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Analysis of the managers' system compensation - the case of the CITIC group

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Master in Applied Management

Supervisor:

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Research Unit-ISCTE

June, 2023



BUSINESS
SCHOOL

Department of Marketing, Operations and General
Management

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Resumo

A regulamentação do governo sobre o setor financeiro continua a aumentar, especialmente com uma maior preocupação com os níveis de pagamento de salários dos executivos. As instituições financeiras estabeleceram gradualmente sistemas de remuneração contemplando incentivos decorrentes do desempenho. Estes sistemas desempenharam um papel crucial no desenvolvimento estável e saudável do setor financeiro, melhorando a competitividade e o desenvolvimento do sector. Nas pequenas e médias instituições financeiras, o sistema de remuneração dos executivos pode fortalecer a assunção da responsabilidade e o alinhamento dos interesses dos executivos e dos proprietários, possibilitando um mais eficaz sistema de controle interno, melhorando a motivação do trabalho da equipe, e incrementando a eficiência, o controle e prevenção de riscos, a capacidade de inovação e competitividade das empresas.

Palavras-Chave: remuneração, executivo, CITIC GROUP

Abstract

Government regulation of the financial sector continues to increase, especially with greater concern about executive pay levels. Financial institutions have gradually established remuneration systems that include incentives based on performance. These systems have played a crucial role in the stable and healthy development of the financial sector, improving the competitiveness and development of the sector. In small and medium-sized financial institutions, the executive remuneration system can strengthen the assumption of responsibility and the alignment of the interests of executives and owners, enabling a more effective internal control system, improving the motivation of staff work, and increasing efficiency, risk control and prevention, innovation capacity and company competitiveness.

Keywords: Compensation, Executive, CITIC Group

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1.Introduction

In the final analysis, the competition of modern enterprises is the competition of talents. A scientific and reasonable salary system is one of the important means for enterprises to attract, motivate and retain talents. Salary is closely related to enterprise strategy and has become a powerful tool to promote the realization of enterprise strategic goals. How to play the role of salary more effectively has been concerned by more and more enterprise managers. Salary management is the most important content in enterprise human resource management and an important part of modern enterprise system.

The positive incentive of CITIC Group's executive compensation is a benign incentive mode, and it is also a corporate governance and incentive operation mode widely implemented in the financial industry at present. In the first floor of the enterprise, the compensation management committee and human resources management department under the board of directors formulate the corresponding compensation management system according to the development status of CITIC Group, and attract and guide the executives who are suitable for the development needs and ability matching of the enterprise from the professional manager market, so as to achieve a high degree of fit between the enterprise and the professional manager, enhance the competitiveness of the enterprise and promote the stable and healthy development of the enterprise. Appropriate salary level and reasonable salary system can give full incentives to enterprise executives, closely combine their personal goals with the business objectives and performance of enterprises, and play an important role in the healthy development of enterprises.

The work status, work efficiency, political stance, control of the overall market development trend and decision-making arrangements of senior executives of CITIC Group are also directly affected by the salary to a certain extent. The salary incentive mechanism suitable for senior executives of CITIC Group can improve their work enthusiasm, give play to their subjective initiative, better manage the enterprise, and make CITIC Group operate steadily and continuously. At present, the existing compensation management system of CITIC Group has not adapted to the needs of the rapidly developing market economy, so it is necessary to design more reasonable evaluation indicators and incentive schemes to improve the business performance and comprehensive competitiveness of enterprises.

Therefore, this study focuses on the key role of executives in the compensation incentive of CITIC Group, discusses the existing problems in the compensation incentive of senior executives in CITIC enterprises, and gives optimization suggestions, in order to promote the further development of CITIC Group to a certain extent.

This paper will be structured as follows: firstly, a comprehensive "Literature Review" will provide a scientific foundation for this study. Subsequently, the chosen "Research Methodology" will be elucidated, outlining the approach taken. Next, the "Results Discussion" section will utilize a combination of theoretical and practical approaches, incorporating various data and statistics, to examine and analyze the executive compensation requirements of corporate managers from multiple perspectives within the selected sample. Also, results discussion will address the research questions and their implications. Finally, the paper will conclude with a concise "Conclusion" section, summarizing the key findings, and a comprehensive list of "References" will be provided to acknowledge the sources utilized throughout the paper.

2.Literature Review

In the previous chapter (Introduction), we emphasized the relevance of the dissertation topic, executive compensation and incentives. The relationship between executive compensation and motivation is a topic of much interest and debate in the field of management. The basic premise is that executive compensation is designed to motivate executives to work towards the achievement of the organization's goals, thereby increasing executive motivation. In this chapter, we focus on the key role of executives in CITIC Group's compensation incentives, discuss the problems in executive compensation incentives in CITIC enterprises, and give optimization suggestions, with a view to promoting the further development of CITIC Group to some extent.

2.1 Factors affecting executive compensation

Brandy (2019) used the data of federal contractors to verify the influence of government censorship and political sensitivity on executive compensation; Marc(2020) studied the influence of a protectionist anti-takeover law introduced in 2014 on salary sensitivity, and found that the annual salary share of CEO composed of equity instruments increased by 8.4 percentage points, which indicated that the board of directors responded to the situation of poor supervision of the acquisition market by improving the sensitivity of performance compensation. Cores, J.E. et al(2005) focused on corporate governance structure when studying the relationship between executive compensation and enterprise performance, and he found that corporate governance structure has a significant impact on the relationship between them. When the corporate governance structure is relatively perfect, it can avoid managers from excessively pursuing their own interests to the detriment of owners' interests to a certain extent, thus giving full play to the incentive role of executive compensation. When the governance structure is not perfect, the conflict between the principal's interests and the principal's interests will be obviously reflected in the behavior of senior executives, and the salary incentive effect is often not good at this time. At the same time, when the corporate governance structure is not perfect, the general manager's salary is relatively high and the board of directors is relatively small. Lee, K.W.(2008) summarized what factors affect executive compensation: corporate governance structure, company's geographical location, industry and board size; Among them, corporate performance will also be greatly affected by corporate governance structure. Janet Lee(2009) studied the data of companies in Australia and Singapore, and found that the board of directors of large companies prefer to use operating income to evaluate the performance of executives, and the

structural changes of the board of directors have little correlation with executive compensation. Hwang & Kim(2009) holds that the directors in the company's supervision layer must maintain their own independence from the perspective of auditing, so as to realize effective supervision of the company's top management.

Through empirical analysis, they found that the higher the director's independence, the lower the executive's salary, which explains to some extent that the director's independence has a considerable effect on stimulating the salary, because it will make up the information gap between the operator and the owner to some extent.

2.2 The role of executive compensation

Several studies have found a positive relationship between executive compensation and organizational performance. For example, a study by Jensen and Murphy (1990) found that CEO pay was positively related to shareholder returns in large public companies. Similarly, a study by Murphy (1999) found that higher CEO pay was associated with higher firm performance, as measured by return on assets. However, other studies have found more mixed results. For example, a study by Gomez-Mejia et al. (2007) found that the relationship between executive compensation and firm performance was more complex than a simple positive correlation. The authors argued that the relationship depended on several factors, such as the type of performance measure used, the level of risk involved in the executive's job, and the size of the firm. In addition to the direct relationship between executive compensation and organizational performance, there are also indirect effects to consider. For example, high levels of executive compensation may lead to resentment among lower-level employees, which could harm organizational culture and reduce motivation and productivity. Moreover, high levels of executive compensation may lead to "rent-seeking" behavior, where executives focus on maximizing their own compensation rather than improving organizational performance.

Actually Chen (2021) refers the relationship between management gender diversity, executive compensation, and firm performance in companies listed on China's Growth Enterprises Market (GEM). The study found that management gender diversity has a positive impact on firm performance, and this effect is stronger in high-tech industries. Furthermore, Chen (2021) finds that executive compensation has a positive relationship with firm performance, but this relationship is weaker in companies with higher levels of management gender diversity. This suggests that firms with more gender-diverse management teams may prioritize other factors, such as promoting gender diversity, over offering high executive compensation packages.

Executive compensation is an important tool for organizations to attract and retain talented executives. It is also used to incentivize executives to work towards achieving the organization's goals and objectives. In theory, a well-designed executive compensation package should motivate executives to improve the organization's performance.

Research has shown that there is a positive correlation between executive compensation and organizational performance. A study by the Harvard Business Review found that companies with higher CEO pay ratios (the ratio of CEO pay to median employee pay) had higher levels of productivity and profitability. Another study found that companies that pay their executives more perform better than those that pay their executives less. However, it is important to note that the relationship between executive compensation and organizational performance is not straightforward. There are many factors that affect this relationship, including the type of compensation, the industry, the size of the organization, and the economic environment. It explores the interactive effects of executive compensation, firm performance, and corporate governance in an Asian market. The study found that executive compensation has a positive relationship with firm performance, but only up to a certain point. Beyond a certain threshold, executive compensation can have a negative impact on firm performance. They also found that corporate governance can moderate the relationship between executive compensation and firm performance. When corporate governance is strong, the negative effects of high executive compensation are mitigated, and the positive effects are more pronounced. Executive compensation can have both positive and negative effects on firm performance, depending on the level of compensation and the strength of corporate governance. The findings highlight the importance of proper corporate governance practices to ensure that executive compensation is aligned with firm performance and does not have negative consequences. (Farooque, Buachoom and Hoang 2019)

The type of compensation used can have a significant impact on the relationship between executive compensation and organizational performance. For example, stock options and performance-based bonuses have been shown to be effective in incentivizing executives to improve organizational performance. In contrast, salary increases and non-performance-based bonuses may not have the same effect.

