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Employee Benefits: A Bibliometric and Narrative Review

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Abstract. *The topic of extra-salary benefits and their associated costs has garnered significant interest among modern organizations. These benefits play a crucial role in attracting and retaining employees, particularly in a labor market characterized by a declining qualified workforce and increasing demands from employees within the context of digitalization. This competitive environment underscores the strategic importance of extra-salary packages in human resource management and in creating an appealing and competitive work environment. The impact of these benefits and their advantages are analyzed through cluster monitoring, providing a comprehensive view of the specialized literature. This review examines the effects of extra-salary benefits on employee satisfaction and organizational success. Furthermore, the strategic management of these benefits is essential for maximizing their advantages while minimizing costs. By customizing benefit packages to meet the specific needs and preferences of employees, organizations can enhance job satisfaction, reduce turnover rates, and boost overall productivity. Additionally, the integration of advanced technologies, such as Artificial Intelligence, in managing these benefits can lead to more efficient processes and cost reductions. This abstract aims to provide a detailed insight into the multifaceted role of extra-salary benefits in modern organizational settings, highlighting their significance in fostering a motivated and loyal workforce, and ultimately contributing to the long-term success and competitiveness of companies in a rapidly evolving labor market***.**

Keywords: Benefit, Cost, Employee, Package, Satisfaction, Productivity, Human Resource.

Introduction

Employee satisfaction is crucial for the success of any organization, whether we are talking about large multinational corporations or small and medium-sized enterprises. Satisfied employees are more engaged in company activities, exhibit positive behaviors, and remain loyal to the employer (Fisher, 2010). However, organizations often struggle to identify effective ways to enhance this satisfaction. One of the main ways companies increase employee satisfaction is by offering extra-salary benefits, such as "health insurance, pension plans, additional leave, and other monetary advantages". Studies show that these benefits significantly contribute to employee satisfaction and, implicitly, to the organizational success of companies (Gustafson, 2002). Furthermore, these benefits are highly appreciated by employees, often more than salary increases (Kim et al., 2024), indicating their importance in fostering a loyal and engaged workforce.

The main objective is to analyze the impact and trends of extra-salary benefits on employee satisfaction and organizational success, highlighting the strategic importance of effectively managing these benefits to maximize advantages while minimizing costs.

Literature review

Compensation and benefits are crucial for attracting, motivating, and retaining employees. A survey conducted by SHRM highlighted that 92% of employees consider compensation and benefits essential for their job satisfaction (SHRM, 2018). However, despite their importance, compensation and benefits are one of the least researched components of Human Resources (Gupta & Shaw, 2014; Portolese, 2018). This research gap is particularly evident in regions such as Eastern

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Europe, where studies on this topic are scarce (Shtembari et al., 2022). The environmental performance of corporations has been shown to influence various aspects of employee well-being, including health benefits (Lungu, 2024). Companies with better environmental performance tend to have lower health benefit costs due to reduced health risks for employees (Grant, 2007). This is supported by the "insurance discount" channel, where insurance companies offer lower premiums to companies with better environmental practices, reflecting lower health risks for employees (Lazear, 2018).

Work benefits can be categorized into three main types: care benefits (e.g., health insurance, pension schemes), status benefits (e.g., flexible working hours, company phone), and quality of life benefits (e.g., on-site childcare, employee discounts) (Grant, 2007). Research shows that these benefits have a significant impact on employee satisfaction, especially when aligned with the company's social exchange system (Dulebohn et al., 2009). For example, family businesses, which often follow a generalized social exchange system, benefit more from offering care-related benefits (Daspit et al., 2016).

Small firms, especially those in the hospitality sector, face unique challenges in offering compensation and benefits (Piotrowska, 2022). These firms often lack the financial resources and awareness to implement comprehensive benefit packages (Thompson et al., 1999). However, the combined impact of small firms on the economy is significant, making it essential to understand and improve their compensation and benefit strategies (Sainju et al., 2021). The high costs of these benefits pose a challenge for employers, requiring a careful balance between investment and economic return. Extra-salary packages offered to employees must be tailored to their needs and desires. These benefits need to be specialized and customized for each employee (Bockerman & Ilmakunnas, 2012). Therefore, platforms have been created from which employees can choose their desired options within the allocated monthly or annual budget. The use of Artificial Intelligence in managing benefits can improve the accuracy and efficiency of processes, reducing errors and associated costs (Fulmer & Li, 2022).

