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The Role of Employer Benefits in Attracting Gen Z Employees

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ABSTRACT

This research paper explores the role of employer benefits in attracting Gen Z employees. As Gen Z enters the workforce, it is necessary to understand their unique expectations and preferences that are reshaping traditional workplace norms. This study talks about the comprehensive benefits that extend beyond salary, emphasizing flexible work arrangements, mental health support, and retirement planning. This study reveals that Gen Z prioritizes work-life balance, career growth opportunities and other employer benefits when considering job offers. By understanding and implementing these preferred benefits, employers can effectively attract and retain Gen Z talent in an evolving labour market.

Keywords: *Generation Z, employer Benefits, Employer Attraction, Work-life balance, flexible work, mental health, insurance etc.*

1.0 INTRODUCTION

Employer Benefits also known as fringe benefits, are non-cash, indirect perks provided by employers to recognize and appreciate employee's hard work. Generation Z, more than any other generation, is believed to require more frequent feedback and recognition. Employee satisfaction is closely linked to job satisfaction. Employee benefits are important because they demonstrate that an organization is investing in their employee's health, well-being, and financial well-being and that they think about the future of their employees. (Geert, 2019)

Understanding the needs of Gen Z is essential as they have a unique set of needs compared to the previous generations. Gen Z's ambition and desire for growth. Their top priority is a solid career path with room for promotions, accompanied by a vibrant, supportive culture.

1.1 RESEARCH OBJECTIVES

These are the following objectives for this research study

1. To examine the types of employer benefits that are valued most with Generation Z employees
2. To analyse the impact of different employer benefits in attracting Generation Z employees

2.0 REVIEW OF LITURATURE

Generation Z is a tech-savvy generation hence gaining names such as Internet generation, IGen, etc. Generation Z has made certain benefits clear to human resource managers around the globe, besides the basic wage, the most expected elements from the workplace include a flexible work program (the main argument being that Generation Z employees are enrolled in a higher education program), transparent communication, other salary benefits, the opportunity to advance in the company, and access to challenging projects. (Nicoleta Dorina Racolta-Paina, 2021)

3.0 RESEARCH METHODOLOGY

This study included 100 participants who are Gen Z freshers or employees either currently working or planning to work in different companies and sectors. This diverse sample helps this research with a all-round understanding of what Generation Z values in employer benefits. Data was collected through a questionnaire with both open ended and close ended questions.

STANDARD CATEGORIES OF EMPLOYEE BENEFITS

(a) Short-term employee benefits

Benefits such as social security contributions, paid leave, and other non-monetary benefits.

(b) Post-employment employee benefits

Gratuity, pension, retirement benefits, life insurance, and medical care.

(c) Other long-term employee benefits

Long-term service leave, long-term disability benefits, and profit-sharing or bonus payment more than twelve months after the periods end.

1. INSURANCE BENEFITS

Healthcare coverage is one of the most important benefits an employer can provide. Health insurance can include medical, dental, and optical benefits.

A company's healthcare plan may include:

- (a) Private hospitals and network
- (b) Higher rebates than those provided by government arrangements
- (c) Inpatient (hospitalization) Vs outpatient (clinical) care
- (d) Ancillary services
- (e) Dental and vision cover in some cases

Employer-Employee Benefit Scheme

An employer-employee benefit scheme is a health coverage scheme bought by employers for their workforce. This policy is a valuable employee benefit, providing financial security during medical emergencies. This scheme can also extend its protection to the employee's family members. The scope of coverage varies, encompassing accident-related injuries, medical emergencies, hospitalization costs, and other specified expenses. (Policybazar)

2. RETIREMENT BENEFITS

Around 73.4% of youngsters aged between 18 – 30 years old reported that they are currently having or planning to have financial planning for retirement. Employee's income is said to have retirement planning, and both have a positive relationship. (Siddhant2, 2023)

Retirement Plans Provided by Indian Companies

- (a) Employee's Provident Fund (EPF)
- (b) National Pension Scheme (NPS)
- (c) Atal Pension Yojana (APY)

3. HEALTH & WELLNESS BENEFITS**(a) FLEXIBLE WORK**

Gen Z doesn't believe in mundane work times but rather believe that a task could be achieved more effectively if they were provided with a more open and flexible environment. Many Generation Z individuals today want a flexible work environment, which may include the option to work from home or have more control over their hours. Another benefit that would attract and retain Gen Z employees is unlimited paid time off (PTO) and even a four-day workweek.

(b) WORK – LIFE BALANCE

According to a study conducted by Hindustan Times, "Work-life balance is one of the crucial factors to consider in any job for Gen Zs, with 47 pc of them citing this as a key element when evaluating potential employers. "They (Gen Z) are reminding us that work should be a part of life, and not the other way around. Those employers who adapt to these fast-changing expectations will be preferred by the new generation of employees," he added.

