

## BALANCING WORK-LIFE TIME: A NEW MEASUREMENT OF CORPORATE WELFARE

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### Abstract

In recent decades, corporate welfare has become a central focus in modern organizations. It refers to goods, services, and actions designed to foster individuals' well-being, work, and quality of life. Current socio-cultural shifts lead people, particularly younger individuals and parents, to prioritize work-life balance (i.e., a broad set of policies implemented to enable people to better balance personal and professional time). These policies could support women's participation in the labor market and foster gender equality. Consequently, companies must adapt to attract and retain employees also through welfare policies. It is, therefore, essential to monitor and assess the usage of welfare measures provided by the organization. In this context, the present study aims to offer an initial contribution to evaluating the factorial structure and reliability of a new measurement scale designed to capture perceptions of corporate welfare measures. This scale is agile and capable of assessing how the welfare offerings are perceived in terms of personalization, communication, effective monitoring, and sustainability. Based on a literature review and consultation with a group of experts, nine items were developed to be evaluated using a 5-point Likert scale. An exploratory factor analysis (EFA) was conducted to assess the factorial structure, employing principal axis factoring as the extraction method. The Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity were applied to verify the suitability of the scale for EFA. Eigenvalues greater than 1 and the scree plot were examined to determine the number of factors, with factor loadings exceeding  $|\text{.40}|$  selected. The KMO and Bartlett's results indicated an adequate sample size. Only one eigenvalue was above 1 (5.69), explaining 63.13% of the total variance, and the scree plot confirmed the selection of a single factor. All factor loadings for the nine items exceeded  $|\text{.40}|$ . Additionally, the scale demonstrated excellent reliability, achieving a Cronbach's alpha of .92. This tool can be valuable for organizations by accurately measuring employees' perceptions of implemented welfare practices. The results are promising, and future research could confirm the factor structure, also considering the construct and criterion validity. Moreover, corporate welfare could be considered an important organizational resource that, according to the Job-Demands Resources theory, could prevent organizational distress and counterproductive work behaviors (e.g., burnout, exit and neglect behavior) and improve workers' well-being (e.g., work engagement) and performance.

**Keywords:** *Corporate welfare, welfare measurement, work-life balance, organizational well-being, Job-Demands Resources theory.*

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### 1. Introduction

In recent decades, corporate welfare – initiatives designed to improve employees' comfort, intellectual growth, social well-being, and overall quality of life through services and benefits beyond basic compensation – has become a strategic tool for enhancing well-being and job performance (Patro, 2015). Most benefits are tax-exempt: they increase the purchasing power of employees and their families without increasing taxable income (Venugopal et al., 2011). Literature indicates that non-monetary benefits from employers increase employee motivation, satisfaction, efficiency, and productivity (Alam et al., 2020; Chaubey & Rawat, 2016; DeSouza & Noronha, 2011; Mendis, 2016; Tiwari, 2014; Vinita, 2020). In addition, a company that prioritizes the well-being of its employees will attract numerous candidates and retain current employees. Thus, welfare improves the image and reputation of the company (Randhawa & Gupta, 2017).

Implementing an effective corporate welfare plan begins with analyzing employee needs through anonymous surveys or interviews to design a package of tailored flexible benefits (Edenred, 2024). These benefits (e.g., childcare facilities, healthcare coverage, supplemental retirement plans, public transportation passes) enable employees to tailor their benefits package within a set budget. Remote working is also considered a form of corporate welfare because it allows for flexible management of daily activities, provides greater autonomy in managing work-related tasks, and facilitates a better work-life balance (People&Change 360, 2024; Sullivan & Lewis, 2001). The seventh Censis-Eudaimon report on corporate welfare in Italy (CENSIS, 2024) highlights a socio-cultural shift in which younger generations prioritize personal well-being over work. Therefore, to attract and retain employees, organizations need to evolve their welfare policies from a reparative approach – supporting vulnerable groups – to an inclusive one that promotes a higher quality of life for all employees (Randhawa & Gupta, 2017). Several studies highlight the increasing demand for flexible work that allows employees to balance their personal and professional lives. Falco et al. (2013) demonstrate that unresolved work-family conflict leads to psychophysical strain, including sleep disorders, depression, and anxiety. In addition, other authors (e.g., Medina-Garrido et al., 2020; Payne et al., 2011) show that work-life balance policies reduce absenteeism, turnover, and work-family conflict while improving well-being in the workplace.

A key issue for organizations is transitioning from a compulsive consumer society to a sustainable one. Therefore, corporate welfare should promote environmental (e.g., sustainable mobility services) and social sustainability (e.g., good health and well-being, gender equality, quality education).

Finally, organizations also need to measure the tangible results of welfare policies to adjust and update them if they do not achieve the expected results (CENSIS, 2024; NoiWelfare, 2024). With particular reference to the measurement of welfare policies, several studies (Jayanthi & Ilangovan, 2019; Munywoki, 2019; Sasirekha et al., 2021; Vinitha et al., 2020) report some tools aimed at measuring perceptions of satisfaction with specific tangible and intangible welfare programs (e.g., corporate housing, medical services, flexible work arrangements). However, it may be useful to have a tool that can measure the effectiveness of a corporate welfare plan from the needs of employees during the design phase of the plan, its implementation, and dissemination through accurate monitoring from a sustainability perspective (CENSIS, 2024; Edenred, 2024).

The present study, part of a larger research project, aims to provide a first contribution to the evaluation of the factorial structure and reliability of a scale designed to assess employees' perceptions of the critical elements that contribute to the usefulness of a corporate welfare plan.

