

# Research on K Firm Employee Benefits Management Problems and Solutions

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**Abstract:** With the development of the Internet industry, in order to gain a foothold in the fierce market competition, the incentive effect of employee benefits, as an important indicator affecting employee performance, has gradually gained the attention of enterprises. This article is under the Herzberg's two-factor theory Angle of view, to quickly sorted out the company's employee benefits, analyzes the problems existing in the current benefits, analysis of employee benefits, clearly improve the system of employee benefits to improve employees' job satisfaction, and put forward effective countermeasures, human resource management and strategic decision for the company to provide support.

## 1. Introduction

Since the 21st century, with the improvement of people's living standards, people's spiritual and material needs, put forward higher requirements for enterprise human resource management. Enterprises need to improve benefits in order to grab high-tech personnel in the talent market. As talents pay more and more attention to benefits, enterprises are required to iterate and upgrade benefits. But at the same time, there will be many problems in the development process of enterprise benefits, many of which are found to be unimproved or difficult to improve in the development process of benefits management, which also puts forward new difficulties and challenges for the development of human resources.

American psychologists Herzberg's have proposed the two-factor theory, which is divided into motivational factors and hygiene factors. Factors that generate employee dissatisfaction are classified as hygiene factors, generally related to wages, working conditions, supervision, etc. On the contrary, the motivational factors that make employees motivated and reduce to eliminate dissatisfaction are often summarized as promotion, appreciation, achievement etc.

Therefore, the two-factor theory plays an important role in the actual and development of a company. Its inevitable inclusion in the company's benefits system needs to be examined, and hygiene factors can lead to negative results that are detrimental to the development of the company. On the other hand, the correct use of motivational factors can improve the efficiency and results of the employees themselves.

## 2. The Introduction of K Firm

### 2.1 K Firm Profile

As a top short video creation platform in China, K firm was active in the market as a GIF video tool in the early stage, attracting a large number of users. In 2013, it was officially transformed into short video and officially changed its name to 'K firm'. In 2017, K firm had more than 500 million registered users. On February 5, 2021, K firm was officially listed on the Hong Kong Stock Exchange. As a platform for people to record and share their lives at any time, it has attracted many active users and set off a wave of short videos in China. The former CEO, Suhua proposed, I hope people around the world can learn more about China through this platform. I hope this will serve as a window for the world to read China and understand China.

## **2.2 The Current Status of Benefits Administration in K Firm**

Through interviews on the company's official website and related personnel, it can be found that the benefits system of the current Internet TOP level companies has gradually tended to be improved. In terms of salary, K firm's salary structure is the same as, or slightly higher than Tik Tok. In terms of daily benefits, K firm includes afternoon tea, free lunch, car and house allowance, etc. Compared to other companies, K firm benefits are more complete.

According to the information, we can see that corporate benefits cover all aspects of clothing, food, housing and transportation, and companies have achieved full coverage of their benefits policies in order to make their employees work hard. In the employee's life only from home to enterprise and from enterprise to home in two states, to truly let employees have no worries, in order to better work for the enterprise. Nowadays, ordinary benefits are commonplace and companies need to push the envelope to attract talent in order to retain it.

Compared to traditional holiday benefits, companies prefer to reflect their corporate image in their benefit. Companies make video and photo recordings along with every benefit they conduct, with the aim of attracting talent. With many festivals in the second half of 2021, companies are launching a various holiday box benefits in order to 'reach new user base'. Such as the Dragon Boat Festival gift box to the orange color system, hit on the corporate logo, the box mainly put the zongzi, at the same time equipped with tea and zongzi hanging ornaments etc. For Mid-Autumn Festival, there are mainly moon cake gift boxes, equipped with exclusive Mid-Autumn bed sheets, etc. On June 1st Children's Day, K firm set up a free pick-up area for K firm mascot ice-cream, as well as an area downstairs for childhood snacks and small toys during lunch, with a very festive atmosphere. The management of K firm is relatively young and the employees will feel warm through this approach.

Since the firm establishment, the enterprise is constantly in a phase of rapid development, and it is inevitable that it will have to grab more talents in order to pursue sustainable development. Today's K firm is largely in line with industry leaders in terms of both salary and benefits, and is bound to attract talent. In such conditions, any move is particularly important, and good or bad behaviour has the potential to affect the development of the enterprise.

