



**STUDY ON THE IMPROVEMENT STRATEGY OF  
COMPENSATION SYSTEM BASED ON TANGMENG CULTURE  
MEDIA COMPANY**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF  
THE REQUIREMENTS FOR THE MASTER'S DEGREE OF BUSINESS  
ADMINISTRATION GRADUATE SCHOOL OF BUSINESS  
SIAM UNIVERSITY**

**2022**



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COMPENSATION SYSTEM BASED ON TANGMENG CULTURE  
MEDIA COMPANY**

**Thematic Certificate**

**To**

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This Independent Study has been Approved as a Partial Fulfillment of the Requirement  
of International Master of Business Administration in International  
Business Management

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*15* / ..... / ..... *2023*

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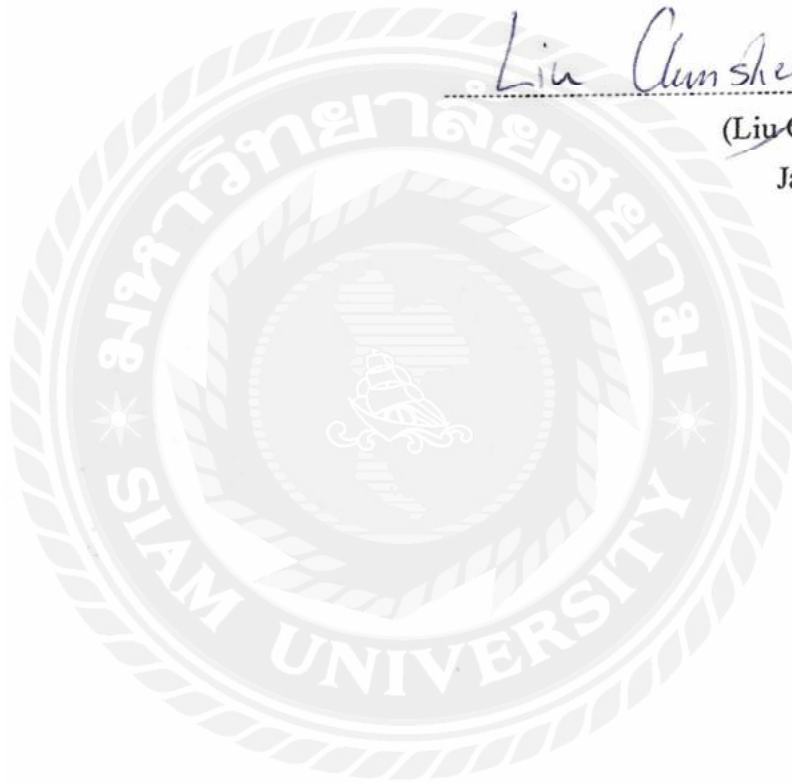
## Declaration

*I, Liu Chunsheng, hereby certify that the work embodied in this independent study entitled "STUDY ON THE IMPROVEMENT STRATEGY OF COMPENSATION SYSTEM BASED ON TANGMENG CULTURE MEDIA COMPANY" is result of original research and has not been submitted for a higher degree to any other university or institution.*

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Jan 6, 2023



**Title:** A Study of the Improvement Strategy for the Compensation System of TANGMENG Culture Media Company

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..... *15* ..... *1* ..... *1* ..... *2023* .....

### ABSTRACT

Among the many cultural industries and sectors, cultural media companies are a representative component. The works of cultural media companies are often a manifestation of the imagination and creativity of their employees, and are an important force in the development and growth of China's cultural entrepreneurship industry. Cultural media companies are faced with many challenges and obstacles in the process of survival and development. Some of the biggest problems are the lack of staff stability, high staff turnover rate, and great difficulties in company management. Many cultural and creative industries are faced with this dilemma, and when they analyze the causes, they can find the core reasons of the problems in the salary system and the salary management model. As a young cultural and creative company, TM Culture and Media Company has focused on its field since its establishment. In the process of developing quality products and business forms, the company gradually encountered serious talent turnover or poor talent stability, which became a barrier in the overall management of the company. This research utilized a targeted questionnaire to address the shortcomings of TM Culture and Media's compensation system, and then analyzed the results. The aim was to identify the typical problems in the design of the compensation system of TM Culture and Media, define the basis for the improvement of the compensation system, design an overall plan for the improvement of the compensation level, develop a detailed plan for the improvement of the compensation structure and the compensation classification model, and finally design the implementation and guarantee measures for the compensation adjustment. The study examined the strategy and implementation details of the compensation system improvement so the overall compensation system of TM Culture and Media Company would be more scientific, reasonable, and standardized. The research process went deep inside the

company to search for the current compensation system, analyze its operation mode, and find the root cause of the problems of TM Culture and Media's compensation system. The results helped to find solutions and countermeasures, one by one, to help build a compensation system that suits TM Culture and Media's actual situation and real needs.

**Keywords:** compensation, equity theory, hierarchy of needs theory, expectancy theory



## ACKNOWLEDGEMENT

Thank you to my supervisor, Assoc. Prof. Dr. Qiu Chao, for providing guidance and feedback throughout this project. Thanks also to my family, for putting up with me being sat in the office for hours on end, and for providing guidance and a sounding board when required.



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# Chapter 1 Introduction

## 1.1 Background of the Study

The cultural industry has been developing at a very rapid pace in recent years, and new enterprises have been created in various cultural and creative fields in China, and many high-quality enterprises with potential are slowly growing. In the process of development and operation, these companies encounter various problems and bottlenecks, among which, how to effectively tap talents and realize the benign cultivation of talents is a very representative issue. TM Cultural media companies have been focusing on their own fields since their establishment, and in the process of developing high-quality products and business forms, they constantly encounter the problem of talent loss or poor stability of talents. This has become an important barrier in the overall management of the company (Liu & Joseph, 2015).

After analyzing the typical problems of staff turnover and staff management in these domestic creative companies, we found that one of the core reasons for these problems is that the salaries offered to employees are unattractive or have no competitive value in the market. Not only will employees be less motivated and less creative, but if salaries are not competitive, the most direct consequence is that employees will look for other job opportunities. The lack of quality employees and the low stability of talent due to such reasons is not only very common, but also a problem that cultural media companies such as TM Culture and Media should carefully reflect on and actively change (Edward & Liu, 2000).

Based on this basic industry situation and the realities within TM Culture and Media, it is important to conduct theoretical and practical research to help solve these problems, which is the comprehensive background of this paper. The research process in this paper will first focus on the current industry context and analyze the current state of development of cultural media companies in China, especially the typical problems that growing companies encounter in their development.

## 1.2 Problems of the study

With the rapid development of China's material level, the pace of spiritual civilization construction is also rapidly keeping up, which is the reason why a large number of cultural industries have slowly emerged in China in recent years, which is

also a manifestation of the overall spiritual civilization in China in a better direction. Among the many cultural industries and sectors, cultural media companies are a very representative component.

The works of cultural media companies are often a manifestation of the imagination and creativity of their employees and are an important force in the development and growth of China's cultural entrepreneurship industry. However, from the actual situation, many cultural media companies are subject to many challenges and obstacles in the process of survival and development, and one of the biggest problems is the lack of staff stability, high staff turnover rate, and great difficulties in company management. Many cultural and creative industries are facing this dilemma, and when they analyze the causes of this problem, they can find that one of the core reasons is that there are many problems in the salary system and salary management mode, so it is extremely important for cultural and media enterprises to rebuild the salary management mode and improve the salary system.

### **1.3 Objective of the Study**

This process will focus on analyzing the various problems encountered by cultural media companies in the design of their employee compensation systems, and after gaining an understanding of the industry, we will further focus on the research subject, analyze the various problems that exist in the design of the employee compensation system of the cultural media company, and then find targeted countermeasures to solve the various problems. In this way, we can help the research subject to further improve its own compensation strategy, so that it can have a better comprehensive effect on the design and application of the compensation system.

1. To analyze the problems of TM Company in employee compensation system.
2. To find solutions to solve these problems.
3. To improve the employee compensation strategy of TM Company.

### **1.4 Significant of the Study**

From the theoretical point of view, for an enterprise, the formation and establishment of a suitable compensation system and compensation structure is undoubtedly a very important management element in the process of growth and development of the enterprise and is the basis for promoting the realization of the enterprise's business strategy. A scientific, reasonable, and effective salary system can

help enterprises adapt to the market development needs faster and is also a guide for enterprises to better train talents and form an excellent talent team.

For cultural media companies, talent is extremely important, and the stability and loyalty of talent largely depends on the competitiveness of the company's salary. Therefore, cultural media companies must do more research on the establishment of their own salary system, find appropriate improvement and innovation strategies in combination with their own problems, establish a truly competitive salary level in the market, and improve their own salary system and salary structure.

