

# Impact of Employment Benefits & Perks on Employee's Overall satisfaction

**Dhashwanth Kumar S**

Dept of Human Resources and Organizational Development

Madras School of Social Work, Egmore, Chennai.

**Abstract-** *This research investigates the profound impact of employment benefits and perks on employee satisfaction, recognizing the pivotal role content and engaged employees play in organizational success. The study delves into the multifaceted nature of employment benefits, encompassing health insurance, paid time off, travel and expenses reimbursement, employee referral programs, and recognition and rewards. Simultaneously, it explores non-monetary perks such as flexible work schedules, career advancement opportunities, working climate, flexible work arrangements, and parental leave, which collectively contribute to a holistic compensation package extending beyond mere salary considerations. By addressing these objectives, the research aims to provide valuable insights for organizations seeking to optimize their employee satisfaction strategies. Understanding the intricate relationship between employment benefits, perks, and employee satisfaction is crucial for fostering a positive workplace culture and maximizing the potential contributions of a motivated and content workforce.*

**Keywords-** Employee benefits, Employee satisfaction, Employee success, Flexible Work and Workplace culture.

## I. INTRODUCTION

This research focuses on examining the impact of employment benefits and perks on employee satisfaction. Employee satisfaction is a crucial aspect of organizational success, as content and engaged employees are more likely to contribute positively to the workplace. Employment benefits and perks play a significant role in shaping the overall work experience and job satisfaction of employees.

Employment benefits encompass a range of offerings such as health insurance, paid time off, Travel & expenses reimbursement, Employee referral, Recognition & Rewards. Perks, on the other hand, often include non-monetary benefits like flexible work schedules, Career advancement opportunities and Working climate, Flexible work arrangements, Parental leave. Together, these elements contribute to creating a comprehensive compensation package that goes beyond salary.

## Objective of the study

### Primary objective

- To systematically examine and analyze the influence of employment benefits and perks on the overall satisfaction of employees within diverse organizational contexts.

### Secondary objective

- To identify the key components of employment packages that significantly contribute to employee contentment.
- Measure the correlation between the provision of benefits and perks with job satisfaction and engagement levels.
- Explore the nuanced impact of non-monetary perks on employee well-being.

## II. LITERATURE REVIEW

Employee benefits constitute an integral part of an employee's overall compensation package, alongside regular monetary payments (Armstrong, 2006). According to Armstrong (2002), these benefits can be categorized into three types: Deferred (or contingent), which includes medical insurance and pension schemes; Immediate, covering elements like car allowances and season ticket loans; and non-remuneration advantages such as holidays. Many employer-provided rewards and benefits are subject to taxation, termed as "benefits in kind," except for specific exceptions like pension schemes, canteen meals, car parking, and professional memberships.

Flexible benefits, also known as "cafeteria schemes," empower employees to choose their preferred benefits from a selection offered by the employer (Armstrong, 2006). Employee benefits play a crucial role in fostering a positive relationship between employers and employees, as both parties find them advantageous. More than half of today's workforce considers employee benefits as important as their basic salary, as they enable savings and provide otherwise challenging-to-access amenities like health care and insurance (deanandraper.com, 2012).

The scope and variety of employee benefits have expanded significantly, but a challenge persists in employers sometimes not understanding their employees' needs and providing inappropriate benefits (Human Resource Management International Digest, 2010). The cost of providing employee benefits poses a significant challenge, with U.S. companies spending up to \$2 trillion, primarily driven by rising healthcare costs (Kalamas, Mango, and Ungerman, 2008). In the UK, the British government's pension auto-enrolment has raised concerns about costs for employees (Tolley, 2011).

To address cost concerns, employers explore cost-cutting strategies, such as leveraging technology for benefits delivery (Bridgeforth, 2012), cost shifting, where employers transfer benefit costs to employees (Managing Benefits Plans, 2011), and predictive modeling to forecast future benefit costs (Uborcev, 2011). These approaches aim to balance business costs and benefits effectively.

