

INDUSTRIAL

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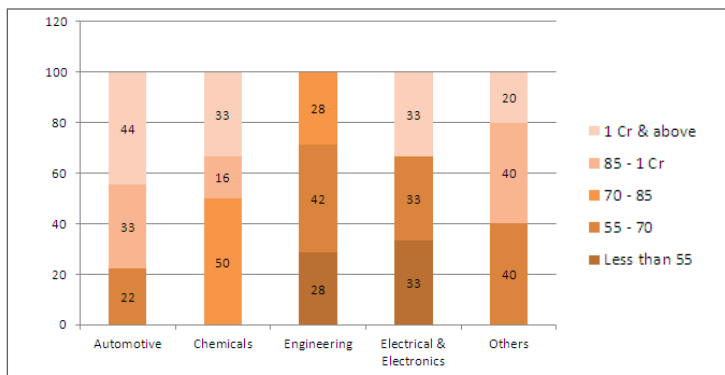
COMPENSATION REPORT 2015-16



COMPENSATION TRENDS

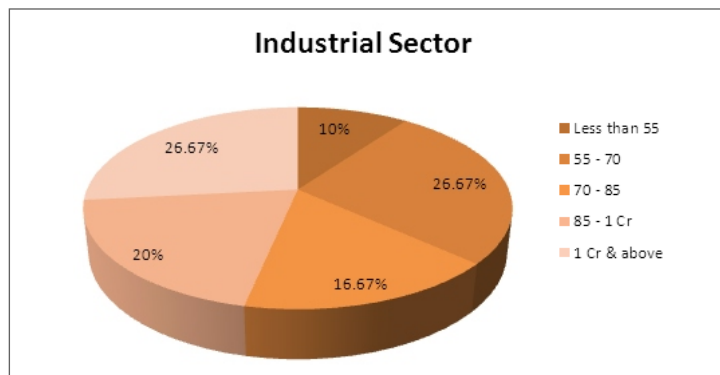
INDUSTRIAL SECTOR

SECTOR WISE CxO FIXED COMPENSATION



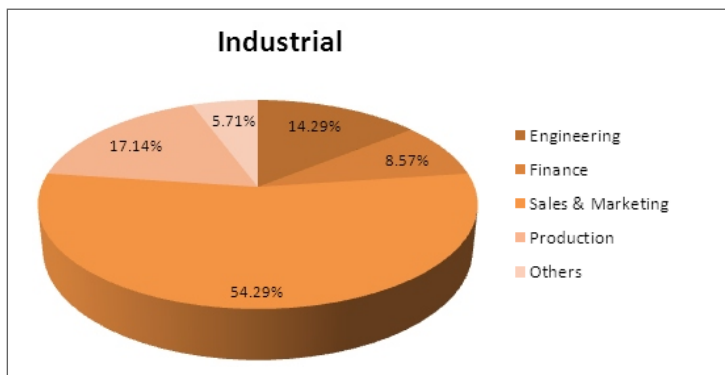
The Fixed compensation distribution across the various segments in the Industrial & Manufacturing domain is explained in the picture above. From the **Automotive** that has the highest percentage of CxO's that draw INR 1 Cr or above to **Engineering** on the Lower side that has the least.

CONSOLIDATED FIXED CTC IN DIFFERENT SEGMENTS



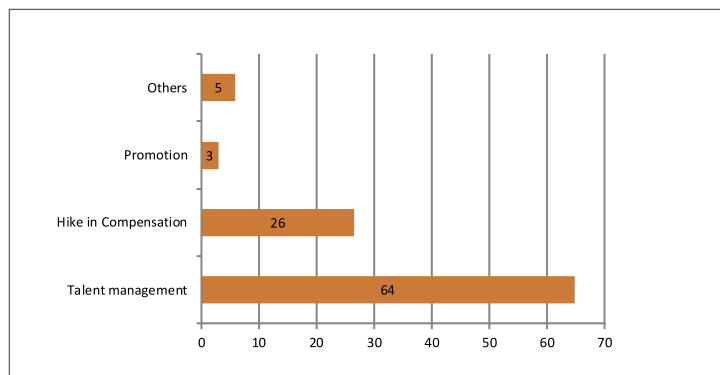
From the representative set, we see an interesting distribution for the Fixed compensations in the broad Industrial sector. More than 25% of the CxO's are drawing a fixed compensation of more than INR 1 Cr, and almost 50% of the CxO's drawing a fixed compensation of INR 85 lacs or more.

