

# The Impact of The Enterprise Welfare System on Chinese Private Enterprises in The Post-epidemic Era

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**Abstract:** The COVID-19 has caused a huge impact on the global economy, China as the world's second largest economy has also been seriously affected by the slowdown in national economic growth or will lead to a more severe economic situation, has been a number of cities closed to the city, resulting in a serious impact on private enterprises. In the post epidemic era, private enterprises as an important part of China's economy, its economic recovery is also facing a crisis, part of the small and medium-sized private enterprises are facing rent, wages and other cost pressures; layoffs pressure; enterprise business products raw material prices; domestic and foreign markets shrink, the source of customers to reduce and other issues. This paper will discuss the impact of corporate welfare system on Chinese private enterprises in the post epidemic era and analyze its importance to enterprise development and employee welfare.

**Keywords:** Post-epidemic era, Corporate welfare system, Chinese private enterprises, Impacts.

## 1. Challenges of China's private enterprises in the post-epidemic era

### 1.1. Downward economic pressure

In the wake of the epidemic, businesses are facing unprecedented economic downward pressure. Worldwide economic stagnation and supply chain disruptions have left many businesses in a difficult situation. And the economic recovery of Chinese companies plays an important role in the economic health of the world <sup>[1]</sup>. In this difficult time, companies need to face several challenges, including declining sales, rising production costs, supply chain disruptions, and employee turnover. Firstly, business sales have been hit hard due to declining consumer purchasing power and reduced demand. Many industries, such as tourism, retail and catering, have been affected by embargoes and restrictive measures, resulting in a sharp drop in sales. Ma Snapdragon pointed out that the year-on-year growth rate of the accommodation and catering industry during the concentrated outbreak of the epidemic fell to -40%, more than twice as much as that of other industries, and throughout the 2020s, the accommodation and catering industry has been in a state of negative growth, and the tertiary industry has been severely impacted <sup>[2]</sup>. Businesses had to take various measures to cope with this challenge, such as lowering prices, launching promotional campaigns and conducting online sales. Secondly, the supply chain disruption brought about by the epidemic has caused great disturbance to the production and operation of enterprises. Many enterprises were unable to operate normally due to the embargoes and restrictions in place, resulting in insufficient supply of raw materials and reduced production capacity. Enterprises needed to find alternative suppliers, adjust production schedules, and enhance communication and coordination with supply chain partners to ensure the restoration of production capacity and timely delivery of products.

In addition, companies faced challenges with employee turnover and human resource management. During the epidemic, many companies had to take measures such as

layoffs or pay cuts, leading to an increase in employee turnover. Enterprises needed to take measures to retain good talent, such as providing training and development opportunities, improving the working environment and welfare benefits, etc., to maintain employee loyalty and motivation.

### 1.2. Personnel mobility is increased:

In the wake of the epidemic, companies have experienced a significant increase in employee mobility. Due to workplace constraints and the need to work remotely, many employees felt uneasy, and may have felt uncertain about their career prospects or stressed about new job requirements and challenges. In addition, economic pressures and uncertainty have prompted some employees to choose to leave their jobs in search of better pay packages or work environments. These factors lead to companies having to re-recruit and retrain new employees, which not only increases costs, but may also affect the productivity and overall operation of the company. Zhang Xuan et al pointed out that companies with good corporate immunity can help to improve the organizational climate, values to achieve corporate culture entity, as a way to improve employee loyalty and sense of belonging <sup>[3]</sup>. In order to cope with the increase in employee mobility, companies need to take measures to improve employee satisfaction and retention. This includes providing a favorable working environment, benefits, training and development opportunities, and establishing a positive team culture and communication mechanisms. In addition, companies should build closer relationships with their employees and provide timely feedback and support to help them cope with challenges at work and in life. Through these measures, companies can increase employee loyalty and productivity and maintain a stable production line.

### 1.3. Increased psychological pressure of employees

Under the epidemic, the psychological pressure of corporate employees generally increases. Jie Zhang identified 3 main reasons as intermittent work, relationship involution,

and office familiarization. Meanwhile, the implementation of corporate shutdowns, telecommuting, and social isolation has led to a dramatic change in the work environment for employees<sup>[4]</sup>. They need to adapt to new ways of working, deal with more online communication, and cope with work-life balance issues at the same time. These changes left many employees feeling anxious, uneasy and helpless, which in turn led to an increase in psychological stress. For many employees, work under the epidemic became more difficult. Not only did they have to deal with the pressures of work, but they also had to cope with the impact of the epidemic on their personal lives. Many employees felt worried about their health and safety and were afraid of being quarantined or separated from their families. These concerns not only affected their mental health, but could also affect their family relationships and work performance.

