

The Kelsa Benefits Survey 2012

In the hyper-competitive job market today, organisations are constantly looking at methods by which they can enhance the employee experience. Companies in the new-age sectors such as IT or ITES/BPO have taken the vanguard of this movement; the other sectors have had to devise ways to catch up. Even the most inclusive manufacturing firm finds itself having to cater to the needs of its employees in an extremely stratified manner. In such a scenario, it is absolutely imperative that forward thinking organisations remain transparent about the benefits and the entitlements enjoyed by its employees at various levels.

Kelsa's survey of such entitlements and benefits for seven companies in the Automobile sector covered some of the less glamorous (but extremely sensitive) aspects of work life, apart from a few lifestyle aspects and quite a few operational aspects. To that extent, this is not a survey that can be considered part of a compensation benchmarking exercise. This report is divided into four broad categories – **Work, Travel, Assets and Rewards** with a few key policies that have been examined for practices by various organizations, by category.

Below is a summary from the recently conducted study.

Work

With the challenge of long-distance commute to workplace and the desire to strike the appropriate work-life balance, organisations have been making efforts to ensure that the workday is just long enough to allow employees have adequate time to refresh themselves. Given the impracticality of a default, or long-term, work-from-home option, organisations have been making efforts to ensure there is no need for anyone to stretch beyond the stated work hours. Aside from the holidays declared in line with the statutes, leave entitlements across respondents show a fair amount of variation across respondents. Paternity Leave and Study Leave have not yet caught on as a benefit.

While employee mobility primarily applies to field roles (sales, marketing or service functions), it is also extended to other functions in the case of organisations with multi-location facilities, especially for employees at junior and middle management levels depending on operational and business requirements. While many organizations have begun to address the increasing costs in Airfare and Accommodation by planning in advance, companies continue to provide additional advances to support an employee and his dependants in order to encourage mobility.

Although laptops are ubiquitous, not all organisations have a strongly codified policy on provision of these machines to various levels of hierarchy. Employee productivity seems to be the key focus among respondents while providing laptops and data cards, and such policies are dealt with, as required. More and more organizations are putting in stronger policies around data protection, software piracy and internet abuse given their associated risks.

Travel

The drive for austerity has seen many of the respondents keeping their options open on using trains or changing class of air travel. The improved availability of inter-city road travel options, with sleeper and luxury buses, has seen that becoming a preferred mode as well. The rates for hotel accommodation are constantly being reviewed and many of the respondents have attempted to enter into long-term contracts with hotel chains that have presence across various locations. With all these options to hand, the challenge for almost all organisations remains at the level of being able to predict the need for travel.

The austerity drive appears to continue through to international travel as well. Organisations don't see too many changes in this policy as it typically as respondents report that 80% of their travel is to standard locations, due to which their policies are crafted around those locations. Respondents indicate that all other expenses are covered through a lump-sum *per diem* allowance.

Assets

A majority of companies have a policy of providing a company owned car to their executives at certain grades, in order to make their overall compensation structure more attractive. With the provision of a company car, there is a need to have policies around reimbursement of fuel expenses, driver's salary, maintenance and insurance used during travel for official purposes.

The practice of allowing executives a company owned mobile phone is still prevalent in four of the respondent organisations. We believe this policy has outlived its usefulness, and organisations would do well to remove this 'benefit' from their menus.

Only three respondent organizations have a policy pertaining to employee purchase of company's products. It is surprising that such an obvious and ready-to-hand employee engagement move has not been universally implemented. The response we received was not so much against its applicability but against the effort needed to seed this in place – and the worry of a spike in demand from within depleting the availability of the product in the market! Organizations today only provide their employees with Discounts on the first purchase of the product or 'Priority Booking' schemes, with no additional benefits.

Rewards

Long-service awards have been in operation among older organisations for a while, the challenge for companies is to ensure that it is kept fresh through the years.

While three of the respondents structured performance awards, companies continue to struggle with creating formal, transparent systems of measuring and tracking individual and team performance. Spot Awards, intended to recognize specific instances of exceptional performance and Wedding Gifts for employees, typically for an employee's first marriage, are common among many of the respondents.

Envisaged as recognition of having referred a suitable candidate to the organisation, employee referral programmes have become trading grounds for CVs. Rather than being hard-wired into the policy, referral bonus amounts should be at the discretion of the recruitment manager, thereby providing flexibility to address a surge in hiring demand.

In closing

Employee benefits have long been relegated to the administrative backrooms of the people management function. The belief was that once the design was in place, it was only a matter of ensuring its smooth implementation. As we have seen, the market environment is much more dynamic than it has ever been. The challenge is therefore in ensuring that the benefits design is flexible enough to respond to the changes in the environment in a timely manner. It has become important to keep track of these changes in a regular manner.

Providing a flexible, enabling framework will not only take away any ambiguity regarding entitlements, but the flexibility will help the implementers of various policies – typically the first and second level people managers – to be able to understand the organisational values driving the framework and the policies.

We believe this survey can give you an insight into the design of several benefit and operational policies that impact the day-to-day performance on the job. To order a copy of the full report, or to participate in our future surveys, please write to us at:

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