(c) MENTAL & PHYSICAL HEALTH

Gen Z being a more empathic and global generation is very open to the idea of mental health support and well-being. Mental Health disorders in the workplace, such as depression and anxiety, have increasingly been recognized as a problem in most countries. (Claire de Oliveira1, 2022)

MENTAL HEALTH & EMPLOYEE ASSISTANCE PROGRAM (EAP)

Employee Assistance Program aids in promoting the psychological and mental health of an employee. EAPs were developed to assist employees in dealing with personal and professional concerns that may influence their performance. Additionally, EAP teams support staff with personal issues like family, marriage, finances, conflict, grieving, and substance abuse. According to studies, when EAP is implemented, employee productivity rises, healthcare expenses are cut, and high returns on investment. (N. Chellam, 2022)

5. ADDITIONAL BENEFITS

(a) PROFESSIONAL DEVELOPMENT

Providing employees with career growth opportunities like mentorship programs, skills training, certifications funding, and access to conferences which will help them in enhancing their knowledge and skills.

(b) BONUSES

Offering annual, quarterly, or project based bonuses incentivizes strong performance and aligns individual effort with company goals.

(c) PROFIT-SHARING

Allows employees to share in companies financial success. This benefits can improve employee engagement and commitment by giving them a direct stake in the organization's success.

(d) EMPLOYEE DISCOUNT

Employee discounts provide staff with reduced discounts on company products or services, discounts may also extend to partner or sister organizations.

4.0 RESEARCH FINDINGS

4.1 Results of the Survey

(a) Personal Information of participants

The purpose of this section of the survey is to gain participants' demographic information. Such information is required to analyse and find hidden patterns.

1. GENDER

Gender

90 responses

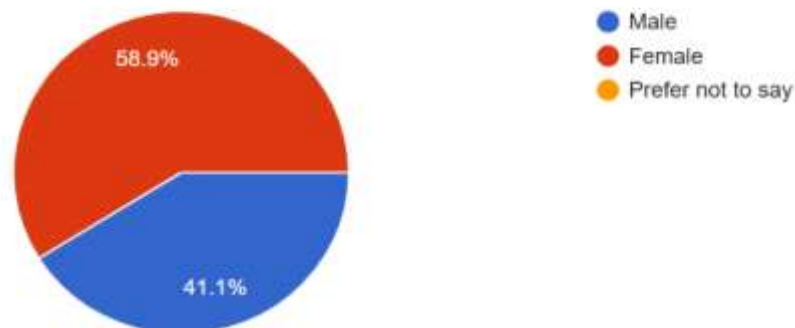


Figure 2

This question had three options. The first and second options allowed us to choose the gender of the participants. The third option was designed with respect for people who did not want to reveal their gender for any reason. This survey's gender ratio is as follows: 58.9% of females and 41.1% of males. This questionnaire was not intended for one specific gender and was distributed evenly among males and females. The majority of the participants identified themselves as female.

2. GENERATIONAL TYPEs

Which Generation are you part of?

90 responses

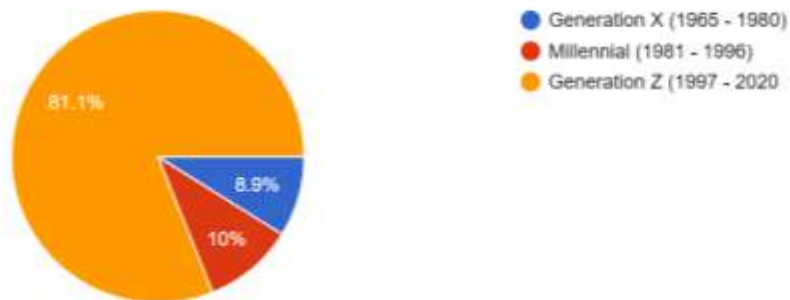
 Copy chart

Figure 2

This question was important to understand the generational differences between Generation X, Millennials, and Generation Z. Most of the participants were part of Generation Z (1997 to 2020) which was intended since this paper talks about the various benefits and the role of these benefits in attracting Generation Z. 10% of the respondents are Millennials (1981 – 1996) and 8.9% of responders were Generation X. To know the generational difference in benefits, Millennials and Generation X were part of the study.

3. INDUSTRY OF WORK

Industry of Work

90 responses

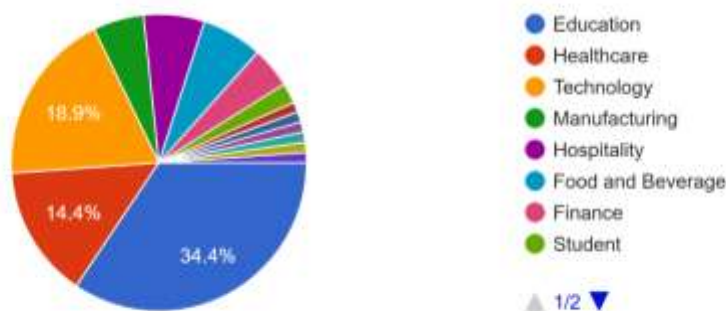


Figure 3

This includes the various industries the respondents were part of. The largest segment of respondents were part of the Education sector (34.4%), Healthcare (14/4%) and Technology (18.9%) represented significant portions. The remaining industries included – manufacturing, hospitality, food & beverage, finance and students each occupy smaller slices of pie, indicating low representation among respondents.

