

Innovative Compensation Trends in Indian Companies - An Overview

¹Dr. Nisha Thundiylil & ²N. Sibhi

¹Director and Professor, Dept of Management Studies, MASS College of Arts and Science, Kumbakonam, Tamil Nadu (India)

²Research Scholar, Dept of Management Studies, MASS College of Arts and Science, Kumbakonam, Tamil Nadu (India)

ARTICLE DETAILS

Article History

Published Online: 10 February 2019

Keywords

Flexible work hours, gym, spa, massage parlours

*Corresponding Author

Email: thundiylilnisha[at]gmail.com

ABSTRACT

The study aims to explore the latest compensation packages offered by Indian private sector companies. Secondary data has been collected for the purpose of study and it reveals that companies offer a number of attractive deals to attract and retain the new generation employees. Flexible work hours, gym, spa, massage parlours, day care and so on are few aspects forming part of the innovative compensation deals.

1. Introduction

Compensation packages offered by companies are like magnets that have maximum power to attract and retain talented employees. Gone is the day when mere cash was considered as part of compensation. In today's competitive environment companies thrive to come out with innovative and attractive deals that provide a comfort zone for the employees and make them comfortable with the job. This study explores the innovative aspects that form part of compensation package offered by Indian private sector companies.

2. Scope of the study

Compensation is usually narrowed to cash and as a result, employers only have a tunneled vision when it comes to the issues of compensation for their employees. Other aspects of compensation which makes up the total compensation package for the employee are not given much attention. The modern workforce gives a lot of attention aspects other than cash that provide them work -life balance, comfort, happiness and sense of security. In this context an attempt has been made to explore the recent compensation elements offered by the Indian private sector. This study covers only the recent innovative deals offered by the companies and do not cover the traditional compensation deals.

3. Objectives of the study

The study aims to explore the innovative and latest aspects offered in compensation packages by the private sector companies in India. The top paying jobs, Indian cities and industries have also been presented.

4. Research methodology

This study is restricted to purely secondary data as the study has been undertaken to cover only theoretical data.

5. Innovative Compensation Trends

Below mentioned are few innovative compensation trends practiced in the corporate sector to lure the employees;

5.1 Flexible Work Schedule

The modern workforce is increasingly recognizing the importance of spending quality time with family and friends and self. No longer are the modern youth gravitated towards spending the entire day in office. Rather they prefer to complete the work allotted within the target time but in their preferred work hours and not during a fixed work time. This concept is especially useful for the ladies performing dual role of professional and homemaker.

5.2 Outdoor And Indoor Games

The Indian corporate sector is on a spree to ensure that their employees are relieved of work stress and they enjoy being in the workplace. For this many companies provide facilities to employees to indulge in outdoor games such as cricket, basket ball, tennis and so on. Similarly facilities for indoor games such as chess, carroms, tabletennis and squash are also provided to the staff members to relieve them from the monotony of routine work. Meditation rooms are also available for usage by employees.

5.3 Gym Facilities And Yoga Classes

Many multinational companies have an inbuilt gym and yoga classes held within the office premises to ensure that their employees remain trim and fit and they are given the freedom to use it during their break time and leisure time. This ensures that the employees do not need to allot a specific time outside work hours to maintain their health and the employees feel good that the company is interested in their physical well being.

5.4 Massage Parlours

Headaches, back aches and other body aches are normally experienced by employees due to work stress, long hours of sitting at the computer and so on. To address this issue some companies have a massage parlour within the office premises so that affected employees can utilize them.

5.5 Sleep PODS

It has been scientifically proved that taking short naps play a major role in improving the work efficiency of employees. For this purpose some companies provide sleep pods which the employees may utilize to rejuvenate themselves.

5.6 Counselling

Stress, depression, insomnia, migraine, high divorce rates and so on are noticed among the workforce. The corporate offices frequently provide professional counselling facilities to their employees to address these issues.

5.7 Self Defense Workshops

In response to the increasing violence against women and children, many companies conduct self defence workshops to their employees and family members to show their concern towards the safety of not only the company employees but also their family members.

