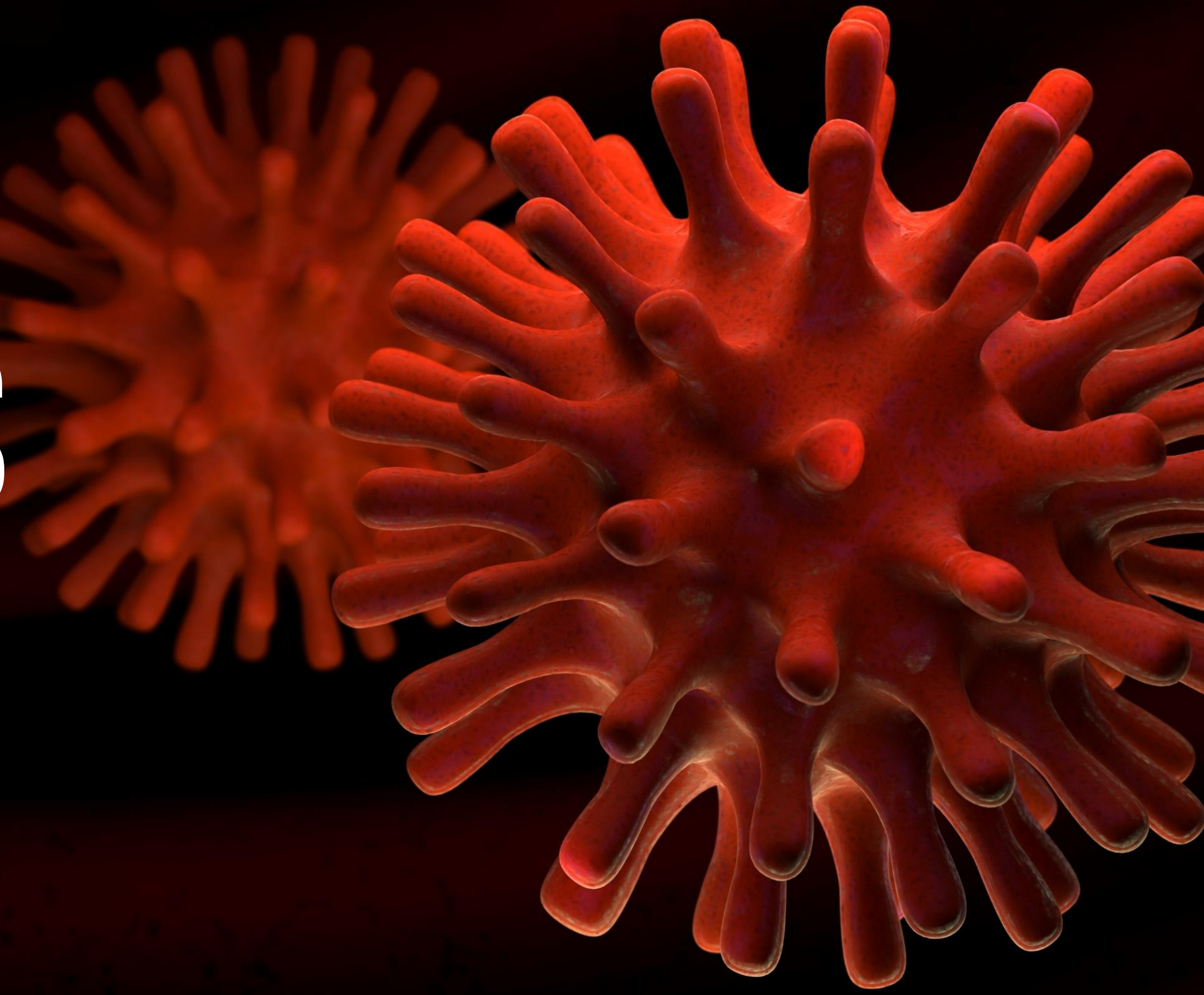
KPMG

Cutting through crisis

KPMG in India’s COVID-19 HR practices survey report



Management Consulting

May 2020

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Introduction

The business world is constantly grappling with the unprecedented change and impact caused by the COVID-19. In view of the same, we curated the *KPMG in India's COVID-19 HR Practices Survey*, which aims to capture and understand the impact of the COVID-19 pandemic on the key HR processes, policies and interventions across industries. This survey was administered and garnered responses from **315** organisations across **20** industry sectors.

This report highlights the survey outcomes and showcases our understanding of the impact of the COVID-19 pandemic on a wide gamut of HR practices and processes like - employee well-being, engagement, recruitment, compensation and benefits, performance management, learning and development, etc.

Our approach:

1. **Survey design:**
   Key parameters of the study were finalised and a structured questionnaire was designed
2. **Data collection:**
   Platform agnostic online survey was launched and responses were received
3. **Data auditing:**
   All responses were audited for quality and completeness
4. **Data analysis:**
   Data was analyzed to generate insights across sectors and other key demographics
5. **Report launch:**
   Overall report on Cutting through crisis launched

Summary of key findings

Organisation support and well-being

- While **68 per cent** responding organisations admitted that they are **mature to support remote working,** only **48 per cent** of the organisations are supporting their employees by providing **laptops with secured connection** to ensure smooth remote working.
- **72 per cent r**espondents confirmed the adherence of basic precautionary health measures like usage of sanitizers by their firms, select organisations have gone a mile ahead to ensure safety of their on-site employees by adopting practices such as **daily fumigation** of transport buses, plant workspace, **boosting immunity** through healthy supplements and food etc.

Employee engagement and communication

- **75 per cent** of organisations have re-defined their communication strategy to increase engagement of employees, **virtual team meetings** and **briefing for employees by leadership** being the top two leading engagement practices.
- Additionally, few companies have enabled **AI-enabled pulse surveys** to capture well- being of employees more frequently.

Learning and development

- Current crisis is pushing majority of corporates to take the leap and switch to **e-webinars (27 per cent)** and ‘**e-learning’ (26 per cent).**

Long-term perspective

- If COVID-19 situation persists, around **22 per cent** of the organisations will defer, freeze or suspend incentive payouts to support their overall finances.
- Few organisations are also exploring to offer **Voluntary Retirement Service (VRS)** to employees.

Compensation and benefits

- While **50 per cent** organisations across industries are keeping their **salary increment budgets unchanged**, **around 36 per cent** organisations have opted for decreasing the salary increment budgets.
- Incentives such as Short Term Incentive (STI), Long Term Incentive (LTI) and sales incentives are being kept unchanged across levels by majority of industries; however **28 per cent** of the responding organisations admitted to having **reduced STIs at the senior and top management levels.**
- With health of employees being the focus for all organisations, there was a positive trend observed in some sectors such as advisory, consumer goods, etc. have reported an upward revision of the insurance benefits.

Promotions

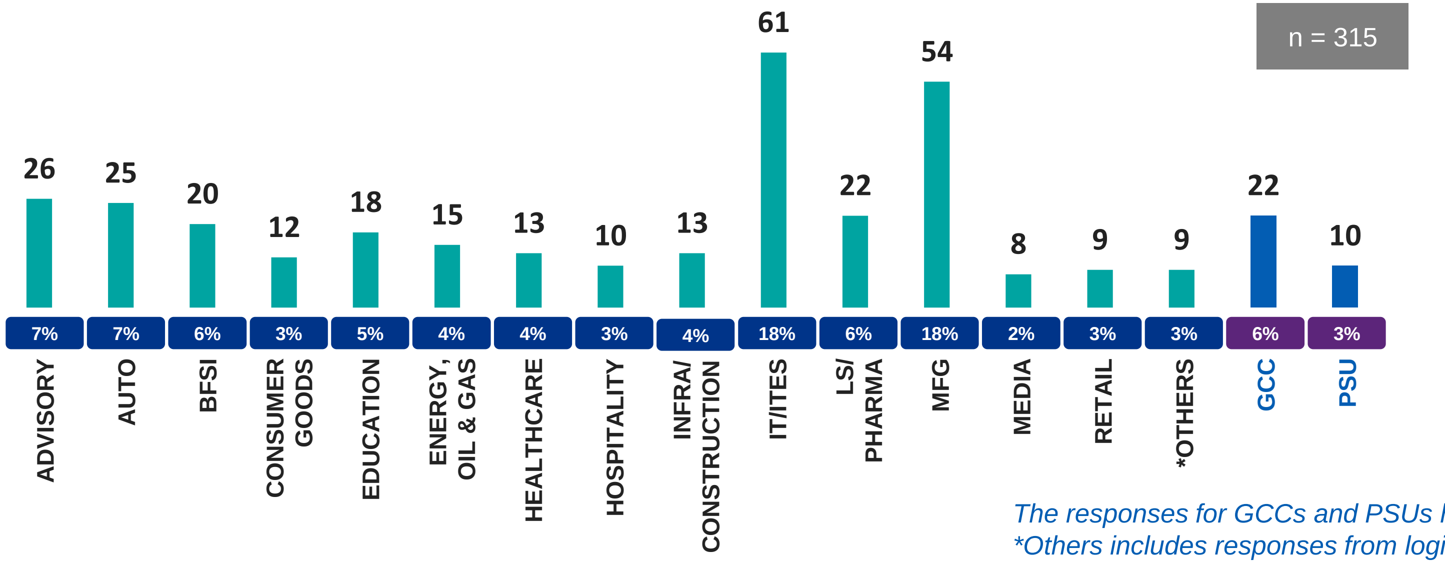
- **50 per cent** of the companies have deferred or suspended their promotion schedule; at the same time a downward trend on promotions numbers across all job levels was observed wherein **33 per cent** of organisations admitted to having reduced it.

Recruitment

- **66 per cent** of organisations have deferred or suspended their hiring schedule at different job levels, while **30 per cent** have also reduced their headcount budgets.
- Contract/part-time/gig workforce are the most impacted by this downward trend in recruitment.

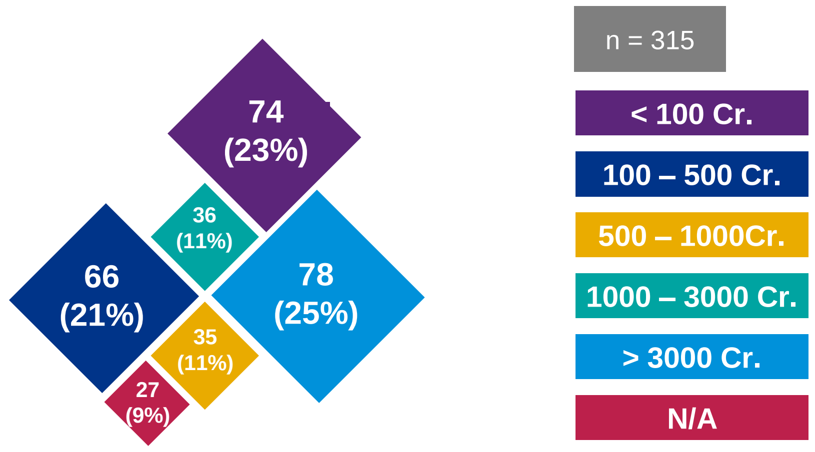
Participant demographics

Participant distribution

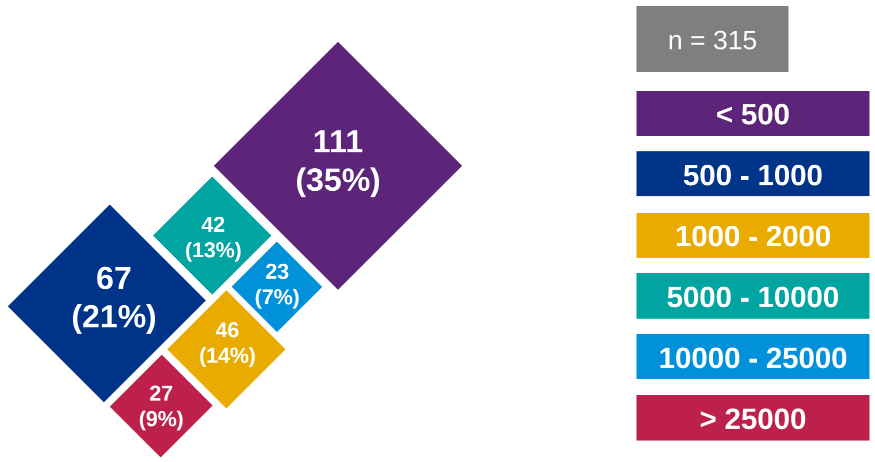


The responses for GCCs and PSUs have been captured separately
**Others includes responses from logistics, aviation, telecom and conglomerates*

Sales turnover



Employee strength

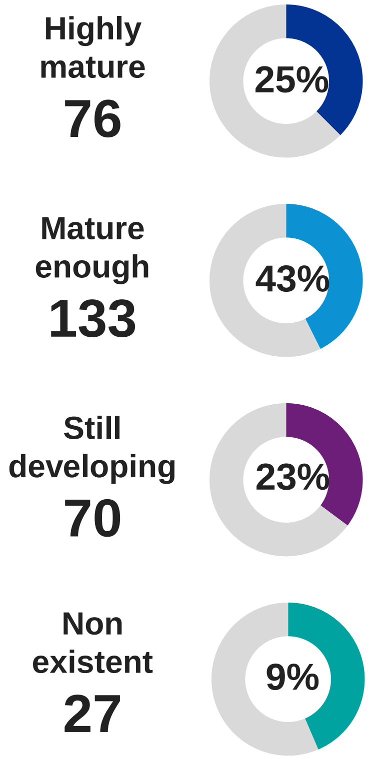


Organisation support and well-being

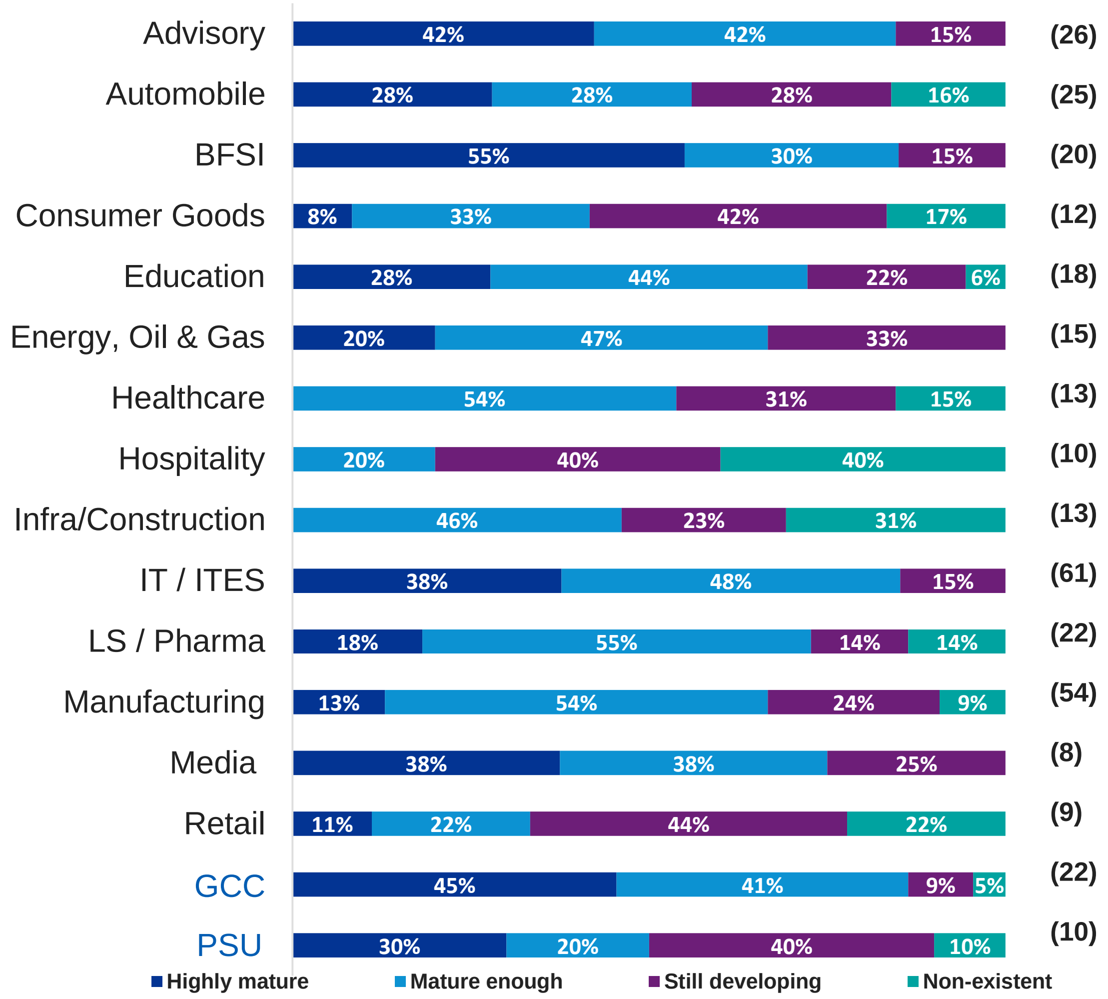
Organisational maturity for work from home employees

n = 306

OVERALL



SECTORS



The responses for GCCs and PSUs have been captured separately

Key observations:

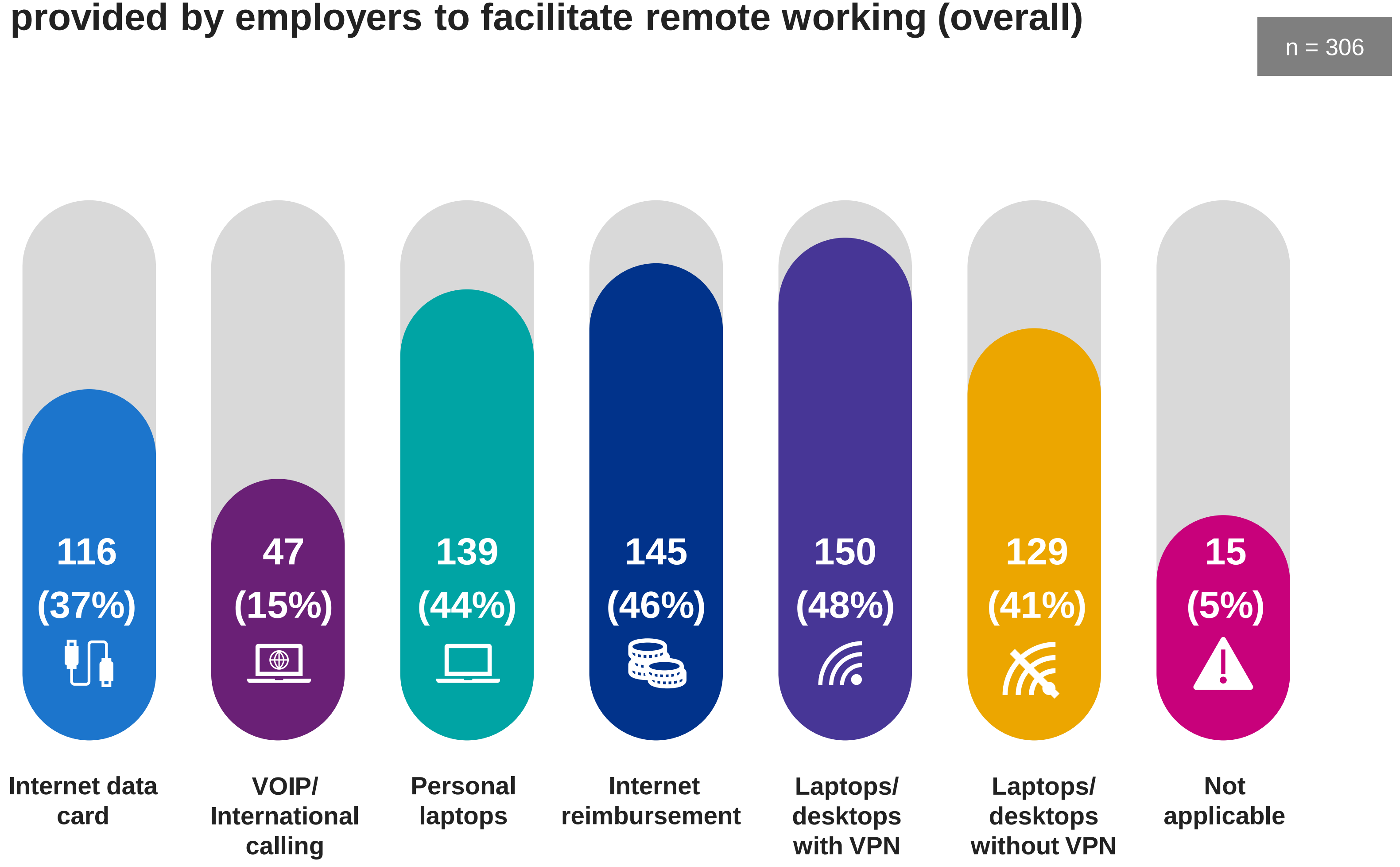
- **68 per cent of responding organisations** rated themselves **highly mature or mature enough** on work from home practices
- **91(80%)** of organisations in **IT, ITES, BFSI** and **advisory** sectors rated their practices as highly mature or mature enough.
- Limited organisations from **hospitality (2), retail (3) and consumer goods (5)** rated themselves as highly mature or mature enough.

