

## THE 19<sup>TH</sup> ANNUAL HR SURVEY: 2017-18

An Annual Study of Trends in Human Resources



# CURRENT ANALYSIS OF TRENDS IN CRITICAL HR AREAS

In the last two decades, over 2,000 member corporations have subscribed to IMA's business intelligence programmes for India's industry leadership. IMA Forums focus on creating categorical insight into the operating context of business – the economy, global and domestic, and emergent policy. The other, fundamental component of IMA Forums is to **build leading thought – through benchmarks and best practice case studies – on internal strategies** as IMA members seek to establish globally competitive firms. On IMA's work on HR and talent among its CEO and CHRO Forums as indeed, its other strategic lead Forums is a core component of this endeavour. Insight-generation is enabled both through member brainstorming debates, independent IMA research and member surveys on core HR issues to identify prevailing benchmarks.

IMA's Annual HR Survey is key to this effort, and based on a **methodology** refined over two decades, providing the **rigour** necessary for the current environment. Continuous member engagement ensures responses in the most current context for business.

The results and analysis are **real-time**. Data for the 2017-18 series will be collected in January 2018. Post-survey qualitative insights generated at IMA CXO peer debates on the Forum will validate and deepen survey hypotheses.

IMA's 1,500 strong member community forms the ideal representative set from which a **large, cross-sectoral** respondent base (over 400 CXOs drawn from IMA's CEO, CFO, CHRO and CMO Forums) provides a multifaceted and authentic picture of HR.

The survey is presented as a composite picture by **executive level and by sectors**. Cuts by **organisation size** are also provided on key indices.

## Sample Respondent List

SRF	Thyssenkrupp	Viacom 18
Welspun Group	BMW	IDFC Bank
HCL	TATA	Nivea
Walmart India	M&M	Marico
Lodha Group	HDFC Life	Thomson Reuters
		Nielson India

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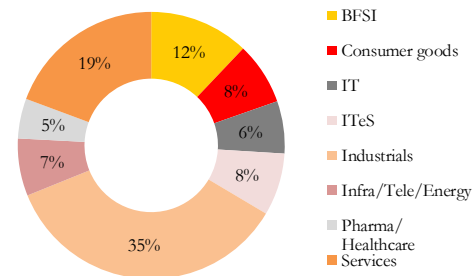
**18+** Years Running

**400+** Respondent Base

**08** Sectors Analysed

**Top** Companies Represented

## Respondents Split by Sector



“IMA's Annual HR Survey is highly rigorous and provides current insights into the key talent areas. The results have helped us shape our talent agenda over the years.”

Managing Director, FMCG Company

“IMA's HR survey enables us to benchmark ourselves against our peers and provides the right level of insight to achieve talent objectives.”

CHRO, Manufacturing Company

# DEEP-DIVE INTO KEY TALENT AREAS

## KEY SEGMENTS

## AREAS ADDRESSED

### The Big Picture



- Impact of recent changes in the operating environment (for instance, demonetisation) on key HR actionables and strategies
- Identifying the top HR challenges – from talent acquisition to change management - and top level of view response strategies
- Organisation structure: Identify country benchmarks of team size/strength/starting qualifications as reflected by the survey

### Compensation



- Median Total Cost to Company (CTC) and Gross Fixed Salary (GFS) at each level (white collar - entry level to top management – and blue collar) in 2017-18
- Variable Pay (split into components – Bonuses, Incentive, and Commission)
- Value of Perquisites at each level (entry level to top management)
- Members of the Board - Independent Directors' compensation
- Increments at various levels in 2017-18, and expected changes in 2018-19
- Top performer increments as differentiated from the others
- ESOPs: A deeper dive
- Other commonly used bonus vehicles (stock options, performance-based stock)
- Analysis split by sector and by organisation size (turnover, workforce)

### Recruitment



- Net new hiring trends at different employee levels in 2017-18 and expectations for 2018-19
- Replacement hiring – for the current year and going forward in 2018-19

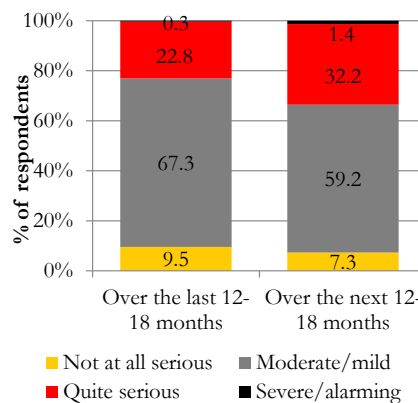
### Attrition



- Employee turnover, both voluntary and involuntary, at each level – casual, entry, junior, middle, senior and top management
- Reasons for attrition, both voluntary and involuntary

# Sample Results: The 18<sup>th</sup> Annual HR Survey (1/9)

## Controlled severity of people-related challenges...



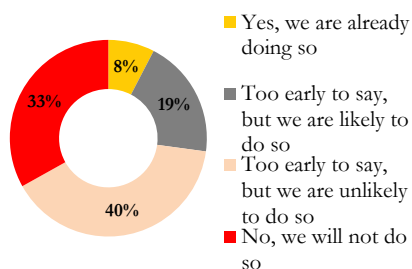
...although more firms expect these to be exacerbated in the next 12-18 months

