

RESEARCH ARTICLE

IMPACT OF COMPANY BENEFITS TO EMPLOYEES' PRODUCTIVITY AT RIZAL, LAGUNA

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ABSTRACT

A positive work atmosphere is critical for ensuring employee success and avoiding excessive stress, which can have a detrimental impact on job performance. Several characteristics of the workplace influence job satisfaction and employee performance. As a result, the purpose of this study is to analyse the impact of company benefits to employee productivity. Specifically, it seeks to answer the factors affecting a company's benefits in terms of improved productivity, employee development, workforce alignment, performance management and increased job satisfaction on how company benefits impact the employee's productivity. A total of fifty (50) employees from different establishments were the participants of this quantitative study. The descriptive method was used to achieve its objectives which primarily focuses on determining the impact of company benefits to employee productivity. The survey questionnaire was the main research instrument used in this study. The following conclusion was drawn; to boost the level of productivity the company must plan effective strategies for the employees. The compensation and benefits can help to increase the level of performance but there is other factor that contribute more to increasing the level of productivity. The study recommends developing and implementing strategies to provide effective compensation and benefits to increase the level of employee productivity.

KEYWORDS

job satisfaction, employee performance, company's benefit, work environment

1. INTRODUCTION

Some companies got affected by the pandemic because some of them tend to close due to a higher number of COVID victims. It became resulted in the joblessness of Filipinos but as the year passed by continuing again to survive and be resilient Filipino trait. Employee benefits are additional perks offered and provided by employers in addition to compensation. They can be powerful and appealing components of a job opening's total employee value package. It is a non-cash compensation provided to employees. Employees receive these benefits in addition to their salaries and pay. They are also known as fringe benefits and are provided to attract and retain employees. These can include extended medical insurance, paid time off, profit sharing, learning and development initiatives, retirement benefits, and other perks.

Employees adore perks. They want to be appreciated and recognized for their efforts. Many employees apply for jobs based on the perks and rewards provided by the employer. Employee satisfaction is inextricably linked to job satisfaction. Ignoring employee pleasure will eventually result in a drop in commitment. As a result, there is a lack of drive, efficiency, and, eventually, production. This employee benefits definition includes job perks such as insurance (medical, dental, and life), stock options, and cell phone plans. However, employee advantages might range from training opportunities to startup bonuses.

Basically, any kind of non-wage gain attached to an employee's position can be classified as an employee benefit, be it mandatory or voluntarily given by an employer. According to Sprinkle, employee benefit is anything that alleviates a need and increases a drive and is linked to the achievement of a targeted goal which is designated to motivate the productivity of employees to the highest level, therefore monetary

incentive forms the basis of employee productivity and alleviates the job which boosts the performance of employees in the organization (Sprinkle, 2001). Some researcher contend that monetary motivators habitually are recommended as a strategy for motivating and enhancing the performance of people (Atkinson and Messy, 2013). Researchers conducting the study to determine if there is a significant relationship of company benefits to the employee productivity.

2. LITERATURE REVIEW

Employee motivation is influenced by the direction of their conduct, degree of effort, and perseverance. Employee perseverance is the most potent predictor of employee performance, indicating that workers are better at keeping time, and duties, maintaining office equipment, and following regulations (Yusriadi et al., 2020). Motivated workers will be more active and gladder to position themselves in productive things and constantly maintain a productive method to enhance their job outcomes in the workplace. Employee performance improves due to their perseverance in carrying out their responsibilities freely and responsibly, and the drive comes from their knowledge. The previous study has shown that performance is the availability of someone who emerges with his consciousness to obey the rules that apply in the company (Tamsah et al., 2020).

The job environment is another element that influences employee work performance. The work environment, in general, refers to the conditions that exist around employees, including both physical and non-physical surroundings that may aid in the execution of employees' tasks. The work environment is defined as anything surrounding the worker that may interfere with his ability to do his duties (Zacharias et al., 2021).

