Ethical Issues in Flexible Welfare Systems

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Abstract. Most of the benefits of the flexible welfare system will include some of the welfare items that companies must provide or ethically should provide. These benefits, which are operated in accordance with social norms, are forcibly incorporated into the market norms by “points” exchange, limiting employees’ rights. There are ethical issues in the flexible welfare system of enterprises.

Keywords: enterprise ethics, flexible welfare systems, social norm.

1. Introduction
From a macro perspective, China's corporate moral construction is not ideal. There are four main characteristics of the lack of corporate morality in our country: the vagueness of the relationship between morality and corporate management; corporate profit-seeking and lack of virtue; lack of corporate integrity and lack of moral leadership. [1] Associate Professor Liu Chongming also mentioned that the ethical anomie of small and medium-sized enterprises is mainly manifested in the weak ethical awareness of internal staff, the dehumanization of management and the low sense of social responsibility of enterprises. [2] Ethical issues have seriously affected the development of enterprises.

Although there have been more and more studies on the construction of corporate ethics in the past five years, the industry areas of the research objects have not formed a complete breakdown. Judging from the existing literature, many scholars conduct ethical research in the fields of high security and high moral needs such as medical treatment, food, and finance, and many scholars start from the big point to study the impact of corporate ethics on the sustainable development of enterprises. But generally speaking, most of the studies have reached similar conclusions: The methods of constructing corporate ethics from the inside are mainly: improving the ethical awareness of corporate managers and employees, carrying out corporate culture construction, etc.; from the outside The main methods of strengthening are: improving the legal system and integrity mechanism, and strengthening supervision by the government and the public. [1] The conclusion is more general and less practicable. In fact, the enterprise is the main body of ethical behavior, and investors, employees, customers, suppliers, governments, communities, the public, competitors, etc. [3] The stakeholders of the enterprise will be affected by the ethical behavior of the enterprise. In the past, ethical research at the corporate level often involved investors, customers, and the public, rarely involving employees, and specifically discussed the ethical anomie of a particular system.

In the rapid economic development, while the people's material life is greatly enriched, welfare treatment has gradually become a major concern for employees. In order to meet the diverse welfare
needs of employees, some enterprises have adopted flexible welfare plans. The quantity and quality of welfare is not only determined by the cost allocated by the enterprise to welfare construction, but also by the moral level of the enterprise. This article will focus on investigating the welfare programs and system operation provided by some enterprises that implement the flexible welfare system, and explore the ethical issues.

2. Welfare project statistics and analysis

Three companies with a large number of employees and implementing a flexible welfare system are now selected, and their welfare list items are counted to form Table 1.

X Pharmaceutical currently has more than 4,000 employees, and the company's executives currently account for 2% of the total employees; R & D personnel account for 11% of the total employees; Sales personnel account for 21% of the total employees; Production personnel account for 20% of the total employees; Employees account for 41% of the total employees, and other personnel such as cleaning and security account for 5% of the total employees. [4] The general employees of H Securities Company are the main constituents of the company, and the employees under the age of 35 account for 51.35% of the company. [5] Capital Airport has nearly 7,000 employees. [6]

Among the 30 welfare items obtained from statistics, enterprise annuity, health check, and high-temperature subsidies are legally stipulated items, and vocational training, free work clothes, and office facility purchase costs are labor requirements. The welfare items purchased by employees of the three companies each year can average about 60% of the total number of items in the enterprise's welfare list, and at least about 40%.

3. Ethical issues in the flexible welfare system

3.1. Ethical relations in the welfare system

Laborers provide labor for enterprises, and enterprises pay wages to laborers. This is actually an equivalent exchange process. While the role of welfare is to supplement a part of the labor force that is not reflected in the wages, at the same time, give a little more, so that the enterprise can achieve the "goodwill" of the laborers, thereby encouraging the laborers to provide more labor. In order to win the "goodwill" of the workers, it is obviously inappropriate to pass the concept of "exchange" to the workers, because this is to guide the workers to think about the role of welfare with the idea of equivalent exchange, thus receiving "no premium". The results are clearly not in line with corporate expectations. Therefore, enterprises should make their welfare system and welfare projects full of humanity, so that employees can feel the recognition and care from their employers in addition to their wages, rather than just exchange. The so-called full of humanity comes from, at least to ensure that the society thinks it is "taken for granted", and don't let employees feel that they have other unplanned expenditures while paying for labor.

