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Exploration and Application of Director Salary Incentive Compensation System in Enterprise Management Development

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ABSTRACT
A reasonable director compensation system in large enterprises is indispensable to the successful development of enterprises. Effective director compensation is directly related to the success or failure of corporate governance. Based on data sampling analysis, this paper constructs the relationship between the salary structure of directors and the development of enterprises under the influence of COVID-19 in the past three years in the three companies of the Alphabet, Amazon and Intel. Using principal-agent theory, human capital theory, Maslow's hierarchy of needs theory and equity theory, this paper demonstrates the impact of a reasonable and efficient salary incentive system on the enthusiasm of Enterprise Directors and the development of enterprises. The results show that on the basis of the division of directors' remuneration into fixed remuneration and variable remuneration, if diversified wage composition methods such as stock award, option award, welfare subsidy and additional allowance are set in variable remuneration, the enthusiasm and efficiency of directors' work will be improved, and the profitability and positive development of enterprises will be promoted while they realize their self-worth. This study not only enriches the research literature on the relationship between directors' compensation contract and enterprise development, but also expands the variable scope of the compensation system, which has certain practical significance for enterprises to formulate a scientific, reasonable and efficient directors' compensation system in the future.

Keywords: *Salary incentive, Incentive system, corporate governance, Case study.*

1. INTRODUCTION

Under the influence of COVID-19, the world economy has been hitherto unknown impact, and the economies led by major enterprises have suffered a lot in this epidemic. After the outbreak of the virus in 2019, the world economy suffered a heavy blow. For one thing, the epidemic situation is complex, changeable and unpredictable, the risks faced by investors are increasing, and the financial and capital markets are volatile; For another, the global flow of people and transportation have been affected by the epidemic, and economic development has to give way to epidemic prevention and control and public health. Moreover, the simultaneous decline of consumption level and productivity has increased greater pressure on the economy.

In studying the treatment methods of enterprises facing the epidemic, Bojan obrenovic thought of a new scheme to deal with the risk from the perspective of enterprise characteristics, operation methods, digital scheme and financial planning[1]. The survey shows that some companies can maintain a relatively healthy operating model during the outbreak, thanks to their distributed leadership model, ample labor and adaptive culture. In addition, the operation of enterprises needs to avoid rigid thinking, adopt flexible strategies, and make good use of Internet communication technology, so as to achieve the purpose of establishing contact and trust with employees, customers, investors and other relevant personnel during the epidemic. Finally, the balance between resource reserves and resilience is crucial for predicting crises. To sum up, financial contingency plans can provide a large degree of guarantee for business

development and daily operations when companies face the impact of the epidemic.

Total global trade plummeted more than 20 percent from 12.9 percent in 2020, and the global economy shrank by 3 percent, according to an analysis of economists by the World Trade Organization and the International Monetary Fund., the cumulative loss of gross domestic product (GDP) caused by COVID-19 in 2020 and 2021 was about $9 trillion, which surpassed the sum of Japan and Germany's economy. According to the UNDESA, the rate of decline in GDP in developing countries was lower (0.7%), while the rate of decline in GDP in developed countries was higher (5%).

The outbreak of covid-19 virus has brought many business risks to enterprises with a great impact on their long-term sustainable development. The epidemic has disrupted the normal logistics and transportation supply network, and the processes of infrastructure construction, public health, social welfare and economic development have all been forced to stagnate. In this case, existing supply processes need to be changed, at the same time, when new demand arises, production can be appropriately shifted. It is what happens to novel coronavirus pneumonia that the profits, risks and market share of large enterprises and organizations can reflect the effectiveness of the policies adopted by different enterprises and organizations in the face of the new crown pneumonia virus, and further study what kind of policies will help the development and continuity of enterprises in this situation. It is necessary to study enterprise operation to predicting the value of maintaining economic growth during times of high economic volatility. In addition, other factors related to labor, technology and digitization, organizational processes, enterprise essence, adjust management and strategy may also contribute to the success of the enterprise. Therefore, the specific factors within the above scope will all be reflected in the following research.

