

Research on Labor Cost and Labor Compensation of Enterprises in Liaoning Province

Xinyi Li ^{1,*}, Shucheng Zhang ^{2,a}, Xiaoting Wei ^{3,b}, Yiman Zhao ^{4,c}

¹ The University of HongKong, HongKong 999077, China

² Zibo Normal College, Zibo 255130, China

³ Guangxi Normal University, Guilin 541001, China

⁴ Shanghai Maritime University, Shanghai 201306, China

* Corresponding author: m15264257168@163.com, ^azsc07@Outlook.com,
^b13558488443@163.com, ^c18275256755@163.com

Abstract. Liaoning is the birthplace of new China industry and the economic center of the old industrial base in Northeast China, which has played a vital role in the development of new China. Since the revitalization of the old industrial base in Northeast China was put forward, the small and medium-sized enterprises in Liaoning Province have played an increasingly obvious role in the overall economic development of Liaoning Province, and played a decisive role in promoting the economic development of Liaoning Province. The survival and development of small and medium-sized enterprises in Liaoning province play an important role in absorbing labor force to obtain full employment and comprehensively improving people's living standards. However, the development of small and medium-sized enterprises in Liaoning Province is not satisfactory, on the contrary, it is very worrying, which makes us have to focus on how to get rid of the difficult development situation of small and medium-sized enterprises in Liaoning Province and realize sustainable development. By exploring the relationship between enterprise cost and labor remuneration, taking 3649 enterprises surveyed as examples, this paper studies the proportion of optimal labor remuneration to labor cost and the proportion of labor cost to enterprise cost, so as to analyze the realistic situation faced by enterprises in Liaoning Province and the corresponding improvement countermeasures to promote the overall economic development of Liaoning Province.

Keywords: Labor cost, Labor remuneration, Cost expense.

1. Introduction

According to some scholars' previous surveys, it is difficult for enterprises in Liaoning Province to operate well. According to the operating situation of enterprises in Liaoning Province and the overall income effect, since 2014, only half of enterprises in Liaoning Province have been profitable for three consecutive years, while the other half have been losing money. The operating income and total profit of enterprises in Liaoning Province have actually been negative growth for three consecutive years. At the same time, in 2015, both the operating income and total profit declined rapidly, and the total profit was even more obvious. Its growth rate also showed a huge decline, and the slowdown rate has almost reached 70%. Until 2016, the situation of enterprises has not improved, and it is in a continuous downward trend, and the business operation of enterprises is still not optimistic. The overall operating cost of the enterprise decreased slightly, but the expense cost increased. From the index of operating cost per 100 yuan of operating income, it can be seen from the collected data that the asset-liability ratio of sample enterprises in Liaoning Province has reached nearly 80%, far higher than the national average, and the financial risk is naturally high.

Unit%

Table 1. Study on the Growth Rate of Main Economic Indicators in Liaoning Province

index	the year of 2016	the year 2017	the year of 2018	2019
Gross Regional Product	4.2	5.7	5.8	6.1
fixed-asset investment	0.1	3.7	7.0	8.2
Total retail sales of social consumer goods	2.9	6.7	6.9	7.1

Although the GDP of Liaoning Province has been in the middle and lower level in the whole country since the reform and opening up, from table 1, it has increased year by year since 2016, with an increase of 1.45 times compared with 2016 and 2019. At the same time, the investment in fixed assets has increased most obviously, with an increase of 8 times compared with 2016 and 2019, which undoubtedly promoted the economic growth of Liaoning Province and improved the GDP of Liaoning Province.

All-round control of the costs and expenses of Liaoning enterprises and the real needs of enterprises is also to better and more professionally put forward relevant policies and measures to achieve results and reduce costs to a greater extent. Therefore, the author collected the data of labor cost and labor remuneration of 3649 enterprises in Liaoning province, and this paper also analyzed the overall economic situation of Liaoning enterprises based on these sample data. There are inherent defects in the existing business environment in Liaoning Province, but more importantly, the market mechanism has not been fully applied to practice. Because our country lacks the history and experience of market economy, the program is often formatted. Although the basic logic of market economy has been established, the government still controls the market, and everyone struggles for power. Government power has even become a factor of production to a large extent. [1]

From the perspective of industry, the decline of labor income in the initial distribution is partly due to the existence of a large number of surplus labors in China and the slow increase of jobs. The potentially important reason is the production of capital-intensive manufacturing. Liaoning's current economic situation is still in the middle stage of industrialization. Accelerating the operation mode of economic development and promoting the optimization process of industrial structure have become urgent and important strategic tasks for Liaoning's rapid economic development. Nowadays, the pillar industry in China is still the secondary industry. The low interest rate policy is conducive to the development and progress of capital-intensive industries. Most of the costs of enterprises are spent on fixed assets investment, and the fruits of economic growth may follow the "things" instead of the "people".

From the perspective of the region, among the 3649 enterprises, there are 2262 enterprises in Shenyang, accounting for about 60%; Followed by the coastal economic belt, including Dalian and Yingkou, there are 996, accounting for about 27%; Northwest Liaoning includes 391 such as Tieling, accounting for only 10%. Judging from the nature of the sample enterprises, there are 2,252 private enterprises, accounting for about 60%; Followed by 829 state-owned enterprises, accounting for about 20%; There are 315 collective enterprises and 247 foreign-funded enterprises (8.8%) respectively.

2. Liaoning Province, the development of labor costs and labor remuneration status

Since 2019, the economic development of Liaoning Province has been unsatisfactory, so we must seize the opportunity to develop as soon as possible. From the perspective of export situation, due to the weak global economic growth and other uncertainties and unstable factors, the operation and development of Liaoning's foreign trade may face greater pressure in the future, and it is expected that exports will be greatly reduced. The production power of enterprises in Liaoning province has been hit hard, and the investment in manufacturing industry has also been greatly affected. As far as consumption is concerned, the total consumption of social consumer goods will remain stable, and it

is difficult to have an optimistic positive growth. Obviously, insufficient demand can't stimulate economic growth naturally, which has become an influencing factor restricting the economic growth of Liaoning Province in 2019. To sum up, Liaoning's rapid economic development will now face four difficulties and disadvantages: First, the pressure of economic development in Liaoning Province has increased, the willingness of enterprises to invest will be reduced, and it is difficult for general public budget revenue to maintain a sustained growth trend; Second, the lack of industrial growth energy, the province's industrial added value is significantly lower than the average level of national economic development; Third, the real estate industry and traditional manufacturing industries have been hit hard; Fourth, the operation and development of enterprises in Liaoning Province is still not optimistic.

