Economia & Management n. 2, 2025
DOI: 10.57590/1120-5032-202502ENG-8

ALBERTO DELL'ACQUA
RACHELE ANCONETANI
FEDERICO COLANTONI
ELEONORA SANTOLI

EMPLOYEE ENGAGEMENT AND TURNOVER

THE STRATEGIC ROLE OF CORPORATE WELFARE

Based on a diverse sample of companies in Italy, we analyze the relationship between the main elements of corporate welfare (e.g., investments, services, and a structured plan) and the level of employee engagement. We also explore how this affects the net employee turnover, that is, the difference between incoming and outgoing employees. Our results indicate that a holistic approach to corporate welfare, characterized by a well-defined plan, carefully selected benefits, and adequate per capita investment, is associated with higher employee engagement and an improved balance in net turnover.

HUMAN RESOURCES//RETENTION//CORPORATE WELFARE//ENGAGEMENT//INNOVATION AND CORPORATE CULTURE

ALBERTO DELL'ACQUA
is Associate Professor of Practice of Corporate Finance and Real Estate at SDA Bocconi School of Management.

RACHELE ANCONETANI
is Lecturer at SDA Bocconi School of Management and PhD Candidate at the University of Turin.

FEDERICO COLANTONI
is a Researcher in the Finance area of SDA Bocconi and a PhD student in Accounting at the University of St. Gallen in Switzerland.

ELEONORA SANTOLI
is Lecturer at SDA Bocconi School of Management in Milan and PhD Candidate at the University of St. Gallen in Switzerland.

INTRODUCTION

Recent global events such as pandemics, climate disasters, and geopolitical tensions call attention to the need to invest in human capital to ensure strategic sustainability in times of crisis (Kuckertz et al., 2020). An organization's ability to cope with difficulties and recover successfully depends largely on the essential contribution of employees who provide their skills, knowledge, and commitment (Musa and Aifuwa 2020, Delladio et al., 2023). Therefore, corporate welfare policies are becoming invaluable tools to shore up engagement, satisfaction, and overall organizational performance (Wei et al., 2020). Today corporate welfare, encompassing a range of benefits and services designed to improve employees' quality of life, is more often recognized as a strategic investment rather than simply an operating cost (Kramar and Mariappanadar, 2015). Relevant services include health benefits, professional development programs, work-life balance initiatives, transportation subsidies, and family support. The rationale behind investments in these initiatives is that satisfied, motivated employees constitute in a more productive, innovative, and loyal workforce, contributing positively to business results and long-term sustainability.

But despite the growing awareness of the benefits of corporate welfare, there is still an appreciable gap in our understanding of the specific impact of these policies on organizational dynamics (Bonomi et al., 2020). While previous research has demonstrated the link between corporate welfare policies and financial performance, the direct effects on employee engagement and its influence on organizational outcomes, such as employee turnover, are still poorly understood (Rodríguez-Sánchez et al., 2021). Therefore, the objective of this study is to answer the question, "What is the relationship between the actionable elements of corporate welfare, employees' perceived engagement with the organization, and the net balance of employee turnover?".

In our analysis of a diverse sample of companies based in Italy, we explored the relationship between the actionable elements of corporate welfare, the level of employee engagement as perceived by the company's human resources function[1], and the impact on net turnover balance. The results, based on data collected in 2023 through a questionnaire addressed to HR managers, show that firms with sizeable investments in corporate welfare not only experience higher levels of employee engagement, but also see a more positive net turnover, i.e., a better balance between the number of people who join the company and how many leave. By highlighting the concrete benefits of corporate welfare, this article aims to offer critical insights for business leaders and human resource managers who wish to reinvigorate the motivation of their already engaged workforce. Finally, our findings underscore the strategic importance of investing in employee well-being to ensure sustainable business success in today's competitive environment.

LITERATURE REVIEW AND HYPOTHESES

The literature on corporate welfare highlights its strategic role in improving employee well-being and positively influencing organizational performance (Wei et al., 2020). Specifically, the framework adopted in this study is based on the *Job-Demand Resources Theory* (Demerouti et al., 2001), according to which organizational resources can support employee well-being and reduce turnover rates. This theory argues that resources provided by the organization not only increase intrinsic motivation, but also help curb stress and burnout levels, facilitating a more productive and stimulating work environment.