4. OCCUPATION

Occupation

90 responses

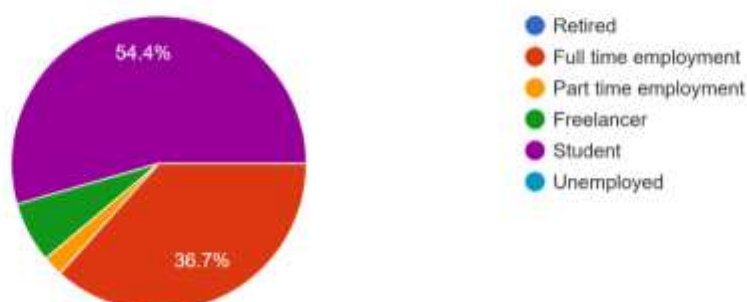


Figure 4

The chart shows the largest portion of respondents are final-year students (54.4%) followed by Full-time employment professionals (36.7%). Freelancers consist of 6.7% of the respondents. Part-time employment professions consist of 2.2% of the total respondents.

5. WORK EXPERIENCE

Work Experience

90 responses

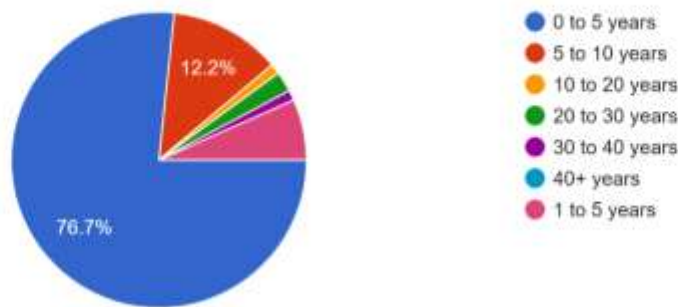


Figure 5

The absolute majority i.e. 76.7% of the respondents have 0 to 5 years of work experience, followed by 12.2% of respondents that have 5 to 10 years of work experience. 6.7% of respondents have 1 to 5 years of work experience. The remaining experience ranges have an impact of 1% to 2% on this research.

6. KEY CRITERIA FOR SELECTING JOB

Key criteria for selecting job

90 responses

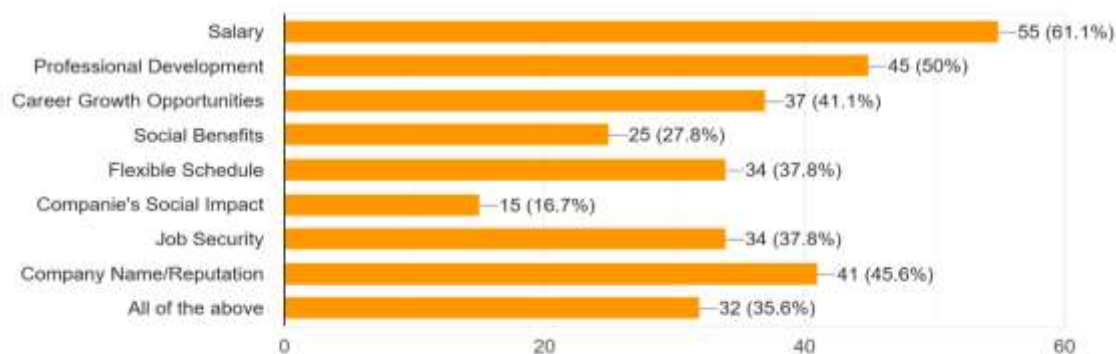


Figure 6

This chart represents the criteria for selecting a job, Salary is the most important criterion for selecting a job, with 55 respondents (61.1%). Professional development is the second most important, with 45 respondents (50%). Career Growth Opportunities and Company Name/Reputation are also significant factors. The company's social impact is the least important criterion, with only 15 respondents (16.7%) selecting it.

7. MOTIVATIONS TO SHIFT JOBS

What motivates you to switch jobs?

