

# monster<sup>®</sup> Salary Index

A joint initiative of Monster India & Paycheck.in with IIM-Ahmedabad as Research Partner

Indian IT Sector

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# Monster Salary Index

Monster Salary Index is a joint initiative of Monster India and Paycheck.in with IIM-Ahmedabad as a Research Partner. The MSI (Monster Salary Index) has successfully empowered job seekers with benchmarking to compare their salaries with other anonymous profiles across a broad spectrum of industry domains, experience and functional groups, both in India and other global markets.

For Employers, MSI has an online Salary Survey which is run along with WageIndicator Foundation, Netherlands and Paycheck.in, and IIMA as Research Partner. It aims to provide employers with practical information and helps them make informed decisions by analyzing the salary market and optimizing employee remuneration.



A low-angle, upward-looking photograph of six business professionals (three men and three women) huddled together in a circle. They are all smiling broadly and looking directly at the camera. The background is a bright, clear blue sky. The individuals are dressed in professional attire, including light blue shirts, a pink shirt, and a grey blazer. An orange rectangular box is overlaid on the right side of the image, containing the text "About the Team".

About  
the Team



# Monster India

[www.monsterindia.com](http://www.monsterindia.com)

Monster India, India's leading online career and recruitment resource with its cutting edge technology provides relevant profiles to employers and relevant jobs to jobseekers across industry verticals, experience levels and geographies. More than 200 million people have registered on the Monster Worldwide network. Today, with operations in more than 40 countries, Monster provides the widest and most sophisticated

job seeking, career management, recruitment and talent management capabilities globally. Monster India started its operations in 2001. Headquartered in Hyderabad, the company has presence in 10 other cities of India viz., Mumbai, Delhi, Bangalore, Chennai, Pune, Kolkata, Ahmedabad, Baroda, Chandigarh and Cochin.

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Monster Mobile App was voted Product of the Year under the 'Mobile App Job' category in a survey of over 18000 people by Nielsen. Monster.com was voted Product of the Year in 2015 and back in 2014, mPower Search was voted Product of the Year as well. Monster India and DishTV partnered in convergence of the Internet and TV medium to make job services accessible to TV viewers across all cities, bridging the unmet need of the audience for whom access to the internet is limited. This first ever job search initiative is called 'Monsterjobs Active'.



The Indian Air Force Placement Cell (IAFPC) selected Monster India for a collaboration to provide a robust platform to assist retired and shortly retiring Air Warriors seek suitable second career opportunities in the corporate world. Monster along with CII launched ciispecialabilityjobs.in – a platform for the specially-abled people to find relevant jobs. This

initiative aimed at empowering the differently abled and bringing newer & better opportunities at their doorsteps. Monster also initiated 'Rozgarduniya.com' – a job portal exclusively for jobseekers in rural India to enable employers in corporate India to connect with rural talent, thus removing the traditional barriers they face in this process.

## IIMA Research Partner

Indian Institute of Management, Ahmedabad (IIMA) – [www.iimahd.ernet.in](http://www.iimahd.ernet.in) IIMA is the leading school of management in India and one of the top rated management schools in Asia. It offers long duration programs in management, agri-business, executive management and faculty development programs. IIMA also conducts doctoral level research program in management and public systems. The institute

has contributed significantly to management education of working executives, government and policy makers and armed forces. Faculty members participate in governance of firms and organisations by providing advisory, capacity building support as well as taking roles in boards and trusts. IIMA hosts Paycheck India and was the first Asian B School to be part of WageIndicator.



Indian Institute of Management Ahmedabad  
[www.iimahd.ernet.in](http://www.iimahd.ernet.in)

# WageIndicator Foundation

Owner of Salary Index concept and formula

The WageIndicator Foundation started in 2001 to contribute to a more transparent labour market for workers and employers. It collects, compares and shares labour market information through (online & face-face) surveys and desk research. It serves as an online library for wage information, Labour Law and career advice.

The WageIndicator Foundation is assisted by world-renowned universities, trade unions and employers' organisations and currently operates in 80 countries. Their international staff consists of some

100 specialists spread over the whole world. The foundation has strong relationships with Monster since 2003. The WageIndicator Foundation is a global organization reaching millions on a monthly basis. For more information please visit: [WageIndicator.org](http://WageIndicator.org). WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Dar es Salaam, Maputo and Minsk.



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## Paycheck India

Salary Index Interface residing on Monster India

Paycheck India a research initiative at Indian Institute of Management Ahmedabad is part of WageIndicator, an organization that collects and shares data about wages, labour law and career in more than 80 countries. Paycheck India aims to bring transparency in the labour market by

providing salary predictions for 1600 occupations in India through its Salary Checker. It also provides regular updates on state wise minimum wages in India, living wage calculation, labour laws and career advice.

**Paycheck.in**

Paycheck India  
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[www.paycheck.in](http://www.paycheck.in)

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A high-angle photograph of four young adults (two men and two women) sitting on large, colorful beanbag chairs (green, orange, blue, and red) arranged in a circle on a light-colored wooden floor. They are all smiling and looking towards the camera. Their hands are stacked in the center of the circle, with the man on the top left and the woman on the top right having their hands on top, followed by the woman on the bottom left and the man on the bottom right. The beanbag chairs are made of a shiny, leather-like material.

# Acknowledgement

**Central European Labour  
Studies Institute (CELSI)**  
[www.celsi.sk](http://www.celsi.sk)

CELSI is an independent non-profit research institute based in Bratislava, Slovakia. It fosters multidisciplinary research about the functioning of labour markets and institutions, work and organizations, business and society, and ethnicity and migration in the economic, social, and political life of modern societies. Supported by its network of Research Fellows and Affiliates and a new Discussion Paper series, CELSI makes a contribution to the cutting-edge international scientific discourse. Hosting the Bratislava Office of the international WageIndicator project, CELSI provides expert data services.



# Foreword

Monster India is delighted to present to you the Monster Salary Index Report (MSI) for the IT sector. With the extensive understanding of the India job market through our monthly Employment Index and the reliable partnership with WageIndex Foundation, Netherlands and IIM, Ahmedabad, Monster India launched the MSI report in 2013. The MSI report aims at providing employers and job seekers with practical information to help make better decisions by analyzing the salary market and optimizing employee remuneration thereby fostering a stronger workforce.

