

# This year don't expect much more than a modest hike in salary

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If you have set your heart on an iPhone 4S or a holiday in Hawaii after your annual salary hike this April, chances are you might be

disappointed. HR experts and consultants are predicting a 'modest' and 'subdued' salary hike in 2012-13. "Initial interactions with companies show that the increments would be marginal and in some industries there will be no hikes," says Mr Ronesh Puri, Managing Director, Executive Access.

Employees in service sectors such as telecom and BFSI saw better times last year. But it may not be the same this year and there's no joy for real estate workers either, he says. Corporate India has become cost-

conscious and even at the senior levels has increased the variable part of the package thus, tying in performance with compensation.

The prevailing business sentiment and lower growth expectations will influence salary hikes. "We are anticipating compensation to be subdued. On average, it could even be in single digit," says Mr Sankar Ramamurthy, Executive Director, Consulting, PwC India. While employees in the BFSI, IT and ITeS sectors are unlikely to see a significant increase in their salaries, there may be some pleasant surprises in store for pharma and healthcare sector employees, says Mr E. Balaji, MD and CEO of MaFoi Consulting.

Hikes in FMCG and retail

would be in the mid-range. According to him, increments are likely to be slightly less than last year's 15-18 per cent.

However, Mr Thiruvengadam P., Leader, Human Capital Advisory Services at consulting firm Deloitte, says it's too soon to gauge salary hikes. "Our current discussions with companies do not indicate any significant change in salary hikes from last year, but increments depend on the industry and company performance."

According to a cross-industry compensation trends survey conducted by Deloitte in September last year, average salary increases were 13 per cent and the average variable payout at 30 per cent for the fiscal 2011-12.

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