*Six years ago, 54% of the respondent set said HR challenges were/are expected to be 'quite serious' or 'severe/alarming' over the next 12-18 months, compared to 34% this year*

## ...and volatility is palpable, and reflected in the uncertainty on key numeric strategies

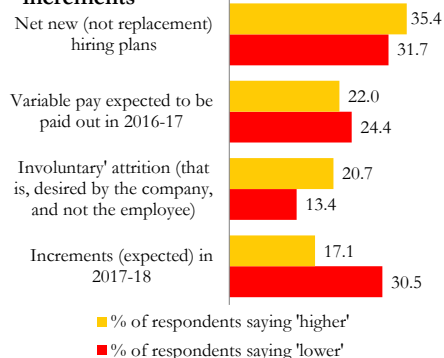


**Are you reassessing talent strategies in the wake of changes in the operating environment\*?**

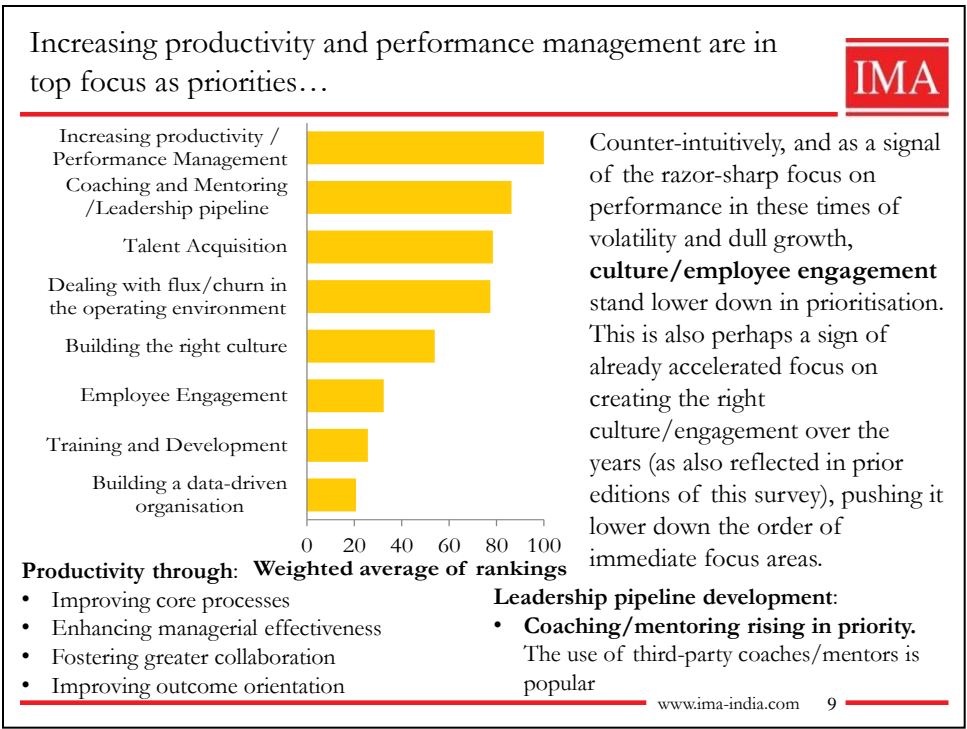
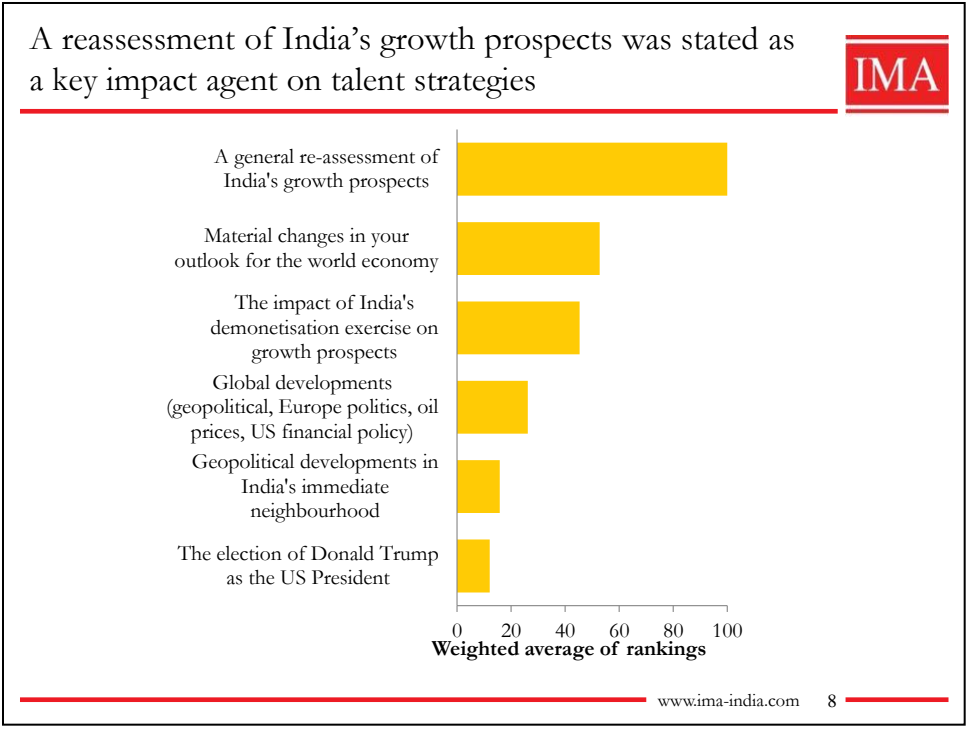