When we look back, 2016 was a tumultuous year for India in many ways. With extraordinary decisions like demonetization being implemented, the Indian economy took the fight towards black money head on. However, it did not come without its share of challenges. It affected consumers and businesses alike. Such has been the impact that it has got experts across the globe commenting on the potential outcome, its impact on the Indian economy, and the distress it caused.

The Goods and Services Tax (GST) was yet another development that was in focus in 2016. Analysts are looking at both development as measures that will bring boost to the Indian economy in the long run. With digitisation taking the lead due the government's ambitious initiatives on skills training and education, the job market has seen a lot of change.

In a world filled with disruptive and new technologies, we will see a job market that has many new roles and skill requirements that didn't exist even a decade ago. The IT sector especially is undergoing transformation owing to automation. Advanced technology and digital platforms offer a massive opportunities. The fact that so many roles we are hiring for now didn't exist 10 years ago indicates that the potential of opportunities when it comes to new roles and jobs is massive. The same number if not more roles are available today, they are just in different sectors which only means that employees very much need to ensure they have the right skills that employers are looking for or would potentially look for.

Stressing on the need for creating jobs, especially ones that pay well, the Economic Survey 2015-2016, that was tabled by Finance Minister Arun Jaitley in the Parliament, said that there is a need to exploit the demographic dividend of India and meet the growing aspiration of those entering the labor force. For this, India's economy needs to create enough good jobs - jobs that are safe and pay well, and encourage firms and workers to improve skills and productivity. Employers need candidates who are technologically aware and have skills that take account of the changing environment. Candidates, therefore, need to focus on upskilling regularly in order to take advantage of this change.

The MSI report over the years has successfully empowered jobseekers with benchmarking to compare their salaries with other anonymous profiles across a broad spectrum of industry, domains, experience, functional groups both in India and other global markets.

With our reliable partners on this journey we bring to you some insightful findings that would help you find, retain and manage talent, better.

Many Thanks



Sanjay Modi  
Managing Director  
Monster.com  
APAC & Middle East.





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# Indian IT Sector: Key Findings



The median gross hourly wage in the IT sector is ₹338.72.



Among 11 Indian states or union territories with the highest sample of observations, the highest median gross hourly wage was recorded in Haryana (₹461.89) and the lowest wage in Gujarat ₹228.26).



Overall, 98% of respondents in this sector hold at least a 3-year Bachelor's degree, and 43% hold a Master's degree.



Workers below 30 years of age earn a median gross wage of ₹219 per hour; workers between the ages of 30-39 earn in median ₹462 per hour, and workers over 40 years of age earn ₹742 per hour.



Approximately 86% of survey respondents working in the IT sector were men.



Men earn a gross hourly wage of ₹370, while women earn only ₹231 per hour.



The gender pay gap in the IT sector is 37.5%.



Male supervisors out-earn female supervisors, and the gender pay gap for supervisors (37.9%) is about the same as the gender pay gap for all employees of the IT sector.



For both genders, long work experience is hugely rewarded in terms of wage. Employees with 0-2 years of work experience earn ₹144 per hour, while employees with 11+ years of work experience earn ₹650 per hour.



Workers with permanent contracts earn 20% more (₹362 gross median wage per hour) than workers with non-temporary contracts (₹289 per hour).



Foreign companies in the IT sector pay wages that are more than two times higher than domestic firm wages, in the median.



Median wage is rising with company size in the IT sector. Small companies with only 1-10 employees pay a median gross hourly wage of ₹146, while large firms pay an hourly median wage of ₹410.



Receiving a profit share or performance bonus is slightly more common in the IT sector than in the whole Indian economy, but annual bonuses occur less common in this sector than in the Indian economy as a whole.



Workers are highly satisfied with their relationship with colleagues (85.9%) and relationship with supervisors (80.4%). The least satisfying job aspect remains the wage, with which only 55.3% of respondents are satisfied. However, nearly two thirds (63.7%) of workers report being satisfied with their life as a whole.





# IT Sector Performance Overview





# IT Sector Performance Overview

India is the world's largest sourcing destination for the Information and Communication Technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million Indians and continues to contribute significantly to the social and economic transformation in the country. The IT industry has not only transformed India's image on the global platform, but has also fueled economic growth by energizing the higher education sector especially in engineering and computer science. India's cost competitiveness in providing IT services, which is approximately 3-4 times cheaper than the US, continues to be its unique selling proposition (USP) in the global sourcing market (Indian Brand Equity Foundation).

Indian IT sector's core competencies and strengths have placed it on the international canvas, attracting investments from major countries. The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 13,788.56 million between April 2000 and December 2014, according to data released by the Department of Industrial Policy and Promotion (DIPP).

The private equity (PE) deals increased the number of mergers and acquisitions (M&A), especially in the e-commerce space. The IT space, including e-commerce, witnessed 240 deals worth US\$ 3.8 billion in 2014.

India also saw a ten-fold increase in the venture funding that went into internet companies in 2014 as compared to 2013. More than 800 internet start-ups got funding in 2014 as compared to 200 in 2012.

The five largest IT companies operating in India are Tata Consultancy Services, Infosys, Wipro, HCL Technologies and Tech Mahindra<sup>4</sup>.



<sup>4</sup>NASSCOM industry ranking: <http://www.nasscom.in/industry-ranking>



A photograph of a call center environment. In the foreground, a woman with dark hair tied back is wearing a headset and a plaid blazer over a pink shirt. She is smiling and looking towards the left. In the background, two men are also wearing headsets and working at their desks. The office has large windows with vertical blinds, and the desks are equipped with computers and mice.

