



RECEPTIVENESS IS THE KEY

KUMAR EKAMBARAM (CHIEF PEOPLE OFFICER, CSS CORP.) EXPLAINS WHY IT IS VITAL TO CONTINUE INTRODUCING COMPENSATION INNOVATIONS IN INDIA, WHERE WE HAVE A SELF-SUSTAINING AND SKILLED WORKFORCE

Kumar Ekambaram brings with him 28 years of diverse and hands-on experience in setting up new projects and managing large operations. An electrical engineer with a PG Diploma in Management from IIM-A, he has worked with National Dairy Development Board, Apollo Hospitals, and Tata Group Companies. Interview excerpts:

Q. How have compensation and benefit structures differed across the sectors you have worked in?

A. Compensation depends on the sector and maturity of the industry. In India for example, compensations in mature markets like manufacturing is lower as compared to emerging sectors like IT, telecom, and retail.

Q. What aspects play a role in determining C&B structures?

A. Newer sectors like IT and telecom have adopted a variable plus fixed component structure. Structures are also dependent upon prevailing industry standards, which involves benchmarking and constant checking with industry peers.

Q. What are the differences in C&B plans of MNCs and those with India HQ?

A. Apart from company policy, external factors

play a role. Homegrown companies structure packages to suit employees across all levels, depending on income tax laws. MNC structures differ in line with prevalent local trends.

Q. What innovations have we witnessed?

A. The biggest change is that the industry has moved from the fixed to the fixed plus variable component. This helps to simplify complex processes and is directly proportional to performance; hence, a lot of sectors are open to it.

Q. How receptive are Indian companies to innovations in compensation and benefits?

A. India Inc. is a global entity now, with a self-sustaining workforce that is skilled only because we raised the bar. Hence, receptiveness is key. Components like LTA, medical allowance, HRA, and so on are all outcomes of our responsiveness to external factors and employee needs.

Q. Are there any unique initiatives taken in this regard by CSS Corp.?

A. All employees have a variable component, and pay for performance varies between 5 to 25 per cent. This brings in employee satisfaction as well as makes the environment competitive. The employees' work towards achieving the goals set by themselves.

Q. Which compensation issues need immediate attention in the arena?

A. The primary concern is that employees are not well-educated about variable structures, which leads to grievances and further non-transparency. Also, with high growth and high burnout sectors today, the variable component cannot be constant; this constant fluctuation leads to instability. Hence, a standardisation across sectors is required to keep things stable. thf

EMPLOYEES ARE NOT WELL-EDUCATED ABOUT VARIABLE PAY, AND THIS LEADS TO FURTHER GRIEVANCES

Sushmita Yadav