Organisational maturity:

The term **'organisation maturity'**, here, is used to denote the level of maturity of an organisation's infrastructure and practices to support work from home for their employees

Organisation support and well-being

Support provided by employers to facilitate remote working (overall)



Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

Key observations:

- Most organisations extended multifaceted **support system to their employees to operationalise remote working,** however **5 per cent** organisations still reported **no remote working** practices or infrastructure
- Some of the prevalent and unique practices observed across industry, to ascertain smooth transition to remote working are:
  - Delivering desktops at employees doorsteps
  - Transition to online platforms for video conferencing, collaboration and file sharing
  - Providing laptop with secured network/VPN for data security,
  - Facilitating internet reimbursement option vis-à-vis the internet data card

Organisation support and well-being

Support provided by employers to facilitate remote working (sector-wise)

n = 306

	Internet data card	VOIP/international calling	Personal laptops	Internet reimbursement	Laptops/desktops with VPN	Laptops/desktops without VPN	N/A
Advisory	3 (12%)	7 (27%)	3 (12%)	15 (58%)	16 (62%)	21 (81%)	3 (12%)
Auto	4 (16%)	8 (32%)	12 (48%)	5 (20%)	6 (24%)	8 (32%)	-
BFSI	3 (15%)	11 (55%)	2 (10%)	13 (65%)	15 (75%)	6 (30%)	-
Consumer Goods	7 (58%)	10 (83%)	7 (58%)	7 (58%)	7 (58%)	2 (17%)	2 (17%)
Education	2 (11%)	6 (33%)	8 (44%)	6 (33%)	4 (22%)	7 (39%)	3 (17%)
Energy	5 (33%)	6 (40%)	6 (40%)	8 (53%)	5 (33%)	12 (80%)	-
Healthcare	-	4 (31%)	5 (38%)	8 (62%)	4 (31%)	7 (54%)	1 (8%)
Hospitality	-	5 (50%)	5 (50%)	1 (10%)	1 (10%)	6 (60%)	-
Infra/ Construction	-	5 (38%)	9 (69%)	5 (38%)	3 (23%)	5 (38%)	3 (23%)
IT/ITES	16 (26%)	21 (34%)	32 (52%)	35 (57%)	48 (79%)	17 (28%)	-
LS/Pharma	1 (5%)	6 (27%)	10 (45%)	12 (55%)	13 (59%)	5 (23%)	2 (9%)
Manufacturing	4 (7%)	22 (41%)	26 (48%)	17 (31%)	18 (33%)	22 (41%)	-
Media	-	1 (13%)	3 (38%)	3 (38%)	1 (13%)	5 (63%)	-
Retail	1 (11%)	3 (33%)	6 (67%)	1 (11%)	1 (11%)	3 (33%)	-
GCC	5 (23%)	5 (23%)	8 (36%)	14 (64%)	17 (77%)	8 (36%)	1 (5%)
PSU	-	4 (40%)	7 (70%)	6 (60%)	2 (20%)	4 (40%)	-

Highlighted white boxes denote most prevalent practices

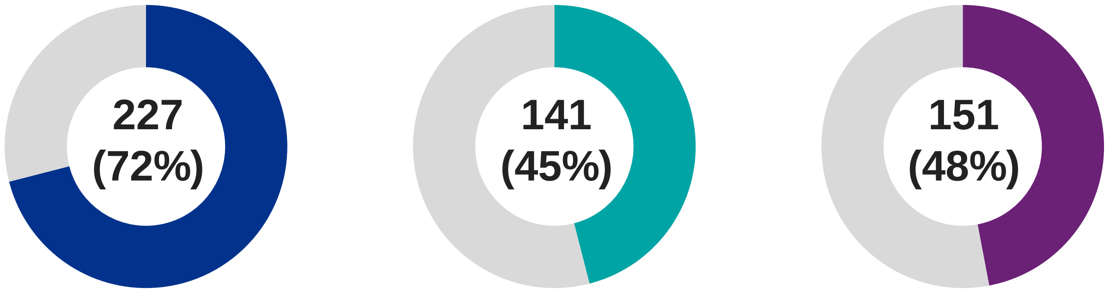
Key observations:

- Top three sectors that issued laptops with secured internet connections are **BFSI, IT/ITES** and **GCC**
- Usage of personal laptop with adequate security was found prevalent in **PSUs, infrastructure** and **retail** companies
- Usage of **internet data card** was found prevalent only in **consumer goods** sector

Organisation support and well-being

Precautionary measures taken by organisations for the onsite employees

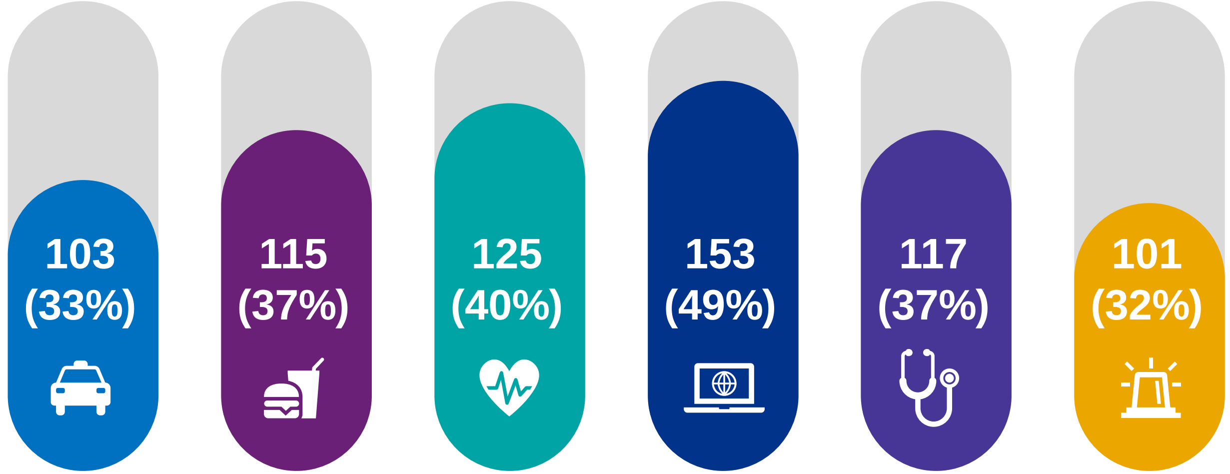
n = 306



Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

Some additional initiatives taken by organisations

n = 306



Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

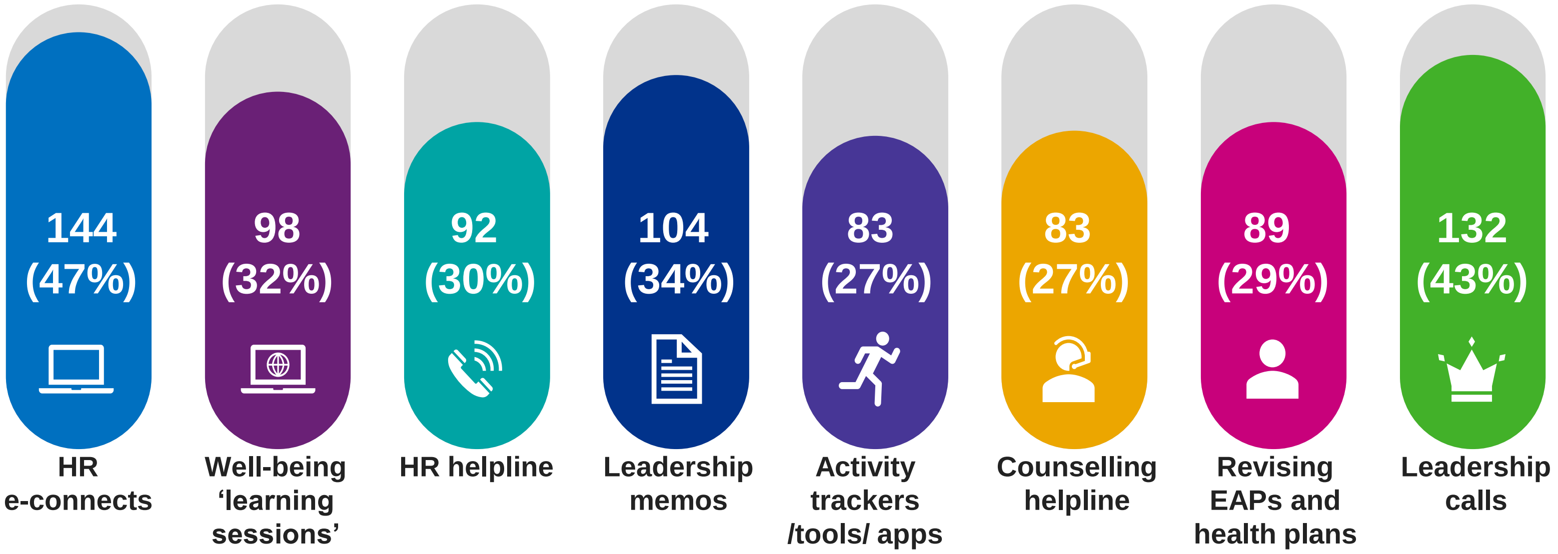
Key observations:

- **72 per cent** organisations are following the mandate of providing the minimum precautionary measures like use of sanitizers
- Meanwhile, majority of the organisations are conducting temperature checks and frequent **fumigations** of office premises
- Select organisations are also conducting daily fumigation of company transport buses and providing dietary supplements like **fruits, and vitamin C** to employees to boost their immunity, while avoiding the usage of disposable cutlery in canteens to avoid contamination

Organisation support and well-being

Measures organisations are taking to monitor employee well-being

n = 306

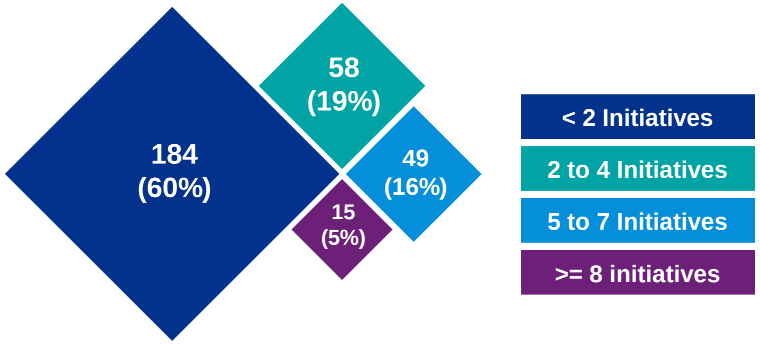


EAP = Employee Assistance Program

Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

Count of well-being practices adopted by organisations

n = 306



- **275(90%)** of the respondents have at least **one initiative** around well-being of employees.
- **64(21%)** are quite proactive and have **5 or more initiatives** to support employee well-being.

Key observations:

- Creativity is the key to success in the future, and currently HR teams across firms are looking for innovative ways to engage with their employees on wellness programmes.
  - Topping the chart for monitoring employee wellness are - HR e-connect and Leadership call/connect
  - Meanwhile **27 per cent** organisations have also incorporated activity tracker apps and introduced counselling helpline
  - Amongst the well-being learning sessions, most organisations have either organised virtual yoga OR light exercise sessions for employees and their families
  - **13 per cent** of the firms have even gone ahead to organise 'Virtual 5K Runs' for their overseas workforce
  - Wellness radio talk shows is another innovative practice which has been adopted by **16 per cent** of the organisations

Key takeaways:

Support for onsite staff

- Most organisations have enforced a work from home for the safety and well-being of employees, however critical sectors under essential services continue to operate with reduced workforce, such as healthcare, energy, oil and gas, banking, media to name a few.
- These organisations are taking necessary measures to provide support for the on-site workers which includes the following
  - Distribution of sanitizers, masks and necessary Personal Protective Equipment's (PPEs), based on the type of role
  - Multiple time slots during lunch and break hours to minimise the rush
  - Fumigation and deep cleaning of individual workspace after every shift operation and daily fumigation of transport buses
  - Spacing out the employees in warehouses and workstations to ensure social distancing
  - Posters and mailers highlighting social distancing best practices
  - Provision of healthy food and vitamin supplements to boost immunity

Support for remote workers

- As higher percentage of employees work from home, there is an increasing need to extended support to them in order to ascertain business continuity and employee welfare. Some of the practices which can be adopted by organisations are:
- Technical support – Provision of hotlines for the technical support related to remote working
- Communication – With most remote workers managing their household priorities, clearly communicate Do's and Don'ts of remote working to manage their time effectively
- Flexible working – Parents dependent on daycare centers and household support would find work from home even more challenging. Organisations may look at alternate shifts, change in schedule, dialing down the work and allowing day offs

Employee well-being

- **Psychological well-being**: Organisations should focus on leveraging Employee assistance programs for employees to manage their personal and work-related time and build resilience. Multiple organisations are setting up 'HR connect' and Counselling helplines to address challenges arousing from elevated stress and anxiety levels.
- **Physical well-being:** Organisations needs to focus on providing guidance on health and fitness by promoting home-workout routines, regular and sufficient breaks, and ergonomics of work from home.
- **Financial assistance**: Managing personal finances being a critical element for the employees, both long-term and short-term financial planning can be an added support provided by the organisations.

Employee engagement and communication

Practices adopted by organisations to keep employees engaged

n = 236

OVERALL

58(25%)
Surveys

100(42%)
Webinars

146(62%)
Leadership briefings

20(8%)
AI enabled pulse surveys

118(50%)
Policy related mailers

118(50%)
Teleconferences

165(70%)
Virtual team meetings

Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

Key observations:

- **Virtual team meetings**, **leadership briefings** and **teleconferences** are the most used engagement and communication practices
- Organisations are redefining their talent strategies, with higher focus been given to designing interventions to engage and retain critical, high potential and essential workforce:

188 (80%)
Critical workforce

163 (69%)
High potentials

194 (82%)
Essential workforce

Employee engagement and communication

Key takeaways:

Keeping employees engaged during uncertain times:

To win in the marketplace, organisations must first win in the workplace. In the current scenario and uncertain times, there is a spike in stress, anxiety and burnout levels among the employees.

This calls for rethinking employee engagement strategy to keep workforce engaged and motivated in order to enable them to remain productive. As reflected by the survey data, more than **75 per cent** of the organisations have redefined their employee engagement and organisation communication strategies to ensure high engagement of their workforce in COVID-19.

Mentioned below are some of the key observations from the survey:

- The top three most used mediums today are leadership briefings, virtual team meetings and teleconferences, indicating that organisations are aware of the prevailing stress and anxiety levels of employees. They are using various mediums to communicate and engage employees and reassure them of the steps being taken to overcome the crisis.
- Organisations are choosing not to differentiate among engagement mediums for critical and non-critical workforce at this point of time, thus giving equal opportunity and support to all employees.
- Virtual meeting has emerged as the most common form of communication on a daily basis. On the other hand, static pulse surveys are used most frequently on bi-weekly and monthly basis. However, only select organisations are using AI-enabled pulse surveys or employee listening surveys. This clearly indicates lack of preparedness with regards to use of advance technology for connecting with employees.

How can we engage employees differently?

In the current scenario and for the future post COVID- 19, AI and ML-based digital technology will play a key role in employee engagement. Managing employee emotions is a key aspect that organisation engagement teams and business managers will need to address increasingly, in order to retain productivity, quality of work and business continuity. Mentioned below are pointers that leaders and managers could leverage to effectively engage their workforce.

- Organisation sensing: Information is key to managing uncertainty and formulating action. Increasing need for organisations to sense real time what their employees are 'feeling' and thinking especially during COVID-19 times.
- Strengthen organisation values: At times like this, it becomes even more important to align organisation values with employee values. Reinforcing the organisation values and positive behaviours will enable the organisation to overcome this crisis smoothly.
- Change Work From Home (WFH) to Work Happy/Healthy From Home (WHFH): Provide adequate well-being measures to keep employees healthy, productive and engaged.