In addition, Liaoning's economic growth in 2019 faces four major advantages at the same time. First, focusing on the development of measures to support the private economy will be conducive to economic growth. In 2019, Liaoning Province will also focus on solving the practical problems faced in the development of private economy, creating conditions for the good operation of small and micro enterprises, and making Liaoning's economy develop better. So far, the examination and approval time of enterprises has been greatly reduced, only 3.5 hours, which is also shorter than the examination and approval time of enterprises in various provinces. Finally, it is to break through the boundaries of administrative divisions to support the development of "enclave economy" and inject momentum into the development of county economy in Liaoning Province, thus ensuring the smooth operation of the province's economy. [2]

Table 2. Cost Research

total cost	Number of enterprises
More than 900	164
800 to 900	205
700 to 800	204
600 to 700	507
500 to 600	537
400 to 500	605
300 to 400	428
200 to 300	666
100 to 200	333

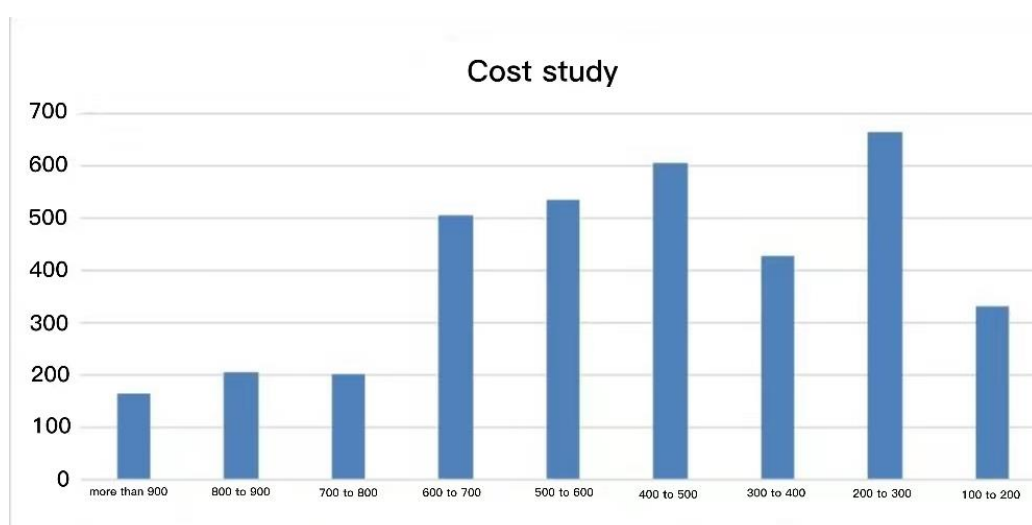


Figure 1. Cost study

Among the 3,649 enterprises that participated in the survey, from table 2 and in figure 1, the labor cost of a large number of enterprises is in the middle, showing an approximate normal distribution, but compared with high cost, low cost accounts for a larger proportion in the sample enterprises, and generally speaking, small or micro enterprises are unable to bear higher costs, so it can be concluded

that among the sample enterprises surveyed, medium and small enterprises account for a larger proportion, while large enterprises are less, which is also in line with the reality of Liaoning enterprises. Among the enterprises in Liaoning Province, most of them are small and medium-sized enterprises, and there are few large enterprises with strong hematopoietic capacity, and only a handful of enterprises can drive the economic development of Liaoning Province, which is in contrast with some more developed provinces and has opened the distance. Therefore, in order to promote the economic development of Liaoning Province and promote the expansion of enterprises, increasing the number of representative enterprises has become the top priority of optimizing the business environment in Liaoning Province.

2.1. Current situation of labor cost of enterprises in Liaoning Province

Since 2013, the economic situation of the three northeastern provinces has been grim, and the economic growth rate of Liaoning Province has naturally declined like a cliff. From the perspective of enterprise benefits, it is found that enterprises face high costs in all aspects, which makes the cost burden of enterprises in Liaoning Province too heavy, the advantages of leading industries weak, and the advantages of low prices and high-quality products weakened, resulting in low profits for enterprises. The high cost and low income of enterprises are the final manifestations of the lag of institutional reform and structural contradictions in Northeast China. However, due to the spread and development of some bad ideas in all business links of enterprises, some non-market trading problems in Northeast China are prominent, and the business situation of enterprises is becoming more and more difficult. In order to effectively stimulate the vitality of enterprises in Northeast China and cultivate the endogenous motivation of economic development, we should formulate relevant policies for revitalizing Northeast China from the perspective of reducing costs and improving profits, reduce the average cost of enterprises, deepen the structural reform of supply side, pay attention to the overall development of upstream and downstream related industries, eliminate backward excess capacity, promote industrial transformation and promotion, deepen market reform, cultivate enterprise market operation mechanism, and simultaneously add, subtract, multiply and divide to optimize the economic structure to a great extent, thus promoting a new round of revitalizing Northeast China. [3]

Table 3. Research on the proportion of labor cost in enterprises

Proportion of enterprise labor cost to cost	Number of enterprises
More than 90%	167
80-90%	122
70% to 80%	157
60% to 70%	175
50% to 60%	213
40% to 50%	201
30-40%	278
20% to 30%	378
10% to 20%	744
Less than 10%	1214

