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2025 Volume 3, Issue 5
Lecture Notes in Education, Arts, Management and Social Science
ISSN(Online): 2705-053X

Optimization Strategy for Human Resource Salary Incentive Mechanism in New Energy Power Generation Enterprises

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Abstract: In the context of global climate change and the transformation of energy consumption patterns, the development of new energy generation enterprises plays an important positive role in the transformation of China's energy consumption patterns and the realization of sustainable development. The development and utilization of new energy sources such as solar energy, wind energy, and hydropower will play an important role in reducing the consumption of fossil fuels, controlling environmental pollution, and promoting economic growth. The development of new energy power generation enterprises determines whether the new energy industry can develop. Studying the optimization measures for the salary incentive mechanism of new energy power generation enterprises has important practical significance. A scientific salary incentive mechanism can stimulate the enthusiasm of employees in new energy power generation enterprises, improve their innovation capabilities, enhance market competitiveness, and promote the development of the new energy industry. This article explores the current situation and optimization measures of salary incentive mechanisms in new energy power generation enterprises, hoping to provide some reference for the design of salary incentive mechanisms in new energy power generation enterprises.

Keywords: Power generation companies; New energy; Human resources; Compensation

Online publication: June 26, 2025

1. Introduction

Human resources are the most valuable resource for enterprises, and also the internal driving force for new energy power generation enterprises to enhance their core competitiveness and continuously innovate and develop. An appropriate and reasonable salary incentive mechanism can stimulate employees' work enthusiasm and innovation potential, mobilize and retain key talents, and improve the overall efficiency and effectiveness of the enterprise. However, some new energy power generation companies currently have unreasonable salary incentive mechanisms. The salary structure is unreasonable, and the ratio of basic salary, performance-based salary, and allowances is unreasonable, which cannot reflect the work value and contribution of employees; Lack of effective incentive methods. The incentive method is single, emphasizing material incentives over spiritual incentives, with result incentives as the main focus and process incentives as a supplement; Lack of competitive salary. The salary level cannot attract high-end talents in the industry, resulting in serious talent loss. All of these have affected the work enthusiasm and loyalty of employees, which in turn

affects the healthy and sustainable development of new energy power generation enterprises. Therefore, it is necessary to study and optimize the human resource compensation incentive mechanism of new energy power generation enterprises.

2. Overview of New Energy Power Generation Enterprises

New energy power generation enterprises refer to enterprises and institutions that use modern technology to generate electricity from new energy sources such as solar, wind, water, biomass, and geothermal energy. New energy generation enterprises have played an indispensable role in addressing the energy crisis and solving environmental pollution. According to the classification of new energy types, solar power generation enterprises use photovoltaic panels to convert solar energy into electrical energy, which is widely distributed and pollution-free. Whether it is centralized photovoltaic power stations or distributed photovoltaic power generation, the application space is very large; Wind power companies convert the kinetic energy of wind into electrical energy through wind turbines, and there is great potential for the development of offshore and onshore wind power; Hydroelectric enterprises convert the potential energy of water into electrical energy, which is the most mature and stable clean energy generation method in terms of technology; Biomass power generation enterprises generate energy for power generation through biomass combustion, biomass fermentation, and other methods, achieving the recycling and reuse of resources[1]. In the adjustment of energy structure, national policies strongly support the development of new energy power generation enterprises, and the country has introduced a series of preferential policies and support measures. New energy power generation enterprises have played an indispensable role in alleviating the shortage of traditional fossil fuels, reducing carbon emissions, promoting industrial chain development, and increasing employment. With the advancement of technology, the cost of new energy generation continues to decrease and its competitiveness continues to increase.

3. Current situation of salary incentives in 2 new energy power generation enterprises

3.1. Performance evaluation system and salary linkage

New energy power generation enterprises have generally established a clear performance evaluation and salary linkage mechanism. A relatively complete performance evaluation index system has been widely established, such as related power generation, equipment utilization, safety indicators, etc., which are directly linked to salary. For example, a large part of the salary of operation and maintenance personnel is linked to the timely troubleshooting rate of unit equipment and the trouble free operation time of power generation equipment. These measures can stimulate employees' work enthusiasm, achieve reverse incentives, and encourage employees to improve their own performance by increasing work efficiency and salary levels. However, some companies suffer from simplification and shortsightedness, neglecting long-term technological innovation and team building. For example, the performance evaluation of R&D personnel is often based on short-term scientific research achievements and awards, ignoring the long-term, risky, and variable nature of technological innovation. In addition, the lack of openness and transparency in performance evaluation also affects its fairness and impartiality. Some employees believe that the assessment is not fair and just enough, which affects their recognition and acceptance of the salary distribution results, thereby affecting the incentive effect of the salary[2].

