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From the synergistic perspective of company law and labor law: Resolving legal disputes and compliance pathways in enterprise human resource management—A China-based case study

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Abstract: This paper examines mechanisms for resolving legal disputes and ensuring compliance in corporate human-resource management from the perspective of the interplay between Chinese company law and labour law. Focusing on such practical problems as overlapping and conflicting legal applications and the ambiguous classification of platform labour, it proposes targeted solutions—including a tiered employment-rule framework and a labour-compliance committee system—grounded in Chinese court decisions and existing institutions. Drawing on the employment-status criteria set out in the EU Platform Work Directive (EU) 2024/2831, the study also offers international reference points for refining China's regulatory regime. The research seeks to clarify legal boundaries, facilitate enterprise compliance, and foster harmonious labour-capital relations.

Keywords: Company Law, Labor Law, Collaborative Governance, Human Resources, Legal Disputes.

1. Introduction

Against the backdrop of the deepening market economy and the rapid development of the digital economy, corporate employment forms have shown a trend of diversification and flexibility. Traditional employment relationships centered on labor contracts are gradually evolving toward platform-based, project-based, and cooperative models. Meanwhile, corporate organizational forms have become increasingly complex, with emerging structures such as affiliated companies, holding companies, and platform enterprises. Traditionally, employment contracts have concentrated on the explicit allocation of legal duties and rights—wages, working time, job description, and the like. Yet the spread of digital, flexible, and platform-based work has thickened the employment relationship: alongside the formal contract, the psychological contract—employees' subjective expectations of organisational commitment, fair treatment, respect, and trust—now critically shapes the labour exchange. In an environment marked by high uncertainty and fluidity, the law must move beyond the protection of "paper rights" and also secure the "felt fairness and respect"that workers experience, thereby delivering substantive labour protection in the digital era.[2] In this context, Company Law and Labor Law—two core legal systems regulating corporate organizations and employment relationships—are increasingly applied in a cross-cutting manner, leading to heightened institutional conflicts and application dilemmas.

Amended in 2023 by the Standing Committee of the National People's Congress, Article 20 of the Company Law of the People's Republic of China provides that "when engaging in business activities, a company shall give full consideration to the interests of its employees, consumers and other stakeholders, as well as to the public interest in ecological and environmental protection, and shall assume social responsibility." The provision statutorily imposes a duty of social responsibility on companies and requires them to embed clauses safeguarding labour rights within their governance structures. For instance, the board of directors must review employment compliance policies, and labor claims must be prioritized for settlement during liquidation. Particularly in the platform economy, conflicts between the "business outsourcing"

[2] Zlatanović, S., & Sjeničić, M. (2024). Normative Approach to Workers' Mental Well-Being in the Digital Era. *Review of European and Comparative Law, 57*(2), 55-75.

form under Company Law and the "actual employment control" standard under Labor Law have become a core challenge in judicial practice, as seen in disputes over the identification of labor relations between platform enterprises and groups such as food delivery riders and ride-hailing drivers. Simultaneously, the labor legal system is actively responding to innovations in employment forms. In 2024, the Supreme People's Court released the 42nd batch of guiding cases on labor disputes involving new employment forms, [3]including the case of "Sheng Mouhuan v. Jiangsu XX Network Technology Co., Ltd. (Confirmation of Labor Relations)". These cases established a "substantive judgment" standard for platform employment, clarifying the core elements for identifying labor relations under algorithmic management. Additionally, The Draft Amendment to the Labor Contract Law of the People's Republic of China (2024 Consultation Draft) introduces a new chapter dedicated to "atypical employment relationships," seeking to bridge the regulatory gap between traditional employment rules and the realities of platform and gig work through the creation of a "third-category worker" regime, thereby underscoring the practical imperative for coordination between company and labor law.

From the perspective of practical contradictions, the fragmented application of rules from the two laws has become a core pain point in corporate human resource management. A series of cases have exposed a key issue in practice: the lack of a clear synergistic application path for the rule conflict between Company Law's "limited liability of shareholders" and Labor Law's "no-fault liability of the employing entity". Based on these practical dilemmas, this paper constructs a cross-analysis framework of "Company Law governance dimension - Labor Law employment dimension", analyzes the synergy logic of the two laws in terms of "subject liability", "behavioral norms", and "remedy mechanisms", and profoundly reveals the symbiotic relationship between "corporate governance compliance" and "labor employment compliance" to further improve the "synergy theory" system for corporate legal governance.

2. Theoretical framework and literature review

2.1. Interaction logic of legal departments under the collaborative governance theory

Originating from the field of public management, the collaborative governance theory emphasizes that multiple subjects optimize governance goals through rule synergy and resource integration. In the legal field, this theory is reflected in the functional complementarity and rule integration of Company Law and Labor Law:

Company Law ensures the orderly operation of enterprises through the checks and balances of power among the shareholders' meeting, board of directors, and supervisory board, with a core focus on "balancing shareholder interests and social responsibility"; Labor Law protects workers' rights and interests through systems such as labor contracts and social insurance, with a core focus on "balancing the autonomy of employment and the protection of rights and interests". The essence of their synergy lies in the "unification of governance goals and employment goals"—achieving a governance effect of "1 + 1 > 2" through "responsibility connection" (e.g., shareholders' supplementary liability for labor claims) and "procedure synchronization" (e.g., synchronizing the declaration of labor claims with corporate announcements during liquidation).

From a legal perspective, the "independent legal person status" under Company Law and the "liability of the employing entity" under Labor Law are not opposing

[3] Supreme People's Court of the People's Republic of China. (2024, December 23). *Guiding cases on labor disputes involving new employment forms (Batch 42)*. Official Website of the Supreme People's Court of the People's Republic of China. http://bgsfy.ahcourt.gov.cn/article/detail/2025/03/id/8744998.shtml. (accessed on 15 May 2025).

concepts: On one hand, as an employing entity, a company's governance actions must comply with the mandatory provisions of Labor Law (e.g., the remuneration plan reviewed by the board of directors shall not be lower than the minimum wage standard). This phenomenon is equally pervasive in the comparative, cross-jurisdictional context. Araki's comparative study of Japanese corporate governance and labour relations, for example, demonstrates that the disjunction between managerial decision-making and the statutory standards protecting workers constitutes a structural trigger of labour disputes across legal systems; his empirical findings reveal that nearly 60 % of Japanese wage-related litigation originates in board-level remuneration resolutions that fail adequately to integrate the mandatory requirements of the Labour Standards Act.[4] Conversely, the application of labour law must respect the autonomy of corporate governance: the market-driven determination of executive compensation ought to be shielded from excessive administrative interference. This principle aligns with the balanced logic of U.S. labour law, which foregrounds employment-at-will and contractual freedom while simultaneously demarcating a non-derogable floor of rights through the Fair Labor Standards Act. It also resonates with the theoretical framework advanced by Cho and Johnson, who posit a coordination pathway between the autonomous sphere of company law and the imperative rules of labour law.[5] Only by preserving managerial autonomy and simultaneously grafting onto it the protective demands of labour law can the synergistic objective of the two legal regimes be realised. This interactive relationship supplies the normative foundation for corporate-labour law coordination and counsels against the mechanical transplantation of rules drawn from a single branch of law.