*\*Such as the demonetisation of Rs 500 and Rs 1000 notes, and the election of Donald Trump as the US President. As queried in December 2016*

**A quarter to a third of the set that said they were reassessing /likely to reassess talent strategies expected to reduce net new hiring, variable pay, and increments**

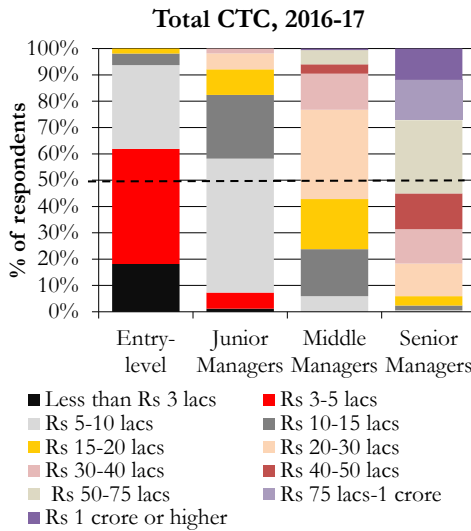


# Sample Results: The 18<sup>th</sup> Annual HR Survey (2/9)



# Sample Results: The 18<sup>th</sup> Annual HR Survey (3/9)

Cost to Company 2016-17: Similar to 2015-16, and wide sectoral variations



	Entry	Junior	Middle	Senior
<b>Median CTC</b>	<b>4.0</b>	<b>8.9</b>	<b>20.0</b>	<b>50.0</b>
BFSI	3.8	8.8	21.7	<b>60.2</b>
Consumer goods	<b>5.3</b>	<b>10.0</b>	<b>22.5</b>	<b>65.0</b>
IT	<b>6.0</b>	<b>14.1</b>	<b>25.8</b>	<b>40.0</b>
ITeS	<b>3.5</b>	9.0	21.0	<b>42.5</b>
Industrials	4.0	<b>8.0</b>	20.0	<b>45.0</b>
Infra/Tele/Energy	4.0	<b>10.0</b>	<b>25.0</b>	<b>72.5</b>
Pharma/Healthcare	<b>3.5</b>	<b>8.3</b>	<b>18.6</b>	<b>43.0</b>
Services	4.0	9.4	21.0	52.0

IT firms were the highest paying in 2016-17 (except at the senior management level), as were consumer goods firms

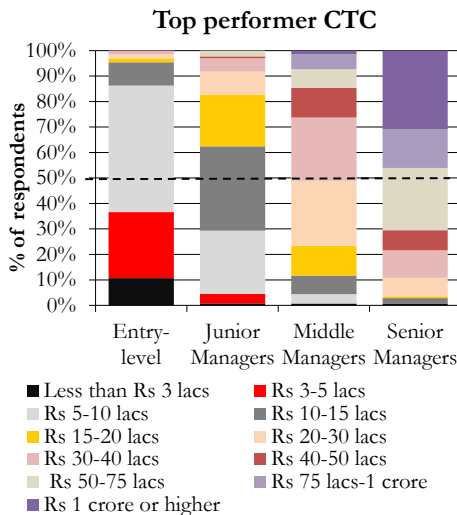
At the senior management level, infrastructure/telecom/energy firms stand at the top of the pile

[Click here for results by qualification](#)

[Click here for sectoral results](#)

