

A STUDY ON EMPLOYEE BENEFITS AND THEIR IMPACT ON PRODUCTIVITY YASHASWI GROUPS AT HOSUR

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ABSTRACT

This study, titled “A Study on Employee Benefits and Their Impact on Productivity with Special Reference to Yashaswi Groups at Hosur,” examines how employee benefits influence employee productivity. The study focuses on benefits such as salary, incentives, welfare measures, training, and recognition, which play a vital role in improving job satisfaction, motivation, commitment, and work performance. The research was conducted among **120 employees** using a structured questionnaire, supported by secondary data from company records and relevant literature.

The findings reveal that effective employee benefit programs have a positive impact on employee satisfaction and productivity by reducing absenteeism, increasing motivation, and improving work efficiency. The study concludes that well-planned employee benefit schemes contribute to organizational growth and recommends strengthening benefit policies

to enhance employee performance and achieve long-term organizational success.

I. INTRODUCTION

In today's competitive business environment, human resources are considered the most valuable asset of an organization. Effective Human Resource Management (HRM) focuses on attracting, motivating, and retaining employees through various practices, among which employee benefits play a vital role. Employee benefits include both financial and non-financial rewards such as salary, incentives, welfare measures, training, health insurance, recognition, and career development opportunities. These benefits improve employee satisfaction, motivation, commitment, and overall well-being, which ultimately enhance organizational productivity. Employee productivity refers to the efficiency and effectiveness with which employees perform their duties to achieve organizational

goals. Well-designed employee benefit programs help reduce absenteeism, improve retention, enhance work performance, and increase employee engagement. This study aims to examine the impact of employee benefits on productivity with special reference to Yashaswi Groups at Hosur. The findings will help the organization strengthen its employee benefit policies, improve workforce performance, and support long-term organizational growth.

1.2 STATEMENT OF THE PROBLEM

Employees are the most valuable asset of an organization, and their productivity is essential for achieving organizational success. Organizations provide various employee benefits such as welfare facilities, incentives, training, health insurance, leave, and recognition to improve employee satisfaction and motivation. However, it is important to evaluate whether these benefits effectively meet employee needs and contribute to higher productivity. This study aims to examine the impact of employee benefits on employee performance, job satisfaction, and productivity, enabling the organization to improve its benefit programs and support long-term organizational growth.

1.3 OBJECTIVES OF THE STUDY

- To study the impact of employee benefits on employee productivity at Yashaswi Groups.
- To identify the various monetary and non-monetary employee benefits provided by the organization.
- To analyze the level of employee satisfaction with existing benefit programs.

- To examine the relationship between employee benefits and employee motivation.
- To understand how employee benefits influence work efficiency and performance.
- To study the role of employee benefits in reducing absenteeism and employee turnover.
- To evaluate employee perceptions towards welfare and work-life balance benefits.
- To provide suggestions for improving employee benefit schemes to enhance productivity.

1.4 SCOPE & LIMITATIONS

Scope of the Study

- **The study focuses on employee benefits and their impact on employee productivity at Yashaswi Groups, Hosur.**
- **It covers both monetary and non-monetary benefits** such as salary, incentives, welfare facilities, training, and leave policies.
- **The research is conducted among 120 employees** from different departments of the organization.
- **Primary data is collected through questionnaires**, while secondary data is obtained from company records and HR documents.
- **The study evaluates employee satisfaction and the impact of benefits on work performance**, with findings limited to the selected organization and study period.

1.5 LIMITATIONS OF THE STUDY

- The study is confined to the respondents of the employees of Yashaswi Groups, Hosur only
- The result of the study is based only on the view expressed by the employees response
- The sample size is taken only 120 due to time constraint
- Only selected employee benefits related to productivity are considered in the study.
- The results of the study may differ across different industries, organizations, and work environments.

II. REVIEW OF LITERATURE

The review of literature provides an understanding of previous studies and theories related to employee benefits and their impact on employee productivity. It helps identify research gaps and forms the foundation for the present study.

Abraham Maslow (1943) explained that employee motivation depends on the satisfaction of different levels of needs. Benefits such as salary, job security, healthcare, and recognition help fulfill these needs, leading to improved motivation and productivity.

Frederick Herzberg (1959) stated that employee benefits are hygiene factors that reduce dissatisfaction. Adequate benefits create a positive work environment and indirectly improve employee performance.

Victor Vroom (1964) suggested that employees perform better when they expect their efforts to be rewarded. Benefits such as bonuses, promotions, and incentives motivate employees to achieve higher productivity.