## **2. The Importance of The Enterprise Welfare System**

### **2.1. Enhance the sense of belonging of employees**

Employee sense of belonging is an indispensable and important factor in the development of enterprises, which not only relates to the personal growth of employees, but also affects the overall operation and long-term development of enterprises. Guo Jingyi found that a good, positive and healthy corporate culture can enhance the sense of belonging of employees, thus improving the sustainable development of the company<sup>[5]</sup>. First, employee sense of belonging can enhance the cohesion of the company. When employees feel that they are part of the company, they will be more willing to actively participate in the activities of the company and contribute to the development of the company. This not only improves work efficiency, but also creates more value for the enterprise. Secondly, the sense of belonging can increase the loyalty of employees. When employees feel that they have room for growth and development in the company, they will value the job more, reduce the turnover rate, and lower recruitment and training costs. In addition, employee sense of belonging can also enhance the social image of the company. A company with a good sense of belonging will attract more talented people to join, and improve the social reputation and influence of the enterprise. Finally, employee sense of belonging is an important guarantee for the sustainable development of the enterprise. Only when employees really feel that they are part of the enterprise, they will be more willing to grow with the enterprise and create lasting value for the enterprise. Therefore, enterprises should focus on the enhancement of the sense of belonging of employees, through the establishment of a sound employee welfare system, provide good training and development opportunities, and create a positive corporate culture, etc., to enhance the sense of belonging of employees, and promote the sustainable development of enterprises.

### **2.2. Enhance employees' work enthusiasm**

In modern enterprises, the work motivation of employees is one of the important factors that determine the development of the enterprise. Compensation and benefit incentives play an important role in stimulating the intrinsic motivation of employees, and reasonable compensation and benefits can not only satisfy the material needs of employees, but also alleviate the negative emotions and burnout produced by

employees due to their work<sup>[6]</sup>. An energetic and enthusiastic staff can bring higher productivity, better product quality and broader market prospects for the enterprise. First of all, the improvement of employees' work motivation can enhance the competitiveness of the enterprise. In the competitive market environment, enterprises need to continuously improve their competitiveness in order to be invincible. Employees' work motivation can prompt them to work harder, improve work efficiency and quality, so as to create more value for the enterprise. Secondly, the improvement of employees' work motivation can enhance the cohesion of the enterprise. An energetic and enthusiastic working environment can stimulate employees' sense of belonging and identity, making them more willing to contribute to the development of the enterprise. At the same time, the cooperation and communication between employees can be more smooth and efficient, thus enhancing the overall cohesion of the enterprise. Finally, the improvement of employees' work motivation can reduce the cost of the enterprise. Employees' high work motivation, work efficiency and quality will be improved accordingly, thus reducing the production cost and management cost of the enterprise. At the same time, employees' job satisfaction will also increase, reduce employee turnover, reduce the recruitment and training costs of the enterprise. To summarize, it is very important for enterprises to increase the work motivation of their employees. Yang, J et al. pointed out that employees of all ages in private enterprises in China in 2014 are mainly motivated by factors such as those related to salary<sup>[7]</sup>. Therefore, enterprises should take various measures to increase employees' work motivation, such as providing a good working environment, reasonable salary and benefits, and a good promotion mechanism, so as to promote the development and growth of the enterprise.

## **3. Adjustment of Enterprise Welfare System in The Post-epidemic Era**

### **3.1. Flexible working system**

In the post epidemic era, companies need to adopt a flexible work system to adapt to the new work environment and employee needs. Flexible work system is a flexible work arrangement that allows employees to freely choose their work time and location according to their personal needs and circumstances<sup>[8]</sup>.