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However, the working environment plays an important role in the employees' performance. The working environment is argued to impact immensely on employees' performance either towards negative or positive outcomes. In the world, there are international organizations that debate the rights of employees (Zajak, and Piper, 2018). Most people spend fifty percent of their lives within indoor environments, which greatly influence their mental status, actions, abilities, and performance (Ali and Adan 2018). Better outcomes and increased productivity are assumed to be the result of better workplace environment. The better physical environment of the office will boost the employees and ultimately improve their productivity. Various literature about the study of multiple offices and office buildings indicated that factors such as dissatisfaction, cluttered workplaces, and the physical environment play a major role in the loss of employees' productivity (Bushiri, 2018).

All organizations have different sets of workforces working in their organizations, it would be logical to say employees' performance can be the consequences of organizational performances and they are directly interlinked with each other as seen in the research. (Shaheen and Shafi, 2019). Subsequently, failure of individuals or poor performance of staff working in four walls taking diverse task, and not taking care of their needs result in organizational failure. (Mehdi et al., 2021). Research by reports efficiency, effectiveness, and core competencies as the key factors of the performances of employee evaluation to attract potential customers and to retain them by delivering good quality service leading to organizational success. (Jena, 2018). Compensation benefits and pay are considered the main reasons for the satisfaction of employees, and one of the ways to sustain potential employees is to provide them with attractive and adequate compensation following their preferences, needs, and performance (Pepra-Mensah et al., 2018). Also, a researcher confirmed that compensation has significant effects on EJS (Afrizal, 2018). Whereas some of scholars stated that compensation is not driver for EJS. As these are basic needs of employees, where their lower level can increase dissatisfaction (Stamolampros et al., 2019). Thus, a debate is continuing both compensations can influence the EJS, and how it could. Hence, this study employed compensation benefits and pay in the context of Cameron.

The literature by Minarsih, Gagah and Suwati in the year 2018, has explained that the main objective of work for an individual is not only getting paid but also feeling self-satisfied and comfortable under the working conditions they face every day. The performance of employees is influenced by many factors such as working conditions, motivation level, support and leadership much more as shown in the study by (Satyvendra, 2019). The steps of having the best employee possible are developing and implementing strategic human resources plans, figuring out the personnel needs, recruiting employees and selecting the right one, training, evaluating through performance appraisals, and of course, motivating to ensure employee retention. An important step is also offering a Compensation and Benefits Package (Portolese, 2018). According to Dessler, employee compensation and benefits include all forms of pay going to employees and arising from their employment, besides their regular wages or salaries (Dessler, 2014; 2019). They are comprised of direct financial payments (the 13th payment, bonuses, profit-sharing, etc.) and indirect financial payments (medical coverage, health insurance, paid vacations, etc.). According to as study, benefits are classified into three categories (Leibowitz, 2021). The first one is non-taxable for private utilization and includes health insurance, sponsored lunches in the firm (also known as a brown bag), etc. The second and third categories are taxable. In the second category are benefits such as life insurance, which the employer can offer at a low cost, due to the quantity rebates, while the third category comprises paid time off.

Some researchers use the term 'remuneration' which they argue means not only the salary or other cash remuneration but also other forms of indirect compensation of employees for the work done by them (Mura and Svec, 2018; Peráček, 2020). It also includes formal recognition, promotion, and employment benefits provided by the employer to employees, not depending on their work, but derived from working relations in the organization.

Benefits are an important element of employees' aggregate compensation, so they affect their welfare and financial well-being (Kristal, 2017). Although the job itself might be a motivator to continue working and increase the company's performance, most of the employees would choose not to. Another option would be to only choose jobs that are enjoyable for the employee but not essentially required by the community (Lazear, 2018). Employee benefit can be defined as compensation in any form apart from monthly salary/wages that is paid to staff for the work they do for the organization. Developing industrial relationships with corporate employees' benefits can be classified as child and elder care, holidays paid, vacations, sick leaves, social security, retirement plans, and

hospitalization. According to two factor theories of motivation and hygiene, benefits for employees was important with certain working standards (Hermina, 2019).