Edward E. Lawler III (1971) found that fair compensation and attractive benefit packages increase employee satisfaction, commitment, and organizational performance.

Edwin A. Locke (1976) emphasized that satisfied employees perform better, and employee benefits significantly contribute to job satisfaction and improved productivity.

George T. Milkovich and Jerry M. Newman (2008) concluded that comprehensive benefits such as medical insurance, retirement plans, and paid leave improve employee motivation, retention, and productivity.

Ron Goetzel (2002) highlighted that workplace wellness and health programs reduce absenteeism and improve employee performance.

Jeffrey H. Greenhaus and Gary N. Powell (2006) found that flexible work arrangements and work-life balance benefits increase job satisfaction, organizational commitment, and productivity.

Michael Armstrong (2014), Stephen P. Robbins (2015), and Gary Dessler (2017) emphasized that employee benefits are essential for attracting, motivating, and retaining employees, resulting in higher productivity and organizational success.

III. RESEARCH METHODOLOGY

3.1 Research Design

The study uses a **Descriptive Research Design** to analyze employee benefits and their impact on productivity.

3.2 Sampling Technique

Simple Random Sampling was adopted, giving every employee an equal chance of being selected.

3.3 Sample Size & Area

The study was conducted among **120 employees** of **Yashaswi Groups, Hosur**.

3.4 Data Collection

Primary data was collected through a **structured questionnaire**, while secondary data was obtained from **company records, journals, magazines, and websites**.

3.5 Questionnaire Design

The questionnaire included **multiple-choice** and **dichotomous (Yes/No)** questions.

3.6 Tools Used for Analysis

The collected data was analyzed using:

- Simple Percentage Analysis
- Chi-Square Test
- Karl Pearson's Correlation Analysis

3.7 Statistical Formulas

- **Simple Percentage:** (Number of Respondents ÷ Total Respondents) × 100
- **Chi-Square:** $\chi^2 = \sum[(O - E)^2 / E]$
- **Correlation:** $r = \frac{\sum XY}{\sqrt{(\sum X^2 \times \sum Y^2)}}$

IV. DATA ANALYSIS

CHI-SQUARE ANALYSIS

STATE THE HYPOTHESIS

- **H₀ (Null Hypothesis):**
There is **no significant relationship** between employee benefits and productivity.
- **H₁ (Alternative Hypothesis):**
There is a **significant relationship** between employee benefits and productivity.

CREATE OBSERVED FREQUENCY TABLE (O)

Employee Benefits Satisfaction vs Productivity

Category	High Productivity	Low Productivity	Total
Satisfied	40	20	60
Not Satisfied	30	30	60
Total	70	50	120

CALCULATE EXPECTED FREQUENCY (E)

Formula:

$$E = \frac{(\text{Row Total} \times \text{Column Total})}{\text{Grand Total}}$$

- For (Satisfied & High Productivity):

$$E = \frac{60 \times 70}{120} = 35$$

- For (Satisfied & Low Productivity):

$$E = \frac{60 \times 50}{120} = 25$$

- For (Not Satisfied & High Productivity):

$$E = 35$$

- For (Not Satisfied & Low Productivity): $E = 25$

CHI-SQUARE FORMULA

$$\chi^2 = \sum \frac{(O-E)^2}{E}$$

Category	O	E	(O-E)	(O-E) ²	(O-E) ² / E
Satisfied-High	40	35	5	25	25/35 = 0.71
Satisfied-Low	20	25	-5	25	25/25 = 1.00
Not Sat-High	30	35	-5	25	25/35 = 0.71
Not Sat-Low	30	25	5	25	25/25 = 1.00

Total $\chi^2 = 0.71 + 1 + 0.71 + 1 = 3.42$

CALCULATE DEGREE OF FREEDOM (DF)

$df = (\text{Rows}-1) (\text{Columns}-1)$

$$df = (2-1)(2-1) = 1$$

TABLE VALUE (CRITICAL VALUE)

At 5% level of significance (0.05) and $df = 1$:

Table Value = 3.84

DECISION

- Calculated value = **3.42**
- Table value = **3.84**

Since **3.42 < 3.84**

Accept H_0 (Null Hypothesis)

There is no significant relationship between employee benefits and productivity. Hence, the null hypothesis is accepted.

CORRELATION ANALYSIS

Correlation analysis is used to measure the **relationship between two variables**. In this study, it helps to understand how **employee benefits** are related to **productivity**.

To find out the relationship between:

- **Employee Benefits**
- **Employee Productivity**

Method Used

The study uses **Karl Pearson’s Coefficient of Correlation (r)**.