90 responses

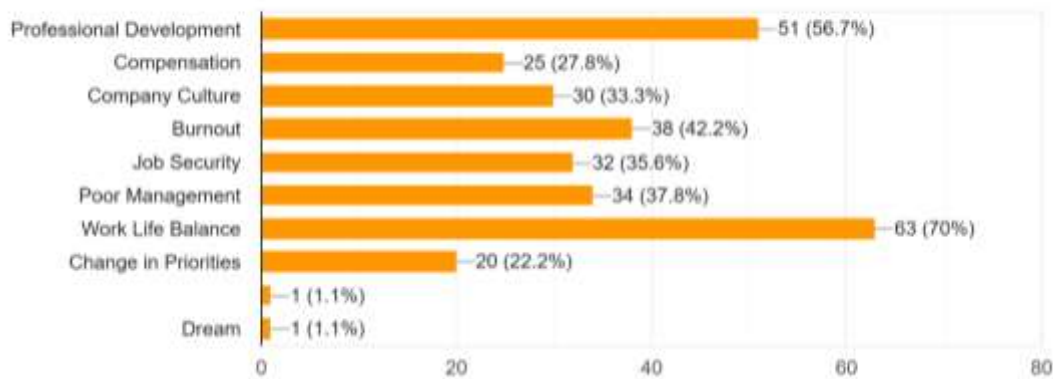


Figure 7

This chart represents the motivations behind changing jobs, according to the chart Work-Life Balance is the most significant motivator for switching jobs, with 63 respondents (70%) selecting it. Professional development is the second most significant, with 51 respondents (56.7%). Burnout and Poor Management are also strong motivators.

8. IMPORTANCE OF EMPLOYER BENEFITS

How Important are employer benefits to you?

90 responses

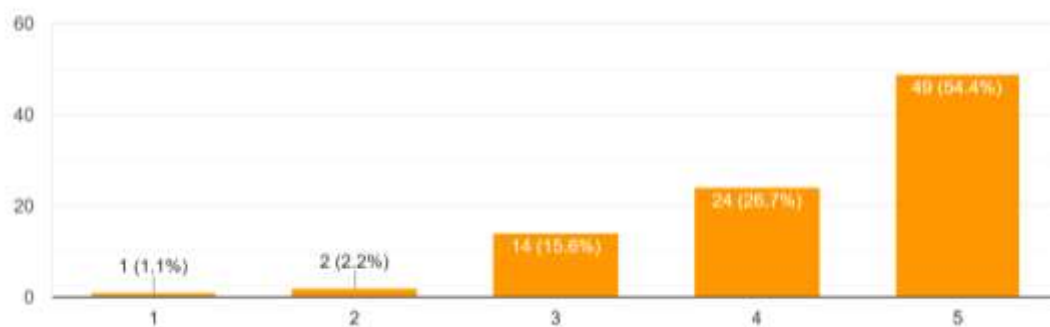


Figure 8

The majority of the respondents consider employer benefits to be highly important. The highest bar, representing a rating of "5", indicating 49 respondents (54%) rated employer benefits as "Extremely Important". The second highest bar, representing a rating of "4", indicates that 24 respondents (26.7%) rated them as "important". The bars representing 1, 2, 3 are significantly lower.

9. EMPLOYER BENEFITS VS SALARY

Would you choose better employer benefits than salary

90 responses

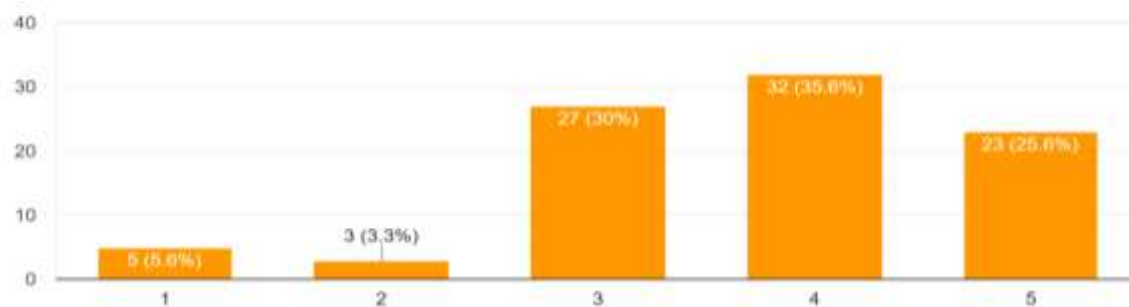


Figure 9

Since Salary is one of the most important aspects of considering a job, it would be beneficial to know where it lies when compared to employer benefits. The highest bar representing a rating of “4”, indicates that 32 respondents (35.6%) rated employer benefits as “important”. The second highest bar, representing a rating of “3” indicates that 27 respondents (30%) rated them as “Neutral”, followed by the third highest bar, representing a rating of “5” indicates that 23 respondents (25.6%) rated them as “Extremely Important”. The bars representing ratings of 1 and 2 are significantly lower, indicating these respondents do not consider employer benefits to be unimportant.

10. IMPORTANCE OF EMPLOYER BENEFITS WHEN CONSIDERING A JOB?

How important are employer-provided benefits to you when considering a job offer?