# Wages and Working Conditions in the Indian IT Sector



# Wages and Working Conditions in the Indian IT Sector

The median gross wage in the Information and Communication Technology (IT) sector of India is ₹338.72 per hour. This sector remains the highest paid sector in India in terms of median wage as per the data collected through the salary survey (WageIndicator Foundation, 2015, WageIndex Report India). However, there are large regional differences in wages in different

Indian states. Among 11 Indian states or union territories with the highest sample of observations, the highest wage was recorded in Haryana (₹461.89) and the lowest wage in Gujarat (₹228.26). Haryana (Noida), Karnataka (Bangalore), and Telangana (Hyderabad) are the major IT hubs in India and the most preferred destinations for IT MNCs to set up their operations. Hence, the wages are

high for the IT sector in these regions. Whereas, Gujarat has a predominant traditional low-end manufacturing sector, and thus wages are low in the IT sector. Table 3.1 below provides a comparison of wages for 11 Indian states or union territories in the extended period of Jan 2014 – Jun 2016.

## 3.1. Earnings in the Indian IT sector by state

State or union territory	Median gross hourly wage
Karnataka	₹413.52
Maharashtra	₹307.93
Delhi	₹379.78
Tamil Nadu	₹329.92
Andhra Pradesh	₹297.99
Telangana	₹395.88
West Bengal	₹317.55
Gujarat	₹228.26
Haryana	₹461.89
Kerala	₹263.94
Uttar Pradesh	₹311.51
<b>INDIA</b>	<b>₹338.72</b>

Source: WageIndicator Foundation

<sup>5</sup>The sample also includes CS/CA/ICWA degrees





# Wages and Working Conditions in the Indian IT Sector

### Impact of Education

The high level of remuneration in the IT sector reflects that workers are highly educated. 55% of the sample has a Bachelor's degree and 43% has a Master's degree. Overall, 98.4% of respondents hold at least a Bachelor's degree. This also indicates that higher degree of education is preferred to secure a job in this sector. Holders of a Bachelor's degree in the IT sector earned in median ₹310 per hour, while holders of a Master's degree earned in median ₹397 per hour, representing a Master's degree extra premium of ₹87 per hour.

### Impact of Age

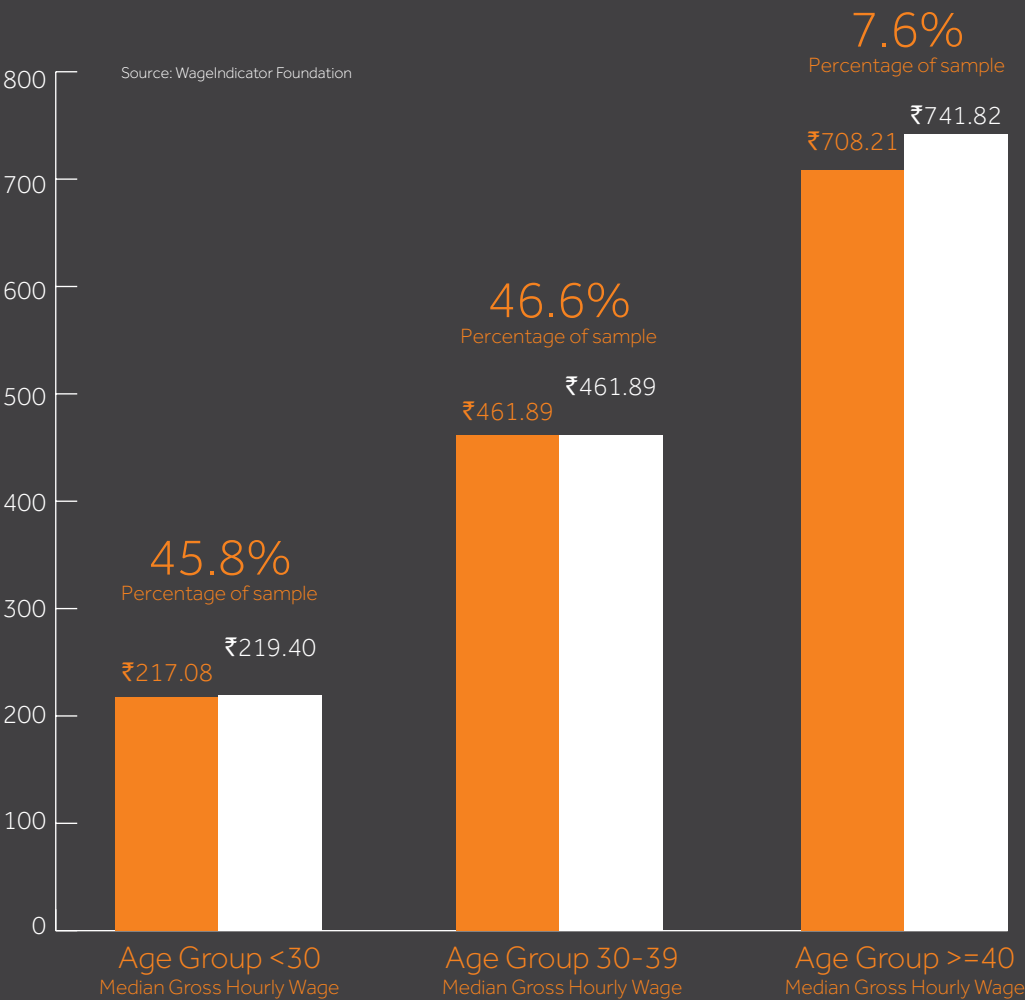
Majority of respondents of the IT sector are in the young category, i.e. 45.8% are below the age of 30 and about 46.6% belong to the 30-39 age group, with the remaining 7.6% being over 40 years of age. Table 3.2 below illustrates earnings of workers in the IT sector by age group.

The table clearly shows how sharply the wage increases with age in the IT sector. This emphasizes that with increase in work experience and improvement in skill level, wages show a positive growth. It can also be seen that work experience is highly valued

in this sector. Workers below 30 years of age earn in median ₹219 per hour, these are starters or respondents with little work experience; workers in the 30-39 years of age group earn in median ₹462 per hour, and workers over 40 years of age earn ₹742 per hour, which shows a substantial increase in wage rate. When comparing with the 2014-2015 period only, a slight median wage increase by ₹2 was recorded for the youngest group, median wages have stagnated for the 30-39 years of age group, but median wages of workers older than 40 years have significantly increased by ₹34 per hour in 1-6/2016.