First of all, flexible work system can improve the efficiency and productivity of employees. In a traditional office environment, employees may face traffic congestion, fatigue, and other stresses that may affect their performance. A flexible working system, on the other hand, allows employees to choose the working time and place that best suits them according to their living habits and working pace. For example, some people may prefer to work in the morning while others prefer to work in the evening. By meeting the individual needs of employees, they can better utilize their talents and potentials, thereby enhancing efficiency and productivity. Secondly, a flexible work system can increase employees' job satisfaction and loyalty. Employees are usually more satisfied with a work system that allows them to freely choose their working hours and location because they can have a better work-life balance. For example, employees can take better care of their families and personal affairs, reducing work-life conflicts. This flexibility can increase employees' sense of belonging and identification with the

organization, thus increasing their loyalty and retention rate. In addition, a flexible work system can also help companies attract and retain talented people. In the highly competitive talent market, excellent talents tend to pay more attention to work flexibility and balance. If an organization can offer a flexible working system, they have a better chance of attracting these talents. This not only helps a company maintain a competitive edge, but also improves its reputation and brand image. Finally, flexible working systems can also reduce a business's operating costs. The traditional office model means that businesses need to provide office space, equipment and other resources, all of which require a significant investment. A flexible working system, on the other hand, reduces the need for office space, which in turn reduces rent and equipment maintenance costs. In addition, employees can choose to work from home, reducing transportation costs and time wasted on commuting to and from work.

### 3.2. Health protection

In the post epidemic era, it has become particularly important for enterprises to protect the health of their employees. The outbreak of the epidemic has made us deeply realize that the health condition of employees directly affects the stable operation and development of enterprises. Therefore, enterprises need to take a series of measures to increase the health protection for employees.

First, enterprises should strengthen health education and publicity. By organizing regular health knowledge lectures and releasing health information, they can improve employees' health awareness and self-protection ability. Employees who understand the ways of disease transmission, preventive measures and the importance of a healthy lifestyle will be more conscious of protecting their own health, thus reducing the risk of disease transmission. Secondly, enterprises should establish a perfect health management system. This includes regular medical checkups, health record management, and health risk assessment. Through comprehensive monitoring and assessment of employees' health, enterprises can detect potential health problems in a timely manner and take appropriate measures to intervene and treat them in order to safeguard employees' health. In addition, enterprises should provide a good working environment and health protection facilities. For example, they should strengthen indoor air quality management and provide adequate ventilation facilities; provide healthy diet and drinking water facilities to encourage employees to maintain good eating habits; and set up healthy rest areas to provide a comfortable rest environment. These measures can not only improve the efficiency and satisfaction of employees, but also reduce the health problems caused by the working environment. Finally, companies should strengthen their attention and support to employees' mental health. The epidemic has brought great impact on people's mental health, and employees may face anxiety, fear, stress and other problems. Enterprises can help employees cope with difficulties and pressure, enhance mental toughness, and maintain a good mental state by carrying out mental health training and providing psychological counseling services.

In short, in the post epidemic era, companies need to increase health protection for their employees. By strengthening health education and publicity, establishing a sound health management system, providing a good working environment and health protection facilities, as well as paying

attention to and supporting the mental health of employees, enterprises can effectively improve the health level of their employees and safeguard the stable operation and development of the enterprise<sup>[9]</sup>.

### 3.3. Career Development support

In the post-outbreak era, organizations need to increase their support for employee career development. The outbreak of the epidemic has had a huge impact on the global economy, with many companies facing shrinking business and layoffs. In this era of uncertainty and competition, providing career development support to employees can not only enhance the competitiveness of an organization, but also increase employee job satisfaction and loyalty.

First, companies can support employees' career development by providing training and learning opportunities. In the wake of the epidemic, many industries have faced a renewal of skills and knowledge. Companies can organize internal training courses to provide employees with opportunities to learn new skills and knowledge. In addition, companies can work with external training organizations to provide employees with a wider range of training options. Through continuous learning and upgrading, employees can better adapt to changes in market demand and improve their competitiveness.

Secondly, enterprises can establish a sound career planning and promotion mechanism. Employees are more likely to stay motivated and active at work in an enterprise with clear career development paths and promotion opportunities. Enterprises can hold regular career planning and development dialogues with employees to understand their career goals and needs, and provide them with appropriate support and opportunities.

In addition, enterprises can establish a fair and transparent promotion mechanism to provide excellent employees with promotion opportunities through performance evaluation and competency recognition to motivate employees' motivation and creativity<sup>[10]</sup>. At the same time, enterprises can also provide cross-departmental and cross-position opportunities to help employees broaden their career development paths. In the post epidemic era, companies need to be more flexible and adaptable to change, which requires employees to have diverse skills and experiences. By providing employees with cross-departmental and cross-job opportunities, they can learn more about business areas and workflows, and expand their horizons and capabilities. This not only enhances employees' career development potential, but also strengthens the company's organizational synergy and innovation.