90 responses

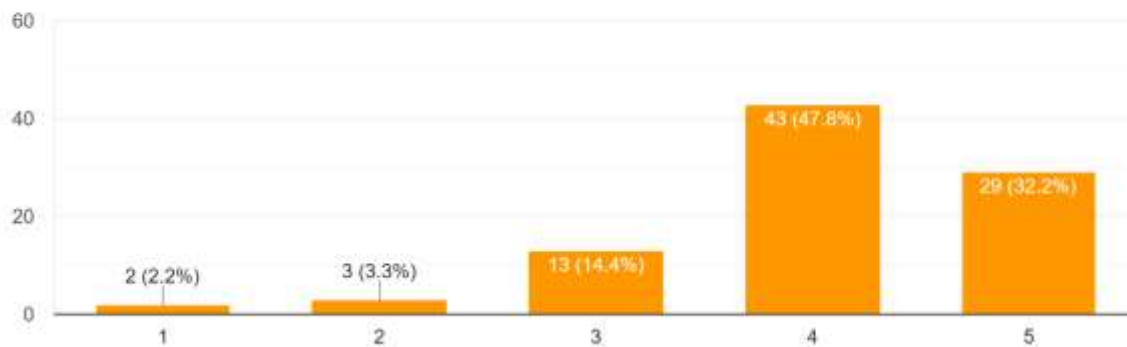


Figure 10

This chart depicts the importance of employer-provided benefits to individuals when considering job offers. The highest bar representing a rating of “4”, indicates that 43 respondents (47.8%) rated employer benefits when considering a job offer as “important”. The second highest bar, representing a rating of “5” indicates that 29 respondents (32.2%) rated them as “Extremely Important”, followed by the third highest bar, representing a rating of “3” indicates that 13 respondents (14.4%) rated them as “Neutral”. The bars representing ratings of 1 and 2 are significantly lower, indicating the most respondents do not consider employer benefits when considering a job offer.

11. WORK-LIFE BALANCE

How much do you value work life balance?

90 responses

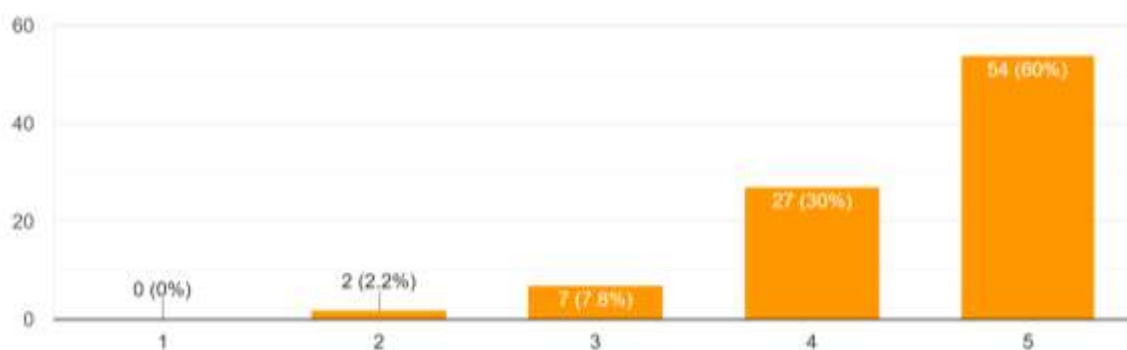


Figure 11

Work-life balance has been on one the main considerations when it comes to accepting a job offer or in switching jobs. The highest bar representing a rating of “5”, indicates that 54 respondents (60%) rated employer benefits as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 27 respondents (30%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 7 respondents (7.8%) rated them as “Neutral”. The bars representing ratings of 2 are significantly lower at 2 respondents (2.2%).

12. FINANCIAL SECURITY

How much do you value financial security provided by the company when considering a job offer?

90 responses

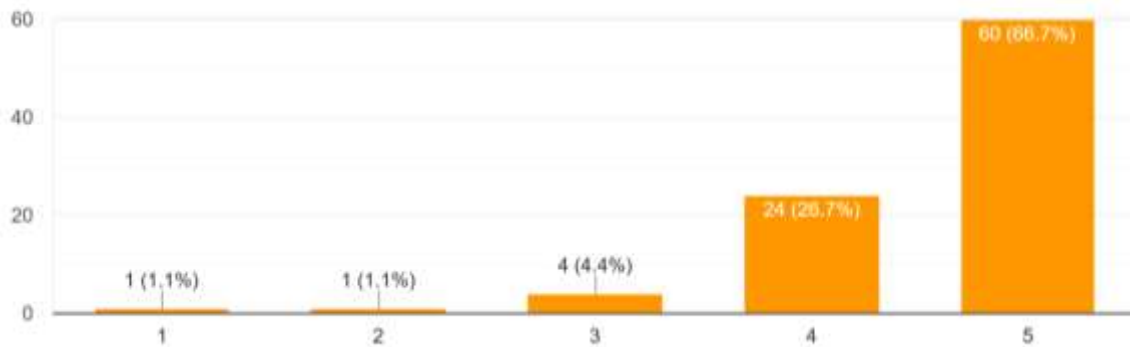


Figure 12

The graph highlights the strong preference Gen Z employees have for financial security when considering job offers. With 66.7% of respondents rating it as "5" (very important) and 26.7% rating it as "4," the data reinforces the importance of financial benefits like retirement plans, loan repayment assistance, and bonuses. Integrating this insight into your paper could emphasize the value Gen Z places on financial stability and employer-provided security.