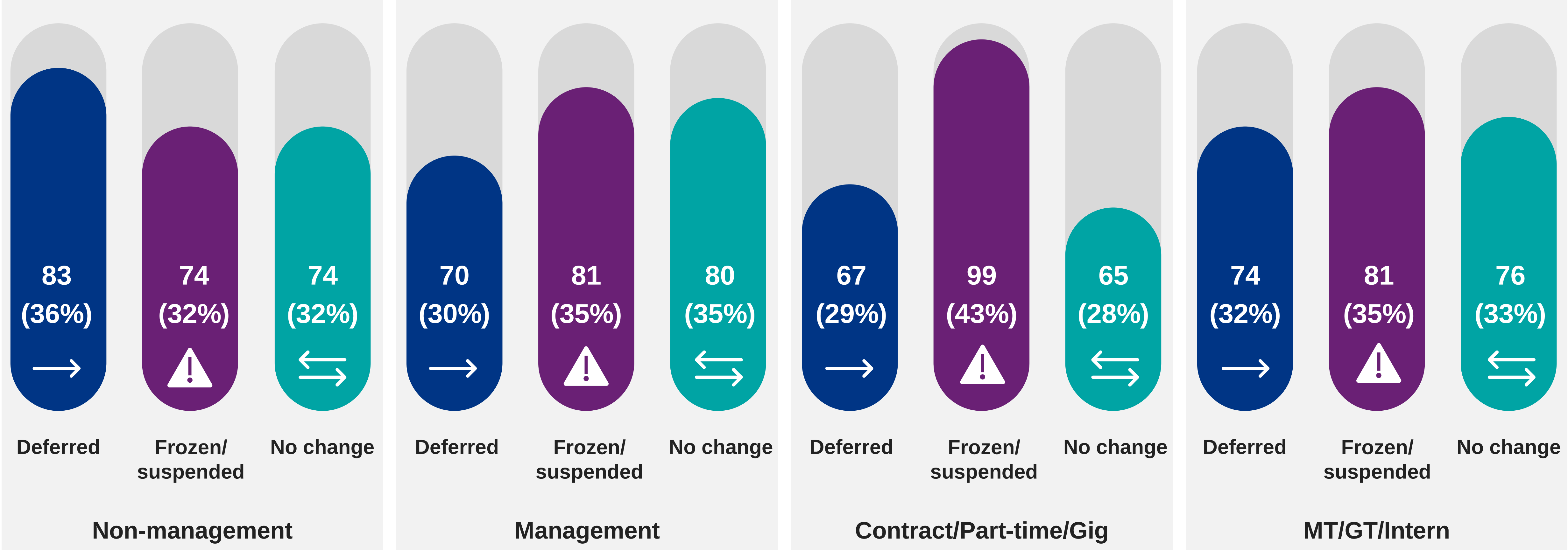
Recruitment

Changes made to hiring schedule for different job levels (overall)

n = 231

Key observations:

- Across job roles, except at **non-management** levels, most companies have opted to go ahead with **freezing** or **suspending** hiring
- At **non-management** levels, meanwhile, the focus has been on **deferring** hiring **(36 per cent)** for the time being



Recruitment

Changes made to hiring schedule for different job levels (sector-wise)

n = 231

	Non-management			Management			Contract/Part-time/Gig			MT/GT/Intern		
	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change
Overall average	83(36%)	74(32%)	74(32%)	70(30%)	81(35%)	80(35%)	67(29%)	99(43%)	65(28%)	74(32%)	81(35%)	76(33%)
Advisory	5(33%)	4(27%)	6(40%)	5(33%)	6(40%)	4(27%)	5(33%)	3(20%)	7(47%)	6(40%)	3(20%)	6(40%)
Auto	5(28%)	7(39%)	6(33%)	1(6%)	10(56%)	7(39%)	6(33%)	7(39%)	5(28%)	4(22%)	8(44%)	6(33%)
BFSI	7(47%)	2(13%)	6(40%)	6(40%)	3(20%)	6(40%)	4(27%)	6(40%)	5(33%)	6(40%)	4(27%)	5(33%)
Consumer Goods	3(38%)	2(25%)	3(38%)	3(38%)	2(25%)	3(38%)	3(38%)	3(38%)	2(25%)	3(38%)	2(25%)	3(38%)
Education	5(42%)	4(33%)	3(25%)	4(33%)	4(33%)	4(33%)	5(42%)	4(33%)	3(25%)	4(33%)	6(50%)	2(17%)
Energy	4(50%)	3(38%)	1(13%)	4(50%)	3(38%)	1(13%)	3(38%)	4(50%)	1(13%)	3(38%)	3(38%)	2(25%)
Healthcare	4(40%)	5(50%)	1(10%)	4(40%)	5(50%)	1(10%)	3(30%)	5(50%)	2(20%)	4(40%)	3(30%)	3(30%)
Hospitality	2(29%)	3(43%)	2(29%)	2(29%)	3(43%)	2(29%)	2(29%)	3(43%)	2(29%)	2(29%)	3(43%)	2(29%)
Infra/Construction	6(46%)	3(23%)	4(31%)	6(46%)	3(23%)	4(31%)	5(38%)	5(38%)	3(23%)	5(38%)	4(31%)	4(31%)
IT/ITES	13(30%)	15(34%)	16(36%)	12(27%)	14(32%)	18(41%)	9(20%)	18(41%)	17(39%)	11(25%)	15(34%)	18(41%)
LS/Pharma	6(30%)	5(25%)	9(45%)	7(35%)	5(25%)	8(40%)	3(15%)	10(50%)	7(35%)	5(25%)	9(45%)	6(30%)
Manufacturing	17(37%)	17(37%)	12(26%)	10(22%)	19(41%)	17(37%)	14(30%)	25(54%)	7(15%)	16(35%)	16(35%)	14(30%)
Media	3(43%)	2(29%)	2(29%)	3(43%)	2(29%)	2(29%)	2(29%)	3(43%)	2(29%)	3(43%)	2(29%)	2(29%)
Retail	3(38%)	2(25%)	3(38%)	3(38%)	2(25%)	3(38%)	3(38%)	3(38%)	2(25%)	2(25%)	3(38%)	3(38%)
GCC	7(44%)	3(19%)	6(38%)	5(31%)	7(44%)	4(25%)	3(19%)	6(38%)	7(44%)	6(38%)	7(44%)	3(19%)
PSU	2(33%)	2(33%)	2(33%)	2(33%)	2(33%)	2(33%)	4(67%)	-	2(33%)	2(33%)	1(17%)	3(50%)

Highlighted white boxes denote most prevalent practices

Key observations:

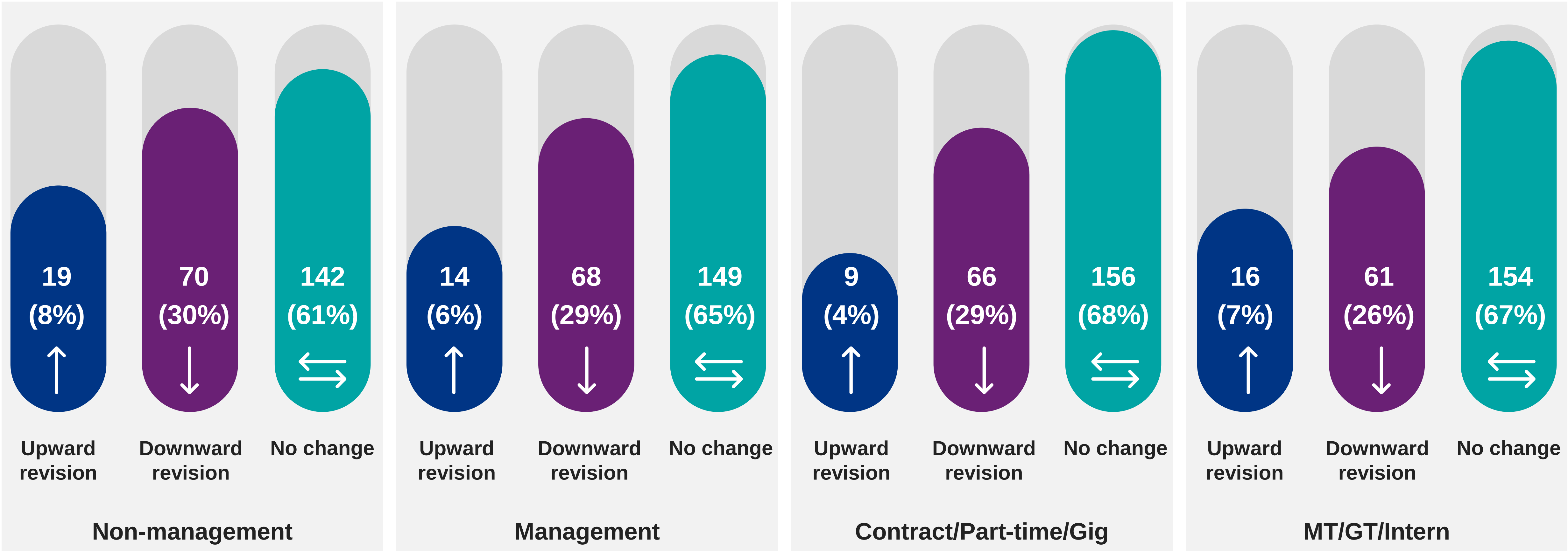
- **66 per cent** of organisations have deferred or suspended their hiring schedule across job levels
- Among companies which have deferred or suspended hiring, contract/part-time/gig workforce is the most affected across all job levels at a stark **72 per cent (166)**
- Sectors such as **IT/ITES, life sciences/pharma, advisory** and **consumer goods** report very few organizations who have suspended hiring schedule

Changes made to hiring headcount budget for different job levels (overall)

n = 231

Key observations:

- Companies, in general **(~65 per cent)**, are opting to bring about **no change** to their hiring headcount budgets across roles and levels
- While only few companies are going ahead with **upward revision** of hiring headcount budgets, about **30 per cent** of them are opting for a **downward revision**



Recruitment

Changes made to hiring headcount budget for different job levels (sector-wise)

n = 231

	Non-management			Management			Contract/Part-time/Gig			MT/GT/Intern		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	19(8%)	70(30%)	142(61%)	14(6%)	68(29%)	149(65%)	9(4%)	66(29%)	156(68%)	16(7%)	61(26%)	154(67%)
Advisory	5(33%)	4(27%)	6(40%)	-	6(40%)	9(60%)	-	4(27%)	11(73%)	2(13%)	3(20%)	10(67%)
Auto	-	5(28%)	13(72%)	1(6%)	5(28%)	12(67%)	2(11%)	5(28%)	11(61%)	2(11%)	4(22%)	12(67%)
BFSI	-	4(27%)	11(73%)	-	4(27%)	11(73%)	-	4(27%)	11(73%)	-	5(33%)	10(67%)
Consumer Goods	1(13%)	2(25%)	5(63%)	-	2(25%)	6(75%)	-	2(25%)	6(75%)	-	2(25%)	6(75%)
Education	-	8(67%)	4(33%)	2(17%)	3(25%)	7(58%)	-	4(33%)	8(67%)	1(8%)	5(42%)	6(50%)
Energy	-	3(38%)	5(63%)	-	3(38%)	5(63%)	-	4(50%)	4(50%)	-	4(50%)	4(50%)
Healthcare	1(10%)	4(40%)	5(50%)	1(10%)	5(50%)	4(40%)	1(10%)	4(40%)	5(50%)	1(10%)	4(40%)	5(50%)
Hospitality	-	2(29%)	5(71%)	-	3(43%)	4(57%)	-	2(29%)	5(71%)	-	2(29%)	5(71%)
Infra/Construction	-	4(31%)	9(69%)	-	4(31%)	9(69%)	-	4(31%)	9(69%)	1(8%)	3(23%)	9(69%)
IT/ITES	3(7%)	10(23%)	31(70%)	4(9%)	10(23%)	30(68%)	1(2%)	10(23%)	33(75%)	5(11%)	8(18%)	31(70%)
LS/Pharma	2(10%)	5(25%)	13(65%)	1(5%)	5(25%)	14(70%)	1(5%)	5(25%)	14(70%)	1(5%)	4(20%)	15(75%)
Manufacturing	5(11%)	15(33%)	26(57%)	4(9%)	13(28%)	29(63%)	4(9%)	13(28%)	29(63%)	2(4%)	13(28%)	31(67%)
Media	1(14%)	2(29%)	4(57%)	1(14%)	2(29%)	4(57%)	-	2(29%)	5(71%)	1(14%)	1(14%)	5(71%)
Retail	1(13%)	2(25%)	5(63%)	-	3(38%)	5(63%)	-	3(38%)	5(63%)	-	3(38%)	5(63%)
GCC	2(13%)	4(25%)	10(63%)	2(13%)	4(25%)	10(63%)	1(6%)	4(25%)	11(69%)	-	3(19%)	13(81%)
PSU	-	1(17%)	5(83%)	-	-	6(100%)	-	1(17%)	5(83%)	-	1(17%)	5(83%)

Highlighted white boxes denote most prevalent practices

Key observations:

- **30 per cent** of organisations have revised their hiring headcount budget downward across all job levels, with many organisations freezing any new hiring
- Of the companies surveyed, only **6 per cent** seem to have an upward revision of hiring more employees.
- Sectors such as **IT/ITES**, **life sciences/pharma** and **consumer goods** report very few organizations who have resorted to a downward revision of budget

Key takeaways:

Recruitment during COVID- 19 times

COVID-19 pandemic has caught organisations unprepared and has hit businesses in different ways, recruitment and broader talent acquisition strategies being no exception to this. Organisation workforce planning and recruitment is likely to be largely affected by how leaders see organisations reshaping in coming years, new ways of working, changing job roles and recruitment marketplace.

The two immediate areas to be focused upon by organisations are workforce and recruitment planning. The current financial year hiring plans will be impacted the economic and financial health of the organisation in the above two areas. Organisation's relationship with future employees will also be determined by how new potential recruits are engaged during these times.

- The industry sectors which seems to be affected most by this are: hospitality, infrastructure and manufacturing, which are highly workforce dependent
- However, lower impact is expected on sectors which are either related to essential services or have heavily invested in technology enablement to complement workforce, like healthcare, IT/ITES, consumer goods

Challenges and how we can overcome them

Mentioned below are key interventions that organisations could continue to focus upon to stay relevant and ensure connect with potential recruits.

- Prepare for liquid workforce: Identify, attract and communicate to candidates who can complement skills in the organisation. This gives leverage to organisations to quickly maneuver roles and ensure minimal impact to productivity in case of crisis.
- Invest in technology for talent acquisition: This is the need of the hour and for the future as well. Talent acquisition teams need to invest in remote hiring and onboarding models and systems. Digitalising all aspects of recruitment from sourcing to induction to ensure smart hiring and adopting AI/chat bot-driven processes to improve efficacy.
- Clarity in communications: It is important for organisations to stay transparent and ensure open communication with help of various mediums. Organisations will benefit from communicating with masses over social media and company website about recruitment strategies like hiring freeze or re-opening recruitment process. They need to be empathetic and respectful in their approach so as to retain their brand value.

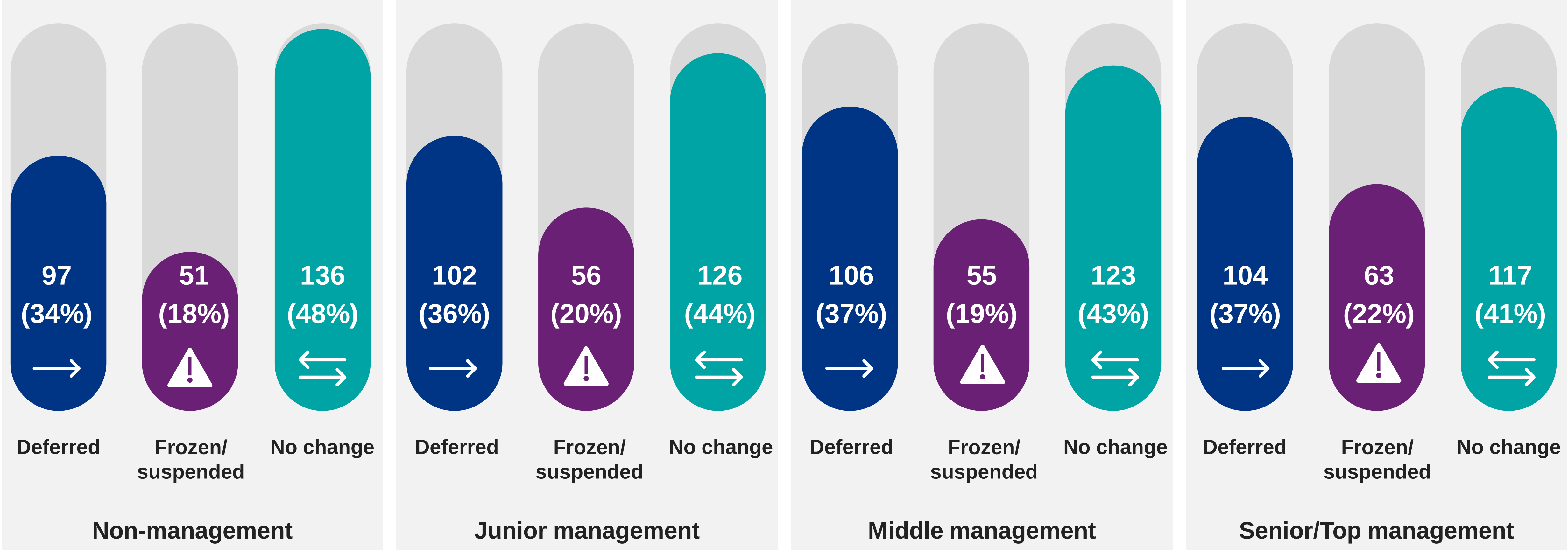
Compensation and benefits

Interventions foreseen around increment review cycle (overall)

n = 284

Key observations:

- Majority of organisations **(~40 per cent)** have reported that they plan to keep their increment review cycle unchanged
- **Deferring** the increment review cycle is the next popular option, as this will give opportunity for organisations to wait and watch the impact of COVID-19



