Unitus-Hewitt Compensation & Benefits Benchmarking Survey 2010

unitus

Need & Solution – In the year 2008

Questions asked by Partners	Unitus Solution
1. How much do we pay for this position? 2. What is the possible compensation range for a particular set of skills? 3. How can we attract the best talent for our organization? 4. We are loosing people due to salary 5. We want to determine our compensation positioning	Compensation Benchmarking Study 2009 1. Conducted in partnership with Hewitt Associates 2. Covered 15 key positions in a MFI 3. Participants in the 2009 study – Grameen Koota, SKS, Janalakshmi, Ujjivan, GVML, Equitas, Basix 4. Completed within a period of four months 5. Provided MFIs with the compensation ranges for each of these positions and their positioning in the market

Feedback from Partners on the 2009 study

What they liked ?	What could be better ?
1. Good initiative that provided us information on key positions 2. Helped us create salary bands and give salary increases 3. Study conducted in a very professional manner which brought the industry together 4. Data analysis was good 5. Satisfied with Hewitt as a partner though would trust Unitus to choose the right partner	1. Increase the number of positions and number of participating MFI's 2. Looking at a shorter cycle time for the survey. 3. Did not use the report 100% 4. Participants willing to share payroll data instead of median data points for better analysis 5. Cover additional topics like • Incentives • Performance linked bonus • Non Cash benefits • Regional differences

C&B Survey 2010 – Survey Offerings

- Compensation benchmarking Study
  - Level Study
  - Position Study
- Benefits benchmarking study
- Implementation Workshop
- Additional Value adds
  - Mid Year Salary Increase Survey
  - Customized Reports

What is a level compensation study and how will it help me?

WHAT ?

- Eight generic levels will be designed based on our understanding of the industry
- Description will cover generic responsibilities, skills, academic qualifications, competencies
- MFIs will be expected to match their existing levels to these levels
- If an MFI does not have defined levels then we will help them match the positions in these organization to these levels

HOW WILL IT HELP ?

- If you already have levels, it will help you benchmark the salary competitiveness of your levels
- If you **do not** have levels in the organization, it will help you create levels / salary bands in the organization

Next slide gives you an example of how levels are defined

Sample of Level descriptions – provided by Hewitt – *This will be made MFI specific*

Level	Description
HA 1	Entry level front line sales officer, may be on the rolls of the organization or on the outsourced subsidiary
HA 2	Junior level officer, typically involved in processing routine work. No supervisory role
HA 3	Senior level officer, typically involved in processing routine work. May supervise junior officers
HA 4	Usually senior team member in a sub - function or department. May lead a small team. Typically guides junior & senior officers. Performs job with limited supervision
HA 5	Head of a small section / limited large accounts with independent responsibility. Performs supervisory role, leads & guides the team. Performs job with a high degree of independence
HA 6	Head of a department. Co-ordinates/allocates resources, converts key business results into & monitors operating plans within own area of responsibility. Leads the team, guides his direct reportees. Performs job with independence and is empowered to take decisions
HA 7	Head of a function, with national scope. Sets strategic direction and broad operating plans. Responsible for achieving key business results. 1st level reporting to the country/regional head
HA 8	Head of multiple business units / Functional areas, with national or trans-national scope. Responsible for achieving key business results of the organization as a whole

What is a position compensation study and how does it help?

WHAT ?

- Very similar to what happened last year, however this year we will benchmark about 25 key positions (last year was 15) in an MFI
- Description will cover generic responsibilities, skills, qualifications, competencies
- MFIs will be expected to match their existing positions to these positions

HOW WILL IT HELP ?

- This will provide you market salary ranges for your key positions and determine your positioning
- If you **do not** have these positions in your organization, it will help you understand the market salary ranges for such a position

Next slide gives you an example of list of positions that will be covered

List of Positions

Operations & Business team

1. Head Field Operations
2. Regional Manager
3. Divisional Manager
4. Area Manager
5. Branch Manager
6. Field Officer

Back Office Operations:

7. Head – Back Office Operations
8. Senior Manager-Operations/ Sr Manager Process Quality
9. Manager Operations/ Manager- Process Quality
10. Supervisors
11. Team Member-Operations

Information Technology

12. Chief Technology Officer
13. Sr Manager-IT
14. Manager – IT Projects/ Infrastructure

Human Resources

15. Head HR
16. Sr Manager –HR/ Training
17. Manager –HR/Recruitment/ Training & Development

Finance

18. CFO
19. Sr Manager –Finance & Accounts
20. Sr Manager-Treasury, MIS & Risk
21. Manager –Finance

Compliance

22. Head- Internal Audit
23. Manager- Internal Audit

Others

24. CEO
25. COO
26. Head – New Initiatives

What is a benefits benchmarking study and how will it help me?