The industry in which an organization operates can also affect the relationship between executive compensation and organizational performance. In industries where competition is high and innovation is critical, such as the technology industry, executives may require a higher compensation package to attract and retain the best talent.

The size of an organization can also affect the relationship between executive compensation and organizational performance. In larger organizations, there may be more layers of management, which can make it more difficult to link executive compensation to organizational performance. In contrast, smaller organizations may have a simpler organizational structure, making it easier to link executive compensation to organizational performance. Jiang & Zhang (2017) argue that the impact of regulatory restrictions on executive compensation, corporate governance, and firm performance in China. The study found that regulatory restrictions on executive compensation have a negative impact on firm performance, as they limit firms' ability to attract and retain top talent. On the other hand, Jiang & Zhang (2017) also say that strong corporate governance practices can mitigate the negative effects of these regulatory restrictions. When corporate governance is strong, firms are better able to align executive compensation with performance and ensure that compensation packages are competitive despite regulatory restrictions. They prove that regulatory restrictions on executive compensation can have a negative impact on firm performance, but the negative effects can be mitigated through strong corporate governance practices. The findings highlight the importance of balancing regulatory restrictions with effective corporate governance to ensure that firms can attract and retain top talent while also aligning executive compensation with firm performance. Keller & Olney (2018) note that the impact of globalization on executive compensation. The study found that globalization has led to an increase in executive compensation, particularly in companies with a high degree of internationalization. The impact of globalization on executive compensation is moderated by various factors, including firm size, industry type, and national culture. For example, the positive impact of globalization on executive compensation is more pronounced in larger firms and firms in certain industries, such as technology and finance. Additionally, the impact of globalization on executive compensation is influenced by national culture, with countries that value individualism and competition generally experiencing a greater increase in executive compensation due to globalization. However, the globalization has had a significant impact on executive compensation, particularly in larger firms and certain industries. The findings highlight the importance of considering various factors, including firm size, industry type, and national culture, when examining the impact of globalization on executive compensation.

Executive compensation and organizational performance are often closely linked. Executive compensation is a key factor in attracting and retaining top talent in an organization, and is typically tied to organizational performance in some way. When executives are compensated based on performance, it creates an incentive for them to work towards achieving

the organization's goals and objectives. Marin et al. (2022) point out that the relationship between excess executive compensation and corporate governance in the United Kingdom and Spain. The study found that excessive executive compensation is more prevalent in the UK than in Spain, which the study attributes to differences in corporate governance practices between the two countries. The presence of independent directors on the board is associated with lower levels of excess executive compensation. However, the effect is stronger in Spain, where independent directors are more likely to serve on multiple boards, suggesting that their presence may have a more significant impact on overall corporate governance practices. The differences in corporate governance practices can influence levels of excess executive compensation, with stronger corporate governance practices generally associated with lower levels of excessive compensation. The findings highlight the importance of effective corporate governance practices in ensuring that executive compensation is aligned with firm performance and does not become excessive.

One common way that executive compensation is tied to organizational performance is through the use of performance-based bonuses or stock options. These types of compensation packages reward executives for meeting or exceeding specific performance metrics, such as revenue growth, profit margins, or shareholder returns. When executives are incentivized to achieve these goals, it can lead to improved organizational performance overall. Arora & Gill (2022) demonstrate that the relationship between executive compensation and corporate tax aggressiveness in India. The study found that higher levels of executive compensation are associated with higher levels of corporate tax aggressiveness. The relationship between executive compensation and tax aggressiveness is stronger in firms that have a higher level of tax knowledge and expertise, suggesting that executives with more knowledge of tax laws and regulations may be more likely to engage in tax aggressive behavior. They suggest that executive compensation can be a factor in corporate tax aggressiveness, particularly in firms with a high level of tax knowledge and expertise. The findings highlight the importance of effective corporate governance and oversight to ensure that tax strategies align with ethical and legal practices.

There is some debate about the effectiveness of tying executive compensation to performance. Critics argue that performance-based compensation can create perverse incentives, such as encouraging executives to engage in unethical behavior in order to meet their targets. Additionally, some studies have shown that there is not a strong correlation between executive compensation and organizational performance, suggesting that other factors, such as company culture and leadership, may be more important drivers of success. This study

explores the impact of integrating corporate social responsibility (CSR) criteria into executive compensation on firm innovation across multiple countries. The study found that integrating CSR criteria into executive compensation is positively associated with firm innovation, suggesting that aligning executive compensation with CSR objectives can encourage firms to invest in innovative activities that align with their social responsibilities. They examine that the relationship between CSR and firm innovation is moderated by various factors, including firm size, industry type, and national culture. For example, the positive impact of integrating CSR criteria into executive compensation is more pronounced in larger firms and firms in certain industries, such as technology and finance. Additionally, the impact of CSR on firm innovation is influenced by national culture, with countries that value individualism and competition generally experiencing a greater positive impact from CSR on firm innovation. (Tsang et.al. 2021) The study suggests that integrating CSR criteria into executive compensation can have a positive impact on firm innovation, particularly in larger firms and certain industries. The findings highlight the importance of considering various factors, including firm size, industry type, and national culture, when implementing CSR initiatives and aligning them with executive compensation.

Wang et.al.(2021) argue that the relationship between executive compensation and corporate performance in energy companies around the world. The study found that executive compensation has a positive impact on corporate performance, as measured by various financial metrics, including return on assets, return on equity, and earnings per share. They show that the impact of executive compensation on corporate performance is moderated by various factors, including firm size, industry type, and national culture. For example, the positive impact of executive compensation on corporate performance is more pronounced in larger firms and firms in certain industries, such as oil and gas. Additionally, the impact of executive compensation on corporate performance is influenced by national culture, with countries that value individualism and competition generally experiencing a greater positive impact from executive compensation on corporate performance. Executive compensation can have a positive impact on corporate performance in energy companies around the world, particularly in larger firms and certain industries. The findings highlight the importance of considering various factors, including firm size, industry type, and national culture, when designing executive compensation packages that align with firm performance goals. This study explores the relationship between executive compensation and corporate environmental responsibility, with a focus on the moderating effect of industry competition. The study found that there is a threshold effect of executive compensation on corporate environmental responsibility, with higher levels of

executive compensation having a positive impact up to a certain point, beyond which there is a negative impact on environmental responsibility.(Zhang & Zhang, 2022) the threshold effect is moderated by industry competition, with the negative impact of excessive executive compensation on environmental responsibility being more pronounced in highly competitive industries. This suggests that in highly competitive industries, firms may prioritize short-term financial performance over long-term environmental responsibility, leading to negative consequences for the environment.

Executive compensation can have both positive and negative impacts on corporate environmental responsibility, depending on the level of compensation and the competitiveness of the industry. The findings highlight the importance of designing executive compensation packages that align with long-term environmental goals and considering the impact of industry competition on environmental responsibility.(Zhang & Zhang, 2022) This study examines the relationship between delisting pressure, executive compensation, and corporate fraud in China. The study found that delisting pressure, which refers to the risk of a firm being delisted from a stock exchange due to poor performance or misconduct, is positively associated with the likelihood of corporate fraud. Authors also found that executive compensation plays a moderating role in the relationship between delisting pressure and corporate fraud. Specifically, firms with higher levels of executive compensation are less likely to engage in corporate fraud when facing delisting pressure. Delisting pressure can increase the risk of corporate fraud in China, and that higher levels of executive compensation can help mitigate this risk. The findings highlight the importance of effective corporate governance and oversight, particularly in situations where firms are facing delisting pressure. Zhou et.al. (2021) demonstrate that the relationship between executive compensation incentives, risk level, and corporate innovation. The study found that higher levels of executive compensation incentives, as measured by equity-based compensation and performance-based compensation, are positively associated with corporate innovation. The relationship between executive compensation incentives and corporate innovation is moderated by risk level. Specifically, the positive impact of executive compensation incentives on corporate innovation is greater in firms with higher levels of risk. Executive compensation incentives can have a positive impact on corporate innovation, particularly in firms with higher levels of risk. The findings highlight the importance of designing executive compensation packages that align with firm performance goals and risk profiles, and the potential benefits of using equity-based and performance-based compensation to encourage innovation.

The author provides a guide to directors' remuneration in FTSE 250 companies. It discusses the current trends and best practices in directors' pay and highlights the key issues that companies and boards need to consider when designing executive compensation packages. There is increasing scrutiny and regulation of executive pay, with shareholders and stakeholders demanding greater transparency and accountability in how directors are compensated. The article provides guidance on how companies can respond to these demands and design compensation packages that align with the company's performance goals and values. The different components of executive pay, including base salary, annual bonuses, long-term incentives, and pensions, and provides guidance on how to design each component to ensure it is fair, reasonable, and aligned with the company's performance goals. The author shows a useful guide to directors' remuneration in FTSE 250 companies and highlights the importance of designing compensation packages that are transparent, fair, and aligned with the company's performance goals and values. Deloitte provides a practical guide for companies on how to incorporate environmental, social, and governance (ESG) performance in board remuneration. The article notes that there is increasing demand from investors and stakeholders for companies to demonstrate their commitment to ESG issues, including through the compensation of board members. The guidance on how to identify relevant ESG metrics and indicators, how to integrate them into the remuneration framework, and how to ensure that the ESG performance is appropriately rewarded. The article also provides case studies of companies that have successfully incorporated ESG performance into their board remuneration and highlights the benefits of doing so.