Senior management refers to the senior management appointed by the board of directors and responsible for the operation of the company. In the modern company law, it stipulates that the senior executives of an enterprise include: directors, managers, deputy managers, financial directors, secretaries of listed companies and other personnel specified in the articles of association[2]. The salary incentive is to effectively motivate executives to maximize the interests of shareholders and improve the enthusiasm of employees. On this basis, it can promote the improvement of efficiency, make the enterprise develop continuously and improve personal ability, so as to realize self-worth and create more value for the enterprise. With the development of human resource management theory, people's understanding of "salary" is gradually deepened. Social psychologist Abraham Harold Maslow put forward Maslow's hierarchy of needs theory in 1943, and divided human needs into five levels: physiology, security, belonging, respect and self realization[3]. It can be seen that salary is no longer just a return on the value created by employees within the specified working time, but has become an incentive means to obtain ownership and realize self-worth. The equity theory put forward by behavioral scientist Stacy Adams emphasizes that the rationality and fairness of salary distribution is the core of the positive development of enterprises. Therefore, an effective salary incentive system can attract more excellent talents from all over the world to join the enterprise, enhance the sense of belonging of the core employees in the enterprise, and make the employees work efficiently and creatively.

For the salary composition of senior executives, it generally includes fixed salary and variable salary. Fixed wages are usually paid on time without any other external influence. Variable compensation refers to uncontrollable compensation such as stocks, options, compensation and welfare. It is often determined by the value created by executives for the enterprise, and is affected by market adjustment, which is changeable and unstable. By combining the company's development with personal compensation and reward, the enterprise enables individuals to grow together with the enterprise, share profits and benefits, and bear the risks together.

Salary system is a very important decision in the development process of enterprises. It should not only meet the needs of employees at all levels, but also take into account fairness and incentive. By establishing a reasonable and perfect performance appraisal system, employees can bring greater benefits to the company while improving their work ability and business level. However, at present, the problems faced by most enterprises are the lack of rationality of salary structure, the improvement of incentive system, the lack of attention to non economic salary and the insufficient consideration of welfare system. Therefore, in view of the above problems, this paper will explore the relationship between director compensation system and enterprise development by analyzing the unique director compensation systems of the Alphabet, Intel and Amazon.

The three companies we choose are Alphabet, Intel, and Amazon. The most important reason is that these three companies are the most successful and famous examples in the network company filed. By studying these three companies, we can figure out the big trend in the network company filed. Alphabet Inc. is an American multinational technology conglomerate holding company. It is the result of the restructuring of Google on October 2, 2015, and became the parent company of Google and several former Google subsidiaries. Alphabet is the world's third-largest technology company by revenue and one of the world's most valuable companies.

Intel is an American multinational corporation and technology company and a global leader in the semiconductor industry and computing innovation. Amazon is an American multinational technology company which focuses on e-commerce, cloud computing, digital streaming, and artificial intelligence. It is one of the Big Five companies in the U.S. information technology industry,

The method we used were data sampling. Our goal is to compare and contrast the network companies' compensation policies over the past five years. Therefore we want to have the most simple and original data. We directly goes to the government website U.S. Securities and Exchange Commission[4] to filing the companies' files. We extract each company's annual proxy report, and focus on each year's compensation policy, which also including the stock owner ship policy and new directer rewards and so on. We would compare each company's compensation policy year by year first, seeing the trend within the company. Then we compare three companies together, to see which company has the most profitable offer for the director or the stock ownership..

2. AMAZON

2.1. Profit Analysis

According to the analysis of Amazon's 2020 financial report, the company's annual net sales in 2020 was US $386.06 billion, an increase of 37.6% over US $280.52 billion in 2019. Among them, its $215.92 billion in net product sales was a 34.6% increase from $160.41 billion in 2019.Net service sales of $170.42 billion increased 41.9% from $120.11 in the same period in 2019. This includes commission income from outside merchants selling on Amazon's marketplace, Amazon Web Services cloud computing services, and other smaller revenue streams. Other revenue, mostly from Amazon's growing advertising business, totaled $21.48 billion, up 52.4% from $14.09 billion in 2019, including $25.21 billion in subscription revenue including Prime fees. This stems from the fact that the global market is shrinking under the current situation of COVID-19, and there are continuing problems in the offline retail market. Amazon's online market continues to flourish and develop rapidly. In the fourth quarter financial report, it increased 175000 employees, an increase of 50% of the floor area of the fulfillment warehouse compared with the same period in 2019.