5.8 Clubs For Hobbies

Photography club, painting, acting, movie making, guitar classes, zumba lessons, and sports tournaments are few other initiatives taken by companies to ensure mental health and well being of employees.

5.9 Paid Maternity And Paternity Leaves

Paid maternity and paternity leaves without cumbersome leave procedures are another mark of concern care shown by companies towards their employees.

5.10 Option to return after a career break

Some companies allow women technologists to return after a career break and even encourage other employees to start new projects outside office.

5.11 Health Facilities

Most of their employees are given two major bonus programs in a year along with other medical, dental and vision coverage programs

5.12 Financial Assistance for Job-Related Education

Employees are also entitled to an annual vacation leave and financial assistance for job-related education programs and other coursework

5.13 Health and Hospitalisation Insurance

Annual health checkups and camps, and accident insurance for employees as well as their family members are other perks provided by the Indian corporate sector.

5.14 Low-Cost Quality Education Children

The company also provides quality education to children of their employees in Schools run by the company at a nominal cost

5.15 Spa Facilities

Today's workforce gives a lot of importance to their physical beauty and grooming. To cater to this need of the employees, some companies run spa inside the premises.

5.16 Day Care

Some companies such as Bharti Airtel run day care centres to ensure that the children of employees are in safe hands while the parents are at work.

5.17 Grocery Centres

Grocery centres run by the companies within premises reduces the work load at home for the employees and thus eases their stress

5.18 Employee First Program

Companies such as HCL give high importance to employee satisfaction. The company maintains this balance through their 'Employee First' program where the prime focus is on anything that the employee needs. Support, Knowledge, Recognition, Empowerment, and Transformation are five important things that are taken care of during the program.

6. Indian Compensation Scenario – A Glimpse

Below mentioned are few statistical data regarding compensation trends in Indian private sector scenario.

TABLE 1 HIGHEST PAYING JOBS IN INDIA

Rank	Job Title	Average Annual CTC in INR
1	Core Java Professionals	18.06 lakhs
2	Digital Marketing	17.09 lakhs
3	Testing Automation Engineers	14.67 lakhs
4	Axapta Consultant	13.52 lakhs
5	Hadoop & Big Data Professionals	10.62 lakhs
6	Product Engineering Specialists	10.38 lakhs
7	Android Engineers	10.01 lakhs
8	Finance Controller	9.64 lakhs
9	Solution Architect	8.95 lakhs
10	R&D Analyst - API (Pharma)	

Source: 2017 Salary Trends Study findings released by Randstad, HR service providers.

Table 1 presents the list of roles with higher remunerations for talent in the 6-10 years experience bracket when compared to other professionals .It is seen that core java professionals secure top slay followed by people working in digital marketing scenario, followed by testing automation engineers and so on.

TABLE 2 HIGHEST PAYING CITIES BY EXPERIENCE LEVEL

Senior level Talent (15 years+)	
Top 5 cities	Average Annual CTC in INR
Rank 1 - Bangalore	28.0 lakhs
Rank 2 - Mumbai	27.0 lakhs
Rank 3 - Hyderabad	26.8 lakhs
Rank 4 - NCR	26.0 lakhs
Rank 5 - Pune	25.5 lakhs

Mid-level Talent (6-15 years)	
Top 5 cities	Average Annual CTC in INR
Rank 1 – Mumbai	10.5 lakhs
Rank 2 – Bangalore	10.4 lakhs
Rank 3 – Chennai	10.3 lakhs
Rank 4 – NCR	10.2 lakhs
Rank 5 – Hyderabad	9.8 lakhs
Junior level talent (0-6 years)	
Top 5 cities	Average Annual CTC in INR
Rank 1 - Bangalore	5.5 lakhs
Rank 2 - NCR	5.3 lakhs
Rank 3 - Chennai	5.2 lakhs
Rank 4 - Mumbai	5.1 lakhs
Rank 5 - Hyderabad	4.9 lakhs

Source: 2017 Salary Trends Study findings released by Randstad, HR service providers.