According to Natalia Stalmasekova, Tatiana Genzorova, and Tatiana Corejova 2018, employee benefits are one of the factors of work motivation. Benefits are a great opportunity to lure, raise, and keep employees. Besides typical monetary rewards, there are non-monetary rewards that are known as employee benefits. Nowadays companies are building their own identity on interesting and unique employee benefits, for example Google company that is famous for their company culture.

Benefits influence motivation so forth influences performance. Employees' benefits are an important component to satisfy and maintain good relationship with employees. If employees are given with good incentive package, they might feel committed to job and feel valued in their position. The compensation factor is very crucial, both in the recruiting and retention phase. A study showed that professors who received incentives when the school year started but had to give them back if they did not perform according to school goals, were more motivated and performed even better than the ones who were promised the reward at the end of the school year if the goals were met (Fryer et al., 2020). An employee contributes labor and expertise to an endeavor of an employer and is usually hired to perform specific duties which are packaged into a job. In most modern economies, the term refers to a specific defined relationship between an individual and a corporation, which differs from those of a customer or client.

Other types of employment are arrangements such as indenturing which is now highly unusual in developed nations but still happens elsewhere. An employer's level of power over its workers is dependent upon numerous factors, the most influential being the nature of the contractual relationship between the two. This relationship is affected by three significant factors: interests, control, and motivation. It is generally considered the employers; responsibility to manage and balance these factors in a way that enables a harmonious and productive working relationship. Employer and managerial control within an organization rests at many levels and has important implications for staff and productivity alike, with control forming the fundamental link between desired outcomes and actual processes. Employers must balance interests such as decreasing wage constraints with a maximization of labor productivity to achieve a profitable and productive employment relationship. (Gideon, 2020).

According to Simons, employee benefits (also called fringe benefits, perquisites, or perks) are various non-wage compensations provided to employees in addition to their normal wages or salaries (Simons, 2022). In instances where an employee exchanges (cash) wages for some other form of benefit is generally referred to as a salary packaging; or salary exchange; arrangement. In most countries, most kinds of employee benefits are taxable to at least some degree. Examples of these benefits include housing (employer-provided or employer-paid), group insurance (health, dental, life etc.), disability income protection, retirement benefits, daycare, tuition reimbursement, sick leave, vacation (paid and non-paid), social security, profit sharing, funding of education, and other specialized benefits (Kumar et al., 2024). The purpose of employee benefits is to increase the economic security of staff members, and in doing so, improve worker retention across the organization. The term perks are often used colloquially to refer to those benefits of a more discretionary nature. Often, perks are given to employees who are doing notably well and/or have seniority. Common perks are take-home vehicles, hotel stays, free refreshments, leisure activities on work time (golf, etc.), stationery, allowances for lunch, and—when multiple choices exist—first choice of such things as job assignments and vacation scheduling. They may also be given first chance at job promotions when vacancies exist.

According to Richard, employee performance and productivity is a measure of output from a production process, per unit of input (Richard, 2020). For example, labour productivity is typically measured as a ratio of output per labour-hour, an input. Productivity may be conceived of as a metric of the technical or engineering efficiency of production. As such, the emphasis is on quantitative metrics of input, and sometimes output. Productivity is distinct from metrics of allocative efficiency, which take into account both the monetary value (price) of what is produced, and the cost of inputs used, and also distinct from metrics of profitability, which address the difference between the revenues obtained from output and the expense associated with consumption of inputs. Production is a process of combining various material inputs and immaterial inputs (plans, know-how) to make something for consumption (the output). The methods of combining the inputs of production in the process of making output are called technology.

Technology can be depicted mathematically by the production function which describes the relation between input and output. The production function can be used as a measure of relative performance when comparing technologies (Kumar, 2009). The production function is a simple description of the mechanism of economic growth. Economic growth is defined as any production increase of a business or nation (whatever you are measuring). It is usually expressed as an annual growth percentage depicting growth of the company output (per entity) or the national product (per nation). Real economic growth (as opposed to inflation) consists of two components. These components are an increase in production input and an increase in productivity.