The subjects involved in the ethics in the welfare system are usually employees and enterprises, and employees as a weak party will inevitably be more controlled and influenced by enterprises. Therefore, to explore the ethical relationship in the welfare system, we should pay more attention to what the enterprise provides for employees, what is not provided, what is the way of providing, and whether the process harms the reasonable demands of employees.
Table 1. The items in the benefit list.

<table>
<thead>
<tr>
<th>Items</th>
<th>Company</th>
<th>X Pharmacy</th>
<th>H Securities Company</th>
<th>Capital Airport</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Supplementary pension</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Accident insurance</td>
<td>✓</td>
<td></td>
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<tr>
<td>Health security</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Health examination</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td></td>
<td>Health lecture</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Occupational safety</td>
<td>✓</td>
<td></td>
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<tr>
<td></td>
<td>Gym card</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Health care and image expenses</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Personal growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Vocational Training</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td></td>
<td>Education improvement</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<td></td>
<td>Summer camp</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Family allowance</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Educational benefits for employees' children</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Medical expenses for underage children</td>
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<td></td>
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<tr>
<td></td>
<td>Children's Day Gifts</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Family travel leave</td>
<td></td>
<td></td>
<td>✓</td>
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<tr>
<td></td>
<td>Housekeeping</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Living and work allowances</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Transportation subsidy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<td></td>
<td>Communications subsidy</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<td></td>
<td>Employee Mutual Aid Fund</td>
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<td></td>
<td>Interest-free loan</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Housing subsidy</td>
<td>✓</td>
<td>✓</td>
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<td></td>
<td>Collective dormitory</td>
<td>✓</td>
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<td></td>
<td>Sports activity fee</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Free work clothes</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Office equipment purchase costs</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>High temperature subsidies</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Entertainment</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Shopping card</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td></td>
<td>Activity Room</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Women's Day Event Fee</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Travel fee</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Birthday benefits</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
</tbody>
</table>

Since employee welfare involves many aspects such as employee compensation, employee satisfaction, corporate system, legal regulations, social and economic development, and corporate ethics, some content settings cannot be directly measured by stakes, many of which are generally considered "Take for granted" (for example: vocational training for technical positions, office supplies for civilian positions, free work clothes for pharmaceutical production positions, etc.). Therefore, this article introduces the concept of social norms to summarize such content.

From the perspective of the history of philosophy, social norms generally refer to the common phenomenon of "people collectively recognize and abide by certain standards of conduct", which are considered "right" and "should" by ordinary people. They must be followed regardless of whether they are useful. It can be a written regulation or an oral agreement, but some social norms have gradually been stipulated as laws in real life (eg, smoking is prohibited in public places). [7] If social norms are used as an incentive mechanism to analyze and explain people's behavior. From this point of view, point out the definition of social norms "If it is assumed that everyone would be better to do X, then do X." [8]

According to the above discussion, we can find that social norms can summarize the welfare content that people generally take for granted. The benefits of office supplies, free work clothes for medical production positions, etc. belong to everyone, and everyone believes that the enterprise should provide...
them free of charge to employees. Projects such as high-temperature subsidies have been enshrined in law because of the high social voice and the widespread and urgent demand. On the one hand, companies provide such benefits to ensure the smooth progress of their own production and operation activities; on the other hand, they are to give employees a sense of security and ensure their willingness to continue to work actively. We might as well assume a situation where you are a clerk of a company, you need to print and copy many documents every day, but the company does not provide you with free office supplies, this is obviously a very unreasonable thing, you may resign. Conversely, if your company tells you, "You as a clerical worker can use the office supplies you need without restrictions, because this is what you need for your job, and the company supports you to do your own work in a suitable way. The best, but please pay attention to environmental protection", in addition to providing you with the labor tools you need, such a paragraph more reflects the company's respect for your profession, and perhaps you will not be because of this paragraph. The working methods make a lot of changes (for example, use more or less paper), but you may have a more positive impression of the company. Maybe you find that the company's water purifier is faulty when you drink water one day, and neither do you. At the first time, the company was furious and denounced the company's many shortcomings.