Corporate welfare can be viewed as the integrated management of a range of services and benefits that companies offer to meet the needs of employees and their families in a variety of areas, from health and family care to access to credit and leisure. In addition to being a valuable resource for employees, corporate welfare has spillover effects on various aspects of business operations. Exploring this avenue, recent literature has extensively investigated the relationship between corporate welfare and various corporate outcomes, including stock price stability (Ben-Nasr and Ghouma, 2018), cash reserves (Ghaly et al., 2015), corporate financial performance (Liang et al., 2023), innovation (Wei et al., 2020), and employee efficiency and performance (Tiwari, 2014). In general, these studies have found a positive correlation between corporate welfare practices and organizational performance, a relationship that is

1 It should be noted that, in the context of this paper, the concept of corporate welfare can be traced to a structured welfare plan that includes some or all of the following: personal and family services for employees; services dedicated to culture, recreation and leisure; meal vouchers; coupons; conventions and discounts; mobility services; services for employees' children; spaces and facilities within the company; employee health services; incentive systems based on results achieved; training activities; flexibility and organization of work; reimbursement of expenses incurred for household utilities; and fuel bonuses.

particularly evident in companies that are labor intensive and have better corporate governance (Liang et al., 2023; Nguyen et al., 2022). In addition, employee well-being has been recognized as a key element in stimulating organizational growth through innovation. Evidence also suggests that high levels of well-being often lead to increased levels of employee engagement and motivation. This is particularly true in the manufacturing sector, where job satisfaction can directly influence the quality and quantity of innovative ideas and products (Wei et al., 2020).

Thanks to analyses of organizational dynamics, the study of employee well-being and performance is a booming field of research, with interest intensifying since the Covid-19 pandemic (Vo-Thanh et al., 2022b). Studies on corporate welfare have adopted different perspectives to measure employee well-being or distress, examining phenomena such as stress, fatigue, and burnout (Pinto et al., 2014; Cheung et al., 2019), job insecurity (Darvishmotevali et al., 2024), and job disengagement (Ribeiro et al., 2023). A commonality among these research efforts is the underlying hypothesis that effective management of organizational well-being contributes significantly to productivity, profitability, and project success. There is broad agreement among these studies that prioritizing employee well-being can be instrumental in achieving organizational goals (Xu and Smyth, 2023). Corporate policies aimed at employee well-being are often integrated into corporate social responsibility strategies and value co-creation processes, emphasizing the importance of employee satisfaction and skills development as central elements of internal marketing (Qiu et al., 2022). Singh et al. (2022) argue that employees, as stakeholders engaged in resource exchange with the company, play an enabling role in resource integration and value co-creation.

A relevant strand of literature links corporate welfare policies to employee engagement, defined as a positive mental state characterized by high levels of energy, involvement, and concentration at work (Schaufeli et al., 2002). Previous studies have shown that welfare initiatives that address employees' personal and professional needs can dramatically improve engagement, boost loyalty, and diminish employee turnover (Rodríguez-Sánchez et al., 2021). Indeed, the latter is often influenced by employees' perceptions of the company. An organizational culture characterized by innovation, quality, knowledge management, and ethical values (such as respect and integrity) contributes to attracting and retaining employees (Kontoghiorghes, 2016). In this sense, a well-structured benefits policy can act as a strategic lever to attract talent, reinforce the company's reputation and cut turnover costs.

However, notable gaps remain in the literature regarding the impact of individual components of corporate welfare (such as economic investments or the number of benefits offered) on organizational outcomes. In particular, there is a lack of in-depth analysis of the actionable elements of employee welfare policies that could help translate the theoretical framework into tangible outcomes by enhancing employee well-being. This study aims to fill these gaps by examining the influence of four specific elements of corporate welfare (adoption of a formal welfare plan, level of corporate commitment, per capita investment, and number of benefits offered) on employee engagement and the balance of net employee turnover.

Sustainability and corporate welfare

In the corporate context, sustainability refers to an organization's ability to maintain a balance between economic, social, and environmental performance over time. Corporate welfare falls primarily within the domain of social sustainability, as it promotes the well-being of employees, a key element of long-term organizational success (Kramar and Mariappanadar, 2015). This concept is closely related to strategic sustainability, as corporate welfare can be used as a lever to ensure a company's competitiveness through a motivated, loyal workforce.

Welfare also contributes indirectly to organizational sustainability. Investing in welfare policies reduces turnover, improves employee engagement, and increases productivity, all of which strengthen the economic performance and strategic success of the company (Rodríguez-Sánchez et al., 2021). In this sense, organizational sustainability can be understood as the ability of an organization to maintain a positive, productive work environment that fosters a sense of belonging and cooperation. In addition, welfare initiatives that include corporate social responsibility practices contribute to environmental sustainability, for example by promoting sustainable mobility or cutting back on energy consumption through flexible work policies.