### 3.2. Earnings in the Indian IT sector by age group

■ 2014-2015 ■ 2014-2015 + 1-6/2016



\*The sample also includes CS/CA/ICWA degrees





# Wages and Working Conditions in the Indian IT Sector

### Impact of Gender

Employees of the IT sector are predominantly men, which is also confirmed by our sample of observations (86% of survey respondents were men). Men working in this sector also receive higher wage compensation than their female counterparts. Men in the IT sector receive a gross hourly wage of ₹370 per hour, while women receive only ₹231 per hour, representing a gender

pay gap of 37.5%, which is large even when compared with other sectors like Financial Sector (22.4%) and Manufacturing Sector (29.7%)<sup>6</sup>. It is a matter of serious concern for all the stakeholders of this sector especially, since it is one of the most organized sector in the Indian economy, one of the highest contributor to the economic growth and a lot of potential. In today's world, where women work alongside men, the issue of fair and

equal treatment arises often. In fact, gender inequality related to work is one of the issues that has been raised and debated often (Varkkey and Korde, 2013). Although western countries have tried to reduce or eliminate the gender pay gap, it is worth noting that no country has been able to close down the gender pay gap completely (Tijdens & Klaveren, 2012), but further effort to eliminate the gap should strongly persist.

<sup>6</sup>WageIndex 2016 reports for the financial sector and manufacturing sector are to be published at the same time as this report and references to these publications are included in Bibliography at the end of this report

### Impact of Supervisory Position

The gender inequality can be further explored by looking at the frequency of supervisory positions held by gender. 50% of all men responding to the survey have reported holding a supervisory position, while only 41% of women did so. In the 2.5 year period from Jan 2014 to Jun 2016, male supervisors earned a median gross hourly wage of ₹484 per hour, compared to an only ₹300 for women. This represents a large 37.9% pay gap between male and female supervisors, similar to the pay gap for all workers of the IT sector (37.5%), meaning that wage inequality of women neither betters, nor worsens when promoted to supervisory positions. There are many facets of gender inequality, and in the current scenario, it is 'professional inequality' that incessantly acts as a barrier for women's advancement at the workplace. Professional inequality, as explained by Amartya Sen in one of his lectures, refers to discrimination in terms of employment, remuneration, promotion at work and even occupation (Sen, 2001), (Varkkey and Korde, 2013).

Supervisors earn in median ₹461 per hour, with no change at all occurring in 2014-2015. Earnings of non-supervisors are much lower, ₹251 per hour in median, with just a very small 0.9% increase in 1-6/2016. When comparing by gender, a small increase was recorded in case of women for both supervisors and non-supervisors. In case of men, wages of non-supervisors have increased slightly, but wages of male supervisors have slightly decreased. Table 3.3 below summarizes in detail the wages of male and female supervisors and non-supervisors; both in 2014-2015 and the extended period up to June 2016.

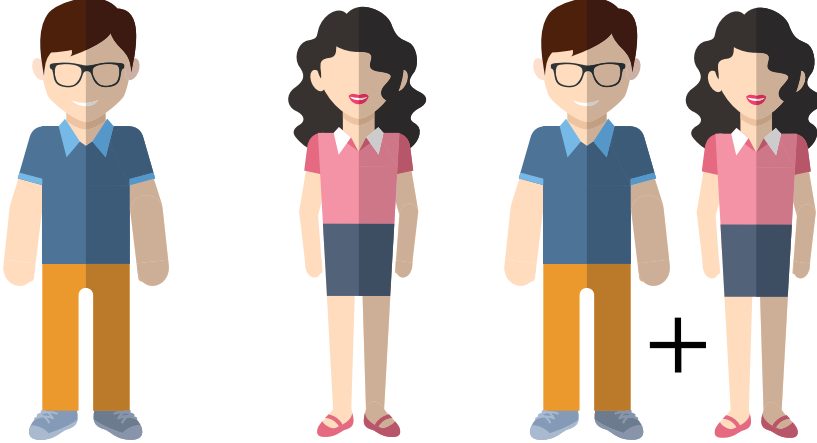
The analyses has shown that even though the gender pay gap for supervisors in the IT sector is the same as for all employees of the sector, women still get promoted to supervisory positions less often than men. There are several possible explanations for this phenomenon: (1)

Socio-cultural factors: In Indian society, some male workers may become disgruntled when obligated to work with or take orders from women. And therefore, in the interest of productivity and profits, employers may decide to segregate men and women employees on the job<sup>7</sup>. (2) Employer's perspective: Many employers have preconceived notions about the job capabilities of

women<sup>8</sup> and (3) Marital status: As women are expected to take on a disproportional share of household and family care, employers expect married women to be more constrained by such obligations, and as a result discriminate against women and prefer men for training and promotion. This often results in many women crowding at the lower end of the occupational hierarchy.

### 3.3. Earnings for men and women in the IT sector

■ 2014-2015 ■ 2014-2015 + 1-6/2016

		
₹256.61 Per Hour Non-Supervisory	₹201.49 Per Hour Non-Supervisory	₹248.91 Per Hour Non-Supervisory
₹487.55 Per Hour Supervisory	₹288.04 Per Hour Supervisory	₹461.89 Per Hour Supervisory
86% ₹364.38 Median Gross Hourly Wage	14% ₹228.64 Median Gross Hourly Wage	100% ₹336.80 Median Gross Hourly Wage
₹259.82 Per Hour Non-Supervisory	₹204.84 Per Hour Non-Supervisory	₹251.12 Per Hour Non-Supervisory
₹483.71 Per Hour Supervisory	₹300.23 Per Hour Supervisory	₹461.89 Per Hour Supervisory
86% ₹369.52 Median Gross Hourly Wage	14% ₹230.95 Median Gross Hourly Wage	100% ₹338.72 Median Gross Hourly Wage
2014-2015	2014-2015 + 1-6/2016	

<sup>7</sup>Bergmann's crowding model (1974).

<sup>8</sup>Becker (1957) had developed a model for race discrimination followed by employers, employees and customers. But the theory behind the model has been used by other economists and Becker himself to explain gender discrimination in employment.



