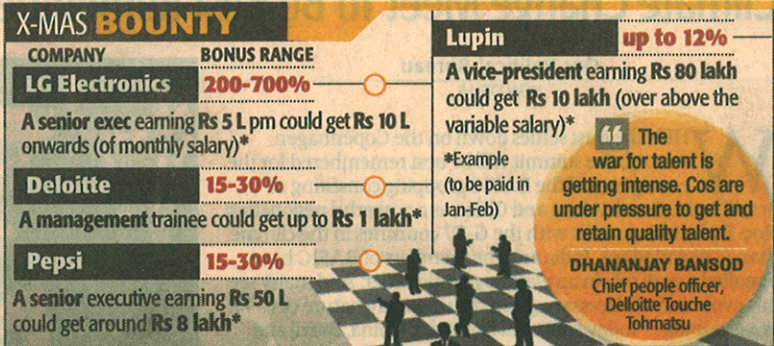


Bonus Santa back at India Inc offices



PURNIMA

Better Business, Resurgent Job Mart Prompt Largesse

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NEW DELHI

IN THE season of giving, businesses clobbered by the slowdown are bringing back the extra payouts they were miserly with not so long ago.

Companies across consulting, FMCG, durables, pharmaceuticals and head-hunting, among other sectors, are doling out annual bonuses to employees, encouraged by the sharp uptick in business since April and heeding to the subsequent return to a vibrant job market. "The war for talent is getting intense. Companies are under pressure to not only get, but also retain quality talent," says Dhananjay Bansod, chief people officer, Deloitte Touche Tohmatsu.

Besides Deloitte, PepsiCo, LG Electronics, Samsung, Lupin Pharmaceuticals, Ericsson, Paris-based accounting and consultancy firm Mazars and head-hunter EMA Partners In-

ternational of London are all planning to return to their rewarding ways this year-end.

Bonuses, typically linked to the performances of both individuals and companies, are set at 15-40% of annual salaries. By that reckoner, juniors are likely to get Rs 50,000-2 lakh while seniors may be richer by Rs 30-50 lakh this year-end.

BULGING STOCKING

Junior staff are likely to get Rs 50,000 to Rs 2 L as bonus & seniors, Rs 30-50 lakh

Durables company LG Electronics, which follows a quarterly bonus system, gave 200% of the basic monthly salary as bonus to its employees in November. The company is planning another round, at 200-700% of the basic pay, in January. Consultancy firm Deloitte, meanwhile, is planning to give 15-30% as bonus, depending on individual performance and the group achieving targets. That means a Deloitte fresher who draws Rs 5-7 lakh could celebrate New Year with Rs 75,000-1.12 lakh, according to headhunters.

► Finance sector not part of party: P 20

Finance sector not part of party

► From Page 1

A SENIOR partner in Deloitte with an annual package of Rs 1.5-2 crore may get about Rs 30 lakh as bonus. Year-end bonuses timed with Christmas celebrations are a norm in the international corporate world where companies usually follow the January-December financial cycle. In India, most MNC subsidiaries follow the calendar year and pay bonuses in January or February. In contrast, most Indian companies follow the April-March financial year and give year-end bonus in April.

FMCG major PepsiCo will not wait till April to hike its payout, but like Deloitte will see how its businesses fare. "The payout will depend not only on the India business performance, but also on the Asia, Middle-East and Africa (AMEA) businesses," says Pavan Bhatia, HR executive director, PepsiCo India. But Mr Bhatia was quick to add that it's going to be a better year for PepsiCo India. The company, which employs 3,000 employees in its food & beverages division, has grown its volume sales by 50% during the quarter ended September 2009 across carbonated soft drinks and non-carbonated beverages.

The AMEA net revenue grew 13% while oper-

ating profit improved 52% in Q3 2009. PepsiCo India had paid Rs 8-10 lakh as bonus last year to its executives earning Rs 50 lakh annually.

As companies like Pepsi get ready to reinstate remunerations, one sector will be conspicuous by its absence from the action. The financial sector—which typically doles out crore-plus payouts, the biggest in business—is expected to remain chary with bonuses this time as most of its companies are still recovering from the 2008 meltdown.

Only companies involved in institutional equities and public issues that rode the stock market recovery since March and the raft of initial public offerings thereafter can look forward to handsome payouts. The celebrations of merchant bankers are likely to be muted as the mergers-and-acquisitions scene continues to be depressed.

Still, Indian employees of global firms like JP-Morgan, Morgan Stanley, Merrill Lynch, Citibank, Goldman Sachs and HSBC may get generous bonuses.

"Many global financial institutions are looking to give out much better bonuses than last year. These could be anywhere between 50% and 100% of their variable component," says Charul Madan, partner at executive search firm Executive Access.