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PERSONAL BUSINESS

SHORTCUTS

The Downsides of Generous Workplace Perks

By ALINA TUGEND

FOR many employees these days, the only fringe benefits they can hope for are decent health care coverage and a working coffee machine. Others, however, enjoy free gourmet meals and snacks, on-site gyms and nutritionists, housecleaning and nap rooms.

Upping the ante in what has been called a perks arms race is unlimited vacation time for some employees from such companies as Virgin, Netflix and the Ladders, while Facebook this year said it would reimburse its female employees up to \$20,000 for freezing their eggs. Apple plans to follow suit in January.

More typically, extras often include paid maternity and paternity leave, on-site child care, flexible work hours and 100 percent paid health benefits.

Most of these incentives exist in the tech world or fields where there is competition to attract certain skilled workers. Nonetheless, even in those industries, some say there is little evidence they motivate employees, and they can serve the more nefarious purpose of making sure employees rarely leave the office.

"People in the rest of the country look at the Silicon Valley perks and think, 'What wonderful companies to work for,'" said Gerald Ledford, a senior research scientist at the Center for Effective Organizations at the University of Southern California's Marshall School of Business. The first thing to remember, though, he said, is "this is by far the most competitive job market in the country. It's an arms race to come up with the jazziest rewards."

Second, and more important, he said, "these benefits are not being offered out of largess. It's done because organizations want employees to work 24/7. If you never have to leave to get your dry cleaning, to go to the gym, to eat or even go to bed, you can work all the time. They're golden handcuffs."

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JULIE DENESHA FOR THE NEW YORK TIMES

The Company Kitchen at the AMC Theatres headquarters in Kansas. It is convenient, but keeps workers close.

And with some companies allowing employees to bring their pets to work or their families into the corporate cafeteria for dinner if work runs late, it's home that can seem like an unneeded extra.

Lotte Bailyn, a professor emeritus at the M.I.T. Sloan School of Management, said that while some of the perks offered flexibility — paid leave and options to telecommute, for example — "it's important to differentiate between those policies that give people more control over what they do and those that allow people to work longer and longer on site."

One example, she said, is companies that provide care if a child is sick. "Well, the last thing you want to do is have a stranger stay with a sick child," she said, but with that option, it is more difficult to request to stay home.

The same can be true of unlimited vacation time. It can be a good thing, by demonstrating that a company trusts

its employees to make wise decisions. But "it all depends on the norms and expectations in the work force," Professor Bailyn said.

If taking off time is explicitly or implicitly frowned on, then people may use even less vacation time than under more formal policies, she said.

Even the newest benefit, reimbursement for egg freezing, has skeptics who say that while this could be a welcome choice for some women, it could also be seen as workplaces paying women to put off childbearing.

The companies, on the other hand, say the perks are all about making their employees' lives easier and more in their control.

SAS, a software company that employs almost 7,000 people at its headquarters in Cary, N.C., was ranked No. 2 on Fortune's 2014 list of 100 Best Companies to Work For in the United States, right behind Google.

SAS offers free personal trainers at its on-site fitness center, an indoor pool, hair salon, free on-site health care and work-life counselors.

The benefits and culture as a whole help “minimize the stresses that affect employees every day,” said Jenn Mann, an SAS spokeswoman. “We want employees to be there on the first day of school or take an aging parent to the doctor. Life happens. SAS, in turn, is committed to reducing stress and distraction so they can do their best work.”

But do all these perks do what they’re supposed to — that is, attract, retain and motivate employees? Dr. Ledford said there wasn’t much good research in the area, but that while such extras might attract and even help retain employees, it didn’t show it motivates them.

In fact, he said, some research shows that highly competitive workers are more interested in the individual rewards they can receive for their performance than what goodies are available for everyone.

“Companies can be a lot smarter in how they spend benefit dollars,” he said, particularly those, unlike most of the high-tech ones, that don’t have very deep pockets.

For example, offering fresh fruit and healthier food for employees seems a sensible benefit, he said.

One growing trend, micro-markets in workplaces, is responding to that need. Set up similar to those kiosks or markets available at airports — except self-service — they are modular units that provide snacks, salads, sandwiches and drinks.

While the meals aren’t free, the idea is that they are quick and relatively cheap. Workers scan a prepaid card or a debit or credit card to pay for their meals, or they can link their thumbprint to their preloaded card and simply scan that as they leave, said Jim Mitchell, president of Company Kitchen.

So far, Company Kitchen’s operators — which function similar to franchises — have set up more than 1,000 micro-markets around the country, with more than 7,500 for the industry as a whole, Mr. Mitchell said.

The entire industry has grown by 72 percent since the end of 2013, Mr. Mitchell said.

Such a market costs about \$16,000-\$18,000 to install, which is picked up by the operators; they make their money selling products. A sandwich would typically run \$2 to \$4, he said, although it might be higher in some markets.

Another bonus? Employees can view

their buying history on their computers and see if they’re eating too much salt, say, or fat. Companies can also do that for employees as a whole — without looking at individual workers, Mr. Mitchell hastened to add — so they may choose to drop some less healthy items.

The AMC Theatres corporate headquarters in Leawood, Kan., outside Kansas City, had Company Kitchen install a micro-market last year when it moved buildings, and now about 500 employees and contractors use it.

The micro-market demonstrates how perks can have both a downside and an upside. Ryan Noonan, a spokesman for AMC, said that in the old building, he might walk to a nearby restaurant — which has the advantage of a short outdoor work break.

But if he didn’t eat out, he would either go hungry or buy chips or candy from the vending machine — especially in freezing weather.

Now he can just run down a flight of stairs for fresh food.

And while that may not rank up there with a free massage or housecleaning, being able to grab a salad and a fruit rather than a stale candy bar is one nice perk for most of us.