WHAT ?

- In this study we will gather data on the non-cash benefits in an organization
- We will collect information around the features of the policy, how it is administered and the %tage of employees covered by this benefit

HOW WILL IT HELP ?

- It will help you understand market practices on specific benefits
- It will help you design new benefits and align your existing benefits

List of Benefits

1. Leave Policy
   -Paid leave, Compensatory off, Working on Holidays, Public Holidays
2. Insurance
   -Medical, Life, Fidelity, Accident
3. Loans
4. Incentives/ Bonus
5. Retirals
   -PF, Gratuity, Superannuation, EDLI
6. ESOPs
7. Higher Education Programs
8. Domestic Travel Policy
9. Mobile Phone/ Internet
10. Reward & Recognition program

What is a Implementation workshop and how will it help me?

The implementation workshop will focus on the following

- Part 1
  - Survey Results Presentation
  - Overall Recommendation to the group
- Part 2
  - Suggestions on application of survey results
  - Approaches to merit Increase
  - Reward philosophy in the context of organization lifecycle

Additional Value Adds

- Salary Increase Survey
  - This will be a mid year survey conducted to track the salary increase in the MFI sector for 2010 and understand the market projections and trend for 2011
  - Benchmarks from other industries will also be available
- Customized Reports
  - Participants could request for customized reports of level/position study based on their requirements e.g comparison with certain set of comparators only, specific percentile positioning data
- Regional Data Trends
  - Compensation trends based on region – North/South/ East/ West (this is subject to participation from regions)

Process , Methodology & Roles

Survey Planning - **Unitus**

Creating a framework to incorporate benchmark positions & levels/ creating generic job descriptions / data collection questionnaires

Job Matching & Data Collection – **Hewitt/ MFI/ Unitus**

- Mapping participating organizations' positions to the framework in a **JOINT JOB MATCHING MEETING**
- Individual Job matching will be done telephonically when organizations cannot come for the Joint Job matching
- Collecting participating organizations **Payroll data**
- Total cost to company approach where all data including basic salary, all cash allowances, incentives, bonus, benefits like housing/car are costed and included

Data Analysis - **Hewitt**

- Converting data to survey format to standardize compensation definitions
- Analyzing data based on compensation anchors such as fixed pay,guaranteed cash, total remuneration etc
- Analyzing data based on statistical percentiles, remuneration, framework and individual positions

Report Delivery & Results Presentation - **Hewitt**

Confidentiality of Data

The information that you share with Hewitt/ Unitus will remain completely confidential.

It will **NEVER** be shared with any organization individually

Only statistically analyzed data will be reported.

Timelines

1. Deadline for confirmation – Jan 20, 2010
2. Job Matching & Data Collection – Jan-Feb 2010
3. Data Analysis & Report Generation – Feb 2010
4. Final Report – March 2010 (the actual date will vary based on the data collection)

Cost of Study

- Rupees One Lakh Only (Rs 1,000,00) for all the deliverables listed in this presentation
- Service tax extra
- 50% at the time of confirmation and balance 50% after the report delivery

What next ?

- Contact Gazal Vishwanath at Unitus at gvishwanath@unitus.com or call at +919986690777 for more details or to confirm your participation
- You will be requested to sign a statement of work with Unitus that will detail out the deliverable and responsibilities
- You will be requested to sign a Confidentiality agreement with Hewitt Associates directly

SAMPLE FORMATS

Sample Output Format: Compensation Benchmarking

Overview of Survey Results

Total Cost to Company (TCC)