It can be seen from this that social norms exist in our social nature and common needs. He generally has unclear boundaries and does not require immediate returns. But at the same time it is also very easy to be broken.

3.2. Ethical issues in the flexible welfare system

With the rapid economic development, while the people's material life is extremely rich, the welfare needs of employees are becoming more and more diversified. Some companies have adopted flexible welfare plans to coordinate and meet the diverse welfare needs of employees.

Flexible benefit plans, also known as self-selected benefit plans, mean that employees can choose from different types and levels of welfare projects with employer participation according to their needs, so as to establish their own package of benefit plans. [8] The key to the implementation of flexible benefits lies in the setting of welfare points, the welfare items available in the enterprise and their pricing, and the purchasing power of the points.

3.2.1. "Monetization" is unlimited. Welfare points are calculated according to a certain percentage according to the performance of employees during the performance cycle. The enterprise uniformly collects the welfare needs of employees and purchases welfare items (as shown in Table 1) in order to achieve the effect of low-cost purchase due to scale effect. Therefore, the process of employees using the welfare points granted by the company to purchase the welfare items provided by the company can be regarded as buying a "commodity" using the "currency" distributed by the company on a limited "welfare market" created by the company. Welfare (especially related to working conditions, rest and holidays, and holiday gifts) is mainly used to maintain the relationship between employers and employees, reflect the spirit of humanistic care of enterprises, and motivate employees. This effect cannot be quantified, and the welfare that plays such a role cannot be "monetized." The result of "monetization" is to imply that employee loyalty and satisfaction can be measured in currency, which will inevitably cause a conflict between the valuation of the employee and the employer, thereby triggering instability. The act of monetizing everything is inherently irrational and unethical.

3.2.2. Unilateral control of enterprises, lack of market-specific adjustment, and unfair. Enterprises implementing the welfare point system have introduced market norms into company welfare with or without self-knowledge. From the perspective of the scope of the enterprise, the welfare point system marketizes the company's welfare selection and distribution process, that is, the welfare system is operated by trading and exchange. However, due to its small size, it lacks the market-specific
adjustment effect. Employees cannot choose providers of "commodities" as freely as consumers in the
market, because they will put them at risk of unemployment.

The related design skills of the flexible welfare system also show that enterprises can regulate the
point price and point purchasing power of welfare items, and employees can purchase on credit but not
without purchase. Credit purchases cause employees and companies to no longer be on an equal footing.
Apart from the relationship between employers and employees, they are also the relationship between
creditors and debtors. So if the welfare operation under the welfare point system is regarded as a market,
then it will be a market completely controlled by the seller. The formation and operation of this market
are controlled unilaterally by enterprises, which is obviously unfair.

Therefore, the main purpose of the flexible welfare plan designed based on the expectation theory
and the gap theory is to meet employees' needs for welfare diversity and give employees the right to
choose so as to motivate employees and reduce corporate welfare costs. However, because the basis of
its implementation is the credit of the enterprise, and the enterprise itself is implemented on the basis of
saving costs and maintaining its own interests in order to achieve the incentive effect, the welfare
projects provided by the enterprise will inevitably have low quality or a small amount. phenomenon.
Facts have proved that annuities, health checks, and high-temperature subsidies are items stipulated by
law, and vocational training, free work clothes, and the purchase of office facilities, etc. are labor
requirements. Some enterprises also include these projects in the flexible plan and require employees to
use points to purchase, such behavior violates the original social norms of the enterprise.

3.3. Ethical problem solving suggestions

Once social norms collide with market norms, social norms will be introduced. In other words, social
norms are difficult to rebuild. Enterprises use welfare points to "commodify" employee care. In the long
run, it will gradually dilute the original social norms of enterprises, but reconstruction requires a long
training process. The average life span of Chinese enterprises is even more To be short, therefore, an
important means to solve this ethical problem is to establish a perfect market standard, using the
industry's recognized point paradigm, project setting method to regulate individual corporate ethical
anomic behavior.

