

# Comparative Analysis of Incentive Mechanism of Human Resource Management in Public Management and Enterprise Management

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**Abstract.** With the progress of society, the market economic system continues to develop and improve, the market environment is becoming more and more complex, and the market competition is becoming more and fiercer. Human resource management plays an increasingly prominent role in public management and enterprise management. As an important part of human resource management, incentive mechanism affects the flow of talents, work efficiency, enthusiasm, work quality and other aspects. How to improve the incentive mechanism to promote the healthy development of employees and achieve the organizational goals has become a practical problem that public organizations and enterprises must solve. This paper will focus on analyzing the differences and commonalities between the incentive mechanisms of public management and enterprise management, and then propose feasible innovation strategies and implementation paths for the incentive mechanisms of public management and enterprise management according to China's actual situation and combined with international advanced experience. The purpose of this paper is to improve the two internal structure management and work efficiency and quality to meet the new requirements of future social and economic development.

**Keywords:** Public management, enterprise management, human resource management incentive mechanism.

## 1. Introduction

Incentive mechanism is an important way for public organizations and enterprises to realize human resource management. Incentive mechanism plays an important role in stimulating the enthusiasm of staff, exploring their potential, promoting the formation of good organizational culture, psychological motivation and improving the quality of staff. The optimization of incentive mechanism not only provides employees with high-quality development direction planning and adequate and excellent development environment, but also helps the organization to enter a virtuous cycle and sustainable development, ensuring that all work is carried out orderly and in line with the organization's goals and high-quality work results. Public organizations and enterprises should formulate a "specific" incentive mechanism according to their organizational nature, specific objective work conditions and staff's work level. A set of more perfect incentive mechanism that follows the development and innovation of The Times is of great significance to optimize the internal structure of the organization. Based on the review of the existing research on the incentive mechanism of human resource management in public management and enterprise management and the classification and comparison of them, this paper analyzes the common points and differences in the specific management of the incentive mechanism of human resource management in public management and enterprise management, and puts forward suggestions that the two should learn the advantages of each other's incentive mechanism to improve their incentive mechanism. The two incentive management technologies are updated respectively with "digital platform - block-chain" as the innovation point. The successful cases of innovation that have been used for reference are given and the degree to which public organizations use enterprise incentive methods for reference is discussed.

## 2. Literature Review

### 2.1. Research Status

In public administration literature, there is a long-term debate on the similarities and differences between public management and private management. However, the comparative studies on the incentive mechanism of public management and enterprise management are few and have a long history. Recently, most foreign scholars mainly analyze the same subjects through comparative analysis, then learn from successful experience or put forward innovative methods of incentive mechanism. Blom R and Kruyen P M et al. conducted a comparative study on the impact of human resource management practices in the public, semi-public and private sectors through meta-analysis, and concluded that there was no substantial difference between public and private sector organizations, except that the practice of enhancing opportunities had a greater impact on the overall performance of the private sector [1]. Public and private sector employees are equally affected by capacity, motivation or opportunity enhancement practices [1]. Pawan and Budhwar et al. concluded through the hypothetical analysis of the human resources of the private and public sectors in India that the human resources management system of the public organizations would be more rational and structured than that of the private organizations, but the difference was not large [2]. At present, Chinese scholars continue to expand the field of comparative analysis and research on the incentive mechanism of public management and enterprise management, aiming at proposing excellent incentive mechanism schemes to promote the development of organizations. Xie Tiantian proposed that the enterprise management level should enhance the standardization and stability and need to change the concept, while the public management level needs to use more flexible incentive mechanism, reasonable use of material rewards and diversified incentive methods [3]. Chen Yazhi and Wang Wanyi proposed that the two should provide a perfect incentive mechanism for them from the aspects of building mechanism platform, attaching importance to training and performance appraisal mechanism, and humanized management [4].