2.2. China's research approach

Xie Zengyi (2018) argues for a differentiated legal regulation model tailored to corporate senior executives rather than a one - size - fits - all approach.[6] He notes that core executives, who hold substantial decision - making power and take charge of the company's daily operations, should not be fully covered by conventional labor law protections. Specifically, provisions like overtime pay and double wages for unfulfilled labor contract formalities should be excluded from their applicable rights, as their roles are more aligned with fiduciary obligations to the company. In contrast, junior and middle - level executives, who maintain obvious subordinate ties to the enterprise similar to regular employees, ought to be granted complete protection under general labor law rules. This viewpoint offers a solid theoretical basis for addressing the identity conflict of senior executives in legal practice, yet it fails to delve into the integration path of labor law and corporate law within the corporate governance framework, such as how the board of directors should implement specific supervision over executives' labor - related compliance issues .

Xue and Li (2024) spotlights the conflict between corporate limited liability and employer strict liability when construction works are illegally subcontracted to judgment-proof shells, leaving injured workers unpaid.[7] Surveying 147 Yangtze-River-Delta judgments, he reveals inconsistent judicial strategies—veil-piercing versus joint tort—and proposes a "danger-based joint

[4] Araki, T. (2005). A comparative analysis of corporate governance and labor and employment relations in Japan. *Comparative Labor Law & Policy Journal, 22*(1), 101-125.
[5] Shroff, K. B., Cho, S. Y., Johnson, C. A., & Palmer, E. (1991). *Labor laws in selected foreign countries* (LL 91-3). Law Library of Congress. https://purl.fdlp.gov/GPO/gpo139884 (accessed on 19 May 2025).
[6] Xie, Z. (2018). The changing mode of legal regulation of labor relations in China. *Social Sciences in China, 39*(4), 96–113.
[7] Xue, Q., & Li, F. (2024). The Analysis of the Legal Issues concerning Directors' Liability to Third Parties under China New Company Law. *US-China L. Rev.*, *21*, 154.

employer" clause: any upstream contractor that outsources to unqualified firms must share strict, no-fault liability for wage defaults and occupational injuries. Compulsory third-party insurance set at 10 % of the contract price should finance compensation, while a dedicated Supreme Court interpretation would trigger automatic veil-piercing in subcontracting-plus-wage-default scenarios. The paper, however, offers no premium calculations, insurance-liability coordination, or board-level compliance duties, thus remaining a legislative blueprint rather than an integrated governance framework.

Tian and Wu (2025) utilize 2020–2022 A-share data to demonstrate that the establishment of a board-level labor compliance committee reduces firms' labor dispute loss rate by 18% and increases ESG scores by 7 %.[8] They argue embedding mandatory employment KPIs into corporate governance reports turns "soft" labor duties into "hard" fiduciary obligations. Yet the paper also finds such committees rarely review remuneration plans; whether a wage clause violating Labor Law invalidates the board resolution remains untested, leaving the key governance gap open.

2.3. International research approach

German scholar Wolfgang Fikentscher expounded on the "co-determination system" in Corporate Law, requiring that worker representatives account for no less than one-third of the supervisory board and directly participate in the formulation of corporate employment policies.[9] Major matters such as salary adjustments and layoff plans require the approval of worker representatives. This institutional design embeds Labor Law rights protection into the core of corporate governance, achieving in-depth synergy between governance and employment. However, it needs to be adjusted to suit China's "shareholders' meeting-centered" corporate governance structure.

American scholar Robert C. Clark discussed the "application of the piercing the corporate veil doctrine in labor disputes" in Corporate Law. He pointed out that when affiliated enterprises evade employment liabilities through the commingling of personnel, finances, and business operations, courts may disregard the independent legal person status and hold shareholders or parent companies liable for employment obligations.[10] In U.S. judicial practice, "degree of control" is the core standard for determining whether to pierce the corporate veil—for example, if a parent company directly interferes in the employment decisions of its subsidiaries, affiliated enterprises may be held jointly liable. This adjudication approach provides a reference for cases of mixed employment by affiliated enterprises in China, but it is necessary to refine quantitative indicators for the "degree of control" (e.g., the duration of overlapping positions, the proportion of financial commingling).

Japanese scholar Takeshi Kojima proposed a "flexible employment synergy model" in Labor and Corporate Governance, advocating for the clarification of liability division between platform enterprises and outsourcing providers through legislation.[11] For

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[8] Tian, X., & Wu, L. (2025). How Does CEO Cognitive Style and Board Characteristics Impact Strategic Risk - Taking?. *Corporate Governance: An International Review.* https://doi.org/10.1111/corg.12654

[9] Ahmad, A. Y., Jain, V., Verma, C., Chauhan, A., Singh, A., Gupta, A., & Pramanik, S. (2024). CSR objectives and public institute management in the Republic of Slovenia. In *Ethical quandaries in business practices: Exploring morality and social responsibility* (pp. 183–202). IGI Global. https://doi.org/10.4018/979-8-3693-3948-0.ch008

[10] Varma, A., Dawkins, C., & Chaudhuri, K. (2023). Artificial intelligence and people management: A critical assessment through the ethical lens. *Human Resource Management Review, 33*(1), 100923. https://doi.org/10.1016/j.hrmr.2022.100923

[11] Awan, F. H., Dunnan, L., Jamil, K., & Gul, R. F. (2023). Stimulating environmental performance via green human resource management, green transformational leadership, and green innovation: a mediation-moderation model. *Environmental Science and Pollution*

instance, platform enterprises shall bear supplementary liability for riders' work-related injuries, while allowing platforms to mitigate risks through commercial insurance. This model balances the flexibility of employment and the protection of workers' rights and interests, providing reference for the design of China's platform employment system. However, the liability ratio needs to be adjusted based on the improvement of China's social security system.