3.2. Application status of medium and long-term incentives (such as equity, options, and project dividends)

For new energy generation enterprises, the implementation of medium - and long-term incentives is not yet common. Currently, incentive methods such as equity and options are gradually being promoted. Some large new energy enterprises and mature private enterprises are exploring the implementation of medium - and long-term incentive measures, such as granting enterprise shares or options to core management personnel and key technical personnel

to share the capital appreciation brought by enterprise growth. For some large-scale new energy projects, companies will distribute a certain percentage of dividends to the teams participating in the project based on the profitability of the project. This approach motivates employees to pay attention to the long-term strategic goals of the enterprise and enhances their loyalty to the company. At present, due to the policy environment and market volatility in the new energy industry, companies still have concerns about the implementation of medium - and long-term incentive methods, and the design of equity and option grant conditions, exercise rules, etc. is not yet perfect. Some employees' expectations for medium - and long-term incentives have not been fully realized, which affects the effectiveness of medium - and long-term incentives[3].

3.3. Composition of Welfare System (Statutory Welfare, Enterprise Supplementary Welfare)

There are two types of benefits for new energy power generation enterprises: statutory benefits and supplementary benefits. In terms of statutory benefits, enterprises provide basic protection for employees' five insurances and one fund in accordance with national laws and regulations. Pension insurance, medical insurance, etc. can ensure the most basic living and medical needs of employees. Enterprise supplementary benefits are welfare benefits set by enterprises for employees based on their own situation. Some companies provide free health checkups, commercial insurance, etc. to their employees to ensure their physical health. Some companies also provide free commercial insurance to employees and their families, such as accident insurance, major illness insurance, etc., to ensure the happiness of employees' families. Some companies may also offer other welfare programs, such as paid leave in addition to annual leave, holiday benefits, and employee family care. [4]However, the supplementary welfare benefits vary among different enterprises. Some companies offer better supplementary welfare benefits, while others offer poorer supplementary welfare benefits. This is related to the size, funding, resources, and other factors of the enterprise. Enterprises need to conduct research and investigation as much as possible to fully understand the needs of employees in order to design unique benefits.

4. Problems in the Human Resources Salary Incentive Mechanism of Three New Energy Power Generation Enterprises

4.1. Insufficient market competitiveness

The lack of competitiveness in job compensation for new energy power generation enterprises is a common problem. With the development of the new energy industry, the demand for new energy professionals and management talents in the market will increase significantly. Some new energy power generation companies, in order to save costs, offer lower salaries for key positions such as senior engineers and project managers than market standards or competitors. Enterprises are facing the problem of a shortage of professional technical and management talents, making it difficult to attract and retain talent. Excellent professional and technical talents, as well as management talents, tend to choose competitors or companies with higher salaries and benefits, resulting in serious talent loss in enterprises. The phenomenon of frequent job changes among technical and management personnel is common[5]. Individual engineers who master core technologies switch to higher paying competitors or companies in search of better development opportunities. Over time, the level of technological innovation and project management of the enterprise will be affected to a certain extent, which in turn will affect the healthy development of the enterprise and ultimately lead to insufficient momentum. Lower salaries also make it difficult to stimulate employees' work enthusiasm and innovation consciousness, resulting in the overall disadvantaged position of the enterprise in the industry.

4.2. Internal fairness imbalance

The phenomenon of fairness imbalance within new energy generation companies is quite common. The salary gap between internal sequences, such as technology, operations, management, project development, etc., fails to reflect the value and contribution of the position. Technical R&D personnel undertake the mission of technological progress and

innovation in the company, but their salary may not match the difficulty and importance of the work, and there may be a small gap in salary compared to frontline operation and maintenance personnel; The salary gap between internal levels, such as between frontline employees and senior management, may be too large or too small. If it is too large, it may cause negative psychology among frontline employees, while if it is too small, it may lead to passive work by management. Due to the harsh environment, the salary advantage of new energy projects in remote areas cannot be reflected, resulting in personnel turnover. These internal fairness imbalances have resulted in low motivation, insufficient cohesion and centripetal force among some employees of the company, and even internal conflicts.

4.3. Unclear motivation orientation

For new energy power generation enterprises, the incentive effect of salary has not been well utilized, and the correlation between salary and performance, ability, contribution, etc. is not high. The phenomenon of eating from the same pot is still serious. Some companies prioritize "egalitarianism" over incentives in salary distribution, and have a low correlation with employees' work performance and ability level, resulting in a phenomenon of doing more and less, doing well and doing poorly. Some performance evaluation indicators are formulated in a general and broad manner, with weak operability, and the results of the evaluation are difficult to truly reflect the actual work situation of employees. Salary is directly linked to an employee's years of service and professional title, and is decoupled from their actual contribution to the job. In the long run, it is easy to undermine the enthusiasm of excellent employees, with outstanding employees not receiving good pay, mediocre or even wrong people not being punished, resulting in a disconnect between the work and the masses, and a lack of combat effectiveness for the enterprise, which is not conducive to the long-term healthy development of the enterprise.