Finally, companies can establish a good working environment and culture to support employees' career development. A positive work environment that encourages innovation and cooperation can stimulate employees' potential and motivation. Enterprises can create a good working environment by establishing good communication mechanisms, providing opportunities for teamwork, encouraging employee autonomy and creativity, and offering flexible working arrangements and benefits.

## 4. Case Analysis

A private enterprise is an innovative technology company that is gradually expanding in size. In the past few years, the enterprise has experienced rapid growth, but it also faces the problem of high employee turnover. In order to retain good employees and improve the competitiveness of the enterprise, the enterprise decided to optimize the welfare system.

First, the company realized that work-life balance was critical to employee satisfaction and loyalty. Therefore, they introduced a policy of flexible working arrangements. Employees could choose to work in the office or remotely, as well as flexible working hours, depending on their personal needs and the nature of their work. This policy not only improves employees' quality of life, but also enhances their motivation and creativity. Secondly, the company emphasizes the health and welfare of its employees. They have established a health insurance program to provide comprehensive medical coverage for their employees. In addition, they offer gym memberships and regular health checks to encourage employees to actively participate in health management. These measures not only improve the health of employees, but also reduce work absenteeism due to illness and increase productivity and efficiency.

In addition to this, the company also focuses on the career development and growth of its employees. They have established a comprehensive training program to provide employees with various training and learning opportunities. Employees can participate in internal training courses, external seminars and industry networking events. In addition, the enterprise has set up a promotion mechanism to provide excellent employees with promotion opportunities through regular performance evaluation and competency recognition. These measures not only improve the professional ability and competitiveness of employees, but also stimulate their enthusiasm and motivation.

In addition, the enterprise also focuses on employee incentives and reward mechanisms. They have set up an excellent employee reward program, which selects a group of outstanding employees every year and gives them bonuses and raises their wages. The article of Wiley, C pointed out that the number and ranking of factors that motivated workers in American enterprises in 1946, 1980, 1986 and 1992 were different, but all of them were "high wages" as the primary motivating factor. " as the primary motivating factor<sup>[11]</sup>. This incentive mechanism not only stimulates employees' motivation and enthusiasm, but also encourages them to continuously improve their ability and performance.

In addition, this enterprise also pays attention to the family welfare of employees. They provide flexible family support policies, including paid maternity leave, flexible parental leave and family care leave. These policies help employees better balance their work and family responsibilities and improve their quality of life and sense of well-being.

In the process of optimizing the welfare system, the company also focuses on employee participation and feedback. They regularly conduct employee satisfaction surveys and welfare needs research to understand employees' evaluations and needs for the welfare system. Based on the results of the research, they continuously improve and adjust their welfare policies to meet employees' needs and expectations. Through the successful optimization of the welfare system, the company has achieved remarkable results.

First, the employee turnover rate was significantly reduced. The optimized benefits system increased employee satisfaction and loyalty and reduced employee turnover. This not only reduces the cost and instability of the enterprise due to employee turnover, but also retains the core talent of the enterprise and provides stable human resources for the sustainable development of the enterprise.

Secondly, the competitiveness of the enterprise has been significantly improved. By optimizing the welfare system, the

enterprise has attracted more excellent talents to join and improved the talent pool and technical strength of the enterprise. The enhancement of employees' professional ability and work motivation further improved the productivity and efficiency of the enterprise. At the same time, the creativity and innovation of the employees have been given full play, providing strong support for the innovation and development of the enterprise.

In summary, a private enterprise has achieved a double improvement in employee satisfaction and enterprise competitiveness through the successful optimization of its welfare system. They have met the various needs of employees and improved their job satisfaction and loyalty through flexible work arrangements, health protection, career development opportunities, incentive rewards and family support. These measures not only improve the working environment and welfare of employees, but also enhance their sense of identity and belonging to the company.

## 5. Conclusion

In the post epidemic era, the impact of corporate welfare system on Chinese private enterprises cannot be ignored. A good welfare system can improve employees' motivation and productivity, enhance their sense of belonging and cohesion, and then promote the development of enterprises<sup>[12]</sup>. Therefore, Chinese private enterprises should actively adjust the welfare system, pay attention to the needs of employees, and create a good working environment and welfare benefits to cope with the challenges of the post epidemic era and realize sustainable development.

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