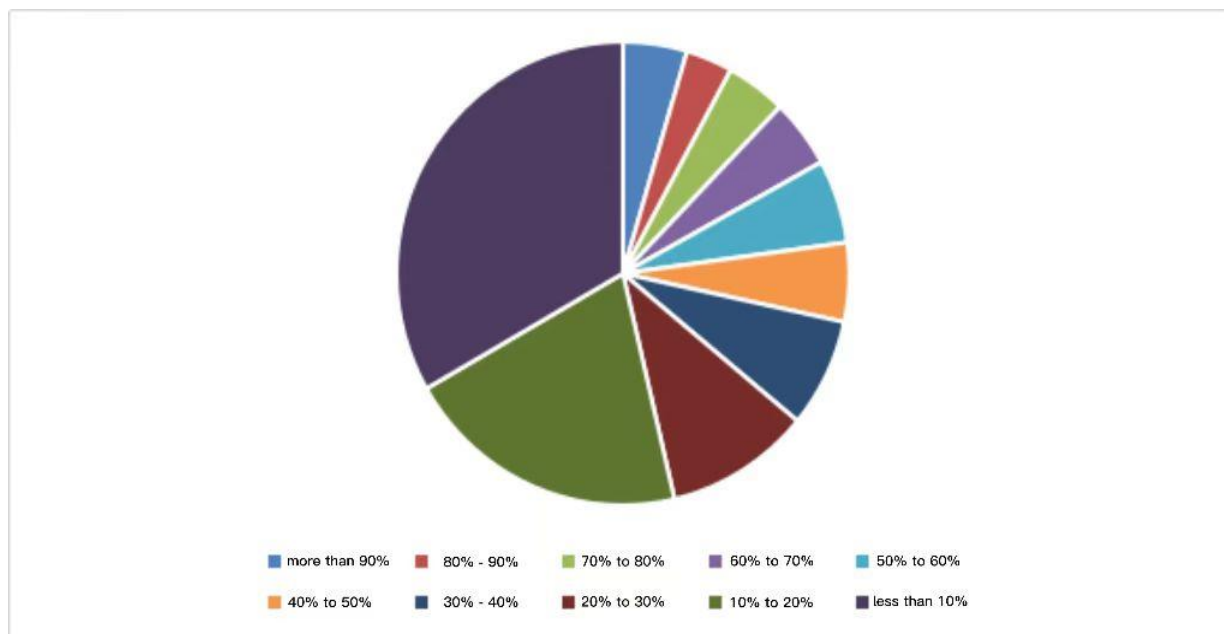


Figure 2. Research on the proportion of labor cost in enterprises

For some time, the rigid increase of labor costs and the obvious problems have caused extensive discussions in academic circles. From table 3 and in figure 2, judging from the overall enterprise data of Liaoning Province, the actual labor cost in Liaoning Province increased by about 8% in 2016, far higher than the national average. As can be seen from the above figure, among the 3649 enterprises surveyed, fewer and fewer enterprises accept the increase in the proportion of labor costs in the total costs. Among the sample enterprises, nearly one-third of the enterprises have labor costs below 10%, and the remaining two-thirds are almost evenly distributed between 10% and 100%. In other words, in the development process of enterprises in Liaoning Province, most enterprises think that controlling the labor cost will be spent on fixed costs or raw materials, ignoring that increasing the labor cost will promote innovation consciousness. In the operation process of enterprises, increasing the labor cost can not only promote the enthusiasm of employees and improve efficiency, but also enhance the confidence of society and other job seekers in the enterprise, attract better talents and better resources, thus bringing greater returns.

2.2. Research on Labor Compensation in Liaoning Province

Low labor cost will inevitably reduce the overall operating cost of Liaoning Province, which is also an important advantage of enterprises in Liaoning Province and even enterprises in China in the process of economic growth. However, with the improvement of technology and economic development, the side effects of low labor remuneration growth are becoming more and more obvious. The low growth of labor remuneration is extremely dangerous for simple workers, resulting in a sharp decline in the overall wage level and quality of life; In addition, the low growth of labor remuneration has also produced adverse results for the balanced development of the economy, which has led to the situation of slack personal consumption, serious shortage of growth motivation, excessive production capacity, excessive dependence on exports and investment, and greatly promoted the potential danger of Liaoning's economy falling into the "middle income trap". However, as far as the current situation is concerned, it is still uncertain how much labor compensation will be raised, and the government should be rigorous and specific in formulating policies. Because the macro-economy has been faced with a dilemma for a long time: firstly, in order to prevent China's overall economy from falling into the trap of middle income, it is urgent for China to optimize and improve the national income distribution pattern to adapt to the international market economy. Secondly, the current surge in labor remuneration will make it impossible to increase profits even if the labor cost of China's traditional advantageous industries is reduced, so the profit space is still narrow. As a result, the profit space of labor-intensive enterprises is limited and the competitiveness of enterprises is declining day by day,

which makes the China market in a dilemma and makes enterprises trapped in the dual competition of low-end market and high-end market. Therefore, the most urgent situation facing our country at present is to realize the optimal value of China's labor remuneration share from the perspective of demand and technical level. At present, it is a top priority to explore the root causes of labor remuneration in China's economic system. After all, it is related to whether China can successfully realize industrial transformation and thus achieve all-round economic growth. [4]

At present, most of the disputes on the change of labor remuneration share in China focus on topics such as capital-output ratio, industrial structure transformation and labor market mechanism. Most of the published documents are from the perspective of supply of production factors, but there are few scholars and articles discussing the change of labor remuneration share in China from the perspective of demand structure and technical efficiency. The papers published before provide a reference for the growth of labor remuneration and economic growth in China to a great extent, and explain the evolution and degradation of labor remuneration share in China from the perspective of final demand and technical efficiency. Demand-driven characteristics are more and more obvious in the process of China's economic development and evolution. A large part of China's economic growth depends on complex domestic and foreign demand to jointly pull. However, in recent years, the consumption of low-and middle-income residents has been seriously unbalanced and the external demand has been sharply reduced, which has led to the fact that the final demand can hardly really play a role in pulling economic growth, and finally shows a reverse reaction of demand to labor remuneration. [5] In addition, from the perspective of technical efficiency, the economic effect of simply improving labor remuneration is uncertain before the conditional industry innovation and transformation are fully realized. Some labor-intensive enterprises in China have very low profits and narrow profit space. Before the industrial transformation is truly realized, the sharp rise in labor remuneration will increase the cost of their labor force in vain, resulting in the economic degradation of some enterprises and the realization of most unemployment. Therefore, it is inevitable that there is a very close relationship between the final market demand and the change of technical level and the change of labor remuneration share, so we must re-examine and take seriously the evolution rules of labor remuneration share in China from the perspective of final demand and technical efficiency.