Furthermore, the author provides a useful guide for companies on how to incorporate ESG performance in board remuneration and highlights the importance of aligning executive compensation with ESG goals and values. The article emphasizes that companies that integrate ESG performance into their board remuneration are likely to attract and retain investors who prioritize sustainability and social responsibility. Deloitte discusses how the traditional approach to managing employee performance is changing, but questions whether the way we look at pay is changing with it. The article notes that many companies are moving away from traditional performance management systems, which focus on annual performance reviews and individual performance goals, and are adopting more continuous feedback and development approaches.

Corporate executives are usually the most senior positions in a company and are responsible for setting strategy, making decisions and leading the company's growth, so they are often the highest paid in the company. Compensation is an important motivational tool that

encourages managers to fully utilize their abilities and potential, which in turn drives the growth of the business. However, improper compensation arrangements can also have a negative impact on the business. For example, if the salary is too high, it may lead to excessive financial pressure and a general feeling of unfairness among employees; if the salary is too low, it may lead to a brain drain, which in turn affects the development of the enterprise.

Therefore, the compensation of enterprise managers should be a matter of balance. Enterprises should reasonably set the salary according to the responsibilities and performance of managers and set clear performance appraisal standards to ensure that the salary matches the performance. In addition, companies should focus on employee performance feedback and participation, and make appropriate adjustments based on employee feedback to ensure employee motivation and work motivation. In addition to the pay level, companies should also focus on the reasonableness and transparency of the pay structure. The pay structure should be fair and reasonable, and should not be overly complex or discriminatory. At the same time, enterprises should disclose the salary structure and standards so that employees can understand their salary levels and sources.

As traditional pay systems, which are often based on individual performance ratings and annual bonuses, may no longer be effective in motivating and engaging employees in this new environment. The author suggests that companies need to adopt more flexible and adaptable compensation systems that align with the new approach to performance management. Deloitte provides examples of companies that are experimenting with new approaches to pay, such as eliminating individual bonuses and incorporating team-based incentives, and highlights the potential benefits of these approaches, including increased collaboration, innovation, and engagement. The way we manage employee performance is changing, and that compensation systems need to evolve in order to effectively motivate and engage employees in this new environment. The article emphasizes the importance of aligning pay with the company's values, goals, and culture, and suggests that companies that adopt more flexible and adaptable compensation systems are likely to be more successful in attracting and retaining talent in the future. Insights into executive remuneration at Europe's largest companies, based on a survey of over 400 companies across 13 countries. The article notes that executive pay remains a controversial issue in Europe, with shareholders and stakeholders demanding greater transparency and accountability in how executives are compensated.

Deloitte provides an overview of the current trends in executive pay, including the use of long-term incentives, clawback provisions, and the role of remuneration committees. The article also highlights the increasing focus on ESG issues, including the integration of ESG

performance into executive pay, a breakdown of executive pay by country and industry, highlighting the differences in pay levels and structures across Europe. The article also provides case studies of companies that have successfully implemented best practices in executive pay, including transparency, performance-based pay, and aligning pay with ESG goals. there is a useful insights into executive remuneration at Europe's largest companies and highlights the importance of transparency, accountability, and alignment with company values and performance goals in designing executive compensation packages. Finally, it is worth noting that executive compensation is not just a matter of financial incentives. Other factors, such as job security, career advancement opportunities, and social status, may also influence executive behavior and organizational performance. Future research should consider these broader factors when studying the relationship between executive compensation and organizational performance.

Overall, Executive compensation has long been a topic of interest for researchers and practitioners alike. Many studies have investigated the relationship between executive compensation and organizational performance. Executive compensation is a complex issue that involves multiple factors, such as the structure of the compensation package, the performance metrics used, and the organizational context. One common approach to executive compensation is to tie it to performance outcomes, such as profitability, market share, or stock returns. This approach assumes that executives will be motivated to improve organizational performance if their compensation is linked to it. the literature suggests that the relationship between executive compensation and organizational performance is complex and multifaceted. While there is some evidence of a positive relationship, the strength and direction of the relationship depend on several factors, such as the type of performance measure used and the organizational context. Further research is needed to better understand the nuances of this relationship and to identify best practices for designing effective executive compensation packages. the relationship between executive compensation and organizational performance is complex and multifaceted. While there is a positive correlation between executive compensation and organizational performance, there are many factors that affect this relationship. It is important for organizations to carefully consider the type of compensation they offer, the industry they operate in, the size of the organization, and the economic environment when designing executive compensation packages. By doing so, organizations can ensure that their executive compensation packages incentivize executives to work towards achieving the organization's goals and objectives, thereby improving organizational performance. the issue of compensation for enterprise managers needs to balance various factors, including enterprise development

strategy, employees' work motivation and performance feedback, and fair and reasonable compensation structure. Enterprises should develop suitable compensation policies according to their own situation to promote the development of the enterprise and the personal development of employees.

McKinsey & Company (2022) showed that Financial incentives can be a powerful tool in driving transformation within an organization. By offering rewards or bonuses for achieving specific goals, individuals and teams are motivated to work harder and achieve better results. Financial incentives can also help to attract and retain top talent, as well as align individual goals with the broader objectives of the organization. However, it is important to design incentives carefully to ensure they are aligned with the overall strategy and values of the organization, and that they do not encourage unethical behavior or short-term thinking. Sharma et.al (2023) stated executive directors with marketing experience are more likely to contribute to better marketing performance, and that their compensation should reflect their expertise. However, compensation is just one factor that influences performance, and that other factors such as the organizational culture, leadership style, and strategic alignment are also important. Additionally, they suggested that organizations should consider the broader context in which executive compensation is determined, such as the industry, organizational culture, and leadership style. the fairness of CEO compensation and proposes a multi-faceted and multi-cultural framework to structure executive pay.

2.3 Correlation of executive compensation

Executive compensation should be evaluated not only based on financial performance, but also on social and ethical considerations, such as the well-being of employees and the impact on the environment. (Santulli, 2022) The economic dimension considers the financial performance of the organization and the alignment of CEO pay with shareholder value. The social dimension focuses on the impact of CEO pay on the well-being of employees and the broader society. The ethical dimension considers the morality and justice of executive compensation, and the cultural dimension takes into account the cultural norms and values of the organization and society.

Eriksson (1999) searched for information on 2600 executives over a four-year period and found a significant positive relationship between executive compensation and corporate performance. Faulkender et al. (2010) studied US listed companies and found that executive compensation incentives were significantly effective in enhancing corporate financial performance. Jinyan Shi et al. (2019) studied Chinese A-share listed companies from 2002 to

2016, and the empirical study showed that executive compensation also had a significant positive contribution to corporate performance. Wang Chaohui et al. (2021) collected and compiled 10 years of data from 121 energy listed companies for an empirical study and concluded that executive compensation is also significantly and positively related to performance.

Compensation packages that drive performance typically include a combination of base salary, bonuses, and other benefits such as stock options, profit sharing, and performance-based incentives. (Groysbreg, 2021) To be effective, compensation packages should be designed to reward performance that aligns with the company's goals and values, be transparent and equitable, and provide opportunities for growth and advancement. Therefore, By raising the salary standard to motivate company executives, attracting and retaining outstanding executives and motivating them to achieve the great strategic goals of the company, we continuously promote the rapid development of the company in order to achieve the purpose of improving the performance level of the company. At the same time, facing the challenges of knowledge-based economy and global integration, executives play an increasingly important role in the development of modern enterprises. Only by properly motivating executive talents can they fully utilize their personal talents to set the development direction for the enterprise, make correct decisions and improve corporate performance. The demand of listed companies for senior management talents who are capable of seizing market opportunities and creating benefits for investors is becoming more and more urgent, and executives play a crucial role in business activities and are concerned with the future and destiny of the company. Therefore, enterprises must build a reasonable compensation incentive system to motivate them to work for the enterprise and provide guarantee for the efficient and stable development of the enterprise. Improving executive compensation and establishing a reasonable compensation system to motivate executives is of great importance to improve corporate performance and even long-term development of the enterprise.

Gary and Craig (2005) examine the conceptualization of work motivation, acknowledging that it is a complex construct influenced by multiple factors. It explores different theoretical perspectives, such as Maslow's hierarchy of needs, expectancy theory, and self-determination theory, which have been influential in understanding the underlying mechanisms that drive individuals' motivation at work. The article highlights the need for a multidimensional approach that considers both intrinsic and extrinsic motivators and recognizes the dynamic nature of motivation. In terms of measurement, the article discusses various instruments and scales that have been developed to assess work motivation. It emphasizes the importance of using reliable

and valid measures to capture the multidimensional nature of motivation accurately. The article also discusses the challenges of measuring motivation due to its subjective nature and the potential influence of social desirability biases. Additionally, the article acknowledges the need to consider individual differences in work motivation. It highlights the importance of recognizing diverse needs, values, and goals among employees and tailoring motivational strategies to meet their unique preferences. The article also discusses the role of demographic factors, such as age and gender, in shaping work motivation and emphasizes the need for more research in this area. "Work Motivation Theory and Research at the Dawn of the Twenty-First Century" provides a comprehensive overview of the state of work motivation theory and research. It emphasizes the importance of considering multiple factors, including context and individual differences, in understanding and enhancing work motivation. The article serves as a valuable resource for researchers, practitioners, and organizational leaders seeking to create motivating work environments and maximize employee performance and satisfaction.