2.2. Market Share Analysis

Amazon, as the online retailer with the largest variety of goods in the world and the second largest Internet enterprise in the world, has operated a total of 18 sites in the world and spread across five continents by the end of 2020. It is estimated that Amazon's online turnover accounts for 39% of the market size, which is far ahead of other retailers and is still growing. Among them, there is no doubt about its dominant position in the U.S. e-commerce market, with a monthly activity of more than 2 billion. Therefore, the United States is Amazon's most important market, accounting for nearly 48% of its total global market visits, while the next three countries are Japan, Germany and the United Kingdom, accounting for nearly 10% each. Together with India, the top five markets account for nearly 80% of Amazon's global market traffic. In addition, for the cloud service market, the statistical results of Gartner, a research institution, show that the global IAAs public cloud service market will reach US $64.3 billion in 2020, of which Amazon's market share is 40.8%, ranking first in the world[5].

2.3. Risk Assessment

2.3.1. Risks related to internal product selection

As the world's largest cross-border e-commerce B2C platform, Amazon's high-quality consumer groups and rich profit margins have become the first choice for cross-border sellers to open online stores. The product selection is not only a key link in carrying out cross-border e-commerce business, but also a major factor affecting sales[6]. Due to its excessive products and lack of strict selection mechanism and monitoring platform, the products are uneven, which may affect the satisfaction of customers' needs and reduce their trust.

2.3.2. Risks of competing with other platforms

Although Amazon dominates the world share, challenges from top e-commerce platforms such as Taobao, eBay and Wal Mart always exist. Taking the Chinese market as an example, compared with Taobao, Amazon lacks B2C communication, its website web design is insufficient, and its marketing promotion lags behind. With the rise of mobile e-commerce, Amazon faces increasing challenges.

2.3.3. Risks related to system

The huge number of goods and the same huge number of customer visits aggravate the system load and increase the possibility of system collapse, which will make it more difficult for the company to expand and manage and enter new business areas.

2.3.4. Uncertainty of norms and legislation

These risks come from the uncertainty of new regulations and policies of the local government with open platform, such as technical compliance, expensive intellectual property protection, risks related to online fraud and payment issues.

2.3.5. Risks associated with COVID-19's wreak havoc

Under the influence of the epidemic, Amazon is facing the pressure of large rents, wages, taxes and other comprehensive costs, the company's labor force is constantly being laid off, the operating performance and market stock value fluctuate greatly, and it is difficult to meet the needs of customers. The financial condition and operating results are not optimistic.

3. ALPHABET

3.1. Profit Analysis

Alphabet's Total Revenue has grown from $110.9 billion in 2017 to $161.9 billion in 2019, and is expected to grow further to around $191.3 billion in 2020[7].

Alphabet made 191.3 billion dollars for full-year 2020[7]. Google search and other helped Alphabet to earn 115.6 billion dollars (60.4%)[7]. This is the most important the biggest part of Alphabet's profits.

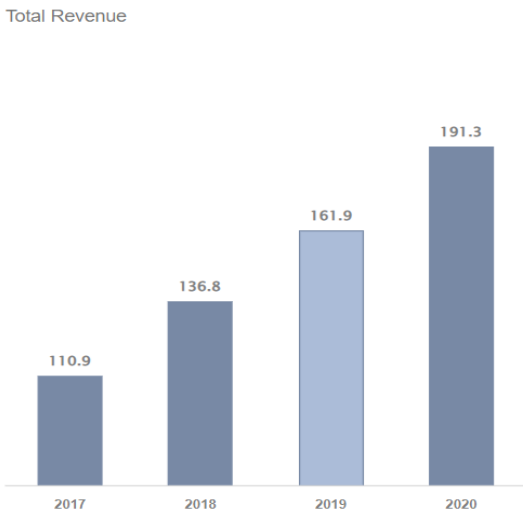

Figure 1 Alphabet's Total Revenue [7]