Table 4. Research on Enterprise Labor Remuneration

labor reward	Number of enterprises
More than 900	168
800 to 900	368
700 to 800	226
600 to 700	295
500 to 600	355
400 to 500	425
300 to 400	686
200 to 300	1119
100 to 200	7

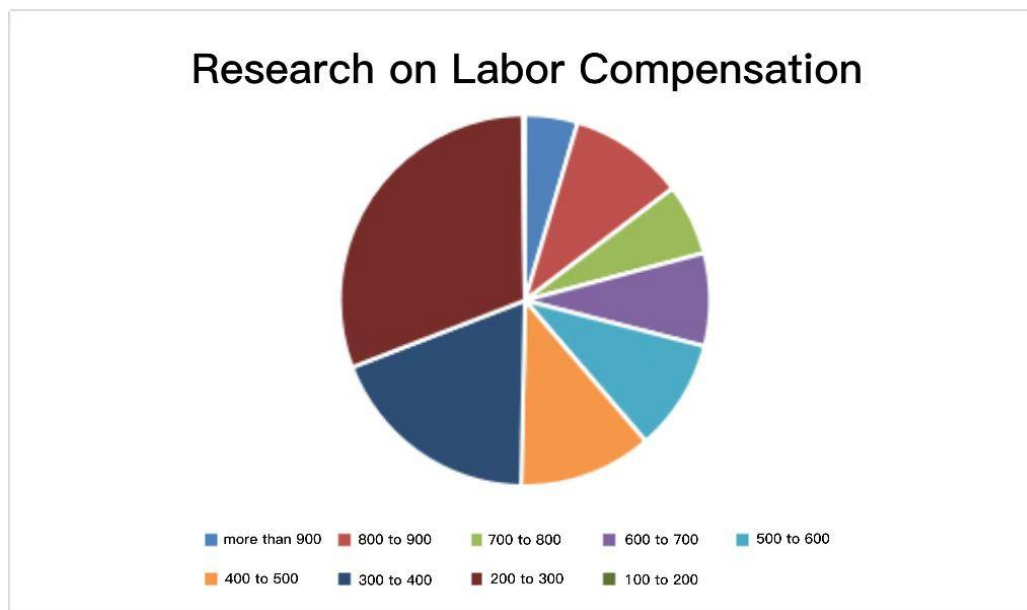


Figure 3. Research on Labor Compensation

In contrast to the extremely low labor cost, in figure 3, the labor compensation not only conforms to the changing trend of labor cost, but also shows some differences, because although the labor compensation in the sample enterprises is still low, compared with the improvement of a grade, only seven enterprises with less than 100 and more than 300 are equally distributed as the labor cost, which shows that enterprises in Liaoning Province really ignore some costs for employees. However, from table 4, labor remuneration accounts for a relatively large part of the only relatively small labor cost, so it also provides a new perspective for promoting the rapid development of Liaoning enterprises. While raising the labor cost, it pays attention to the part other than labor remuneration and makes greater contributions to improving the development of enterprises.

3. Liaoning province enterprise labor cost and labor remuneration data analysis

3.1. Liaoning Province, the status quo of industrial development

The so-called internal effect of industrial structure, specifically, is that reducing the share of labor remuneration within each industry will inevitably lead to a significant decline in the overall proportion of labor remuneration, on the contrary, an increase in the share of labor remuneration within each industry will inevitably lead to an increase in the overall proportion of labor remuneration. However, because the proportion of internal labor remuneration is different among industries, the industrial structure will shift from industries with high labor remuneration to industries with low labor remuneration, which will undoubtedly lead to a significant decline in the overall share of labor remuneration, which is the internal effect of industrial structure.

From the perspective of industrial structure, the total labor remuneration is a weighted way in which the labor remuneration share of each industry is averaged according to the proportion of each industry in economic development. Therefore, the overall change of labor remuneration is the result of the change of labor remuneration share between industries and the change of industrial structure. The former is called the internal effect of industry, while the latter is called the industrial structure effect. [6]

Table 5. List of labor costs of enterprises in Liaoning Province by industry and scale of national economy

Industry category	scale	Labor cost profit rate	Proportion of labor cost to total cost
A. agriculture, forestry, animal husbandry and fishery	Industry average	54.19%	8.73%
	1 Large enterprises	72.49%	10.54%
	2 medium-sized enterprises	28.91%	6.38%
	3 Small businesses	9.10%	7.28%
	4 Micro enterprises	-10.83%	11.01%
B. mining industry	Industry average	72.01%	18.32%
	1 Large enterprises	125.56%	21.28%
	2 medium-sized enterprises	-4.17%	21.47%
	3 Small businesses	68.93%	9.98%
	4 Micro enterprises	-223.67%	7.11%
C. manufacturing industry	Industry average	150.26%	3.15%
	1 Large enterprises	195.78%	6.24%
	2 medium-sized enterprises	89.06%	8.83%
	3 Small businesses	111.98%	0.73%
	4 Micro enterprises	60.00%	15.56%
D. electricity, heat, gas and water Production and supply industry	Industry average	-2.64%	14.81%
	1 Large enterprises	-30.34%	26.35%
	2 medium-sized enterprises	-5.66%	11.36%
	3 Small businesses	99.93%	10.30%
	4 Micro enterprises	116.10%	10.95%
E. construction industry	Industry average	50.42%	8.14%
	1 Large enterprises	5.51%	9.72%
	2 medium-sized enterprises	66.15%	7.57%
	3 Small businesses	61.82%	7.67%
	4 Micro enterprises	508.90%	5.12%
F. wholesale and retail trade	Industry average	65.07%	4.25%
	1 Large enterprises	47.00%	4.65%
	2 medium-sized enterprises	124.89%	3.34%
	3 Small businesses	10.49%	5.60%
	4 Micro enterprises	-52.04%	8.36%
G. transportation, warehousing and postal services	Industry average	-8.00%	15.90%
	1 Large enterprises	-24.68%	17.88%
	2 medium-sized enterprises	37.60%	14.87%
	3 Small businesses	8.43%	11.87%