Excellent human resource management helps the business with half the effort, and conversely, flawed human resource management has a negative impact on the business. A firm human resource management has always been an industry-leading position, but recently, there has been negative news. For example, the recent incident of the female employee of A firm, the continuous fermentation on the network, the reputation of the enterprise was damaged, although the development of the incident has come to an end, but also reflects the problem of internal management of the enterprise. After the A firm incident, the companies immediately carried out self-reflection and set up inspection departments and complaint channels in order to prevent the recurrence of such incidents. The human resources department should be people-oriented and should be the first to give positive feedback to employees in the face of such malicious incidents, follow up continuously and give them humane care. Therefore, a higher demand is placed on the human resources department.

## **2.3 K firm's Employee Benefit Expenses Analysis**

By comparing the two years data, the cost of employee benefits in 2019 and 2020 remains a relatively stable share of total costs, although the value has more than tripled, the share has remained relatively stable at 11% of total costs. It can be seen that K firm's regard for the benefits system has remained at a high level, while the share of income and related taxes for E-commerce live streamers has decreased due to a significant increase in expenditure.

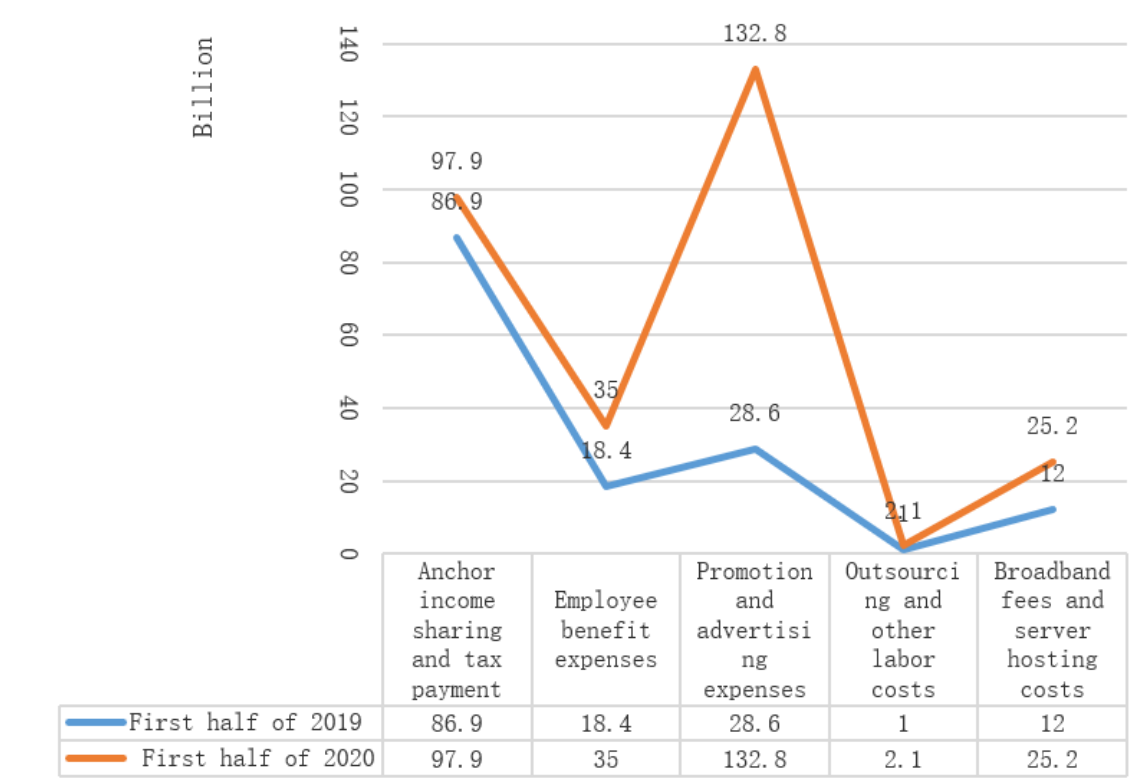


Fig.1 Cost Comparison Line Chart for the First Half of 2019-2020 (Partial)

(Data source: 2018-2020 IPO of K firm)

As we can see from Fig.1, the increase in employee benefits, to the extent of twice as much, is second only to promotional and advertising expenditure in terms of percentage increase. The cost of advertising has increased by more than 10 billion yuans this year, showing that companies are investing heavily in this in order to achieve the goal of attracting new users. Many variety shows were sponsored during this period, such as Keep Running which is one of the most famous entertainment shows, etc., for the purpose of attracting a large number of users and boosting the valuation of the business prior to the IPO.

Through two years' comparison, employee benefit cost in 2019 and 2020 still maintained a relatively stable proportion, although the value increased by more than two times, but the proportion remained relatively stable at 11% of the total cost.

It can be found that K firm has maintained a high level of emphasis on the benefits system, but for the income sharing and related taxes of anchors, due to the substantial increase in expenditure, the proportion has decreased.