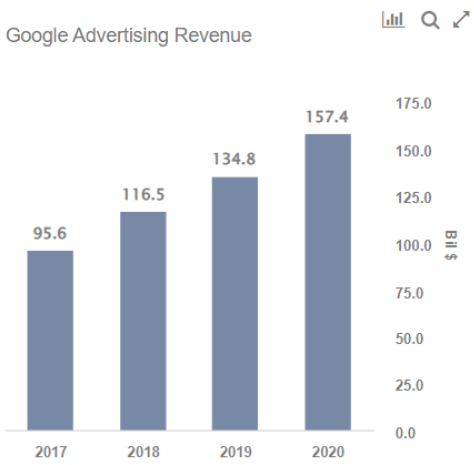

Figure 2 Google Advertising Revenue [7]

Google will provide advertising services called Ads and AdSense[8]. When user search something with one or more keywords, the search engine would automatically show those advertisement pages. In this way the company can let more people to know and choice their products. The second was YouTube Ads 17.9 billion dollars(9.3%)[9]. This is the similar advertising system for Google. Third, Google Network Members' properties 23.9 billion dollars (12.5%), the former category of paid clicks. Fourth was Google Cloud 10.5 billion dollars (5.5%), a suite of cloud computing services. Fifth was Google others 22.1 billion (11.6%), and lastly other Bets 1.29 billion (0.7%). All of those services and products are basically based on Google's powerful technology[10].

3.2. Market Share Analysis

Alphabet as the most powerful and most widespread search engine was holding 93.32% of market share, which is growing from 90.8% in 2018. AOL and Yahoo are the second and third search engine after Alphabet. [11] However, Yahoo only has 4.32% of market share and 2.35% market share for AOL. Alphabet has maintained its incredible high market share in the world with one exception, China. Because of the restrict regulation by the Chinese government to the internet, Baidu has the upper hand in China with 72.37% of the nation's market share[12]. Google China, a subsidiary of Alphabet, ranked fourth in China's online search market, with a 1.95% share[12]. Right now Alphabet is still trying everything they can to get some market share back from Baidu.

3.3. Risk Assessment

Alphabet is listing all current challenges and risks that the company is facing. However, Alphabet's operations and financial results are subject to various risks and uncertainties, including but not limited to those that already existed. All those potential and have been in existence risks could harm Alphabet's business, reputation, financial condition, and operating results.

There are five types of risks that Alphabet is facing now. Risks Specific to the Company, Risks Related to the Industry, Risks Related to Laws and Regulations, Risks Related to Ownership of the Stock, and General Risks[13].

First, Risks specific to Alphabet. Those risks are Alphabet facing right now. Alphabet is finding all possible solutions to those problems: Reduced income from advertisements; Intense competition; Ongoing investment; Decline of revenue growth rate, Inability to protect Intellectual property rights; Failing to maintain and enhance brands; Manufacturing and supply chain risks; Interruption, interference with, or failure of information technology and communication system; International operations. Secondly, risks related to the industry. Those risks are relating to the technology core

part, which is basically all about internet and technology stuffs. Those risks include consumers do not use updated versions of products and result in lose, help protecting users' data and information, investments could identify abuse of the platforms and misuse of user data, problematic content could damage the reputation and deter the current and potential users from using the products and services and so on. Thirdly, risks related to laws and regulations. Those risks are from the new regulations and polices from the government. Such as increased regulatory scrutiny, legal liability associated with providing online services or content, costly defend of intellectual property and other claims and so on. Fourthly, risks related to ownership of the stock. All those risks are about how to higher the stock value in order to gain more money. Such as cash reserves problem, limitation of stockholders' power to influence the company, and charter documents and under Delaware law could stop company to profit. Eventually, general risks. Those risks are normal risks that could happen in any company. Except COVID-19, the most terrible pandemic recent years, the rest of the risk are operating results fluctuate, lose the services of key personnel, unable to retain or motive key high technology personnel, exposed to fluctuations in the market values and so on.