On the practical level, the research process of this paper will take TM Culture and Media Company as a model, dig deeper into the enterprise, find the current compensation system, analyze its operation mode, find the root causes of the problems of TM Culture and Media Company's compensation system, and then find solutions and countermeasures one by one to help build a compensation system suitable for TM Culture and Media Company's actual situation and real needs. We will then find solutions and countermeasures to help build a compensation system that suits TM Culture & Media's actual situation and real needs. This is of great practical significance to TM Culture and Media itself and can be an important reference and guide for the company to refine and improve its corporate compensation system.

In the 21st century, the competition for talents is extremely fierce, and the most powerful way for companies to maintain the stability of their staff is to provide competitive salary standards. For cultural media companies, they rely on talent to play an active role in building their brands and creating quality products and services, and therefore, they rely on talent to a greater extent. The practical significance of this paper is that it will take TM Culture and Media Company as the object of research and analysis, explore its current overall competitive management situation, focus on analyzing its existing salary structure and salary design system, understand its salary standards, find some typical problems, and develop methods and strategies for improving its salary system on this basis. This will help TM Culture & Media to stand firm in the fierce competitive market environment and to keep many high-quality talents as the core competitiveness of the company, which is also the basis for TM Culture & Media to better realize its overall development strategy.

## **1.5 Contribution of the Study**

In order to effectively implement the improvement and innovation strategies proposed for the specific problems, the research of this paper finally gives the corresponding improvement measures for each specific problem, and also analyzes and summarizes the required guarantee system in order to make the improvement and optimization of the compensation management system well implemented. Specifically, both internal and external safeguards are very important. From within the company, it is necessary to strengthen the organizational leadership and promotion plan for the improvement of the compensation system, improve the system related to compensation management, and improve the construction of the performance evaluation system. For the optimization of the external environment, we can take two approaches: to learn from and update the industry salary information and to pay attention to the national policy trends of the industry.

Through the internal analysis of TM Culture and Media Company, the problems of the company's compensation system were identified and improvements were made based on the problems, which not only helped the company improve its own competitiveness, but also provided a reference for enterprises in the same industry.

## Chapter 2 Literatures Review

### 2.1 Literatures Review

Foreign scholars are very active in theoretical and applied research on compensation systems, and have achieved fruitful results, especially in developed Western economies, which are in the lead in both theoretical and applied research.

"As we move into the 21st century, the biggest challenge for organizations in compensation management is how to align compensation with corporate strategy and support it through the compensation system," predicts Hya Management Consulting. In his book "Human Resource Management: Gaining Competitive Advantage", Raymond A. Noe explains how to design the compensation structure, how to control the cost of employee benefits, and analyzes the advantages and disadvantages of different compensation schemes, which are the core issues of compensation system construction (Wen & Raymond, 2005). Professor Gary Dessler (1978), an internationally renowned expert in human resource management and organizational management, proposed in his book Human Resource Management that the design of salary system is divided into five steps: salary survey, job evaluation, job level determination, job level pricing and salary payment frequency determination, but the most important one is job evaluation, and only when job evaluation is completed can the subsequent steps be completed (Gary, 2010). The most important step is job evaluation, and only when job evaluation is completed can the subsequent steps be completed (Gary, 2010). Due to the recognition of the importance of job evaluation in the design of compensation system, many scholars have focused their research on compensation system on job evaluation, and proposed grade classification method, base point method, ranking method and element comparison method.

Foreign scholars' theoretical and practical research on various aspects of compensation are more mature than domestic research, especially the research on the design of compensation system, which have a great influence on the research of domestic compensation system.

In his study, Edward E. Lawler (2011) analyzed how to create good employees and made recommendations, among which he recognized the positive role that compensation and incentives can play in employee growth and development. The

study points out that a growing company can fully embrace the principle of revenue sharing when rebuilding and innovating its compensation system. For example, if a team project is outstanding, there should be room for team members to share the benefits of that project. This is the only way to make the pay and performance motivation of employees effective, which will also increase employee satisfaction and stability to a greater extent, and is the positive effect of the pay system (Edward, 2011).

Steve Gross, Karen Bundy and Ryan Johnson (2011) discussed in a joint study the design of compensation structures in the development of corporate compensation systems. In the paper, it is stated that the incentive effect of pay structure can be different when the total amount of pay remains the same and the pay structure is adjusted and changed. Generally speaking, the basic salary is rigid and difficult to change within a short period of time, so the motivation effect of this part of the salary is not ideal. However, pay for performance is something that employees can earn on their own, which is less rigid and has a much higher motivational effect on employees. Focusing on the controllability of salary composition is a way to bring out the motivational effect of salary system by flexibly adjusting the salary structure.

From the existing foreign research results, foreign research in this field started relatively early, and there are relatively abundant research in the direction of compensation system design and human resource management. However, there are many theories and achievements in the two major fields of compensation management and human resource management in foreign countries, which can be the reference and basis for this paper and can also bring reference for the analysis and answer to the questions.

With the deepening of modern enterprise management concepts in China's market economy, there are abundant practical studies on compensation systems in China.

Xie Gangxiang (2010), in "Research on the Compensation System of Zhuzhou Radio and Television Station Technical Center Employees", takes the compensation system of Zhuzhou Radio and Television Station Technical Center as the research object and points out that, like other internal management elements of enterprises, the design and optimal management based on the compensation system is also for the continuous development and growth of the enterprise.

Therefore, the adjustment and change of management objectives and the optimization design of various compensation systems should be fully based on this point and reflect the overall development strategy of the enterprise, which is fundamental (Xie, 2010).

Wu Min (2012) summarized the general problems of compensation management in SMEs based on the compensation system of Asia Info School and proposed a series of compensation management design proposals in the article "Research on the Design and Application of Broadband Compensation System".

Sun Xiaofang (2012), in the article "Research on the strategic compensation system of small and medium-sized cultural and creative enterprises in China", took the compensation system of A cultural and creative company as the research object, and proposed that the controllability of the compensation composition and compensation system should be fully grasped when optimizing the design, which must not be neglected. The total amount of salary is inconvenient, and the adjustment and change of salary structure will bring different incentive effect to employees.

Guo Rui (2014) pointed out in the article "Designing an optimal compensation system of A media company" that the compensation system and compensation management system must reflect fairness and reasonableness, which is the most fundamental condition of a good compensation management system and the goal to be achieved in the system optimization design. The fairness and reasonableness of the compensation management system involves many specific tasks. Whether it is the division of job functions or the design of promotion mechanism, all these specific design improvement work should be carried out with fairness and reasonableness in full.

Li Youzhong (2007) mentioned in "Research on non-material motivation methods of enterprise employees" that the design of the compensation incentive system of the enterprise requires each department and each level of employees to have the corresponding performance requirements, and employees who achieve the performance will get the corresponding performance salary, and those who achieve excellent performance can also get the corresponding performance rewards. Such a method can provide a very clear basis for salary distribution, which not only can



motivate employees to better complete their own performance requirements, but also can create a positive and positive competition atmosphere within the enterprise.

Liu, Lizhen (2007) analyzed the basic trend of the development of the compensation management system in "A trial of the trend of compensation management", in which it was stated that the company would provide competitive salary levels in the market environment in order to maintain the stability of its excellent employees and to gradually attract more quality talents with its own continuous development process.

In the article "Designing flexible benefits in enterprises", Wang Lijun (2007) analyzed some design ideas of flexible benefits in enterprises, in which it was mentioned that individual compensation is not only linked to employees' own performance, but also has a corresponding linkage effect with departmental performance. In the article, it is mentioned that many tasks require close teamwork and interdepartmental coordination in order to produce a better overall quality advertisement or short video.

Li, Zhi and Hu, Jing (2007) analyzed the importance of non-material incentives in the compensation system of enterprises and mentioned that the overall compensation structure of the company and the pay scale of each level are relatively transparent to employees. The salary levels of employees in each department and at different levels are available in the company's overall management system. The reason for implementing compensation management in this way is to increase the transparency of information disclosure within the company.

Zhou Tao (2005), in "Comparison of traditional and comprehensive compensation strategies", points out that the compensation strategy management of the company can start from the adjustment of the compensation structure. Pay adjustment can be carried out at three levels, i.e., adjustment of pay level, adjustment of pay structure and adjustment of pay composition ratio. The adjustment of the salary level is determined according to the development of the company. From the above questionnaire survey, we can see that the overall salary level of the company is not very competitive in the market, and the overall salary level is low, which is directly related to the fact that the company is at a growth stage, and the size and volume of the company are still small. However, with the development and growth of the

company, it is not only necessary to adjust the salary level accordingly, but also a basis for improving employee satisfaction and stability.