13. PROFESSIONAL DEVELOPMENT

How much do you value professional development provided by the company when considering a job offer?

90 responses

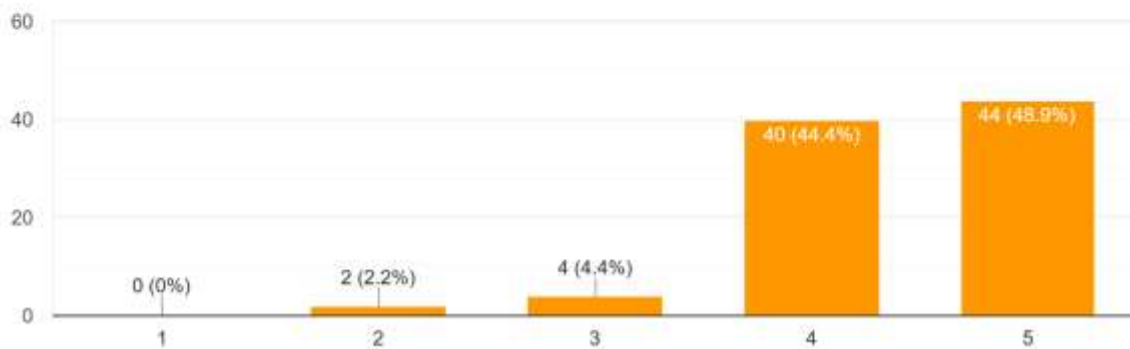


Figure 13

This graph represents the importance of Professional development when considering a job offer. The highest bar representing a rating of "5", indicates that 44 respondents (48.9%) rated professional development as "Extremely Important". The second highest bar, representing a rating of "4" indicates that 40 respondents (44.4%) rated them as "Important", followed by the third highest bar, representing a rating of "3" indicates that 4 respondents (4.4%) rated them as "Neutral". The bars representing ratings of 2 are significantly lower at 2 respondents (2.2%).

CORPORATE SOCIAL RESPONSIBILITY

How much do you value employer support for charitable causes or community involvement when considering a job offer?

90 responses

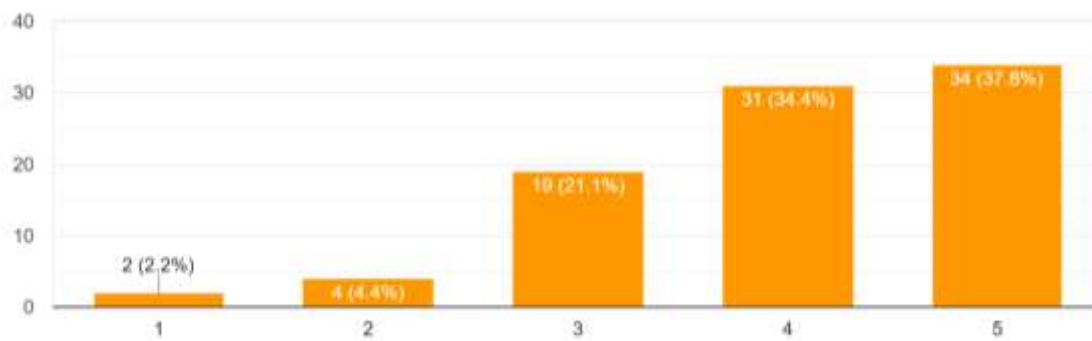


Figure 14

This graph represents the importance of Corporate Social Responsibility (CSR) when considering a job offer. The highest bar representing a rating of “5”, indicates that 34 respondents (37.8%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 31 respondents (34.4%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 19 respondents (21.1%) rated them as “Neutral”. The bars representing ratings of 2 are significantly lower at 4 respondents (4.4%).

14. PAID TIME OFF (PTO)

How valuable is paid time off (PTO) to you when considering a job offer?

