paper takes high-tech enterprises in Anhui Province as a case study, deeply analyzes the problems existing in the implementation process of equity incentive system through the combination of theoretical research and practical analysis, and explores the optimization path of equity incentive system for high-tech enterprises, in order to better provide relevant suggestions for enterprise development.

Keywords: Stock Ownership Incentive; New High-Tech Enterprise; Incentive System

1. Introduction

With the continuous development of socialist market economy, independent innovation is the key factor of economic development and the main performance of enterprise core competitiveness. Under the national innovation development strategy driven, in "public entrepreneurship, peoples innovation" under the new situation, as a national high and new technology enterprise innovation is an important driving force of economy, is to conduct scientific and technological innovation, science and technology personnel is high and new technology enterprise to carry on the innovation and development is an important part of, how to effectively motivate high and new technology enterprise innovation is of great significance. The research shows that effective incentive for scientific and technological talents can improve their creativity to a certain extent and then affect their innovation performance. Therefore, it is increasingly important for high-tech enterprises to promote the creativity of technical employees through the use of equity incentive mechanism. Article selected high-tech enterprises in Anhui province as the research case, through the theoretical research and practice analysis to deeply analyze the problems existing in the equity incentive system and its influence on enterprise innovation activities, explore the implementation of equity incentive system of high-tech enterprises and optimize the path, to make it better for the enterprise vitality and innovation for the enterprise to provide ideas for development.

2. The Significance of Equity Incentive in High-tech Enterprises

Equity incentive system was originally produced in the United States. At the beginning, this system was only tried out in a small number of enterprises. With the rapid development of capitalist market economy, its application scale gradually expanded. The application of equity incentive system in China is a little late. Due to the lack of mandatory constraints and effective supervision of relevant laws and regulations, the operation of equity incentive mechanism is not standard. After continuous development and

improvement, equity incentive system has laid a certain foundation in Our country. As a long-term compensation incentive system, equity incentive has the effect that traditional incentive means such as performance reward are difficult to achieve, and it occupies an important position in the enterprise performance distribution system. A scientific and reasonable equity incentive system can stimulate the power of enterprise innovation from the source, so that enterprise executives and scientific and technological talents can release their huge potential and enhance their enthusiasm for work and innovation consciousness. The importance of equity incentive system lies in the fact that this incentive mechanism binds the interests of the enterprise and internal employees, making them share profits, risks and common innovation and development for the same goal.

High-tech enterprises mainly take high-tech projects as support and engage in production and operation activities relying on project achievements. They are registered and established in accordance with the identification and management measures promulgated by the state, and their business scope is the high-tech field supported by the state. For high and new technology enterprise, it is important to science and technology developers, rather than top managers, and high and new technology enterprise must establish a high level of research and development team, and fully arouse the enthusiasm of research and development team, a high and new technology enterprise to innovation and development, and the implementation of equity incentive system can effectively solve the problem. The implementation and application of equity incentive system in high-tech enterprises is closely related to its own characteristics. It can be seen that vigorously implementing equity incentive system in high-tech enterprises is of great significance to deepening the reform of state-owned enterprises, developing innovative enterprises and retaining excellent talents.

3. Problems existing in the Implementation of Equity Incentive System of High-tech Enterprises in Anhui Province

3.1 The Equity Incentive Mode is Single, and the Return of Scientific and Technological Talents is Low

The development of high-tech enterprises can not be separated from the technological innovation of science and technology employees, and high-tech enterprises are highly dependent on science and technology employees. For high-tech enterprises, scientific and technological employees are the core resources of high-tech enterprises. However, at present, the salary and return of science and technology employees in high-tech enterprises in Anhui Province are relatively low, and the incentive mode of enterprises for science and technology employees is single, which leads to the lack of innovation vitality and strong mobility of such employees.

3.2 The Design of Equity Plan is not Reasonable and has not been Combined with the Development Strategy of the Enterprise

Generally speaking, the design of equity incentive scheme of any enterprise should be coordinated with the overall development goals of the enterprise, and the incentive measures should meet the requirements of the actual situation of the enterprise. At present, the high-tech enterprises in Anhui province lack the equity incentive plan closely related to the development strategy of the enterprise, and do not combine the equity incentive with the business objectives of the enterprise. Usually, the technology employees are still awarded the equity after the event, which is difficult to achieve the due incentive effect.