	4 Micro enterprises	-0.63%	36.83%
H. accommodation and catering industry	Industry average	-11.33%	25.43%
	1 Large enterprises	-74.08%	28.12%
	2 medium-sized enterprises	61.04%	22.43%
	3 Small businesses	-58.81%	28.06%
	4 Micro enterprises	-26.81%	34.36%
I. information transmission, software and information technology services	Industry average	13.14%	42.25%
	1 Large enterprises	23.67%	55.38%
	2 medium-sized enterprises	-16.05%	31.25%
	3 Small businesses	45.21%	49.94%
	4 Micro enterprises	-72.13%	9.67%
J. financial industry	Industry average	-7.37%	20.62%
	1 Large enterprises	-86.98%	32.07%
	2 medium-sized enterprises	41.16%	10.41%
	3 Small businesses	181.22%	40.15%
	4 Micro enterprises	-925.68%	9.75%
K. real estate industry	Industry average	9.71%	10.42%
	1 Large enterprises	17.52%	23.26%
	2 medium-sized enterprises	1.51%	7.98%
	3 Small businesses	38.95%	10.86%
	4 Micro enterprises	-21.65%	25.99%
L. leasing and business services	Industry average	18.89%	24.72%
	1 Large enterprises	12.59%	14.08%
	2 medium-sized enterprises	45.36%	24.44%
	3 Small businesses	5.48%	27.06%
	4 Micro enterprises	-0.58%	66.37%
M. scientific research and technical services	Industry average	20.56%	32.46%
	1 Large enterprises	5.30%	54.12%
	2 medium-sized enterprises	24.92%	42.63%
	3 Small businesses	25.00%	18.96%
	4 Micro enterprises	18.30%	24.87%
N. water conservancy environment and public facilities management industry	Industry average	3.49%	28.90%
	1 Large enterprises	14.21%	38.91%
	2 medium-sized enterprises	-24.60%	31.67%
	3 Small businesses	35.14%	22.16%
	4 Micro enterprises	3.47%	75.84%
O. Resident services, repairs and other services	Industry average	1.09%	22.91%

	1 Large enterprises	-30.86%	51.85%
	2 medium-sized enterprises	15.61%	11.84%
	3 Small businesses	29.42%	27.61%
	4 Micro enterprises	40.15%	30.97%
P. education	Industry average	4.68%	53.42%
	1 Large enterprises	-18.46%	59.14%
	2 medium-sized enterprises	-0.12%	91.05%
	3 Small businesses	12.44%	48.04%
	4 Micro enterprises	10.80%	64.60%
Q. health and social work	Industry average	5.56%	25.81%
	1 Large enterprises	-1.13%	27.95%
	2 medium-sized enterprises	41.70%	44.00%
	3 Small businesses	7.64%	12.68%
	4 Micro enterprises	18.31%	35.01%
R. Culture, sports and entertainment	Industry average	-11.16%	24.41%
	1 Large enterprises	-32.42%	7.75%
	2 medium-sized enterprises	-6.52%	41.38%
	3 Small businesses	-9.79%	28.46%
	4 Micro enterprises	-27.63%	35.60%

From table 5, among the 18 industries surveyed, the average profit rate of labor cost in agriculture, forestry, animal husbandry and fishery industries is 54.19%, at which time the labor cost accounts for about 8% of the total cost, and the scale with the highest profit rate of labor cost is large enterprises; In the mining industry, the average profit rate of labor cost is 7.01%, and the labor cost accounts for 18.3% of the total cost, and the scale with the highest profit rate of labor cost is large enterprises; In the manufacturing industry, the average profit rate of labor cost is 150.6%. At this time, the labor cost accounts for about 3% of the total cost, and the scale with the highest profit rate of labor cost is also large enterprises. In the construction industry, the average profit rate of labor cost is 50.4%. At this time, the proportion of labor cost to total cost is 8.14%, and the scale with the highest profit rate of labor cost is indeed micro-enterprises. In the wholesale and retail industries, the average profit rate of labor cost is 65.07%, at this time, the labor cost accounts for about 4% of the total cost, and the scale with the highest profit rate of labor cost is medium-sized enterprises; The profit rate of labor in information transmission, software and information technology service industries is about 13%, and the cost of labor accounts for about 5% of the total cost. The scale with the highest profit rate of labor is small enterprises. In the real estate industry, the average per capita cost profit rate is 9.71%. At this time, the labor cost accounts for 10.4% of the total cost, and the largest scale of labor cost profit rate is small enterprises. In the leasing and business service industries, the average per capita cost profit rate is 18.89%. At this time, the cost of labor accounts for about 5% of the total cost, and the largest average cost profit rate of labor is medium-sized enterprises. In the scientific research and technology industry, the average cost profit rate is 0.56%. At this time, the labor cost accounts for about 4% of the total cost, and the largest profit rate of labor cost is also small enterprises. In the water conservancy environment and public facilities management industry, the average cost profit rate is 3.49%. At this time, the cost of labor is about 9% of the total cost, and the largest scale of average cost profit rate of labor is small enterprises. The average cost profit rate of labor in residential service, repair and other

service industries is about 1%, when labor costs account for about 90% of the total cost, and the scale with the largest average cost profit rate of labor is micro-enterprises; In the education industry, the average labor cost profit rate is about 5%, and the labor cost accounts for 53.4% of the total cost. The largest scale of labor cost profit rate is small enterprises. In the health and social work industry, the average cost profit rate of labor is 5.56%, and the labor cost accounts for 5.81% of the total cost. The largest scale of labor cost profit rate is medium-sized enterprises. Among the 18 industries studied above, the labor cost profit rate of agriculture, forestry, animal husbandry, fishery, mining, manufacturing, wholesale and retail information transmission, software and information technology service industry increases with the increase of the proportion of labor cost to total cost. On the contrary, the profit rate of labor cost in scientific research in construction industry and education in technical service industry is inversely proportional to the change of the proportion of labor cost to total cost. The average labor cost profit rate of other industries is negative.

