RESEARCH ON THE EMPLOYEE COMPENSATION MANAGEMENT OF PROPERTY COMPANY H

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With the initiation of West Development, the property industry in Duyun has developed rapidly. H Property Company mainly serves high-end residential quarters in Duyun City, but due to the relatively backward salary management, the staff mobility is large, affecting the normal operation and development of the company. In order to solve this problem, this article’s research object focuses on H Property Company’s salary management of the enterprise's personnel. The conclusion of this study has guiding significance for the salary management of property companies. Through the optimization of salary management, a complete and scientific performance management system is constructed to enhance the core competitiveness of property companies and promote their healthy, long-term, and efficient development.

Keywords: salary management; enterprise's personnel; property company

Introduction

With the launch of China Western Development, the property industry has developed rapidly in Duyun City, Guizhou. H Property Management Company mainly serves high-end residential areas in Duyun City, but with high employee turnover due to backward compensation management, which affects its normal operation and development. Through the optimization of compensation management, this paper constructs a complete and scientific performance management system to enhance the core competitiveness of the company and promote its healthy, long-term, and efficient development.

The significance of compensation management optimization for H Property Company

Compensation management plays a vital role in the operation and development of a business. As an effective management method and important means, it can promote the efficient operation of objectives such as various business management and mechanism management of the enterprise.

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With the rapid development of the social economy, China’s real estate market is also constantly changing, and the employee management of a property company, which is indispensable in the process of real estate development, directly affects the overall operating efficiency of enterprises (Liu, 2022). H Property Company is a labor-intensive industry in which employees, mainly composed of low-end and cheap labor, are generally underpaid. Compared to those in the manufacturing sector, practitioners in the property sector have a higher overall quality but generally a lower salary. This puts H Property at a disadvantage in terms of talent competition and is not conducive to improving its competitiveness. Therefore, it is necessary to adjust the compensation system and establish a scientific and perfect performance appraisal system to provide a good working environment and platform for outstanding talents.

**Analysis of the performance management status of H Property Company**

After years of development, H Property Company has been expanding the development scale, with an increasingly improved quality of staff overall, a more reasonable organizational structure, and an improved performance management system from scratch (Evans, 2004). However, its current performance management is too simple and a mere formality, which makes it difficult to play its due role in compensation management.

**Performance appraisal goal setting**

Although H Property Company adopts a goal-oriented management strategy in setting performance objectives and regards the company's strategic objectives as a core component of the performance appraisal system, there are some limitations in its practical application.

Firstly, while H Properties annually develops a comprehensive annual target plan based on the operating conditions, its internal resources, and the external environment of the industry in the previous year to ensure its continued competitiveness in future development, it lacks strategy and foresight in the process of setting targets (Liu, 2022a).

For example, the company only focuses on specific goals for each year without a combination of long-term development strategies and performance goals, lacking a comprehensive plan for the future.

Secondly, although H Property Company has decomposed the annual general objectives into specific tasks for each department and each employee in order to better achieve the objectives, the company has not yet established a comprehensive and scientific framework of employee performance evaluation indicators and standards, which has led to a certain impact on the fairness and accuracy of performance evaluation.

In addition, although H Property Company has performance evaluations, in practice, it still lacks effective incentives and restraint mechanisms to ensure that employees comply with norms and standards in the process of completing tasks to improve the overall performance level.

Finally, the corporate culture construction of H Property Company did not incorporate performance appraisal, resulting in the formalization of performance appraisal and a lack of effective cultural guidance. In order to improve the level of performance management, the company needs to incorporate performance appraisal into the construction of corporate culture so as to play a role in motivating employees, promoting development, and improving overall performance.
Assessment method and process
At present, the appraisal process at H Property Company mainly includes self-assessment and superior scoring, and then the final appraisal results are determined according to the weight. There are certain limitations to this process, which may result in inaccurate and unbiased assessment results. This means that the assessment method and process of H Property Company need to be further improved to establish a scientific performance evaluation system. By introducing more comprehensive assessment elements and processes, rationally setting scoring standards and weights, and strengthening the feedback and management of assessment results, we can improve the accuracy, fairness, and credibility of the assessment, thus promoting the development of employees and the continuous progress of the company.