Figures in INR 000's per annum

Positions	Matches	Market						
		P10	P25	Median	Mean	P66	P75	P90
Software Engineer	92	212	273	378	404	441	504	648
Sr Software Engineer	92	331	433	560	606	653	741	945
Team / Module Leader	81	499	648	837	893	997	1079	1317
Project Leader	85	707	919	1218	1312	1449	1599	1967
Project Manager	86	959	1270	1727	1790	2041	2204	2641
Program Managers / Small business unit heads	68	1456	1841	2471	2554	2842	2982	3930
Large business unit heads or multiple small BU heads	39	2196	2877	3411	3734	4000	4476	5107

SAMPLE

Sample Output Format: Compensation Benchmarking

Remuneration Framework - As Percentage of Total Cost to Company (TCC)

Across Positions

Positions		Base Salary	Cash Emoluments	Housing	Conveyance	Retirals	Loans	Variable Pay
Position 1	Industry	33%	36%	1%	13%	9%	0%	9%
	Sponsor	68%	15%	0%	5%	11%	0%	0%
Position 2	Industry	31%	39%	0%	16%	9%	0%	5%
	Sponsor	69%	20%	0%	0%	12%	0%	0%
Position 3	Industry	34%	47%	0%	3%	8%	0%	8%
	Sponsor	73%	5%	0%	10%	12%	0%	0%
Position 4	Industry	34%	49%	0%	3%	8%	0%	6%
	Sponsor	73%	5%	0%	9%	12%	0%	0%

SAMPLE

Sample Output Format: Compensation Benchmarking

Individual Position Analysis

Position 1

Figures in INR 000's per annum — No. of Matches: 8

Components	Industry							Sponsor		Differential (+ / -)		
	Min	P10	Median	Mean	P66	P85	Max	Data	%ile Position	Median	Mean	P85
Base Salary	198	234	296	300	312	344	441	642	Above Max	-54%	-53%	-46%
Cash Emoluments	135	174	367	330	374	428	436	145	3%	153%	128%	195%
Total Cash	389	408	662	631	724	775	806	787	91%	-16%	-20%	-2%
Housing	10	13	24		28	33	38					
Conveyance	48	56	109	137	163	225	275	48	0%	127%	186%	370%
Retirals	63	71	81	81	82	89	100	108	Above Max	-25%	-25%	-17%
Loans												
Total Fixed Pay	533	591	885	838	895	941	1065	943	86%	-6%	-11%	0%
Variable Pay	43	46	83	134	90	216	400					
Total Cost to Company (TCC)	583	606	983	922	985	1061	1280	943	37%	4%	-2%	13%

SAMPLE

Sample Output Format: Benefits & Practices Report

COMPANY PROVIDED CAR *IT Industry*

Total no. of participants: 70

Prevalence & Eligibility

Company provided car is a fairly popular benefit with 60% of the organizations reporting provision for the same.

Prevalence

n=70

SAMPLE

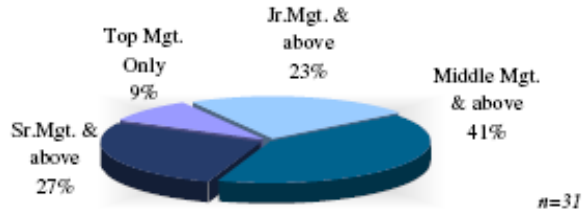
86% of the organizations extend to employees at specific grades. The table alongside gives the details of the eligibility across organizations.

Eligibility	Incidence
Specific Grades	36
All Employees	3
Job Related	1
Dependent on years of service	1
Need Based	1

n=42

Eligibility: Specific Grades

The graph alongside gives the details of specific grades eligible for the benefit across organizations.



n=31

Most organizations allow the employee to use the car for business and personal purpose.

Advantages of Industry Study Vs Individual Study

Cost	The cost will be significantly less in an industry study like this compared to your organisation doing an individual study of this kind
Time	The time taken will be less compared to individual study as the organisations are benchmarking against a defined set of positions
Effort for MFIs	This will be a one time effort for your organisation. Else, if each organisation starts doing individual studies and your organisation would participate in the same, you will have to do job matching and provide compensation data over and over
Analysis	Since the data captured is at a large scale , it is easier to do more analysis on trends, differentials etc
Level of Participation	This study is beneficial for industry as a whole and therefore a higher level of participation will give you more accurate market data
Overall Value	Overall value that you receive is much more than an individual study