Zhu Hong (2005) points out in "A Brief Discussion on Establishing a Pay-for-Performance System" that the pay-for-performance system is applicable to the majority of employees within the company, and the core composition of the company's personnel and the key workers in each functional department can adopt the pay-for-performance system. Such a pay system helps to clearly delineate job content and assign responsibility for each task. This will allow each employee to give full play to his or her potential, meet his or her job requirements, and accomplish his or her respective job performance.

Wang Donghui (2018) analyzed the optimization plan of core employees' incentive mechanism in the study "Research on the optimization strategy of core employees' incentive mechanism in WX Company" with specific research objects, and proposed that the salary management can be adjusted in several different ways, and the adjustment method will be different under different management modes. Regular salary management can be carried out first, and employees who meet the promotion criteria should be promptly divided into levels and new salary levels to motivate them to work.

Tian Shihui (2018) also analyzed the optimization strategy of the employee-based training system in the study "Research on the optimization strategy of the training system of the branch head of MB bank" with the specific research object, to enhance the job satisfaction of employees by improving their professionalism and professionalism, and to give them more room for development and improvement.

The domestic scholars' research on compensation management mainly focuses on the design of compensation system of a certain industry or a certain enterprise. From the financial industry to the cultural and creative industry, from state-owned enterprises to private enterprises, from large enterprises to small enterprises, all of them have been covered, but different research objects lead to different research conclusions, and the general applicability of the research conclusions is not strong, so there is still a large research space in between (Seibert, Kraimer & Liden, 2001). With the development and evolution of domestic cultural and creative enterprises in recent years, the issue of human resource management and compensation system

construction based on cultural and creative enterprises has received more and more attention from academic circles, and therefore, the related results are slowly enriched, which can be a powerful reference for this study.

## **2.2 Theory of Reviews**

### **2.2.1 Equity Theory**

Equity theory, also known as social comparison theory, was first proposed by John Stacey Adams, a famous American psychologist. The core idea of this theory is that in the process of employee motivation, it is important for employees to make a subjective comparison between their own income and work and the income and work of others (Fan, 2018).

In the modern organizational structure, employees not only pay attention to their real income level, but also to the comparison of their salary and labor with others. If an employee's salary level is increased, but at the same time he sees that his performance or overall ability is not as good as his, he will not really feel recognized or rewarded even if his salary level is increased. The core of this theory is that the compensation system should be established by considering the overall salary structure of the company and considering the differences in salary levels and the intrinsic relationship between salaries (Paterson, 2014).

The fairness theory will be applied to the analysis of the problems in the pay system of the research subject in this paper, and the reasons for the low pay satisfaction of employees or the lack of attractiveness and market competitiveness of the company's pay will be explored from the fairness theory, which can help to find out the problems of the current pay system and then provide targeted countermeasures.

### **2.2.2 Hierarchy of Needs Theory**

The hierarchy of needs theory was first proposed by Maslow and is now widely used in various fields and related industries. The hierarchy of needs theory divides human's internal needs into five levels, which are physiological needs, security needs, belonging needs, respect needs and self-actualization needs, and these needs are ranked one by one from low to high. These needs are ranked from low to high. When implementing comprehensive employee management, companies can refer to the needs theory to satisfy employees, especially to focus on the higher levels of needs,

which will often bring deeper motivational effects to employees (Trevor, 2001). The hierarchy of needs theory can help to understand why the current TM Culture and Media compensation system is not well accepted and satisfied by the employees. For employees, a satisfactory compensation system is not only about the amount of pay, but also about the motivational effect of the compensation system and the development space it can provide for employees.

### **2.2.3 Expectancy Theory**

Expectancy theory was first proposed by Fromm and can be expressed in a simple and intuitive formula, i.e., excitement = expectancy x valence. From this formula, it is easy to see that this theory is expressed by three core elements, the excitement is to motivate people, and the expectation is a very important element, which is the primary element of employee motivation, and it is the element that can maximize the spur effect for employees. If employees are fully motivated and their potential is stimulated, this will make the goals more likely to be achieved (Seibert, Kraimer & Liden, 2001). Especially for managers, if they know how to build good relationships with employees and motivate them through effective communication, it will make them more motivated to work and help them to be more effective, and the motivation effect will be better.

Expectation theory can help us to understand the aspects of a high-quality compensation system that should be effective in motivating employees. In this study, the expectation theory will be fully utilized in the design of the compensation system restructuring strategy, and the optimization design of the compensation system will reflect the excitement of the compensation system to the employees to a greater extent, so that the comprehensive effectiveness of the compensation system can be maximized.

## **2.3 Overview of TM Culture and Media Company**

### **2.3.1 Introduction of TM Culture and Media Company**

TM Culture and Media Company was established in 2013 and currently has two subsidiaries. Since its establishment, the company has always focused on commercial advertising and film project development and production, gathering professional marketing experts and film experts in the industry to create film and television projects, commercial advertising, marketing communications, business activities, etc. It is a pioneering enterprise in the new era of film and television creation.

After years of commercial film and television creation, we integrate traditional and emerging forms of commercial advertising to provide customers with one-stop video services such as creative planning, professional production, and marketing communication. At present, the company's main business forms are divided into two categories, one is the traditional film and television advertising business forms, such as advertising campaigns, film special effects production, etc.; the other is the new business forms, i.e. video business, such as micro-film or micro-drama shooting, advertising multimedia video, game video and various network interactive video production, etc. TM Culture Media has established long-term cooperation with dozens of enterprises such as Baidu, Tencent, BMW, Mercedes-Benz SMART, Philips, Microsoft China, Mengniu, Yili, Vantone Real Estate and CCTV.

TM Culture Media has created more than 300 outstanding film and television works, more than 70 domestic and international film and television, advertising, marketing and animation awards, and served hundreds of clients. The company has co-invested in the film "Love in Motion", produced the web series "Something Seems Wrong", "National Geography of China" and "Annual Animation Roundup", etc.

### **2.3.2 Organizational Structure of TM Culture and Media Company**

The overall organizational structure of TM Culture and Media Company is divided into the following core departments: client department, planning department, production department, post-production department, brand operation department, product department, finance department and human resources department. The client department is responsible for the communication with clients in the early stage and the maintenance of client relationship during the whole business development process.

The production department is responsible for the overall production of specific commercials or short videos and will start the production of the corresponding products in conjunction with the specific plans developed by the planning department in the early stage. The post-production department is responsible for the post-production and optimization of the works produced by the production department. The Brand Operation Department is responsible for the overall branding and operation of the company, as well as external promotion and relationship maintenance. The Product Department is responsible for quality control and audit. The Finance Department and Human Resources Department are the support departments of the company, mainly responsible for the overall financial management and human resources management of the company.

## 2.4 Research Framework

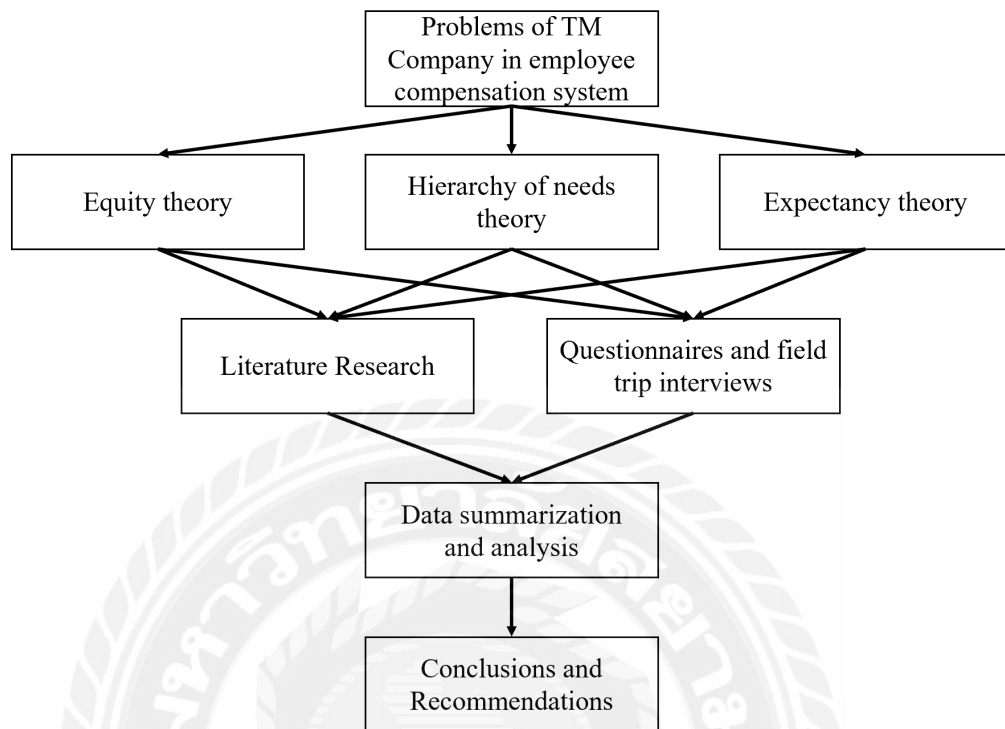


Figure 2.1 Research Framework

Firstly, we will analyze the existing research results based on compensation management and compensation system improvement and lay a solid theoretical foundation for the research of this paper.