### III. RESEARCH METHODOLOGY

This research aims to explore the impact of employment benefits and perks on employees' overall satisfaction. As the modern workforce places increasing importance on non-monetary aspects of employment, understanding the impact of benefits, perks, and job satisfaction becomes crucial for employers and policymakers.

#### Research Design

This study adopts a method of quantitative surveys. The quantitative phase involves a structured questionnaire to gather data.

#### Study Setting

The research is conducted in diverse organizational settings. This diversity ensures a comprehensive understanding of how employment benefits impact satisfaction across different work environments.

#### Sample Design:

##### a) Sample:

The sample comprises employees of diverse sectors from different organizations. Simple random sampling method is used for data collection.

##### b) Sampling Unit:

Sample unit: Employees of diverse sectors from different organizations.

##### c) Sample Size:

The number of samples taken is 50.

The goal is to attain a well-rounded and diverse sample that mirrors the overall employee population.

#### Source of Data

##### Primary Source of Data:

The primary data source is the responses obtained from the structured questionnaire.

The response data provides quantitative metrics, allowing for a holistic analysis of the impact of employment benefits and perks on overall job satisfaction.

### IV. DATA ANALYSIS AND INTERPRETATION

#### Data Analysis:

Data analysis is the process of inspecting, transforming, and modeling data with the aim of discovering useful information, drawing conclusions, and supporting decision-making.

#### Pie Chart:

A pie chart is a circular statistical graph that illustrates the numerical proportions in slice form. Each slice represents a proportionate part of the whole, and the size of each slice is determined by the corresponding percentage or fraction of the total quantity it represents.

1. How satisfied are you with overall Health insurance provided by your organization?

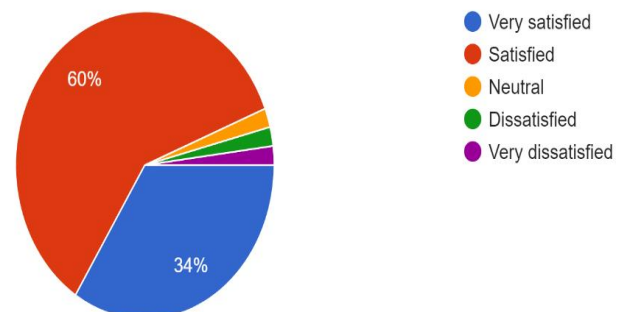


Chart-1

- **Satisfied:**over 60% of respondents are satisfied with the health insurance provided by their organization.
- **Very satisfied:** A smaller percentage, around 34%, expressed that they are very satisfied with the health insurance provided by their organization.
- **Others:** A minority, approximately the rest 6%, are not likely to be satisfied with the health insurance provided by their organization.

2.Please rate your level of satisfaction with the amount of paid time off (e.g., vacation, sick leave) provided by your employer?

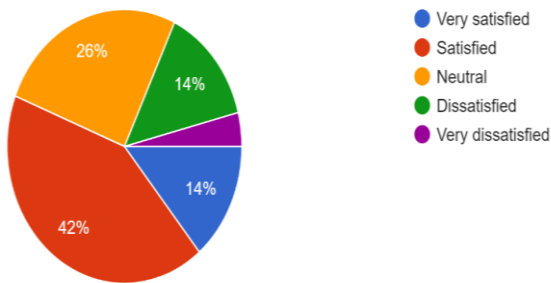


Chart - 2

- **Satisfied:**over 42% of respondents are satisfied with the amount of paid time off.
- **Neutral:** around 26% expressed that they are Neutral with the amount of paid time off.
- **Very Satisfied:**A smaller percentage, around 14%, expressed that they are Very satisfied with the amount of paid time off.
- **Dissatisfied:** A smaller percentage, around 14%, expressed that they are Dissatisfied with the amount of paid time off.
- **Very Dissatisfied:** A minority, approximately the rest 4% are not likely to be satisfied with the amount of paid time off.

3.Rate your satisfaction on Flexible Work Arrangements (work from locations outside the office (WFH) provided by your organization?

