

# Employee Wages of Property Service Companies in China: Basis for an Improved Salary Structure

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**Abstract.** Employees are considered as assets of an organization. Compensation and other benefits of employees can improve their performance efficiently and effectively. Formulation, Implementation and Evaluation of employee wages may encourage and retain human resources as important talent of an organization. Therefore this study was conducted for further analysis of the property service companies in China to propose an improved salary structure for service property companies. This paper aimed to propose an improved salary structure of property service companies. Through the questionnaire survey, it is found that property service company has salary structure in terms of system, policies, performance evaluation and promotion but despite of many branches and numerous employees to perform different work assignment there are still certain problems occurring in the companies that focuses also on system, polices, performance and promotion. Findings revealed that improvement on salary structure and other benefits may be considered in order to attract and retain employees. From the survey, observation and interviewed to employees a proposed improve salary structure may be considered in order to achieved the expected performance of employees.

*Keywords:* Compensation; Employee wages; KPI; Performance; Salary structure

## 1. Introduction

Country Garden Service Holding Co., Ltd is a leading residential property management service provider in China. The company mainly provides property management services, community value-added services, and non-owner value-added services. Property management services include security, land reclamation, cleaning, greening, gardening, and maintenance services. The Chinese property service industry, particularly companies like Country Garden Service Holding Co., Ltd, faces challenges in labor productivity and operational efficiency due to its labor-intensive nature. Despite

being a leading player, there are evident gaps in terms of labor cost management and traditional person-to-person management methods, leading to lower operating efficiency. The insights from Xiao (2019) and Courage (2022) shed light on the broader issues related to labor productivity, wage structures, and operational efficiency within the industry. However, there remains a research gap in understanding and improving the salary models and tools used by companies like Country Garden to enhance employee wages and overall operational efficiency.

However, provinces near central west China like Hebei, Hainan, has a lower productivity. Therefore, to fully raise the labor productivity per worker, China has to allocate greater resources to help these provinces further down the west. According to Courage (2022), the traditional way of person-to-person management of property companies, there are many management staff at the level of supervisor and manager at the services sites. The piecework wage model of the express and manufacturing industry replaces the previous hourly wage model, it not only improves the work efficiency of operating employees but also improves the management efficiency and greatly reduces the management cost. The aim of this study is to investigate and propose an improved salary structure and management tools for property service companies, with a focus on enhancing employee wages and operational efficiency. By analyzing the current salary models and management tools employed by Country Garden Service Holding Co., Ltd, this research seeks to identify areas for improvement and develop strategies to address labor cost management, employee satisfaction, and overall operational effectiveness. The study aims to bridge the existing research gaps in the property service industry in China and contribute to enhancing the overall productivity and growth of labor-intensive sectors.

## 2. Methodology

The study employed a descriptive research design to explore the impact of new tools and salary structures on enhancing operational efficiency within property companies, aiming to ascertain their contribution to heightened labor efficiency, reduced labor-related expenditures, and improved management effectiveness. The study specifically focuses on the example of Country Garden Service Company in China's property industry to compare, analyze, and describe the outcomes before and after the implementation of updated tools and the new salary model.

### 2.1. Sampling Procedure

The study employed purposive sampling technique to select samples based on the judgment of the researcher, focusing on five branches of Country Garden Service Holding Company, Ltd., out of more than 100 branches, to gather detailed operating data and evaluate personnel efficiency and salary changes accurately.

### 2.2. Respondents

The study's respondents are employees from the five branches of Country Garden Service Group Co., Ltd., covering departments such as operations, human resources, finance, procurement, and others. By examining the current operational situation and analyzing changes in efficiency and labor costs before and after implementing new tools and salary models, the researcher aims to understand the impact of these changes on operational performance.

**Table 1** Distribution of Respondents (Sample)

Branches	Sample per Branch	Percentage
GuangDong branch	30	20.00
Foshan branch	30	20.00
Dongguan branch	30	20.00
Yue Dong branch	30	20.00
HuSu branch	30	20.00
<b>TOTAL</b>	<b>150</b>	<b>100.00</b>

#### 2.2.1 Research Site

The study was conducted in the Shunde District, Foshan City, Guangdong Province, China, where the headquarters of Country Garden Service Group Co., Ltd. is located, including various service sites across Guangdong Province. The study focused on the top 5 branches of Country Garden Services Company: Guangdong branch, Foshan branch, DongGuan branch, Yuedong branch, and HuSu branch.

## 3. Results and Discussion

### 3.1. Profile of the Property Service Company

The table provides an overview of Country Garden Service Group Co., Ltd., a prominent service provider based in Guangdong province, China.

**Table 3 Company Profile**

Profile	Data
Nature of business	Property service company
Type of ownership	Corporation
Number of years in business	More than 15 years
Services offered by the company	Provide cleaning services to residential areas and commercial office buildings.
ISO compliance framework	ISO certified

The company offers a wide range of services including security, land renovation, cleaning, greening, gardening, and maintenance services, making it a comprehensive property service provider. With over 250,000 employees and more than 15 years of operational experience, the company is considered stable and reliable. It primarily focuses on cleaning services for residential areas and commercial office buildings, catering to a diverse client base. The respondents highlighted that being ISO certified in management systems adds credibility to their services, which are available through their extensive network of over 100 branches across China.