3.3 Equity Allocation Lacks Institutional Guidance and Unified Allocation Standards

The scientific and technological achievements of high-tech enterprises are usually created by the R&D team composed of scientific and technological personnel, so the equity incentive allocation of scientific and technological personnel should be combined with the contribution of each person. Now in Anhui province high and new technology enterprise in the implementation of equity incentive allocation, mainly by the consultation to confirm the members of the team is not a standard, unified distribution, therefore, easily lead to unfair distribution between core technical personnel problems, greatly reduces the core technical personnel's innovation enthusiasm which in turn affect innovation performance of high-tech enterprises.

3.4 Equity Incentive Performance Assessment is Unreasonable and the Contribution of Scientific and Technological Talents to Project Innovation is Ignored

The performance appraisal of equity incentive should consider both company level and employee group level. However, the high-tech enterprises in Anhui province still take the financial index at the company level as the evaluation standard when carrying out the performance appraisal of science and technology employees, and believe that the compensation of science and technology employees should be related to the enterprise performance, ignoring the project innovation contribution of science and technology employees. For high-tech enterprises, this evaluation method is obviously not reasonable.

4. Suggestions on Equity Incentive for High-tech Enterprises

4.1 A Variety of Incentive Forms Coexist, Choose Complementary Advantages of Equity Incentive

There are different classification standards for equity incentive methods. According to different incentive effects and applicable conditions, equity incentive methods include stock ownership, deferred payment, restricted stock, performance stock, stock appreciation right, virtual stock, employee stock ownership plan, etc. Different incentive methods have different impacts on corporate performance. The high-tech enterprises in Anhui province should adopt two or more modes as the mode of equity incentive according to the actual development strategy, which is beneficial to complementing the advantages of different modes and achieving the best incentive effect.

4.2 According to the Specific Situation of the Enterprise, Optimize the Design of Equity Incentive Scheme

For high-tech enterprises of different scales, their innovation methods and mechanisms are different. In order to make the equity incentive system effectively stimulate enterprise innovation, it is necessary to refine the design of equity incentive scheme according to the actual situation of enterprises to improve the incentive effect. Taking large-scale high-tech enterprises as an example, the design of equity incentive scheme should focus on the long-term incentive function of equity incentive mechanism because such enterprises usually have perfect technical equipment support and pay more attention to cutting-edge technology.

4.3 Optimize the Corporate Governance Structure and Improve the Relevant System of Equity Incentive

The smooth implementation of equity incentive system is inseparable from the perfect internal governance mechanism of enterprises, so optimizing the corporate governance structure and perfecting the internal governance mechanism of enterprises is the basis for the effective implementation of equity incentive system. In the process of improving the corporate governance mechanism of high-tech enterprises, it is necessary to gradually improve the content of decision-making power and supervision power, reasonably clarify the responsibilities and obligations of each power subject, effectively mobilize the enthusiasm of scientific and technological employees, and improve the management effectiveness and operation efficiency of enterprises. Only when the internal governance of high-tech enterprises is virtuous circle, the orderly advancement of equity incentive system can be guaranteed.

5. Conclusion

Under the national innovation-driven development strategy, it is very important to use equity incentive mechanism efficiently to promote enterprise innovation-driven development. Due to the exclusive characteristics of high-tech enterprises, the implementation of equity incentive mechanism can attract scientific and technological talents at a certain level and maximize the enthusiasm of employees for innovation. In the actual implementation of equity incentive, there are some problems such as single incentive mode, unreasonable scheme design and lack of institutional guidance. In order to better play the promoting role of equity incentive system in the process of enterprise innovation and development, relevant departments need to optimize the design of equity incentive scheme, improve the relevant systems of equity incentive, and orderly promote the implementation of equity incentive system.

References

- [1]Xie Sisheng, Yang Jingyi. Research on the influence of equity incentive on innovation performance of Sci-tech talents—From the perspective of contract structure[J] . Accounting Communication. 2021(14):33-38
- [2] Si YK. Discussion on the role of equity incentive in promoting the reform and development of state-owned listed high-tech enterprises[J]. Modernization of Shopping Malls. 2017(09):242-243.
- [3] Jiang YB, Shi YR. Equity incentive and innovation output of core employees—Based on the empirical evidence of high-tech enterprises[J] . Journal of Financial Research. 2018(01):42-54.

Fund Program: Humanities and Social Science research major project of Education Department of Anhui Province(project number:SK2020ZD005); 2021 Social science innovation and development research project of Anhui Province(project number: 2021 CX518).