Extra-salary benefits are essential for creating a motivating work environment and ensuring employee loyalty, but they require strategic management to maximize advantages and minimize costs (Willis Towers Watson, 2022). Health insurance is one of the most common extra-salary benefits offered by employers. It covers the medical costs of employees and their families, helping to reduce the financial stress associated with health issues (Werner & Balkin, 2021). Additionally, meal vouchers are another popular benefit, allowing employees to cover their daily meal costs. These not only improve employee satisfaction but also contribute to healthier eating habits (Fulmer & Li., 2022). Gym membership or other fitness facilities are benefits that promote a healthy and active lifestyle. Employees who benefit from such facilities are often healthier and more productive (Gerhart & Feng, 2021). Training and professional development programs are essential for increasing employee skills and performance. These programs can include courses, workshops, seminars, and professional certifications (Rehman, 2017). Additional paid leave provides employees with time off to relax and recharge, which can lead to increased productivity and reduced absenteeism (Werner & Balkin, 2021). Flexibility in work schedules, including the possibility of working from home, is an increasingly appreciated benefit by employees. This allows them to better manage their work-life balance (Fulmer & Li, 2022).

The costs associated with extra-salary benefits can be significant for employers. These include direct costs, such as insurance premiums and meal voucher costs, and indirect costs, such as the time required to administer benefits and the costs of implementing training programs (Fulmer et al., 2021). Insurance premiums, for example, involve significant costs for employers. These can vary depending on the chosen insurance package and the number of employees covered (Gerhart & Feng, 2021). Meal vouchers represent a direct cost for employers, who must cover their nominal value. Although these costs can be tax-deductible, they still represent a significant expense (Werner & Balkin, 2021). Offering gym membership or other fitness facilities involves direct costs for employers. These can vary depending on the type of membership and the number of employees benefiting from this advantage (Fulmer & Li., 2022). Administering extra-salary benefits requires human and financial resources. Employers need to allocate time and personnel for managing these benefits, including communicating with service providers and resolving employee issues (Gerhart & Feng, 2021). Training and professional development programs involve indirect costs related to their organization and conduct. These include costs for instructors, course materials, and locations (Rehman, 2017). Employee participation in training and professional development programs involves an indirect cost related to the time spent away from productive activities. Although this time is invested in skill development, it still represents a temporary loss of productivity (Werner & Balkin, 2021).

Cost-benefit analysis is a financial analysis used to decide the implementation of an extra-salary bonus system in a company's life. The total costs of implementing such a bonus model are carefully compared with the beneficial effects on employees. This satisfaction brought to employees is correlated with the objectives and results achieved by the company or group (Deloitte, 2021). Total costs are composed of direct and indirect or administrative costs. Direct costs are characterized by any expense involved through an external provider to implement the bonus decision (Spencer et al., 2016). Indirect or administrative costs involve expenses related to the implementation and integration of these bonuses into the company's corporate governance. All these costs are evaluated and balanced with the benefits brought, such as work productivity, attracting talent from the competitive market, and reducing absenteeism (Kim et al., 2021). The most important benefit for the organization is characterized by increased work productivity, an economic and financial analysis indicator (Bockerman & Ilmakunnas, 2012). Productivity can be measured at a micromanagement level to identify the exact effects of an extra-salary benefit (Saridakis, 2017). Analyzing extra-salary packages from the perspective of costs and benefits brought to employee satisfaction allows a corporate organization to stand out against competitors in a specific labor market segment (Doe et al., 2021). Regulations and compliance with certain global or local legislation may include certain obligations for the employer (Chi et al., 2019).

The most important regulated extra-salary benefit is closely linked to employer obligations (PwC, 2022). Health insurance can be such an example, as it responds to one of the main rights of employees to safety and health at work. Reporting extra-salary benefit packages is an advantage in non-financial reporting. Non-financial reporting includes all aspects that increase the quality of life of staff within corporate governance (OECD, 2023). In the context of observing market trends on extra-salary benefits and associated costs, clusters are formed to provide a perspective on the current situation.

The concept of working from home (WFH) "work from home" has gained significant traction in recent years, particularly due to the COVID-19 pandemic, which forced many organizations to adopt remote work practices. Moreover, WFH can contribute to a more inclusive and diverse workforce. Remote work opportunities can attract talent from a broader geographic area, including individuals who may not be able to relocate due to personal or financial reasons

(Choudhury et al., 2021). This can lead to a more diverse and inclusive workplace, which has been shown to drive innovation and improve business outcomes (Dudley et al., 2006).

Environmental benefits are also associated with WFH. Cutting down on daily travel leads to fewer carbon emissions, playing an important role in supporting a healthy environment. (Martocchio, 2011). This aligns with the growing emphasis on corporate social responsibility and sustainability practices in modern organizations.