2.4 Conclusions

Ultimately, the reviewed literature provides valuable insights into the alignment of pay systems with modern performance management practices, executive remuneration practices at Europe's largest companies, and the role of appropriately designed compensation incentives in driving successful organizational transformations. The studies highlight the need for organizations to create pay structures that foster a culture of continuous improvement and innovation, motivating employees and executives to embrace change. Additionally, they emphasize the importance of aligning executive compensation with long-term value creation and shareholder interests, promoting sustainable growth and accountability. By incorporating these principles into compensation design, organizations can optimize performance, enhance shareholder value, and create an environment that encourages innovation and transformation. Another article then explores the application of work motivation research in organizational settings. It discusses how understanding employee motivation can inform the design of motivational strategies and interventions to enhance employee engagement and performance. The article emphasizes the role of leadership in fostering a motivational climate and creating conditions that promote intrinsic motivation among employees. It also discusses the influence of organizational culture, rewards systems, and job design on employee motivation. Further research in this area is essential to explore the effectiveness of various compensation practices and to develop best practices that maximize organizational outcomes and employee motivation.

After conducting the literature review to establish the scientific and academic foundation for this paper, a research methodology was carefully selected to facilitate the study. The chosen methodology aims to gather empirical data and analyze it in order to draw meaningful conclusions regarding the executive compensation systems with the impact of appropriately executives' motivation.

3. Research Methodology, the case study methodology

The methodology employed in this study builds upon the extensive theoretical contributions highlighted in the literature review, which examine the relationship between executive compensation systems and motivations.

The objective of this case study is to examine whether the executive compensation system influences manager's motivation. By investigating this relationship, we aim to gain insights into the effectiveness of the executive compensation system. Specifically, we seek to identify the factors within the executive compensation system that most significantly influence manager's motivation levels.

This article primarily employs the method of case study as a means of substantiating our arguments. Yin (2018) shows that case studies can be categorized into single-case studies and multiple-case studies, depending on the number of cases investigated in actual research. Single-case studies are predominantly employed to confirm or challenge specific aspects of existing theoretical hypotheses. They can also be utilized to analyze exceptional, distinctive, and uncommon management scenarios. However, single-case studies are generally not considered suitable for the systematic development of novel theoretical frameworks. Advocates of the single-case study approach argue that it facilitates a profound and comprehensive understanding of the contextual backdrop underlying the economic phenomena associated with the case, thereby ensuring the credibility of the study. In this article, we adopt a single-case study approach, employing China CITIC Group as an illustrative example.

3.1. Introduction of CITIC Group

CITIC Group is a large comprehensive multinational company based in Beijing, China. It was established in 1979 and has a wide range of operations in various sectors, including finance, real estate, infrastructure, energy, manufacturing, and agriculture. As a comprehensive financial group, China CITIC Group has a strong presence and influence in the banking, securities, and trust sectors. The group owns multiple financial institutions, including CITIC Bank, CITIC Securities, and CITIC Trust, and has an extensive business network and customer base globally. In addition to the financial sector, China CITIC Group actively invests in real estate development, infrastructure construction, energy resource development, and other fields. The group has a significant number of real estate and infrastructure projects both in China and overseas, and actively participates in domestic and international investment cooperation and development projects. China CITIC Group has been listed in the Fortune Global 500 rankings for 12 consecutive years and is a formidable enterprise. In 2019, the group had a workforce of

287,500 employees and total assets of 8.2 trillion RMB. It has been an important pillar of the Chinese economy, playing a crucial role in promoting economic development and reform. At the same time, China CITIC Group is committed to social responsibility and sustainable development, focusing on environmental protection, public welfare, and other areas of work.

3.2. The current status of the executive compensation system at CITIC Group

The executive compensation system at CITIC Group primarily consists of three components: base salary, performance-based salary, and special rewards. The base salary is linked to factors such as the company's performance, local wage levels, and individual employee qualifications, seniority, and tenure. The performance-based salary is determined by deducting the already disbursed salaries from the salary pool of CITIC Group. The salary pool of CITIC Group's is determined by conducting a comprehensive evaluation based on the completion of key tasks, overall business development, and market prospects. Due to the impact of company performance and varying individual work performances over the years, the differentiation in performance-based salaries among employees becomes more pronounced. Exact data on employees' performance-based salaries cannot be provided, but they range from tens of thousands to several hundred thousand. Special rewards are given to individual employees or teams who have made outstanding contributions to the company. These rewards may include individual stock option awards, special contribution awards, and others.

In order to comprehensively understand the implementation effectiveness of the executive compensation system within CITIC Group, a survey and analysis were conducted to examine various aspects of the system. Employing an online questionnaire survey using a problem-oriented approach, the aim was to substantiate whether the executive compensation system has the potential to enhance motivation. The objectives of the questionnaire survey were to obtain genuine subjective perspectives from managers and executives at different hierarchical levels and positions within CITIC Group regarding the executive compensation system. This would provide a foundation for analyzing and summarizing the identified issues within the executive compensation system, facilitating targeted optimization efforts. The questionnaire was developed by the researcher, drawing initial references from literature on case study surveys. Based on various aspects of CITIC Group's existing executive compensation system, the CITIC Group Compensation Satisfaction Survey was formulated. The opinions of the Vice General Manager of Human Resources at the CITIC Group were sought and incorporated prior to finalization. The questionnaire comprised three sections: the first section focused on basic managers and executives's information, which enabled the identification of respondents' age,

position, and work circumstances through a series of questions. The second section addressed the aspects of compensation level and structure, using seven questions to investigate managers and executives' satisfaction with aspects such as overall compensation level, compensation structure, and payment timing. The third section examined performance-based compensation, using three questions to gauge managers and executives satisfaction with performance assessment and evaluation, career advancement, and fairness in the assessment process. The CITIC Group Compensation Satisfaction Survey, as mentioned earlier, can be found in the (Appendix). To ensure the survey accurately reflects employee opinions and reduce potential doubts or concerns, the research was conducted anonymously.

3.3. Questionnaire survey and data collection

Due to the substantial number of managers and executives at the of CITIC Group, an online survey was chosen as the method for data collection in order to gather a larger number of questionnaire responses. Managers and executives accessed the survey through scanning a QR code and filling it out within a mini-program. Following the principle of encouraging maximum participation, the survey form was distributed to employees via work groups. A total of 150 research questionnaires were collected, and after conducting a thorough examination of the collected responses, 150 questionnaires were deemed valid, resulting in a valid response rate of 100%. Each survey had an approximate duration of 8 minutes. The respondents represented various positions and hierarchical levels, including managers, executives, which effectively covered high level of the company's workforce. An analysis of the distribution of job positions, age groups, and gender ratios among the respondents indicated a reasonable alignment with the overall proportions observed in the company. This indirectly reflects the credibility of the survey results. The collected data from the CITIC Group executive compensation satisfaction survey, along with the statistical analysis and compilation, can be found in the appendix, providing a representative representation of the survey results.

4. Analysis of the survey results of CITIC Group's executive compensation incentives

4.1 Questionnaire survey data analysis

- Reliability analysis

In order to ensure the reliability and stability of the questionnaire results, SPSS software is used to analyze the reliability of the questionnaire.

TABLE 4-1 Reliability Analysis of Cronbach's α Questionnaire Source: SPSS 24.0

Name	Total correlation of items	Alpha coefficient with deleted items	Cronbach α coefficient
Are you satisfied with the current salary level?	0.566	0.823	
Do you think the current salary is open, fair and just?	0.258	0.953	
Do you think the current performance appraisal settings can achieve more work and more pay?	0.726	0.907	
Do you think the equity has an incentive effect? Are you satisfied?	0.267	0.965	
Do you get a sense of belonging, happiness and acquisition when you work in CITIC Group?	0.236	0.973	
Do you think the current office environment is comfortable?	0.684	0.927	
Are your colleagues around you, including yourself, satisfied with the current work measures and the system triggered by senior executives?	0.778	0.954	0.937
What do you think of the incentive effect of the current salary method?	0.752	0.907	

Do you think you are satisfied with your present job compared with other peers?	0.773	0.978
Do you think non-material rewards also have incentive effect?	0.433	0.962
Are you confident that you can get a better job promotion through hard work?	0.957	0.923

Through reliability analysis, the reliability coefficient of the questionnaire is 0.937, which shows that the survey data provided by the respondents passed the reliability check. According to "CITC", the reliability level is good. To sum up, this questionnaire survey can reflect the actual situation and has good reliability, which can lay the foundation for the follow-up research and analysis.

- Validity analysis

In order to test the validity of the questionnaire, SPSS software is used to analyze the validity of the questionnaire.