Compensation and benefits

Interventions foreseen around increment review cycle (sector-wise)

n = 284

	Non-management			Junior management			Middle management			Senior/Top management		
	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change	Deferred	Frozen/ suspended	No change
Overall average	97 (34%)	51 (18%)	136 (48%)	102 (36%)	56 (20%)	126 (44%)	106 (37%)	55 (19%)	123 (43%)	104 (37%)	63 (22%)	117 (41%)
Advisory	13 (54%)	4 (17%)	7 (29%)	15 (63%)	2 (8%)	7 (29%)	13 (54%)	4 (17%)	7 (29%)	15 (63%)	4 (17%)	5 (21%)
Auto	10 (42%)	5 (21%)	9 (38%)	12 (50%)	7 (29%)	5 (21%)	12 (50%)	5 (21%)	7 (29%)	12 (50%)	7 (29%)	5 (21%)
BFSI	4 (21%)	3 (16%)	12 (63%)	3 (16%)	6 (32%)	10 (53%)	3 (16%)	6 (32%)	10 (53%)	3 (16%)	6 (32%)	10 (53%)
Consumer Goods	3 (27%)	3 (27%)	5 (45%)	3 (27%)	3 (27%)	5 (45%)	3 (27%)	3 (27%)	5 (45%)	3 (27%)	3 (27%)	5 (45%)
Education	7 (44%)	2 (13%)	7 (44%)	10 (63%)	1 (6%)	5 (31%)	9 (56%)	3 (19%)	4 (25%)	9 (56%)	1 (6%)	6 (38%)
Energy	7 (50%)	2 (14%)	5 (36%)	7 (50%)	2 (14%)	5 (36%)	7 (50%)	2 (14%)	5 (36%)	7 (50%)	2 (14%)	5 (36%)
Healthcare	3 (25%)	4 (33%)	5 (42%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)	4 (33%)
Hospitality	3 (33%)	3 (33%)	3 (33%)	3 (33%)	3 (33%)	3 (33%)	4 (44%)	3 (33%)	2 (22%)	4 (44%)	3 (33%)	2 (22%)
Infra/Construction	2 (17%)	2 (17%)	8 (67%)	2 (17%)	2 (17%)	8 (67%)	2 (17%)	2 (17%)	8 (67%)	2 (17%)	2 (17%)	8 (67%)
IT/ITES	23 (40%)	11 (19%)	24 (41%)	20 (34%)	12 (21%)	26 (45%)	24 (41%)	11 (19%)	23 (40%)	21 (36%)	17 (29%)	20 (34%)
LS/Pharma	5 (25%)	1 (5%)	14 (70%)	6 (30%)	1 (5%)	13 (65%)	5 (25%)	3 (15%)	12 (60%)	5 (25%)	1 (5%)	14 (70%)
Manufacturing	14 (27%)	6 (12%)	32 (62%)	14 (27%)	8 (15%)	30 (58%)	16 (31%)	6 (12%)	30 (58%)	16 (31%)	9 (17%)	27 (52%)
Media	2 (33%)	3 (50%)	1 (17%)	2 (33%)	3 (50%)	1 (17%)	2 (33%)	1 (17%)	3 (50%)	2 (33%)	2 (33%)	2 (33%)
Retail	1 (14%)	2 (29%)	4 (57%)	1 (14%)	2 (29%)	4 (57%)	2 (29%)	2 (29%)	3 (43%)	1 (14%)	2 (29%)	4 (57%)
GCC	9 (41%)	2 (9%)	11 (50%)	6 (27%)	4 (18%)	12 (55%)	9 (41%)	2 (9%)	11 (50%)	9 (41%)	2 (9%)	11 (50%)
PSU	1 (10%)	1 (10%)	8 (80%)	1 (10%)	1 (10%)	8 (80%)	1 (10%)	1 (10%)	8 (80%)	1 (10%)	1 (10%)	8 (80%)

Highlighted white boxes denote most prevalent practices

Key observations:

- More than **50 per cent** of the responding organisations have reported either **a deferral or freezing/suspension of the planned increment cycle** across levels
- Across industries, **senior management level employees are impacted the most** vis-à-vis other levels, with maximum incentive cuts being seen at executive and senior leadership level
- More than **40 per cent** organisations in **advisory**, **automobile**, **education**, **energy, oil and gas** sector have opted to defer the increment cycle

KPMG

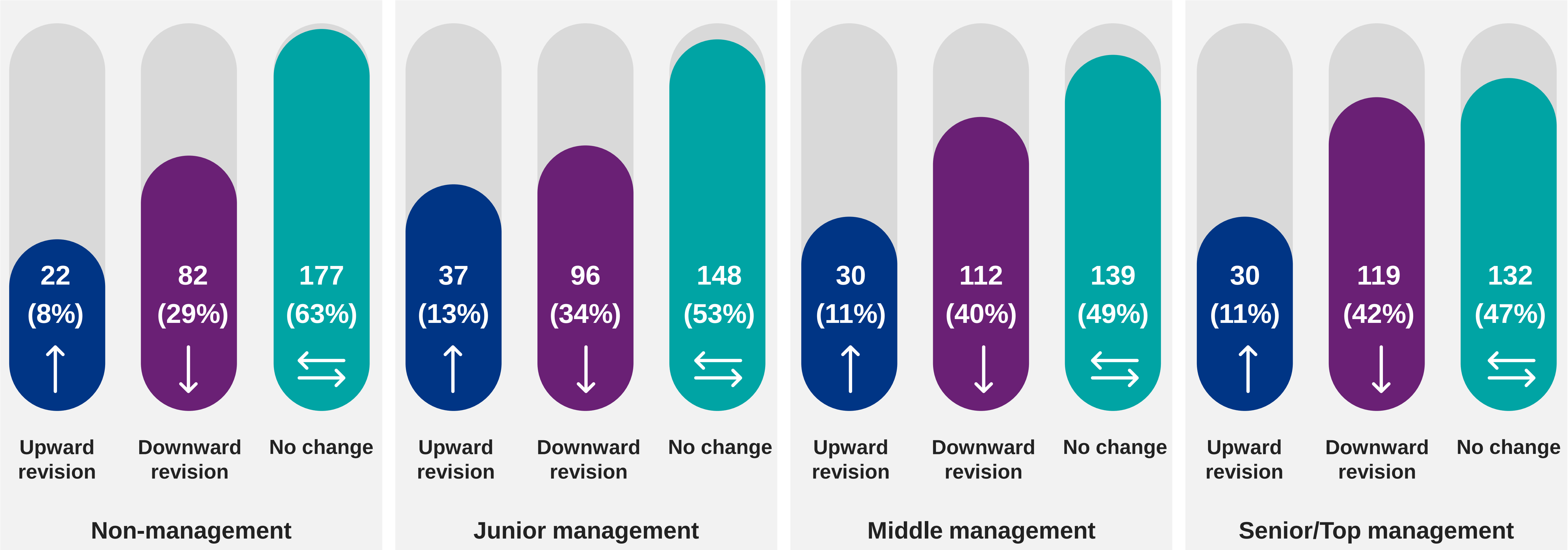
Compensation and benefits

Interventions foreseen around increment budget (overall)

n = 281

Key observations:

- Majority of organisations **(~50 per cent)** have reported that they plan to keep their increment budget unchanged
- Less than **13 per cent** organisations across levels are planning to increase their increment budget



Interventions foreseen around increment budget (sector-wise)

n = 281

	Non-management			Junior management			Middle management			Senior/Top management		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	22 (8%)	82 (29%)	177 (63%)	37 (13%)	96 (34%)	148 (53%)	30 (11%)	112 (40%)	139 (49%)	30 (11%)	119 (42%)	132 (47%)
Advisory	-	13 (54%)	11 (46%)	2 (8%)	17 (71%)	5 (21%)	2 (8%)	15 (63%)	7 (29%)	4 (17%)	14 (58%)	6 (25%)
Auto	2 (9%)	8 (35%)	13 (57%)	4 (17%)	13 (57%)	6 (26%)	4 (17%)	15 (65%)	4 (17%)	2 (9%)	13 (57%)	8 (35%)
BFSI	1 (6%)	7 (39%)	10 (56%)	3 (17%)	6 (33%)	9 (50%)	3 (17%)	6 (33%)	9 (50%)	3 (17%)	7 (39%)	8 (44%)
Consumer Goods	2 (18%)	5 (45%)	4 (36%)	2 (18%)	5 (45%)	4 (36%)	6 (55%)	3 (27%)	2 (18%)	4 (36%)	4 (36%)	3 (27%)
Education	2 (13%)	2 (13%)	11 (73%)	5 (33%)	3 (20%)	7 (47%)	2 (13%)	5 (33%)	8 (53%)	3 (20%)	4 (27%)	8 (53%)
Energy	3 (21%)	3 (21%)	8 (57%)	3 (21%)	3 (21%)	8 (57%)	3 (21%)	6 (43%)	5 (36%)	3 (21%)	6 (43%)	5 (36%)
Healthcare	1 (8%)	5 (42%)	6 (50%)	1 (8%)	5 (42%)	6 (50%)	1 (8%)	5 (42%)	6 (50%)	1 (8%)	5 (42%)	6 (50%)
Hospitality	-	5 (63%)	3 (38%)	-	5 (63%)	3 (38%)	-	5 (63%)	3 (38%)	-	6 (75%)	2 (25%)
Infra/Construction	-	2 (18%)	9 (82%)	2 (18%)	2 (18%)	7 (64%)	1 (9%)	3 (27%)	7 (64%)	2 (18%)	2 (18%)	7 (64%)
IT/ITES	7 (12%)	17 (29%)	35 (59%)	7 (12%)	19 (32%)	33 (56%)	3 (5%)	22 (37%)	34 (58%)	3 (5%)	24 (41%)	32 (54%)
LS/Pharma	1 (5%)	1 (5%)	18 (90%)	2 (10%)	2 (10%)	16 (80%)	1 (5%)	4 (20%)	15 (75%)	2 (10%)	6 (30%)	12 (60%)
Manufacturing	1 (2%)	8 (15%)	44 (83%)	4 (8%)	11 (21%)	38 (72%)	1 (2%)	17 (32%)	35 (66%)	1 (2%)	20 (38%)	32 (60%)
Media	1 (17%)	2 (33%)	3 (50%)	1 (17%)	1 (17%)	4 (67%)	2 (33%)	2 (33%)	2 (33%)	1 (17%)	4 (67%)	1 (17%)
Retail	1 (14%)	4 (57%)	2 (29%)	1 (14%)	4 (57%)	2 (29%)	1 (14%)	4 (57%)	2 (29%)	1 (14%)	4 (57%)	2 (29%)
GCC	4 (19%)	8 (38%)	9 (43%)	2 (10%)	8 (38%)	11 (52%)	2 (10%)	10 (48%)	9 (43%)	2 (10%)	11 (52%)	8 (38%)
PSU	2 (20%)	2 (20%)	6 (60%)	2 (20%)	2 (20%)	6 (60%)	2 (20%)	2 (20%)	6 (60%)	2 (20%)	2 (20%)	6 (60%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Around **80 per cent** of the organisations across levels have reported either a **downward revision of or no change in the increment budget**
- Proportion of organisations reporting a downward revision of increment budget is higher at middle and senior management levels vis-à-vis junior and non-management levels
- More than **50 per cent** of responding organisations in **advisory, automobile, hospitality** and **retail** sector report a downward revision in increment budget for management levels

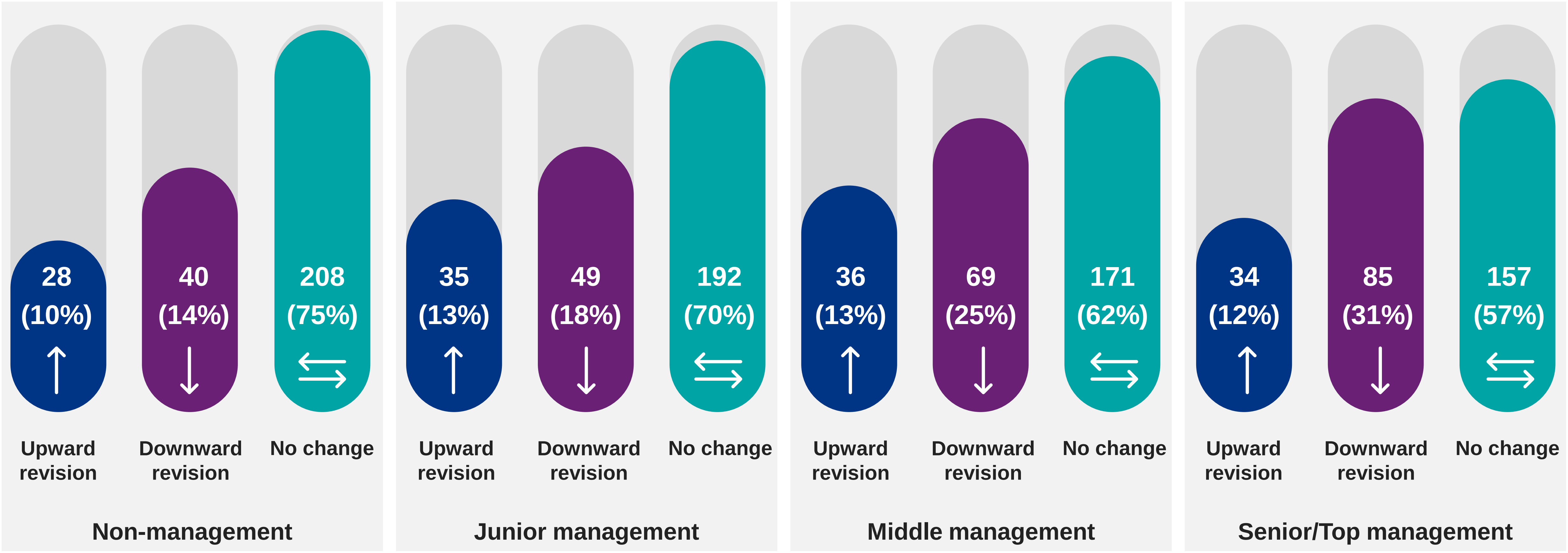
Compensation and benefits

Interventions foreseen around fixed pay impact (overall)

n = 276

Key observations:

- Majority of organisations **(~65 per cent)** have reported **no change** in their fixed pay across levels
- Less than **13 per cent** organisations across levels have reported an **upward revision** of fixed pay



Compensation and benefits

Interventions foreseen around fixed pay impact (sector-wise)

n = 276

	Non-management			Junior management			Middle management			Senior/Top management		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	28 (10%)	40 (14%)	208 (75%)	35 (13%)	49 (18%)	192 (70%)	36 (13%)	69 (25%)	171 (62%)	34 (12%)	85 (31%)	157 (57%)
Advisory	2 (8%)	5 (20%)	18 (72%)	2 (8%)	4 (16%)	19 (76%)	3 (12%)	8 (32%)	14 (56%)	3 (12%)	10 (40%)	12 (48%)
Auto	2 (9%)	2 (9%)	18 (82%)	4 (18%)	6 (27%)	12 (55%)	4 (18%)	9 (41%)	9 (41%)	2 (9%)	7 (32%)	13 (59%)
BFSI	1 (5%)	1 (5%)	17 (89%)	3 (16%)	3 (16%)	13 (68%)	3 (16%)	3 (16%)	13 (68%)	1 (5%)	6 (32%)	12 (63%)
Consumer Goods	3 (30%)	3 (30%)	4 (40%)	3 (30%)	3 (30%)	4 (40%)	3 (30%)	3 (30%)	4 (40%)	3 (30%)	3 (30%)	4 (40%)
Education	2 (12%)	4 (24%)	11 (65%)	2 (12%)	5 (29%)	10 (59%)	2 (12%)	4 (24%)	11 (65%)	2 (12%)	6 (35%)	9 (53%)
Energy	3 (23%)	3 (23%)	7 (54%)	3 (23%)	3 (23%)	7 (54%)	3 (23%)	3 (23%)	7 (54%)	3 (23%)	3 (23%)	7 (54%)
Healthcare	1 (10%)	2 (20%)	7 (70%)	1 (10%)	2 (20%)	7 (70%)	1 (10%)	2 (20%)	7 (70%)	1 (10%)	3 (30%)	6 (60%)
Hospitality	3 (38%)	-	5 (63%)	2 (25%)	1 (13%)	5 (63%)	2 (25%)	1 (13%)	5 (63%)	2 (25%)	1 (13%)	5 (63%)
Infra/Construction	2 (18%)	3 (27%)	6 (55%)	2 (18%)	3 (27%)	6 (55%)	2 (18%)	3 (27%)	6 (55%)	2 (18%)	3 (27%)	6 (55%)
IT/ITES	2 (4%)	7 (12%)	48 (84%)	5 (9%)	6 (11%)	46 (81%)	2 (4%)	13 (23%)	42 (74%)	6 (11%)	16 (28%)	35 (61%)
LS/Pharma	1 (5%)	1 (5%)	17 (89%)	1 (5%)	4 (21%)	14 (74%)	1 (5%)	5 (26%)	13 (68%)	1 (5%)	6 (32%)	12 (63%)
Manufacturing	3 (6%)	3 (6%)	45 (88%)	4 (8%)	3 (6%)	44 (86%)	5 (10%)	11 (22%)	35 (69%)	3 (6%)	15 (29%)	33 (65%)
Media	2 (29%)	4 (57%)	1 (14%)	2 (29%)	4 (57%)	1 (14%)	4 (57%)	2 (29%)	1 (14%)	4 (57%)	2 (29%)	1 (14%)
Retail	1 (14%)	2 (29%)	4 (57%)	1 (14%)	2 (29%)	4 (57%)	1 (14%)	2 (29%)	4 (57%)	1 (14%)	4 (57%)	2 (29%)
GCC	2 (10%)	4 (19%)	15 (71%)	2 (10%)	4 (19%)	15 (71%)	2 (10%)	8 (38%)	11 (52%)	2 (10%)	11 (52%)	8 (38%)
PSU	-	2 (20%)	8 (80%)	-	2 (20%)	8 (80%)	-	2 (20%)	8 (80%)	-	2 (20%)	8 (80%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Around **70 per cent** of the organisations across levels have reported no change in the planned impact on fixed pay at the non-management and junior management levels
- A relatively larger proportion **(30 per cent)** of organisations across sectors reported downward revision of fixed pay at middle and senior management levels (vis-à-vis other levels)
- More than **25 per cent** of respondents in **education** and **retail** sector reported a downward revision in fixed pay across levels