In conclusion, the benefits of WFH are multifaceted, encompassing increased flexibility, higher productivity, cost savings, enhanced diversity and inclusion, and environmental sustainability. As organizations continue to navigate the evolving work landscape, the adoption of remote work practices is likely to remain a significant component of their strategies.

Methodology

This study conducted a detailed analysis of the existing literature, with each publication considered a unit of analysis. The need to supplement the available empirical studies on the benefits and costs of extra-salary packages necessitated the use of a review method. By reviewing and interpreting existing studies, various aspects of extra-salary packages can be better highlighted. Literature review is an established and widely used method in management studies. The study adopted a bibliometric review of research on the benefits and costs of extra-salary packages to identify trends in this field. Bibliometric review is a text analysis method that helps discover trends and obtain a visual perspective on the structural and dynamic aspects of existing studies than Figure 1. This analysis is used to understand the current flow of research and to provide direction for future research activities.

The use of bibliometric mapping helps identify prominent and popular research articles, authors, countries of publication, sources, as well as existing research trends in the studied subject. The bibliometric analysis was conducted on studies regarding the benefits and costs of extra-salary packages from the last 6 years (2018-2024) to map recent developments in this field. To understand the factors influencing the benefits and costs of extra-salary packages, a narrative review was adopted to examine the state of knowledge in this aspect. The study collected peer-reviewed articles from the Web of Science databases. The search protocol included: title, keywords: "benefits and costs", "additional benefits", "extra-salary packages", "analysis".

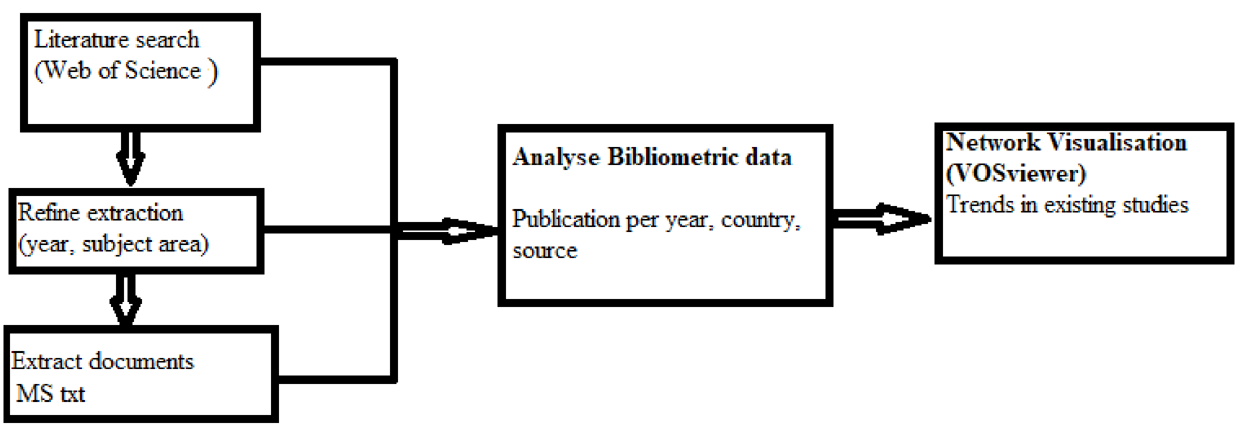

Figure 1. Bibliometric analysis

Source: Author's own elaboration.

After refining the search, a total of 50 documents met the established criteria, and their bibliographic information was exported for further analysis necessary to determine trends in studies on the benefits and costs of extra-salary packages. The bibliometric review of the extracted documents was conducted to illustrate the year of publication, by country, top journals, and trends of the most cited articles.

Results and discussions

The primary clusters have been aligned following a thorough analysis of the specialized literature and the key terms, in accordance with the presented methodology

This cluster one "Identification of Extra-Salary Benefits on Employee Satisfaction" includes the dispersion of types of extra-salary benefits from Figure 2. The research analyzed in this cluster shows the link between benefits and employee retention or the attraction of new talents within organizations. The diversity of benefits is maintained through constant analysis of staff needs depending on the organization. The main benefits are health insurance, pension plans, additional leave, meal and vacation vouchers.