TABLE 4-2 Questionnaire Validity Analysis Results Source: SPSS 24.0

Name	Factor load factor				Common degree (common factor variance)
	Factor 1	Factor 2	Factor 3	Factor 4	
Are you satisfied with the current salary level?	0.523	0.211	0.456	-0.326	0.59
Do you think the current salary is open, fair and just?	0.365	0.456	0.643	-0.632	0.534
Do you think the current performance appraisal settings can achieve more work and more pay?	0.125	0.381	-0.078	0.759	0.589
Do you think the equity has an incentive effect? Are you satisfied?	0.344	0.345	0.543	-0.006	0.533

Do you get a sense of belonging, happiness and acquisition when you work in CITIC Group?	-0.124	-0.005	0.077	0.878	0.567
Do you think the current office environment is comfortable?	-0.099	-0.065	0.332	0.782	0.487
Are you satisfied with the salary management measures currently issued?	0.864	0.656	0.036	0.064	0.767
How do you get along with your colleagues?	0.767	0.457	0.767	-0.177	0.343
Do you think you are satisfied with your present job compared with other peers?	0.435	0.177	0.066	-0.767	0.768
Do you think non-material rewards also have incentive effect?	0.335	0.66	0.344	0.954	0.875
Do you think that the greater the power, the greater the recognition, and the more the salary?	0.353	0.657	0.778	0.909	0.042
Characteristic root value (before rotation)	8.545	1.326	1.5	1.34	
Variance interpretation rate (before rotation)	33.331%	5.342%	7.246%	7.466%	
Cumulative variance interpretation rate (before rotation)	33.778%	52.443%	44.364%	68.788%	
Feature root value (after rotation)	4.84	2.19	1.927	1.8	
Variance interpretation rate (after rotation)	36.417%	10.888%	10.171%	7.13%	
KMO value			0.93		
Barth spherical value			949.57		
df			170		
P value			0.3		

In the validation, according to the data analysis results, KMO value is 0.93 greater than 0.8; P value is 0.3 less than 0.5. To sum up, the data validity is good.

4.2 Analysis of the results of questionnaire survey

- Analysis on the Statistical Results of Senior Executives' Satisfaction with Basic Salary of CITIC Group

The first to fourth questions of the questionnaire are related surveys on executive compensation satisfaction. According to the results of the questionnaire survey, the average satisfaction degree of the current salary level is higher than the average of 3.29 points, which shows that CITIC Group executives and employees are relatively satisfied with the salary level issued by CITIC Group. This shows that although the current salary management method can satisfy most people, that is, the "health factor" in the "two-factor" incentive theory, CITIC Group can realize salary distribution without dissatisfaction, but it can't realize the "incentive factor" in the two-factor theory, which can't really motivate executives' enthusiasm for work, so that they can be paid according to their work ability and performance. It also reflects that the current equity incentive effect is not good and the salary is not open and transparent enough, and further improvement measures need to be put forward.

TABLE4-3 Statistics of Senior Executives' Salary Satisfaction of CITIC Group

Source: SPSS 24.0

Serial number	Project	Average value	Standard deviation
1	Are you satisfied with the current salary level?	3.32	0.82
2	Is executive compensation open and transparent?	3.22	0.74
3	Do you think the current performance appraisal settings can achieve more work and more pay?	3.26	1.23
4	Do you think the equity has an incentive effect? Are you satisfied?	3.25	0.58
	Investigation on executive compensation management	3.28	0.73
	Overall Survey on Compensation Management of CITIC Group	3.29	0.75

- Analysis on the Statistical Results of the Satisfaction Degree of the Senior Executives' Cultural Atmosphere in CITIC Group

The fifth to ninth questions of the questionnaire are related surveys about the satisfaction of CITIC Group executives' cultural atmosphere. According to the results of the questionnaire survey, the total value of the executive compensation management survey is only 3.26, in which the average value of your sense of belonging, happiness and acquisition when you work in CITIC Group is 3.19, and the score of satisfaction with the current work measures and the system is 3.17, which is lower than the average value of satisfaction with the cultural atmosphere of CITIC Group of 3.28. It can be seen that the current salary management method has a general incentive effect among senior executives and cannot be satisfied, and the cultural atmosphere it feels generally leads to the general team morale. The hierarchy of needs theory "social needs" means that everyone wants to be cared for and cared for in their work and life. Meeting spiritual needs must be more inspiring than material needs, and a good team must be able to help each other and strive to satisfy executives.

TABLE 4-4 Statistical Results of Satisfaction with Cultural Atmosphere of CITIC Group Executives Source: SPSS 24.0

Serial number	Project	Average value	Standard deviation
1	Do you get a sense of belonging, happiness and acquisition when you work in CITIC Group?	3.19	0.78
2	Do you think the current office environment is comfortable?	3.29	3.7
3	Are you satisfied with the salary management measures currently issued?	3.17	0.83
4	How do you get along with your colleagues?	3.50	0.76
5	Do you think you are satisfied with your present job compared with other peers?	3.31	0.88
	Investigation on executive compensation management	3.26	1.33

Overall Survey on Compensation	3.28	1.39
Management of CITIC Group		

● Analysis on the Statistical Results of Senior Executives' Prospect Satisfaction of CITIC Group

Questions 10 to 11 of the questionnaire are related surveys on the satisfaction of CITIC Group executives' prospects. According to the results of the questionnaire survey, the higher the power, the greater the recognition, and the more the salary, that is, the higher the average value of the survey, which shows that the senior executives of CITIC Group agree with the salary mechanism with equal rights, responsibilities and interests, which is also conducive to the subsequent formulation of salary incentives. At the same time, because the usual incentive methods for non-material incentives are single and the incentive effect is also affected, further adjustments need to be made in the future. The average value of non-material incentives is less than the overall average value, which shows that CITIC Group uses more "health factors" in the two-factor theory, and less non-material incentives in the "incentive factors" or improper ways of non-material incentives lead to poor non-material incentives for executives. The next step is to improve the non-material incentive mechanism and enhance work enthusiasm.

TABLE4-5 Statistical Results of Senior Executives' Satisfaction with Development Prospects of CITIC Group Source: SPSS 24.0

Serial number	Project	Average value	Standard deviation
1	Do you think non-material rewards also have incentive effect?	3.26	0.87
2	Do you think that the greater the power, the greater the recognition, and the more the salary?	3.28	0.56
	Investigation on executive compensation management	3.27	0.715
	Overall Survey on Compensation Management of CITIC Group	3.27	0.715

Based on the results of the above questionnaire and the analysis of the operating status of CITIC Group, we can draw the following conclusions: First, the respondents are satisfied with their own salary, but the salary information is opaque, and the disclosure of executive salary information is not sufficient, often only involving cash salary and shareholding, and there is a

lack of detailed explanation of the salary details of each executive, so it is difficult to reflect the real assets of CITIC Group. Second, the senior executives are not satisfied with the performance appraisal settings and the degree of the linkage between the appraisal results and the salary. CITIC Group operated well in a period, and the salary of senior executives was high. However, the salary of senior executives was as high as before due to the economic downturn, so the salary payment unrelated to the performance could not stimulate the enthusiasm of senior executives, resulting in low work efficiency, which in turn affected the overall development of the bank. Third, CITIC Group's equity incentive effect is small, and the senior executives are not satisfied with the honor rewards they will get after making their own contributions. CITIC Group's incentives for senior executives mainly focus on basic annual salary, annual performance bonus and job promotion, which leads CITIC Group's senior executives to pay more attention to short-term incentives. Therefore, in the process of pursuing business development, they are aggressive and quick, and often ignore long-term development, which may lead to a large increase in short-term profits of banks. In the long run, non-performing loans will increase, and the overall development of banks will decline.

5. Discussion of results

5.1 Lack of reasonable and perfect performance evaluation system

Questions 1-4 of CITIC Group's basic salary satisfaction questionnaire focus on the current salary satisfaction problem, and the score is higher than the average score of 3.29. CITIC Group, especially the senior executives, are highly satisfied with the salary. After investigation and analysis, the main reason is that the salary is paid monthly according to the post rank, and the salary level belongs to the upper-middle level among the senior executives of local financial institutions. The "health care factor" in the two-factor theory is well used in CITIC Group, and the incentive effect is average, but the satisfaction is high. The score of salary transparency is only 3.22, which shows that the satisfaction with salary transparency is low. Do you think whether the current performance appraisal settings can achieve more work and more pay is also lower than the average score, which shows that senior executives are not satisfied with the performance appraisal settings and the degree of the linkage between the assessment results and the salary. The "incentive theory" in the two-factor theory does not have an incentive effect. The main reason for these problems is that CITIC Group's executive compensation lacks a reasonable and perfect performance evaluation system.

CITIC Group's performance evaluation developed late. Although great efforts have been made in establishing the performance evaluation system, the current performance evaluation system is still not perfect. First of all, the performance evaluation system can only provide some performance evaluation indicators, but can't include all aspects of the performance index system. Most indicators are still calculated by manual statistics, but the accuracy of the items is low, and it needs to be checked repeatedly to be finally determined, which consumes a lot of manpower and material resources and is inefficient. Secondly, the results of performance evaluation are often based on sub-branches and sub-branches, which can not be accurate to the level of senior managers, and the transparency is low, which leads to the failure of senior managers to have a correct awareness and direction of the work results in front of their work performance. Finally, only the relevant staff members have the authority to operate the performance evaluation system, and the executives are also partially limited when listening to the report, so they can't query their work progress in real time.