Senior managers are defined as those who report in to CXOs

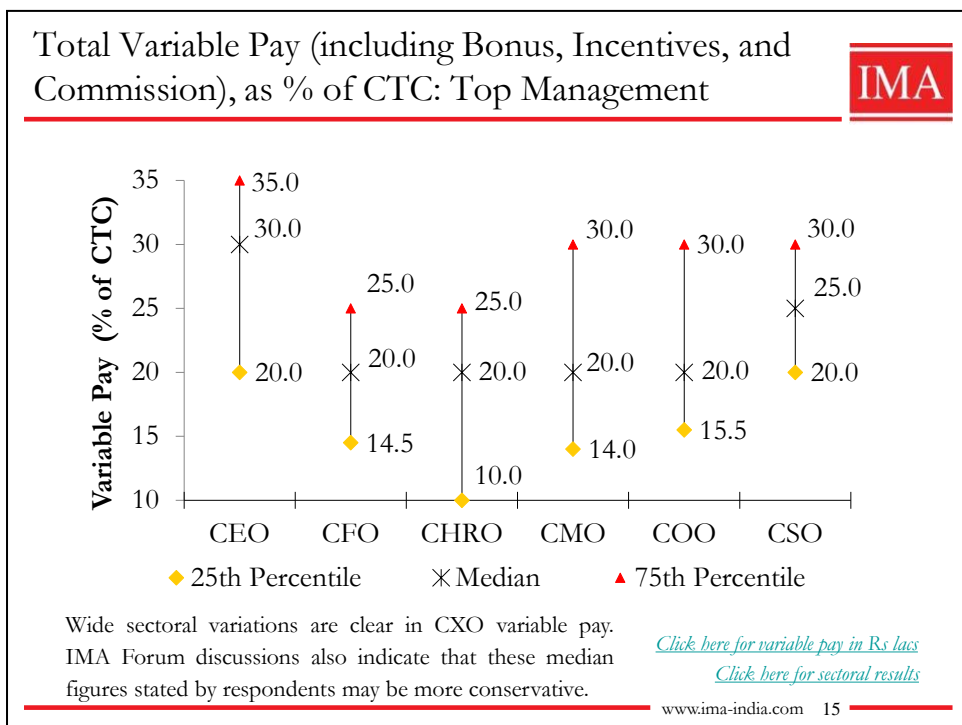
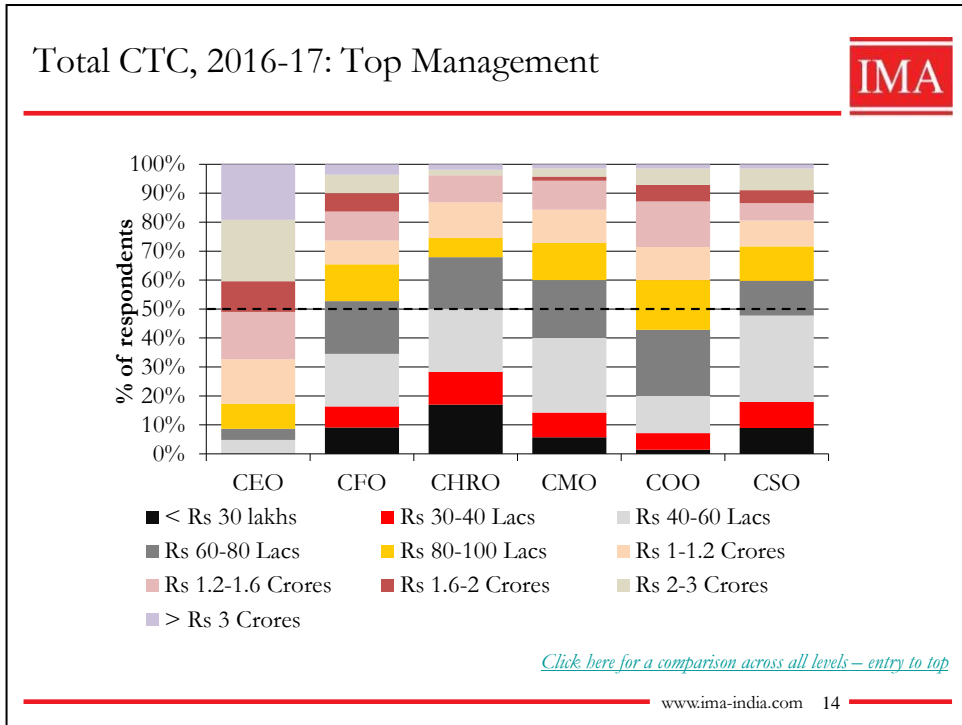
Top performer pay scales are higher by at least 30-50%