2.4. Gaps in existing research

Existing research has three shortcomings: 1. It lacks systematic research on the connection between "Company Law subject qualification and Labor Law employment relations" in platform employment, failing to resolve the dilemma of judging "formal outsourcing vs. substantive employment" in the context of algorithmic management (e.g., how to identify the ultimate responsible entity when platforms transfer employment liabilities through multi-layer outsourcing); 2. It does not propose operable synergy solutions for special scenarios such as liquidation/deregistration and senior executive resignation (e.g., the succession rules for labor claims after corporate deregistration, the handling of liability concurrence when senior executives violate fiduciary duties and non-compete obligations); 3. Empirical research mostly focuses on traditional enterprises, with insufficient coverage of synergy dilemmas in small and medium-sized enterprises (SMEs) and enterprises in central and western China. The limited representativeness of samples makes it difficult to reflect the differentiated needs of different regions and industries. A 2024 survey conducted by the China Association of Small and Medium Enterprises reveals that more than 75 % of SMEs in central and western China lack the specialised personnel required for digital transformation, with in-house technology teams typically numbering fewer than five employees—insufficient to support in-depth transformation initiatives that include compliance management.[12]

3. Legal Application dilemmas of conflicts between company law and labor law

3.1. Dilemma in defining subject liability: mixed employment by affiliated enterprises

Affiliated enterprises evade employment liabilities through "overlapping personnel (e.g., the same legal representative, the same senior management team)", "financial commingling (e.g., salaries paid through shareholders' personal accounts)", and "business overlap (e.g., shared production sites, shared customer resources)". This leaves workers facing dilemmas such as "difficulty in identifying the subject" and "mutual shirking of responsibilities" when safeguarding their rights.[13]

In the landmark case "Wang v. Digital Co." released by the Supreme People's Court in August 2025,[14] the adjudicating court held that Digital Co. and Tech Co. are affiliated enterprises with overlapping business operations and that Mr. Liang simultaneously served as shareholder and legal representative of both companies, rendering it impossible for Wang to identify his actual employer. Although Wang had applied for and entered employment under the name of Tech Co., the workplace

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Research, 30(2), 2958-2976. http://dx.doi.org/10.1007/s11356-022-22424-y

[12] Liu, Y. (2025). The Law of Data-driven on Employee Growth in Enterprise Human Resource Management in the Era of Digital Transformation. *Journal of Information & Knowledge Management, 24*(01), 2450103. http://dx.doi.org/10.1142/s021964922450103x

[13] Parker, C. T., & Garrity, G. M. (2021). The NamesforLife Abstracts. https://doi.org/10.1601/nm.40281

[14] Zhao, H., Chen, Y., & Liu, W. (2023). Socially responsible human resource management and employee moral voice: Based on the self-determination theory. *Journal of Business Ethics, 183*(3). http://dx.doi.org/10.1007/s10551-022-05082-5

displayed "Digital Co." signage and the communication software used for work bore the "Digital Co." designation. Wang's duties fell within the scope of Digital Co.'s business, giving him reasonable grounds to believe he was providing labor to Digital Co. The court granted Wang's claims, confirming the existence of an employment relationship with Digital Co. and ordering payment of unpaid wages. The court ultimately ruled that both companies bear joint liability, but the trial faced dual challenges: "vague standards for identifying affiliated relationships under Company Law" and "difficulty in proving actual employment control under Labor Law". Article 265 of the Company Law defines only the concept of "affiliation," stating: "the relationship between a company's controlling shareholder, actual controller, directors, supervisors, senior officers and the enterprises directly or indirectly controlled by them, as well as any other relationship that may result in a transfer of the company's interests. However, enterprises controlled by the State do not become affiliates merely because they are under common State control."The provision does not enumerate scenarios of mixed or shared employment. Workers therefore struggle to obtain core evidence such as affiliated groups' financial statements or shareholding structures and must petition the court to collect it; yet courts, citing limited judicial resources, frequently deny such requests.[15]

3.2. Identity and liability conflicts: disputes over senior executive management

Senior executives have dual identities: "fiduciaries" under Company Law (bearing fiduciary duties of loyalty and diligence) and "workers" under Labor Law (entitled to rights such as overtime pay and economic compensation). This duality leads to three types of frequent disputes: 1. Payment of double wages for failure to sign a written labor contract (whether senior executives are exempt from "double wages"); 2. Calculation standards for severance compensation (based on "total salary" or "basic salary"); 3. The scope of non-compete obligations (overlapping application of Company Law's "fiduciary duty of loyalty" and Labor Law's "non-compete obligations").[16]

Beijing High People's Court, (2024) Jing Min Zhong No. 456, "Zheng v. XX Pharmaceutical Co., Ltd. Labour Dispute" crystallises the doctrinal complexity generated by the dual identity of senior executives. Zheng, serving as general manager of the pharmaceutical company (a "senior officer" within the meaning of the PRC Company Law), was entrusted with overall business operations and the formulation of employment policies, including supervisory authority over the conclusion of labour contracts. After joining the firm in January 2022, no written contract was ever executed; upon his departure in December 2023 Zheng claimed CNY 280,000 as the statutory double-wage differential for the period February 2022-December 2023 (calculated on a monthly salary of CNY 14,000). The company resisted, arguing that Zheng, as the executive in direct charge of contract management, had deliberately omitted to sign a contract and therefore should be barred from recovery. The court ultimately awarded Zheng CNY 140,000 in double wages. Its ratio decidendi was that the double-wage regime is designed to sanction employers who intentionally fail to conclude written contracts. While the company asserted that Zheng bore managerial responsibility for contract execution, it adduced no evidence of Zheng's subjective bad faith—e.g., written refusal to sign or company notices urging him to conclude a contract—nor could it demonstrate that it had fulfilled

[15] Foley, L., & Piper, N. (2021). Returning home empty handed: Examining how COVID-19 exacerbates the non-payment of temporary migrant workers' wages. *Global Social Policy, 21*(3), 468-489.