CONSOLIDATED FUNCTIONAL GROWTH IN THE INDUSTRIAL SECTOR



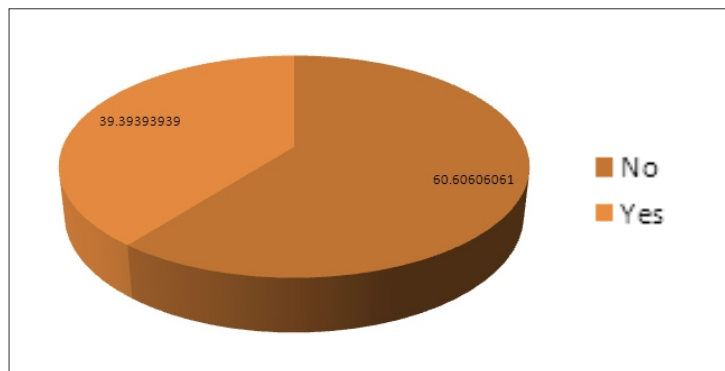
The maximum growth in CxO roles is projected for the Sales and Marketing function, emphasizing the focus on driving topline growth. With the economy beginning to show positive signs for a turnaround, organizations are looking for further strengthen the sales & marketing functions.

VARIOUS METHODS OF RETENTION



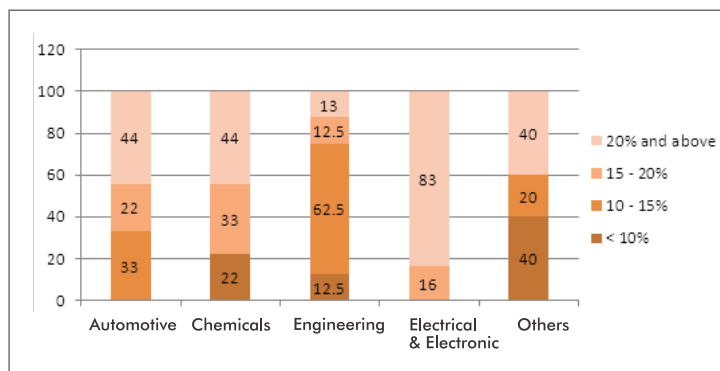
Talent Management is the most preferred mode for retention of talent followed closely by increase in compensation/salary hike. In absence of a strong growth, the companies are not able to expand and create new roles

HIRING FOR ANY SENIOR LEADERSHIP ROLES IN THE NEXT 6-12 MONTHS?



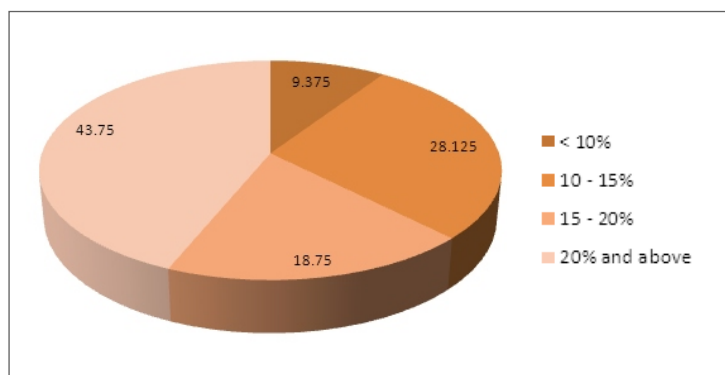
The overall hiring outlook for the setor looks dull, with almost 60% of the companies ruling out any CxO hire in the next 6-12 months. The turnaround has been slow in the last 6 months and hiring decisions tend to get delayed.