Performance evaluation scoring
Due to the lack of clarity in the performance appraisal criteria and the lack of consistency among the various project management offices, the appraisal work can often only be based on the subjective feelings and impressions of the appraiser, resulting in a lack of objectivity and consistency in the appraisal results. The assessment process without system constraints also leads to a lack of a complete and comprehensive record of the key events related to the assessment, resulting in a lack of objective basis for scoring (Ma, 2016).

At the same time, due to the lack of effective feedback mechanisms, appraises can only see what they do but cannot understand the contribution and performance of others. Both the appraiser and appraises generally agree that this is cumbersome and inefficient work, more like formalism.

In addition, for the person being evaluated, "evaluation" is often seen as a means of punishment and deduction of salary, and they will be "evaluated" only if they fail to meet the predetermined performance goals or make mistakes. This has caused many employees to become aware of their problems after "evaluation" and then to reflect and correct them, deviating from the meaning and purpose of evaluation in the science of human resources management as well as its essential goals.

This simple and rough way of performance management does not effectively improve the professional ability and corporate performance of employees but may lead to management contradictions and problems instead.

Implementation of a performance evaluation system
Although H Property Company has established a top-down performance appraisal framework, the lack of a comprehensive employee performance plan and implementation path has led to subjectivity and uncertainty in the performance appraisal process, which in turn has an impact on employees' performance.

This also makes the company's performance evaluation system unable to meet the company's strategic goals and development needs. In addition, there is a lack of motivation for incentives due to poor use of performance appraisal results (Ma, 2022). In the specific performance appraisal process, the company pays too much attention to the performance and ability of the employees, ignoring the impact of the performance process and accidental factors, which make employees feel the injustice and lack of care from the company.
Therefore, H Property Company needs to further improve its performance evaluation system for scientificity and operability.

**Application of performance evaluation systems**

There are some shortcomings in the application of the performance evaluation results of H Property Company, which may lead to a series of problems: First, the company's current performance evaluation results are only used for rewards and punishments, with the latter being primary and the former being secondary. It is obviously problematic.

While punishment can act as a deterrent to underperforming employees (Bauer, 2004), over-reliance on punitive measures can result in employees not being able to truly reflect and improve but simply being motivated to avoid punishment. At the same time, the reward is limited to a certain bonus, a single reward method, which cannot fully motivate employees' enthusiasm and creativity. Second, the company decouples performance appraisal results from employee training and development, resulting in an inability to realize the full potential of performance appraisal.

However, through a combination of performance evaluation and training and development, the company can provide targeted training and development opportunities based on the evaluation results to help employees further improve their capabilities and achieve personal and organizational development.

Furthermore, the company lacks an effective performance feedback mechanism. Employees do not have the opportunity to discuss and give feedback to their supervisors after the performance appraisal results, which results in the appraises not being able to clearly know about their own performance and lacking direction and awareness to improve performance. In this case, performance improvement will only become an empty slogan, which will not really promote the growth and improvement of employees.

**Optimization of compensation management at H Property Company**

**The tools for performance management at H Property Company**

Considering that the overall quality of the employees is generally not high and that the company is still in the maturity stage of development, H Property Company urgently needs to improve its management and control capabilities and enhance its internal driving force and competitiveness, rather than being eager to pursue speed and scale.

First of all, using KPI as the main means of performance appraisal, H Property Company can establish a clear employee performance appraisal index system and quantify the work performance of employees by means of quantitative evaluation. This helps ensure that employees have clear work objectives, are motivated, and can objectively measure and evaluate their performance.

By setting clear KPIs, the company can align their employees' work goals with its overall strategic goals for unity between employees and the company. At the same time, the 360-degree performance appraisal method can be used to evaluate the performance of employees more comprehensively.

This approach relies not only on the evaluation by their superiors but also on the evaluation by colleagues, subordinates, and employees themselves, which can reduce the impact of subjectivity and bias and increase the accuracy and objectivity of the evaluation.
Therefore, this paper chooses the "KPI + 360 degree performance appraisal method" as the performance management tool.