Table 2 highlights the top 5 cities in India paying its employees by experience level. Bangalore, Mumbai and Hyderabad bags the top 3 ranks in this area for employees over 15 years job experience. Mumbai , Bangalore and Chennai ranks the top when it comes to employees having 6 – 15 years experience and Bangalore, NCR and Chennai ranks top when it comes to junior employees with nil to 6 years experience.

TABLE 3 HIGHEST PAYING INDUSTRIES BY EXPERIENCE LEVEL

Senior level Talent (15 years+)	
Top 3 industries	Average Annual CTC in INR
Rank 1 - E-commerce	34.0 lakhs
Rank 2 - IT	33.7 lakhs
Rank 3 - ITES	31.6 lakhs
Mid-level Talent (6-15 years)	
Top 3 industries	Average Annual CTC in INR
Rank 1 - E-commerce	13.0 lakhs
Rank 2 - IT	11.1 lakhs
Rank 3 - Telecom	10.9 lakhs
Junior level talent (0-6 years)	

Top 3 industries	Average Annual CTC in INR
Rank 1 - Pharma and Healthcare	7.0 lakhs
Rank 2 - IT	6.5 lakhs
Rank 3 - Power	5.5 lakhs

Source: 2017 Salary Trends Study findings released by Randstad, HR service providers.

Table 3 highlights the top paying industries in India .E-commerce, IT and ITES bags the top 3 ranks in this area for employees over 15 years job experience. E-Commerce , IT and telecom ranks the top when it comes to employees having 6 – 15 years experience and Pharma and health care, IT and power ranks top when it comes to junior employees with nil to 6 years experience.

TABLE 4 HIGHEST PAYING JOB FUNCTIONS IN INDIA ACROSS ALL EXPERIENCE LEVELS

Top 3 functions	Average Annual CTC in INR
Rank 1 – Sales & IT	16.7 lakhs
Rank 2 - IT professionals	16.1 lakhs
Rank 3 - Strategy and Consulting	15.6 lakhs

Source: 2017 Salary Trends Study findings released by Randstad, HR service providers.

Table 4 highlights the top paying job functions in India. Sales –IT ranks first, IT professionals ranks second and strategy and consulting professionals rank third when it comes to top paying job functions in India.

TABLE 5 HIGHEST PAYING JOB FUNCTIONS BY EXPERIENCE LEVEL

Senior level Talent (15 years+)	
Top function	Average Annual CTC in INR
Sales- BFSI	34.9 lakhs
Mid-level Talent (6-15 years)	
Top function	Average Annual CTC in INR
Strategy and Consulting	12.9 lakhs
Junior level talent (0-6 years)	
Top function	Average Annual CTC in INR
Strategy and Consulting	6.8 lakhs

Source: 2017 Salary Trends Study findings released by Randstad, HR service providers.

Table 5 highlights the top paying job functions in India. Sales –IT ranks first, IT professionals ranks second and

strategy and consulting professionals rank third when it comes to top paying job functions in India.

7. Conclusion

Retaining talented employees has become an area that needs deep thinking on the part of the corporate sector. Age

bound traditional compensation packages no longer hold the lure to attract the new generation. It is imperative that companies need to ponder on more and more attractive compensation deals that satisfy the present day employees.

References

1. A. Shrivastava & P. Purang, "Employees perceptions of job satisfaction: comparative study on Indian banks", Asian Academy of Management Journal, XIV(2), , 2009.
2. D. S. Sangwan, "Proactive Human Resource Management: A source of Competitive Advantage", Vinimaya, XXVI(4), , 2005.
3. G. G. Loganathan, "Motivating the Bank Employees for Performance in the Present Banking Environment", Vinimaya, XXVII(4), , 2007.
4. Prasad, K. (2005) "Strategic Human Resource Management: Text and Cases", Macmillan India Ltd., New Delhi.
5. Kandula, Srinivas R. (2003) "Human Resource Management in practice with 300 models : Techniques and Tools", Sage, Delhi