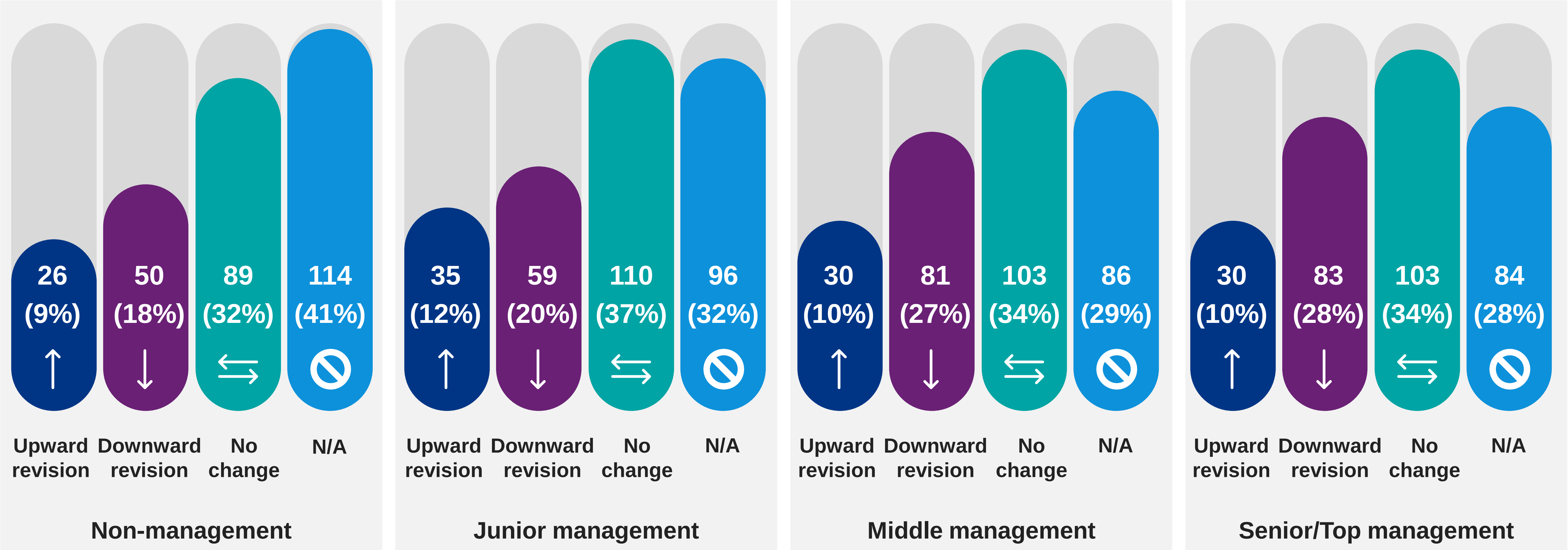
Compensation and benefits

Interventions foreseen around variable pay/short term incentives (overall)

n = 279

Key observations:

- Majority of organisations **(~34 per cent)** have reported to keep their Short Term Incentive (STI) policy **unchanged**
- Around **22 per cent** organisations have reported a **downward revision** of STI across levels



Interventions foreseen around variable pay/short term incentives (sector-wise)

n = 279

	Non-management				Junior management				Middle management				Senior/Top management			
	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A
Overall average	26 (9%)	50 (18%)	89 (32%)	114 (41%)	35 (12%)	59 (20%)	110 (37%)	96 (32%)	30 (10%)	81 (27%)	103 (34%)	86 (29%)	30 (10%)	83 (28%)	103 (34%)	84 (28%)
Advisory	3 (12%)	3 (12%)	6 (24%)	13 (52%)	3 (12%)	3 (12%)	8 (31%)	12 (46%)	3 (12%)	9 (35%)	9 (35%)	5 (19%)	3 (12%)	9 (35%)	9 (35%)	5 (19%)
Auto	4 (18%)	4 (18%)	6 (27%)	8 (36%)	7 (29%)	4 (17%)	7 (29%)	6 (25%)	4 (17%)	7 (29%)	7 (29%)	6 (25%)	7 (29%)	4 (17%)	7 (29%)	6 (25%)
BFSI	2 (11%)	3 (17%)	8 (44%)	5 (28%)	2 (11%)	5 (26%)	8 (42%)	4 (21%)	2 (11%)	5 (26%)	6 (32%)	6 (32%)	2 (11%)	6 (32%)	5 (26%)	6 (32%)
Consumer Goods	2 (20%)	2 (20%)	2 (20%)	4 (40%)	2 (17%)	2 (17%)	2 (17%)	6 (50%)	2 (17%)	2 (17%)	2 (17%)	6 (50%)	2 (17%)	2 (17%)	2 (17%)	6 (50%)
Education	2 (13%)	-	5 (31%)	9 (56%)	3 (17%)	-	8 (44%)	7 (39%)	-	3 (17%)	8 (44%)	7 (39%)	2 (11%)	5 (28%)	7 (39%)	4 (22%)
Energy	3 (23%)	3 (23%)	3 (23%)	4 (31%)	4 (27%)	4 (27%)	4 (27%)	3 (20%)	4 (27%)	4 (27%)	4 (27%)	3 (20%)	4 (27%)	5 (33%)	4 (27%)	2 (13%)
Healthcare	1 (9%)	3 (27%)	3 (27%)	4 (36%)	1 (8%)	4 (33%)	5 (42%)	2 (17%)	1 (8%)	6 (50%)	4 (33%)	1 (8%)	1 (8%)	6 (50%)	4 (33%)	1 (8%)
Hospitality	-	3 (38%)	2 (25%)	3 (38%)	2 (22%)	4 (44%)	2 (22%)	1 (11%)	2 (22%)	4 (44%)	2 (22%)	1 (11%)	2 (22%)	4 (44%)	2 (22%)	1 (11%)
Infra/Construction	1 (10%)	1 (10%)	1 (10%)	7 (70%)	2 (18%)	3 (27%)	2 (18%)	4 (36%)	2 (18%)	3 (27%)	2 (18%)	4 (36%)	-	4 (36%)	2 (18%)	5 (45%)
IT/ITES	3 (5%)	12 (21%)	27 (47%)	16 (28%)	2 (3%)	14 (23%)	31 (51%)	14 (23%)	3 (5%)	17 (28%)	27 (44%)	14 (23%)	2 (3%)	18 (30%)	27 (44%)	14 (23%)
LS/Pharma	2 (10%)	3 (14%)	9 (43%)	7 (33%)	2 (9%)	3 (14%)	11 (50%)	6 (27%)	2 (9%)	3 (14%)	13 (59%)	4 (18%)	-	3 (14%)	15 (68%)	4 (18%)
Manufacturing	1 (2%)	6 (12%)	15 (29%)	30 (58%)	1 (2%)	9 (17%)	18 (33%)	26 (48%)	3 (6%)	11 (20%)	15 (28%)	25 (46%)	3 (6%)	12 (22%)	17 (31%)	22 (41%)
Media	1 (14%)	3 (43%)	1 (14%)	2 (29%)	3 (38%)	-	3 (38%)	2 (25%)	1 (13%)	3 (38%)	3 (38%)	1 (13%)	-	-	-	8 (100%)
Retail	1 (13%)	4 (50%)	1 (13%)	2 (25%)	1 (11%)	4 (44%)	1 (11%)	3 (33%)	1 (11%)	4 (44%)	1 (11%)	3 (33%)	2 (22%)	5 (56%)	2 (22%)	-
GCC	-	8 (36%)	10 (45%)	4 (18%)	2 (9%)	6 (27%)	10 (45%)	8 (18%)	-	10 (45%)	10 (45%)	2 (9%)	2 (9%)	10 (45%)	8 (36%)	2 (9%)
PSU	-	-	-	9 (100%)	-	-	-	8 (100%)	-	-	-	9 (100%)	-	-	-	9 (100%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Organisations are taking a calibrated approach towards Short Term Incentives (STI) with larger proportion of organisations (at least **32 per cent**) opting to keep the STI policy unchanged
- Around **28 per cent** of respondents are willing to consider a downward revision of STI at the senior/top management levels
- More than **35 per cent** responding organisations have opted for a downward revision of STI in **retail** and **healthcare** sector

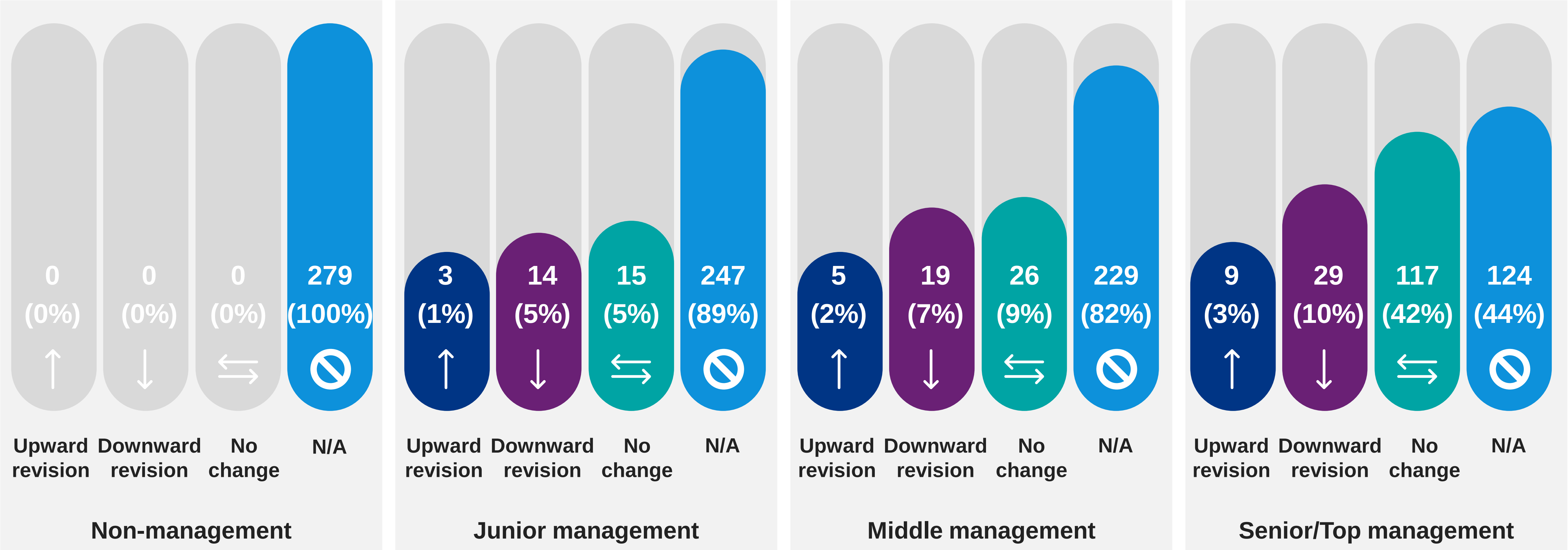
Compensation and benefits

Interventions foreseen around equity-linked long term incentives (overall)

n = 279

Key observations:

- Majority of organisations **(42 per cent)** have reported to keep their Long Term Incentives (LTI) policy **unchanged** at **senior/top management** levels
- Very few organisations **(~2 per cent)** have reported an **upward revision** of LTI policy



Compensation and benefits

Interventions foreseen around equity-linked long term incentives (sector-wise)

n = 279

	Non-management				Junior management				Middle management				Senior/Top management			
	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A
Overall average	-	-	-	279 (100%)	3 (1%)	14 (5%)	15 (5%)	247 (89%)	5 (2%)	19 (7%)	26 (9%)	229 (82%)	9 (3%)	29 (10%)	117 (42%)	124 (44%)
Advisory	-	-	-	23 (100%)	-	-	-	23 (100%)	3 (13%)	-	3 (13%)	17 (74%)	-	3 (13%)	12 (52%)	8 (35%)
Auto	-	-	-	22 (100%)	-	-	2 (9%)	20 (91%)	-	-	4 (18%)	18 (82%)	-	-	12 (55%)	10 (45%)
BFSI	-	-	-	18 (100%)	-	-	2 (11%)	16 (89%)	2 (11%)	-	2 (11%)	14 (78%)	2 (11%)	5 (28%)	8 (44%)	3 (17%)
Consumer Goods	-	-	-	11 (100%)	-	-	-	11 (100%)	-	-	-	11 (100%)	-	-	6 (55%)	5 (45%)
Education	-	-	-	17 (100%)	-	-	2 (12%)	15 (88%)	-	-	2 (12%)	15 (88%)	-	5 (29%)	5 (29%)	7 (41%)
Energy	-	-	-	13 (100%)	-	-	-	13 (100%)	-	-	-	13 (100%)	3 (23%)	-	7 (54%)	3 (23%)
Healthcare	-	-	-	11 (100%)	-	1 (9%)	1 (9%)	9 (82%)	-	1 (9%)	1 (9%)	9 (82%)	1 (9%)	1 (9%)	7 (64%)	2 (18%)
Hospitality	-	-	-	7 (100%)	-	-	1 (14%)	6 (86%)	-	-	1 (14%)	6 (86%)	-	-	1 (14%)	6 (86%)
Infra/Construction	-	-	-	10 (100%)	-	-	2 (20%)	8 (80%)	-	-	2 (20%)	8 (80%)	-	-	3 (30%)	7 (70%)
IT/ITES	-	-	-	58 (100%)	2 (3%)	2 (3%)	2 (3%)	52 (90%)	-	7 (12%)	3 (5%)	48 (83%)	-	11 (19%)	24 (41%)	23 (40%)
LS/Pharma	-	-	-	21 (100%)	-	2 (10%)	2 (10%)	17 (81%)	-	-	4 (19%)	17 (81%)	-	-	11 (52%)	10 (48%)
Manufacturing	-	-	-	53 (100%)	1 (2%)	5 (9%)	1 (2%)	46 (87%)	1 (2%)	7 (13%)	3 (6%)	42 (79%)	3 (6%)	1 (2%)	19 (36%)	30 (57%)
Media	-	-	-	7 (100%)	-	-	-	7 (100%)	-	-	-	7 (100%)	-	-	-	7 (100%)
Retail	-	-	-	8 (100%)	-	1 (13%)	-	7 (88%)	-	-	2 (25%)	6 (75%)	-	2 (25%)	5 (63%)	1 (13%)
GCC	-	-	5 (23%)	17 (77%)	2 (9%)	-	4 (18%)	10 (73%)	-	2 (9%)	7 (32%)	13 (59%)	-	7 (32%)	7 (32%)	8 (36%)
PSU	-	-	-	9 (100%)	-	-	-	8 (100%)	-	-	-	9 (100%)	-	-	-	9 (100%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Majority of organisations are keeping the LTI plans unchanged across levels
- The downward revision of LTI is observed in less than **10 percent** organisations, with the maximum change at senior/top management level (vis-à-vis other levels)
- Around **25 per cent** respondents have opted for a downward revision of LTI plans in **BFSI, retail** and **education** industries

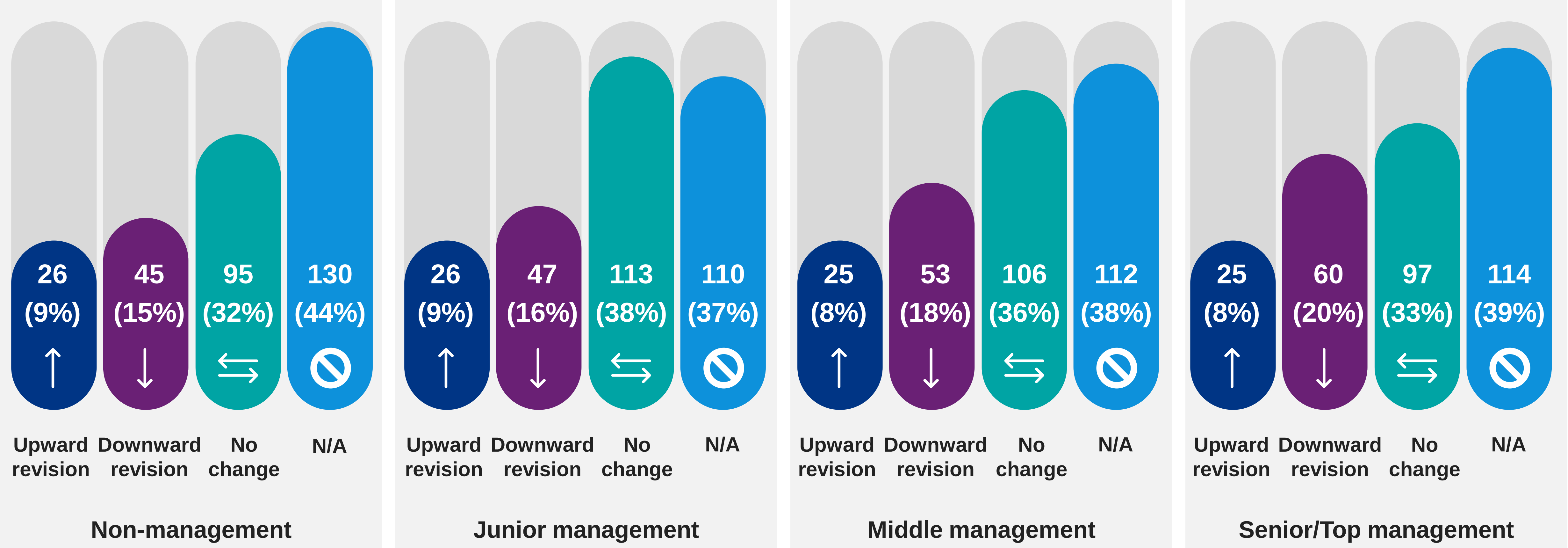
Compensation and benefits

Interventions foreseen around sales incentives (overall)

n = 296

Key observations:

- In line with other incentives, a good number of organisations have reported to keep their sales incentives policy **unchanged** across levels
- Less than **10 per cent** organisations across levels have reported an **upward revision** of sales incentive policy