Hypothesis development

The literature suggests that the adoption of well-designed corporate welfare policies can significantly boost employee engagement. For example, initiatives that enhance quality of life, such as work flexibility or health benefits, foster employees' sense of belonging and motivation (Rodríguez-Sánchez et al., 2021). However, previous studies do not elaborate on the actionable elements of corporate welfare. This leads to the formulation of our first hypothesis:

> *"Hypothesis 1 (H1): The four implementable elements of corporate welfare are associated with increased employee engagement".*

The elements cited above which we considered in this study are:

- The existence of a corporate welfare plan.
- Corporate welfare investment per employee.
- The number of corporate welfare benefits offered to employees.
- The level of corporate commitment to the welfare policy.

Corporate welfare policies also have an indirect effect on employee turnover, as a more motivated employee is less likely to leave the company. As in the case of the previous hypothesis, the existing literature does not fully explore the actionable elements of corporate welfare in the analysis of employee turnover, understood as a measure of the balance between hiring and leaving. However, a well-structured corporate welfare policy can help improve the perception of the company among current and potential employees, upgrading the ability to retain talent (Kontoghiorghes, 2016). This brings us to our second hypothesis:

> *"Hypothesis 2 (H2): The four elements of corporate welfare are associated with lower employee turnover".*

DATA AND METHODOLOGY

Data collection

To collect our data, we administered an anonymous questionnaire in March 2023 to a sample of 400 HR managers from small, medium, and large Italian companies. We selected the participants through a web panel screening process to ensure broad geographic coverage and a diverse representation of the corporate landscape.

In order to assess whether certain elements of a company's benefits policy are associated with a higher likelihood of engagement (H1), HR managers were asked to report the trend of employee engagement in 2022, choosing from the following responses: i) increase (+10%); ii) moderate increase (+5%); iii) moderate decrease (–5%); iv) decrease (–10%). The measure of annual net employee turnover, calculated as the difference between the number of new employees and the number of employees who left the company in 2022, was used to assess whether certain elements of social policy are associated with lower turnover (H2).

Four independent variables were used to measure the level of benefits offered to employees according to the framework described below:

- *Adoption of a welfare plan* refers to whether or not the company has implemented a formal benefits plan.
- *Level of company commitment* measures dedication to benefits practices. Companies were grouped into three clusters (high, moderate or no commitment) based on the sample mean. The reference cluster for analysis is the high engagement cluster.

- *Investment in employee benefits* is expressed in euros per employee.
- *Variety of benefits* represents the number of benefits offered to employees, divided into 15 categories: personal and family care, leisure time, meal vouchers, vouchers, agreements and discounts, mobility services, services for employees' children, company space and facilities, employee health services, performance-based incentives, training activities, flexible/remote working, utility reimbursement, and fuel bonuses.

The average company in our survey sample adopts a welfare plan, invests approximately € 9,911 per employee in benefits, offers seven categories of benefits, and has a moderate level of company commitment to employee welfare practices. Table 1 details the characteristics of the sample with respect to the four welfare variables.

As suggested in the literature (Wei et al., 2020), several control variables were used to ensure the robustness of the results. Table 2 shows these variables and the descriptive statistics of the sample.

Table 3 analyzes some preliminary descriptive evidence and relationships among the variables we studied. Employee engagement is positively associated with the presence of a welfare plan (correlation coefficient=0.15, significant at 5%) and the number of benefits offered (coefficient=0.21, significant at 1%). These results suggest that a structured approach to welfare and a wide range of services can help strengthen employee engagement. In terms of net turnover (defined as the difference between employees inflows and employee outflows), there is a positive correlation with the number of benefits the company provides (coefficient=0.14, significant at 5%), suggesting that offering more benefits could help reduce this parameter. The main predictors show interesting interactions: a welfare plan is positively correlated with the number of welfare services offered (coefficient=0.42, significant at 1%), while welfare investment per capita shows a negative correlation with a welfare plan (-0.17, significant at 1%). This may indicate that companies with formal welfare plans tend to spread resources over more services without necessarily spending more in per capita investments. This evidence suggests that the effectiveness of corporate welfare policies depends not only on having a structured plan and per capita investment, but also on the variety and quality of services offered.

