



# COMPENSATION BENCHMARKING STUDY IN INDIAN HEALTHCARE SECTOR – 2014-15

---

*By Varun Tandon, Nitin Behki*

## In Essence

### THE CHALLENGE

In the war for talent, compensation offered to employees plays a very crucial role in determining which organization takes the lead as the preferred employer to work for. Healthcare industry, a booming sector in India, faces similar dilemmas with high attrition rates and employees hopping jobs for small increases.

### THE SOLUTION

Job matching and benchmarking compensation for key healthcare players in Indian Industry to provide a common ground for comparison and help organizations take better compensation related decisions to retain and engage talent.

### THE OUTCOMES

Role mapping based on four hospital classes and analysis for 28 departments covering 142 unique positions and 7 management levels. This was delivered based on data for ~ 21,000 incumbents from 5 of the leading healthcare service providers in India.

---

# “COMPENSATION BENCHMARKING STUDY FROM INDIAN HEALTHCARE SECTOR - 2015”

This case discusses how SDF helped few of the key players in the Indian healthcare sector in benchmarking their compensation for various roles and units across the country.

## Data Demographics:

### Hospital Classes:

-  Small - Less Than 100 beds
-  Medium 1 - 101-250 beds
-  Medium 2 - 251-500 beds
-  Large - 500 beds and above

### Data Analyzed For:

 -21,000 incumbents

### Position Reports Created For:

 28 departments

### Positions covered:

 142 positions and  
 7 management levels

## WHY BENCHMARKING:

Healthcare is a growing sector in India with spends expected to reach up to \$ 158 billion by end of 2017 and a CAGR of 15%. Medical tourism & clinical research are also emerging as the major sources of revenue and technology development in the country. Even with these positives the business faces a lot of challenges that include:

- Increasing population resulting in hospitals being overburdened.
- Concerns regarding ethics, medical negligence, commercialization of medicine, and incompetence acting as threat.
- Low margins & high operational costs results in budgetary constraints for manpower.
- Lack of established benchmarks on productivity, norms on Staffing to Capacity ratio.

Due to the challenges, healthcare providers face persistent issue of losing key employees to its competition and new players while also struggling to hire required talent. Companies are also not clear about the right compensation for a specific role and end up either paying higher or lower salary.

Considering this, in 2014 SDF initiated a HR Healthcare Council and compensation benchmarking was taken up as a project to ensure healthcare providers have a common ground for comparison. 5 of the leading healthcare providers participated in the study.

## WHAT WE DID:

**1. Hospital Classification:** The first job was classifying units under each service provider on basis of operational beds to ensure proper matching of roles. Basis the data, hospitals were classified into the following classes:

- Small – Less than 100 beds
- Medium 1 – 101-250 beds
- Medium 2 – 251-500 beds
- Large – 500 beds and above

**2. Job Matching:** Then we began delving deep into the organization’s overall structure to understand key roles and departments to be included as part of the study. This involved looking at the following job complexity factors:



Based on job matching data, multiple discussions through common job matching meetings were carried out with the participants that helped identify 28 key departments, that included 142 positions and 7 management levels for the final analysis. Some of the departments that were part of study were:



Examples of two positions under Human Resources:

Code	Designation	Reporting to	Position Description	Education	Experience
UNHR 001	Head - Human Resources/ Unit HR Head / Sr. Manager - HRBP - Large	Head of Unit/ Facility Director- Large/ Senior Vice President and Head HR	To effectively facilitate and manage the people dimension by implementation of appropriate HR/OD/ IR policies and processes that are in alignment with business goals.	MBA/ equivalent/ MHA	15 + years
UNHR 002	Head - Human Resources/ Unit HR Head / Sr. Manager - HRBP - Medium 1/ Manager/Senior Manager - HR	Head of Unit/ Facility Director - Medium 1/ Senior Vice President and Head HR	To effectively facilitate and manage the people dimension by implementation of appropriate HR/OD/ IR policies and processes that are in alignment with business goals.	MBA/ equivalent/ MHA	10 + years

**3. Collection of Salary Data:** Once the mapping was completed, next step was to collect data. This involved creating a standard template which was shared with all the participants. Data was collected from all the participants in the defined template. Three rounds of validation were done on the data to ensure all the common guaranteed cash items were considered. Any assumptions that were created with respect to the compensation were shared with the participants.

**4. Data Analysis and Report:** Post all the validations, data analysis commenced which involved calculating the 10<sup>th</sup>, 25<sup>th</sup>, 50<sup>th</sup>, 66<sup>th</sup>, 75<sup>th</sup> and 90<sup>th</sup> percentile on the salary data. Individual participants salaries were also compared with the industry standards for that position to indicate if they were leading, lagging or were at the market compensation. Separate reports were created for each of the 28 departments, covering all the positions for that department. Sample representation of data is given below:

Code	Participant	#Incumbent	Market Sample (Amounts in INR)					
			P10	P25	P50	P66	P75	P90
UFIN004	5	29	3,60,000	5,37,530	5,52,183	7,62,766	8,76,983	8,98,998
UFIN005	4	48	5,87,090	6,40,150	7,51,146	9,12,146	9,83,380	11,09,992
UFIN006	5	179	1,41,945	1,75,458	2,61,228	3,27,410	3,67,817	4,87,524

## THE BENEFITS:

Some of the benefits for the participating organization were:

- Participants were able to benchmark roles under different departments' basis key compensable factors like Knowledge, Skills, Experience and complexity of the job.
- Participants were able find out variabilities in the compensation offered for certain roles that involved niche skills.
- Participants were able to bring consistency in structures for the roles where additional allowance like skills allowance, etc. were paid.
- Participants were able to derive meaningful insights around the roles for which variable pay is paid in the industry to make the compensation market competitive.
- Sponsor participants were given recommendations to realign their compensation structures for specific positions to make it consistent with their organizations compensation philosophy.

If you are looking to become a member of the SDF HR Healthcare Council, please contact us at:



/saltodeefe



@SaltoDeeFe



/company/salto-dee-fe



info@saltodeefe.com



+91-124-4288144

### Contact Us

**Salto Dee Fe Consulting**  
C 220, Nirvana Courtyard  
Nirvana Country  
South City-II  
Gurgaon  
Haryana

### Project Team:

*Sonali Chatterjee (Principle Consultant) was the project lead  
Nitin Behki (Principle Consultant), Varun Tandon (Associate Consultant) and Mudit  
Kohli (Associate Consultant) were members of the project team.*

# Visit our website to know more about the work we do.....



WWW.Saltodeefe.com

## Our 5 Practices

### Talent Management

Our Talent management approach follows the unique talent philosophy given by Marc Efron, author of the #1 HBP Bestseller “One Page Talent Management”.

[Read More....](#)

### Leadership Skills Training

The shortage of leadership talent is the biggest concern in board rooms today and there are no insightful solutions in sight.

[Read More....](#)

### Organizational Transformation

The caterpillar transforms into an elegant butterfly; ventures become companies and companies turn into billion dollar conglomerates.

[Read More....](#)

### Employee Retention

One of the most intriguing questions in the past few years in Indian employment scenario has been Employee Retention. Employee Retention has been an endemic problem in all the new sectors of growth in the Indian economy.

[Read More....](#)

### People Decisions

We help firms make Great People Decisions with the objective of directly impacting their growth. We help you align your Talent Acquisition goals with Business Objectives by driving a shift from a tactical, reactive process to a strategic program.

[Read More....](#)

## Our 2 Products

Proprietary research based tool to improve Talent Retention at Frontline



Fast and Futuristic 360 degree feedback tool



Mobile App to make feedback fun and easy