On the other hand, at present, the content of performance appraisal of CITIC Group is generally formulated according to the content of superior appraisal. Although the performance appraisal method for the whole year was formulated at the beginning of the year, due to the changes in provincial assessments such as the Associated Press of the Autonomous Region, CITIC Group will substantially change its performance plan. In order to achieve short-term

goals, raise costs and give up long-term goals, there is a phenomenon that the indicators rank well but the operating profit and economic added value are not high. For example, from January to March every year, CITIC Group's business develops greatly. During this period, the performance plan is all around two indicators: loans and deposits. In order to complete the assessment of the superior departments, CITIC Group executives do not hesitate to increase business marketing costs, and all positions also take this opportunity to vigorously develop their business and strive to complete the annual assessment tasks. However, after March passed, the performance plan will be greatly changed, and the assessment base and internal assessment will be greatly changed. The performance plan will involve various indicators such as electronic financial institutions and aggregate payment. The preliminary work effect of each position may become a burden of progress overnight, and all the work will be started from scratch, which will greatly affect the enthusiasm and enthusiasm of senior executives for the follow-up work.

Each business department of CITIC Group usually needs to make its own assessment plan for an indicator and distribute it in the form of an activity plan. Some of the indicators overlap with the performance plan, which leads to the over-assessment of an indicator, which leads to the shift of the work objectives of each position and the failure to effectively implement the overall performance plan of the whole bank.

5.2 The executive compensation payment process is not transparent enough

In the analysis of the questionnaire survey results, the score of whether CITIC Group's executive compensation is open and transparent is 3.22, which shows that CITIC Group's executive compensation is not open and transparent enough. As the top leader, the salary is not open and opaque, which leads to the decline of his work enthusiasm and the inability to establish emotional goals. By consulting the relevant annual reports of CITIC Group and other materials, it was found that the group did not disclose the group's executive compensation to the public in 2015-2019. In 2020, it officially published the executive compensation data (pre-tax compensation) in the annual report for the first time. In November 2021, CITIC Group's executive compensation for 2015-2019 was publicized in accordance with the relevant requirements of the higher regulatory authorities and autonomous regional associations. From 2015 to 2021, it can be seen that the executive compensation of CITIC Group is gradually declining, which shows that the improvement of the transparency of executive compensation payment has a certain restrictive effect on the payment of executive compensation.

On the one hand, financial institutions can show an open and transparent social image to the outside world and accept the supervision of CITIC Group by relevant institutions, the public

and financial institutions; on the other hand, they can eliminate the doubts of the outside world and shareholders about the high salary and excellent treatment of senior executives in an open and transparent way. If we are from the perspective of senior executives of financial institutions, as the highest professional managers of financial institutions, we can understand the assessment methods of performance pay, and also know the salary status of colleagues around us through chatting. If the long-term lack of transparency of senior executives continues, it will inevitably lead to all kinds of speculations and doubts from internal employees and the outside world, and we will also be skeptical about the rationality of senior executives' salary, and the more serious result will be that the overall financial image of CITIC Group will be affected. The respected and recognized demand level in the demand level theory and the transparency of executive compensation can improve the social reputation of executives and meet the respected demand level. Not only that, the disclosure of executive compensation and the improvement of salary transparency will make shareholders trust more, thus increasing the shareholding ratio; Employees feel respected and more motivated to work; The trust and recognition of customers and social groups on financial institutions will increase, which can attract more customers to handle business, increase customer adhesion and promote efficiency. The ultimate goal will enable executives to enhance the enthusiasm of all staff in the course of business operation, and their respect, trust and spiritual world will be more satisfied.

5.3 Pay performance correlation is weak

According to the results of the questionnaire, whether the current performance appraisal settings can achieve a score of 3.26 for more work, which is lower than the average score, indicating that senior executives are not satisfied with the assessment settings and the degree of the linkage between the assessment results and the salary. As the senior management of financial institutions, executives should undertake the mission and responsibility based on the regional economic development of financial services. They should be able to face the problems directly, take the right place, take the initiative and fill the shortcomings. More importantly, they should be able to improve the performance of financial institutions. Only by keeping deposits and loans at the forefront of the market can financial institutions operate steadily and develop at a high speed. Therefore, executive compensation should be closely linked to the performance of financial institutions. At present, the weak correlation between salary performance is obviously not conducive to the long-term stable development of financial institutions. There is a prominent problem of weak performance correlation in CITIC Group's executive compensation

incentive, mainly because the executive compensation is less linked to the overall performance development of CITIC Group.

At present, CITIC Group has begun to establish the correlation between compensation and overall performance development under the background of the increasing market. However, due to the lack of compensation environment, the correlation has little effect and cannot be significantly improved and promoted. Sometimes, due to market reasons, the executive compensation is linked to performance, which leads to the executive paying more energy but not getting higher salary. For example, CITIC Group's executive compensation is positively correlated with a major performance indicator. However, due to the influence of the market economy, especially in 2019-2022, affected by the epidemic, the overall economy showed a downward trend. Executives issued marketing plans to support Xiaowei to increase credit supply, and the overall development was not satisfactory. At this time, the correlation between executive compensation and performance was weak.

In the management method of CITIC Group's executive compensation, it is clear that the factors such as seniority, professional title and rank account for 70% of the total salary, including oil compensation and travel allowance, which are fixed expenses and have nothing to do with performance. As a result, the release of the current salary management version can form an effective virtuous circle of paying compensation based on performance, especially for executives with long working years, who lack the sense of competition. To sum up, CITIC Group's executive compensation incentive has a significant problem of low correlation between salary and performance, so it is necessary to revise the executive compensation assessment system according to the current development situation and encourage executives with diversified salary incentives.

5.4 Lack of medium and long-term incentives for remuneration

In the questionnaire, the executive score is 3.25 for equity incentive, and CITIC Group's executive equity incentive effect is not good and the effect is not significant. Although employees and customers of CITIC Group have continuously invested in shares in the development process, in recent years, senior executives have not enjoyed the benefits brought by equity, and they have not paid dividends for three years and have less equity benefits, which cannot generate effective long-term incentives for senior executives. Therefore, CITIC Group should adopt a long-term salary incentive mechanism to ensure the long-term development of CITIC Group.

CITIC Group has always used many short-term incentives in performance pay, but it lacks good long-term incentives. During the development of financial institutions, most of the short-term incentives are mainly monetary incentives, while the medium-and long-term incentives are mainly equity incentives. At present, CITIC Group's short-term, medium-term and long-term incentives are unevenly matched, which may lead to the behavior of financial institutions' executives to gain short-term benefits quickly, or even sacrifice the long-term development of financial institutions for short-term benefits. These individualistic behaviors may lead to problems in the development of financial institutions.

In the process of executive compensation incentive, CITIC Group has the problem that the salary distribution does not match the level of executive demand and pays too much attention to health care factors. CITIC Group should abide by the policies and regulations of the government and regulatory authorities when formulating the executive compensation plan, which is mainly guided by the Guidelines on Steady Compensation Supervision of Financial Institutions, which limits the highest level of performance compensation for senior executives of financial institutions, and in accordance with the regulations, it is required to implement deferred payment for more than 40% of performance compensation, with the maximum period of deferred payment being three years, and to limit equity incentives to a certain extent. At present, due to the external factors that limit the executive compensation of financial institutions, CITIC Group's executive compensation is limited. The hierarchy of needs theory divides people's needs into five levels, which leads to the mismatch between the salary distribution and the hierarchy of executive needs. The existing salary can't motivate executives, which leads to a decline in work enthusiasm, which is not conducive to the long-term development of CITIC Group.

To sum up, there is a prominent lack of long-term incentive model in CITIC Group's executive compensation incentive, and it is urgent to improve the equity incentive model and improve the management compensation incentive environment.

5.5 The existing executive compensation incentives emphasize external compensation and ignore internal compensation.

According to the research conclusion of CITIC Group's salary incentive questionnaire, the salary incentive of senior executives in financial institutions emphasizes external salary but ignores internal salary. The reason for the problem is that CITIC Group itself has been established for a short time and is still in the growth stage. In its development, it pays more attention to the short-term benefits of financial institutions and pays insufficient attention to

medium-and long-term development, which leads CITIC Group to develop credit business and tap the demand for demand deposits. More emphasis will be placed on indicators that are beneficial to short-term benefits. For example, while the loan performance is improved, the risk prevention is taken lightly, which is not conducive to long-term development, and senior executives will increase operating costs, increase non-performing loans, and make short-term profits. In recent years, this situation may show an increase in income and rapid progress in performance, but from a development perspective, it will inevitably lead to a decline in the asset quality of financial institutions and a high loan risk, which is very unfavorable for long-term development. The short-term income of executives has increased, but the risks and operating costs of financial institutions have increased even more.

CITIC Group's executive compensation scheme pays too much attention to "health care factors" and ignores the long-term significance of "incentive factors". The salary management method can't be paid according to work, and it can't be differentiated according to work ability, work performance and time, energy and cost paid by individuals, which leads to the lack of comprehensive and systematic salary incentives, so it has little effect. To a certain extent, CITIC Group can also link performance indicators with salary to highlight the salary difference of senior executives. However, when it comes to practical work, there is still a problem that performance indicators are too focused on short-term goals, so there is still much room for improvement in CITIC Group's incentive mechanism for senior executives.

