

THE FINANCIAL EXPRESS

WUTHERING HIKES

Fe SURVEY

MOOD IN CORPORATE INDIA

A SURVEY CONDUCTED EXCLUSIVELY TO ASCERTAIN THE CURRENT MOOD IN THE CORPORATE WORLD ECHOED MUCH MORE THAN THAT SENTIMENT. IN A STRIKING PARADOX, MOST EMPLOYEES DESPITE ACKNOWLEDGING THE ECONOMIC SLOWDOWN FELT THEY WERE DEPRIVED OF THEIR MUCH DESERVED INCREMENTS

Kiran Yadav

THE annual appraisal process has clearly been an exercise that most of our 480 respondents seem to have terribly missed in the last fiscal. Most seem to have escaped the apparent threat of downsizing only to emerge from it, "demotivated". A whopping 48% could identify with that sentiment when asked "how has not getting a raise impacted them". And another staggering 69% felt that the companies were "not even justified in giving them raises".

"You have got to be kidding. Raise? I am still trying to come to terms with the pay cut the slowdown has slapped on me," retorted M Singhvi, Marketing Consultant with a leading advertising firm on conditions of anonymity. Singhvi's opinion, in fact, found a lot of favour with the rest of the respondents. "Most Indian companies who have not given any increments this year are just being opportunistic. They are using slowdown as a ploy to save money. "We" in good times and "you" in bad times is undoubtedly bad HR policy. Each employee in the company deserves to get a share in the profits made. And as we know, most companies have made profits despite the downturn," said N Kumar, a Mumbai-based PR professional.

"Overwhelmingly negative" is how Dr Ganesh Shermon, Partner & Country Head, People & Change Advisory Services, KPMG Advisory Services, defines the tone of the survey results. "The employees are telling us something here. The survey shows a combination of both substantive and emotive factors for responding to what they are coping with. Employees are frustrated because they are unable to change jobs as frequently as they would have liked to. Those days are still to come back again. Now it is back to the 90s when you get a good job and retain it by working to keep it," he explains. That could possibly be a reason for employees getting demotivated. Our survey found 30% of the employees tried changing their jobs but didn't succeed. Another 45% didn't try at all. Demotivation apart, 27% of the respondents even found themselves getting into depression easily, a probable fallout of job insecurity and economic uncertainty. "The financial slowdown, undoubtedly, has had a significant impact on the society at large. Financial security is one of the most important parameters people look for and the lack of it creates most severe of stresses. The recent slowdown has only increased these stresses," reasons Dr Samir Parikh, Chief, Department of Mental Health and Behavioural Sciences, Max Healthcare, Delhi. He adds, "High stress has a negative impact on the bottom line, on work morale, and also on work atmosphere. And in the current situation of financial crisis

this would only become worse, thereby making psychosocial interventions more important."

A cursory glance at the trend in salary hikes quite justifies the pessimism. According to global human resources services company Hewitt Associates, the average salary increase in India ranged from 11.7%-16% in 2007. Salary hikes in 2008, they forecast, looked promising at 15.6%. However, the year just netted an average increase of 13.3%. The current year seems worse — with the average hike pegged at 8.2%, according to Hewitt's Survey That's however little consolation for those who have either got pay/benefit cuts or got no increments at all this fiscal.

In a nutshell, it all boils down to "adjusting expectations," says Manoj Vohra, Director of Research and Senior Editor, Economist Intelligence Unit. "Employees, who were used to fat salary hikes and bonuses every year, are now undergoing a painful process of 'expectations adjustment'. Some are finding it difficult, while others are seeing an opportunity to strengthen their credentials and prove their worth," he says adding "Before the financial crisis took hold, senior executives cited the global war for talent as one of the main constraints on business growth, especially in emerging markets like India. Now most companies, uncertain of what the future holds, are looking to cut just the fat, but in some cases also are losing the talent that was built up at great cost over the past few years."

Apart from the inadvertent loss of talent, companies have another challenge to tackle. According to the survey findings, just 36% of the respondents find their job "challenging". It's a figure that concerns Shermon deeply. "Employers cannot be found to be sitting around if the levels of role satisfaction are so abysmally low despite the fact that many companies are actually doing more to keep people engaged, now than ever before," he says.

Job security is yet another area the employers may want to urgently address. "Job security is now a hygiene expectation, something that was not even important to students in 2008, says Vatsala Pant, Associate Director, The Nielsen Company. She also notes that the falling economy has marginally scaled down salary expectations. "Students are aware of the bad times and have mentally scaled back salary expectations even from their dream company. Last year the average expectation from their dream company (one that scored well on all key drivers of choice) was Rs 8 lakh. This year, it is Rs 7.5 lakhs," she adds.

The future, however, doesn't look bleak — neither to the survey respondents, nor to the experts. 58% feel there will be more job opportunities six months from now. "Going forward, companies are likely to measure and reward employee performance more objectively. Employees must be mindful of this reality," says Vohra. That's some fodder for optimism to feed on. At least, for now.

1. Have you contemplated changing your job?

Yes, and changed 25%
Yes, tried but didn't succeed 30%
No **45%**

2. How has not getting a raise impacted you?

Yes, it demotivated me **48%**
No impact 18%
I'm happy that I have a job 34%

3. Do you feel secure in your job?

Yes **48%**
No 19%
Somewhat 33%

4. Do you think companies are justified in not giving raises?

No **69%**
Yes 31%

5. What does your organisation mean to you?

Pay master 20%
Identity giver 29%
A stepping stone **51%**

6. Has a 'No raise' and 'added expenses' led you to ...

Rework your savings **36%**
Look for additional income options 15%
Both 24%
Neither 25%

7. Do you find yourself getting easily depressed?

Yes 27%
No **61%**
Somewhat 12%

8. You find your job ...

Boring 10%
Exciting 25%
Challenging **36%**
No other option 29%

9. Do you think there will be more job opportunities six months from now?

Yes **58%**
No, but hope so 19%
No, don't think so 3%
Can't say 20%

Survey Co-ordinator: Moumita Chakrabarti