4. INTEL

4.1. Profit Analysis

4.1.1. Profitability from 2019 to 2020

In 2020, Intel's profit was $77.9 billion, an increase of $5.9 billion or 8% over 2019. The overall data centric business increased by 9%, which is due to the increase in the capacity of cloud service providers to meet customer needs and the increase in the number of platforms. The continuous growth of DCG communication service providers was partially offset by the decline of enterprises and governments. Under the promotion and use of 5G network, the improvement of NAND price setting and the further increase in demand, DCG adjacent areas achieved growth, which was partially offset by the weakness of core portfolio caused by covid-19 and decreasing requirement of the goods from IoT platforms. PC centric business grew by 8% year-on-year, thanks to growing sales of Laptops and Wireless Network Services. This increase was slightly offset by fewer desktop sales and fewer laptop ASP due to increased demand for consumer and educational PCs and a decline in the number of LTE modems and connected homes after the exit of these businesses[14].

4.1.2. Profitability in the first quarter of 2021

First-quarter GAAP revenue of $19.7 billion, down 1 percent year over year (YoY), and non-GAAP revenue of $18.6 billion, flat YoY, which exceeded January guidance by $1.1 billion.

4.1.3. Profitability in the second quarter of 2021

Second-quarter GAAP revenue of $19.6 billion, flat YoY, and non-GAAP revenue.

4.1.4. Profitability in the third quarter of 2021

Third-quarter GAAP revenue of $19.2 billion, up 5% YoY, and non-GAAP revenue of $18.1 billion, up 5% YoY.

4.1.5. Figures and tables

Table 1. Intel Overview of 2018-2020[14]

Years Ended(In Millions, Except Per Share Amounts)	December 29, 2018		December 28, 2019		December 26, 2020	
	Amount	% of Net Revenue	Amount	% of Net Revenue	Amount	% of Net Revenue
Net revenue	$70,848	100.0%	$ 71,965	100.0%	$ 77,867	100.0%
Cost of sales	27,111	38.3%	29,825	41.4%	34,255	44.0%
Gross margin	43,737	61.7%	42,140	58.6%	43,612	56.0%
Research and development	13,543	19.1%	13,362	18.6%	13,556	17.4%
Marketing, general and	6,750	9.5%	6150	8.5%	6,180	7.9%

administrative						
Restructuring and other charges	(72)	(0.1)%	393	0.5%	198	0.3%
Amortization of acquisition-related intangibles	200	0.3%	200	0.3%	/	/
Operating income	23,316	32.9%	22,035	30.6%	23,678	30.4%
Gains (losses) on equity investments, net	(125)	(0.2)%	1,539	2.1%	1,904	2.4%
Interest and other, net	126	0.2%	484	0.7%	(504)	0.6%
Income before taxes	23,317	32.9%	24,058	33.4%	25,078	32.2%
Provision for taxes	2,264	3.2%	3,010	4.2%	4,179	5.4%
Net income	$ 21,053	29.7%	$ 21,048	29.2%	$ 20,899	26.8%
Earnings per share—Diluted	$ 4.48	/	$ 4.71	/	$ 4.94	/
Operating expenses	20,421	28.8%	20,105	27.9%	19,934	25.6%
Earnings per share—Basic	$4.57	/	$4.77	/	$ 4.98	/

Table 2. Profitability from 2019 to 2020[14]

	GAAP			Non-GAAP		
	2020	2019	vs.2019	2020	2019	vs.2019
Revenue($B)	$77.9	$72.0	Up 8%	$77.9^	$72.0^	Up 8%
Gross margin	56.0%	58.6%	down 2.5 ppt	57.6%	60.1%	down 2.6 ppt
R&D and MG&A ($B)	$19.7	$19.7	flat	$19.5	$19.5	flat
Operating margin	30.4%	30.6%	down 0.2 ppt	32.5%	33.0%	down 0.5 ppt
Tax rate	16.7%	12.5%	up 4.2 ppt	16.4%	12.2%	up 4.2 ppt
Net income ($B)	$20.9	$21.0	down 1%	$22.4	$21.8	up 3%
Earnings per share	$4.94	$4.71	up 5%	$5.30	$4.87	up 9%
Cash from Operations	$35.4	$33.1	up 7%	$35.4^	$33.1^	up 7%
Free cash flow	N/A	N/A	N/A	$21.1	$16.9	up 25%