90 responses

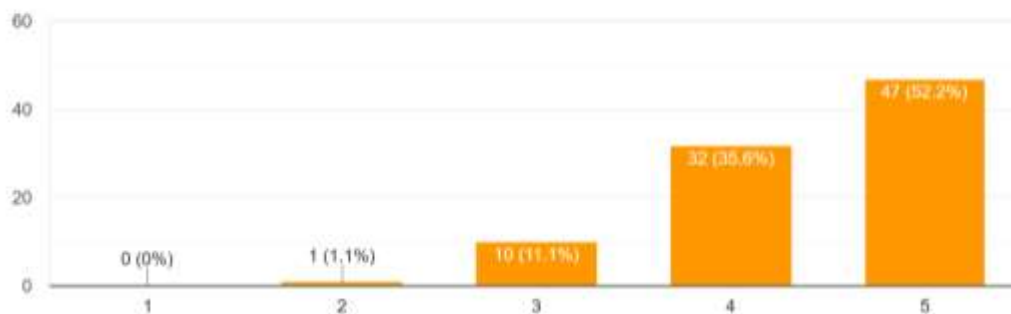


Figure 15

This graph represents the importance of PTO when considering a job offer. The highest bar representing a rating of “5”, indicates that 47 respondents (52.2%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 32 respondents (35.6%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 10 respondents (11.1%) rated them as “Neutral”. The bars representing ratings of 2 are significantly lower at 1 respondent (1.1%).

15. HEALTH INSURANCE COVERAGE

How important is comprehensive health insurance coverage to you when considering a job offer?

90 responses

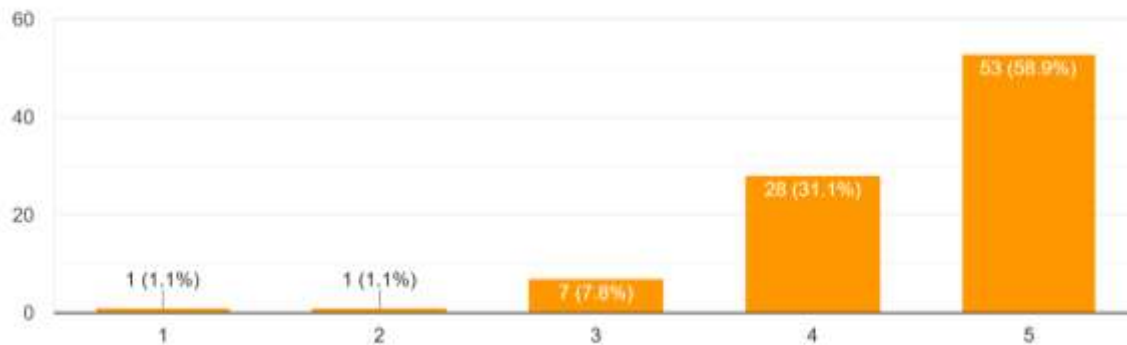


Figure 16

This graph represents the importance of Health Coverage when considering a job offer. The highest bar representing a rating of “5”, indicates that 53 respondents (58.9%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 28 respondents (31.1%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 7 respondents (7.8%) rated them as “Neutral”. The bars representing ratings of 2 & 1 are significantly lower at 1 respondent each (1.1%).

16. MENTAL HEALTH BENEFITS

How valuable are mental health benefits, such as counseling services when considering a job offer?

90 responses

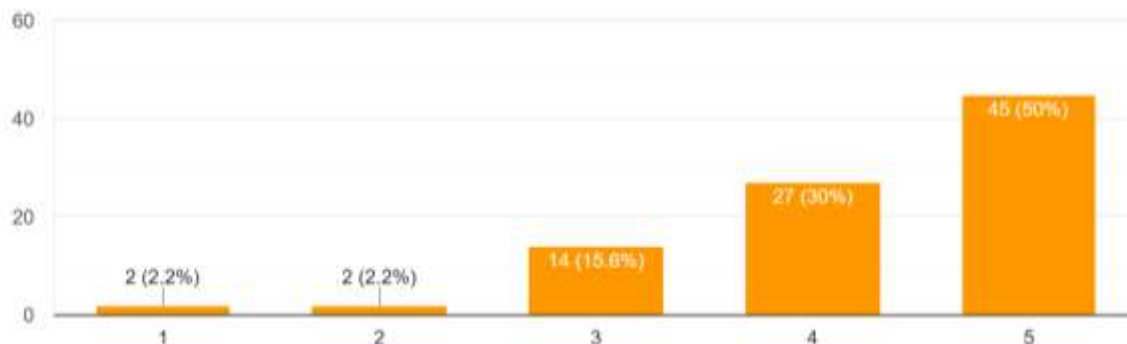


Figure 17

This graph represents the importance of Mental Health Benefits when considering a job offer. The highest bar representing a rating of “5”, indicates that 45 respondents (50%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 27 respondents (30%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 14 respondents (15.6%) rated them as “Neutral”. The bars representing ratings of 2 & 1 are significantly lower at 2 respondents each (2.2%).

17. RETIREMENT CONTRIBUTIONS

How important is employer matching for retirement contributions when considering a job offer?