3.2. Liaoning Province, the operating conditions of enterprises

At present, due to slow economic growth and limited technology, leading industries have no advantages, and most of them are labor-intensive manufacturing industries. Regional development pays attention to economic growth and ignores the improvement of energy efficiency. With economic growth, energy efficiency declines. From 2008 to 2016, energy utilization rate was positively correlated with economic growth, and energy consumption was positively correlated with economic growth. Therefore, the government should pay attention to ensuring the effective coordination of economic growth and energy efficiency in the development stage of mutual growth of economic growth and energy efficiency. Energy consumption will show a U-shaped trend of decline and increase with economic growth, and energy consumption in Liaoning Province will naturally continue to increase with economic growth. At present, in a certain period of time, energy consumption will maintain a high level of economic growth. In order to ensure the rapid and stable economic growth, we must promote the common and coordinated development between economic growth and energy consumption. In addition to vigorously improving and promoting the traditional energy industry, the Liaoning provincial government should actively expand all kinds of new energy sources and form diversification of energy consumption, thus finally realizing the coordinated development of energy consumption and economic growth. [7]

Entering the data of 3649 enterprises into SPSS to get the following figure 4 and 5, we can find that few enterprises are in low labor cost and high total profit, which is the biggest bottleneck for the development of enterprises in Liaoning. Moreover, it is not difficult to see that the change trend of total cost, labor cost and total profit is the same, which verifies the previous conclusion that most of the labor costs of enterprises in Liaoning Province are used for labor remuneration, and the rest of the incentive expenses are lacking.



Figure 4. SPSS scatter 1

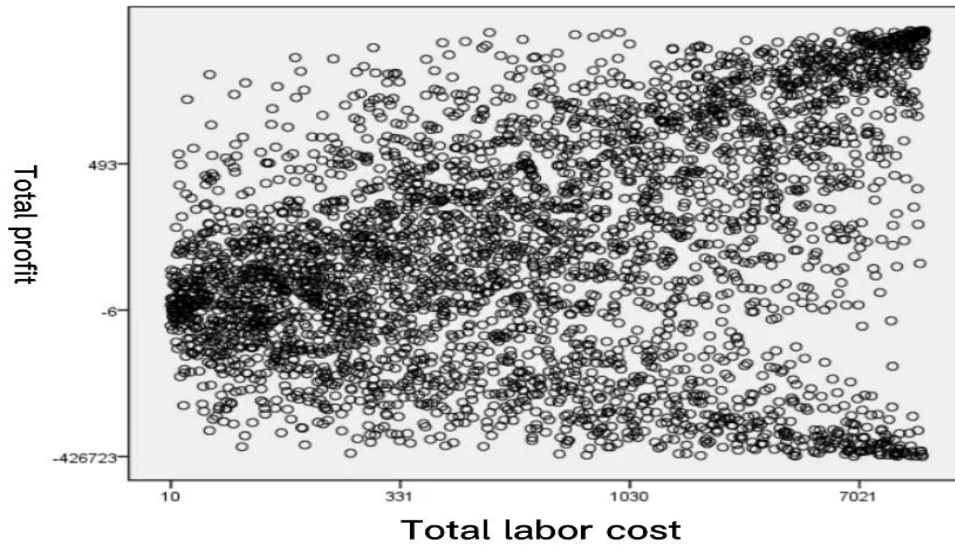


Figure 5. SPSS scatter chart 2

3.3 Analysis of the proportion of enterprise labor cost to cost

Table 6. Research on the Proportion of Labor Costs

Proportion of labor cost	Number of enterprises
More than 90%	167
80-90%	122
70% to 80%	157
60% to 70%	175
50% to 60%	213
40% to 50%	201
30-40%	278
20% to 30%	378
10% to 20%	744
Less than 10%	1214

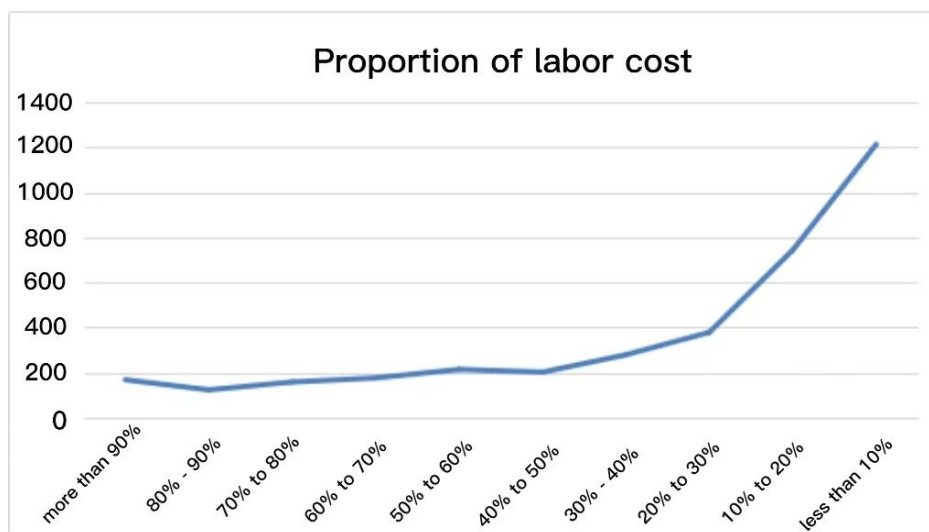


Figure 6. Research on the proportion of labor cost

From table 6 and in figure 6, it can be seen from the survey of 3649 sample enterprises that it is true that enterprises in Liaoning Province spend a small part of their costs on labor costs, and even one

third of them only account for less than 10% of their costs, which is consistent with the previous survey results. In the case of low costs in Liaoning Province, labor costs are even less.