Table 3. Profitability in the first quarter of 2021[15]

	GAAP			Non-GAAP		
	Q1 2021	Q1 2020	vs. Q1 2020	Q1 2021	Q1 2020	vs. Q1 2020

Revenue($B)	$19.7	$19.8	down 1%	$18.6	$18.6	flat
Gross margin	55.2%	60.6%	down 5.4 ppt	58.4%	64.5%	down 6.1 ppt
R&D and MG&A ($B)	$5.0	$4.8	up 3%	$4.8	$4.6	up 2%
Operating margin	18.8%	35.5%	down 16.7 ppt	32.8%	39.5%	down 6.7 ppt
Tax rate	14.0%	14.4%	down 0.5 ppt	13.7%	13.7%	flat
Net income ($B)	$3.4	$5.7	down 41%	$5.7	$6.1	down 6%
Earnings per share	$0.82	$1.31	down 37%	$1.39	$1.41	down 1%

Table 4. Profitability in the second quarter of 2021[15]

	GAAP			Non-GAAP		
	Q2 2021	Q2 2020	vs. Q2 2020	Q2 2021	Q2 2020	vs. Q2 2020
Revenue($B)	$19.6	$19.7	flat	$18.5	$18.2	up 2%
Gross margin	57.1%	53.3%	up 3.8 ppt	59.2%	56.3%	up 2.9 ppt
R&D and MG&A ($B)	$5.3	$4.8	up 11%	$5.1	$4.6	up 11%
Operating margin	28.3%	28.9%	down 0.6 ppt	31.6%	31.0%	up 0.6 ppt
Tax rate	11.9%	14.0%	down 2.1 ppt	11.9%	14.1%	down 2.3 ppt
Net income ($B)	$5.1	$5.1	down 1%	$5.2	$4.9	up 6%
Earnings per share	$1.24	$1.19	up 4%	$1.28	$1.14	up 12%

Table 5. Profitability in the third quarter of 2021[15]

	GAAP			Non-GAAP		
	Q3 2021	Q3 2020	vs. Q3 2020	Q3 2021	Q3 2020	vs. Q3 2020
Revenue($B)	$19.2	$18.3	up 5%	$18.1	$17.3	up 5%
Gross margin	56.0%	53.1%	up 2.9 ppt	57.8%	56.5%	up 1.3 ppt
R&D and MG&A ($B)	$5.5	$4.7	up 16%	$5.3	$4.5	up 17%
Operating margin	27.2%	27.6%	down 0.4 ppt	28.8%	30.4%	down 1.7 ppt
Tax rate	0.5%	15.2%	down 14.7 ppt	0.4%	15.4%	down 15 ppt
Net income ($B)	$6.8	$4.3	up 60%	$7.0	$4.5	up 54%
Earnings per share	$1.67	$1.02	up 64%	$1.71	$1.08	up 59%

4.2. Market Share Analysis

According to the 2020 data released by mercury research, by the third quarter of 2020, the global desktop CPU market share was 79.9% for Intel. After AMD released Ryzen processor 4 years ago, its market share has been growing, but Intel's market share is still much higher than AMD's. Intel's i9-10900k is still one of the best game processors in the world, and there are still many players who choose Intel's 10th generation desktop processor.

By analysing the statistical data of manufacturers' use of PC processors from January 2020 to July 2021, as of July 2021, Intel's market share was 71.47%, which was

in the stage of steady growth. Before the rise of AMD, Intel's market share had always been the first undisputed. The rise of AMD did greatly seize Intel's market share, However, it did not have an impact on its first position. After experiencing the impact of AMD, Intel recovered its market share and increased steadily through various means of reducing prices and developing new chips. Bob swan, former CEO of Intel, also admitted that focusing on 90% of the CPU market share was one of the reasons why Intel missed the transformation, and said that he was not interested in defending its title of CPU champion and would give the market to AMD. Therefore, the decline of Intel's market share is partly due to the change of Intel's management strategy.