Table 1 K Firm Employee Benefit Expenses

	For the year ended December 31 (thousand yuan)			For the six months ended June 30	
	2017	2018	2019	2020	2021
Wages, salaries and bonuses	369,412	1,374,735	2,951,829	1,169,499	2,540,804
Share-based compensation expenses	296,536	701,601	742,303	383,185	565,165
Other social security costs, housing benefits and other employee benefits	74,542	323,320	670,065	284,604	395,133
total	740,539	2,399,656	4,364,197	1,837,288	3,501,104

(Data source: 2018-2020 IPO of K firm)

As can be seen from the table, K firm is in a phase of rapid growth, with employee expenses increasing to varying degrees each year and rising continuously. It has been in a state of high expenditure since its launch in 2019 and the investment has been effective in terms of the employee benefits felt by the enterprise during the year. The enterprise has been attracting talent through rapid

expansion, and in the first six months of 2021, K firm's salary and dividends have reached 2.54 billion yuan, spending already comparable to that of the leading internet enterprises in the same period.

### **3. Analysis of the Reasons for the Problems in K Firm Benefits Management**

#### **3.1 Single Form of Benefit Delivery**

The unitary distribution of benefits has become a common problem. The way K firm gifts are distributed, mostly by employees taking work badges to collect them on site, such as holiday T-shirts, masks, tissues, lunches and other small portable items is often used in this way. Finally, there is the onsite distribution, where the business employs staff to do the distribution, according to the number of workstations and the actual number of people present today, such as afternoon tea.

This can also lead to a number of problems: for example, if perhaps an employee does not carry a work badge to work, does that preclude them from collecting benefits? It is important to understand that renting and mobility near enterprises has always been a major challenge and that the postal period is also a major problem. On-site distribution is even more problematic, some employees may want to take more than one less than the problem has been seen time and again, some people are not at their work station and the station is very neat, should we put up afternoon tea? Afternoon tea is mostly fruit and snacks. Some people work but travel for ten days and a half months at a time, which will undoubtedly lead to food waste, and there are many problems to be solved.

#### **3.2 Lack Incentive Effect of the Benefits System**

Traditional benefits are no longer appealing to employees because the hygiene factor, even when done well, is hardly motivating. The setting up of additional gifts often takes a lot of time to discuss, new suppliers need to be sourced, etc. and is both time consuming and labour intensive for management. Most companies issue them through sound calendar experience, saving both time and manpower, and the results are all within manageable limits.

The result is that the company's benefit offerings are similar year after year and lack incentive for employees. This is where one of the better done benefits policies stands out and is favoured by all. For example, T firm's benefits distribution is very corporate: each person is given 30 Q coins per month. It's not much, but it's a reflection of the corporate culture. In today's society, people are progressively demanding high standards of living, and in these conditions, companies are required to come up with new problems and new solutions.

#### **3.3 Uneven Benefits Payment Cycle**

There are always more activities in the second half of the year than in the first half of the year, and fewer holidays in the middle of the year than at the end of the year. As a result, there are many holidays in some days, and employees are busy looking forward to the holidays and have no intention to work. Because of the previous implementation of the weekly model, although the benefits is very good, morning and evening work can be free bus, evening meal voucher double, and even do not have to be too strict in the off work time, but two days off and a single day off to bring people's mental state is far different. Single rest is almost spent in sleep, double rest will have some of their own entertainment. The mental state of the employees did improve after the late cancellation of the size week, and it also proved that. The enterprise not only saved money, but also left a good reputation in the staff, to achieve a win-win situation.

There are also some employees who want to enjoy overtime benefits such as dinner vouchers, free bus rides and overtime pay. They do not work during the day and leave the work to the time when they should be off. This will also lead to "an exhausting, usually competitive routine" among employees. But in fact, most employees are just wasting time, which is a waste of resources without output, which is not conducive to the long-term healthy development of the company.

Often the company issues benefits for the sake of aesthetics, there are many things that focus

more on aesthetics and ignore practicality. For example, in this year's Children's Day gift box, there is a yo-yo and a camera, etc. The camera can only store three photos, which is relatively less necessary. Often for employees who have families and careers, such gifts are not very useful and take up space, they prefer to get some practical gifts. But if the distribution of gifts only take into account the practicality, and not the young people like. Therefore, companies should take into account the needs of employees of different age groups in order to use the right motivational factors and make employees motivated.

As well as the T-shirts of enterprises, whether for group construction or activities, enterprises are very willing to distribute, perhaps because t-shirts are more practical, but in fact, this kind of gift lacks a sense of design, not quite in line with the aesthetic of contemporary young people. And in this process, it is difficult to find out the needs of employees, many employees can not get the size they want, leading to complaints, but not good. There will always be people who do not go to claim, the extra T-shirts, can only be discarded, but also increase the waste of resources.