Compensation and benefits

Interventions foreseen around sales incentives (sector-wise)

n = 296

	Non-management				Junior management				Middle management				Senior/Top management			
	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A	Upward revision	Downward revision	No change	N/A
Overall average	26 (9%)	45 (15%)	95 (32%)	130 (44%)	26 (9%)	47 (16%)	113 (38%)	110 (37%)	25 (8%)	53 (18%)	106 (36%)	112 (38%)	25 (8%)	60 (20%)	97 (33%)	114 (39%)
Advisory	2 (8%)	5 (19%)	5 (19%)	14 (54%)	3 (12%)	5 (19%)	8 (31%)	10 (38%)	3 (12%)	5 (19%)	8 (31%)	10 (38%)	3 (12%)	6 (23%)	9 (35%)	8 (31%)
Auto	2 (9%)	4 (18%)	2 (9%)	14 (64%)	6 (27%)	4 (18%)	6 (27%)	6 (27%)	6 (27%)	4 (18%)	6 (27%)	6 (27%)	6 (27%)	6 (27%)	4 (18%)	6 (27%)
BFSI	1 (6%)	1 (6%)	8 (44%)	8 (44%)	2 (11%)	2 (11%)	8 (44%)	6 (33%)	2 (11%)	2 (11%)	6 (33%)	8 (44%)	2 (11%)	2 (11%)	6 (33%)	8 (44%)
Consumer Goods	2 (12%)	9 (53%)	4 (24%)	2 (12%)	2 (12%)	4 (24%)	9 (53%)	2 (12%)	2 (12%)	7 (41%)	3 (18%)	5 (29%)	2 (12%)	3 (18%)	7 (41%)	5 (29%)
Education	5 (29%)	2 (12%)	7 (41%)	3 (18%)	2 (12%)	-	9 (53%)	6 (35%)	2 (12%)	5 (29%)	5 (29%)	5 (29%)	2 (12%)	6 (35%)	4 (24%)	5 (29%)
Energy	3 (20%)	3 (20%)	6 (40%)	3 (20%)	3 (20%)	3 (20%)	6 (40%)	3 (20%)	-	5 (33%)	5 (33%)	5 (33%)	4 (27%)	4 (27%)	4 (27%)	3 (20%)
Healthcare	1 (8%)	1 (8%)	5 (38%)	6 (46%)	1 (8%)	1 (8%)	8 (62%)	3 (23%)	1 (8%)	1 (8%)	7 (54%)	4 (31%)	-	3 (23%)	7 (54%)	3 (23%)
Hospitality	1 (8%)	4 (33%)	4 (33%)	3 (25%)	1 (8%)	4 (33%)	4 (33%)	3 (25%)	1 (8%)	4 (33%)	4 (33%)	3 (25%)	2 (17%)	4 (33%)	4 (33%)	2 (17%)
Infra/Construction	-	-	-	10 (100%)	-	-	-	10 (100%)	-	-	-	10 (100%)	-	-	-	10 (100%)
IT/ITES	3 (5%)	10 (17%)	24 (41%)	22 (37%)	2 (3%)	12 (20%)	24 (41%)	21 (36%)	3 (5%)	7 (12%)	28 (47%)	21 (36%)	3 (5%)	9 (15%)	26 (44%)	21 (36%)
LS/Pharma	2 (10%)	2 (10%)	12 (57%)	5 (24%)	2 (10%)	3 (14%)	11 (52%)	5 (24%)	2 (10%)	5 (24%)	12 (57%)	2 (10%)	-	4 (19%)	12 (57%)	5 (24%)
Manufacturing	-	6 (12%)	16 (31%)	30 (58%)	1 (2%)	7 (13%)	20 (38%)	24 (46%)	1 (2%)	10 (19%)	17 (33%)	24 (46%)	1 (2%)	12 (23%)	13 (25%)	26 (50%)
Media	1 (14%)	-	-	6 (86%)	7 (100%)	-	-	-	-	-	4 (57%)	3 (43%)	-	-	-	7 (100%)
Retail	2 (29%)	2 (29%)	1 (14%)	2 (29%)	1 (14%)	3 (43%)	1 (14%)	2 (29%)	1 (14%)	2 (29%)	1 (14%)	3 (43%)	1 (14%)	2 (29%)	1 (14%)	3 (43%)
GCC	2 (9%)	2 (9%)	7 (32%)	11 (50%)	-	4 (18%)	6 (27%)	8 (55%)	-	2 (9%)	9 (41%)	11 (50%)	-	5 (23%)	5 (23%)	12 (55%)
PSU	-	-	-	9 (100%)	-	-	-	8 (100%)	-	-	-	9 (100%)	-	-	-	9 (100%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Around **50 per cent** of the organisations are either looking at keeping the sales incentive unchanged or considering a downward revision across levels
- Upward revision of sales incentive is planned in less than **10 per cent** of organisations across employee levels
- Around **30 per cent of** responding organisations have opted for a downward revision of sales incentive in **retail** and **hospitality** sector

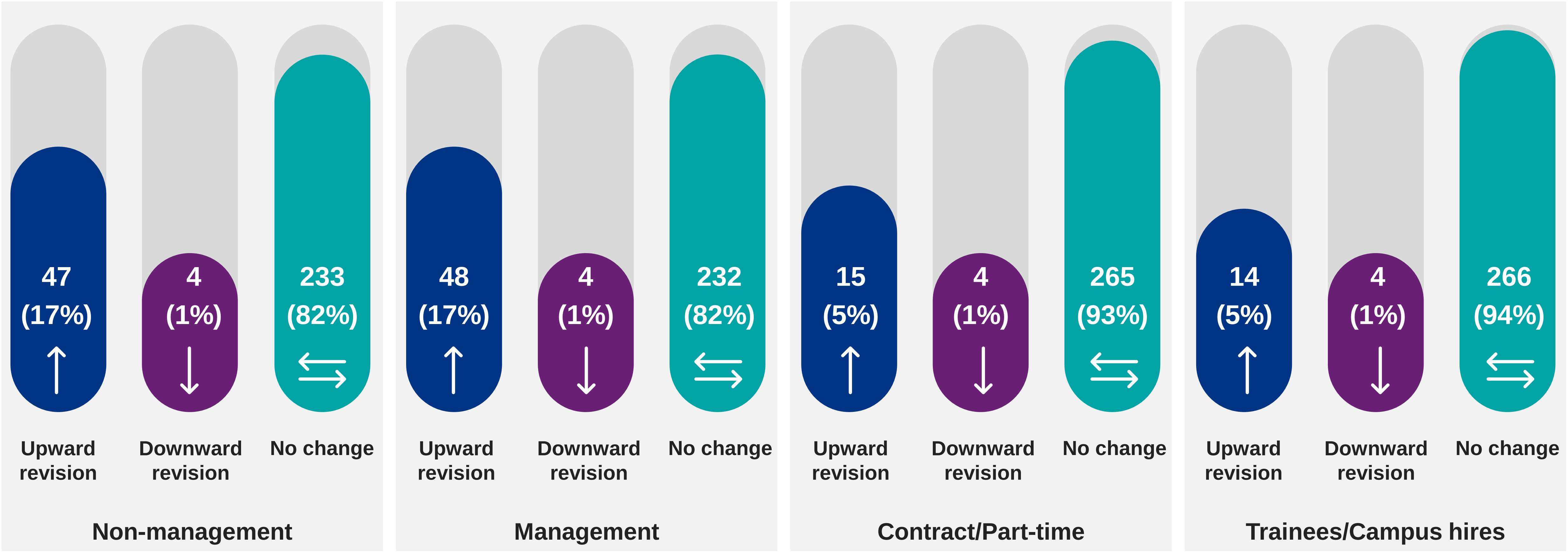
Compensation and benefits

Interventions foreseen around health insurance (overall)

n = 284

Key observations:

- In view of the COVID-19 scenario, organisations **(~85 per cent)** have reported that their health insurance policy remains **unchanged** across levels
- Less than **1 per cent** organisations across levels have reported a **downward revision** of health insurance benefit



Compensation and benefits

Interventions foreseen around health insurance (sector-wise)

n = 284

	Non-management			Management			Contract/Part-tIme			Trainees/Campus hires		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	47 (17%)	4 (1%)	233 (82%)	48 (17%)	4 (1%)	232 (82%)	15 (5%)	4 (1%)	265 (93%)	14 (5%)	4 (1%)	266 (94%)
Advisory	7 (29%)	-	17 (71%)	7 (29%)	-	17 (71%)	2 (8%)	-	22 (92%)	2 (8%)	-	22 (92%)
Auto	5 (21%)	-	19 (79%)	5 (21%)	-	19 (79%)	2 (8%)	-	22 (92%)	2 (8%)	-	22 (92%)
BFSI	3 (16%)	-	16 (84%)	3 (16%)	-	16 (84%)	2 (11%)	-	17 (89%)	2 (11%)	-	17 (89%)
Consumer Goods	4 (36%)	-	7 (64%)	3 (27%)	-	8 (73%)	-	-	11 (100%)	-	-	11 (100%)
Education	2 (13%)	-	14 (88%)	-	-	16 (100%)	-	-	16 (100%)	-	-	16 (100%)
Energy	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)
Healthcare	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)	1 (8%)	1 (8%)	10 (83%)	-	1 (8%)	11 (92%)
Hospitality	-	1 (11%)	8 (89%)	-	1 (11%)	8 (89%)	-	1 (11%)	8 (89%)	-	1 (11%)	8 (89%)
Infra/Construction	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)
IT/ITES	11 (19%)	2 (3%)	45 (78%)	13 (22%)	-	45 (78%)	2 (3%)	2 (3%)	54 (93%)	3 (5%)	-	55 (95%)
LS/Pharma	3 (15%)	-	17 (85%)	3 (15%)	2 (10%)	15 (75%)	2 (10%)	-	18 (90%)	2 (10%)	2 (10%)	16 (80%)
Manufacturing	9 (17%)	-	43 (83%)	11 (21%)	-	41 (79%)	3 (6%)	-	49 (94%)	3 (6%)	-	49 (94%)
Media	-	-	6 (100%)	-	-	6 (100%)	-	-	6 (100%)	-	-	6 (100%)
Retail	3 (43%)	-	4 (57%)	3 (43%)	-	4 (57%)	1 (14%)	-	6 (86%)	-	-	7 (100%)
GCC	-	-	21 (100%)	-	2 (10%)	19 (90%)	3 (14%)	-	18 (86%)	-	2 (10%)	19 (90%)
PSU	3 (30%)	-	7 (70%)	3 (30%)	-	7 (70%)	3 (30%)	-	7 (70%)	3 (30%)	-	7 (70%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Health insurance is a key benefit organisations are offering employees during the COVID-19 pandemic
- Majority of the organisations **(80 per cent)** across industries have not changed the health insurance benefits offered to employees
- **Advisory (29 per cent), consumer goods (30 percent)** industries have opted for an upward revision of health insurance entitlements across management and non-management levels

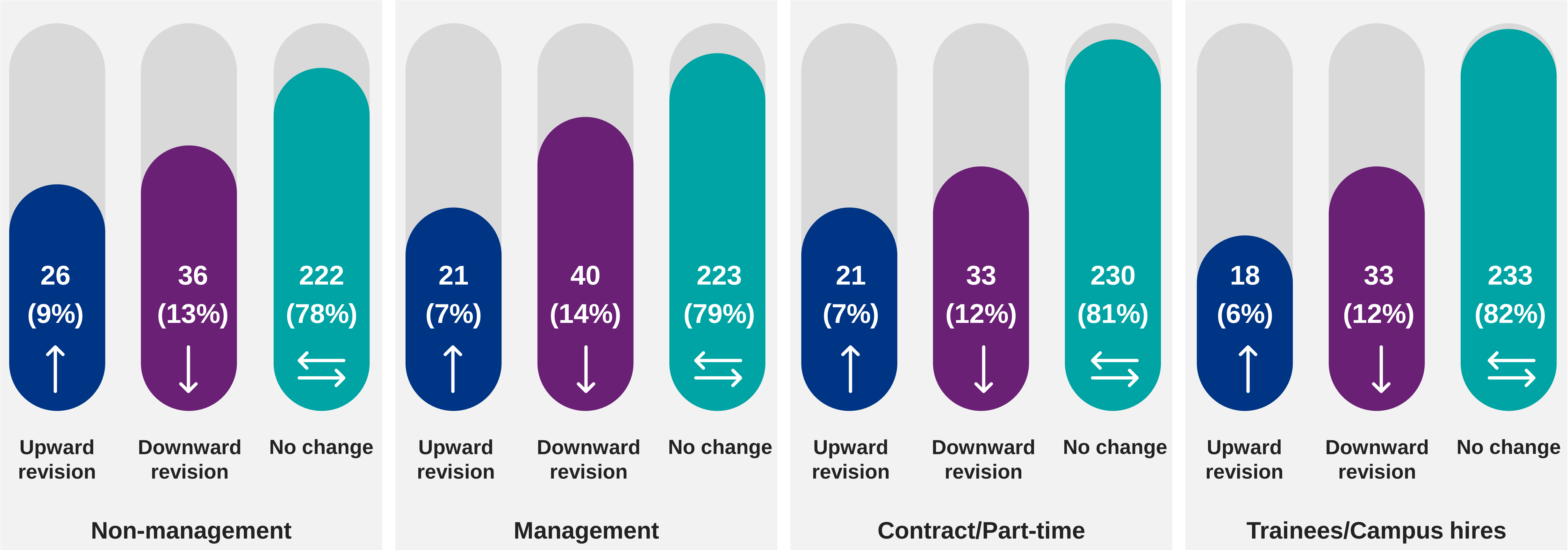
Compensation and benefits

Interventions foreseen around leave policies (overall)

n = 284

Key observations:

- Majority of organisations **(~80 per cent)** have reported that they plan to keep their leave policy **unchanged**
- Less than **10 per cent** organisations have reported an **upward revision** of leave policies across levels



Compensation and benefits

Interventions foreseen around leave policies (sector-wise)

n = 284

	Non-management			Management			Contract/Part-tIme			Trainees/Campus hires		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	26 (9%)	36 (13%)	222 (78%)	21 (7%)	40 (14%)	223 (79%)	21 (7%)	33 (12%)	230 (81%)	18 (6%)	33 (12%)	233 (82%)
Advisory	2 (8%)	-	22 (92%)	2 (8%)	-	22 (92%)	2 (8%)	-	22 (92%)	2 (8%)	-	22 (92%)
Auto	2 (8%)	2 (8%)	20 (83%)	2 (8%)	7 (29%)	15 (63%)	2 (8%)	5 (21%)	17 (71%)	2 (8%)	5 (21%)	17 (71%)
BFSI	1 (5%)	1 (5%)	17 (89%)	1 (5%)	-	18 (95%)	1 (5%)	-	18 (95%)	1 (5%)	1 (5%)	17 (89%)
Consumer Goods	-	4 (36%)	7 (64%)	-	4 (36%)	7 (64%)	-	4 (36%)	7 (64%)	-	6 (55%)	5 (45%)
Education	4 (25%)	-	12 (75%)	-	-	16 (100%)	-	-	16 (100%)	-	-	16 (100%)
Energy	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)
Healthcare	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)
Hospitality	-	1 (11%)	8 (89%)	-	1 (11%)	8 (89%)	-	2 (22%)	7 (78%)	-	1 (11%)	8 (89%)
Infra/Construction	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)
IT/ITES	11 (19%)	6 (10%)	41 (71%)	10 (17%)	6 (10%)	42 (72%)	9 (16%)	5 (9%)	44 (76%)	7 (12%)	3 (5%)	48 (83%)
LS/Pharma	2 (10%)	5 (25%)	13 (65%)	2 (10%)	5 (25%)	13 (65%)	2 (10%)	5 (25%)	13 (65%)	2 (10%)	5 (25%)	13 (65%)
Manufacturing	4 (8%)	7 (13%)	41 (79%)	4 (8%)	7 (13%)	41 (79%)	4 (8%)	7 (13%)	41 (79%)	4 (8%)	7 (13%)	41 (79%)
Media	-	6 (100%)	-	-	6 (100%)	-	1 (17%)	1 (17%)	4 (67%)	-	-	6 (100%)
Retail	-	3 (43%)	4 (57%)	-	3 (43%)	4 (57%)	-	3 (43%)	4 (57%)	-	4 (57%)	3 (43%)
GCC	2 (9%)	5 (23%)	15 (68%)	-	6 (27%)	16 (73%)	-	6 (27%)	16 (73%)	-	8 (36%)	14 (64%)
PSU	3 (30%)	-	7 (70%)	3 (30%)	-	7 (70%)	4 (40%)	-	6 (60%)	3 (30%)	-	7 (70%)

Highlighted white boxes denote most prevalent practices

Key observations:

- A large proportion of organisations **(80 per cent)** have not changed the leave policies offered to the employees.
- Very few organisations **(<15 per cent)** are looking to reduce the leave entitlement of employees
- Few organisations in **IT/ITES (12 per cent)** and **LS/pharma (10 per cent)** are considering an upward revision in leave policies across employee categories

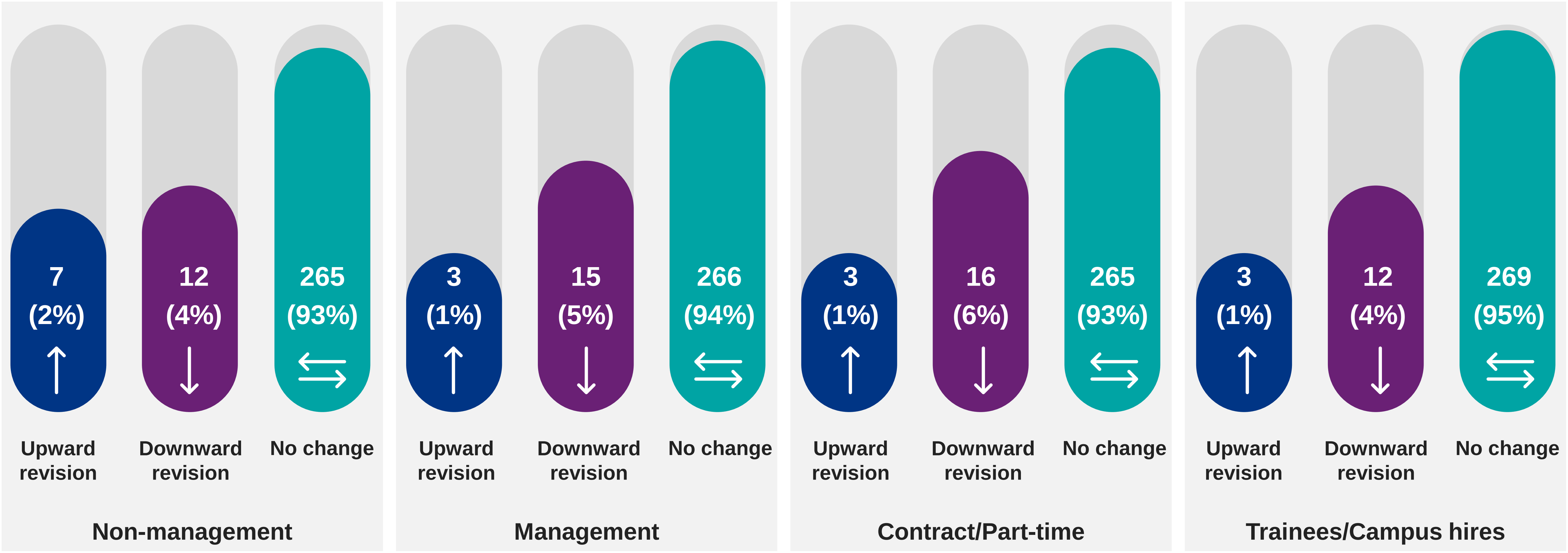
Compensation and benefits

Interventions foreseen around notice period (overall)

n = 284

Key observations:

- Majority of organisations **(~90 per cent)** have reported that they plan to keep their notice period policy **unchanged**
- Around **5 per cent** organisations have reported a **downward revision** of notice period policies across levels



Compensation and benefits

Interventions foreseen around notice period (sector-wise)

n = 284

	Non-management			Management			Contract/Part-tIme			Trainees/Campus hires		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	7 (2%)	12 (4%)	265 (93%)	3 (1%)	15 (5%)	266 (94%)	3 (1%)	16 (6%)	265 (93%)	3 (1%)	12 (4%)	269 (95%)
Advisory	-	-	24 (100%)	-	-	24 (100%)	-	-	24 (100%)	-	-	24 (100%)
Auto	2 (8%)	5 (21%)	17 (71%)	-	7 (29%)	17 (71%)	-	10 (42%)	14 (58%)	-	7 (29%)	17 (71%)
BFSI	1 (5%)	1 (5%)	17 (89%)	1 (5%)	-	18 (95%)	1 (5%)	1 (5%)	17 (89%)	1 (5%)	1 (5%)	17 (89%)
Consumer Goods	-	-	11 (100%)	-	-	11 (100%)	-	-	11 (100%)	-	-	11 (100%)
Education	-	2 (13%)	14 (88%)	-	2 (13%)	14 (88%)	-	-	16 (100%)	-	-	16 (100%)
Energy	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)	-	-	14 (100%)
Healthcare	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)	-	1 (8%)	11 (92%)
Hospitality	-	-	9 (100%)	-	-	9 (100%)	-	-	9 (100%)	-	-	9 (100%)
Infra/Construction	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)	-	-	12 (100%)
IT/ITES	2 (3%)	3 (5%)	53 (91%)	-	4 (7%)	54 (93%)	-	4 (7%)	54 (93%)	-	2 (3%)	56 (97%)
LS/Pharma	2 (10%)	-	18 (90%)	2 (10%)	-	18 (90%)	2 (10%)	-	18 (90%)	2 (10%)	-	18 (90%)
Manufacturing	-	-	52 (100%)	-	1 (2%)	51 (98%)	-	-	52 (100%)	-	1 (2%)	51 (98%)
Media	-	-	6 (100%)	-	-	6 (100%)	-	-	6 (100%)	-	-	6 (100%)
Retail	-	-	7 (100%)	-	-	7 (100%)	-	-	7 (100%)	-	-	7 (100%)
GCC	-	-	21 (100%)	-	-	21 (100%)	-	-	21 (100%)	-	-	21 (100%)
PSU	-	-	10 (100%)	-	-	10 (100%)	-	-	10 (100%)	-	2 (20%)	8 (80%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Around **90 per cent** of organisations across industries have reported no change in the notice period
- The downward trend in notice period is maximum in contract/part-time employees **(6 per cent)**
- Very few sectors have reported an increase in the notice period applicable for employees at all levels to ensure continuity of business as well as to manage lead time for resource replacements better

Key takeaways:

With uncertain and ambiguous environment surrounding businesses today, organisations are focusing on the two-fold task of optimising costs for effective business continuity, and motivating employees to drive performance and productivity. In such a scenario, it becomes imperative to focus on rewarding employees in an equitable and impartial way. This encompasses a holistic viewpoint on fixed compensation, incentives and benefits. Basis the current survey and our interactions with various business heads from across industries, some of the practices followed by firms are enumerated as below:

- **Salary increments**

  Organisations are taking an active approach towards cost control, as opposed to a conservative viewpoint. Many firms have opted to freeze the salary adjustments and merit increases until further notice. Additionally, the statutory bonuses and other non-statutory adjustments, which are generally paid out to employees, are also being relooked at. These measures may also lead to a decrease in promotion increments and allied market adjustments.