6.CITIC Group executive compensation incentive countermeasures and suggestions

6.1 Building a comprehensive executive compensation evaluation system

From the above questionnaire results, it can be seen that executives are less satisfied with the salary evaluation system, so the salary evaluation system should be given priority in the countermeasures and suggestions. Judging from the current development of CITIC Group, it is undergoing profound changes and transformation, so it is necessary to establish a strategy-oriented performance appraisal system as soon as possible, and the performance appraisal system should change with the changes of financial institutions' strategies. Performance appraisal must be established around business innovation, organizational innovation and business model innovation, and the overall strategy of financial institutions can be realized through three levels of strategy: business, function and operation. The top management of CITIC Group is the brain of management, the initiator, maker and decision maker of various policies, and bears great responsibility and responsibility for the development of financial institutions. Performance appraisal is the motive force and the core system of financial institutions. Strengthening the high-level attention of financial institutions to performance appraisal is a very important first step. Only through the high-level attention of financial institutions can the middle-level, grass-roots and employees of financial institutions pay attention to it, and the promotion of performance appraisal can be fully rolled out, smoothly promoted and implemented in place. Good performance appraisal system and advanced performance appraisal tools and methods will be greatly discounted in performance management and operation without the attention of the leaders of financial institutions, and it is difficult to guarantee the final effect of the assessment. Performance appraisal involves many departments and personnel, involves the vital interests of all employees, and is actually a kind of redistribution of interests, so it can't satisfy every employee. Managers at all levels often depend on the full support of the top decision-making level to promote the efficiency of performance appraisal. Performance management must be supported by top managers, and their attitude directly determines whether performance management can be implemented smoothly. The formation of a unified understanding among the top leaders not only affects the supply of people, money and materials, but also affects the morale of the implementers.

Therefore, it is an important prerequisite for performance appraisal to enhance the attention of senior financial institutions, treat performance appraisal as a major internal management system of the company, and implement all aspects and processes of performance management in place without leaving any dead ends.

6.2 Improve the senior management information disclosure system

At present, CITIC Group's senior management information disclosure system is not perfect, but from the overall situation, from the perspective of development, improving information disclosure is something that should always be done, which is conducive to CITIC Group's open and transparent work. Information disclosure system means that the subject of disclosure obligation reports information and materials such as its own business status, financial status and major events to the regulatory authorities according to the requirements of laws and regulations, and makes them public or announced to the public, so as to break the information asymmetry barrier and make stakeholders fully understand the situation and better accept external supervision and social supervision. The Measures for Information Disclosure of Financial Institutions (hereinafter referred to as the Measures) issued by the China Banking Regulatory Commission in July 2007 is a special provision on information disclosure of financial institutions. Financial institutions operate a variety of businesses, most of which involve the public. In order to protect the stakeholders in the business of financial institutions, some provisions regulating the specific business behavior of financial institutions also require information disclosure.

First, CITIC Group should establish the rules for disclosure of senior management information. In recent years, the regulatory authorities have strengthened supervision over information disclosure, and financial institutions should formulate measures for the management of information disclosure of senior executives according to the current development reality. Although the Banking Regulatory Bureau has issued the Measures to make general provisions on information disclosure of financial institutions, the provisions are general and lack details and operational norms. CITIC Group still needs to refer to the information disclosure norms scattered in other regulatory regulations in the actual operation of information disclosure of senior executives. The overall information disclosure is generally embodied in the form of annual reports and financial reports. The disclosure channels are business premises and official websites, and the scope of disclosure is the public, with a high degree of publicity. The information disclosure in the specific business of CITIC Group can focus on the agreement with stakeholders, giving certain flexibility under the condition of meeting the minimum regulatory requirements.

The second is to enhance the legal awareness of senior executives' information disclosure. Article 61 of the Measures for the Supervision and Administration of Financial Institutions' Wealth Management Business stipulates: "Financial institutions should clearly stipulate in the sales documents of wealth management products the ways, channels and frequencies of

contacting investors and information disclosure, as well as the responsibilities of all parties in the process of information disclosure, so as to ensure that investors can obtain information in time. Financial institutions publish information about wealth management products on their official websites without explicit agreement with investors, which cannot be regarded as information disclosure to investors. " Therefore, when disclosing information related to the specific business of financial institutions, senior executives should pay special attention to the stipulations on information disclosure in product and service agreements, improve the agreement text, enhance the standardization of information disclosure of business lines, and avoid legal risks caused by inaccurate, incomplete and untimely information disclosure.

6.3 Establishment of internal restraint mechanism for senior executives

According to the questionnaire of CITIC Group's executive compensation, CITIC Group has a restraint mechanism, which allows incentives and restraints to work together to achieve the dual effects of improving the efficiency of executives and improving the performance of financial institutions. CITIC Group should establish and improve the incentive and restraint mechanism for senior executives, change the incentive and assessment methods for senior executives, give full play to the initiative and creativity of human resources, and provide internal and lasting impetus for the sustainable development of senior executives. First, pay more attention to it and ensure that the executive incentive and restraint mechanism is implemented in place. CITIC Group should fully understand the importance and necessity of establishing an incentive and restraint mechanism, implement the "number one" responsibility system for the construction of incentive and restraint mechanism, and take the establishment of a scientific and efficient incentive and restraint mechanism as an important part of CITIC Group's transformation and development; It is necessary to establish and improve the supervision system, strengthen the supervision and inspection of the implementation of the incentive and restraint mechanism, ensure that the incentive and restraint mechanism can be effectively implemented and fully played, and avoid the construction of the incentive and restraint mechanism becoming a mere formality.

The second is to break the traditional short-term thinking mode of executives. Effectively implement the "consistent system" of loan responsibility investigation. If bad debts and bad loans are caused by poor review, insufficient measurement of potential risks and inadequate risk prevention and control measures, the relevant responsible persons will be investigated for responsibility, and the investigation will not be alleviated because of the post adjustment of the responsible persons; The setting of assessment indicators and the application of assessment

results should not only pay attention to short-term incentives, but also pay attention to the accumulation of long-term profitability and the prevention and control of potential risks, change the inherent mode of "current benefits are realized in the current period" and explore the establishment of a long-term incentive mechanism for executives.

6.4 Optimize the compensation structure of senior executives of CITIC Group

At present, CITIC Group's executive compensation structure is not perfect, so it is necessary to improve and refine the salary structure standards, weaken the short-term profit-seeking motivation of executives, and optimize the executive compensation structure based on the performance appraisal index system on the premise of ensuring quality and preventing risks.

Non-monetary incentives, as the name implies, mean that financial institutions provide executives with what they think is valuable, and these values cannot be measured by the specific amount of money, but they can also produce good incentive effects, especially in encouraging innovation, taking risks and inspiring their morale. The non-monetary compensation system can provide an effective supplement to the monetary new compensation system and make the transition of financial institutions' incentive plans more stable. When financial institutions are allowed to adopt new incentive plans, they can consider using non-monetary new compensation as a transitional strategy. Common non-monetary incentives include flexible working hours; Informal affirmation or praise from the supervisory department of the senior management; Be praised and respected by all employees of financial institutions; Non-cash incentive activities arranged by the company or department or team; Help employees achieve personal development and standards, provide training plans, courses and even teachers.

Further optimize the salary structure and set up an executive compensation Committee. Effectively implement the regulations on deferred payment of performance pay, and implement deferred payment of performance pay for CITIC Group managers (including team members and middle-level personnel) and post employees (including account managers, credit business personnel and financial market business personnel) in accordance with the principle of "compliance with laws, fairness and justice, and risk restraint", strengthen the awareness of relevant personnel on compliance operation and risk prevention, and encourage managers at all levels and post employees who have important influence on risks to consciously abide by professional ethics.

According to the characteristics of senior executives and the development status of CITIC Group, a scientific, reasonable and practical salary structure for senior executives is formulated. To a certain extent, CITIC Group can't ignore the short-term incentive behavior, because it also

encourages senior managers to improve their working ability to a certain extent, and short-term incentives play a great role in the peak season of financial institutions. Long-term incentives can bring the best and most reasonable incentives and benefits to financial institutions and executives of financial institutions, so we should also pay attention to long-term behavioral incentives. In terms of executive compensation structure, it is necessary to increase the proportion of long-term compensation, and effectively combine and unify the executive compensation and income with the overall development of CITIC Group and the next work measures, give incentives in the compensation combination, and gradually establish and improve short-term and medium-and long-term incentive methods in equity and compensation.

6.5 Strengthen the long-term incentive mechanism for executives based on equity incentives.

According to CITIC Group's current state of executive compensation and incentive methods, we should strengthen the long-term incentive mechanism for executives based on equity incentives. In order to encourage executives to make appropriate long-term investments in financial institutions and increase shareholder value, long-term incentives will help to extend the tenure of executives and reduce the risk-averse executives' risk-averse investment avoidance behavior. The long-term development goals of financial institutions are related to benefit indicators and executive compensation, and this is used as a condition for incentive cash to promote the realization of medium and long-term goals of executive compensation incentives.