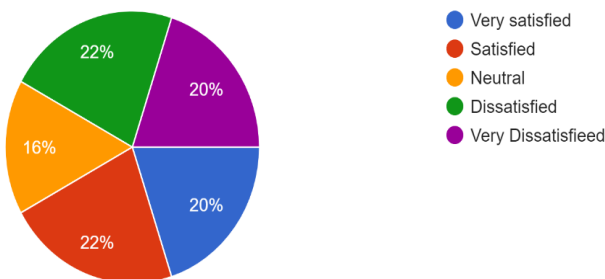


Chart 3

- **Satisfied:** over 22% of respondents are satisfied with the Flexible Work Arrangements provided by their organization.
- **Dissatisfied:**Around 22% of respondents expressed that they are Dissatisfied with the Flexible Work Arrangements provided by their organization.
- **Very Satisfied:**Around 20% expressed that they are Very satisfied with the Flexible Work Arrangements provided by their organization.
- **Very Dissatisfied:**Approximately 20% are not Very Dissatisfied with the Flexible Work Arrangements provided by their organization.
- **Neutral:** A smaller percentage, around 16%, expressed that they are Neutral with the Flexible Work Arrangements provided by their organization.

4.How satisfied are you with the Parental Leave (maternity and paternity leave & support) provided by your employer?

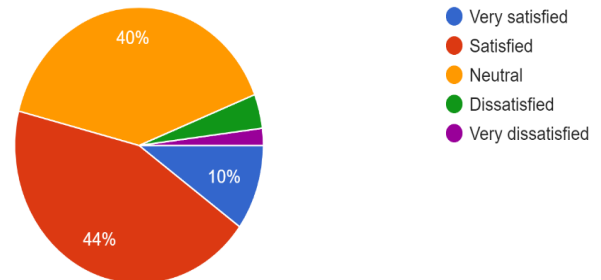


Chart 4

- **Satisfied:** over 44% of respondents are satisfied with the Parental Leave provided by your employer.
- **Neutral:** around 40% expressed that they are Neutral with the Parental Leave provided by your employer.
- **Very Satisfied:** A smaller percentage, around 10%, expressed that they are Very satisfied with the Parental Leave provided by your employer.
- **Others:** A minority, approximately the rest 6%, are not likely to be satisfied with the Parental Leave provided by your employer.

5.Rate your satisfaction on the Employee Referral Programs?

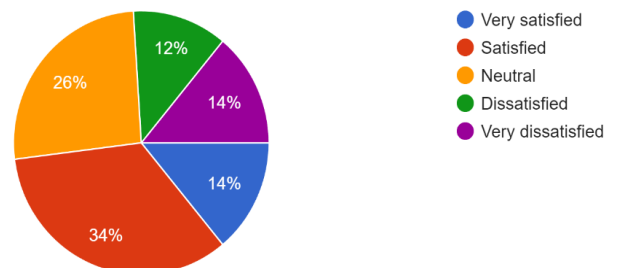


Chart 5

- **Satisfied:**Over 34% of respondents are satisfied with the Employee Referral Programs.
- **Neutral:** Apercentage of 26%, expressed that they are Neutral with the Employee Referral Programs.
- **Very Satisfied:** around 14%, expressed that they are Very satisfied with the Employee Referral Programs.
- **Very Dissatisfied:** approximately the 14% are not Very Dissatisfied with the Employee Referral Programs.
- **Dissatisfied:** around 12% of respondents expressed that they are Dissatisfied with the Employee Referral Programs.

- **Satisfied:**Over 46% of respondents are satisfied with the Travel and Expense Reimbursement.
- **Very Satisfied:**Around 28%, expressed that they are Very satisfied with the Travel and Expense Reimbursement.
- **Neutral:** A percentage of 20% expressed that they are Neutral with the Travel and Expense Reimbursement.
- **Others:** A minority, approximately the rest 6%, are not likely to be satisfied with the Travel and Expense Reimbursement.

