



EMPLOYEES AND EMPLOYERS PREFER VARIABLE PAY AND FLEXI BENEFITS ALONG WITH PLAIN SALARY INCREMENTS STATES TEAMLEASE REPORT

Average Variable Pay across hierarchies now 10.6% of the Compensation Mix

Bangalore, February 07, 2018: The changing dynamics of the job industry seems to be impacting the rewards and compensation structure states TeamLease Compensation & Total Rewards Trends Report. According to the report, both employees and employers seem to be moving towards total rewards wherein the share of variable pay and flexi benefits are significant. In fact, the variable pay for Senior Management has risen to 25%-30% from 18% - 20%. Similarly, there has been a significant rise in the Middle Management (10% - 12% earlier to 18% - 20% today) as well as the Junior Management (05% - 08% earlier to 10% - 12% currently)

KEY FINDINGS OF THE SURVEY

- *A radical compensation mix – comprising 60% to 40% fixed-to-variable and 38% to 85% intangible-to-tangible – is ushering in the Total Rewards era in India*
- *A holistic employee perspective has upped spending on recognition to 52% of benefits budgets and on privileges to 55%, with new-age businesses bringing fun, finance and wellness together*
- *With nil impact of GST on gifts and perquisites, and little impact on most other components flexi-benefits potentially increase net income for employees by 28%*
- *Benefit plans while joining the organization attract 74% of potential employees, while to health/wellness plans, and financial benefits help retain 57% of people. 68% prefer flexi rewards, WFH and insurance plans as a satisfaction driver and 55% employees are likely to recommend the organization basis maternity/paternity benefits, performance bonus and stock options availability*

A detailed analysis, as per the study not only variable pay even flexi- benefits are gaining momentum and becoming a critical component of total rewards. They seem to be yielding higher value amongst employees, lower costs for employers, and better tax benefits. While the cost to the business in providing flexible benefits is 25% of the total HR budget, which in turn is around 10-15% of the employees' total salary package. However, the perceived value of these benefits is nearly 42% of the compensation package and hence new-age companies are innovating in every way to bring in the employee delight. Professional development and educational benefits are the most preferred benefits for employees followed by pay raise, healthcare plan and performance bonus amongst others.

Commenting on the report, **Ms. Sonal Arora, Vice President, TeamLease Services**, said, "While flexi benefits have become a popular medium to please and retain employees, organizations need to be honest with their intent, put earnest effort and prioritize on aligning rewards with business objectives, communicate effectively and personalization."



The detailed report, analyzing a plethora of sectors elaborates that variable pay and long term incentives gain more currency as one goes up the hierarchy. Executive compensation is heavily loaded with components and they comprise almost half the total compensation, right at the top. For a mid management employee the actual average variable pay stands at 15.1% while the same for a CXO is 22.8%.

The report further analysis what flexible benefits across different sectors. The traditional sectors like manufacturing, healthcare & pharma, BPO/ITeS offer a wide range of options in the Compensation & Benefits mix, to cater to a broad-based workforce. While the new economy businesses like BFSI, e-commerce, IT, telecommunication and FMCG/D have rationalized the benefits mix by stripping it of elements that employees perceive as irrelevant. Also, sectors like retail, media & entertainment, travel & tourism that are seen to be fun places to work at have a lean compensation & benefits structures.

Another interesting finding that the report showcases is how the reward value retention is perceived differently by employees and the employers at different stages of the employee cycle. While attracting the employee to a new job, the employer thinks of career advancement opportunity as the most important criteria for an employee the base pay/salary is what attracts him/her to the new job.

The report covering employees across age, qualification, profession and cities elaborated that 63% of candidate preferred no dress code for in office, 42% candidates prefer relaxed and open plan offices as their desired workplace environment. For indispensable elements of total rewards 87% candidates' preferred personalized healthcare and insurance plan, 67% opted for career advancement opportunities and a close 62% chose flexible working hours, vacation and telecommuting.

About TeamLease Services Limited

Established in 2002 with 4 offices, 20 clients and 40 employees, TeamLease is now India's largest and foremost people supply chain company in the country. Currently, TeamLease has a presence in 150 locations, with 2200+ corporate clients and 1800 employees. The company started with Temporary Staffing and then after adding Permanent Recruitment in 2004, further expanded its portfolio to incorporate Payroll Outsourcing, Labour Compliances and Training Services to become a one stop solution for Staffing & HR Services. TeamLease in partnership with the Government of Gujarat set up TeamLease Skills University (TLSU), India's first vocational university, at Vadodara. In FY2014, TeamLease rolled out NETAP (National Employability through Apprenticeship Program) to provide on-the-job training to apprentices. This set in motion the larger mission of the company of 'Putting India to Work' by focusing on its vision of the 3 Es – Employment, Employability and Education. The company currently has 155,000 associates/trainees across the country and has till date hired 1.6 million kids with an aim to hire millions more.