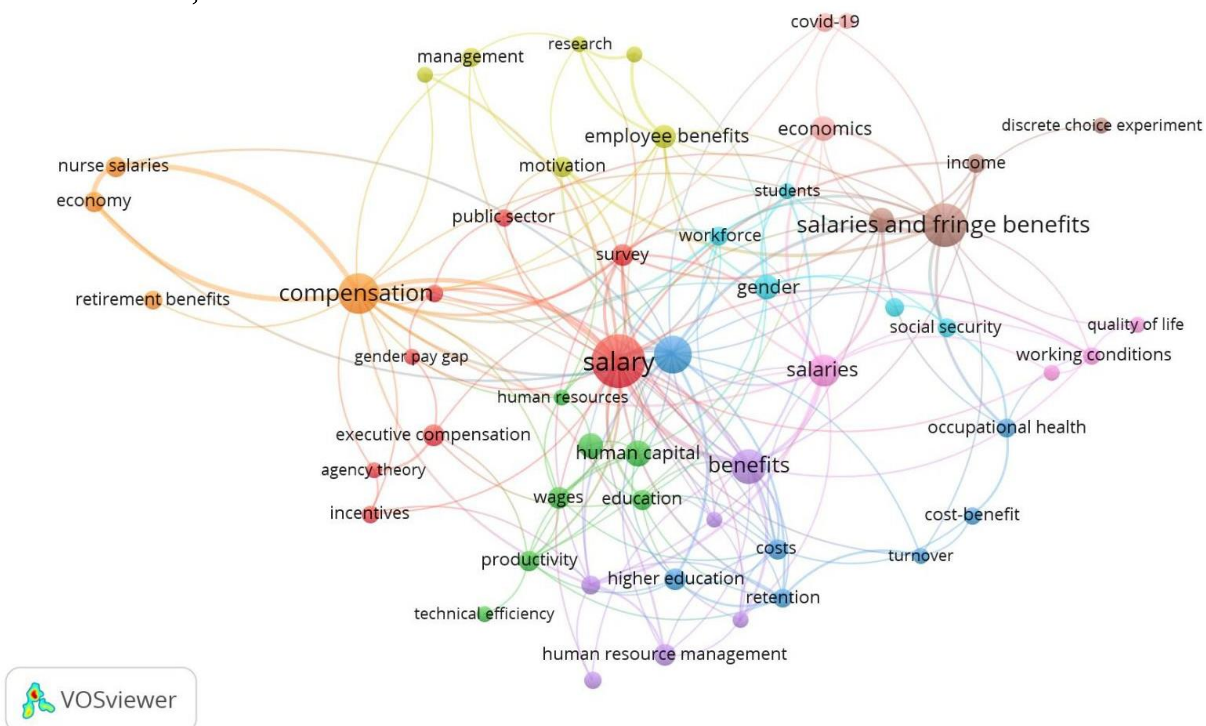

Figure 2. Visualized Employee benefits

Source: Author's own elaboration.

The second "Strategy for Optimizing Extra-Salary Benefits on Implementation Costs" cluster is characterized by the link between the cost of implementing these extra-salary benefits and the development of recruitment and retention strategies. Research in this cluster is based on cost reduction and optimization methods. Relevant terms suggest that research in this cluster focuses on how various forms of compensation and additional benefits influence employee satisfaction and motivation. Studies explore the relationship between remuneration and other additional advantages and how they contribute to improving employees' quality of life (John & Raj, 2020). The use of empirical methods to collect data and analyze employees' perceptions of the benefit packages offered by employers is also frequently encountered (Ali & Anwar, 2021). Necessity for organizations to continuously evaluate and adapt their extra-salary benefit offerings to align with evolving employee expectations and market trends. This approach highlights the importance of well-structured benefit packages for increasing employee loyalty and engagement (Bailey et al., 2016). The integration of employee feedback in the design of benefit packages can significantly enhance their perceived value and effectiveness in fostering loyalty. Relevant terms indicate that this cluster focuses on the costs associated with implementing additional benefits and strategies for optimizing these costs. Studies in this cluster examine the impact of social security and pension benefits on employees, as well as working conditions and occupational health (Raziq & Maulabakhsh, 2015). Organizations that actively involve employees in the design of extra-salary benefits can enhance overall job satisfaction and productivity, leading to a more motivated workforce. Research also includes aspects related to training and professional development, analyzing the costs and benefits of these programs for employers and employees (Narayanan et al., 2019). This cluster emphasizes the importance of strategic management of benefits to maximize advantages and minimize costs, also highlighting the crucial role of education and research in developing effective practices (Veloso et al., 2021).