2.1 Companies may offer the following employee benefits and perks

2.1.1 Medical coverage

The most common employee benefits that employers offer is medical or health coverage. Typically, employee medical insurance covers cost associated with doctor's appointments, regular check-ups and basic medical procedures. It also covers emergency room visits and many types of surgical procedures.

2.1.2 Vision Insurance

Vision Insurance is usually a separate insurance plan in addition to employee health benefits. Eye exams, prescription lenses, ocular procedures and routine checkups for eye health are typical procedures that a vision plan covers.

2.1.3 Life Insurance policies

Many employers provide life insurance plans as part of an employee benefits package. Often, these life insurance policies are group-term life insurance, which means the insurer provides the employer with a master contract that extends life insurance coverage to all staff members and is in effect for a certain period.

2.1.4 Retirement Planning

Retirement options are available through most employers and often differ, depending on the company. Several common retirement options employers offer include 401(k) and IRA plans and simplified employee pension SEP plans. 430(b) retirement plans are often available for employees working at nonprofit organizations.

2.1.5 Paid Time Off

In addition to health benefits, most employers offer paid time off (PTO), allowing employees to schedule personal days off from work. Typically, the amount of PTO increases by a set number of hours, which employees accrue each pay period.

2.1.6 Workers' compensation

This is usually part of a typical employee benefits package. Workers' compensation covers accidents, illnesses, and injuries suffered on the job. These benefits frequently offer coverage for up to 100 weeks, depending on the plan.

2.1.7 Company Transportation

Some companies provide company vehicles for employees to use. This perk is common in trade industries such as construction, where employees arrive to work in their vehicles and then use the company's vehicles to complete their job duties. This can help employees save money on gas and avoid wear and tear on their personal vehicles.

3. METHOD

The researcher utilized the descriptive type of research in conducting the study to achieve its objective which primarily focuses on determining the company benefits in the employee productivity.

3.1 Respondents

The participants of the study were 50 employees from different establishments located in Rizal, Laguna. Simple random sampling was utilized in the selection of the participants.

3.2 Data Analysis

3.2.1 Profile of the Participants

Table 1: Profile of the Participants in Terms of Age, Gender and Educational Attainment

Age	Frequency	Percentage (%)
21-25 Years Old	15	30
26-30 Years Old	20	40
31-35 Years Old	10	20
40 and above	5	10
	50	100%
Gender	Frequency	Percentage (%)
Male	23	46
Female	27	54
	50	100%
Educational Attainment	Frequency	Percentage (%)
Elementary	8	16
High School Diploma	10	20
Vocational/Technical School	12	24
College Degree	15	30
Post-Graduate Degree	5	10
	50	100%

Table 1 shows the frequency and percentage distribution of the participants in terms of age, gender, and their educational attainment. Employment rates are shown for four age groups: people aged 26-30 (the working age population); 21-25 people aged (those just entering the labor market following education); people aged 31 to 35 (those in their prime working lives); people aged 40 and above (those passing the peak of their career and approaching retirement). This indicator is seasonally adjusted and it is measured as a percentage in the same age group.

While, the demographic profile of the participants in terms of gender shows an overwhelming majority of the participants were female as evidenced by its frequency distribution of 27 which is equivalent to 54%. There were 27 female participants with a percentage of 54%. The result shows that there's just a slight difference between the number of males and females on overall respondents. This could be a good indication that employers have no discrimination with regarding the gender of their employees.

Lastly, is the frequency and percentage distribution of the participants in terms of educational attainment. Most of the participants have a college degree with a frequency of 15 or 30. Education is considered one of the most critical human capital investments. The results show that most of the respondents attained a formal education particularly in college which means they were able to have the basic foundation of knowledge in the importance company benefits.