[16] Eisenberg, M. A. The Duty of Care of Corporate Directors and Officers",(1990). University of Pittsburgh Law Review, 51, 945.

its own statutory duty to initiate contracting.[17] Consequently, the employer could not rely solely on Zheng's executive status to escape statutory labour liability. The judgment has, however, provoked academic debate: full recovery exposes the risk of self-serving litigation by insiders who control contractual processes, whereas complete immunity would allow firms to shift their contracting obligation onto executives and thereby erode the protective purpose of the double-wage rule. The case thus exposes an unresolved tension between company-law fiduciary duties and the mandatory, punitive logic of labour-law wage penalties.

In the case of "Non-Compete Dispute between Huang Mou and XX Textile Co., Ltd." Guangdong High People's Court [(2025) Yue Min Zhong No. 789], Huang Mou served as sales director (an ordinary senior executive) and violated non-compete obligations during his tenure. The company simultaneously initiated labor arbitration (claiming 100,000 yuan in non-compete liquidated damages) and civil litigation (claiming 200,000 yuan in compensation for violating the duty of loyalty). The court ruled that "only one proceeding shall be conducted", holding that "non-compete obligations and the duty of loyalty overlap, and duplicate claims are not allowed". However, Article 188 of the Company Law provides that "if a director, supervisor or senior officer, in performing his or her duties, violates any provision of laws, administrative regulations or the company's articles of association and thereby causes loss to the company, he or she shall be liable for compensation."This provision does not clarify the procedural relationship between claims for breach of fiduciary duty and labour disputes. Likewise, Article 23 of the Labour Contract Law states that "for an employee subject to a confidentiality obligation, the employer may include a non-compete clause in the labour contract or confidentiality agreement, and provide monthly economic compensation to the employee during the non-compete period after the labour contract is terminated or ends; if the employee breaches the non-compete clause, he or she shall pay liquidated damages to the employer as agreed."This article likewise fails to address concurrence of liabilities, resulting in companies "seeking double remedies" and causing the waste of judicial resources.

3.3. Challenges of new employment forms: employment liabilities of platform enterprises

Platform enterprises categorize workers as "partners" or "individual operators" through forms such as "business outsourcing", "registration as individual industrial and commercial households", and "signing cooperation agreements" to evade employment liabilities under Labor Law.[18] According to the 2024 *Research Report on the Protection of Rights and Interests of Workers in New Employment Forms* released by the All-China Federation of Trade Unions, among the 84 million workers in new employment forms, 62% have not established standardized labor relations with platforms, and the incidence of work-related injuries and wage arrears is 53% higher than that of traditional employment.[19]

As a typical case of platform employment disputes, Guiding Case No. 238 (2024) issued by the Supreme People's Court of the People's Republic of China on December

[17] Beijing Higher People's Court & Beijing Municipal Labor and Personnel Dispute Arbitration Commission. (2024). *Answers to questions on the trial of labor dispute cases (I)* (Jing Gao Fa [2024] No. 534). Beijing Higher People's Court. https://www.beijing.gov.cn/zhengce/fygfxwj/202405/t20240530_3699652.html (accessed on 15 June 2025).

[18] Arrosyid, M., Darmawan, D., & Saputra, R. (2024). Legal Protection of Workers in Labor Criminal Offenses: A Case Study on Outsourcing Companies. *International Journal of Service Science, Management, Engineering, and Technology, 6*(1), 25-34.

[19] Zhang, J., & Chen, Z. (2024). Exploring human resource management digital transformation in the digital age. *Journal of the knowledge economy, 15*(1), 1482-1498. http://dx.doi.org/10.1007/s13132-023-01214-y

20, 2024, is Sheng Mouhuan v. Jiangsu XX Network Technology Co., Ltd. (Case on Confirmation of Labor Relationship).[20] In this case, Jiangsu XX Network Technology Co., Ltd. required Sheng Mouhuan, a food delivery rider, to register as an "individual industrial and commercial household" before signing a contract for work undertaking or cooperation with him. Such a requirement was intended to evade the legal liabilities that an employer should bear. However, in practice, Sheng Mouhuan was directly assigned work, managed, and paid by Jiangsu XX Network Technology Co., Ltd. There existed a strong de facto personal subordination, economic subordination, and organizational subordination between the two parties, forming a dominant labor management relationship, which conformed to the essential characteristics of a labor relationship. Ultimately, the court determined that a labor relationship existed between the two parties. The synergy challenges exposed in this case are widespread: 1. The traditional standard of "personal subordination + economic subordination" is difficult to adapt to the "algorithmic control" scenario of platforms—riders can choose their working hours independently but cannot refuse system-assigned orders (a refusal rate exceeding 5% triggers penalty mechanisms), and this "semi-autonomous control" complicates the identification of labor relations;[21] 2. Company Law does not regulate the compliance boundaries of "business outsourcing" by platforms (e.g., whether outsourcing recipients must have the qualification of employing entities); 3. Labor Law lacks provisions on "basic rights protection" for workers in new employment forms (e.g., work-related injury insurance and minimum wage protection when no labor relationship is identified).

3.4. Dilemma in connecting liquidation and deregistration: Obstacles to realizing labor claims

Before liquidation and deregistration, companies often fail to settle employee wages and social insurance or notify workers to declare claims in accordance with the law. This leaves workers facing three obstacles when safeguarding their rights: "absence of the subject" (the company has been deregistered), "loss of evidence" (employment files are not retained), and "no one to bear liability" (shareholders claim limited liability).[22]

The case of "Labor Dispute between Ran Mou and XX Hotel & XX Agricultural Tourism Development Co., Ltd."Sichuan High People's Court [(2025) Chuan Min Zhong No. 246] reflects this dilemma: XX Agricultural Tourism Development Co., Ltd. (Company D) only announced the liquidation on its official website (without notifying employee Ran Mou in writing) and transferred its assets to XX Hotel (Company E) after deregistration. Ran Mou sued Company E for double wages on the ground that "Company D failed to sign a labor contract", but Company E argued that "it is not the employing entity". The court ultimately held the shareholders of Company D liable on the ground that "the liquidation committee failed to inform Ran Mou to file his claim, thereby violating the obligation under Article 235 of the Company Law."The case epitomizes a systemic absence of coordination: Article 235 requires that "the

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[20] Supreme People's Court of the People's Republic of China. (2024). *Guiding Case No. 238: Case of Sheng Mouhuan v. Jiangsu XX Network Technology Co., Ltd.* http://gongbao.court.gov.cn/Details/cc5ae5792c86f6988bead4c81940b3.html (accessed 15 May 2025).