TABLE 1. WELFARE VARIABLES

	Distr.	Mean	Median
Presence of a Corporate Welfare Plan			
Yes	85,33%		
International corporation	*93%*		
Italian with international branches	*92%*		
Only Italian	*71%*		
No	14,67%		
International corporation	*7%*		
Italian with international branches	*8%*		
Only Italian	*29%*		
Investment in welfare (€ per employee)		9.911,37	3.912,87
Number of welfare services offered to employees		6,96	7,00
Cluster	High Engagement	Moderate Engagement	No Engagement
Distribution	40,5%	42,0%	17,5%
Features			
STRUCTURED WELFARE PLAN (# respondents)			
Yes	132	133	–
Yes (*for some years*)	*81*	*65*	–
Yes (*recently*)	51	68	–
No	2	–	133
# AVERAGE BENEFITS AND SERVICES	9,0	6,0	4,6
% TURNOVER FOR WELFARE (# respondents)			
Up to 2%	27	45	68
3-5%	51	47	25
More than 5%	47	24	4
Doesn't know	9	17	36
AVERAGE SPENDING ON WELFARE (thousand €)	398	339	240

Research design

Two models were used to conduct our analyses. The first was a multinomial logit model which served to analyze the effect of corporate welfare on employee engagement. The formula is as follows:

TABLE 2. CONTROL VARIABLES

	Categories	Distribution
Geographic Area	Northwest	39.5%
	Northeast	16.7%
	Center	17.5%
	South	26.3%
Sector	Services	34.2%
	Production	27.0%
	Distribution and logistics	17.3%
	More	21.5%
Type of company	International corporation	14.5%
	Italian with international branches	37.8%
	Italian only	47.7%
Type of business	B2B (Business-to-Business)	26.8%
	B2C (Business-to-Consumer)	39.5%
	B2B2C (Business-to-Business-to-Consumer)	33.7%
Size (Turnover)	Small (up to 10 millions of €)	27.7%
	Average (10-50 millions of €)	35.0%
	Large (over 50 millions of €)	37.3%

$$\text{Logit } P(Y = j)) = \beta_{oj} + \beta_{1j} \times \text{corporate welfare} + + \sum_{k=2}^{k} \beta_{kj} \times VC_k$$

Where:

- $P(Y = j)$ is the probability that the dependent variable (engagement growth) falls into category *j*.
- β_{oj} is the intercept for category *j*.
- β_{1j} is the coefficient of the different measures of the independent variable (corporate welfare) for category *j*.
- VC_k represents each control variable, with β_{kj} as the corresponding coefficient for category *j*. The index *k* ranges from 2 to *K*, where *K* is the total number of control variables.

The multinomial logit model is a statistical analysis technique used to address discrete choice problems with more than two possible categories or alternatives; this is an extension of the binomial logit model utilized in contexts with only two

TABLE 3. CORRELATION MATRIX

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
(1)	1															
(2)	0.06	1														
(3)	0.15**	–0.05	1													
(4)	–0.03	–0.07	–0.17***	1												
(5)	0.21***	0.14**	0.42***	–0.2***	1											
(6)	0.12*	0.01	0.37***	–0.09	0.67***	1										
(7)	0	–0.05	0.4***	–0.05	–0.34***	–0.7***	1									
(8)	–0.15**	0.05	–0.99***	0.18***	–0.42***	–0.38***	–0.39***	1								
(9)	–0.03	0.15**	0.11*	–0.13**	0.27***	0.28***	–0.18***	–0.12*	1							
(10)	0	0.1*	–0.06	0	0.01	0.02	–0.07	0.06	–0.05	1						
(11)	0.02	–0.02	0.09	–0.05	0.09	0.1	–0.02	–0.1*	0.15**	–0.37***	1					
(12)	–0.13**	–0.04	–0.03	0.04	–0.11*	–0.07	0.04	0.04	0.02	–0.28***	–0.48***	1				
(13)	0.13*	–0.03	–0.02	0.02	0	–0.06	0.04	0.02	–0.15**	–0.21***	–0.36***	–0.27***	1			
(14)	–0.08	–0.04	–0.03	0.06	–0.07	–0.04	0.02	0.03	–0.01	0.09	–0.04	–0.11*	0.09	1		
(15)	0.04	–0.05	0.13*	0.04	0.13**	0.06	0.04	–0.12*	0	–0.03	0.08	0.06	–0.14**	–0.44***	1	
(16)	0.03	0	0	–0.1*	0.04	0.07	–0.07	0	0.14**	–0.04	0.01	0	0.03	–0.28***	–0.33***	1

***, **, and * indicate statistical significance levels of 1%, 5%, and 10%, respectively.

Variables: Engagement (1); Net Turnover Balance (2); Welf. plan. (3); Investment in Welf. (4); No. of Welf. services. (5); High Engagement (6); Moderate Engagement (7); No Engagement (8); Size (9); Center (10); Northwest (11); South (12); Northeast (13); Production (14); Services (15); Distribution (16).

choice options. This model allows us to predict the probability of a specific class or event applying a set of independent variables (Hilbe, 2015). An additional advantage is that the independent variables do not need to follow a normal distribution or have equal variances across groups (Hilbe, 2015). The multinomial logit model is based on the assumption of rational choice, according to which individuals evaluate the various available alternatives and select the one that maximizes their utility (Hilbe, 2015). The utility function depends on a linear combination of explanatory variables, and the relationship between these variables and the choice categories is modeled by so-called logit coefficients. The output of the multinomial logit model then includes the predicted probabilities for each choice category, enabling us to assess which factors most influence a particular alternative.