# Wages and Working Conditions in the Indian IT Sector

### Impact of Tenure

Median wages are rising very sharply with longer tenure experience. In the extended period from January 2014 to June 2016, workers with 0-2 years of tenure experience in the Indian IT sector earned in median only ₹144 per, but for their colleagues with 11 and more years of tenure experience earned in median ₹650 per hour, which is more than four times higher than the wage of starters with 0-2 years of experience. Thus, it can be interpreted that work experience is highly valued in this sector since the increase in wage can be noticed with increase in work experience. Table 3.4 below illustrates wages by years of work experience.

The sharp wage increase by tenure can be observed for both genders. Male workers with 0-2 years of work experience start with a median wage of ₹144 per hour. After gaining more than 10 years of tenure, their median wage increases to ₹664 per hour. For women, the trend is similar: female workers with 0-2 years of tenure earn only ₹115 per hour in median, but when having more than 10 years of work experience, the median wage increases to ₹548 per hour. The gender pay gap is evident for all tenure groups. The lowest gender pay gap was observed for workers with 3-5 years of tenure (14.6%), which also consists of relatively low paying jobs. Whereas, the highest gender pay gap was observed for 6-10 years of tenure group (27.1%), this could be because of career breaks taken by women due to family responsibilities (Varkkey and Korde, 2013).

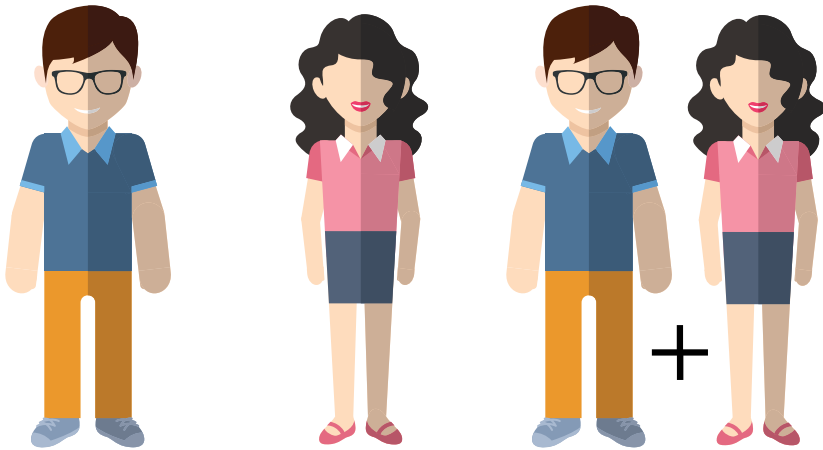
When comparing the first six months of 2016 with the previous two calendar years (2014-2015), in all the tenure and gender groups the wage has either increased a bit or remained unchanged. The only exception where a small wage decrease was recorded in 1-6/2016 were women with 0-2 years

of tenure: their wages decreased by 7.2%. On the other hand, women with 11+ years of experience where the

group were the largest wage increase was recorded (6.4%).

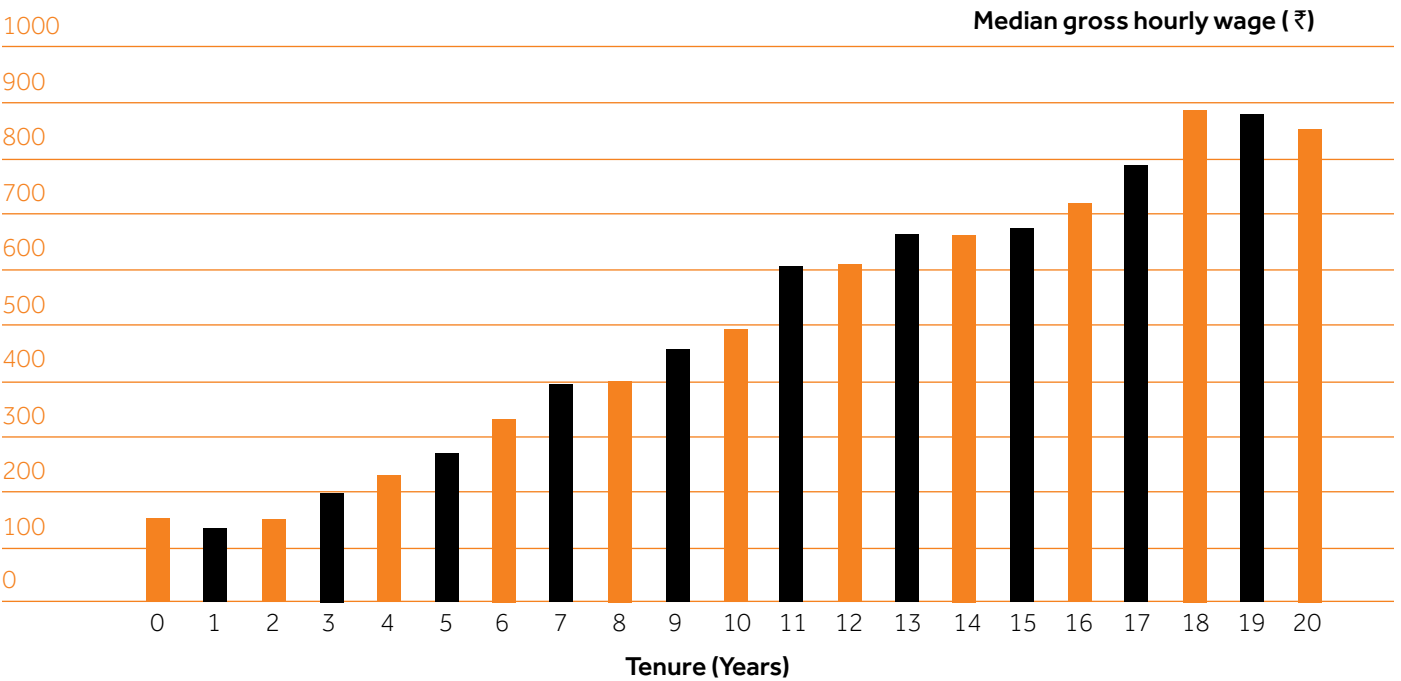
### 3.4. Earnings of men and women depending on the length of tenure