- **Incentives**

  Organisations are identifying ways to reward employees, in critical on-field and customer-facing roles, who are braving risky and adverse conditions to deliver value to customers. To enable this, organisations are redesigning their sales incentive program to be more adaptive to the hardships of the job. However, for non-customer-facing and support roles, firms are taking a conservative approach with regards to short term incentive budgets.

- **Benefits**

  For sectors directly affected by the COVID-19 pandemic, companies are taking the route of sending employees on unpaid leaves and furloughs. This will enable organisations to save costs in the short-term, and provide employees with the benefit of returning to employment in due course. Additionally, organisations are providing enhanced health benefits to the employees and their family, not just in terms of health and medical insurances, but also providing avenues like online medical counselling, health and well-being webinars, health screening, etc.

- **Others benefit and incentives**

  Organisations are also looking at the following options to revamp their short-term rewards structure:

  - On-need-basis one-time payments to employees for purchase of equipment to enable seamless work-from-home environment
  - Reimbursements for facilities/enablers like broadband connections, data cards, etc.
  - Roll-back of benefits such as childcare leaves, creche facilities, subsidised food in the short-term to optimise costs and transfer the benefits to the employee in some other form(s)

Compensation and benefits - Employee benefit policies

Changing ways of work needs robust policies for governance

Current COVID- 19 situation is fundamentally changing how we live and work. Role of technology and remote working has never been more important. Transforming talent models and adopting new ways of working will be essential for organisations to survive and sustain their business models. With these new norms settling in, organisations' HR policies need to be revised to ensure a healthy and structured remote working. Key imperatives to consider when revising policies are:

- **Workforce restructuring**: Adopting new ways of working for emerging hybrid organisational structures and family of roles. Agile and innovative performance and productivity management is the key to ensure that remote working is managed effectively.
- **Managing employee cost**: Redesign of compensation structure and other relevant benefits to adapt to the changing scenario. Redefining existing flexible allowance and relevant employee expenses.
- **Employee health and well-being**: For a happy and healthy remote working, it is essential to ensure physical and psychological wellbeing of employees. Employee connect and timely communication are the key to success.
- **Social distancing and remote working**: Ensuring strong IT support and defining norms for remote working will enhance overall productivity and efficiency. Strategic measures such as right mix of work from home and office, hotdesking and setting meeting/workplace etiquette that enables social distancing is crucial.

Policies that will need to be reimagined

Key policies which will necessarily need to be introduced or would require major revamp during COVID- 19 scenario are:

- **Work from home policy:** While implementing work from home policy, organisations would need to ensure effective planning to ensure productivity and utilisation of workforce, scaled up IT support and frequent check-in with colleagues to stay connected with each other.
- **Hot desking policy:** As work from home is set to become the new norm, companies need to identify optimal ratio of work from to work from office, providing psychological sense of belonging by providing space for personal stuff/ desk arrangements etc., ensuring variety in workspaces- cafes, brainstorming rooms and solitude rooms, considering dividing the entire space into zones (department or function wise) to avoid chaos.
- **Social isolation**: Having a robust social isolation policy during and post COVID-19 scenario is key to a healthy workplace. Key considerations to be kept in mind are arrangements to ensure one meter distance at corporate office, shop floors, canteens, office transport is essential. Also, defining a proper meeting etiquette for 'before', 'during' and 'after' meeting is essential to ensure social isolation.
- **Employee wellness:** Organisations need to ensure health and wellbeing of their employees by including certain aspects when defining wellbeing policy. Key aspects for this are meaningful communication to ensure real time updates and guidelines; counselling helpline and awareness webinars with health and wellness experts and chatbots/pulse connects for employee feedback.
- **Other HR policies:** There would be strategic changes required in most of the existing policies like: compensation, IT, telephone/ mobile bill reimbursement, transport and conveyance, leave, company accommodation, health insurance, domestic/ international, attendance and meals/ refreshments policies.

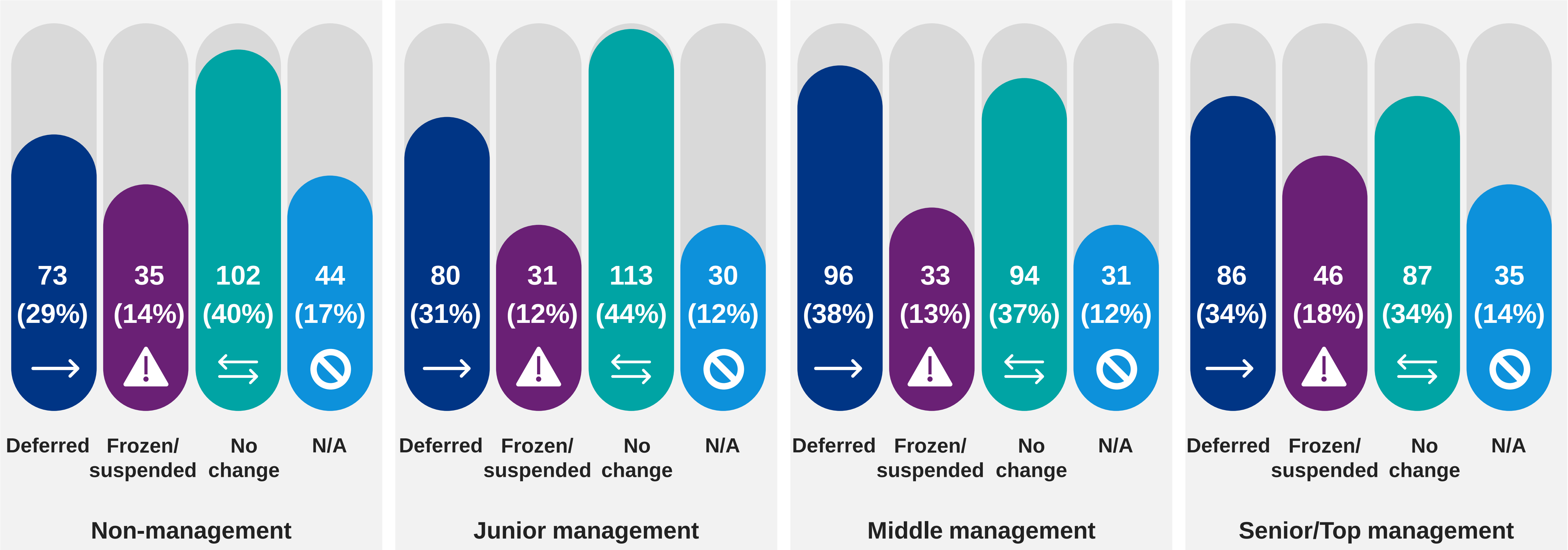
Promotions

Interventions foreseen around schedule/cycle of promotions (overall)

n = 254

Key observations:

- Majority of the organisations are opting for **no change** around the schedule/cycle of promotions, across levels
- Interestingly though, a sizeable percentage of organisations **(~34 per cent)** are even going ahead with **upward revision** around schedule/cycle of promotions



Promotions

Interventions foreseen around schedule/cycle of promotions (sector-wise)

n = 254

	Non-management				Junior management				Middle management				Senior/Top management			
	Deferred	Frozen/ suspended	No change	N/A	Deferred	Frozen/ suspended	No change	N/A	Deferred	Frozen/ suspended	No change	N/A	Deferred	Frozen/ suspended	No change	N/A
Overall average	73(29%)	35(14%)	102(40%)	44(17%)	80(31%)	31(12%)	113(44%)	30(12%)	96(38%)	33(13%)	94(37%)	31(12%)	86(34%)	46(18%)	87(34%)	35(14%)
Advisory	6(27%)	4(18%)	6(27%)	6(27%)	8(36%)	2(9%)	10(45%)	2(9%)	10(45%)	2(9%)	8(36%)	2(9%)	8(36%)	4(18%)	6(27%)	4(18%)
Auto	8(33%)	3(13%)	9(38%)	4(17%)	11(46%)	3(13%)	6(25%)	4(17%)	11(46%)	3(13%)	5(21%)	5(21%)	8(33%)	3(13%)	11(46%)	2(8%)
BFSI	9(43%)	2(10%)	5(24%)	5(24%)	9(43%)	3(14%)	5(24%)	4(19%)	10(48%)	3(14%)	5(24%)	3(14%)	8(38%)	3(14%)	5(24%)	5(24%)
Consumer Goods	2(25%)	2(25%)	3(38%)	1(13%)	2(25%)	2(25%)	3(38%)	1(13%)	1(13%)	3(38%)	3(38%)	1(13%)	3(38%)	1(13%)	3(38%)	1(13%)
Education	3(25%)	1(8%)	5(42%)	3(25%)	4(33%)	1(8%)	6(50%)	1(8%)	4(33%)	1(8%)	6(50%)	1(8%)	4(33%)	2(17%)	4(33%)	2(17%)
Energy	3(38%)	1(13%)	2(25%)	2(25%)	4(50%)	1(13%)	2(25%)	1(13%)	4(50%)	1(13%)	2(25%)	1(13%)	4(50%)	1(13%)	2(25%)	1(13%)
Healthcare	3(30%)	1(10%)	4(40%)	2(20%)	3(30%)	1(10%)	5(50%)	1(10%)	4(40%)	1(10%)	4(40%)	1(10%)	3(30%)	1(10%)	3(30%)	3(30%)
Hospitality	3(43%)	2(29%)	1(14%)	1(14%)	2(29%)	3(43%)	1(14%)	1(14%)	3(43%)	2(29%)	1(14%)	1(14%)	3(43%)	2(29%)	1(14%)	1(14%)
Infra/Construction	3(25%)	3(25%)	5(42%)	1(8%)	1(8%)	4(33%)	5(42%)	2(17%)	3(25%)	3(25%)	4(33%)	2(17%)	4(33%)	4(33%)	3(25%)	1(8%)
IT/ITES	14(23%)	3(5%)	33(55%)	10(17%)	14(23%)	3(5%)	36(60%)	7(12%)	21(35%)	5(8%)	29(48%)	5(8%)	19(32%)	13(22%)	23(38%)	5(8%)
LS/Pharma	3(20%)	1(7%)	8(53%)	3(20%)	4(27%)	1(7%)	8(53%)	2(13%)	5(33%)	1(7%)	7(47%)	2(13%)	4(27%)	1(7%)	7(47%)	3(20%)
Manufacturing	13(32%)	8(20%)	15(37%)	5(12%)	15(37%)	3(7%)	20(49%)	3(7%)	16(39%)	5(12%)	16(39%)	4(10%)	14(34%)	7(17%)	15(37%)	5(12%)
Media	2(25%)	2(25%)	3(38%)	1(13%)	2(25%)	3(38%)	2(25%)	1(13%)	3(38%)	1(13%)	2(25%)	2(25%)	3(38%)	2(25%)	2(25%)	1(13%)
Retail	1(17%)	2(33%)	3(50%)	-	1(17%)	1(17%)	4(67%)	-	1(17%)	2(33%)	2(33%)	1(17%)	1(17%)	2(33%)	2(33%)	1(17%)
GCC	5(42%)	1(8%)	5(42%)	1(8%)	4(33%)	1(8%)	5(42%)	2(17%)	7(58%)	-	4(33%)	1(8%)	5(42%)	1(8%)	4(33%)	2(17%)
PSU	-	-	3(50%)	3(50%)	2(33%)	-	2(33%)	2(33%)	2(33%)	-	2(33%)	2(33%)	2(33%)	-	2(33%)	2(33%)

Highlighted white boxes denote most prevalent practices

Key observations:

- **Almost 50 per cent** of the respondents have reported that their organisations have deferred/suspended promotion cycle, except for junior management
- Among organisations which have deferred or suspended promotion cycle, middle and senior managers are most affected with more than **50 per cent** of organisations deferring or suspending promotions for these levels
- However, most organisations in **IT/ITES, life sciences/pharma** and **retail sector** have refrained from any downwards trend in overall promotion cycle

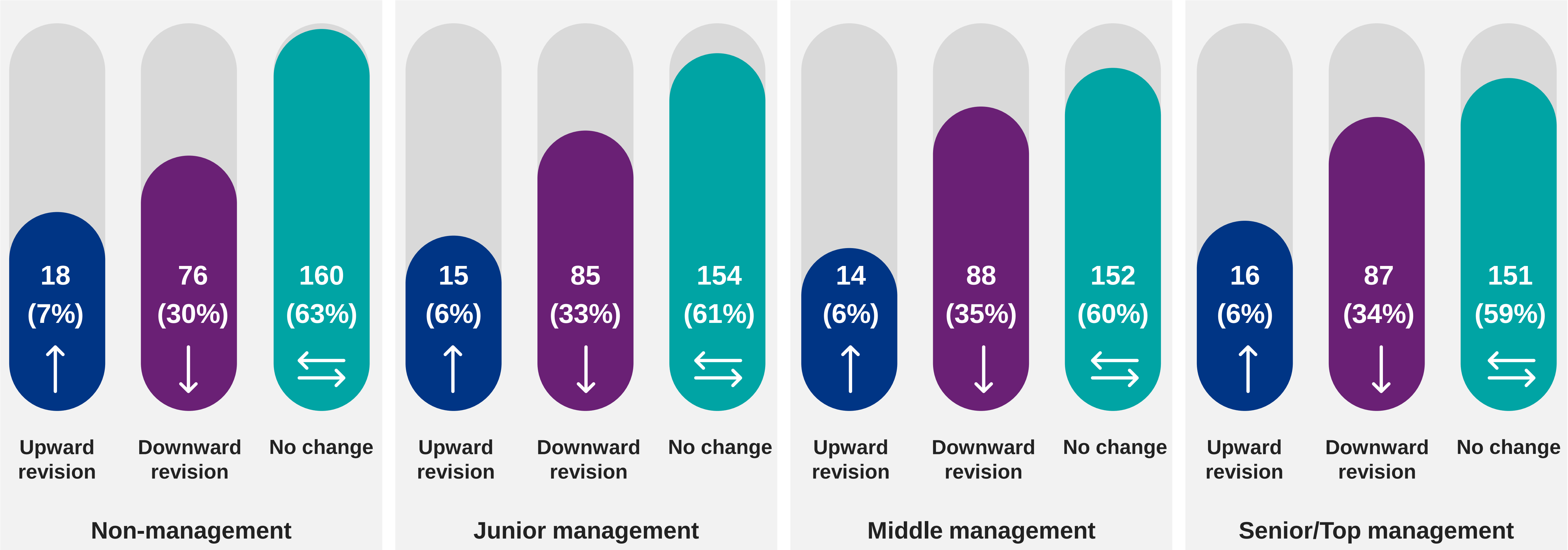
Promotions

Interventions foreseen around quantum of promotions (overall)

n = 254

Key observations:

- With regards to the quantum of promotions, most firms **(~61 per cent)** are choosing to test the waters for the time being by **not changing** their plans
- However, in stark contrast to the previous table, a number of organisations **(~33 per cent)** are opting for **downward revision** around quantum of promotions



Promotions

Interventions foreseen around quantum of promotions (sector-wise)

n = 254

	Non-management			Junior management			Middle management			Senior/Top management		
	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change	Upward revision	Downward revision	No change
Overall average	18(7%)	76(30%)	160(63%)	15(6%)	85(33%)	154(61%)	14(6%)	88(35%)	152(60%)	16(6%)	87(34%)	151(59%)
Advisory	4(18%)	6(27%)	12(55%)	2(9%)	6(27%)	14(64%)	2(9%)	6(27%)	14(64%)	4(18%)	6(27%)	12(55%)
Auto	2(8%)	8(33%)	14(58%)	2(8%)	9(38%)	13(54%)	-	10(42%)	14(58%)	3(13%)	9(38%)	12(50%)
BFSI	2(10%)	6(29%)	13(62%)	2(10%)	8(38%)	11(52%)	2(10%)	9(43%)	10(48%)	-	7(33%)	14(67%)
Consumer Goods	2(25%)	3(38%)	3(38%)	1(13%)	3(38%)	4(50%)	-	4(50%)	4(50%)	-	4(50%)	4(50%)
Education	1(8%)	5(42%)	6(50%)	1(8%)	5(42%)	6(50%)	1(8%)	4(33%)	7(58%)	1(8%)	5(42%)	6(50%)
Energy	1(13%)	3(38%)	4(50%)	-	4(50%)	4(50%)	1(13%)	4(50%)	3(38%)	-	4(50%)	4(50%)
Healthcare	-	4(40%)	6(60%)	1(10%)	4(40%)	5(50%)	1(10%)	4(40%)	5(50%)	1(10%)	3(30%)	6(60%)
Hospitality	-	3(43%)	4(57%)	-	3(43%)	4(57%)	-	4(57%)	3(43%)	-	4(57%)	3(43%)
Infra/Construction	1(8%)	6(50%)	5(42%)	-	5(42%)	7(58%)	-	6(50%)	6(50%)	-	5(42%)	7(58%)
IT/ITES	2(3%)	11(18%)	47(78%)	2(3%)	16(27%)	42(70%)	3(5%)	14(23%)	43(72%)	3(5%)	15(25%)	42(70%)
LS/Pharma	1(7%)	1(7%)	13(87%)	1(7%)	3(20%)	11(73%)	2(13%)	3(20%)	10(67%)	2(13%)	4(27%)	9(60%)
Manufacturing	1(2%)	15(37%)	25(61%)	2(5%)	14(34%)	25(61%)	2(5%)	15(37%)	24(59%)	1(2%)	16(39%)	24(59%)
Media	1(13%)	3(38%)	4(50%)	1(13%)	3(38%)	4(50%)	-	3(38%)	5(63%)	1(13%)	2(25%)	5(63%)
Retail	-	2(33%)	4(67%)	-	2(33%)	4(67%)	-	2(33%)	4(67%)	-	3(50%)	3(50%)
GCC	1(8%)	3(25%)	8(67%)	-	5(42%)	7(58%)	3(23%)	5(38%)	5(38%)	2(17%)	5(42%)	5(42%)
PSU	-	-	6(100%)	-	-	6(100%)	-	-	6(100%)	-	-	6(100%)

Highlighted white boxes denote most prevalent practices

Key observations:

- Across industries, almost **33 per cent** of organisations have done downward revision in terms of number of promotions that were to be handed out this year
- About **6 per cent** of responding organisations have reported an upward revision of promotion numbers
- Within the **IT/ITES**, **life sciences/pharma** and **advisory** sector, while most organisations have preferred not to change their promotion numbers, a few organisations have still shown a downward revision in their promotion numbers

Promotions

Key takeaways:

COVID- 19 has impacted the various sectors differently. While organisations are taking different approach for their promotion cycles, in the current scenario, organisations can look at adapting to the following practices to ensure minimal disruption to their business.