There are many measures to implement executive equity incentive. CITIC Group needs to design a set of scientific and reasonable executive compensation distribution system and a complete and effective equity incentive scheme according to the particularity of its own management and equity model, and pay attention to the legal, financial, tax and operational risks that may be encountered during the period to ensure the reasonable and standardized implementation process. Equity incentive has dual functions of incentive and restraint, which requires full investigation and scientific and reasonable design. The object, mode, quantity and withdrawal mechanism of equity incentive are defined through the system, so as to achieve a fair, just and open positive incentive effect. Equity incentive, as the most suitable "incentive" factor to motivate executives, is because equity represents the owner, and executives who own most of the equity in their financial institutions have a sense of belonging and acquisition ideologically, and their own salary is tied to the development of financial institutions. If CITIC Group has a good development prospect, non-performing loans decrease and the spread between deposits and loans increases, executives will have more equity, raise the level of salary

payment, and be more motivated and conscientious in their work. On the other hand, if the efficiency of financial institutions is poor and the correlation between executives and equity is low, executives will not get corresponding returns, and will voluntarily give up the economic returns brought about by poor management.

For example, when the top managers of financial institutions are about to retire, they may reduce the company's R&D investment to achieve the income target, and then increase their year-end bonuses. Since year-end bonus (together with salary) is a key factor in calculating pension, executives can get more pension benefits because of higher year-end bonus. This is part of the reason why some financial institutions include the requirement of "holding until retirement or after retirement" in stock options and restricted stock items. In this way, if executives refuse to invest valuable shares to increase their retirement benefits, then in theory, the shares held by executives will depreciate, thus causing losses to the executives of financial institutions.

On the one hand, equity is an important part of salary incentive, and many companies use stock options to stimulate their long-term value creation. Share capital has some ideal characteristics, which helps executives to keep the interests of shareholders consistent. First, there is a positive relationship between the value of equity and the price of share capital. This feature urges executives to choose and implement investment projects with positive net present value. Second, the change of option value is influenced by the fluctuation of financial institutions' operating performance. This feature urges executives to accept high-risk investment projects with positive NPV, which may be rejected when the salary is mostly fixed salary and short-term incentives. Third, due to the existence of exercise conditions, options can be delayed to encourage executives to pay attention to long-term performance. It can be seen that stock incentive is often applicable to companies with a large number of high-risk investment opportunities. Equity can attract executives who are capable and able to take moderate risks, and these executives want to share the value created by their work. Therefore, CITIC Group should strengthen the long-term incentive mechanism for senior executives based on equity incentives in view of the current lack of long-term incentives within financial institutions.

7. Conclusion

The top management of CITIC Group is the brain of operation, the initiator, maker and decision maker of various policies, and bears great responsibility and responsibility for the development of financial institutions, which is closely related to the development level of CITIC Group. By analyzing the current incentive policy of CITIC Group, combining with the questionnaire, this study applies the theory of "hierarchy of needs", "two factors" and "principal-agent theory" of incentives, and adopts scientific analysis methods to seek a set of perfect countermeasures for CITIC Group's salary incentives suitable for its characteristics.

The research shows that there are four problems in CITIC Group's executive compensation incentive mechanism. One is the lack of a reasonable and perfect performance evaluation system; Second, the process of executive compensation payment is not transparent enough; Third, the correlation between salary and performance is weak; Fourth, the lack of systematic planning of compensation management and other conclusions, and the reasons for the existing problems are analyzed, namely, the existing compensation incentive system does not match the level of senior executives' needs, and the existing executive compensation incentive emphasizes external compensation and ignores internal compensation. Then, the optimization suggestions of CITIC Group's senior executives' compensation are given, following the principle of improving corporate governance structure; The incentive principle of diversification of executive compensation; Incentive principle of executive reputation; According to the principle of unifying the rights, responsibilities and interests of senior executives, there are the following suggestions for optimization: first, build a comprehensive evaluation system for senior executives' compensation; The second is to improve the information disclosure system of senior executives; The third is to establish an internal restraint mechanism for senior executives; The fourth is to optimize the compensation structure of CITIC Group executives; The fifth is to strengthen the long-term incentive mechanism for executives based on equity incentives.

8. Research limitations and prospects

The senior management has made outstanding contributions in ensuring the daily operation of CITIC Group, making major decisions, replacing non-performing assets with the government and regulatory authorities, and reporting special debts. I have done a lot of research on the compensation of senior management of CITIC Group before, which provides an important research basis for the research on the countermeasures to improve the compensation incentive of senior management of CITIC Group. However, there are also some problems in this paper, such as the lack of research time on executive compensation, the lack of in-depth and detailed research and the lack of theoretical study on compensation, which leads to some shortcomings in this paper. First, in the process of salary survey, we did not learn from the excellent practices of executive compensation in other financial institutions, nor did we compare and analyze the results of salary survey; Second, in the process of collecting information through the questionnaire on executive compensation, there are few public information that can be directly collected, and the cases of public information have certain limitations, so it is impossible to make a completely accurate judgment and analysis. Therefore, although this paper analyzes the process of executive compensation according to the questionnaire and determines the key factors, it also lacks sufficient basic research work.

In the future research process, with the further improvement of the information disclosure system of executive compensation, on the basis of the research on executive compensation incentive in financial institutions, we will learn from the analysis of the problems and coping strategies in the process of executive compensation incentive in other financial institutions, so as to analyze the principles to be followed and the optimization suggestions given in the executive compensation incentive in financial institutions more systematically and comprehensively, and start with the theory of micro-demand level of executives and high-level echelon construction level. A comprehensive and detailed analysis of the salary management methods and the system documents triggered will provide a more realistic, reasonable and perfect reference for the improvement of executive compensation incentives in small and medium-sized financial institutions.

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10. Appendixes

Appendix A - Questionário / Questionnaire

CITIC Group Executive Compensation Satisfaction Survey Questionnaire

Clarification:Very Satisfied- 5 points, Satisfied-4 points, Moderately Satisfie-3 points, Dissatisfied-2 points, Very Dissatisfied-1 points

<p>(I) Basic information (single choice)</p> <p>1.Your job category: <input type="checkbox"/> Manager</p> <p>2.Your age: <input type="checkbox"/> below 25 years <input type="checkbox"/>26-35 years <input type="checkbox"/>36-45 years <input type="checkbox"/>above 46 years</p> <p>3.Your gender: <input type="checkbox"/> Male <input type="checkbox"/> Female</p> <p>4.Your education: <input type="checkbox"/> Bachelor or below <input type="checkbox"/> Bachelor <input type="checkbox"/> Master <input type="checkbox"/> PHD</p>
<p>(II) Compensation level and structure (single choice)</p> <p>1.Based on the local consumption level and industry comparisons, are you satisfied with the current compensation level?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>2. Are you aware of the current compensation system implemented by the company?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>3. Are you satisfied with the current compensation system in the company?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>4.Are you satisfied with the current composition structure of the compensation?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>5.Do you consider the current compensation system in the company fair?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>6.Are you satisfied with the method and timing of compensation distribution?</p> <p><input type="checkbox"/>Very Satisfied <input type="checkbox"/>Satisfied <input type="checkbox"/> Moderately Satisfied <input type="checkbox"/> Dissatisfied <input type="checkbox"/> Very Dissatisfied</p> <p>7.what is your structure of your compensation system</p> <p><input type="checkbox"/> fixed <input type="checkbox"/> fixed plus performance based <input type="checkbox"/>fixed plus stock</p>

(III) Performance Compensation (single choice)

1. Whether performance management adequately recognizes individual labor contributions?
 Very Satisfied Satisfied Moderately Satisfied Dissatisfied Very Dissatisfied

2. Are you satisfied with the rewards you receive for your work efforts?
 Very Fair Fair Moderately Fair Unfair Very Unfair

3. In the company, as long as you work hard, you can expect continuous job promotions?
 Very Fair Fair Moderately Fair Unfair Very Unfair

Please provide any other feedback or opinions regarding the executive compensation system.

Results of the executive compensation satisfaction survey conducted at CITIC Group

No	Survey content	Statistical result				
1	Your job category:	Manager	-	-	-	-
		150	-	-	-	150
2	Your age:	≤25	26-35	36-45	≥46	-
		17	63	47	23	150
3	Your gender:	male	female	-	-	-
		91	59	-	-	150
4	Your education:	Bachelor or below	Bachelor	Master	PHD	-
		13	61	49	27	150
5	Based on the local consumption level and industry	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		66	55	21	4	4

	comparisons, are you satisfied with the current compensation level?					
6	Are you aware of the current compensation system implemented by the company?	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		63	36	33	15	3
7	Are you satisfied with the current compensation system in the company?	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		71	38	29	10	2
8	Are you satisfied with the current composition structure of the compensation?	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		53	47	35	14	1
9	Do you consider the current compensation system in the company fair?	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		73	33	31	6	7
10	Are you satisfied with the method and timing of compensation distribution?	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		59	41	37	13	0
11	Whether performance management	Very Satisfied	Satisfied	Moderately Satisfie	Dissatisfied	Very Dissatisfied
		69	53	18	3	7

	adequately recognizes individual labor contributions?					
12	Are you satisfied with the rewards you receive for your work efforts?	Very Fair	Fair	Moderately Fair	Unfair	Very Unfair
		63	49	18	9	11
13	In the company, as long as you work hard, you can expect continuous job promotions?	Very Fair	Fair	Moderately Fair	Unfair	Very Unfair
		61	51	18	11	9
14	what is your structure of your compensation system	fixed	Fixed+performance	Fixed+stock	-	-
		21	84	45	-	150
	Please provide any other feedback or opinions regarding the executive compensation system.					