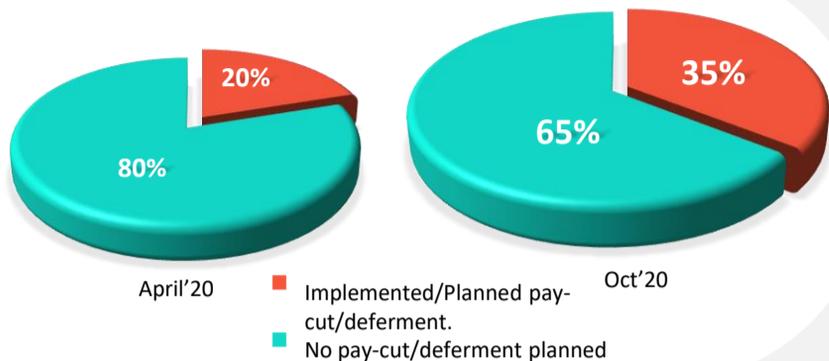


Is C&B at the center of the COVID storm?

Impact of COVID-19 on Pay



In the race to cut cost and remain cash-flow positive **1 in 3 businesses (35%)** have either trimmed or are considering trimming/deferring salaries of their employees, mostly in the salary-cut range of 5% - 15%.

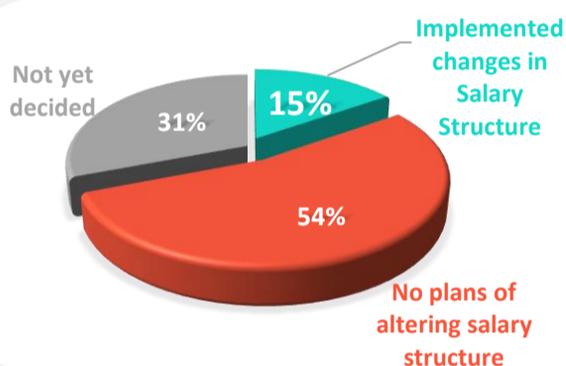
Businesses have experienced the adverse effects of lockdown. This is evident from significant reduction in percentage of businesses not considering pay reduction. (65% down from 80% in April'20).

Companies with deep pockets, especially in the Pharma & Chemical, Consumer goods and Power have managed to weather this storm with no immediate plans of cutting employee salaries.

Is there a need to revisit Salary Structure?

Businesses are actively evaluating options of optimizing their compensation program to preserve cash.

However, only **15%** of businesses have realigned pay structures as a response to the COVID crisis, while 31% are still undecided. "Conversion of some parts of Fixed to Basic" and "Reduction/ restructure of perks & allowances" emerged as top salary restructure strategies.



Impact of COVID-19 on Increments

A mere **15%** of businesses have given their teams salary increments this year, the effect of a slowing economy aggravated by the pandemic. 55% of businesses have either deferred decision to pay salary hike or put on hold until the financial situation improves, a stark increase by 19% since April'20.

Chemical & Pharma and Consumer Goods were among the sectors that gave their employees raises.

Bonus watch

More than half (**57%**) of businesses reported to have reduced, deferred or cancelled their annual bonus for FY20.

Interestingly, while increments have taken a hit, **43%** businesses have honoured bonus plans as per previous year's performance. This is true in the IT & Telecommunication and Chemical & Pharma sector companies.