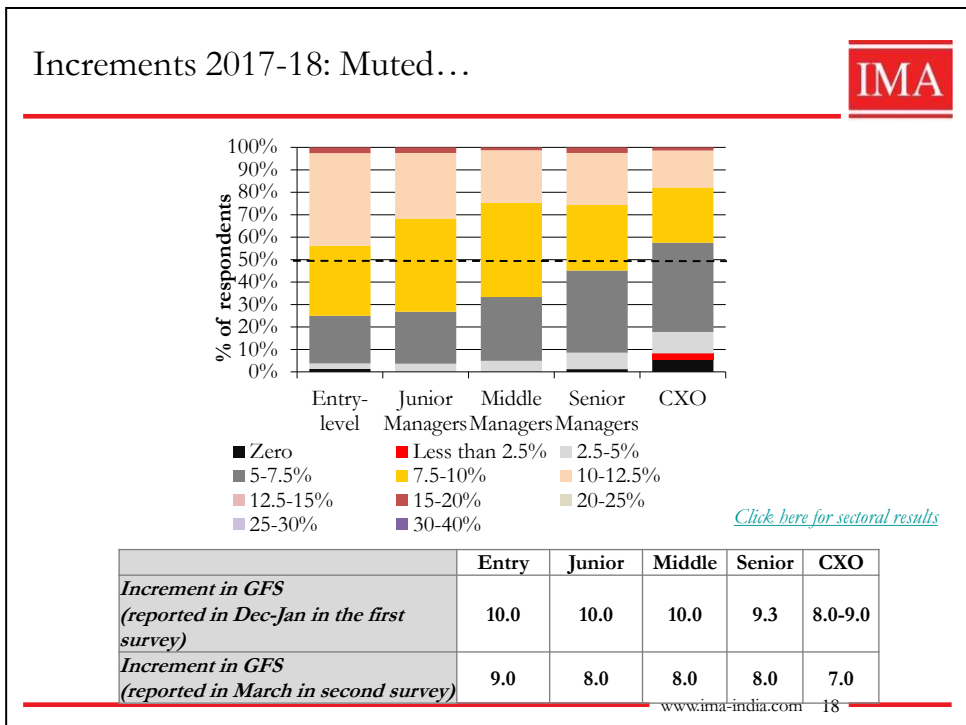
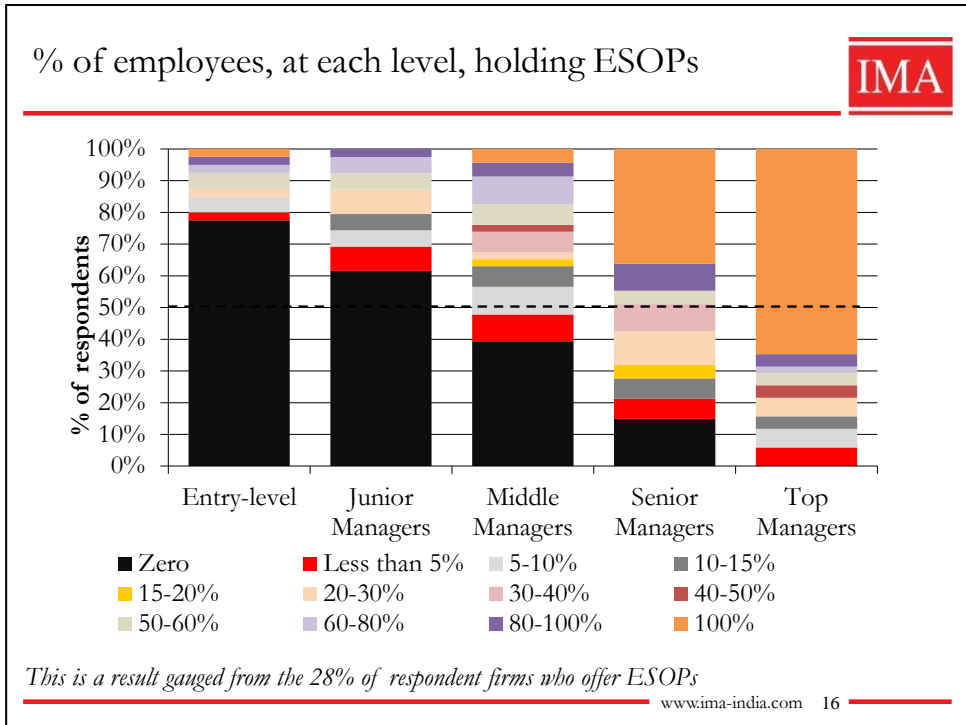
	Entry	Junior	Middle	Senior
<b>Median CTC, Standard</b>	<b>4.0</b>	<b>8.9</b>	<b>20.0</b>	<b>50.0</b>
<b>Median CTC, Top</b>	<b>5.8</b>	<b>12.0</b>	<b>30.0</b>	<b>68.0</b>
BFSI	5.8	13.0	27.5	<b>86.8</b>
Consumer goods	<b>7.5</b>	<b>14.5</b>	<b>38.0</b>	<b>90.0</b>
IT	<b>6.8</b>	<b>14.5</b>	28.0	<b>50.0</b>
ITeS	<b>5.0</b>	11.2	28.5	<b>50.0</b>
Industrials	5.5	11.8	27.0	65.0
Infra/Tele/Energy	5.9	<b>15.0</b>	<b>35.0</b>	<b>90.0</b>
Pharma/Healthcare	6.1	12.0	<b>25.0</b>	<b>85.0</b>
Services	<b>4.9</b>	<b>10.0</b>	<b>23.5</b>	61.0

[Click here for sectoral results](#)