4.3. Risk Assessment

4.3.1. Risks in the R&D of New Processes and Employee Practice

Sometimes, as a result of the precision of the interaction between different parts of an industrial process, the challenge of innovative raw materials' attempt and other problems, production will encounter unexpected delays. It usually takes a long time to diagnose defects in the manufacturing process, because the manufacturing production time may delay the staff from receiving data about defects and repair effects.

4.3.2. Risks associated with the variable and unpredictable demand for the products

Different products need to be supplied to different markets, and different markets have different demand for products, especially the PC-based market and data-based market changes are difficult to predict. Similarly, the impact of market changes is also difficult to predict, so companies need to bear the risk of fluctuations in market conditions.

4.3.3. Risks related to the epidemic

Various countries and regions around the world have taken a series of response measures against Covid-19, and these measures and the new policies arising from the changing process of the epidemic are subject to great uncertainty. The policy of restricting travel as the main means to control the outbreak, and the work-from-home program to protect employees, have negatively affected the capacity of most of Intel's factories, with a sharp drop in the speed of supply of goods and delays in delivery of goods. Such restrictions on factory openings and offline offices will not only affect Intel's own operations and production capacity, but also have a similar impact on Intel's material suppliers, which can make it difficult for Intel to properly meet customer demand, especially when such When the impact is in the context of an unpredictable pandemic.

4.3.4. Risks in cyber security

Intel has always faced risks in cybersecurity, in the form of: accessing Intel's internal website on the Internet without the authorized authorization of security personnel, introducing software that could cause damage to company data into the company's systems, and attempting to Intrusion into the company's physical facilities without authorization to steal the company's intellectual property and core secrets. The sources of these risks can be hackers with malicious intent against the company, companies doing similar business, insiders (employees or third parties who have access to the relevant data).

4.3.5. Risks in intellectual property and legal regulation

Intel's intellectual property protection costs are high, so not every process of maintaining intellectual property rights is smooth and requires management to invest a lot of energy. When a request to enforce intellectual property rights is made, the company may be subject to claims, but may also be argued that its intellectual property rights are invalid, unenforceable or that the intellectual property rights were provided in an agreement that has been entered into. In some special cases, Intel's claim on the enforcement of intellectual property rights may cause damage to the interests of the other party, and the other party will file a claim against Intel based on its own interests. Therefore, Intel still faces great risks in terms of intellectual property rights and legal supervision[16].

4.3.6. Risks related to strategy and operations

Intel's business is affected by a combination of factors, and acquisitions, capital transfers (divests) and other transactions for strategic purposes may adversely affect the company's operations. To this end, Intel needs to regularly evaluate the allocation of financial capital, carefully review agreements before reaching agreements on acquisitions, capital transfers and strategic transactions, and avoid such risks as much as possible.

4.3.7. Sales-related risks

Intel has a huge international market, so Intel needs to use third parties for distribution in many countries, which brings many risks including competitive pressure, credit risk and local compliance risk. In the process of selling Intel products, third parties also sell similar products from other manufacturers. Intel needs to take incentives to make third parties more willing to sell Intel products, so as to ease the pressure of competition. But third-party intermediaries may face unpredictable financial difficulties and even bankruptcy, which also increases Intel's financial risks and reduces Intel's profits and performance. Violation of relevant laws such as the

Foreign Corrupt Practices Act by third-party intermediaries will also affect Intel's business, increase operating expenses and damage Intel's competitive position in domestic and overseas markets.

5. COMPREHENSIVE ANALYSIS

With all those analysis, there are three main differences in Directors' remuneration of these companies: salary component, stock settlement time and ownership policy, and subsides from bonus system. Comparing the compensation policies from Alphabet, Intel, and Amazon, we can easily find out that the change of directors' remuneration is closely related to the company's income in the current year, the change of directors' remuneration in each year is not due to the company's income, but each company has its own scheme to adjust directors' remuneration. Basically, it can be summarized as the following schemes:First and foremost, It is based on the directors' contribution to the company, and the other is based on the shares held by the directors. Performance evaluation as the one of three basic system in Organizational Architecture is still having a very important role. Second, It is based on the qualifications of directors in the company. This is relating to the decision-rights assignment. Directors are the most important group of people in the company. Their decisions would directly decide the future of the company. Third, It is based on the time of directors' incumbency, entry and resignation. Those factors are very common in a company's reward system. Working longer would always get more remuneration. Only in this way the experienced employees would stay in the company.