### 2.2. Literature Summary

At present, through the review and combing of relevant literature, it is found that scholars have relatively mature theoretical experience in the research of public management, enterprise management and the comparative analysis of their incentive mechanisms, which has a very positive research significance and exploration role, and provides an abundant theoretical basis for the improvement of their incentive mechanisms. However, because researchers are confined to the strong constraints of public management, the optimization and improvement programs provided are not enough. Moreover, because most of the literature on "superimposed research" is slightly innovative on the basis of the former research, both comparative analysis and improvement measures are mostly similar. In order to jointly improve the incentive mechanism of human resource management for both public management and enterprises, in-depth and specific exploration and research are needed. This paper hopes to carry out certain innovations in this field, and make management innovations in performance appraisal, salary and welfare and other incentive mechanisms with "block-chain" digital technology. Efforts are made to reduce the workflow of human resource management, reduce management costs, establish a trust mechanism between the organization and staff, reduce disputes between the employer and the employee, and improve the incentive mechanism to promote the organization to adapt to the development of the times and thus provide a theoretical basis for long-term benign and stable development.

### 3. Comparative Analysis

#### 3.1. Commonalities

The goal of the incentive mechanism of human resource management in public management and enterprise management is the same, and the incentive mechanism plays a significant role in stimulating the internal potential of employees and the sense of competition. The goal of the incentive mechanism of both is to develop, attract and cultivate high-quality professional talents, enhance the creativity of talents and realize the benign competition of employees, and then realize the development of the organization. The incentive principle of public management and enterprise management human resource management incentive mechanism is the same. Both incentive mechanisms adopt the combination of talent goal and overall goal, the combination of spiritual reward and material reward, the combination of positive incentive and negative incentive, the combination of internal incentive and external incentive. Fair and reasonable, differential incentive for each employee to fully stimulate the enthusiasm and creativity of employees. The incentive methods of public management and enterprise human resource management incentive mechanism are similar. Preferential policies, welfare policies, promotion opportunities, vocational training and other methods are generally adopted in the implementation of the incentive mechanism in both public management and enterprise management, so as to attract external talents and retain internal talents. The core of the incentive mechanism of human resource management in both public management and enterprise management is to implement the people-oriented concept [5]. Both attach importance to the humanized management of the whole training process, respect employees and attach importance to their personality, dignity and personal development, and provide assistance to employees in formulating future career planning, vocational training, vacation arrangements, etc. These behaviors are conducive to meeting the needs of employee development, achieving personal value pursuit and increasing the enthusiasm of employees and their work ability.

#### 3.2. Differences

There are differences between the organizational goals of public management and enterprise management. The goal of public organizations is to provide barrier-free and high-quality services, meet public needs, efficient use of existing resources [6]. Public management pays more attention to collective advantages and pursues social equity and justice. The goal of the incentive mechanism is to mobilize the enthusiasm of public officials and stimulate their sense of responsibility to better serve the people and society, and highlight the function of public units. Compared with the public sector, the private sector reveals its obvious subjectivity more clearly and is accused of only engaging in profit-oriented work [7]. Enterprise management pays more attention to its economic benefits and pursues the maximization of profits. The incentive mechanism aims to enhance the market competitiveness of enterprises and thus promote the development of enterprises.

There are differences in the operation effect of the incentive mechanism of public management and enterprise management. In public management, it is difficult to accurately quantify the evaluation of the work results of public officials. Moreover, due to the immobilization of incentive content, its assessment, reward and punishment mechanisms cannot be updated in time, resulting in poor operation effect of the incentive mechanism and the public officials of inefficiency, fear of difficulties and inability to perform their public service functions. In the enterprise, the assessment, reward and punishment mechanism are thorough, the performance evaluation can be accurately quantified and then transformed into specific material feedback, and the management mode is strict, improving the initiative, work efficiency and work quality of the staff. The operation effect of the incentive mechanism is remarkable.

The emphasis of incentive mechanism of human resource management is different between public management and enterprise management. Public management puts more emphasis on their public morality, professional quality, political thought, service spirit and sense of responsibility, etc. The public sector mainly uses ideological motivation, emotional motivation and model motivation, and

pays particular attention to the cultivation of political accomplishment [8]. Take morality as the key constraint object to stimulate the sense of responsibility and ambition of public officials. Enterprise management pays more attention to the incentive at the material and profit level, mainly stimulates the enthusiasm of employees by job incentive, equity incentive and other material incentives, and attaches importance to training employees' comprehensive ability and competitive consciousness.