Secondly, we will take TM Culture and Media Company as the research object, design a targeted questionnaire survey, complete the implementation of the whole questionnaire survey, and then analyze the results of the survey, based on which we will find out the typical problems in the design of the current compensation system of TM Culture and Media Company, and give corresponding improvement and perfection strategies based on the specific problems.

Finally, based on the results of the previous questionnaire survey, we will design a comprehensive and systematic salary improvement system for TM Culture and Media Company, find a suitable salary design and salary management strategy, and promote the improvement of the company's salary system, so that TM Culture and

Media Company can achieve better internal management and improve the overall competitiveness of the company. The research idea diagram is as follows.



## **Chapter 3 Research Methodology**

### **3.1 Introduction**

By combing the literature related to equity theory, hierarchy of needs theory and expectation theory as well as the research on compensation system, this paper studies the design of TM's compensation system requires collecting data and analyzing the current status of its company's compensation system through questionnaires and field visits to TM. Therefore, this paper will adopt a mixed research method.

(1) Comparative analysis method the comparative analysis method is a method of analysis that suggests the difference between actual and base figures by comparing actual figures with base figures to understand the achievements and problems of economic activities. In the previous theoretical study, different empirical strategies of cultural media companies were analyzed to find the management strategies and compensation design systems that are compatible with TM Culture and Media Company, and to provide a theoretical basis for the subsequent improvement and design of TM Culture and Media Company's compensation system.

(2) Literature research method the literature research method mainly refers to the method of collecting, identifying, and organizing literature and forming a scientific understanding of facts through the study of literature. In the first stage, we will conduct a lot of in-depth literature research to clarify the theoretical basis of compensation, the mechanism and effective implementation methods of compensation management, and start the research of this paper based on the analysis and summary of many domestic and foreign research results (Jane, Aon & Pam, 2013).

(3) Field interviews and questionnaires The field interview method is a survey method in which the investigator talks with the respondents and collects oral information. The questionnaire method is a form used for statistics and surveys in which questions are phrased in a question-setting manner. The questionnaire method is a method in which the researcher collects reliable information by using this controlled measurement to measure the problem under study. The questionnaire was designed to be relevant to the actual situation of TM Culture and Media Company and to the theme of the compensation plan improvement design. The survey was conducted in the form of employee interviews and employee questionnaires, and the



results and data were then collected and compiled to provide a comprehensive understanding of the current state of compensation design and compensation strategy at TM Culture and Media (Chen, 2004).

### **3.2 Research Design**

The core objective of this research process is to investigate the current status of the implementation of the overall compensation management model and compensation system of TM Culture and Media Company. As the problems of salary management within the company are becoming more and more obvious, the employee turnover rate and mobility have been very high, these are factors that directly affect the overall management of the company and are issues that the company needs to make in-depth consideration and effective improvement. In this paper, we want to deeply understand and analyze the current compensation system implemented by the company and find out the core problems in order to provide reference for the improvement strategy.

The questionnaire was designed with reference to the overall compensation management system and system currently in place in the company, and a case-by-case questionnaire was used to understand and collect relevant information and opinions from internal employees. The questionnaire was divided into two parts. The first part is the personal information of the respondents, which covers their gender, age, education, and current rank. The other part is a survey analysis of the current status of TM Culture and Media's salary system, which is presented in 21 typical questions.

The survey questions are designed to analyze and discuss the current status of TM Culture and Media's salary system from the following aspects: market competitiveness of salary level, inherent fairness of salary distribution, scientific perfection of salary system, fairness and openness of salary distribution mode, scientific effectiveness of salary distribution, main orientation of salary distribution, degree of integration of salary system and enterprise development strategy, scientific rationality of job sequence classification, and salary distribution. The results of the scientific and rational division of the job sequence, the scientific and rational salary structure, the incentive effect of performance pay, the orientation of the performance pay incentive system, the incentive effect of the salary system, the core orientation of the salary promotion, the incentive effect of economic benefits and the attraction effect of the current salary system for talents and open questions.

### **3.3 Hypothesis**

H1. The actual income of the company's employees is lower compared to employees in the same position in other companies in the same industry, classmates or past colleagues.

H2. the actual income of the employees of the company is lower compared to their own labor level.

H3. Fairness and openness are positively correlated with the company's level of compensation management.

### **3.4 Sampling**

The survey target of this questionnaire is the internal staff of TM Culture and Media Company. The survey covers all departments and all levels of employees within the company, management level 1 and 2, management level 3 and 4, management level 5 and 6, and employees' level 1 and 2 are covered, so that the effect of the survey can be fully reflected.

### **3.5 Data Collection**

#### **3.5.1 Satisfaction with Salary Levels**

The survey will first analyze the current salary level of TM Culture and Media Company and the satisfaction level of employees with the current salary level. This part of the survey mainly focuses on the competitiveness of the salary level in the market and the inherent fairness of the salary distribution. For employees, the primary criterion for determining their job satisfaction and job stability is the level of pay they receive for their work. If the company's salary is significantly lower than the market level, employees will naturally seek other opportunities. Employee satisfaction with salary levels can be understood and obtained very intuitively and is a reference point for us to effectively understand the current salary distribution and compensation system of the company.

#### **3.5.2 Satisfaction of salary structure**

For any enterprise, whether the salary structure is standardized and reasonable is the criterion that determines the overall management performance of the enterprise and the stability and loyalty of the talents to a great extent. In this internal questionnaire survey of TM Culture and Media Company's salary system, the assessment points will focus on this item to a large extent, specifically the following points: the incentive effect of the salary system and the pay for performance, the

scientific perfection of the salary system, the standardization and reasonableness of the salary structure and the scientific reasonableness of the job sequence division.

If the company's salary structure is not standardized and reasonable, and the salary system lacks proper transparency, it will not only cause employee dissatisfaction to a great extent, but also affect the cohesiveness of the whole enterprise, which will have an impact on many practical management tasks. Therefore, we have to understand in detail the actual distribution of salary structure in TM Culture and Media Company, and we have to understand some typical problems of salary structure and system, so that we can give valuable reference opinions on the follow-up improvement strategies.

### **3.5.3 Satisfaction of salary distribution model**

Among the components of the salary system, the salary distribution model, distribution orientation and performance pay are very important parts, which are also an important criterion to determine the employees' satisfaction with the salary and a core element to stimulate the employees' work potential and motivation. These are tasks that require a lot of dedication and effort from employees to fully realize their potential. If a company only wants to make demands on its employees or give them big, empty promises that are largely difficult to fulfill, their motivation and creativity will be greatly affected.

A good way to make employees work more actively and give full play to their potential and creativity is to design a reasonable incentive distribution model from the salary system to encourage employees to work more actively and hard through the incentive effect of salary. Therefore, it is very important for TM Culture and Media Company to develop a set of reasonable internal salary distribution model. In this survey, the main points of satisfaction with the salary distribution model are as follows: fairness and openness of the salary distribution model, scientific and reasonable salary distribution, main orientation of salary distribution, orientation of performance pay, and incentive effect of economic benefits.

### **3.5.4 Compensation system and enterprise development direction**

For a growing enterprise, the salary system should not only be an effective support for attracting talents and maintaining the stability of existing talents within the enterprise, but also a driving force for the sustainable and stable development of the enterprise. Therefore, the questionnaire survey of this paper will also start from the

promotion effect of the compensation system to the development of the enterprise, and will analyze the current compensation system and the development direction of the enterprise, the specific points of the survey can be summarized as follows: the degree of integration of the compensation system and the development strategy of the enterprise, the core orientation of the salary promotion, the effect of the current compensation system to attract talents and the results of open questions.

### **3.6 Data Analysis**

A total of 52 questionnaires were distributed and 52 questionnaires were returned, 48 of which were valid, accounting for 92% of the total number of valid questionnaires. Before the formal analysis of the survey results, all the information and data reflected in the returned questionnaires will be summarized and organized, and the corresponding survey analysis results will be finally obtained. The gender of the respondents was 21 males and 27 females. The age group was 9 people under 25, 24 people between 25 and 30, 8 people between 31 and 35, and 7 people over 36. The education level is 6 people with master's degree or above, 32 people with bachelor's degree, 8 people with junior college, and 2 people with less than junior college. The levels are 2 people in management level 1 and 2, 10 people in management level 3 and 4, 16 people in management level 5 and 6, and 20 people in staff level 1 and 2.

