Analysis on the Present Situation and Existing Problems of Salary Supervision in Central Enterprises

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Abstract. Facing the new situation and new requirements of salary supervision, central enterprises urgently need to speed up the construction of salary management system, effectively solve the outstanding problems in salary management, and promote salary management to be more scientific, accurate and intelligent. This paper combs and analyzes the current situation of salary supervision in central enterprises, and further analyzes the problems existing in current salary supervision according to the requirements of reform and development situation, which provides an important reference for deepening the reform of salary supervision.

Keywords: Problems and Shortcomings, Salary Supervision, Central Enterprises.

1 Introduction

With the digital development of state-owned assets supervision, speeding up the construction of world-class enterprises and standardizing the income distribution order of state-owned enterprises, central enterprises have made certain achievements in deepening the reform of income distribution, promoting the construction of human resource management system and improving the efficiency of salary management by means of information technology. At the same time, however, in the construction of salary management system, there are still some problems in the central enterprises, such as insufficient attention, insufficient top-level design, low standardization, insufficient penetration of all levels, and untimely application of data sharing, which are incompatible with the normative effectiveness of realizing high-quality development, highlighting value creation and enhancing the accuracy of income distribution, and there is still a big gap compared with the requirements of realizing full-staff, full-level, full-caliber penetration supervision, real-time supervision and precise supervision of central enterprises [1].

The objective of central enterprise salary supervision is to establish and improve the wage determination and normal growth mechanism that is basically adapted to the labor market and linked to the economic benefits and labor productivity of enterprises, enhance the vitality and competitiveness of enterprises, promote the high -quality

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development of enterprises, and promote the state-owned capital to become stronger, better and bigger. The main contents of supervision is the management and supervision of total wages. The total wages of central enterprises are subject to budget management. Every year, enterprises need to make budget arrangements, effectively control and supervise the determination and distribution of total wages and the adjustment of employees' wages according to the development strategy, the requirements of the national macro-policy on wage income distribution and the requirements of production and operation objectives, economic benefits and human resource management. The State-owned Assets Supervision and Administration Commission (SASAC) implements filing system or approval system management for the total wage budget of enterprises. According to the functional orientation and industry characteristics of central enterprises, differentiated total wages management methods and decision mechanisms are implemented. Commercial central enterprises whose main business is in fully competitive industries and fields shall, in principle, implement the management of total wages budget filing system; Commercial central enterprises whose main business is in important industries and key fields related to national security and the lifeline of the national economy and mainly undertake major special tasks shall, in principle, implement the budget approval system for total wages; Public welfare central enterprises implement the budget approval system management of total wages. Based on the total wages of central enterprises in the previous year, according to the functional orientation of enterprises and the budget situation of economic benefits and labor productivity in that year, and referring to the labor market price, the decision mechanism is determined by classification, and the annual total wages budget is compiled reasonably [2].

2 The Status Quo of Central Enterprises' Salary Supervision

First, the system construction has been gradually improved.

The policy system has been continuously improved. In recent years, the state has successively promulgated a series of policies and regulations to regulate the salary management of central enterprises. For example, in 2018, the Opinions on the Reform of Wage Determination Mechanism in State-owned Enterprises, in 2023, the Operational Guidelines for Internal Salary Distribution in State-owned Enterprises issued by the Ministry of Human Resources and Social Security, and in 2024, the Resolution of the Central Committee of the Communist Party of China on Deepening Reform and Opening-up and Accelerating the Process of Chinese Modernization, etc., these policies provide a solid institutional basis for salary supervision.

The regulatory measures are detailed and clear. The State Council State-owned Assets Supervision and Administration Commission (SASAC) has formulated relevant measures such as the total wages management of central enterprises and the salary management of responsible persons. Implement budget management of total wages, and implement differentiated management methods according to enterprise functional orientation and industry characteristics; For the salary of the person in charge of the enterprise, the salary structure, determination basis and supervision requirements are clarified, so that the salary supervision has rules to follow [3]..

Second, the management mode is going to be scientific.

Budget management is strengthened. The central enterprises' total wage budget management is strict, and the SASAC implements the filing system or approval system management for the total wage budget of enterprises. Enterprises need to work out the total wage budget around the development strategy and economic benefits, and strictly implement it. The SASAC conducts dynamic monitoring and adjustment management to ensure that the total wage growth is compatible with the development of enterprises.