Organisations that are deferring/suspending the promotions

There exists a significant portion of the organisations (i.e. 51 per cent) that have deferred/suspended promotions for the current fiscal year. These are hard times for both the employer and employees and hence, to ensure that such deferral/suspension is taken in the right spirit by employees, the following critical measures can be looked at to manage the employee expectation effectively.

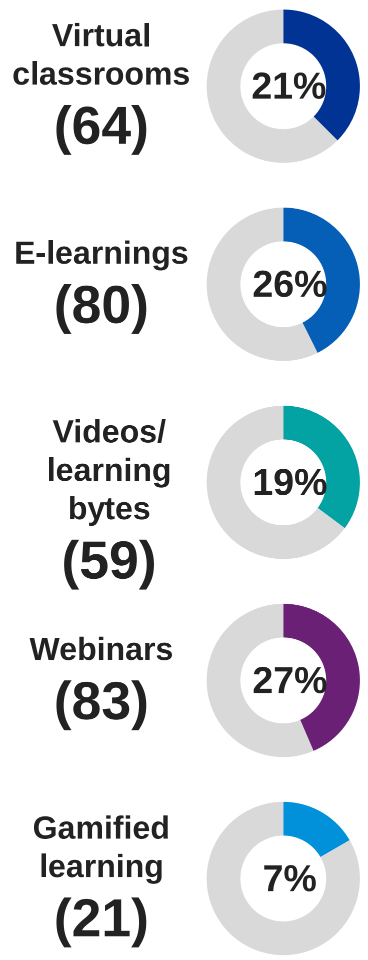
- **Clear communication on the case for Promotion freeze:** Organisations should roll out a detailed communication highlighting the impact of COVID-19 on the overall sector in general, and their business in particular so that employees understand the rationale behind the decisions taken. Any additional cost optimisation measures taken by management must also be highlighted to signal employees that deferring/suspending promotions was one of the last resorts.
- **Set definite promotion timelines:** As far as possible, organisations must look to confirm to their employees definite timelines for deferral of their promotions and potential impact it holds on their respective increments.
- **Provide financial assistance**: With deferral of increments and delays in disbursement of variable pay, organisations could look to setup necessary mechanism to understand financial challenges faced by all employees and accordingly, provide necessary assistance.
- **Manage expectation of critical workforce:** In the given tough times, losing your critical employees could have a multi-fold impact on business. Hence, organisations should look to conduct regular pulse checks for their critical workforce to ensure their engagement levels are high and that they are making all organisation decisions in the right spirit.

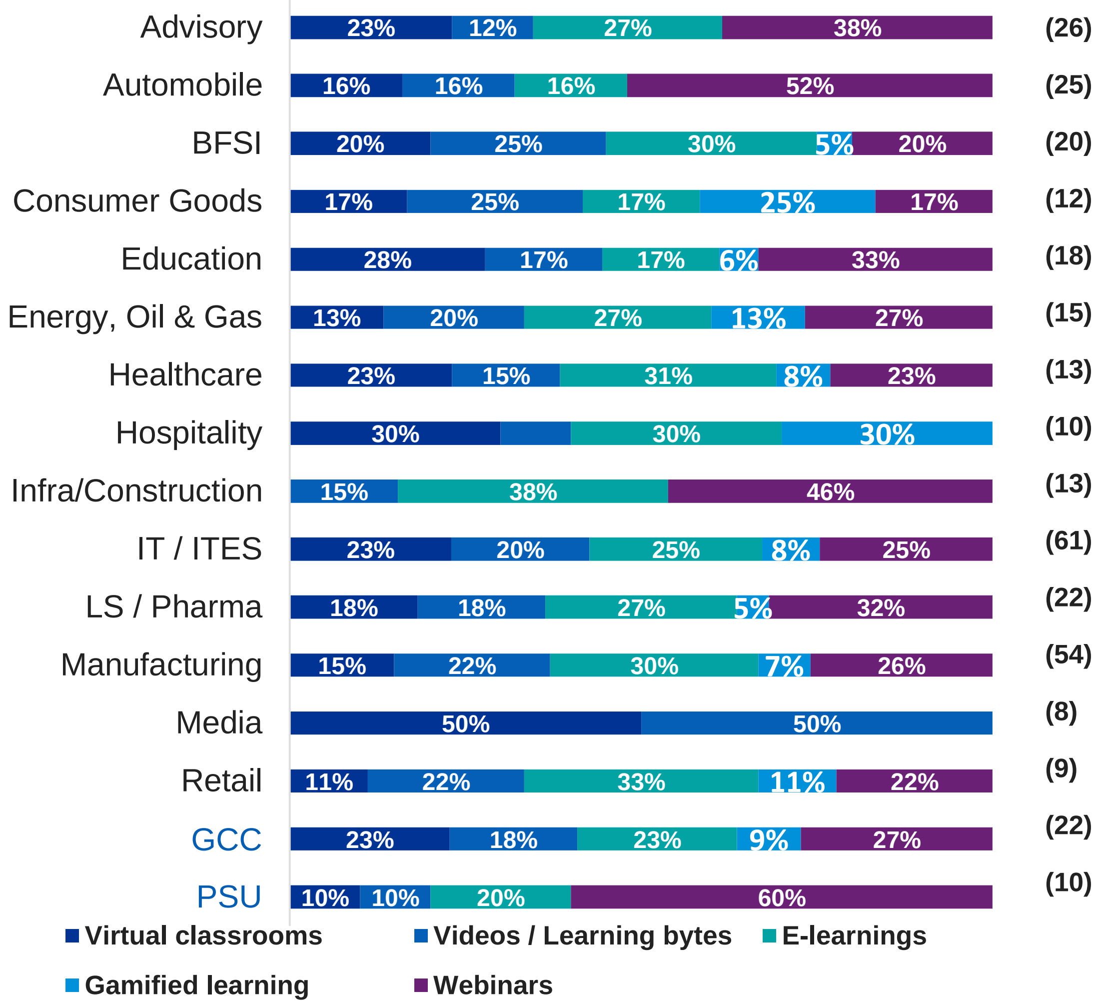
Organisations that are not changing the promotion cycle

Organisations that are going ahead with promotions may look at strengthening their employer brand in the market and highlight its 'employee first mindset' especially during the crisis. The employer brand can also be linked to other critical organisational support activities provided such as contributions to relief funds and provision of any other support thereby increasing the overall organisational brand equity.

Mode/channel being leveraged for driving learning interventions

n = 306

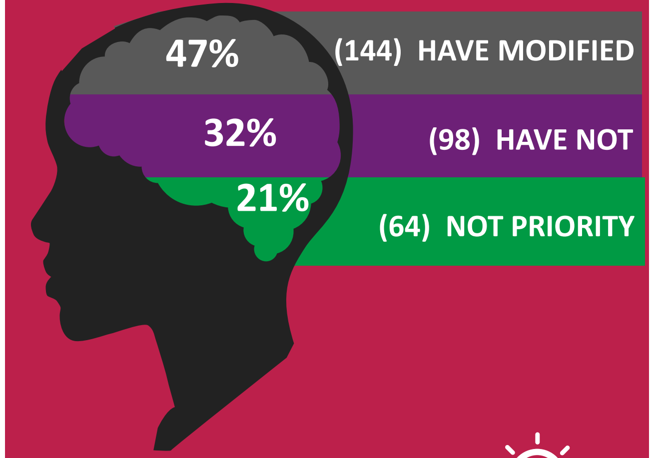




The responses for GCCs and PSUs have been captured separately

Key observations:

- Organisations which have modified learning strategy to drive more effective virtual working:



Peer to peer learning

A few firms have setup platforms for their employees to post their learning interest areas and form virtual groups of employees sharing the same learning interests. These groups are encouraged to self-drive learnings, post training videos, organise webinars and if the topic garners enough interest, they are funded budget to call external speakers too.

Key takeaways:

Learning is the key to success in a crisis:

The ways of working have changed and will continue to be so for a considerable time and may eventually become part of the new normal. A shift from a fixed to liquid workforce and increased remote working will also have pressing need for the L&D professionals to reimagine learning. Learning needs to transit to becoming more customised, real-time and engaging. This also calls for the facilitators and learning design enthusiasts to dig deeper to what the employee wants and how to curate the learning journey. With more learning programmes going digital, it is also becoming vital for L&D teams to link the programme to tangible outcomes. AI and ML if used judiciously, may evolve as base for a new learning model going forward.

Key survey outcomes with regards to the evolving learning and development strategies are:

- The top three most used learning mediums today are 'e-learnings', virtual classrooms and webinars. This clearly indicates that organisations are slowly and steadily adapting to the new normal and imparting learning with the use of technology.
- However, almost 32 per cent of organisations have not yet modified their learning strategy which could lead to long term damages to the organisations
- Organisations need to also effectively leverage AI and ML in their learning design. But as reflected in the survey outcomes, most organisations are far away from implementing such strategies at this point of time.

How can we impart learning differently

With uncertainty here to stay, AI and ML-based digital technology will play a key role in imparting employee learning. There is a far greater impetus for learning professionals to learn how to design virtual learning programs and one which is supported with empirical evidences. Mentioned below are some learning mediums that could leveraged to reimagine the organisation's learning strategies.

- **Collaborative case-based learning**: With the increase in network of teams model of working, it becomes very important for organisations to design learnings where there are cohorts of different functions collaborating to achieve a single objective in an agile manner. Such learnings could be delivered through case simulations and/or collaborative learning virtual classroom sessions.

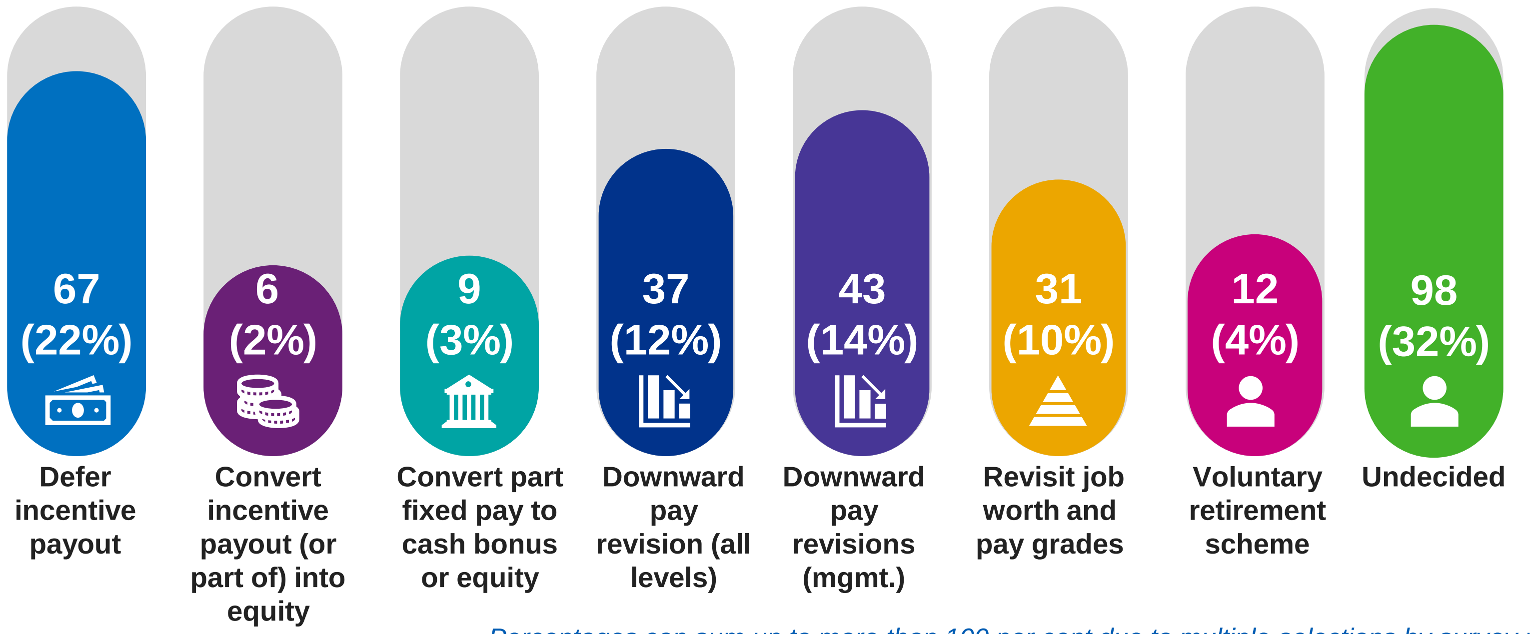
- **Leverage virtual learning marketplace**: With increased use of virtual technology, the emergence of virtual learning marketplace is unavoidable. Organisations will have access to the best content curated and delivered by subject matter experts in competitive pricing. Organisations could leverage this for upskilling its workforce at minimal cost with industry experts virtually coaching, classrooms training, conducting webinars for their employees. Coupled with decentralised and localised model of learning, this could very well become the future uber model for learning.

- **Learning as a journey not a program**: With more dynamic work environments, the learning-forgetting curve is expected to increase, and attention span of learner bound to decrease. To ensure learning retention and effectiveness, it must be imparted in consumable micro learning modes, with multiple touchpoints in specific time intervals.

Long-term perspective

In case the COVID-19 situation persists for a longer duration (> quarter), what are the interventions that organisations may consider?

n = 306



Percentages can sum up to more than 100 per cent due to multiple selections by survey participants

- **22 per cent** of the organisations believe that deferring incentive payment would be the first step their firms will take, if COVID-19 situation persists for a longer duration than expected.
- Around **10 per cent** of the responding firms have utilised this opportunity to revisit the job bands and pay grades across the firm.
- Least popular options amongst all organisation were to offer **voluntary retirement** to employees or **converting a portion of incentive/fixed pay of employees into equity**.

Key observations:

- Some firms have differentiated their compensation strategy for critical and non-critical staff and have also re-skilled and re-deployed workforce in areas where business demand is higher, to minimise retrenchments
- Select firms have also displayed preference in prioritising cost efficiency measures like reducing budgets around travel, personal reimbursements and reduction in HR functional budget – before implementing compensation or benefits revisions for the employees

How can we support you in revitalizing your HR function…

Our seven step model

1. Future workspace landscaping

- Re-think assumptions of the blueprint of the **role mix** in organisation
- Distributed but **centrally coordinated** operating model will address '**resilience**' measures

2. HR reshaping

- New age team structures aligned to **agile way** of working will be adopted
- Evaluate existing spans, layers and reporting relationships in light of the changes
- Redesign of structure to enable **evolving business model** and **changed business goals**

3. Performance and productivity measurement transformation

- Rethink individual and team **performance measurement** metrics and systems in the **virtual working** environment
- **Digital tools** to track teams' contribution and **productivity** reporting dashboards should be leveraged

4. Effective leadership

- Flexibility to foster **autonomy**
- Authentic **transparency** and **care** for employees
- **Synchronisation** of objectives regularly

5. Culture readiness of employees

- **AI based cultural readiness** and **transformation** interventions will be the key
- **Identification of influencers, connections, engagement levels, drivers and prescriptive action items** to drive the organisation culture

6. Policies and facilities management

- Effective design and implementation of immediate **policy changes** will include **hot desking** and **work from home** policy
- Identification of policies and processes which will get impacted due to the new remote ways of working

7. Technology considerations and enablers

- **Technology enabled applications** to support all HR processes
- **E-learning platform**, **HR virtual counselling forms**, **integrated technology** and **app** to support all critical HR processes

As the model continues to evolve and settle to some sort of an end state, we will see some of these aspects continue to change quite dynamically.

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Culturelytics

Culturelytics combines the power of advanced AI algorithms with the latest behavioural science. Culturelytics platform provides decision-makers with the data-driven cultural insights to make informed investment decisions and build cultures that drive business success.

Link: http://culturelytics.ai/index.php

LNOD Roundtable

LNOD Roundtable serves as a knowledge-sharing and learning experience platform for business heads/ functional /line managers of the HR, Learning and OD Community. Aimed at facilitating dialogue, building capability and sharing resources, it currently serves 16000+ members (and growing) from India and abroad making it the largest learning forum in Asia.

Link: https://lnodroundtable.com/about/

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