# Sample Results: The 18<sup>th</sup> Annual HR Survey (4/9)

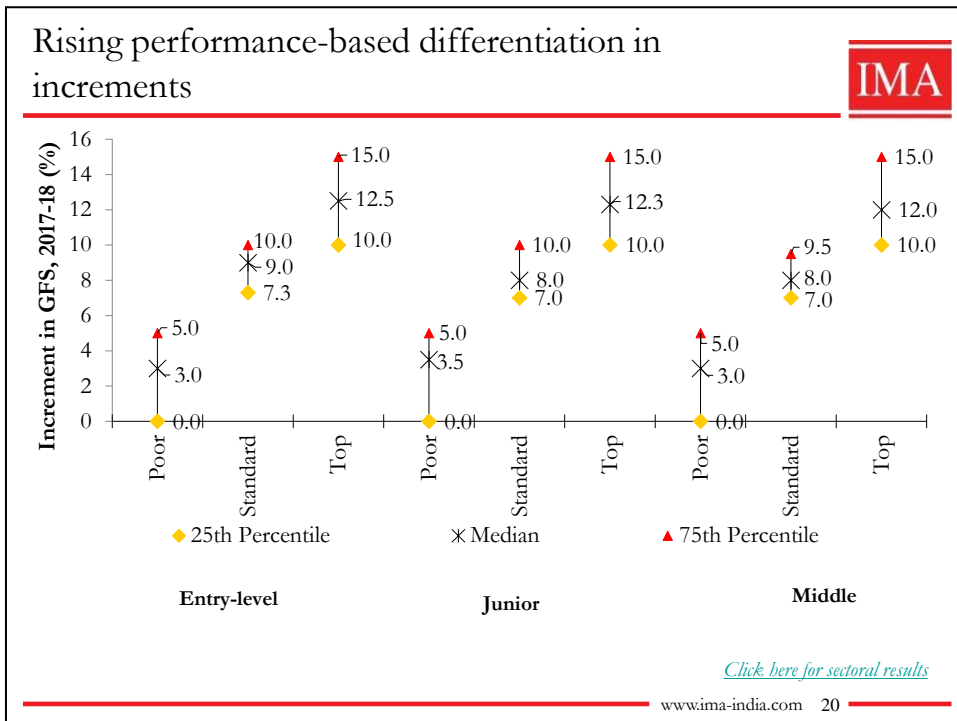
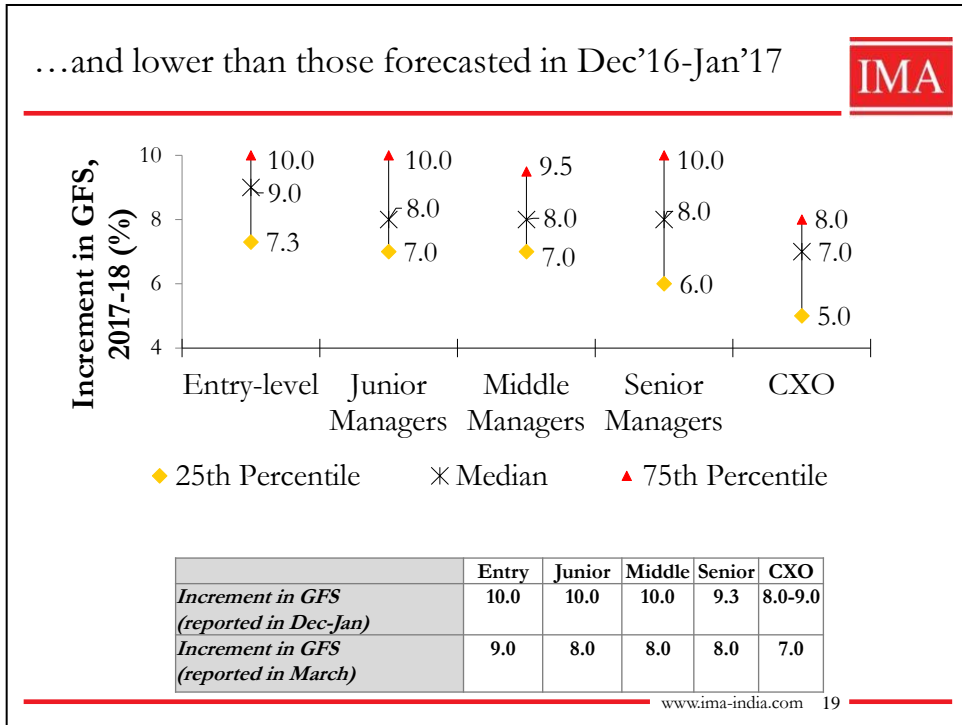