Implementation of classified management. According to the main industry and enterprise function orientation, the central enterprises are classified and different salary supervision modes are adopted. For example, commercial central enterprises whose main business is in a fully competitive industry implement the management of total wages budget filing system, giving enterprises more independent distribution rights; Central enterprises whose main business is related to national security and other important industries implement approval management to protect national strategy and public interests.

Digitalization helps supervision. SASAC promotes the construction of central enterprise salary management information system, puts forward the goal of "all employees, all levels and all caliber", realizes online management and real-time update of salary data by digital means, and supervises salary in a penetrating and refined way, which improves the efficiency and transparency of supervision.

The third is the continuous optimization of the incentive and restraint mechanism.

Pay is linked to performance. Corporate leaders generally implement a performance-oriented annual salary system, and the annual performance salary is closely linked to the annual business performance assessment results, encouraging corporate leaders to strive to improve the economic benefits of enterprises. At the same time, some central enterprises are also exploring the deep link between employee compensation and performance to stimulate employees' enthusiasm.

Exploration of long-term incentive mechanism. SASAC has explored the establishment of medium-and long-term incentive mechanisms for central enterprises, such as equity incentives, in order to promote the long-term stable development of enterprises and make enterprise leaders and employees pay more attention to the long-term interests of enterprises.

Fourth, the transparency of salary information has improved.

The salary of the person in charge is open. The SASAC requires the central enterprises to disclose the salary information of the person in charge, which enhances the transparency of salary to a certain extent, accepts the supervision of the public, and promotes the fairness and rationality of salary distribution.

However, with the deepening of the reform of state-owned enterprises, there are still some problems and challenges in the salary supervision of central enterprises. First, the salary structure needs to be improved. The salary structure of some central enterprises is still complicated, the ratio of guarantee part to incentive part is not reasonable enough, and the incentive function is not fully exerted, so it is difficult to fully mobilize the enthusiasm and creativity of employees. The second is the fairness of salary distribution. There is egalitarianism, and the salary distribution is too based on the individual's job level, professional title, education and length of service, but not closely linked with the employee's job value and work performance, resulting in insufficient incentives for outstanding employees and lack of pressure for backward employees. Third, the market adaptability is insufficient. The salary standard of some key positions lacks market competitiveness, and it is difficult to attract and retain high-quality talents, so it needs to be strengthened in connection with the market. Fourth, it is difficult to supervise and coordinate. There are many levels of central enterprises and a wide range of businesses, so it is difficult to coordinate compensation supervision in group management. It is a challenge to ensure that compensation policies are effectively communicated and implemented in subsidiaries at all levels, while taking into account the individual needs of subordinate enterprises. The fifth is the challenge of international operation. For central enterprises with overseas business, the salary management needs to adapt to the laws, regulations and tax policies of different countries and regions, and it is difficult to build a globally consistent and compliant salary management system [4]..

3 The Problems and Shortcomings of the Central Enterprise Salary Supervision

Facing the new era and new journey, the salary supervision of central enterprises should continue to advance in a more standardized, scientific and efficient direction.
First, in terms of system and implementation, there is a phenomenon that the salary system is not flexible enough and the system implementation is not in place. The salary system of some central enterprises is relatively rigid and lacks flexibility and adaptability to market changes and enterprises' own development. The management of total wages limits the flexible space of salary to a certain extent, which makes it difficult for enterprises to adjust the salary level and structure in time according to the supply and demand of talents in the market, the competitive situation in the industry and the changes in business performance. Although there is a perfect salary supervision system, in some central enterprises, the implementation of the system is not strict and discounted. For example, in the process of implementing the total wage budget, some enterprises have problems such as paying wages beyond the budget and illegally charging wage expenses, which leads to the failure to give full play to the effectiveness of the salary supervision system [5]..

