

CXO PACKETS LOSE SHINE IN DULL MARKET, TOP DOGS NOW COME 10% CHEAPER

Cos Cutting Corners on Corner-Room Salaries

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Job market is all about economic sentiment. If you ever doubted this, here's the proof. CXO compensation packages have tumbled in the past few weeks due to uncertain business sentiment. Companies want to get top honchos at a lower price, and to their surprise, they are getting the talent too.

Headhunters point to two developments. One, the quantum increase in compensation packages has come down at least 10%. Two, new salary offers are way below the previous incumbent's pay packages.

An industrial group that recently hired a managing director for its steel business designed a compensation package with a lower fixed component. "Costs have been un-

der the scanner and that of course has impacted the salary package," says R Suresh, MD-India, Stanton Chase International, who hired the new CXO.

An Indian conglomerate that lost its legal counsel has hired the next candidate at a much lower price than the incumbent. While replacements for star CEOs typically come in cheaper, lower compensation package for similar skill-sets is a first. "Rarely have I seen salary packages go below the last incumbent's salary at the CXO level in the past," says E Balaji, CEO, Ma Foi Randstad.

Headhunters reason that Corporate India has put a temporary curb on hiring high-cost senior leaders. Recently, a manufacturing MNC decided to offer its new India head a lower hike than it was planning initially. This was triggered

by the economic sentiment that all of a sudden was looking dull. "The new business head got a hike way below the salary of the previous incumbent," says Purvi Sheth, CEO of executive search firm Shilputsi Consultants.

Ronesh Puri, managing director of Executive Access, an executive search firm, says, "Compensation packages are governed by sentiment and some bit of correction has come in the last two months. On average, the increase in compensation has come down 10%."

Sheth too admits the hike in compensation a CEO would get in a new job has dropped at least 10%. The hikes are now in the region of 15%, compared with 25% and above earlier in the year.

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