# Sample Results: The 18<sup>th</sup> Annual HR Survey (5/9)

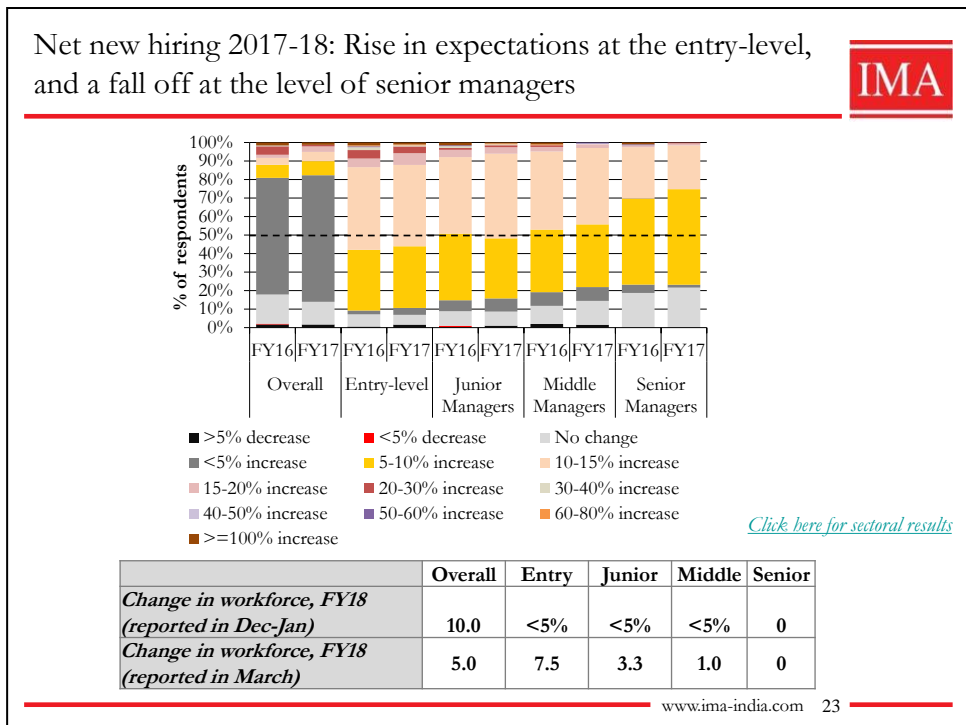
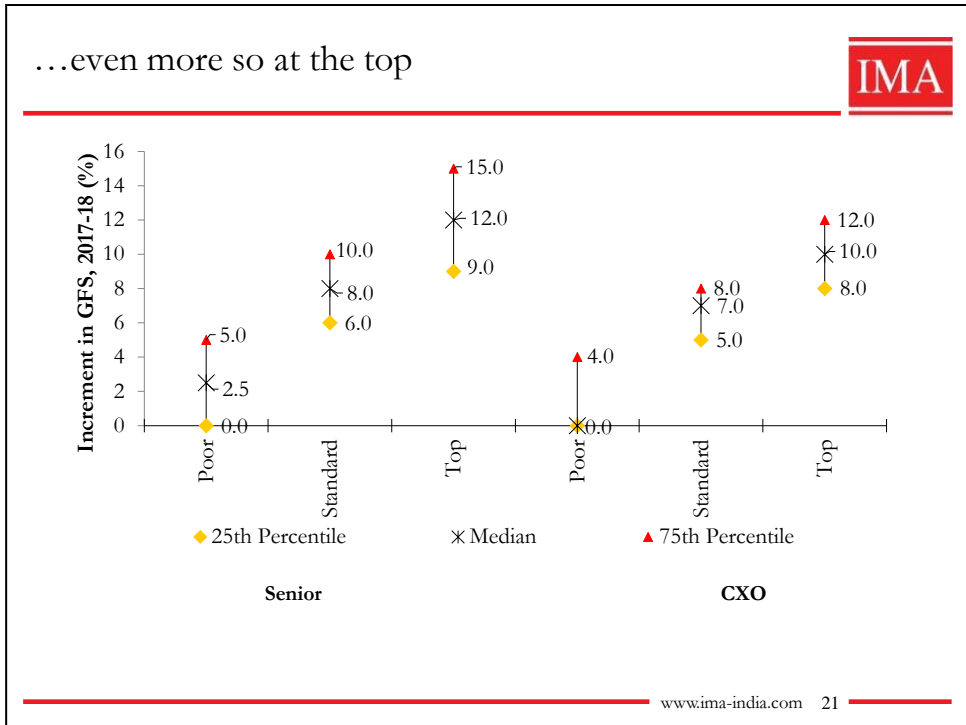




# Sample Results: The 18<sup>th</sup> Annual HR Survey (6/9)



# SAMPLE RESULTS (7/9)

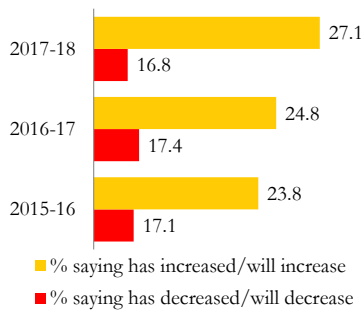


# Sample Results: The 18<sup>th</sup> Annual HR Survey (8/9)

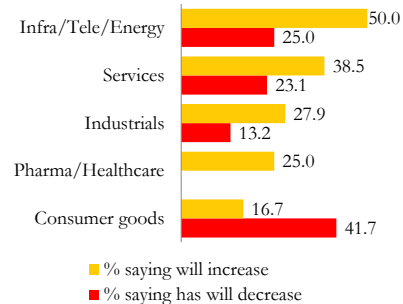
Only 27% of the firms plan to increase their blue-collar workforce in 2017-18; the bulk plan not to change it



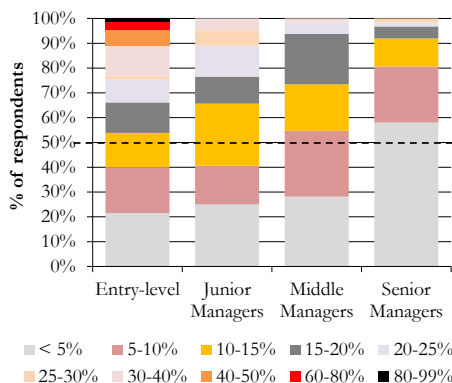
YoY change (%) in blue-collar workforce



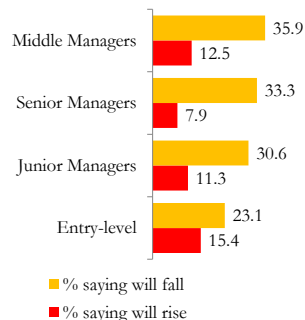
Blue-collar workforce will change most in the infra/tele/energy and service sectors