Second, in terms of salary structure and level, there are problems such as unreasonable salary structure, lack of market competitiveness and insufficient internal fairness. The proportion of guarantee and incentive is out of balance. The incentive part of the total salary of some central enterprises is relatively low, usually only accounting for 10%-30%, which is difficult to effectively stimulate the enthusiasm and creativity of employees, and the incentive function of salary is not fully reflected. The project is complicated and unclear. There are many salary items but the gap is not big, the structure is not reasonable, and the basis for determining each item is also different, which makes the guiding role of salary distribution vague, and it is difficult to widen the gap and highlight the value of key positions and core talents. The salary standards for key positions in some central enterprises are out of line with the market level and lower than the market price, which makes it difficult to attract and retain high-quality and high-skilled talents and affects the market competitiveness of enterprises. Especially for some emerging industries and fields with fierce competition for talents, this problem is more prominent. Salary is generally fixed by level. The salary distribution is excessively based on the individual's job level, professional title, education and length of service, but it is not closely linked with the job value and performance of employees, ignoring the job differences, dampening the enthusiasm of those who are engaged in high-skill, high-knowledge and high-ability jobs, and easily leading to the brain drain. Egalitarianism is serious. Influenced by traditional ideas, the egalitarianism of salary distribution in some central enterprises still exists, and the salary gap between outstanding employees and backward employees has not been widened reasonably, which can not reflect the performance difference, making outstanding employees lack motivation and backward employees lack pressure, making it difficult to play the incentive role of salary.

Third, in performance appraisal, there are problems such as imperfect appraisal system and insufficient application of appraisal results. Some central enterprises lack a standardized and quantitative employee performance appraisal system, or have not established a scientific job analysis and job appraisal system, resulting in a lack of accurate basis for salary design. Performance appraisal is still based on traditional means with empirical judgment as the main body, and even the leader has the final say directly. The income and contribution of individual employees are not close, so it is impossible to effectively measure the performance and performance of employees. Even though some enterprises have established a performance appraisal system, in practice, the appraisal results are not closely linked with the salary, or the linking method is not scientific and reasonable enough, which makes the performance appraisal a mere formality, unable to really play the role of encouragement and restraint, and the incentive function of the salary is greatly reduced.

Fourth, in terms of supervision means and information, digital supervision is insufficient and information transparency is not high. Lack of digital thinking and willingness. In some central enterprises, the application of digital means has not been fully popularized, and some management and employees have insufficient understanding of the potential value of information systems, which makes it difficult to fully promote digital systems among all employees, and the efficiency of information transmission and integration is low, which restricts the real-time and integrity of salary data. The system function is not perfect. There are differences in the salary policies of the central enterprises from the group headquarters to the subsidiaries, and the information platform often has imperfect system functions, which makes it difficult to achieve the goal of "all employees, all grades and all calibers" salary management, unable to support the closed loop of the whole process of salary management, and weakens the actual effectiveness of information systems in salary supervision. Data quality problems are common. Due to the numerous business units of central enterprises and the wide regional distribution, and the differences in operating standards and practices of various localities and departments, the quality of collected salary data is uneven, which affects the scientificity and fairness of salary management and weakens the foundation for enterprises to implement refined management. The regulatory role has not been fully exerted. In the actual operation process, the system and business are often out of touch, which fails to give full play to the regulatory role of information tools on salary management, resulting in the failure to break the information island between companies at all levels, the inability to share and concentrate data in real time, and the difficulty to achieve penetrating supervision. Information transparency is not high. The degree of disclosure of salary information in some central enterprises is not enough, and employees have limited understanding of the company's salary policy, salary level and salary adjustment basis, which is easy to cause employees' suspicion and dissatisfaction, and is not conducive to the public's supervision over the salary supervision of central enterprises.

4 Conclusion

Facing the requirements of salary supervision policy and the reform and development of state-owned and state-owned enterprises, the challenges and problems faced by the salary supervision of central enterprises are mainly reflected in the imperfect salary system, the mismatch between incentive and restraint mechanisms, the unfairness of salary distribution, the lack of transparency of salary management and the increasing difficulty of salary management under international operation. These problems have affected the fairness and incentive effect of the salary system and need to be solved urgently through deepening reform and innovative management methods. Central enterprises should fully understand the necessity and urgency of speeding up the construction of salary management system, take the initiative to grasp the strategic opportunity of the new round of technology and digital economy development, take the construction of world-class enterprises, first-class management and first-class systems as the guide, take the construction of salary management system as the breakthrough point and breakthrough point, effectively solve the outstanding problems in salary management, and promote the salary management to be more scientific, accurate and intelligent.

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