6. Please rate your level of satisfaction with the Career Advancement Opportunities (promotions, training, L&D)

8. Rate your satisfaction on the Flexible Work Schedules (allow employees to customize their work hours within established core hours)

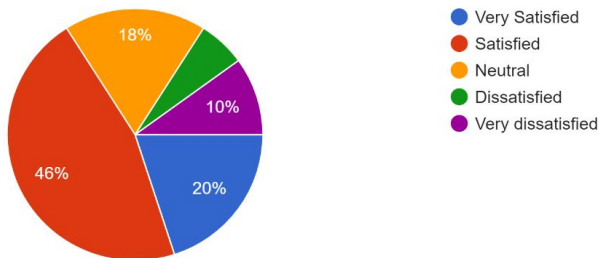


Chart-6

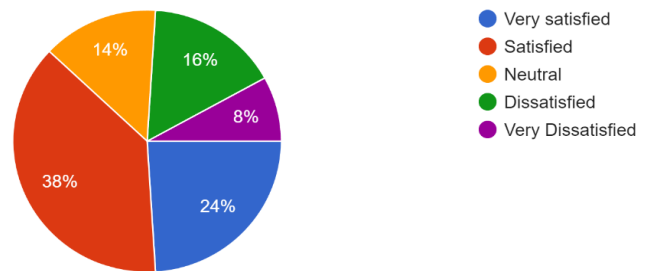


Chart-8

- **Satisfied:**Over 46% of respondents are satisfied with the Career Advancement Opportunities.
- **Very Satisfied:** around 20%, expressed that they are Very satisfied with the Career Advancement Opportunities
- **Neutral:** A percentage of 18% expressed that they are Neutral with Career Advancement Opportunities.
- **Very Dissatisfied:** approximately 10% are not Very Dissatisfied with Career Advancement Opportunities.
- **Dissatisfied:** A minority, approximately the rest 6%, are not likely to be satisfied with the Career Advancement Opportunities.

- **Satisfied:**Over 38% of respondents are satisfied with the Flexible Work Schedules.
- **Very Satisfied:**Around 24%, expressed that they are Very satisfied with the Flexible Work Schedules.
- **Dissatisfied:**Around 16% of respondents expressed that they are Dissatisfied with the Flexible Work Schedules.
- **Neutral:** A percentage of 14%, expressed that they are Neutral with Flexible Work Schedules.
- **Very Dissatisfied:** approximately 8% are not Very Dissatisfied with the Flexible Work Schedules.

7. How satisfied are you with the Travel and Expense Reimbursement provided by your organization?

9. Please rate your level of satisfaction with the Employee Recognition and Rewards Programs in your organization.

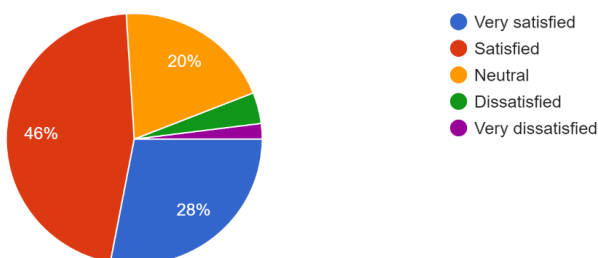


Chart-7

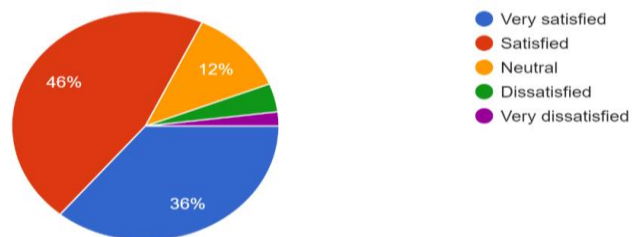


Chart-9

- **Satisfied:**Over 46% of respondents are satisfied with the Employee Recognition and Rewards Programs
- **Very Satisfied:**Around 36%, expressed that they are Very satisfied with the Employee Recognition and Rewards Programs.
- **Neutral:** A percentage of 12%, expressed that they are Neutral with the Employee Recognition and Rewards Programs
- **Others:** A minority, approximately the rest 6% are not likely to be satisfied with the Employee Recognition and Rewards Programs.