Second, we applied an OLS model to analyze the impact of corporate welfare on net employee turnover, measured as the difference between those who join and those who leave the company.

$$\text{Net turnover} = \beta_0 + \beta_1 \times \\ \times \text{corporate welfare} + \sum_{k=2}^{k} \beta_k \times VC_k$$

Where:

- *Net turnover* is the dependent variable (H2), measured by net employee balance (difference between employee inflows and outflows).
- β_0 is the intercept.
- β_1 is the coefficient of the different measures of the independent variable (corporate welfare).
- VC_k denotes each control variable, with β_k as the corresponding coefficient for category. The index k ranges from 2 to K, where K is the total number of control variables.

RESULTS

A welfare plan

In the sample we analyzed, 40% of companies that implemented a corporate welfare plan experienced an upturn in employee engagement. This finding not only underscores the importance of such policies in promoting high levels of employee engagement and motivation but also highlights how companies that implement welfare plans recognize the strategic role of these initiatives in cultivating a stimulating and rewarding work environment. Providing services and benefits through corporate welfare can help solidify the bond between the company and its employees, shoring up their sense of belonging and their desire to actively participate in the organization's success. This relationship is confirmed by statistical evidence (Table 4). In fact, companies that implement a corporate welfare plan are significantly more likely to experience an increase (+10%) in employee engagement (0.760***). In contrast, the impact of benefits on net turnover is not statistically significant.

Company engagement levels

In the reference cluster, 44% of highly committed companies experienced an upsurge in employee engagement. This percentage is significantly greater than the 36% of moderately engaged companies (+8% delta) and 33% of non-engaged companies (+11% delta). These scores indicate a sizeable difference in the impact of corporate welfare on engagement between different categories of companies. Highly engaged companies, which already see elevated levels of employee engagement, appear to recognize even more keenly the importance of corporate welfare as a tool for maintaining and improving that engagement. These companies understand that employee well-being and satisfaction are key to success and productivity. As a result, they invest more in corporate welfare policies, creating a stimulating and rewarding work environment that helps maintain high levels of employee engagement.

On the other hand, moderately engaged and disengaged companies can learn from this evidence to understand how corporate welfare can influence employee engagement and, as a result, improve productivity and business performance. Investing in welfare policies could help these companies intensify employee engagement and generate tangible

TABLE 4. PRESENCE OF A WELFARE PLAN

Variable	Engagement			
Impact	Increase	Moderate increase	Moderate decrease	Decrease
Welfare Plan	0.760***	–0.315	–0.708	65.62
Control variables	Yes	Yes	Yes	Yes
Observations	400	400	400	400

Variable	Net turnover balance
Welfare Plan	–0.174 (0.156)
Control variables	Yes
Observations	400

***, **, and * indicate statistical significance levels of 1%, 5%, and 10%, respectively.

benefits for the organization. From a statistical perspective (Table 5) companies with moderate or no engagement are significantly less likely to experience an increase in engagement levels (–1.361** and –1.110**, respectively) than the reference cluster of highly committed companies. However, there is no noticeable effect on net turnover.

Welfare investment

The average investment in corporate welfare among companies that see it as having an appreciable impact on employee engagement is € 398,000, about 17% higher than the average investment of the average engaged company and about 65% higher than the average unengaged company in the sample. This suggests that companies which view corporate welfare as a key element in promoting high levels of engagement allocate more resources to implementing policies and initiatives aimed at improving employee well-being and satisfaction. In addition, the average increase in investment in welfare policies suggests that these companies are more long-term oriented and understand the benefits of a positive work environment and the value of having highly motivated, engaged employees.

The empirical evidence from the analyses (Table 6) shows that as the investment in corporate welfare per employee rises, the net turnover balance improves. This in turn has a positive effect on the perception of the company as an employer among both current employees and potential applicants. However, our analysis did not show a statistically significant relationship between the level of investment in corporate welfare and the level of employee engagement.

Benefits

The average number of benefits offered by companies that recognize the impact of welfare on employee engagement is 9, which is about 3.7 more than the average number of benefits offered by the rest of the sample. These companies invest in a wide range of benefits (health care, training and development programs, work-life balance initiatives, transportation subsidies, family support services, and more), demonstrating a real commitment to creating a supportive, rewarding work environment with the goal of improving employee engagement and motivation.