## **4. Solutions to Employee Benefits Problems in K Firm**

### **4.1 Diversified Benefits System**

In view of the present, specific analysis is the best way to solve the gift distribution form. It's hard to say which is better, as the three methods of on-site identification, address mailing and hand delivery all have their own advantages. But there are problems that need to be solved. In fact, multiple ways of parallel is also a good solution. Enterprises can set options on the work software, which will automatically pop up a period of time before the benefits is issued. Employees can choose the form of benefits distribution by themselves and send special personnel to summarize and summarize, which is of great practical significance to improve employee satisfaction.

At the same time, if employees want to be more of a gift, can the current benefits shelves in the supermarket in the enterprise software, it can achieve the purpose of clearing inventory, at the same time also provide channels for those who want to gain more benefits, if it is short of goods, such as afternoon tea, employees can choose to energy for deduction of securities exchanges; If there are mistakes and omissions related to the problem, the establishment of a work group chat, in the immediate feedback, by specially-assigned docking; If it is difficult for employees to get business trips, it can be reported in the software and automatically converted into energy coupons, which can reduce waste at the same time.

For problems occurred in the mail, special personnel shall be assigned to do a good job of after-sales service and return and exchange of goods. After a period of service, a questionnaire survey can be conducted to collect questions raised by employees and correct them.

### **4.2 Set Up Other Awards to Improve the Incentive Effect**

When benefits are given out, a variety of benefit categories can be set up so that employees have the opportunity to receive a higher level of benefits along with the basic benefits. Many large companies have year-end awards that combine employees' performance and contributions over the year to determine the amount of their year-end awards. Such as T firm's glory of the king year-end award 120w, Harry Potter project team 8888888 yuan, etc., the distribution of bonuses open and transparent, employees convinced, but also encouraged, to stimulate the morale of employees, so that they can work harder for the company next year. This kind of initiative is really let employees get more benefits, external has a very good marketing revenue, for the company to attract talent to provide a free marketing. At the same time, the role of the 'leader' in setting up a typical employee also helps employees to learn from each other.

Regarding the daily is benefits options, each department is required to plan multiple programs before the holiday season begins. Use different methods for employees of different age groups. In order to make employees with surprise, companies can set up a lottery through the theme of benefits, such as Dragon Boat Festival can choose Dragon Boat Festival pillow as a reward, Dragon Boat Festival pen and so on as participation awards, so that employees get a sense of participation.

### **4.3 Cleverly Designed in-House Holidays to Balance the Year-Round Calendar**

For the issue of uneven distribution of holidays before and after the year, companies can set up more internal activities in the first half of the year, such as staff reunions and so on, which can allow employees to relax without delaying their work. In the face of fewer holidays, you can choose more positive holidays for a more targeted celebration, used to balance the reduction of holidays. At the same time, performance appraisals and rank promotions can be set in free months, such as April or August, so that the holidays will not affect employees' work status and mentality, and employees will be more likely to focus on their work because they have things to keep them busy. The results of performance appraisal and promotion are more likely to satisfy the employees, which is another way to get 'benefits'.

In order to prevent the abuse of corporate benefits, enterprises need to make some adjustments. For example, under the flexible working system, although the working hours of employees are not limited, they also need to ensure their on-duty time. If the on-duty time does not reach the minimum standard, they will not receive benefits, and even affect the performance assessment. As for the serious problem of overtime work, the leaders of all departments should supervise and urge the leaders to hold meetings and mobilize them to reduce overtime work and discourage them from working overtime. If it is necessary to work overtime, employees need to apply for approval with their leaders, and check the number of overtime workers and the length of overtime hours every month. If it is not necessary to work overtime, the effectiveness and output of overtime work must be guaranteed. This approach can save costs for enterprises to a considerable extent, achieve the purpose of reducing costs and increasing efficiency.

About the reason why employees want to save the commuting time cost, mostly because the commute time is too long and the distance is too far, resulting in the normal time and the time to go home after working overtime is not much different. So employees have chosen to work overtime to get a free ride voucher, this behavior wastes both the company's resources, the enterprise can introduce a policy to provide housing subsidies from the original housing subsidies policy from the company within a straight line distance of 3 km can be changed to within 5 km, greatly increasing the range of employees can choose to live. Employees can go home as early as possible to rest and refresh themselves so that they can work better the next day. At the same time, companies can choose to lower the off-duty time of free rides for employees, so that employees can enjoy the reduction of rides a little earlier, and can regularly issue ride vouchers for credit, so that employees do not just get ride vouchers for leaving work late, but will also allow employees to leave work early.