■ 2014-2015 ■ 2014-2015 + 1-6/2016



2014-2015			
₹144.34	₹123.78	₹144.34	
0-2	0-2	0-2	Years of Tenure
₹230.95	₹184.76	₹225.45	3-5
3-5	3-5	3-5	Years of Tenure
₹404.16	₹288.04	₹386.84	6-10
6-10	6-10	6-10	Years of Tenure
₹663.97	₹513.22	₹641.52	11+
11+	11+	11+	Years of Tenure
2014-2015 + 1-6/2016			
₹144.34	₹115.47	₹144.34	0-2
0-2	0-2	0-2	Years of Tenure
₹230.95	₹197.27	₹225.17	3-5
3-5	3-5	3-5	Years of Tenure
₹409.93	₹298.95	₹392.61	6-10
6-10	6-10	6-10	Years of Tenure
₹663.97	₹548.50	₹649.54	11+
11+	11+	11+	Years of Tenure

Tenure vs. Hourly Gross  
Figure 1: Graphical illustration of the relationship between tenure and wage



Source: WageIndicator Foundation





# Wages and Working Conditions in the Indian IT Sector

### Impact of Contract Type

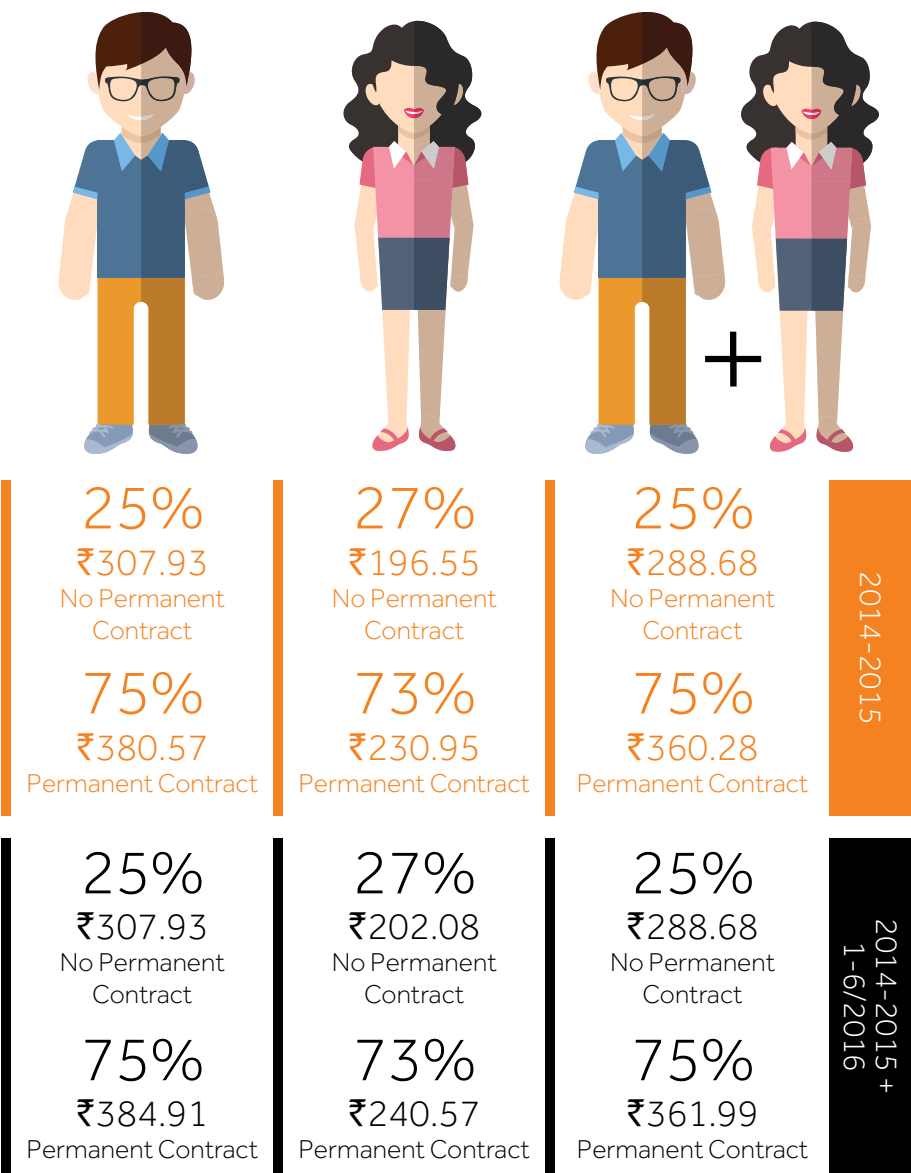
Workers having a permanent contract earned in median ₹362 per hour in the period of Jan 2014 – Jun 2016, only ₹2 per hour more than for the 2014-2015 period. Workers without a permanent contract earned in median ₹289 per hour both in the 2014-2015 period and in the extended period up to June 2016. Thus, it can be said that jobs with permanent contracts paid higher than jobs without a permanent contract. Table 4 illustrates wages by gender for

workers having a permanent contract, and for those having a fixed-term contract. When comparing by gender, men with a permanent contract earned in median ₹385 per hour, representing a 20.0% gender pay gap (women earned ₹308 per hour). Men on a temporary contract earned in median ₹241 per hour, while women only ₹202 per hour, representing a 16.0% gender pay gap. Although previous figures have shown that women don't get promoted to

supervisory positions that often than men (50% of male sample and 41% of female sample were supervisors), Table 3.5 shows that women in the IT sector do have a permanent contract virtually the same often as men (73% of women and 75% of men had a permanent contract). But women without a permanent contract stand a higher chance of exploitation in terms of wages when compared to men without a permanent contract.