SECTOR WISE CxO VARIABLE COMPENSATION



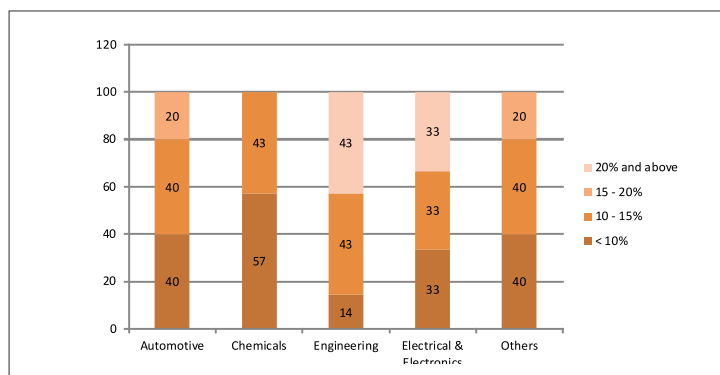
Interestingly Electrical & Electronics sector sees the highest variable component in the compensation, 20% or above, a clear indicative of growth trend in the segment. Engineering is the laggard, also to some extent due to legacy reasons.

CONSOLIDATED VARIABLE CTC IN DIFFERENT SECTOR



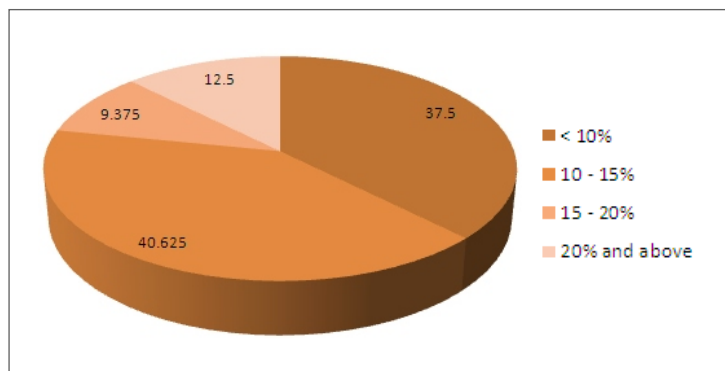
Almost 50% of the representative set has variable compensation of 20% and above an indicator of increasing alignment of individual compensations with overall business performance.

SECTOR WISE ANNUAL COMPENSATION INCREMENT RECEIVED OR EXPECTED



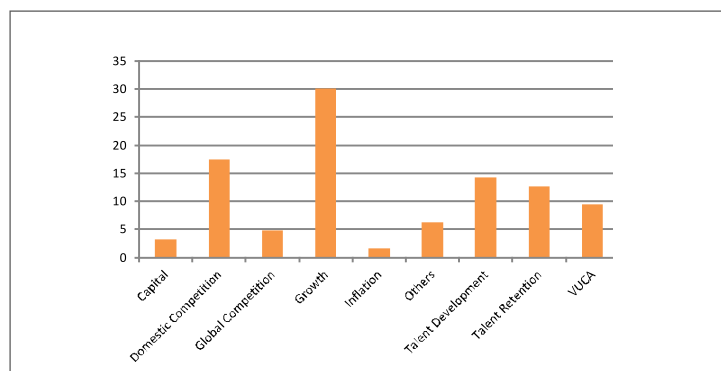
The annual increments for last year are showing an interesting trend, with both Engineering & Electrical segments showing the highest percentage of 20% and above and Chemicals being more skewed towards a lower hike.

CONSOLIDATED ANNUAL COMPENSATION INCREMENT RECEIVED OR EXPECTED IN DIFFERENT SEGMENTS



The sluggish economy has impacted the appetite of corporates with only 12.5% of the companies giving out an annual increments of more than 20%. A significant number have received an increment of less than 10%, the figure close to 40%.

TOP CHALLENGES FACED BY ORGANIZATIONS IN THE SECTOR



Looking into the near term future, respondents not surprisingly highlighted Growth as the biggest concern as the economy still shows signs of stress. The other key areas of concern for the leadership being competition (domestic) and talent development & retention.