### **4.4 Diversity of Corporate Benefits**

The holiday benefits provided by the enterprise often reflects the connotation of the enterprise culture. Therefore, the enterprise may make the packaging too gorgeous in order to cater to the aesthetic taste of most young people, while ignoring its practicality. Companies have since figured out that employees may prefer receiving tangible things and money than a gift box. Therefore, in the later period, more enterprises choose gift cards and supplies instead of holiday benefits, such as rice cookers, rice, holiday food and so on.

But there are also some another new diameter, choose from the life of people, get inspiration from food and clothing live line, such as well quickly energy stamps every one can offset for 30 yuan, can be quickly within the store, such as rosen, subway, starbucks, etc in the form of money to spend, in these shops, people use the energy accumulated coupon to get some food and articles for daily use. Encourage people to earn energy coupons through hard work.

For commemorative T-shirts, companies can choose to let employees participate in the design and conduct a vote to select the most popular one. Often, through such activities, employees are more likely to accept such gifts, the highest satisfaction method from the affordable gifts. For the issue of T-shirt size, you can conduct a questionnaire survey at the beginning of the design, and then set the size in detail to try to avoid the problem of unsuitable size returned, which can greatly reduce waste.

The housing subsidy policy is one of the more practical policies. Many companies have introduced many policies to help foreign populations settle, including many pilot policies, such as corporate collective accounts, housing subsidies and so on. A collective account means that employees can attach their accounts to the company's name to facilitate settlement and education of their children. Interest-free loans were first proposed to help non-local population to settle down and buy houses, and employees of enterprises can enjoy 50w interest-free mortgage, including the payment of provident fund, which largely alleviates the mortgage crisis and reduces the pressure of people's life. Such a policy makes the relationship between enterprises and employees closer, making talents willing to stay in such enterprises, which becomes a virtuous circle.

## 5. Conclusion

Regarding the issues related to K firm, about benefits distribution, benefits improvement, benefits period and benefits practicality related issues, all put forward a variety of benefits distribution forms in parallel, and employees can also give feedback to HR department to put forward more feasible solutions; enterprises should pay more attention to employees' opinions and ideas, and for the independent choice of employee benefits, they can choose the form of questionnaires to let employees choose; for the the problem of uneven distribution period of benefits period, enterprises can choose to conduct performance appraisal at such time to distract employees' attention. You can also set up more activities within the company, such as team building, benefits coupons, etc., to improve such problems. For the problem of lack of practicality of benefits, enterprises are bound to have corresponding solutions in order to retain employees. Such as solving the staff's rental policy, improve the proportion of provident fund, to employees to solve the account, etc., are among the good initiatives.

While companies are bent on improving benefits benefits, They should show practical concern for employees in their lives, and not just focus on work problems. To regularly open psychological counseling, urge employees to regularly watch films on psychological topics, participate in psychological lectures, conduct regular questionnaires, and require managers to care for and adjust the psychological and mental state of employees in a timely manner will often be more useful than only benefits policies.

Good welfare benefits make employees have a sense of belonging and the feeling of sharing honor and shame with the organization, thus improving work efficiency; Make employees have a sense of job satisfaction, cultivate the sense of ownership, motivate employees to consciously strive for the realization of organizational goals. Excellent employees are the backbone of the growth and development of the organization. Welfare reflects the long-term commitment of the enterprise to employees. Excellent talents who pursue long-term development in the enterprise often attach importance to welfare benefits. As the resignation rate rises, the organization is bound to suffer losses, and a good welfare system can discourage potential floating personnel from quitting and form a more stable organization.

Welfare creates good conditions for the development of employees' physical and mental health and talent, improves the living environment of employees, reduces the life gap to a certain extent, makes everyone have a sense of equality, and helps stimulate the spirit of collectivism. In fact, employee welfare is a long-term investment. Only by solving employees' worries about their life and ensuring their energetic and happy work, can greater economic benefits be achieved.

The improvement of welfare system is one of the favorable conditions for enterprises and employees to form a win-win situation. For enterprises, various enterprise welfare projects have certain social functions, but also become the main incentive methods for enterprises to attract and retain talents. Although the enterprise will increase its cost due to the improvement of welfare, it will reduce the turnover of employees and improve their work efficiency and enthusiasm. The long-term benefits for the enterprise are obvious and can help the long-term sustainable development of the enterprise. For employees, various benefits of the enterprise can meet their emotional needs and enhance the understanding between employees, making them more harmonious.

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