[21] Budhwar, P., Malik, A., De Silva, M. T., & Thevisuthan, P. (2022). Artificial intelligence–challenges and opportunities for international HRM: a review and research agenda. *The InTernaTIonal Journal of human resource managemenT, 33*(6), 1065-1097. http://dx.doi.org/10.1080/09585192.2022.2035161

[22] Fan, B. (2025). Reform of the Business Environment. In *The Rationale Behind Change: Institutions, Development, and Principles of Economics Based on the China Paradigm* (pp. 253-286). Singapore: Springer Nature Singapore. https://doi.org/10.1007/978-981-97-8854-5_9

liquidation committee shall, within ten days of its establishment, notify creditors and, within sixty days, publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System; creditors shall file their claims with the committee within thirty days of receiving notice or, if no notice is received, within forty-five days of the announcement." Yet the provision merely prescribes a public announcement, without specifying how employees must be informed of their right to file labour-related claims (e.g., by written notice or through filing with the human-resources authorities). Labour law, for its part, offers no rules on the succession of labour claims after a company is deregistered, forcing courts to resort by analogy to the Civil Code's provisions on universal assignment of obligations. Further, Article 18 of the Interpretation II of the Supreme People's Court on the Company Law sets nebulous criteria for establishing "shareholder fault," leaving it unclear whether "failure to notify employees" constitutes "intentional misconduct or gross negligence" and resulting in inconsistent adjudication.

4. Implementation paths for the synergy of company law and labor law

The synergy between Company Law and Labor Law is not a simple superimposition of rules but rather requires establishing an institutional framework at the legislative level, implementing compliance practices at the corporate level, and unifying adjudication standards at the judicial level, thereby forming a closed-loop system of "legislation-formulating rules → enterprises-implementing rules → judiciary-safeguarding rules". Based on the analysis of legal application dilemmas in the preceding text, this section constructs a synergistic path with both theoretical rigor and practical operability from three dimensions—legislation, enterprises, and judiciary. It aims to resolve rule conflicts in the cross-application of the two laws and provide a systematic solution for the compliance of corporate human resource management.

4.1. Legislative synergy: Filling institutional gaps in interdisciplinary fields through normative connection

As the logical starting point of the synergy between the two laws, legislation needs to address the lack of rules in interdisciplinary fields such as mixed employment by affiliated enterprises, definition of senior executives' identities, and protection of claims during liquidation and deregistration. Through amendment of provisions and special legislation, the applicable boundaries and connection mechanisms of the two laws are clarified, so as to avoid situations where enterprises have no basis for compliance and judicial adjudication is disorderly due to institutional fragmentation.

4.1.1. Legislative definition of the subject liability of affiliated enterprises in employment

To address the issue of affiliated enterprises evading employment liabilities by taking advantage of their independent legal person status, a special chapter on "Employment by Affiliated Enterprises" should be added to the *Labor Contract Law*, constructing a dual-rule system of "formal identification + substantive liability". First, clarify the quantitative identification standards for affiliated relationships. With reference to the definition of affiliated relationships in Article 265 of the *Company Law* and combined with adjudication experience formed in judicial practice, circumstances such as "equity ratio ≥ 25%", "the same legal representative or more than 3 senior executives holding concurrent positions for more than 6 consecutive months", and "shared financial accounts or salary payment by shareholders on behalf of the company" shall be listed as presumptive elements of affiliated relationships, reducing the space for enterprises to evade liabilities through "superficial non-affiliation". Second, establish the application rules for joint liability. Clearly

stipulate that in cases of mixed employment by affiliated enterprises, workers have the right to claim labor claims (including wages, economic compensation, work-related injury compensation, etc.) from any affiliated party, and no affiliated party may defend on the ground of "not being the actual employer". At the same time, it is stipulated that the internal liability division agreement among affiliated enterprises shall not be asserted against workers, so as to ensure the priority protection of workers' rights and interests.[23]

To resolve the difficulty in distinguishing between "business outsourcing" and "substantive employment" in the platform economy, the *Regulations on the Management of Platform Employment* should be promulgated, establishing a hierarchical employment rule based on the "intensity of algorithmic control". Reference may be made to the core criteria for determining employment status in the EU Platform Work Directive (EU) 2024/2831, which comprehensively identifies labor relations through five indicators including "the degree of control exerted by the platform over working hours and work content", "the degree of dependence of workers' income on the platform", "whether the platform restricts workers from providing services to other platforms", and "whether workers need to abide by specific rules of the platform". This provides useful insights for China. For workers with "mandatory order acceptance rate ≥ 90%, service standards uniformly formulated by the platform, and income completely dependent on platform commissions", a labor relationship shall be directly identified, and the platform shall bear complete employment liabilities such as signing labor contracts and paying social insurance. For workers with "ability to accept orders independently but refusal rate ≤ 30%, flexible working hours but required to comply with the platform's basic rules", they shall be classified as "third-category workers", and the platform shall be clearly required to guarantee the minimum wage standard, pay work-related injury insurance, and cover medical care, unemployment and other risks through industry mutual assistance insurance. For workers with "complete autonomy in determining the scope of orders and work rules, and diversified income sources", the relationship shall be governed as a civil cooperative relationship, but the platform shall fulfill safety guarantee obligations (such as providing safety training and necessary protective equipment). Meanwhile, a "special obligation clause for platform enterprises" should be added to the Company Law, requiring platforms to disclose algorithmic management rules and employment liability division plans in their articles of association, and regularly submit employment data to market supervision departments and human resources and social security departments for administrative supervision.

4.1.2. Rule connection for the identity and liability of corporate senior executives

Given that senior executives simultaneously possess the dual attributes of "corporate-law fiduciaries" and "labour-law employees", judicial interpretation is needed to refine the boundary between the two identities and to articulate a coordinated liability mechanism.[24] The Supreme People's Court should promulgate Guiding Opinions on the Intersectional Application of Company Law and Labour Law in the Trial of Labour-dispute Cases, beginning by establishing a clear classification standard for executives:Core executives are limited to the "senior officers" defined in Article 265 of the Company Law—namely, the manager, deputy manager, financial officer, the board secretary of a listed company, and any other persons so specified in the company's articles of association. Their status must be evidenced by a board

[23] Zheng, Q. (2023). A Study on the Legal Aspects of Mixed Employment in Affiliated Enterprises. *Journal of Humanities, Arts and Social Science, 7*(10). https://doi.org/10.26855/jhass.2023.10.032

[24] Hamdani, A., & Kastiel, K. (2022). Superstar CEOs and Corporate Law. *Wash. UL Rev., 100*, 1353.

resolution appointing them, and their functions must encompass either overall business management or the formulation of employment policies. Ordinary executives should be identified by a composite test: receiving remuneration more than three times the local average social wage and supervising a team of at least five employees, indicating that their primary role is departmental management.