90 responses

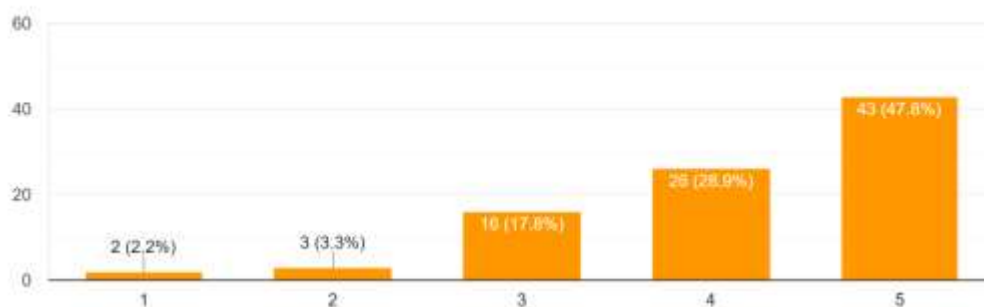


Figure 18

This graph represents the importance of Retirement contributions when considering a job offer. The highest bar representing a rating of “5”, indicates that 43 respondents (47.8%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 26 respondents (28.9%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 16 respondents (17.8%) rated them as “Neutral”. The bars representing ratings of 2 & 1 are significantly lower at 3 and 2 respondents respectively.

18. LOAN REPAYMENT ASSISTANCE

How valuable is student loan repayment assistance to you when considering a job offer?
90 responses

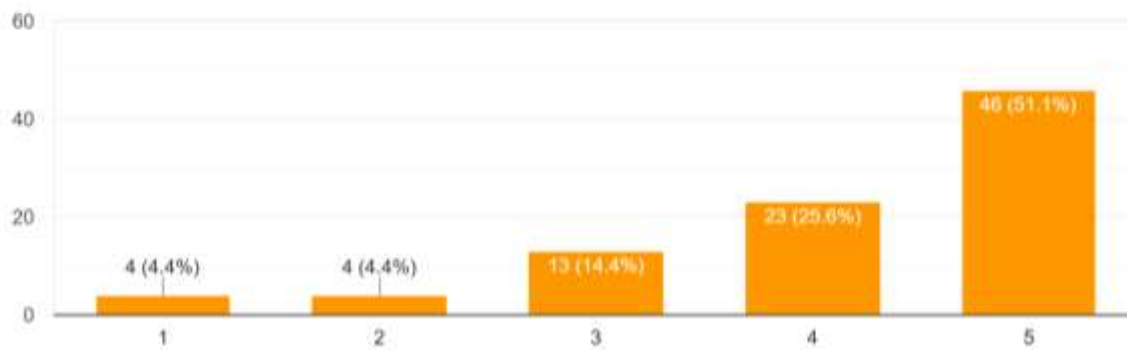


Figure 19

This graph represents the importance of Professional development when considering a job offer. The highest bar representing a rating of “5”, indicates that 46 respondents (51.1%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 23 respondents (25.6%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 13 respondents (14.4%) rated them as “Neutral”. The bars representing ratings of 2 & 1 are significantly lower at 4 respondents (4.4%).

19. FINANCIAL LITERACY PROGRAMS

How interested are you in financial literacy programs offered by your employer?
90 responses

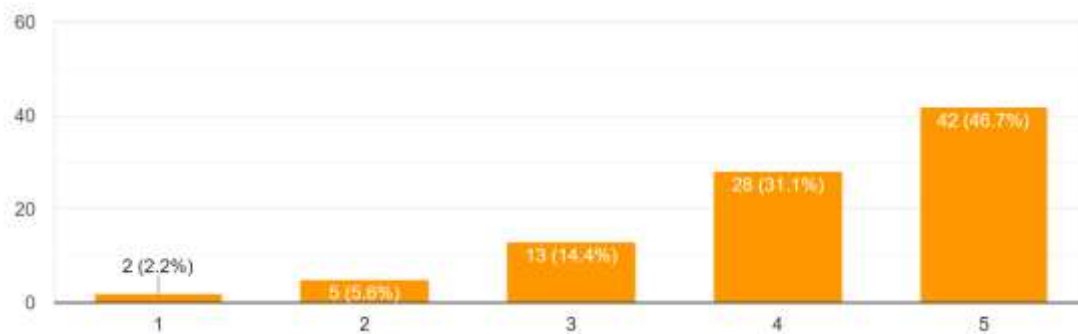


Figure 20

This graph represents the importance of financial literacy program when considering a job offer. The highest bar representing a rating of “5”, indicates that 42 respondents (46.7%) rated professional development as “Extremely Important”. The second highest bar, representing a rating of “4” indicates that 28 respondents (31.1%) rated them as “Important”, followed by the third highest bar, representing a rating of “3” indicates that 13 respondents (14.4%) rated them as “Neutral”. The bars representing ratings of 2 are significantly lower at 5 respondents (5.6%).

5.0 CONCLUSION

The following research highlights that Gen Z employees value comprehensive benefits beyond salary, particularly flexible work arrangements, mental health support, retirement planning, loan repayment assistance, etc. A good mix of both compensation and employer benefits would help attract Generation Z employees. To retain and attract Generation Z it is necessary to customize the benefit packages according to their preferences and needs - employing both personal well being and professional development.

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