2016-17 Attrition Rates: Controlled



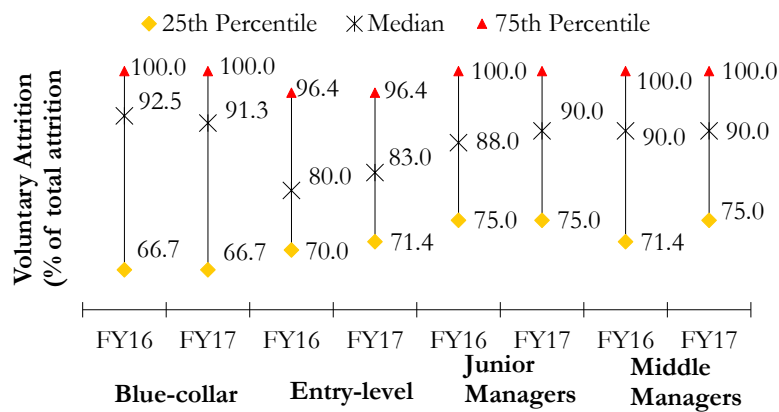
A third of the firms expect attrition to be lower in 2017-18 (compared to 2016-17) for junior, middle, and senior managers



- Median attrition stands at 10-15% for entry level employees and junior managers, but at a lower 5-10% for middle managers and under 5% for senior managers
- A greater chunk of firms expect this trend of low attrition to accelerate in 2017-18 than those that expect it to reverse

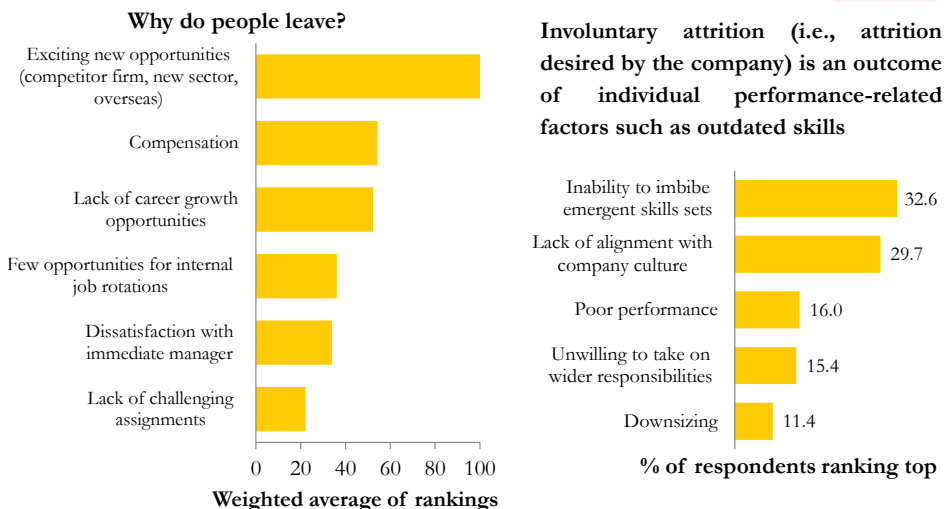
# Sample Results: The 18<sup>th</sup> Annual HR Survey (9/9)

Voluntary attrition (i.e., desired by the employee, not the company) ranges from 83-90% of total attrition



Involuntary attrition (i.e. where firms let go of employees) ranges from 10-17%, with the entry level under the greater pressure

New opportunities will take your key people, as will compensation levels. A razor-sharp focus on new skill sets and cultural alignment



Even as culture figures lower down in the list of immediate term priorities, cultural alignment is a deciding factor on the decision to continue with/promote people

# DERIVE LASTING VALUE

## IMA's HR SURVEY WILL HELP YOU



- **Assess** the impact of recent changes in the operating environment on talent strategies
- **Benchmark** compensation, increments, attrition, hiring plans with peer companies across industry, as well as within industry sectors, and by organisation size (in bands)
- **Understand** patterns in hiring and attrition across different levels
- **Spot** opportunities for improvement basis emerging benchmarks
- **Feed** insights into your talent strategy

## SUBSCRIPTION FEES



- For IMA's Forum Members **Rs 50,000**
  - For non-members **Rs 75,000**
- Government taxes are additionally applicable*
- Invited respondents to the survey receive the analysis free of charge as acknowledgement for their input*

## REPORT FORMAT & TIMELINE



- The report will be provided as a soft copy (PDF). Hard copies are available at an additional charge
- Key report highlights will be available by the 1<sup>st</sup> March and the final report by 30<sup>th</sup> March 2018