### **3.7 Reliability and validity analysis of the scale**

Reliability refers to the degree of consistency of results obtained when the same method is used to measure the same object repeatedly. Reliability indicators are mostly expressed as correlation coefficients, which can be broadly classified into three categories: stability coefficient (consistency across time), equivalence coefficient (consistency across forms), and internal consistency coefficient (consistency across items). There are four main methods of reliability analysis: the retest reliability method, the replicate reliability method, the fold-half reliability method, and the alpha reliability coefficient method.

In this study, we use the Cronbach  $\alpha$  reliability coefficient, which is the most commonly used reliability coefficient with the formula:  $\alpha = (k/(k-1)) * (1 - (\sum Si^2)/ST^2)$

where K is the total number of question items in the scale,  $Si^2$  is the within-question variance of the score of the  $i$ th question, and  $ST^2$  is the variance of the total score of all question items. As can be seen from the formula, the alpha coefficient evaluates the consistency between the scores of the items in the scale and is an internal consistency coefficient. This method applies to the reliability analysis of attitude and opinion-based questionnaires (scales).

The reliability coefficient of the total scale should preferably be above 0.8, and between 0.7 and 0.8 is acceptable; the reliability coefficient of the subscales should preferably be above 0.7, and between 0.6 and 0.7 is acceptable.

The data in this study were analyzed by SPSS software, and the  $\alpha$  coefficient was 0.853, which indicates that the data of this questionnaire has good credibility.

Validity refers to the degree to which a measurement instrument or tool can accurately measure the thing to be measured. Validity refers to the degree to which the measured results reflect the content to be examined, the more the results match the content to be examined, the higher the validity; conversely, the lower the validity. There are three types of validity: content validity, criterion validity, and structural validity.

Validity is the degree of validity of a measurement, i.e., the degree to which a measurement instrument can measure the characteristics it is intended to measure, or simply put, the accuracy and usefulness of a test. Validity is the most important condition that a scientific measurement instrument must have. In social measurement, the validity of a questionnaire or scale as a measurement instrument is required to be high. Identifying validity requires clarifying the purpose and scope of the measurement, considering the content to be measured and analyzing its nature and characteristics, checking whether the content of the measurement is consistent with the purpose of the measurement, and then determining the extent to which the results reflect the qualities to be measured.

This study uses Construct Validity (Construct Validity). It refers to the degree of correspondence between a certain structure reflected in the measurement results and the measured value. The method used for structural validity analysis is factor analysis. The most important question of interest is: which characteristics are measured by the scale? In evaluating construct validity, the researcher attempts to explain the theoretical question of "why the scale is valid" and to consider what inferences can be drawn from this theoretical question. Construct validity includes homogeneous validity, heterogeneous validity, and semantic logical validity. Some scholars argue that the most desirable approach to validity analysis is to use factor analysis to measure the structural validity of the scale or the questionnaire. The main function of factor analysis is to extract some common factors from all the variables (questions) of the scale, which are highly correlated with a specific group of variables, and these common factors represent the basic structure of the scale. Factor analysis is used to examine whether the questionnaire can measure a certain structure that the researcher assumed when designing the questionnaire. In the results of factor analysis, the main indicators used to evaluate the structural validity are cumulative contribution,

commonality, and factor loading. The cumulative contribution rate reflects the cumulative validity of the common factor to the scale or questionnaire, the commonness reflects the validity of the original variable explained by the common factor, and the factor loading reflects the correlation between the original variable and a common factor. Finally, the factor analysis by SPSS software concluded that the validity of this questionnaire is good.



## **Chapter 4 Result of the Study**

### **4.1 Data analysis**

#### **4.1.1 Market Competitiveness of Salary Levels**

The survey covered a total of three questions about the market competitiveness of the company's salary level, and the results of each of them are as follows.

First, for the question "Compared with the salary level of the same position in other companies in the same industry, what is your actual personal income? The results of the survey are 0 for those who are more than 20% higher than them, 0 for those who are slightly higher than them, 38% for those who are basically the same as them, 46% for those who are slightly lower than them, and 16% for those who are more than 20% lower than them. From this data, we can see that the overall industry salary level of TM culture and media companies is low and lower than that of their peers. This is probably directly related to the small size of the company and its limited development.

The second question is "What is your actual personal income compared to your classmates or past colleagues?" The results of the survey are 0 for those who are more than 20% higher than them, 5% for those who are slightly higher than them, 31% for those who are basically the same as them, 45% for those who are slightly lower than them, and 19% for those who are more than 20% lower than them. This set of data makes the problem even more obvious. Compared to their classmates and colleagues, the overall level of TM Culture and Media employees is lower, and by a large margin.

#### **4.1.2 Intrinsic fairness of salary distribution**

The second key point of the survey is the inherent fairness of salary distribution, which covers the following three questions.

The first question was "What is your actual personal income compared to employees at the same level within the company?" The results showed that 0 percent of the respondents were more than 20% higher than them, 23 percent were slightly higher than them, 69 percent were basically the same as them, 8 percent were slightly lower than them, and 0 percent were more than 20% lower than them. this result indicates that the salary level at the same level of the company is relatively fair and

equitable, and about 70 percent of the respondents considered it to be the same as other employees, and none of them were too high or too low.

The second question was "In your opinion, what is your actual income level compared to the level of work you put in?" The survey results show that more than 60% of the respondents think that the salary is basically the same, a minority of the respondents think that the salary is high or low, and none of the respondents think that the salary is too high or too low. There are no respondents. This indicates that there is a good direct correlation between salary income and employees' work effort.

The third question was "In your opinion, how does the actual income level of other employees compare with their labor level? The results of the survey show that 0 percent of the respondents believe that their salary income is much higher than their work effort, 15% believe that their salary income is slightly higher than their work effort, 52 percent believe that their salary income is basically the same, 33 percent believe that their salary income is slightly lower than their work effort, and 0 percent believe that their salary income is much lower than their work effort. This suggests that the actual income of other employees is related to the level of work they put in, but the pay is relatively low.

#### **4.1.3 The scientific perfection of the remuneration system**

The third survey point is the perfection of the compensation system, and the main question is "Do you think the compensation system and management system currently implemented by the company are scientific and perfect? The results show that 0 think it is very perfect, 25% think it is more perfect, 47% think it is average, 28% think it is not perfect, and 0 think it is not perfect. This indicates that the current compensation management system and system still have more room for improvement and innovation.

#### **4.1.4 Fairness and openness of salary distribution mode**

The fairness and openness of salary level not only determines the corporate culture of the company to a great extent, but also directly determines the overall level of salary management. In this survey, there are two questions on this aspect of TM Culture and Media Company, the first one is "Do you think the salary management system currently implemented by the company is fair and reasonable? The first question was "Do you think the current compensation system is fair and reasonable?" 0 percent of the respondents thought it was very fair and reasonable, 24 percent



thought it was fair and reasonable, 65 percent thought it was fair, 11 percent thought it was not fair and reasonable, and 0 percent thought it was not fair and reasonable. This reflects the intuitive problem that there is much room and need to improve the fairness and reasonableness of the current salary management system of TM Culture and Media.

The second question was "Do you think the current compensation management system is very open?" The results showed that 0 percent of the respondents thought the system was completely open, 15% thought it was partially open, 31 percent thought it was not very open, and 54 percent thought it was strictly confidential and prohibited private discussions. More than half of the respondents chose to keep it strictly confidential and forbid private discussion, which is not a good corporate culture and not a reasonable management method of salary system.

#### **4.1.5 Scientific effectiveness of salary allocation**

From the survey on the scientific effectiveness of salary distribution, the survey question was "Do you think the salary distribution model currently implemented by the company is scientific and effective?" The results show that 0 think it is very scientific and effective, 21% think it is more scientific and effective, 66% think it is average, 12% think it is not very scientific and effective, and 1% think it is very unscientific and effective. This result shows that more than 70% of the respondents have a negative attitude toward the scientific nature of the current salary distribution, and consider it not very reasonable or reasonable in general. This indicates that TM Culture & Media needs to adjust and improve its salary distribution model.

#### **4.1.6 The main orientation of salary distribution**

The orientation of salary distribution is a very worthy research point, and there is a very clear question as the basis for the survey. "What do you think is the content of the compensation management system currently implemented by the company?" The results show that 15% of the respondents believe that there is an absolute bias toward employees with high skills and abilities, 58% believe that salaries are allocated strictly according to performance appraisal results, 20% believe that it is not so easy to say, 0% believe that egalitarianism is the allocation guide, and 7% believe that administrative rank is the allocation guide. This result shows that there is a lack of clarity within the company regarding the direction of salary distribution, and there are candidates in all four directions, rather than a more consistent result. If a company's salary results and salary management system are not reasonable, it is a direct reflection of the unclear

content advocated by the salary management system, which we can see from this survey question that TM Culture and Media Company also has this problem.