### 3.5. Type of contracts in the IT sector

■ 2014-2015 ■ 2014-2015 + 1-6/2016



### Impact of ownership

The results clearly show that wages are much higher in foreign-owned companies (usually large multinational companies) than in domestic companies. Domestic owned companies in the Indian IT sector pay a median wage of only ₹244 per hour, whereas in partially foreign owned companies the wage reaches the median of ₹355 per hour, and wholly foreign owned companies pay a median wage of ₹538. In the last six months, the median wage has increased by only a very small margin in all three categories of company ownership. Table 3.6 compares wages by in the IT sector for three categories of company ownership: foreign owned companies; partially domestic and partially foreign owned companies; and wholly foreign owned companies.

### Impact of company size

A rising trend between company size and wages is clearly visible. Lowest median wages were paid in the companies with employee size of 1-10 employees (₹173 per hour). As the size of the company increases in terms of number of employees, higher wages can be expected by employees. Workers in companies with 10-50 employees receive a median wage of ₹205 per hour, in companies with 50-200 employees the median wage reaches ₹254 per hour. Employees working in a company with 200-1000 employees can expect a median wage of ₹312 per hour. Workers in companies with 1000-5000 employees earned in median ₹385 per hour, and the highest wages are paid in companies with more than 5000 employees, where the median gross hourly wage reaches ₹412. Figure 2 below illustrates the relationship between company size and median gross hourly wages in the IT sector based on figures from the Jan 2014 – Jun 2016 period.

### 3.6. Ownership structure of the company and wages

■ 2014-2015 ■ 2014-2015 + 1-6/2016

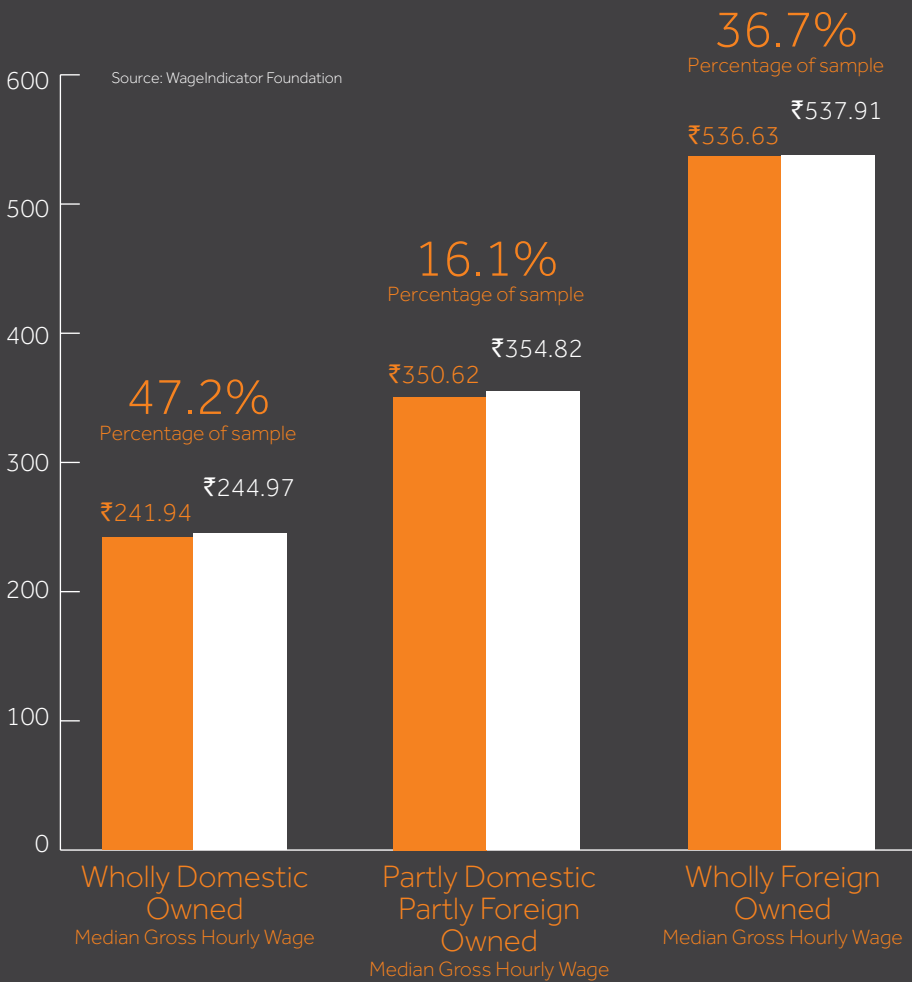
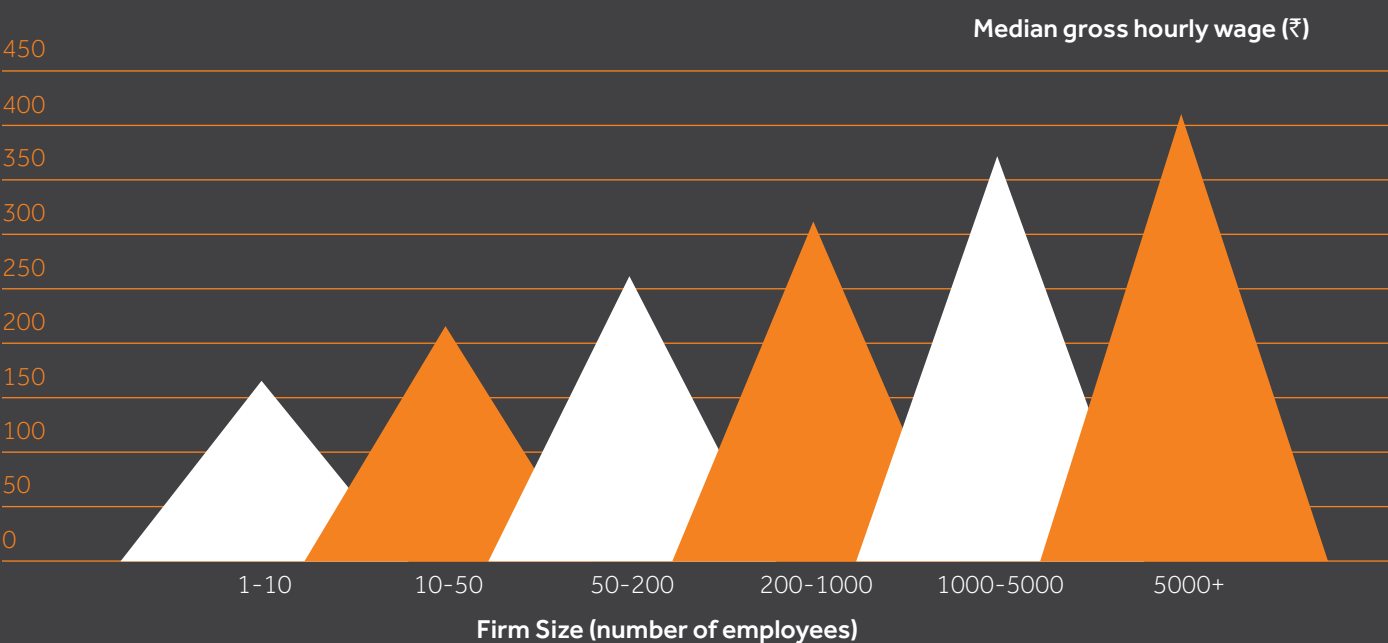