## 2. Method

### 2.1. Participants and procedure

After providing informed consent, participants were administered a self-report questionnaire online via Google Forms. Participation was voluntary and anonymous. The sample consisted of 154 participants from Italy, of whom 53.2% were women. Most participants (53.9%) were aged 18 to 29, while the remaining 46.1% were 30 or older. Regarding educational background, 44.5% held a high school diploma, 47.7% had completed university or postgraduate studies, and 7.8% had attained an elementary or middle school diploma. Regarding employment status, 84.9% were engaged in paid work, 8.2% were self-employed, and 6.9% were unemployed or retired. Among the employed participants, 76.5% worked full-time. Concerning marital status, 60.7% were unmarried, 36.3% were married or cohabiting, and 2.6% were divorced or separated.

### 2.2. Measure

The decision to propose a new instrument stem from the literature, which revealed that existing tools on corporate welfare primarily address employees' satisfaction or their awareness of benefits, overlooking critical dimensions for an effective welfare plan, and following a consultation with a group of experts. The proposed scale consists of nine items rated on a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree), for example: *"The welfare measures offered by my organization meet my needs (e.g., flexible working hours)"*.

### 2.3. Data analysis

Data were analyzed using SPSS 29 (IBM Corp., 2023). An exploratory factor analysis (EFA) was conducted to evaluate the factorial structure of the scale, employing principal axis factoring as the extraction method. Kaiser-Meyer-Olkin (KMO) and Bartlett's test of sphericity were used to assess the scale's suitability for EFA. A KMO value above .80 and a significant  $p$ -value ( $p < .05$ ) in Bartlett's test indicate an adequate sample size and the feasibility of EFA. Eigenvalues greater than 1 and the scree plot were

examined to determine the number of factors, with factor loadings exceeding  $|.40|$  selected. Furthermore, Cronbach's alpha was calculated to assess reliability.

### 3. Results

The KMO test value (.90) and Bartlett's test of sphericity ( $\chi^2(36) = 861.17, p < .001$ ) indicated that the sample size was adequate, and the data were suitable for EFA. Only one eigenvalue exceeded 1 (5.69), explaining 63.13% of the total variance. The scree plot confirmed the selection of a single factor (Figure 1).

Figure 1. Scree plot.

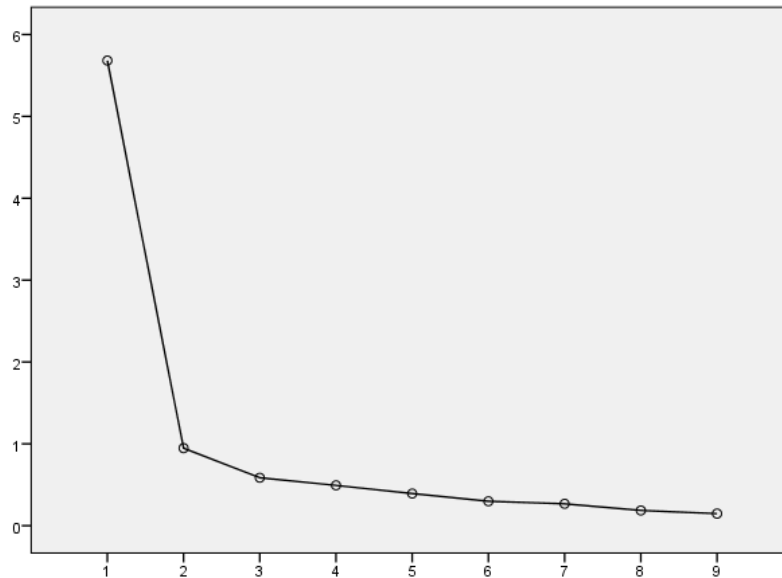


Table 1 presents the factor loadings for the nine items in the scale. All loadings were above  $|.40|$ . Moreover, the scale demonstrated excellent reliability, achieving a Cronbach's alpha of .92.

Table 1. Factorial matrix.

Factorial matrix	
	Factor 1
Item 6	.89
Item 9	.88
Item 3	.84
Item 7	.82
Item 2	.77
Item 5	.72
Item 1	.70
Item 8	.66
Item 4	.57

### 4. Discussion and conclusion

This study proposed a new tool for measuring employees' perceptions of corporate welfare practices and evaluated its factorial structure and reliability. The results suggest that the scale exhibits a unidimensional structure and demonstrates strong reliability.

This study has several limitations. First, using a convenience sample limits the generalizability of the findings to broader populations. In addition, the EFA is an initial contribution to validating a new scale, but it is not sufficient for its development. For future research, the authors conduct a confirmatory factor analysis (CFA) to validate the unidimensional factor structure of the scale and examine its psychometric properties, including construct validity (both convergent and divergent) and predictive validity.

Finally, this research may provide a starting point for studies that – based on the Job Demand-Resources Model (Bakker et al., 2023; Demerouti et al., 2001) – explore the direct and indirect relationships between corporate welfare (as a job resource) and other organizational outcomes, such as work engagement, burnout, performance, and withdrawal behaviors.

Organizations that want to increase employee satisfaction and productivity should invest in personalized, well-designed welfare programs that are effectively communicated and regularly monitored. In a competitive labor market, flexible benefits enhance quality of life and strengthen employer branding. Meeting the evolving needs of employees requires support for time management, work-life balance, health and mental well-being, and assistance with personal or family challenges. Sustainable welfare is also key to competitiveness (Treu, 2023).

The tool developed in this research could enable companies to measure employee perceptions of implemented welfare practices accurately. The tool identifies areas for improvement through a data-driven approach, helping companies adapt policies to meet the (ever-changing) needs of employees and avoid wasting resources. Finally, the data collected could facilitate constructive discussions with unions to address employee priorities effectively.

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