Specifically, this article believes that it is possible to try to regionalize the welfare points and
establish an appropriate market-oriented operation method. The regionalization of welfare points means
that within a certain range, a number of enterprises implementing flexible welfare systems are
assembled to integrate their welfare projects, standardize their point purchasing power, and centrally
and uniformly manage their welfare plans by third-party institutions. On the premise of keeping the
specific welfare plans of each enterprise confidential, third-party organizations purchase their common
welfare items uniformly, standardize the quality, and strive to achieve the lowest cost. While expanding
the purchasing base to achieve cost reduction, the introduction of supervision by third-party agencies
and the horizontal comparison with the same industry can to a certain extent guarantee the reasonable
realization of the welfare content that employees generally consider to be "justified". In fact, similar
plans have already appeared. Ping An Pension has launched a “thousands of people” employee welfare
program for enterprises, which integrates insurance protection, health management and annual welfare,
thus realizing the customization of enterprise benefits, the autonomy of employee selection and the
multi-level coverage. [9] Ping An Insurance acted as a welfare intermediary between employees and the
company.

4. Limitations and future prospects

4.1. Limitation

This article fails to collect the purchasing power of specific points for the actual implementation of the
flexible welfare system. It can only be estimated based on the collected general wages of employees
through a general calculation method. Therefore, the specific results will deviate from the actual, but it
is certain that Under this system, ordinary employees must give up certain welfare items due to insufficient points, etc., and office supplies, work clothes and other items must bring great consumption to employees' available points.

This article points out that in the long-term situation, employee satisfaction and actual benefits will be damaged by the company’s violation of social norms, but the specific degree of damage and how long after the damage is not specifically estimated, this is a need Long-term follow-up investigation process.

Although Ping An Insurance has launched related solutions, its specific implementation results are yet to be verified. Moreover, this move may also touch on the internal compensation system of each company, impairing the functionality of other corporate benefits. Therefore, the relevant construction details also need to be polished and repeated experiments.

4.2. Future outlook
With the continuous integration of corporate ethics in corporate management, more and more companies begin to attach importance to adding spiritual incentives to employee incentives. Ethics has played an important role in the implementation of employee incentive mechanisms. Ethical care is of great significance in the employee incentive mechanism. Human resource management based on ethical care can effectively improve employee satisfaction with the enterprise, and also effectively promote collective harmony. In this environment, enterprise employees work efficiency of the company will be greatly improved, and ultimately the efficiency of human resources management of the company will be significantly improved. With the application of ethics in the incentive mechanism, companies should formulate more humane employee incentive policies. By giving employees full respect, fairness, and giving ethical preferences to employees with special needs, they can more effectively inspire employees' enthusiasm and work. Creativity, improve employee loyalty to the company.

At the same time, the “Thousands of People” employee welfare scheme similar to Ping An Pension Insurance will become more and more common. Perhaps in the future, it should be adapted to social norms. The benefits provided free by enterprises to employees will be included in the core of the flexible welfare system. Partially, employees only need to use a small amount of points or not to get points.

5. Conclusion
The enterprise flexible welfare system priced all the welfare items provided by the enterprise to employees in points, which also include the benefits provided by the enterprise to employees free of charge, which should be adapted to social norms. This type of welfare project consumes the points that employees should use to purchase other items, destroys the social norms between the enterprise and employees, and damages the corporate image and employee satisfaction. Once the social norms are broken, it is difficult to rebuild. Therefore, enterprises should carefully design flexible welfare systems so that the system fully reflects human nature. At the same time, you can also try to unite multiple companies and professional welfare outsourcing companies to regionalize the welfare points and introduce market supervision, forcing enterprises to standardize the setting of welfare projects, protect employees' legitimate rights and interests and reasonable claims, and create a fairness between enterprises and employees. Ethical environment to prevent corporate ethical anomie.

As Drucker pointed out: "Each organization must bear all the responsibilities of all employees, environment, customers and other people and things related to the organization, which is its social responsibility." [10] The organization should be in the system. All aspects of this fully reflect the fulfillment of its social responsibilities.

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References