There are differences in the incentive program mode of human resource management incentive mechanism between public management and enterprise management. Public officials in public management have particularity because of their identity and function. Managers of public institutions must accept personnel and organizational arrangements established by other units, including the legislature [9]. Public organizations must strictly implement the incentive mechanism in accordance with national laws and regulations, and the incentive procedure has a fixed model to ensure the justice of the incentive process. The incentive program of the enterprise has a strong flexibility, and the incentive mechanism varies according to the operation nature, scale and public facing of each enterprise. The enterprise can adjust the incentive mechanism appropriately according to its specific situation and the current development situation such as the market environment.

## 4. Solution

### 4.1. Public Management Perspective

With the continuous progress of the society, people's demand has changed correspondingly, and their demand for material is also increasing. If an organization only adopts the incentive means of spiritual commendation, it cannot achieve the effect of promoting productivity [10]. Public management focuses on spiritual incentives, but it is difficult to mobilize the enthusiasm of public officials for a long time only by relying on spiritual incentives. Public management can learn from enterprises to focus on material incentives, appropriately improve material incentives, find a precise balance point between spiritual incentives and material incentives, and adopt a more scientific assessment method through the combination of spiritual incentives and material incentives. Make the employee's work efficiency and personal efficiency combined. The incentive mechanism of public management is strictly stipulated by law and has relative stability. It adopts consistent incentive mechanism for all public officials in various departments. Public management should learn from the flexible management mode of enterprises to a certain extent, optimize and adjust the existing incentive mechanism according to specific conditions, and adopt a more scientific and reasonable incentive mode. Make the incentive mechanism satisfy the actual needs of different departments, different personnel and different situations. The public sector can also learn from the innovative and various incentive methods of enterprises, enrich its incentive ways by means of clear rights and responsibilities, responsibility incentive, goal incentive, etc., and closely link the sense of responsibility of public officials with their work, so as to stimulate their dedication and improve the work effect of public officials. It can also improve the employee assistance plan and pay more attention to the personal situation of public officials. To enhance public officials' sense of belonging to the organization and to reduce the interference of personal circumstances with the quality of their work. The public sector can also take innovative workplace as an incentive means to provide employees with a good working atmosphere and strive to reorganize the workplace to improve employee satisfaction. Employees can activate new ideas, technologies and methods in the company to improve organizational performance [11].

From the perspective of new public management, the incentive mechanism of human resource management in public sector has excellent practice examples. There is a difference in the performance evaluation of the United States, that is, it requires the signing of performance contracts, attaches great importance to performance objectives, and does not engage in seniority in reward. Through performance evaluation, the U.S. government gradually raises the salary based on performance evaluation and manages indirect benefits to motivate civil servants to work more actively. *Civil Service Reform Acts of 1978*, in order to ensure that the salaries of middle - and low-ranking civil

servants are broadly equivalent to those of employees in private enterprises in the same region, provides that the Office of Management and Budget, the Office of Personnel Management and the Ministry of Labour shall jointly conduct an annual survey of the wage levels of private enterprises throughout the country and carry out a continuous comparison of the wage levels of public servants. The proposed adjustment of civil servants' salaries is submitted to the congress and the President, and after the approval of the congress, the President issues an executive order to adjust the civil servants' salaries to ensure implementation. The incentive mechanism of American civil servants includes material and spiritual aspects. In terms of material incentive, about half of them can receive performance appraisal bonus through annual assessment every year. In terms of spiritual awards, the president will award outstanding civil servants with titles such as "Outstanding Administrative officials" every year. In terms of other benefits, American civil servants pay attention to staff decompression, introduce Employee Assistance Program (EAP), arrange flexible working hours, and protect vulnerable civil servants. In recent decades, EAP has been more and more closely related to the human resource management of the organization, and its application scope has gradually developed to the comprehensive help of public servants in the public sector. The Employee Assistance Program (EAP) in the civil service incentive system is used to improve the health of civil servants and help civil servants cope with difficulties arising from work and family conflicts, and mainly provides referrals or counseling for staff who have problems such as alcoholism, drug abuse, personal debt, domestic violence or other problems affecting work efficiency.