### *3.2 Profile of the Employees*

The majority of employees at Country Garden Service Group Co., Ltd. fall within the age bracket of 31 to 40 years old, with a significant portion being male due to the physical nature of their work. These employees typically have more than 10 years of experience with the company and handle diverse job assignments. Regarding salaries, compensation is based on qualifications and work experience, while promotions are available to all employees who meet the established standards and qualifications (Zheng, 2014).

### *3.3 Company compensation System*

#### 3.3.1 Compensation Structure

The compensation structure of Country Garden Service Group Co., Ltd. reflects a strong alignment with employee preferences and industry standards, as indicated by the weighted means obtained from employee responses. Key aspects such as placing a higher pay salary grade to attract and retain talent, evaluating the value of each role/position, and comparing current employee salary rates to the new salary structure received unanimous "Strongly Agree"

ratings, highlighting the employees' satisfaction with these elements. In connection, Team (2023) underscores the importance of social welfare benefits in China, such as pension plans, medical insurance, and work-related injury coverage, all of which are part of the social insurance system administered by the Chinese government and contribute to employees' overall well-being and job satisfaction.

### 3.3.2 Compensation Policies

The compensation policies of Country Garden Service Group Co., Ltd., as indicated by employee responses, reflect a high level of satisfaction and adherence to labor laws. Key aspects such as providing mandatory benefits, implementing standard working hours, and limiting overtime hours received strong agreement from employees, demonstrating effective policy implementation and employee satisfaction. While some benefits like regular rest days may not be feasible due to operational requirements, the company ensures compliance with local labor laws and regulations regarding compensation and benefits, highlighting a balanced approach between employee welfare and organizational needs. Understanding and adhering to Chinese labor laws regarding compensation and benefits are crucial for organizations to maintain compliance and ensure that employees receive their entitled benefits, as highlighted by Multiplier (2023) in their article on employee benefits in China.

### 3.3.3 Performance Evaluation

The performance evaluation of Country Garden Service Group Co., Ltd., as indicated by employee responses, emphasizes the importance of good communication, attendance, cooperation, initiative to learn, and timely work completion. These criteria received strong agreement or agreement from employees, reflecting their recognition of these aspects in evaluating performance. The average weighted mean of 3.21 for performance evaluation indicates that employees generally agree with the company's performance assessment practices, which consider both essential job-related skills and personal attributes such as willingness to learn, hard work, obedience, honesty, responsiveness, loyalty, and reliability.

### 3.3.4 Promotion of Employee

The promotion practices of Country Garden Service Group Co., Ltd., highlighted by employee feedback, emphasize considerations such as length of service,

acknowledgment of hard work and qualifications, and understanding employee goals for promotion. These criteria received strong agreement from employees, reflecting their satisfaction with the company's promotion framework. The average weighted mean of 3.41 indicates a robust consensus among employees, which indicates a high level of contentment with how promotions are handled within the organization, taking into account various aspects beyond mere tenure or skills improvement (Chew, 2014).

### *3.4 Weaknesses of the Company Compensation System*

#### 3.3.1 Compensation Structure

The weaknesses identified in the compensation structure of Country Garden Service Group Co., Ltd. primarily revolve around the company's lack of awareness regarding key aspects such as role identification, alignment with current market-level wages, and understanding the importance of minimum and maximum salary ranges. These weaknesses are reflected in the respondents' dissatisfaction with these specific areas, as indicated by their weighted mean scores and verbal interpretations.

#### 3.3.2 Compensation Policies

The weaknesses identified in the compensation policies of Country Garden Service Group Co., Ltd. highlight areas where the company needs improvement. Specifically, the lack of awareness regarding mandatory employee benefits, standard working hours, and rest days reflects a need for clearer policies and communication within the organization.

#### 3.3.3 Performance Evaluation

The weaknesses identified in the performance evaluation of Country Garden Service Group Co., Ltd. emphasize areas where the company needs to improve its assessment criteria. Specifically, the lack of awareness regarding attendance and communication as part of performance evaluation indicates a need for more comprehensive evaluation metrics.

#### 3.3.3 Promotion of Employee

The weaknesses identified in the promotion of employees at Country Garden Service Group Co., Ltd. highlight areas where the company can improve its promotion practices. Specifically, the lack of awareness regarding employees' hard work, qualifications, and goals for promotion indicates a need for a more

transparent and structured promotion process. Encouraging employees to improve their skills and ensuring that everyone in the organization is informed about promotion opportunities can lead to a more motivated and engaged workforce, ultimately contributing to improved productivity and efficiency within the company.

### *3.4 Proposed Strategic Plan*

Based on the findings of the study, a proposed strategic plan was made. The proposed improved salary structure is a realization to the companies that compensation or salary are crucial in any organization. The compensation can help improve the performance of employees thus goals and objectives can be achieved for certain period of time.

## **4. Conclusions**

Property service companies play a significant role in China due to the high demand for services such as property maintenance, cleaning, and repairs, especially as people are often too busy to handle these tasks themselves. It's crucial for management to consider the welfare of employees, particularly in terms of compensation and wage systems. A well-structured compensation system can serve as a strong motivation for all employees within the organization, contributing to their satisfaction and overall productivity. Therefore, prioritizing improvements in the compensation system can have a positive impact on employee satisfaction, morale, and ultimately benefit the organization as a whole.

## **Acknowledgements**

The researcher extends heartfelt gratitude to the NEUST Graduate School for their invaluable professional assistance, deep expertise, and insightful guidance, all of which played a significant role in enhancing the quality of this study. The researcher also expresses sincere appreciation to the participants and respondents who generously shared their time, experiences, and insights, which greatly enriched the research findings.

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