3.3. Analysis of the proportion of labor costs occupied by enterprise labor remuneration

Table 7. Research on the proportion of labor remuneration

Proportion of labor remuneration	Number of enterprises
Less than 10%	nine
10% to 20%	16
20% to 30%	28
30-40%	32
40% to 50%	89
50% to 60%	298
60% to 70%	1062
70% to 80%	1322
80-90%	458
More than 90%	335

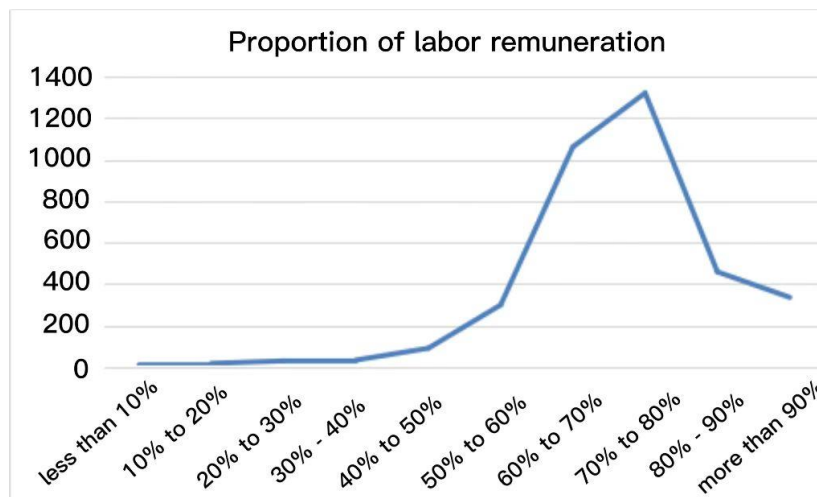


Figure 7. Research on the proportion of labor remuneration

From table 7 and in figure 7, it can be observed that the proportion of labor remuneration occupied by labor costs is relatively even and small in 0-60%, with nearly one-third of enterprises accounting for 60%-70% and one-third of enterprises accounting for 70%-80%, which shows that enterprises in Liaoning Province use a large part of labor costs as labor remuneration under the condition of less costs.

4. Suggestions on optimizing the labor cost of enterprises in Liaoning Province

4.1. Control enterprise costs

Focusing on controlling the "cost reduction" of entity enterprises has gradually become the primary task of current cost management. Cost control must make long-term investment, pay attention to the long-term strategic development of enterprises, and actively seek effective methods to reduce costs. By controlling the cost, we can choose the main task of the strategy, and make a comprehensive and profound analysis of all kinds of influencing conditions that affect the cost control and strategic path, so as to seek effective ways and means of "reducing costs" for the entity enterprises. Under the current economic operation environment in Liaoning Province, it is inevitable that reducing the cost of Liaoning enterprises will become a top priority, and all aspects of costs, including financing and taxation, are also urgently needed to be solved. However, it is far from enough for an entity enterprise to make profits only by reducing costs. What is more important is how to achieve low costs and create

higher income, that is, to increase income and increase enterprise value, so as to fully promote the overall strategic development of the enterprise. Enterprises need to reduce labor costs, but more importantly, to enhance their competitive advantage and viability, the government should flexibly apply supply-side structural reforms, so that entities can have a more relaxed and good operating environment. [8] As we all know, resources are limited, so enterprises should innovate technology, which will undoubtedly improve the efficiency of using resources and reduce the use of resources. On the basis of technical improvement to control the cost of enterprises, we can broaden our own development paths by using one or more technical methods and means such as "internet plus" and "Intelligent Manufacturing". In the current extremely fierce international competitive environment, the measures to promote cost control are to highlight the new comparative advantages and competitiveness created by Liaoning entity enterprises. In 2016, the State Council issued the "Work Plan for Reducing the Cost of Enterprises in the Real Economy" and other guiding documents, among which the State Council policy is the most important institutional research measure and method in the current research method of cost control. The policy mainly focuses on the topics of production and financing, and puts forward more than 40 specific and effective methods and measures for enterprises to reduce costs, which can be summed up as "6+2", and the sixth one is to control costs, that is, reduce tax costs, financing costs, transaction costs, labor costs and energy-using land costs. The second is safeguard measures, which encourage and guide the internal potential of enterprises by improving the capital turnover speed of enterprises. [9]

Table 8. Control Effect of the "Scheme" for Cost Reduction of Entity Enterprises

Cost reduction content	Cost reduction path and responsible subject	Cost control effect
Reduce the tax burden of enterprises	Take "full implementation of the reform of the camp" as an example Representative, mainly led by the financial department.	The effect is not great. In recent years, the growth rate of China's fiscal revenue has dropped to single digits, and the pressure of fiscal expenditure has increased, and there is not much room for the expected range.
Reduce the financing cost of enterprises	Including "maintaining a reasonable and sufficient liquidity and creating a suitable monetary and financial environment", etc., the main lead department is the China Banking Regulatory Commission.	The effect is obvious. The slowdown in economic growth has made it difficult for enterprises, but the profits of banks account for most of them, indicating that banks have room to reduce costs.
Reduce institutional transaction costs	Including "comprehensively controlling the excessive burden, resolutely breaking monopoly protection, and in-depth rectification of power intermediaries", the main lead unit is the Political Commissar.	The effect is obvious. follow Government decentralization, to And maintaining fair trade, The operational efficiency of enterprises and The benefits will be improved.
Reduce enterprises Labor cost	It involves "appropriately reducing' five insurances and one gold' to unify welfare and economic growth". Mainly led by labor and social security.	It has a certain effect in the short term. Employee welfare is the laborer. The embodiment of income level. The key to "cost reduction" is to reduce the cost of other factors of production other than labor.
Reduce enterprises Energy consumption and labor cost	Including "liberalizing the energy price of competitive links and reasonably reducing the electricity cost of enterprises. Improve the land supply system and reduce the cost of land for enterprises. The lead units are mainly the Energy Bureau and the Ministry of Land and Resources.	The effect is obvious. The degree of energy marketization in China is not enough. During the economic downturn, energy prices should be lowered in time, but it is still impossible to complete without administrative power. There is still room for land intensification and marketization.
Reduce the logistics cost of enterprises	It involves "improving the development environment of logistics industry, reasonably determining the standard of transportation charges, standardizing the management of highway charges and supervising law enforcement" and so on. The lead unit is mainly the Ministry of Transport.	The effect is limited. China's logistics cost is very high, which has great potential. The difficulty is that the expressways are all built by loans, some companies have been listed, and they are also entity enterprises.