- It states that nearly 45% of the respondents are benefitted from the Career advancement opportunities provided by their organization.
- It is found that 46% of the respondents are satisfied with the organization's travel and expenses reimbursement.
- Nearly 38% of the respondents are satisfied with their work schedules.
- Nearly 46% of respondents are satisfied with the organization's rewards and recognition system.
- Around 52% of the respondents are satisfied with their working climate.

10.How satisfied are you with the Working climate (workspace) you are employed in?

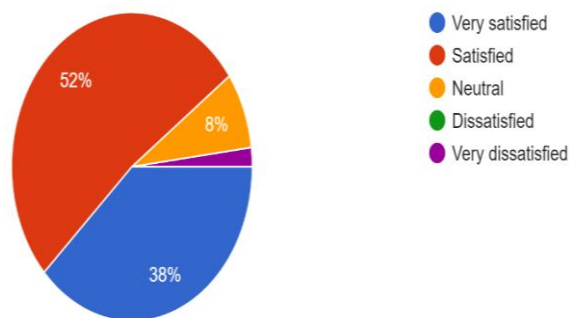


Chart-10

- **Satisfied:**Over 52% of respondents are satisfied with the Working climate.
- **Very Satisfied:**Around 38%, expressed that they are Very satisfied with the Working climate.
- **Neutral:** A percentage of 8%, expressed that they are Neutral with the Working climate.
- **Others:** A minority, approximately the rest 2% are not likely to be satisfied with the Working climate.

### V. FINDINGS

#### Major findings

- 60% of the respondents from diverse sectors are found to be satisfied with the Benefits and Perks Provided by their organization.
- It is found that nearly 42% of the employees are satisfied with their organization with the paid off.
- It was found that nearly 22% of employees are satisfied and also dissatisfied with the flexible working hours.
- The findings show that nearly 44% of the total population are satisfied with their organization in parental leave.
- The data obtained shows that 34% of respondents among all are satisfied within the Employee referral program provided by their organization.

### VI. SUGGESTION

- Reward Excellence - Incentives businesses excelling in employee welfare with tax benefits.
- Training Support - Offer tax breaks for companies investing in employee training and career development.
- Frequent Surveys - Conduct regular employee surveys to customize benefits and perks.
- Tailored Benefits - Use survey data to personalize offerings based on workforce needs.
- Communication Boost - Enhance communication channels to keep employees informed of perks.
- Positive Culture - Encourage active participation in fostering a positive workplace through teamwork and constructive feedback.

### VII. CONCLUSION

In conclusion, this research delves into the significant impact of employment benefits and perks on overall employee satisfaction, recognizing the crucial role content and engaged employees play in organizational success. The study comprehensively explores various facets of employment benefits, including health insurance, paid time off, travel and expenses reimbursement, employee referral programs, and recognition and rewards. Additionally, it investigates non-monetary perks such as flexible work schedules, career advancement opportunities, working climate, flexible work arrangements, and parental leave. These elements collectively contribute to a holistic compensation package that extends beyond salary considerations.

The research findings reveal that most respondents are satisfied with the benefits and perks provided by their organizations across diverse sectors. Notable areas of satisfaction include health insurance, parental leave, career advancement opportunities, and working climate. However, there are variations in satisfaction levels for certain aspects, such as paid time off, flexible work arrangements, and employee referral programs. Ultimately, the research

underscores the crucial role of well-crafted benefits in cultivating a positive work environment. The ability to adapt continuously to evolving expectations and foster a culture valuing holistic well-being is key to building a resilient, motivated workforce and ensuring long-term organizational success and growth.

#### REFERENCES

- [1] Armstrong, (2006). Exploratory analysis of compensation and employee job satisfaction.
- [2] Micheal Armstrong 2010. Armstrong's Handbook of Human Resources Management Practice
- [3] Kalama's, Mango, and Ungerman, 2008. Impact of Employee Benefits on Job Satisfaction.
- [4] Deanandraper.com, 2012. Impact of Employee Benefits on Job Satisfaction.N
- [5] Uborcev, 2011. The employee benefits industry and benefit practices following the 2008 recession.