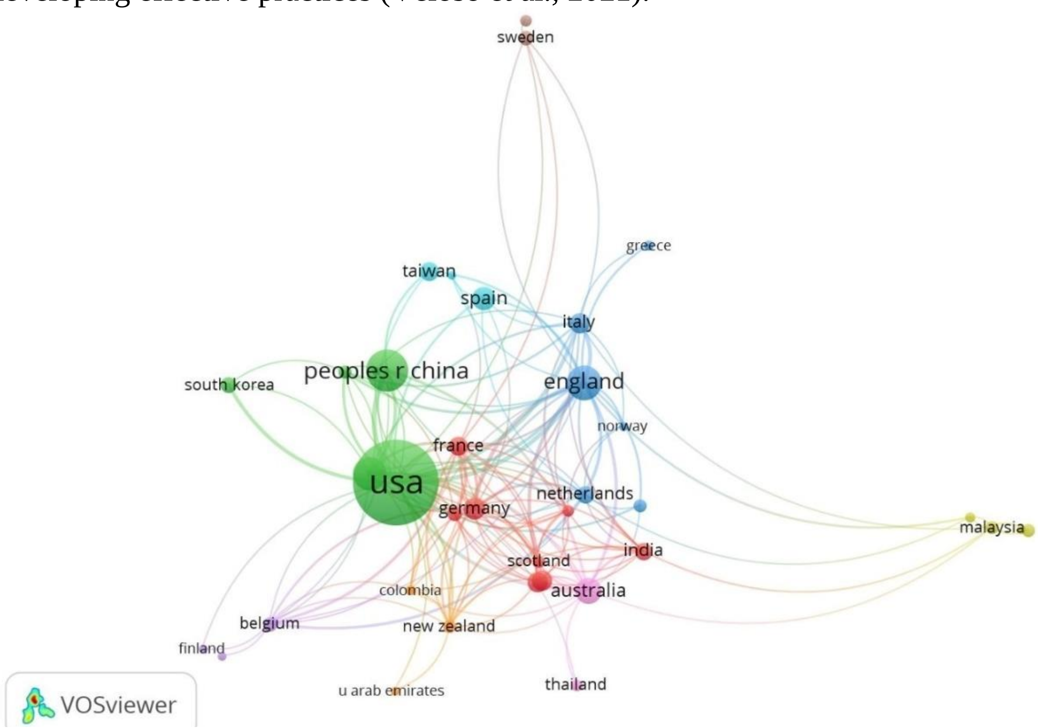

Figure 3. Spread of employee benefits

Source: Author's own elaboration.

Representative articles in this cluster "Global Dispersion of Analyses" are analyzed from a geographical perspective of the dispersion of extra-salary benefits. The main areas from which these studies originate are analyzed to examine the link between the need for extra-salary benefits and the geographical area for which the research was conducted. The bibliometric analysis conducted with VOSviewer highlighted that research on extra-salary benefits is predominantly concentrated in the United States, England, France, Germany, China, and Norway, each having its own particularities and significant contributions (Chiu et al., 2002). The United States dominates the research, could be observed in Figure 3, reflecting intense interest in the diversity and customization of benefits, the use of advanced technologies, and detailed cost-benefit analysis. Implementing data-driven approaches to assess employee preferences for benefits can lead to more effective and tailored compensation strategies. In England, the focus is on legal regulations and their impact on benefit packages, while in France, research explores the impact of benefits on quality of life and work-life balance (Orsini et al., 2024). Germany stands out with a rigorous and systematic approach, analyzing costs and benefits in detail, with a strong emphasis on health and safety (Afrahi, 2024). In Australia, studies focus on work flexibility and health and wellness benefits, while in Norway, research focuses on social security and occupational health, reflecting a well-developed social protection system (Bjerke et al., 2007). This diversity of research provides a comprehensive picture of how extra-salary benefits are managed and optimized globally, highlighting the importance of adapting benefit strategies to the local context to maximize employee satisfaction and performance.

Conclusion

Extra-salary benefits and their associated costs represent an essential aspect of human resource management in modern organizations. Although the costs can be significant, the benefits brought by these advantages, both for employees and employers, justify the investments. Cost-benefit analysis is essential to optimize benefit packages and maximize their value. Implementing effective strategies for managing extra-salary benefits can contribute to improving employee satisfaction and performance, as well as the long-term success of the organization. In conclusion, extra-salary benefits and their associated costs are critical factors in attracting and retaining talent, as well as in motivating and satisfying employees. Organizations must invest in benefit packages that meet the needs and expectations of employees while ensuring that these investments are financially sustainable. Through efficient management of extra-salary benefits, organizations can create an attractive and productive work environment, thus contributing to their long-term success.

Future research may include an analysis of the benefits and costs of implementing these packages before and after the Covid-19 pandemic. In particular, demand trends on medical benefits may be analyzed in this case. Health insurance and medical services may be a major benefit of the packages offered by employers.

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