The cost control scheme of enterprises in Liaoning Province, which focuses on reducing costs, has gradually become one of the important measures of current cost control. From table 8, Cost control must focus on the strategic development of enterprises, and at the same time actively seek ways and means to reduce costs. By controlling costs, we can find the most effective mechanism and way to "reduce costs" for entity enterprises. However, as far as the economic situation of Liaoning province and the situation faced by enterprises are concerned, it is not enough to simply reduce costs. What is more important is how to implement policies to achieve low costs and high income at the same time, that is, to increase income and increase the value of enterprises to a greater extent, thus driving the long-term development of enterprises. What enterprises need most at present is nothing more than improving their competitive advantage and viability. The government flexibly combines the policy proposition of supply-side structural reform, so as to improve the supply quality level of "cost reduction" and make the entity enterprises have a better operating environment.

Strengthen the overall construction of the park, so as to create an industrial innovation highland with diversified formats. We will continue to strengthen the infrastructure construction of the park, complete the transformation and supporting management, accelerate the transformation of the park, and create a new cultural industry park based on publishing, with significantly enhanced innovation vitality and incubation ability. Strengthening the innovation of business format will form a new direction for the development of high quality for major construction projects. Accelerating the full implementation of the optimization policy, realizing the digitalization of resources, the specialization of market services and the scale of product content can become the strategic support for the center to develop the digital economy. [10]

4.2. Optimize the relationship between labor costs and costs

Both the traditional cost additive process and the standard cost method are still at the level of accumulated experience in the application of a single method. It is more complicated to mix various cost methods, and it is of course difficult to carry out in practice. However, adopting various technical means is a step to reduce the operating cost of enterprises. After all, the same enterprise can use one or more cost calculation methods but still get the same data results. In addition, different types of Liaoning enterprises will choose according to different cost control objectives, and they can choose to use different cost control methods, thus affecting the efficiency and results of enterprise cost control. Therefore, it is natural to promote the cross-use of two or more cost control methods by choosing the relevant cost control methods around the reasonable updating of cost control methods.

4.3. Optimize the relationship between enterprise labor remuneration and labor cost.

The purpose of strengthening cost control is mainly reflected in the following three purposes:

First of all, in order to comprehensively improve the market competitiveness of enterprises in Liaoning Province, of course, first of all, price is the main factor affecting the profit of products, and price advantage is the most obvious advantage of products. After all, consumers are extremely sensitive to price and attach great importance to it, so it is very important to control prices and strengthen cost control. For enterprises, while effectively controlling costs, they can make use of the advantages of price and quality, and in addition, they can adopt the way of cost addition for pricing, so as to better show their own characteristics, improve market competitiveness and seize market share.

Secondly, in order to help enterprises, become bigger and stronger and step into the international market, the long-term and good development of enterprises cannot be separated from the expansion of scale, and cost control can lay the foundation for moving towards a bigger market. Therefore, it is necessary to find timely and appropriate ways and means to effectively promote the process of enterprise cost control, which is conducive to the development of enterprises, lead more enterprises to the international market, and enhance the overall market competitiveness of enterprises.

Finally, in order to make enterprises get better profits and have longer-term development, as we all know, if enterprises want to have long-term stable and sustainable development, they must have a large profit margin enough to form a stable and lasting capital chain, which is a good operation of enterprises

and the optimization of resource allocation, thus expanding production scale, improving product quality and establishing brand effect. It can be seen that benefits are very important for enterprises. Through cost control and management, enterprises can be ensured to have a larger profit space, thus promoting the progress and development of enterprises, increasing their economic interests and establishing a good corporate brand image.

5. Conclusion

Through the above analysis, the following conclusions can be drawn from the research on labor cost and labor remuneration in Liaoning Province:

(1) At present, the development of enterprises in Liaoning Province is greatly hindered, and the business environment of enterprises is not conducive to the economic development of Liaoning Province.

(2) According to the investigation, it is not difficult to see that most enterprises in Liaoning Province have not achieved low cost and high profit at the same time, which is the biggest manifestation of the development of enterprises in Liaoning Province. Although there are many high-cost enterprises, they have not yet reached economies of scale and their hematopoietic capacity is limited. Therefore, enterprises in Liaoning Province should first change their concepts and only increase their investment first will they gain something.

(3) In order to change the present situation, enterprises in Liaoning Province should pay attention to innovation and technological upgrading, increase technical input and labor costs, and inject vitality into enterprises. Only by truly improving efficiency can they promote enterprise development and thus promote Liaoning's economic growth.

References

- [1] Feng Yuan. Research on the strategic path of cost control of entity enterprises [J]. *New Accounting*, 2017 (1): 6 - 13.
- [2] Ma Qianli, Li Qian. Dynamic relationship between energy efficiency, energy consumption and economic growth in Liaoning Province [J]. *Journal of Shenyang University of Technology (Social Science Edition)*: 1-8 [2020 - 03 - 16].
- [3] Li Huizhen. Enterprise cost management problems and countermeasures [J]. *National circulation economy*, 2019 (24): 71.
- [4] Zhao Dong. Improve corporate governance to promote high-quality development [N]. *China Press, Publication, Radio and Television News*, 2020 - 01 - 09 (T09).
- [5] Li Yan. Problems in Liaoning business environment and optimization suggestions [J]. *Journal of Jiamusi Vocational College*, 2019 (11): 75 - 76.
- [6] Cui Qiangqiang. Research on the Sustainable Development of SMEs in Liaoning Province D]. *Shenyang Normal University*, 2019 (02): 88 - 90.
- [7] Dong Chuanshu. Rational thinking on optimizing Liaoning's business environment [J]. *Journal of Liaoning Institute of Socialism*, 2018 (1): 44 - 46.
- [8] Li Yan. Problems in Liaoning business environment and optimization suggestions [J]. *Journal of Jiamusi Vocational College*, 2019 (11): 75 - 76.
- [9] Li, Tang, Hu, Song, Luo. The challenge to china's enterprises from increasing labor costs: the product quality perspective [J]. *China Economic Journal*, 2017, 10 (1).
- [10] Ana Lear-Claveras, Monica Ubalde-Lopez, Laura Serra Saurina. Labor market situation after an episode of sickness absence due to malignant neoplasia. Evidence from a Spanish cohort [J]. 2019, 19 (1).