Formula

$$r = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]}}$$

Where:

- **X** = Employee Benefits score
- **Y** = Productivity score
- **N** = Number of respondents

Sample Data

Respondents	X (Benefits)	Y (Productivity)	X ²	Y ²	XY
1	4	5	16	25	20
2	3	4	9	16	12
3	5	5	25	25	25
4	2	3	4	9	6
5	4	4	16	16	16
Total	18	21	70	91	79

Calculation

$$\begin{aligned}
 r &= \frac{5(79) - (18)(21)}{\sqrt{[5(70) - (18)^2][5(91) - (21)^2]}} \\
 &= \frac{(395 - 378)}{\sqrt{((350 - 324)(455 - 441))}} \\
 &= \frac{17}{\sqrt{(26 \times 14)}} \\
 &= \frac{17}{19.08}
 \end{aligned}$$

≈ **0.89**

Result

- **r = 0.89**

Interpretation

- Since **r** is close to **+1**, there is a **strong positive correlation**.
- Employee benefits **significantly improve productivity**
- Better benefits → Higher performance

The analysis shows that **employee benefits and productivity are positively related.**

Providing good benefits increases employee motivation, efficiency, and overall performance.

V. FINDINGS

- The majority of the respondents belong to the **26–30 years** age group.
- Most of the respondents are **male employees.**
- A majority of the respondents are **married.**
- Most employees possess **Higher Secondary (HSC)** qualification, while a considerable number have **ITI** qualification.
- The majority of employees have **2–5 years of work experience** and earn a monthly salary of **₹15,001–₹20,000.**
- Most respondents are working as **lower-level employees** and have **less than 2 years of service** in the organization.
- Employees are generally **satisfied with the employee benefits** provided by the organization.
- Welfare facilities, leave policies, and health & safety measures are positively perceived by employees.
- Employees consider **training and development programs** useful for improving their knowledge and job-related skills.
- Employee benefits motivate employees to perform better and improve their overall work efficiency.
- Employee benefits help in **reducing work-related stress and absenteeism.**
- Health and insurance benefits effectively satisfy employee needs.
- Employees are satisfied with the flexibility of leave policies.
- Recognition and reward systems are viewed as **fair and equitable.**
- Promotion opportunities positively influence employee commitment and productivity.
- Employee benefits significantly increase **job satisfaction** and encourage employees to remain with the organization for a longer period.
- Overall, the study concludes that **employee benefits play a significant role in improving employee motivation, satisfaction, performance, retention, and productivity**, thereby contributing to the organization's overall growth and success.

5.2 SUGGESTIONS

- The organization should improve awareness regarding employee benefits among employees.
- Training and development programs should be conducted regularly to enhance employee skills and efficiency.
- Health and insurance benefits should be improved to increase employee satisfaction and well-being.
- The management should ensure fairness and transparency in reward and recognition systems.
- Promotion policies should be clearly communicated to employees.
- Additional welfare facilities may be introduced to improve employee comfort and satisfaction.
- Stress management initiatives should be implemented to reduce work-related stress.
- Employee feedback should be collected regularly for continuous improvement.
- Work-life balance policies should be strengthened to maintain a healthy work environment.

- Career development opportunities should be increased to improve employee motivation and retention.
- Performance-based incentives may be introduced to encourage better productivity.
- Communication between management and employees should be improved.
- Employee engagement activities should be organized regularly to improve teamwork and morale.
- Regular employee satisfaction surveys should be conducted to understand employee expectations.
- Continuous improvement in employee benefit programs will enhance productivity and organizational growth.

CONCLUSION

The present study entitled “**A Study on Employee Benefits and Their Impact on Productivity**” concludes that employee benefits play a vital role in enhancing employee productivity, job satisfaction, and organizational commitment. The study clearly shows that employees who are satisfied with the benefits provided by the organization tend to perform their duties more effectively and contribute positively towards organizational success.

The findings reveal that welfare facilities, health and safety measures, leave policies, training and development programs, rewards, recognition, and promotion opportunities have a strong influence on employee motivation and performance. Proper employee benefits not only improve work efficiency but also help in reducing stress, absenteeism, and employee turnover.

The statistical analysis further confirms that there is a positive relationship between employee benefits and productivity. Employees believe that effective benefit schemes encourage them to remain committed to the organization and improve their overall job

performance. Training programs and career growth opportunities also contribute significantly to skill development and higher productivity levels.

Therefore, the study concludes that organizations should continuously focus on improving employee benefit programs and maintaining a supportive work environment. Effective employee benefit practices help organizations achieve higher employee satisfaction, improved productivity, stronger employee retention, and long-term organizational growth.