TABLE 5. LEVEL OF CORPORATE ENGAGEMENT

Variable	Engagement			
Impact	Increase	Moderate increase	Moderate decrease	Decrease
Moderate Engagement Cluster	–1.361** (0.577)	–0.988* (0.561)	–17.48 (8.733)	69.21 (6.245)
No Engagement Cluster	–1.110** (0.459)	–0.806* (0.451)	0.648 (1.284)	31.94 (7.535)
Control Variables	Yes	Yes	Yes	Yes
Observations	400	400	400	400

Variable	Net turnover balance
Moderate Engagement Cluster	–0.138* (0.0714)
No Engagement Cluster	–0.008 (0.0472)
Control Variables	Yes
Observations	400

***, **, and * indicate statistical significance levels of 1%, 5%, and 10%, respectively.

Statistical analysis supports these findings (Table 7). In fact, the data show that the number of benefits positively affects both the likelihood of an increase in employee engagement and the net balance of corporate turnover, as measured by the net balance of those joining and those leaving the company.

DISCUSSION

The results of our study strongly support the hypothesis of a positive, statistically significant relationship between the actionable elements of corporate welfare policies and growth in employee engagement. This finding, which is consistent across multiple analyses, underscores the role of benefits policies in fostering an engaged, motivated workforce. Analyses show that various elements of corporate welfare policies (including health benefits, professional development programs, work-life balance initiatives, and family support services) combine to upgrade employee engagement. Each component, designed to meet specific employee needs and preferences, acts as a lever to increase overall job satisfaction, morale, and commitment to the organization. This positive association suggests that employees who feel supported and valued are not only more engaged, they are also more productive.

The results of this study are closely aligned with the existing literature on corporate welfare and its impact on employee engagement and turnover. In particular, the theoretical framework of Job-Demand Resources Theory (Demerouti et al., 2001) finds confirmation that corporate welfare as an organizational resource can foster a more stimulating work environment. These findings also support the observations of Rodríguez-Sánchez et al. (2021) that well-structured welfare policies can significantly reinforce employee engagement.

Some success stories

A concrete example of an effective corporate welfare policy is provided by Illumia S.p.A., a medium-sized Italian company operating in the free electricity and natural gas market, which has implemented several initiatives for the welfare of its employees. These include a 12-month fixed-price electricity and gas tariff and the Illumia Summer Camp, "a real summer camp for children of employees held in the ample grounds of the company headquarters" (WIPMI 2022 Report). This initiative helps parents organize childcare during the school holidays and supports the delicate balance between work and family life. In addition, Illumia has created a Running Team

TABLE 6. INVESTMENTS IN WELFARE

Variable	Engagement			
Impact	Increase	Moderate increase	Moderate decrease	Decrease
Investment in welfare €/employee	0.00077 (0.000566)	0.00057 (0.000566)	–0.00046 (0.00176)	0.170 (135.0)
Control Variables	Yes	Yes	Yes	Yes
Observations	400	400	400	400

Variable	Net turnover balance
Investment in welfare €/employee	0.000159** (6.76e-05)
Control Variables	Yes
Observations	400

***, **, and * indicate statistical significance levels of 1%, 5%, and 10%, respectively.

TABLE 7. WELFARE SERVICES

Variable	Engagement			
Impact	Increase	Moderate increase	Moderate decrease	Decrease
Number of services	0.200*** (0.0549)	0.153*** (0.0534)	0.0935 (0.145)	–16.47 (793.3)
Control variables	Yes	Yes	Yes	Yes
Observations	400	400	400	400

Variable	Net turnover balance
Number of services	0.0755** (0.0323)
Control variables	Yes
Observations	400

***, **, and * indicate statistical significance levels of 1%, 5%, and 10%, respectively.

to prepare for the Bologna Marathon, a network of health services at subsidized prices, and a Management School to develop employees' strategic skills. As Giulia Bernardi, HR Manager, explains:

> *"The Corporate Welfare project has been built up year after year, focusing not only on the individual, but also on improving relationships between people. This process has made it possible to create an evolving Welfare project that has gone through complex periods such as the pandemic, aiming to shorten the distance between the company and the individual, and among employees, with a view to facilitating and supporting them".* (WIPMI Report 2022)

Another good example is Openjobmetis S.p.A., a human resources management company that does recruitment, outplacement, and training. Openjobmetis has created the Grandparents' Park, "dedicated to seniors, with games, tools, and equipment to encourage cognitive stimulation and interaction between people." In addition, the company promoted the Taxi with a Heart initiative, a free transportation service dedicated to the elderly to reach vaccination centers and other medical facilities. Later, the service was extended to anyone over 70, offering free taxi rides for any medical need (WIPMI Report, 2022). Rosario Rasizza, CEO, stresses the importance of adapting to the changes that occurred during the pandemic:

> *"The pandemic has led to the emergence of a new approach to life: people are looking less for compensation and more for opportunities that allow them to balance their professional and personal lives. Companies that can adapt to these changes will be rewarded".* (WIPMI Report 2022)

This positive association, supported by anecdotal evidence, suggests that employees who feel supported and valued are more likely to be engaged and productive. Better engagement levels resulting from comprehensive and holistic welfare policies, in turn, bring tangible benefits to the organization. Specifically, engaged employees tend to be more productive, show higher levels of creativity and innovation, and demonstrate greater loyalty. All this results in lower employee turnover rates and recruitment costs (Lu et al., 2022). In addition, companies with elevated levels of employee engagement often experience higher customer satisfaction and better financial performance because motivated employees are more likely to give their all in their roles (Long et al., 2022).

The strategic implications of these findings are consequential. Investing in employee well-being is not just a short-term fix, but a long-term strategic approach that can yield lasting benefits. Companies that prioritize employee well-being are more likely to build a strong employer brand, attract top talent, and retain skilled workers (Guo et al., 2022). This, in turn, translates into a competitive advantage in the marketplace.

While investing in benefits is critical, their effectiveness depends largely on the quality of implementation and employee perceptions. Allocating resources to such initiatives is not enough if the policies are not clearly communicated and employees do not see them as beneficial (Bonomi et al., 2020). Organizations must therefore ensure that well-being initiatives are carefully designed, easily accessible, and properly aligned with the real needs and preferences of the workforce. Implementing regular feedback mechanisms and onboarding employees in the design of these policies can augment their relevance and impact.

Overall, these findings underscore the strategic importance of welfare for companies seeking competitive advantage. Investing in welfare policies not only enhances the well-being of employees but also contributes to a positive, inclusive work environment, which directly impacts the company's success and stability in the marketplace.

CONCLUSIONS

The evidence gathered in this study confirms the considerable impact of corporate welfare policies on employee engagement and the company's ability to attract talent. Our work shows that companies which make substantial investments in welfare programs recognize the strategic role of these initiatives in fostering high levels of employee engagement. This recognition is evident not only in the increased financial allocation to corporate welfare, but also in the broader range of services offered to employees.

Companies that invest sizeable sums in corporate welfare demonstrate a greater propensity to expand and recruit new talent, signaling dynamism and confidence in the future. This proactive approach is particularly evident in highly engaged companies that view benefits as a strategic tool for enhancing employee satisfaction and productivity. Acknowledging that employee well-being is a key determinant of business success, these companies actively invest in initiatives that create a positive, stimulating, and rewarding work environment.

In summary, the strategic implementation of corporate welfare policies is a key lever for improving employee engagement and organizational attractiveness. Companies that recognize the importance of these policies are better positioned to create a motivated, satisfied workforce. Investing in employee well-being not only levels up the quality of the workplace but also strengthens the company's competitive advantage in the marketplace. In an increasingly complex and ever-changing business environment, a focus on corporate welfare is likely to continue to be a key factor in ensuring long-term success.

MANAGERIAL IMPACT FACTOR

- **Integrate welfare policies to foster engagement**: Implementing well-structured benefits policies that include health benefits, development programs, and work-life balance initiatives is a way to ramp up employee engagement and productivity.
- **Align corporate welfare and employer branding**: Investing in employee well-being strengthens the company's image and helps attract and retain talent, creating a competitive advantage in the labor market.
- **Balance short- and long-term KPIs**: Although transactional KPIs (e.g., incremental sales, visit frequency) are widely used, it's crucial to integrate them with long-term indicators that measure employee satisfaction and loyalty.
- **Impact on organizational climate and performance is positive**: An inclusive work environment fosters innovation, improves overall financial performance and reduces turnover.
- **Awareness and communication are essential**: The effectiveness of benefits depends not only on the economic investment, but also on how employees perceive it. Feedback mechanisms and clear communication strategies are essential to maximize impact.

REFERENCES

Ben-Nasr, H., Ghouma, H. (2018). "Employee welfare and stock price crash risk." *Journal of Corporate Finance*, 48, 700-725.

Bonomi, S., Sarti, D. Torre, T. (2020). "Creating a collaborative network for welfare services in public sector. A knowledge-based perspective". *Journal of Business Research*, Vol. 112, 440-449.

Cheung, C.M., et al. (2019). *The well-being of project professionals.* Association for Project Management.