4.4. Structural rigidity and singularity

The excessively rigid and monotonous salary structure of new energy power generation companies is also an important issue that urgently needs to be addressed. At present, the salary structure of many companies consists of basic salary, performance-based pay, and a small amount of bonuses, lacking flexibility and diversity. The proportion of basic salary is relatively large, and the fluctuation range of performance-based salary is not wide, making it difficult to motivate employees to work hard to improve performance. The salary structure lacks flexibility and diversity, and cannot meet the needs of different positions and employees. For example, long-term incentives should be used to encourage innovation for R&D personnel, but the current salary structure is difficult to provide incentives. In addition, the lack of other benefits and incentives such as equity, options, and training makes it difficult to attract and retain talent. With the development of the industry and the increasing diversity of employee demands, the rigid and monotonous salary structure is no longer suitable for the development of enterprises and must be reformed.

5. Optimization Strategies for Human Resource Compensation Incentive Mechanisms in New Energy Power Generation Enterprises

5.1. Optimizing the positioning of the salary market

In the process of optimizing the human resources salary incentive mechanism, new energy power generation enterprises need to fully utilize external salary survey tools to understand the external market salary levels and changes of key positions in the new energy industry, regularly adjust their own salary levels, and maintain external competitiveness in salary. For example, establishing a market salary research fund and conducting regular salary surveys for key positions in the industry; Pay attention to the salary changes in new technologies and fields in the new energy industry, in order to capture the window period of new technology development and reserve talents for the company's technological innovation. At the same time, attractive welfare benefits are provided for certain positions, such as supplementary commercial insurance, paid training leave, etc. By optimizing the positioning of the salary market, it is beneficial to

attract and retain key talents, laying the foundation for the company's development.

5.2. Reasonable setting of salary differences

By correctly determining the salary relationships of employees in different sequences, levels, and regions, a scientific and reasonable salary system can be developed, truly reflecting internal fairness. Therefore, it is necessary to scientifically set salary items and contents for different job sequences, and reasonably determine the salary standards for different positions. Technicians can increase the rewards for technological transformation, innovation and efficiency, scientific research achievements, etc; On site operation and maintenance personnel can increase the reward coefficient for equipment maintenance indicators. Reasonably widen the salary gap for different levels of positions, appropriately raise the salary standards for high-level personnel, reflect their responsibilities and risks, appropriately raise the salary standards for front-line employees, smooth the promotion channels for front-line employees, and establish a 5-10 year doubling plan for front-line employee salaries. At the same time, for positions in different regions, full consideration should be given to the degree of hardship and regional living index, and the regional salary gap should be reasonably widened to establish regional subsidies.

5.3. Strengthen the orientation of salary incentives

New energy power generation enterprises should establish a more scientific and reasonable performance evaluation system, clearly define KPIs for each position, and achieve measurability and assessability. KPIs are directly linked to salary, with employees with higher performance receiving higher salaries and those with lower performance receiving lower salaries, and even job adjustments; At the same time, we will strengthen the assessment of employees' abilities and contributions, and reward and promote employees with high levels of technical proficiency, project management, and other abilities, as well as those who have made contributions in providing rational suggestions, technological innovation, and other aspects. If an innovation reward fund is established, employees with innovative ideas or technologies, patents, etc. will be given heavy rewards. In addition, the performance appraisal system should be reviewed, evaluated, and revised periodically to ensure that it is conducive to achieving the established strategic goals and business directions of the enterprise. The implementation of the above incentive measures can effectively drive employee behavior and improve corporate performance.

5.4. Introducing diversified compensation incentive methods

New energy power generation enterprises should not be limited to a single salary system, but should adopt a multi-level salary system. Diversified salaries include basic salary, performance-based salary, bonuses, and at the same time, long-term incentive methods such as equity and options should be adopted to make employees become beneficiaries of the enterprise and share the long-term benefits of the enterprise together. For example, core management personnel and technical backbone can be granted partial equity or options in the enterprise to motivate them to work hard for the long-term development of the enterprise. In addition to statutory benefits, more corporate supplementary benefits such as health and children's education should also be adopted. For teams and individuals who participate in major projects and have good economic benefits, a portion of the project profits can be extracted as dividends and rewarded to them. Adopting a multi-layered compensation system and incentive methods to stimulate the work enthusiasm of different employees and create a sense of belonging to the company.

6. Conclusion

With the vigorous development of the new energy industry, market competition is becoming increasingly fierce, and talent competition is also thriving. Salary incentive mechanisms have become an important driving force for enterprise development. This article analyzes the problems in the salary incentive mechanism and proposes some improvement

measures, such as reasonably determining the salary structure, enriching incentive methods, establishing a scientific and reasonable performance evaluation system, and improving the market competitiveness of salary. These improvement measures require the attention of enterprise leaders and the active participation of all employees. Leaders at all levels should formulate reasonable compensation and incentive methods based on the development strategy and actual situation of the enterprise, and continuously revise and improve them. At the same time, attention should be paid to the construction of corporate culture, creating a fair, just, and enthusiastic working atmosphere, and organically combining salary incentives with corporate culture to form a huge force, enabling new energy power generation enterprises to achieve more ideal construction and development.

Disclosure statement

The author declares no conflict of interest.

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