#### **4.1.7 The degree of integration between the remuneration system and the development strategy of the company**

The survey question about the degree of integration between the compensation system and the development strategy of the company was "Do you think the current compensation system of the company is closely matched with the overall development strategy of the company?" The results show that 48% of the respondents think it is very close, 32% think it is relatively close, 20% think it is average, 0 think it is not too close and 0 think it is not very close.

#### **4.1.8 Scientific rationality of job sequence division**

For the company's current scientific and reasonable job sequence division survey question is "Do you think the company's current job sequence division system is reasonable?" The results show that, think completely reasonable, so the job characteristics can be found for 0, think basic reasonable, most of the job characteristics can be found for 55%, think the division is relatively small, part of the job characteristics can be found for 23%, think the division is relatively single, very few job characteristics can be found for 22%, think no corresponding job sequence division for 0. This survey results in general, most think the job sequence division tends to be close to the scientific and reasonable. Most of the respondents think that the division of job sequence tends to be reasonable, but some of them still think that there is room for improvement in the division of job sequence.

#### **4.1.9 Scientific reasonableness of salary structure**

The survey question on the scientific reasonableness of the salary structure was "Do you think the salary structure currently implemented by the company is scientific and reasonable?" The results show that 10% of the respondents think it is completely scientific and reasonable, 59% think it is more scientific and reasonable, 31% think it is not scientific and reasonable enough, and 0 think it is very bad. nearly 70% think it is more reasonable, but more than 30% of the respondents have doubts about the scientific and rational salary structure.

#### **4.1.10 Incentive Effect of Performance Appraisal**

There are two questions about the incentive effect of performance appraisal, the first one is "Do you think the incentive effect of the salary incentive system currently implemented by the company is obvious? The results show that 7% of the respondents

think the incentive effect is very good, 43% think the incentive effect is relatively good, 27% think the incentive effect is average, 23% think the incentive effect is not obvious, and 0 think there is no incentive effect. This shows that the performance appraisal system currently adopted by TM Culture and Media is not satisfactory in terms of motivational effect, and this issue needs to be improved.

The second survey question was "To what extent do you think the performance appraisal system currently implemented by the company can present and examine the actual work?" The results show that 6% of the respondents think that the core work can be examined and presented, 32% think that most of the core work can be examined and presented, 45% think that some of the core work can be examined and presented, 17% think that less of the core work can be examined and presented, and 0 think that the performance appraisal is out of track with the core work. This again indicates that there are problems in the formulation of the performance appraisal system, and TM Culture & Media needs to reflect on it effectively.

#### **4.1.11 Orientation of the performance pay incentive system**

In the survey on the orientation of the current performance appraisal system of TM Culture & Media, the question was "What do you think is the orientation of the compensation incentive system currently implemented by the company?" 21% of the respondents believe that it is oriented to goals and tasks, 12% believe that it is oriented to team management, 42% believe that it is oriented to individual performance, 16% believe that it is oriented to return on investment, and 9% believe that it is oriented to interpersonal relationships. The results of this question are rather divided, and the orientation of the performance system is not concentrated, which reflects the unclear orientation of the incentive system.

#### **4.1.12 Incentive Effect of Compensation System**

In the survey on the incentive effect of the compensation system, the question was "Do you think the compensation system currently implemented by the company is effective in motivating employees?" The results show that 12% of people think the incentive effect is very strong, 43% of people think the incentive effect is relatively strong, 35% of people think the incentive effect is average, 10% of people think the incentive effect is not very strong, and 0 of people think the incentive effect is hardly strong. almost half of people think the incentive effect is strong and half of people think the incentive effect is not strong, which means the overall incentive effect of the salary system is not satisfactory.

#### **4.1.13 Core orientation of salary promotion**

When understanding the core orientation of the company's current salary promotion, the survey question was "What do you think should be the orientation of personal salary promotion?" The results show that 47% of the respondents think that performance is the guide, 33% think that title and skills are the guide, 16% think that annual performance is the guide, and 4% think that administrative rank is the guide. This survey shows us again that the orientation of salary promotion is not clear, and there are candidates for all four options and they are scattered. If the core orientation of salary promotion is not clear enough, it will not only make employees lose the direction to strive for, but also may bring negative impact on the overall internal culture of the company.

#### **4.1.14 Motivational effect of economic benefits**

The survey question on the incentive effect of economic benefits at TM Culture & Media was "How do you feel about the economic benefits currently implemented by the company?" The results show that 11% of the respondents think the economic benefits are abundant and reasonable, 42% of the respondents think the economic benefits are abundant and average, 35% of the respondents think the economic benefits are abundant and low, 12% of the respondents think the economic benefits are few and low, and none of the respondents think there are no economic benefits at all. In general, the current economic benefits are relatively abundant, but the amount is low, so the incentive effect of the benefits cannot be fully utilized.

#### **4.1.15 Effect of the current salary system on attracting talents**

In order to understand the attractiveness of the current compensation system of TM Culture and Media Company to talents, the survey question was "Do you think the current compensation management system and system of the company is attractive to talents? The results of this survey are very unsatisfactory and fully reflect the lack of attractiveness of the current compensation system for talents, which is also an important reason for the high turnover rate and lack of stability of talents within the company. This is also an important reason for the high turnover rate and the lack of talent stability within the company.

#### **4.1.16 Statistics of open-ended questions**

The last open-ended question is "Do you think the overall compensation management system currently implemented by the company is reasonable and what

problems need to be improved?" After collecting the opinions of all the respondents, we found that five opinions were most frequently raised by the respondents, namely, 28% of them suggested that the overall salary system was not perfect and reasonable, 36% suggested that the allocation of the performance appraisal section was not reasonable, 43% suggested that the salary promotion system lacked flexibility and incentive effect, 44% suggested that the salary allocation mode was relatively single, and 23% suggested that the job sequence was not reasonable. 23% suggested that the division of job sequence needs to be more perfect and reasonable. These common issues can be used as a guide for TM Culture and Media to develop and formulate strategies to improve the compensation system.

## **4.2 Analysis of the problems and reasons of the remuneration system**

### **4.2.1 The main problems exist**

#### **(1) Inadequate design of compensation management system**

For TM Culture and Media Company, the overall reasonable design of the compensation system is an important support for the effectiveness of the compensation system. From the actual design of the company's current compensation system, the problems reflected in the design of the pay for performance management system are obviously higher than those in the design of the general compensation system. Pay for performance is a very important component of the compensation system, so the pay design for this part must be scientific and reasonable. However, from the survey results, the company's current pay for performance system is not satisfactory, which once again reflects the problem of low satisfaction with the compensation system. For example, in the survey question "To what extent do you think the performance appraisal system currently implemented by the company can present and examine the actual work?" For example, in the survey question "How well do you think the performance appraisal system currently implemented by your company presents and examines the actual work?", more than half of the respondents believe that the appraisal system is generally effective in presenting the core work, which indicates that there are problems in the development of the performance appraisal system and effective reflection is needed. If the pay-for-performance system is not designed properly, it will directly affect the fairness and standardization of salary distribution, and it will easily lead to employees' dissatisfaction and even loss of confidence in the management of the company [31]. In such a context, it will naturally cause a great talent loss and form an obvious obstacle to the recruitment of

high-quality talents.

### (2) Lack of market competitiveness in salary level

From the actual results of the survey, the primary problem in the current salary system of TM Culture and Media Company is the lack of market competitiveness of salary, which is the intuitive embodiment of insufficient satisfaction of salary level. Whether compared with the salary level of the same position in other enterprises in the same industry, or compared with the respondents' classmates or past colleagues, the overall salary level is low. This can be problematic if a company's salary levels are significantly lower than those of its peers in the market. Although TM Culture & Media is not a large company and is still in a growth phase, a large pay gap can be a barrier to attracting talent and to developing and stabilizing quality talent. For capable employees, they can look for other opportunities and salary will be an important factor in their job selection. Therefore, TM culture and media companies that clearly lack competitiveness in the market in terms of salary levels must find ways to improve and innovate [32].