Darvishmotevali, M., Kim, S., Ning, H. (2024). "The impact of quantitative and qualitative job insecurity on employees' mental health and critical work-related performance: Exploring the role of employability and gender differences." *International Journal of Hospitality Management*, 116, 103629.

Delladio, S., et al. (2023). "Italian entrepreneurial decision-making under lockdown: the path to resilience." *Management Decision*, 61(13), 272-294.

Demerouti, E., et al. (2001). "The job demands-resources model of burnout." *Journal of Applied Psychology*, 86(3), 499.

Ghaly, M., Dang, V.A., Stathopoulos, K. (2015). "Cash holdings and employee welfare." *Journal of Corporate Finance*, 33, 53-70.

Guo, J., Qiu, Y., Gan, Y. (2022). "Workplace incivility and work engagement: the mediating role of job insecurity and the moderating role of self-perceived employability." *Managerial and Decision*

Economics, Vol. 43, No. 1, pp. 192-205.

Kramar, R., Mariappanadar, S. (2015). "Call for papers for a Special Issue: Sustainable human resource management." *Asia Pacific Journal of Human Resources*, pp. 389-392.

Kontoghiorghes, C. (2016). "Linking high performance organizational culture and talent management: satisfaction/motivation and organizational commitment as mediators." *The International Journal of Human Resource Management*, 27(16), 1833-1853.

Kuckertz, A., et al. (2020). "Startups in times of crisis – A rapid response to the COVID-19 pandemic." *Journal of Business Venturing Insights*, Vol. 13.

Liang, W.L., et al. (2023). "Employee welfare and firm financial performance revisited." *Managerial Finance*, 49(2), 248-269.

Long, L.R., et al. (2022). "The content of the threat matters: the differential effects of quantitative and qualitative job insecurity on different types of employee motivation." *Journal of Business and Psychology*, Vol. 37, No. 2, pp. 297-310.

Lu, J., et al. (2022). "Are firms with better sustainability performance more resilient during crises?" *Business Strategy and the Environment*, Vol. 31 No. 7, pp. e3354-3370.

Musa, S., Aifuwa, H. (2020). "Coronavirus Pandemic in Nigeria: How Can Small and Medium Enterprises (SMEs) Cope and Flatten the Curve." *European Journal of Accounting*, Finance and Investment, Vol. 6, No. 5, pp. 55-61.

Nguyen, D., et al. (2022). "Employee-friendly practices and corporate financial performance: Evidence from a frontier market." *Cogent Business & Management*, 9.

Pinto, J.K., Dawood, S., Pinto, M.B. (2014). "Project management and burnout: Implications of the Demand–Control–Support model on project-based work." *International Journal of Project Management*, 32, 578-589.

Qiu, J., Boukis, A., Storey, C. (2022). "Internal marketing: A systematic review." *Journal of Marketing Theory and Practice*, 30(1), 53-67.

Ribeiro, N., et al. (2023). "The impact of the work-family conflict on employee engagement performance and turnover intention." *International Journal of Organizational Analysis*, 31(2), 533-549.

Rodríguez-Sánchez, A., et al. (2021). "How to emerge stronger: Antecedents and consequences of organizational resilience." *Journal of Management & Organization*, Vol. 27 No. 3, pp. 442-459.

Schaufeli, W. B., et al. (2002). "The measurement of engagement and burnout: A two sample confirmatory factor analytic approach." *Journal of Happiness Studies*, 3, 71-92.

Singh, P., et al. (2022). "Sustainability in the beer and pub industry during the COVID-19 period: An emerging new normal." *Journal of Business Research*, 141, 656-672.

Tiwari, U. (2014). "A study on employee welfare facilities and its impact on employee efficiency at Vindha Telelinks Ltd. Rewa (MP) India." *Abhinav International Monthly Refereed Journal of Research in Management & Technology*, 3(11), 1-7.

Vo-Thanh, T., et al. (2022). "COVID-19 frontline hotel employees' perceived job insecurity and emotional exhaustion: does trade union support matter?" *Journal of Sustainable Tourism*, 30(6), 1159-1176.

Xu, J., Smyth, H. (2023). "The ethics of care and wellbeing in project business: from instrumentality to relationality." *International Journal of Project Management*. Vol. 41, No. 1, 102431.

Wei, Y., Nan, X., Wei, G. (2020). "The impact of employee welfare on innovation performance: Evidence from China's manufacturing corporations." *International Journal of Production Economics*, Vol. 228, 107753

Welfare Index Rapporto (2021). Available at welfareindexpmi.it.Welfare Index Rapporto (2022). Available at welfareindexpmi.it.