#### **4.2. Enterprise Management Perspective**

Enterprises should learn from the practice of the public sector in formulating fixed standards for incentive mechanisms and manage the change direction of mechanisms with specific standards to achieve the goal of enhancing the stability of incentive mechanisms [12]. The flexibility and variability of the incentive mechanism of enterprise management are determined by the complex market conditions it faces. However, as an important part of human resource management, the incentive mechanism needs to have a certain stability, so as to ensure that the enterprise members' recognition of the organization and the incentive mechanism can play a lasting role. Enterprise management can learn from the incentive mechanism of public management. Formulate fixed management standards that lay the foundation of incentive mechanism, and standardize the development goals and directions of enterprise management to be flexible and stable. Compared with the incentive mechanism of public management, the fairness, rationality and transparency of the incentive mechanism of enterprise management still need to be strengthened and improved. Enterprises can also learn from the strong standardization of the incentive mechanism of the public sector, build a reasonable management mechanism of interest distribution and a scientific proportional distribution mechanism and constantly improve it, and make the formulated rules and regulations public. With the implementation of mutual supervision and the whole process supervision and guarantee system. According to the specific conditions of enterprises, an open incentive system that satisfies the actual needs of employees and the development of The Times shall be established.

#### **4.3. Discussion on the Reference Degree of Incentive Methods**

When the incentive methods of public management and enterprise management learn from each other, the two must demarcate the degree. The original reference of some methods may lead to "negative benefits" and bring serious consequences to the society. In the incentive mechanism of public management and enterprise management, the most significant is the performance of material incentive. There are various forms of material incentive in enterprise management, such as equity incentive, bonus incentive and salary incentive. Due to the special nature of public management, it is not suitable to learn from the form of equity incentive. In terms of other material incentives, while learning from the material incentive methods of enterprise management, public management must do a good job in relative balance with the material incentive level of enterprises, and formulate reasonable incentive conditions after comparative analysis with the material incentive standards of

enterprises. If the material returns obtained by public officials are higher than those obtained by enterprise employees, the addition of public officials has the advantage of stability, which will affect the employment concept of talents to a large extent toward public organizations, resulting in more intense competition for public management positions and a lack of outstanding talents in enterprise positions, disrupting the order of the employment market. This leads to a series of social and economic problems.

#### **4.4. Block-chain Technology Innovation**

Block-chain will facilitate collaboration among all parties especially to reach consensus among all parties, and update the skills and knowledge of employees. Block-chain can also provide up-to-date information on industry needs to assist training providers in specific actions. Block-chain can improve the matching degree of employees' skills and performance with their jobs, which is conducive to improving the productivity of the company [13]. Block-chain technology offers higher security compared to existing technologies and has important functions in terms of employees learning records or other information stored in human resource management systems. Block-chain is one of the technologies that human resource management departments should invest in in the technological innovation of human resource management system [14].

Enterprises can use block-chain technology to clear work rights and responsibilities, fair and transparent assessment, promote mutual trust between employers and employees, improve work efficiency, and increase the expected effect of business supervision [15]. The innovation of enterprise human resource management incentive mechanism can make use of block-chain consensus mechanism and smart contract. Enterprises can use block-chain technology to decompose existing jobs and project work into specific tasks, and sign smart contracts after reaching specific consensus with employees on work tasks, assessment, evaluation, reward and punishment mechanism, etc. The company uses smart contracts as a channel to fully understand the individual needs of employees, so as to accurately motivate employees who complete tasks, and to meet the actual needs of employees is conducive to improving their work enthusiasm and work quality. Enterprises can also make use of the transparency, immutable and traceable characteristics of block-chain to objectively evaluate employees' contributions by means of integration, establish a more scientific performance evaluation system and post salary evaluation system, so as to share work resources, clear rights and responsibilities, work results are not stolen, and rewards and punishments are accurately implemented. Creating a more objective and fair working environment for employees is conducive to the healthy development of human resources.