### (3) Lack of scientific and reasonable salary allocation structure

For an enterprise, the effectiveness of the compensation system is largely reflected in the structure of compensation distribution. A good compensation management system is not only an important part of the personnel management, but also the basis for the comprehensive development and growth of the company, and whether the company can have a good overall development direction. From the results of the survey, many of the survey points reflect the unreasonable structure of the salary distribution within TM Culture and Media, which makes it difficult to fully utilize the practicality and incentive effect of the current salary management system. For example, the second key point of the survey is the inherent fairness of salary distribution, which covers a total of three questions, each of which has unsatisfactory results and reflects to some extent the current problems in the salary distribution structure of the company. The third question was "In your opinion, what is the actual level of income of other employees in the company compared to their work level?" The results of the survey show that 0 percent of the respondents believe that the salary income is much more than the work effort, 15% believe that the salary income is slightly more than the work effort, 52 percent believe that the two are basically the same, 33 percent believe that the salary income is slightly less than the work effort, and 0 percent believe that the salary income is much less than the work effort. more than 50 percent of the respondents believe that the two are the same, and more than 30

percent believe that the salary income is slightly lower. This shows that the actual income of other employees as a whole is related to the level of work they put in, but the pay is relatively low. The lack of rationalization of the salary distribution structure within the company indicates that many of the compensation management methods and strategies developed are not effective in implementation [33]. It is difficult for the salary distribution structure to play a real motivating effect on employees' work, and it is also impossible to distinguish the employees' ability and performance intuitively.

#### (4) Lack of diversity in salary allocation models

There are many problems in the salary distribution model, which is also a reflection of the insufficient satisfaction of the salary system. First of all, in the survey on the fairness of salary distribution mode, the survey question "Do you think the salary management system currently implemented by the company has fairness and reasonableness? The result of the survey is that almost 80% of the respondents have a negative attitude toward it, and think it is generally or not very fair and reasonable. This reflects the intuitive problem that there is much room and need to improve the fairness and reasonableness of the current compensation management system of TM Culture and Media. From the actual situation within TM Culture and Media, there is much room for improvement in the design of the salary distribution model. If the method and reference of salary allocation are too single, it will directly lead to the derailment of salary and job function, and it is difficult for salary allocation to bring promotion effect for the comprehensive management of the enterprise [34].

#### (5) Lack of incentive effect of the remuneration system

The lack of incentive effect of the salary system is a typical example of insufficient satisfaction of salary incentive. For example, in the survey question, "Do you think the current compensation system is effective in motivating employees?" The results show that almost half of the respondents think that the incentive effect and half think that there is no incentive effect, which means that the overall incentive effect of the salary system is not satisfactory. This problem can also be reflected in the distribution of economic benefits. The results of the survey show that the current economic benefits are relatively abundant, but the amount of benefits is low, so the incentive effect of benefits cannot be fully utilized. The lack of incentive effect of the compensation system directly inhibits employees' motivation and initiative. Especially for a cultural and media company, the ability to produce high quality products depends to a large extent on the creativity and thoughtfulness of the employees [35]. If the motivational effect of the compensation system is difficult to manifest, it will

directly lead to slackness in the work of employees, which in the long run will have a direct impact on the quality and overall growth of the company.

### **3.4.2 Problems**

From the above survey results, the overall design of TM Culture and Media's current compensation system is not ideal, which is related to some typical problems in the development and management of the compensation system within the company. The reason for these problems is directly related to some shortcomings and deficiencies in the company's overall management. Combined with my actual working experience and observation in the company, the causes of these problems can be attributed to the following aspects.

#### **(1) Insufficient salary budget**

The above problems arise firstly because TM Culture and Media Company as a whole does not have an adequate salary budget. The limited budget cannot provide employees with competitive salary levels in the market, which is an intuitive reason. Since the company has not been established for a long time and is small in scale, the overall management of salaries will try to control costs as a starting point, which will inevitably lead to low overall salary levels or uneven salary distribution. For a relatively young creative company like TM Culture and Media Company, it will basically encounter such problems at the early stage of establishment. It is important for the company as a whole to continuously improve its management methods and means as much as possible to balance the current situation of low salary level, so as to lay a relatively good foundation for the company's salary management [36].

#### **(2) Low level of performance management**

The overall performance management level of the company is not high, which also leads to the poor effect of the compensation incentive system and the imperfect design of pay for performance. In the current situation of TM Culture and Media, the system based on performance management inspection and payout has not been fully formed. This is a big problem and directly reflects the fact that the overall compensation management level of the company is still relatively low [37].

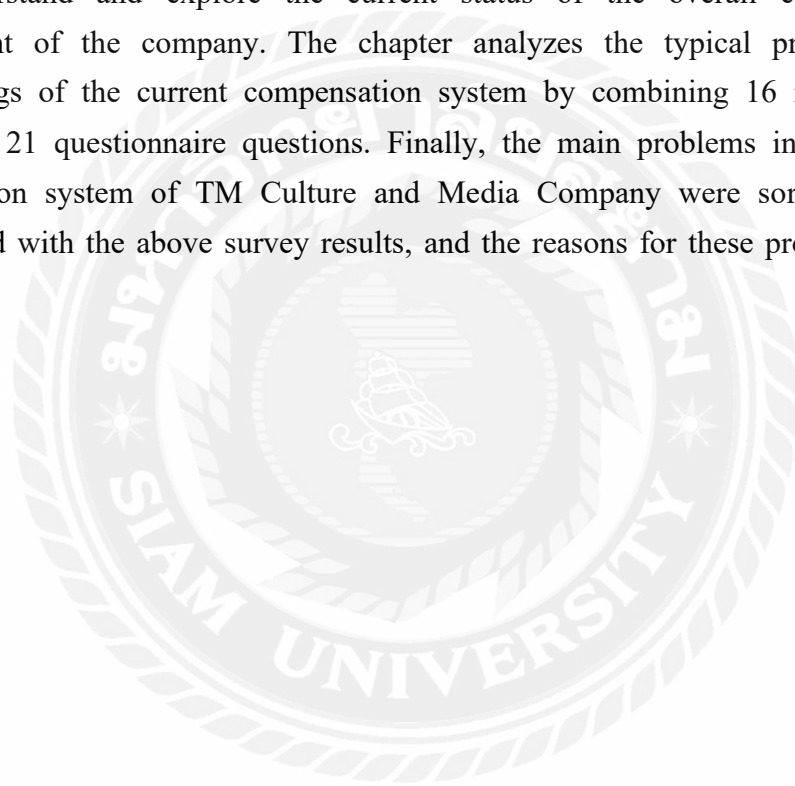
(3) Management lacks importance and clear understanding of compensation management An important root cause of a series of problems of various compensation management systems, management systems and poor pay-for-performance management is that the company management lacks importance and clear



understanding of compensation management. The management is not fully aware of the importance of a well-constructed compensation system and the importance of ensuring the effectiveness of the operation of the compensation system. Insufficient human and material resources are invested in compensation management, and the overall compensation management concept of the company is not advanced enough, which are the problems in the compensation system and the root causes.

### **4.3 Summary**

This chapter systematically analyzes the current problems of TM Culture and Media's internal compensation system, and uses the questionnaire survey as a basis to truly understand and explore the current status of the overall compensation management of the company. The chapter analyzes the typical problems and shortcomings of the current compensation system by combining 16 investigation points and 21 questionnaire questions. Finally, the main problems in the current compensation system of TM Culture and Media Company were sorted out and summarized with the above survey results, and the reasons for these problems were analyzed.



## **Chapter 5 Conclusion and Recommendation**

### **5.1 Conclusion**

The research in this paper is based on the implementation of a questionnaire survey, the results of which reflect some typical problems in the current compensation management system of TM Culture and Media Company. After finding out these problems, we provide corresponding solutions and strategies for each specific problem, adjust and improve the overall compensation management system of TM Culture and Media Company, and propose the following measures to ensure the implementation of the improvement strategies.

The research process of this paper is based on a questionnaire survey, and the current status of the implementation of the overall salary management mode and salary system of TM Culture and Media Company was investigated. As the problems of salary management within the company are becoming more and more obvious, the turnover rate and mobility of employees have been very high, and these are factors that directly affect the overall operation of the company, and are issues that need to be considered and effectively innovated. The respondents of this questionnaire are employees of TM Culture and Media, covering all departments and all levels of employees in the company.

### **5.2 Recommendation**

Based on the research and the final survey results, some typical problems of the current compensation management system of TM Culture Media were identified, and specific problems were identified, and improvement and innovation strategies were given for each problem. The specific problems and improvement strategies can be summarized as follows.

First, the design of the compensation management system is not perfect. In the process of improving this problem, it is necessary to analyze the basis of the improvement design. From the specific analysis, the problems in the design of the company's current compensation system are focused on the design of pay for performance, and the distribution system and evaluation system of pay for performance have many unreasonable. In the implementation of specific improvement strategies, it is necessary to do a good job value assessment first. The adjustment in

this direction allowed TM Culture & Media to have a more reasonable overall compensation system and achieved the effect of improving the overall quality of the company's internal compensation management, indicating that the proposed improvement plan had achieved the desired effect.