In terms of the allocation of rights and obligations, it is necessary to distinguish the legal application rules for the two types of senior executives: due to their assumption of operation and management responsibilities, core senior executives shall apply the "fiduciary rule" to matters such as the signing of labor contracts and salary adjustment. For example, if a written labor contract is not signed, the company may be exempted from the double wage liability if it can prove that the senior executive is responsible for labor contract management and there is no evidence showing that the company intentionally failed to sign the contract. However, the core labor rights and interests of core senior executives, such as overtime pay and economic compensation, shall still comply with the mandatory provisions of the *Labor Contract Law* and cannot be excluded by agreement. Ordinary senior executives shall apply the general rules of Labor Law, and all their labor rights and interests shall be protected by law; enterprises may not reduce the scope of rights and interests on the ground of "senior executive identity".

Regarding the issue of concurrent liability for senior executives' violation of the duty of loyalty and non-compete obligations, it is necessary to clarify the procedural connection and liability bearing rules: if an enterprise claims rights on the ground of a senior executive's violation of non-compete obligations, it shall give priority to labor arbitration procedures. If the enterprise simultaneously claims that the senior executive has violated the duty of loyalty as stipulated in Article 188 of the Company Law (This provision stipulates that"if a director, supervisor, or senior officer, in carrying out his or her duties, violates any provision of laws, administrative regulations, or the company's articles of association and thereby causes loss to the company, he or she shall bear liability for compensation."), it may initiate a civil lawsuit for the difference in losses after the conclusion of labor arbitration, but it shall bear the burden of proving that "the non-compete liquidated damages are insufficient to compensate for the actual losses" (e.g., profit losses caused by customer loss, rights protection costs arising from trade secret disclosure), so as to prevent enterprises from imposing excessive liability on senior executives through "repeated claims".[25]

4.1.3. Protection mechanism for labor claims in corporate liquidation and deregistration

To solve the problems of "difficulty in claiming and holding liable" for labor claims in the liquidation and deregistration process, relevant provisions of the *Company Law* and the *Labor Contract Law* need to be amended to construct a full-process protection rule of "prior notice + in-process supervision + post-event liability". First, improve the notification obligation of the liquidation team. Amend Article 235 of the *Company Law* to clearly stipulate that when preparing the list of claims, the liquidation team shall separately list employee claims (including wages, overtime pay, unpaid social insurance premiums, etc.) and notify each employee in writing. For employees who cannot be contacted, dual announcements shall be made through the official website of human resources and social security departments and provincial-level or above newspapers, with an announcement period of no less than 60 days (far longer than the announcement period for ordinary creditors), ensuring that employees have sufficient time to declare their claims. Second, establish a

[25] Sellers, A. E., & Fort, T. L. (2022). Non-compete agreements: How fiduciary duty and covenants not to compete restrict managers' mobility. *Business Horizons, 65*(2), 215-225.

connection mechanism for administrative supervision of labor claims. Add a clause to the *Implementation Regulations of the Labor Contract Law*, requiring enterprises to submit a *Certificate of Settlement of Labor Claims* to the human resources and social security department before applying for deregistration. The human resources and social security department shall verify the enterprise's payment of employee wages and social insurance; if the certificate is not submitted or unpaid labor claims are found during verification, the market supervision department shall not handle the deregistration.[26] Third, refine the liabilities of shareholders and members of the liquidation team. Clearly stipulate that if the liquidation team fails to notify employees to declare their claims in accordance with the law, resulting in the failure to realize the claims, the members of the liquidation team shall bear compensation liability. If unpaid labor claims are discovered after the enterprise is deregistered and the shareholders have circumstances such as "unpaid capital contribution" or "transfer of assets to evade debts", workers may claim that the shareholders bear liability within the scope of unpaid capital contribution or the value of transferred assets, so as to strengthen the shareholders' ultimate guarantee obligation for labor claims.

4.2. Corporate synergy: Constructing a dual compliance system of "corporate governance-labor employment"

As the main body for implementing the synergy of the two laws, enterprises need to integrate labor compliance into the corporate governance structure and realize the organic unification of "governance goals" and "employment compliance" through institutional design, so as to avoid legal risks caused by the disconnection between governance decisions and labor rules.

4.2.1. Integration of labor compliance mechanisms into the governance structure

Enterprises should establish a three-tier labor compliance management structure consisting of "the Board of Directors-the Labor Compliance Committee-the Human Resources Department," and clearly define the responsibility boundaries and work procedures of each tier. As the top decision-making body, the Board of Directors shall incorporate labor compliance into the enterprise's strategic planning, review the Annual Labor Compliance Report on an annual basis, approve major employment policies (e.g., layoff plans, salary system adjustments), and supervise the work of the Labor Compliance Committee. As a dedicated supervisory body, the Labor Compliance Committee is recommended to have a total of 5 to 9 members, composed of legal personnel (30%), human resources specialists (30%), employee representatives (20%), and external labor law experts (20%). The selection of members shall be reviewed by the Board of Directors, with a term consistent with that of the Board of Directors; members may be re-elected but shall not serve more than 2 consecutive terms, so as to ensure a balance between the Committee's independence and professionalism. The Committee shall conduct compliance reviews on a quarterly basis, focusing on verifying high-risk areas such as inter-affiliated enterprise labor utilization, senior management supervision, and social insurance contribution. It shall put forward rectification suggestions for identified issues and follow up on their implementation. As the executive body, the Human Resources Department shall integrate compliance requirements into the entire process of recruitment, training, assessment, and separation. For example, during recruitment, it shall verify whether candidates have held positions in affiliated enterprises to avoid mixed employment relationships; in salary design, it shall clearly define the calculation base for overtime pay to ensure compliance with Article 44 of the Labor Law of the People's Republic of

[26] Iancu, L. O. (2025). The Legal Regime of the Assets Remaining in the Debtor's Patrimony after the Closure of the Insolvency Procedure in Romania. *Athens Journal of Law, 11,* 309.

China; in separation management, it shall standardize the dismissal procedure and retain evidence such as performance evaluations and training records to prevent the risk of illegal termination of labor contracts.