Table 2: Claimed Company Benefits During the Year

Types of Company Benefits	Frequency	Percentage (%)
Medical Coverage	20	40
Workers' Compensation	15	30
Paid Time Off	10	20
Retirement Planning	5	10
	50	100%

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Table 2 shows the frequency and percentage distribution of the participants in terms of claimed company benefits during the year. Most of the participants filed for medical coverage with a frequency of 20 or 40%. It was followed by workers' compensation with the frequency of 15 or 30% then paid time off with the frequency distribution of 10 having a percentage of 20% and then retirement planning with the frequency distribution of 5 or 10%. The results show that most of the participants filed for medical coverage. Based on the data from table, the most claimed company benefits are the medical coverage for the past years.

4. IMPACT OF COMPANY BENEFITS TO EMPLOYEE PRODUCTIVITY AT RIZAL, LAGUNA

Table 3: Perception of Respondents on Company Benefits in Terms of Improved Productivity.

Indicators	Mean	Interpretation
Finished work is excellent.	3.24	Satisfied
Little effort is wasted.	2.76	Satisfied
Composite Mean	3.00	Satisfied

Legend: 1.00-1.80 - Not at all satisfied, 1.81- 2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 – Delighted

The assessment of respondents on company benefits in terms of improved productivity gathered an average weighted mean of 3.00 which indicates that respondents are satisfied.

Table 4: Assessment of Respondents on Company Benefits in Terms of Employee Development.

Indicators	Mean	Interpretation
Experience	3.30	Satisfied
Education	3.54	Very Satisfied
Composite Mean	3.42	Very Satisfied

Table 7: Assessment of Respondents on Company Benefits in Terms of Increased Job Satisfaction.

Indicators	Mean	Interpretation
Offer career development, training or education opportunities.	2.52	Satisfied
Care about employees' mental and physical well-being.	2.76	Satisfied
Give consistent praise, and focus on impact.	2.50	Satisfied
Composite Mean	2.59	Somewhat Satisfied

Legend: 1.00-1.80 - Not at all satisfied, 1.81- 2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 – Delighted

The assessment of respondents on company benefits in terms of increased job satisfaction gathered an average weighted mean of 2.59 which indicates that respondents are somewhat satisfied.

5. CONCLUSION

Employee productivity is very important in contributing to organizational success. To boost the level of productivity the company must plan effective strategies for the employees. The compensation and benefits can help to increase the level of performance but there is other factor that contribute more to increasing the level of productivity. Companies should focus on other factor besides of rewards such as supportive and caring environment and good working conditions that allow employees to balance the personal and professional spheres. The companies need to develop and implement strategies to provide the effective compensation and benefits to increase the level of employee productivity. For example, adjust a real wage system per the established wage structure by process and evaluate the information from labour market and internal policies of the company. In addition, future studies should try to cover a large geographical area and to compare the result received from different country and educational organization of different size. This will ensure a broad spectrum of respondent and show how the geographical location and size of the company influences employee level of productivity such as private sector of educational institution.

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Legend: 1.00-1.80 - Not at all satisfied, 1.81- 2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 – Delighted

The assessment of respondents on company benefits in terms of employee development gathered an average weighted mean of 3.42 which indicates that respondents are very satisfied.

Table 5: Assessment of Respondents on Company Benefits in Terms of Workforce Alignment.

Indicators	Mean	Interpretation
Collaboration	3.12	Satisfied
Customer Service	3.38	Satisfied
Communication	3.54	Very Satisfied
Composite Mean	3.35	Satisfied

Legend: 1.00-1.80 - Not at all satisfied, 1.81- 2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 – Delighted

The assessment of respondents on company benefits in terms of workforce alignment gathered an average weighted mean of 3.35 which indicates that respondents are satisfied.

Table 6: Assessment of Respondents on Company Benefits in Terms of Performance Management.

Indicators	Mean	Interpretation
Developing	3.42	Very Satisfied
Rewarding	3.44	Very Satisfied
Composite Mean	3.43	Very Satisfied

Legend: 1.00-1.80 - Not at all satisfied, 1.81- 2.60 - Somewhat satisfied, 2.61-3.40 - Satisfied, 3.41-4.20 - Very satisfied, 4.21-5.00 – Delighted

The assessment of respondents on company benefits in terms of performance management gathered an average weighted mean of 3.43 which indicates that respondents are very satisfied.

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