As a decentralized recommendation platform native to block-chain, Attrace aims to become the first block-chain-based alliance network to give every user an equal opportunity to participate the promotion by tokenization of the promotion bounty, and to build a fair, transparent, and decentralized recommendation system through smart contracts. The initiator can initiate demand and deposit promotion bounty on the Attrace platform. After the promotion task is released, the interested promoters will claim it. The platform will generate a dedicated promotion link for each of the promoters who claim the task, and the promoters can send this link to any potential customers. Promoters receive ATTR token rewards (promoters' promotional bounty). This not only reduces the promotion links and costs, but also improves the revenue of user promotion. The creation of automatic digital contracts unifies the business rules of the parties, and sales are automatically attributed, which helps to reduce the problems of trust, disputes and fraud, and the commission of smart contracts is automatically issued and each transaction is stored on the public ledger of the block-chain, helping to eliminate late payments as well as disputed payments. This case is the use of block-chain immutable, authentic, traceable, open and transparent, decentralized functions to solve the problem of ambiguous work rights and responsibilities, unclear performance definition, tampering or falsifying performance information. Enterprises can establish a performance appraisal chain in the performance appraisal of incentive mechanism, and link employee performance and appraisal information to the chain, which can be traced and checked at any time.

Public organizations can form performance management block-chain by establishing information management chain, evaluation definition chain and salary feedback chain respectively [16]. Public organizations can make use of the high security degree and fairness of block-chain technology to enter the personal information, work performance and corresponding work information of public officials into the information database, so as to make the classification management of public officials clear and facilitate the supervision of the whole process, and ensure that different departments within the organization carry out a number of important works at the same time. Public organizations can also use block-chain technology to improve the linkage between performance evaluation and salary feedback system, make use of objective and real data and information reflected in the database, conduct scientific and fair performance evaluation of public officials, and on the basis of determining the balance between spiritual incentives and material incentives, give reasonable material rewards to public officials evaluated according to performance evaluation. The evaluation results and the material reward description are fed back to the individual through the performance evaluation system, and the material reward and salary can be fed back to the individual at the same time, and the whole process is confidential and accurate, so as to improve the work enthusiasm of public officials and ensure that the personal work information is not leaked.

## 5. Conclusion

With the advent of digital age and the intensification of market competition, human resource work has become an important research content of public departments and enterprises. The public sector should optimize its incentive system based on the actual situation of China and learn from foreign excellent cases and some incentive mechanisms of enterprises, focus on solving the problems of rigidity of traditional incentive models and low work efficiency, pay attention to the demarcation of incentive mechanism innovation, and attach more importance on the feasibility analysis of incentive mechanism innovation. The public sector should not use the principles and methods of enterprise incentive mechanism in areas with high social impact, so as to avoid bringing bad social impact and causing social disorder. Enterprises should not only achieve a qualitative leap in human resource management in the face of the advent of the digital era, but also establish a strong standard system and operating framework to ensure its stability and promote the sustainable development of enterprises. In recent years, the public sector has also properly pursued work efficiency, and enterprises also need to assume certain social responsibilities. According to the development needs of the digital society, the two should comprehensively analyze their characteristics and development needs, learn from each other, and jointly innovate new management technologies and methods applicable to the organization, on the basis of the existing integration and innovation of incentive mechanisms. The two should more to build a systematic update and perfect human resource management system that meets the development needs of the new era. This study provides reference suggestions for the public sector to learn from enterprise human resource management methods, and proposes block-chain innovation for the technological upgrading of human resource management system for both public sector and enterprise. Because this paper lists not many successful cases of human resource management incentive mechanism innovation in public sectors and enterprises, lacks examples to support the discussion on the extent and limits of public organizations to learn from enterprise incentive methods, and lacks detailed analysis on the feasibility of applying block-chain to human resource management in public organizations and enterprises. It is proposed that the feasibility study on the mutual learning of human resource management incentive mechanism and innovative technology should be strengthened, and it is committed to providing a theoretical basis for the innovative development of human resource management in public management and enterprise management, so as to adapt to the era of digital economy. At the same time, it is hoped that the innovative and sustainable development of public organizations and enterprises can bring more benefits to the society.

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