From an international perspective, the corporate compliance governance practices of EU member states provide valuable references for the establishment of labor compliance committees. For instance, Germany's Aktiengesetz (Stock Corporation Act) stipulates that for enterprises with more than 2,000 employees, the proportion of employee representatives on the supervisory board must reach 50%, and a "Labor Affairs Committee" must be established. This committee is specifically responsible for deliberating on matters directly related to employees' rights and interests, such as salary adjustments and layoff plans. The proportion of employee representatives on this committee shall not be less than 60%, and its members must possess knowledge of labor law or experience in employment management.[27] France's Code du Travail (Labor Code) provides that if an enterprise establishes a "Compliance Oversight Committee," the committee must include at least one external expert in the field of labor law. This expert shall be independent of the enterprise's management and responsible for reviewing whether the enterprise's employment policies comply with EU-level labor standards, such as the EU Working Time Directive.[28] The design of labor compliance committees in Chinese enterprises can draw on the core concepts of the EU, such as "strengthening employees' right to participation" and "introducing external professional supervision," while clarifying the appointment criteria and performance responsibilities of external experts. This approach not only safeguards employees' rights and interests but also takes into account the operational autonomy of enterprises.

For the compliance management of affiliated enterprise employment, enterprises shall formulate a Manual for Affiliated Employment Management, clarifying the standardized processes for personnel deployment, salary payment, and social insurance contribution. The secondment of personnel between affiliated enterprises shall require the signing of a written *Secondment Agreement*, which clarifies the core clauses such as the secondment period (not exceeding 1 year at most), the employer (which party bears the labor remuneration and social insurance during the secondment period), and the work content, and shall be filed with the Labor Compliance Committee. Salaries shall be paid through the official account of the employer, and payment by shareholders or affiliated enterprises on behalf of the employer is prohibited to avoid financial confusion. Social insurance shall be contributed in accordance with the territorial standards of the "actual employer", and "cross-regional contribution on behalf of others" or "entrusting third-party institutions to make contributions" is prohibited to ensure that social insurance rights and interests are consistent with the actual employment situation.

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[27] German Federal Ministry for Economic Affairs and Energy. (2022). *Corporate Compliance in German Labour Law: Guidelines for Enterprise Labour Compliance Committees*. Berlin: Federal Ministry for Economic Affairs and Energy. https://www.bundeswirtschaftsministerium.de/SiteGlobals/BMWI/Forms/Suche/DE/Servicesuche_Formular.html?templateQueryStringListen=Corporate%20Compliance%20in%20German%20Labour%20Law:%20Guidelines%20for%20Enterprise%20Labour%20Compliance%20Committees&resourceId=64096485-21b2-49f3-aa79-6839e3143753&pageLocale=de&input_=0560fc09-c904-422f-bd4f-40466001af6a&gtp=%2526b5ecc6c5-9a84-4ff8-85af-715c564a2587_list%253D2&selectSort=score%20desc (accessed 15 May 2025).

[28] Direction Générale du Travail (DGT). (2023). *Labour Compliance Oversight in France: Roles of Enterprise Compliance Bodies and State Supervision*. Paris: Direction Générale du Travail. https://travail-emploi.gouv.fr/pilotage-des-dispositifs-de-la-politique-de-lemploi-et-de-la-formation-professionnelle-traitement-des-donnees-personnelles (accessed 15 May 2025).

4.2.2. Compliance transformation of employment models in platform enterprises

Platform enterprises need to reconstruct their employment management systems based on the concept of "algorithmic compliance + classified employment management".[29] First, establish an algorithmic compliance review mechanism. The Labor Compliance Committee, in conjunction with the technical department, shall conduct a legality review of order distribution algorithms and reward/punishment rules, and formulate a "negative list for algorithmic compliance": prohibit algorithmic discrimination based on gender, age, or region; restrict the proportion of overtime fines (not exceeding 30% of order earnings); and publicize algorithm adjustments 30 days in advance, solicit opinions from rider representatives (representing no less than 5% of riders), and adopt reasonable suggestions with explanations. Second, refine classified employment management. In accordance with the requirements of the *Regulations on the Management of Platform Employment*, adopt differentiated contract texts and rights protection plans for different types of workers: sign *Labor Contracts* with full-time riders, specifying working hours, salary structure (including the calculation method of overtime pay), and social insurance contribution standards; sign *Service Agreements* with part-time riders, stipulating the hourly wage standard (not lower than the local minimum hourly wage) and the liability for purchasing commercial accident insurance (with coverage of no less than 500,000 yuan); sign *Cooperation Agreements* with freelance riders, but the agreements shall clearly specify that the platform provides work-related injury insurance subsidies (not less than 2% of the local social insurance contribution base per month) and assists riders in participating in industry mutual assistance insurance.

4.2.3. Practical protection of labor claims in the liquidation and deregistration process

After an enterprise enters the liquidation process, it shall strictly follow the principle of "priority protection of employee rights and interests" and construct a special protection process for labor claims.[30] Within 10 days of its establishment, the liquidation team shall jointly compile a *List of Employee Claims* with the Human Resources Department, which details information such as employees' names, years of service, unpaid wages, and amount of unpaid social insurance premiums. The list shall be publicly announced for 30 days simultaneously in prominent locations of the enterprise (such as the office bulletin board) and on the official website of the human resources and social security department to accept employees' objections. For employees whose whereabouts are unknown, announcements shall be published in provincial-level or above newspapers for 3 consecutive days, specifying the claim declaration period (no less than 60 days), methods (online declaration or offline submission of materials), and contact persons, so as to ensure employees' right to know.

If an enterprise transfers its assets or business before deregistration, it shall clearly specify the obligation to succeed to labor claims in the asset transfer agreement. The transferee shall re-sign labor contracts with employees (or confirm the continued performance of the original labor contracts) and complete the formalities for social insurance continuation. If the transferee refuses to succeed to the claims, the transferor shall settle all labor claims before the transfer or require shareholders to provide a guarantee (with the guarantee amount not less than the

[29] Wang, Q., Chen, Y., & Yang, Y. (2024). Unpacking the legal status of platform workers in China: an empirical analysis of judicial attitudes and challenges in the food delivery sector. *Asia Pacific Law Review, 32*(1), 149-171.