**Construction of the performance management index system of H Property Company**

Guided by the KPI method and the 360-degree performance evaluation method, this paper optimizes the performance management system for the company's senior managers, middle managers, grass-roots managers, and front-line staff and uses an analytic hierarchy process to calculate the weight of each indicator in the performance appraisal index system of H Property Company.

It is calculated as follows:

1. Establish a hierarchical structure.
2. Construct a pair wise judgment matrix. After the pair wise comparisons between indexes, the relative advantages and disadvantages of each evaluation index are arranged according to the nine-percentile ratio, and the judgment matrix $A$ of the evaluation index is constructed in turn.

$$A = \begin{bmatrix}
1 & a_{12} & \cdots & a_{1n} \\
a_{21} & 1 & \cdots & \vdots \\
\vdots & \vdots & \ddots & \vdots \\
a_{n1} & a_{n2} & \cdots & a_{nn}
\end{bmatrix}$$

$A$ is the judgment matrix, which $a_{ij}$ is the result of comparing the importance of factor $i$ and factor $j$, and has the following relationship:

$$a_{ij} = \frac{1}{a_{ji}}$$

3. For a certain criterion, calculate the weight of each alternative elements (geometric averaging method).

(1) Calculate the product of each element of each row of matrix $A$ to obtain matrix $B$ with $n$ rows and one column:

$$M_i = \prod_{j=1}^{n} a_{ij}$$

(2) Calculate the $n$-th root of each element of matrix $B$ to obtain matrix $C$:

$$W_i = \sqrt[n]{M_i}$$

(3) Normalize matrix $C$ to obtain matrix $D$:

$$W_i = \frac{W_i}{\sum_{j=1}^{n} W_j}$$

And the matrix $D$ is the weight vector obtained.
(4) Calculate the maximum eigenvalue of matrix $\lambda_{\text{max}}$:

$$
\lambda_{\text{max}} = \sum_{i=1}^{n} \frac{(AW)_{i}}{nW_{i}}
$$

(5) Consistency judgment:

$$
CI = \frac{\lambda_{\text{max}} - n}{n - 1}
$$

$$
CR = \frac{CI}{RI}
$$

Finally, the weight of each index of the performance appraisal index system of the H property company is calculated as shown in Tab. 1 (only the index system for the middle managers is shown).

Table 1 - Weight of each index of the performance appraisal index system (middle managers) (made by the author)

<table>
<thead>
<tr>
<th>Appraisal Object</th>
<th>Dimension (Level 1 indicator)</th>
<th>Weight</th>
<th>Contents (Level 2 indicator)</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performance</td>
<td>50%</td>
<td>Performance of duty</td>
<td>30%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Innovation</td>
<td>8%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Efficiency</td>
<td>10%</td>
</tr>
<tr>
<td>Middle managers</td>
<td>Working attitude</td>
<td>13%</td>
<td>A sense of responsibility</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Initiative</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Independence</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>Work ability</td>
<td>20%</td>
<td>professional qualification</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Communication skill</td>
<td>4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comprehension ability</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Decision-making capability</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Learning ability</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Innovation ability</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>Professional ethics</td>
<td>17%</td>
<td>Morality</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Collaborative spirit</td>
<td>5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Professional integrity</td>
<td>7%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Political stand</td>
<td>2%</td>
</tr>
</tbody>
</table>

**Conclusion**

Through the above research, it can be found that the successful development of H Property Company is inseparable from the great importance attached to employee compensation management and communication with employees.

Only by advocating the concept of modern compensation management, changing the way of thinking of employees, and establishing effective communication mechanisms can we effectively improve the service awareness and overall performance of employees, so as to promote the company to move towards higher goals.

This paper adopts the "KPI + 360-degree performance appraisal method" to build a comprehensive, complex, and fine performance management system for H Property Company through optimization, so as to improve the performance and development of employees, optimize resource allocation and coordination within the organization, and ensure
fair, impartial, and efficient performance evaluation that is used for providing appropriate incentives and rewards to promote the improvement of the employee compensation management level of H Property Company.

References


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