Second, the salary level lacks market competitiveness. In the process of improving this problem, first, the annual salary adjustment system can be adopted for key positions. From the viewpoint of job value, these personnel play a pivotal role in the company, and they are basically the main responsible personnel of each department, in addition to the company management. Therefore, the annual salary should be adjusted appropriately for these key positions. We can consider increasing the basic salary within a suitable range, and at the same time, giving more attractive performance incentives to motivate the staff of these core positions and promote the ability and talent of these core talents. Finally, the long-term salary of key positions should be appropriately adjusted and changed, which is the basis for stabilizing the backbone of the company and building a good overall management team.

Thirdly, there is a lack of scientific and reasonable salary distribution structure. To address this issue, the existing job function division of TM Culture & Media Company can be combined with the current situation and adjusted accordingly. TM Culture and Media Company can make a more systematic and reasonable design of salary composition from its actual situation. The specific design direction can be refined from the three core aspects of fixed salary composition, performance incentive composition and welfare composition, and the ratio and content of salary composition can be adjusted accordingly.

Fourthly, there is a lack of diversity in the salary distribution model. The following improvement strategies are proposed to address this issue. Firstly, the company can adopt annual salary system for employees at specific levels, mainly for top management and core management, such as general manager, deputy general manager, and directors and heads of departments. For such positions, the annual salary system can make them take fuller responsibility for the overall situation, stimulate their work initiative and work ethic, and is an effective way to improve the overall cohesiveness of the company, which has an obvious effect on the growth of the company. At the same time, the distribution mode of job performance pay should be improved and innovated accordingly. The job performance pay system is applicable to most of the employees in the company, and the core composition of the

company's personnel, the key staff of each functional department can adopt the distribution method of job performance pay system. Such a pay system helps to clearly delineate the content of work, and each task has a clear body of responsibility. This will allow each employee to give full play to his or her potential, meet his or her job requirements, and complete his or her respective job performance.

Fifth, the pay-for-performance system is not well designed. The study found that the design of the existing pay for performance system is not scientific and reasonable enough, and the incentive effect of pay for performance is not fully reflected. In the process of adjusting and changing the pay-for-performance system to give full play to the incentive effect of pay, the first thing we can do is to start regular pay management. Employees who meet the criteria for promotion should be promptly divided into tiers and new salary levels to motivate them to work. At the same time, the salary adjustment and changes brought about by job changes should be implemented in a timely manner, and a new salary system should be formulated accordingly with the adjustment and changes of employees' positions. Whether it is promotion or demotion, the salary level of the employee will no longer be used in the original evaluation standard, so timely adjustment and changes should be made. Finally, the pay for performance should have more space for improvement, so that employees have a bigger platform for upward mobility and the space and opportunity to fight for pay for performance, which is also the way to make the incentive effect of pay for performance better appear.

### **5.3 Further Study**

In order to effectively implement the improvement and innovation strategies proposed for the specific problems, the research of this paper finally gives the corresponding improvement measures for each specific problem, and analyzes and summarizes the required guarantee system in order to make the improvement and optimization of the compensation management system well implemented. Specifically, both internal and external safeguards are very important. From within the company, it is necessary to strengthen the organizational leadership and promotion plan for the improvement of the compensation system, improve the system related to compensation management, and improve the construction of the performance evaluation system. For the optimization of the external environment, we can take two approaches: to learn from and update the industry salary information and to pay attention to the national policy trends of the industry.

Through the internal analysis of TM Culture and Media Company, the problems of the company's compensation system were identified and improvements were made based on the problems, which not only helped the company to improve its competitiveness, but also provided a reference for enterprises in the same industry.



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## Appendix

Your gender: A. Male B. Female

Your age: A. Below 25 years old B. 25-30 years old C. 31-35 years old D. Above 36 years old

Your education: A. Master or above B. Bachelor's degree C. College D. College or below

Your current rank in the company: A. Management level one or two B. Management level three or four C. Management level five or six D. Staff level one or two

### Questionnaire

1. and the same industry and other companies in the same position in the pay level, your actual personal income?

- A. More than 20% higher than them
- B. Slightly higher than them
- C. Basically the same as them
- D. Slightly lower than them
- E. More than 20% lower than them

2. compared with your classmates or past classmates, what is your actual personal income?

- A. More than 20% higher than theirs
- B. Slightly higher than theirs
- C. About the same as theirs
- D. Slightly lower than theirs
- E. More than 20% lower than theirs

3. compared with the same level of employees within the company, your actual personal income.

- A. more than 20% higher than theirs
- B. slightly higher than theirs
- C. about the same as theirs
- D. slightly lower than theirs
- E. more than 20% lower than theirs



4. In your opinion, what is your actual income level compared to the level of work you put in?

- A. Salary income is much more than the work paid
- B. Salary income is slightly more than the work paid
- C. Both are about the same
- D. Salary income is slightly less than the work paid
- E. Salary income is much less than the work paid

5. In your opinion, what is the actual income level of other employees in your company compared to their work?

- A. Salary income is much more than work payment
- B. Salary income is slightly more than work payment
- C. Both are about the same
- D. Salary income is slightly less than work payment
- E. Salary income is much less than work payment

6. Do you think the compensation system and management system currently implemented by the company are scientifically sound?

- A. very perfect
- B. relatively perfect
- C. average
- D. not very perfect
- E. very imperfect

7. Do you think the compensation management system and system implemented by the company now are attractive to talents?

- A. Very attractive
- B. More attractive
- C. Generally,
- D. Not very attractive
- E. Not much attractive

8. Do you think the compensation system currently implemented by the company is effective in motivating employees?

- A. Strong motivational effect
- B. Strong motivational effect
- C. Average

- D. Not much motivational effect
- E. Little motivational effect

9. Do you think the compensation management system currently implemented by the company is fair and reasonable?

- A. Very fair and reasonable
- B. Fair and reasonable
- C. Average
- D. Not very fair and reasonable
- E. Very unfair and reasonable

10. Do you think the salary distribution model currently implemented by the company is scientific and effective?

- A. Very scientific and effective
- B. Fairly scientific and effective
- C. Average
- D. Not very scientific and effective
- E. Very unscientific and effective

11. Do you think the company's current compensation system is closely aligned with the company's overall strategic development goals?

- A. very close
- B. relatively close
- C. average
- D. not very close
- E. not very close

12. Do you think the compensation management system currently implemented by the company has good openness?

- A. Completely open
- B. Partially open
- C. Not very open
- D. Strictly confidential and no private discussion

13. What do you think is the content of the compensation management system currently implemented by the company?

- A. Absolutely tilted to employees with strong ability and high technical level

- B. Strictly in accordance with the results of performance appraisal
- C. Not so much
- D. Egalitarianism as the distribution guide
- E. Administrative rank as the distribution guide

14. What do you think should be the orientation of personal compensation in terms of promotion?

- A. Performance-oriented
- B. Title and skills-oriented
- C. Annual performance-oriented
- D. Executive rank-oriented

15. Do you think the current salary structure of the company is scientific and reasonable?

- A. completely scientific and reasonable
- B. relatively scientific and reasonable
- C. not scientific and reasonable enough
- D. very scientific and reasonable

16. Do you think the current job sequence division system implemented by the company is reasonable?

- A. completely reasonable, so the job characteristics can be found
- B. basically reasonable, most of the job characteristics can be found
- C. relatively little division, part of the job characteristics can be found
- D. division is relatively single, very few job characteristics can be found
- E. no corresponding job sequence division

17. To what extent do you think the performance appraisal system currently implemented by the company can present and examine the actual work?

- A. The core work can be examined and presented
- B. Most of the core work can be examined and presented
- C. Some of the core work can be examined and presented
- D. Less of the core work can be examined and presented
- E. The performance appraisal and the core work are out of line

18. What do you think is the orientation of the compensation and incentive system currently implemented in your company?

- A. Task-oriented
- B. Team management-oriented
- C. Individual performance-oriented
- D. Return on investment-oriented
- E. Interpersonal relationship-oriented

19. Do you think the compensation incentive system currently implemented by the company has a significant incentive effect?

- A. Very good incentive effect
- B. Good incentive effect
- C. Average incentive effect
- D. Not too obvious incentive effect
- E. No incentive effect

20. How do you feel about the economic benefits currently implemented by the company?

- A. There are many types of economic benefits and the amount is reasonable
- B. There are many types of economic benefits and the amount is average
- C. There are many types of economic benefits and the amount is low
- D. There are few types of economic benefits and the amount is low
- E. There are basically no economic benefits

21. Do you think the overall compensation management system currently implemented by the company is reasonable and what are the problems that need to be improved?