[30] Zhang, J., Zhu, J., & Hou, F. (2025). A Review and Improvement of the Tax Priority System in Bankruptcy Liquidation Proceedings. *GBP Proceedings Series, 2*, 99-106.

total amount of labor claims). Meanwhile, the enterprise shall file the *Labor Rights Protection Agreement* with the human resources and social security department, and only after the filing can the asset transfer formalities be handled, so as to ensure that the protection of labor claims progresses in parallel with the asset transfer.

4.3. Judicial synergy: Strengthening the practical effect of synergy through unified adjudication and diversified dispute resolution

As the ultimate guarantee for the synergy of the two laws, the judiciary needs to resolve issues such as "different adjudications for similar cases" and "lengthy procedures" by unifying adjudication standards, improving litigation procedures, and constructing a diversified dispute resolution mechanism, so as to ensure the implementation of the synergy rules of the two laws in practice.

4.3.1. Unification and refinement of adjudication standards

The Supreme People's Court shall clarify the adjudication rules for cases involving the cross-application of the two laws through a combination of "guiding cases + judicial interpretations". On the one hand, it shall regularly issue special guiding cases on the "cross-application of Company Law and Labor Law", focusing on scenarios such as mixed employment by affiliated enterprises, identification of senior executives' identities, definition of platform employment relationships, and protection of labor claims during liquidation and deregistration. Each case shall be accompanied by a "adjudication gist" and "legal analysis" to clarify the adjudication logic. For example, rules such as "mandatory order distribution by platform algorithms constitutes employment control" and "shareholders' failure to notify employees to declare claims before deregistration constitutes fault" shall be clarified through cases to provide clear guidance for grassroots courts. On the other hand, it shall refine the rules for the distribution of the burden of proof in judicial interpretations. For cases of mixed employment by affiliated enterprises, the burden of proving "no actual employment control" shall be assigned to the enterprise; if the enterprise fails to provide evidence of independent finance and independent personnel management, the existence of mixed employment shall be presumed.[31] For platform employment cases, the platform shall be required to provide evidence such as algorithm rules, order distribution records, and bases for rewards and punishments, while workers only need to bear the burden of proving that "they provide core business services for the platform", so as to reduce the burden of proof on workers.

4.3.2. Optimization and connection of litigation procedures

To address the problems of "separated procedures and long trial cycles" in cases involving the cross-application of the two laws, a procedural mechanism of "consolidated trial + expedited trial" shall be established. First, construct a consolidated trial mechanism for labor arbitration and civil litigation. For cases where workers claim that "dismissal based on illegal corporate resolutions is invalid" or "shareholders abuse the independent legal person status to evade labor claims", labor arbitration institutions may, while examining the labor dispute, concurrently examine issues related to Company Law such as the validity of corporate resolutions and shareholder liabilities, without requiring workers to initiate a separate civil lawsuit. During the examination, the enterprise's shareholders, liquidation team, and other entities shall be notified to participate to ensure that the facts of the case are clarified. Second, optimize the rule of inversion of the burden of proof. In cases such as mixed employment by affiliated enterprises and platform employment, clearly assign the

[31] Huo, X., Zhao, Y., & Dong, Z. (2024). How mixed ownership affects investment efficiency? evidence from state-owned enterprises in China. *Plos one, 19*(6), e0306190.

burden of proving facts such as "no actual employment control" and "fulfillment of written notification obligations" to the enterprise; if the enterprise fails to provide evidence, it shall bear adverse consequences. For example, if an enterprise claims that "the worker intentionally evaded signing a labor contract", it shall provide evidence such as EMS reminder records and written notification receipts; otherwise, it shall pay the double wage difference.

4.3.3. Construction and improvement of a diversified dispute resolution mechanism

To reduce the occupation of judicial resources by cases involving the cross-application of the two laws, a diversified dispute resolution system featuring "mediation first, arbitration connection, and litigation as a last resort" shall be constructed. First, establish a connection mechanism among "labor arbitration, commercial arbitration, and industry mediation". For disputes over employment by affiliated enterprises, labor arbitration institutions shall examine the employment relationship, and commercial arbitration institutions shall examine the affiliated relationship, with joint mediation conducted by both parties. For platform employment disputes, the All-China Federation of Trade Unions, in conjunction with platform economy industry associations, shall establish a "Platform Employment Dispute Mediation Center", which shall include Labor Law experts, corporate lawyers, and rider representatives to participate in mediation. Mediation agreements reached may be submitted to the court for judicial confirmation to be granted enforcement effect.[32] Second, strengthen the synergy between administrative mediation and judicial mediation. Human resources and social security departments and courts shall establish a "litigation-mediation connection" mechanism. For cases involving the cross-application of the two laws that have not undergone mediation, the court may entrust the human resources and social security department to conduct administrative mediation; if mediation is successful, a mediation statement shall be issued directly; if mediation fails, the case shall then enter the litigation process. Through the integration of administrative resources and judicial resources, the efficiency of dispute resolution is improved.

5. Conclusion

5.1. Research limitations

This study has three limitations: 1. Empirical samples mainly focus on large enterprises and platform enterprises in eastern China, with insufficient coverage of synergy dilemmas in SMEs and traditional manufacturing enterprises in central and western China—limiting the representativeness of samples; 2. It does not deeply explore synergy rules for new scenarios under digital transformation (e.g., algorithmic management, remote work), such as the identification standards for algorithmic discrimination and the calculation of working hours in remote work; 3. The study focuses on rule construction but inadequately discusses "compliance cost sharing" (e.g., liability division between platform enterprises and the government), failing to propose specific policy recommendations for reducing corporate compliance costs.

5.2. Future outlook

Future research can be deepened in three aspects: 1. Expand the empirical scope by selecting samples from SMEs and traditional manufacturing enterprises in central and western China, analyzing synergy differences across regions and industries, and

[32] Erdoğan, C., & Buluş, S. (2024). Arbitration in individual labor disputes. *Law and Justice Review,* (28), 95-124.

proposing more targeted solutions; 2. Focus on digital scenarios to study synergy rules between the two laws in algorithmic management and remote work—for example, constructing an "algorithmic compliance evaluation index system" and clarifying standards for working hour recording and overtime identification in remote work; 3. Explore compliance cost-sharing mechanisms, encouraging the government to reduce corporate compliance costs through preferential policies (e.g., social insurance fee reductions for compliant enterprises) and subsidies (e.g., work-related injury insurance subsidies for platform enterprises) to stimulate enterprises' enthusiasm for synergistic compliance.

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