Stock as a symbol to present the company's performance has been on people's radar for a long time. In the network companies, stock is also an important way to reward clerks and a tool to keep the top talents. Usually the stock reward would be the main method to pay the director compensation. There is a different between Amazon and Alphabet. Amazon is focusing on the long term value Directors usually do not receive stock based awards every year, but only once every three years. Additionally, The designated executive officer will receive a considerable number of stock awards when employed. Conversely, Alphabet would not give any initial stock for a new employee director or officer. Alphabet would also give the stock as the reward annually instead of once every three years. However, the director would not receive the stock once at all. It would take several years for the director to what he should have. Both Amazon and Alphabet are having the goal to keep the upper ranks of the company not to make any changes. There are two main reasons here. The first is that personnel change could cause company's management have problem. The second is that people might sell the stock because of the personnel change. Maybe they do not believe that the new staff can lead the company to become better. Intel is requiring executive officers must accumulate and hold shares of Intel common stock based on a multiple of base salary within five years of their appointment as an executive officer or promotion. The Intel executive officers has to presented to the Board of Directors, at least four times a year about their stock ownership. Amazon and Alphabet also have the similar requirement. This is because ever since those people are holding the company stock, the influence on the company would also reflect on themselves. Therefore, they would try their best to work for the company.

6. CONCLUSION

In the variable remuneration, in addition to the most important stock and option policies, the reward system of each enterprise is also a solid guarantee to improve the work enthusiasm of directors and create greater benefits. For the three enterprises, they all have performance related reward systems. Take Mr. Clark of Amazon as an example. After he was appointed CEO of global consumers since January 2021, the company gave him 10660 shares as a bonus. In granting this grant, the leadership development and compensation committee fully considered the factors related to conventional grants, including Mr. Clark's development of innovative distribution arrangements, the expansion of logistics centers and staffing, and the development of industry-leading compensation and training programs. In addition, each enterprise has its own additional reward system. For example, for new executives, a certain amount of initial subsidies will be granted to them, often in the form of stocks and options; There will also be additional subsidies for directors to attend meetings; There will also be leave, medical, 401 (k), relocation and other benefits for directors. For example, Amazon sometimes provides security for Mr. Bezos and certain other executive officials, including during business facilities and business travel. Through the construction of such a diversified salary and reward system, enhance the directors' recognition and sense of belonging within the enterprise, so that all employees can increase profits for the enterprise with the goal of creating long-term value.

Novel coronavirus pneumonia brings the crisis, most enterprises fail to start business and fail to operate in a long time. It is extremely necessary for enterprises to start self-rescue emergency plan. Relying on financial risk management to start self-rescue is inevitable. According to the situation of the above three companies, the biggest risk faced by enterprises during the epidemic is not how to ensure profits, but how to survive in the market. Enterprises need to focus on solving the problems of capital and industrial chain, so as to ensure that enterprises can still have sufficient financial support to continue to survive when profits cannot be guaranteed for a long time or profits fluctuate greatly. For such common

problems, enterprises should firstly sort out enterprise cash flow demand, determine the actual capital situation of the enterprise and determine financial stress. Then, actively expand the sources of enterprise funds, apply for preferential policies, absorb funds from multiple sources update business, products and services. Finally, focus on the control of enterprise input costs, and comprehensively sort out the current business of the enterprise. If the company's operating costs exceed the load, it can consider terminating the business that consumes a lot of capital, the businesses that require a lot of manpower to develop, and the business with low profit or even negative profit, so as to ensure that there are sufficient resources for the development of valuable and high-profit businesses. At the same time, the payment period can be extended through negotiation, thereby reducing costs. On this basis, we should divide talent echelons, reasonably distribute executive compensation, give due treatment to members of the board of directors according to profits and contributions to the company, resolutely retain members who have made significant contributions to the company, avoid massive brain drain, and consider the subsequent operation and development of the enterprise.

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