Figure 2: Graphical illustration of the relationship between size of company and wage



Source: WageIndicator Foundation

Source: WageIndicator Foundation



# Wages and Working Conditions in the Indian IT Sector

### Overtime work

In terms of compensation for unsocial working hours in Jan 2014 – Jun 2016, 24.3% of surveyed IT sector workers reported receiving financial

compensation for work during night shifts or during weekends. This is generally done in the form of a lump sum payment/allowance, which amounted to ₹500 in median.

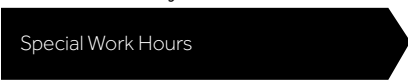
For working overtime hours, 11.8% of workers received compensation, with the median monthly payment valued at ₹2750.

### 3.7. Allowances and overtime payments

Night Shifts/ Weekend allowance



Overtime Payment



### Bonus structure

Performance bonus was the most commonly received bonus, received by 37.0% of workers. The annual bonus was received by about 16% of workers. On the other hand, receiving a profit share is not very common in the Indian IT sector, only 9.8% of employees

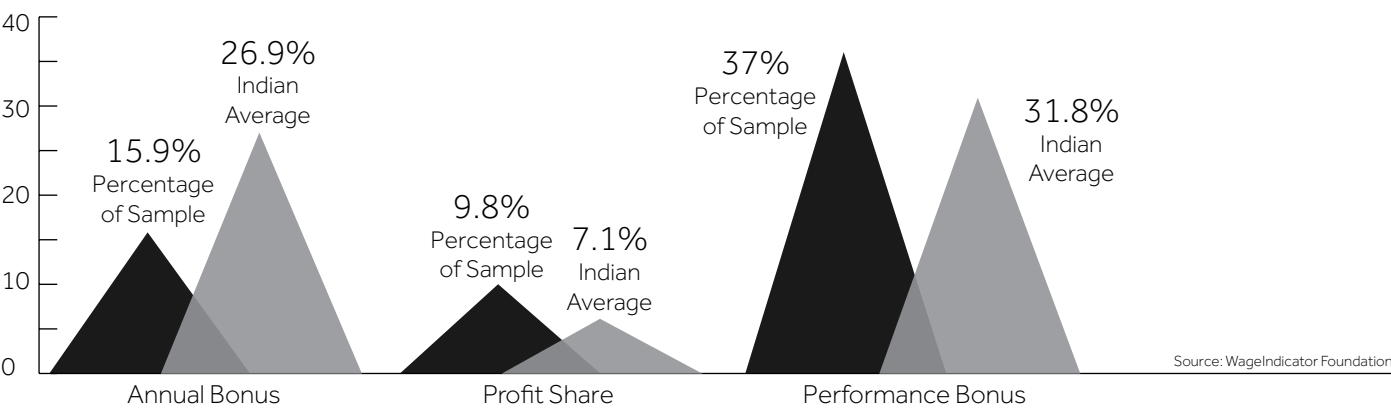
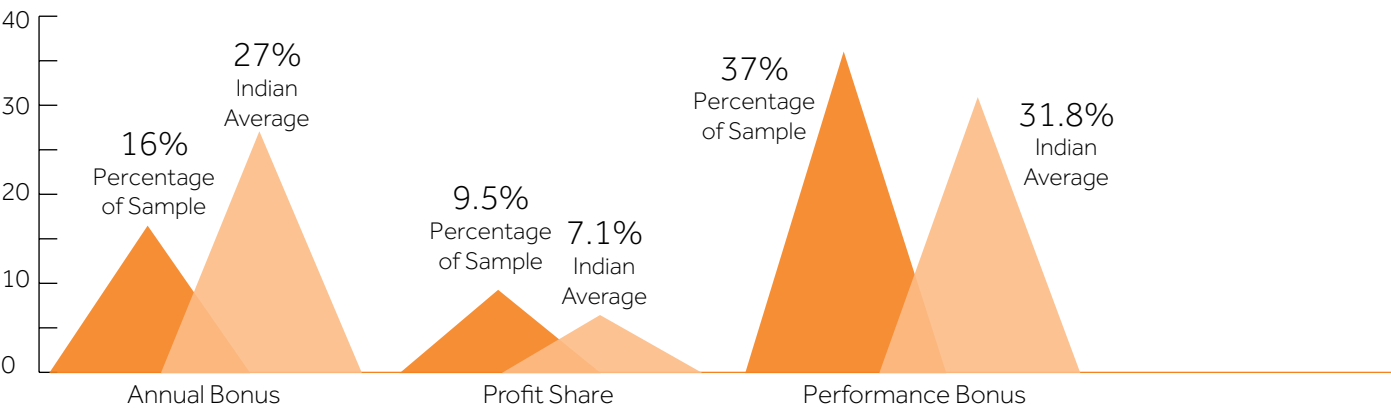
reported receiving it. Table 3.8 below illustrates the percentage of workers who received an annual bonus, profit share or performance bonus during the last 12 months.

When comparing the Indian IT sector with the average of the whole Indian labour market, workers in the IT sector

receive the performance bonus (37.0% vs. 31.8%) and profit share (9.8% vs. 7.1%) more often than the average Indian workers. However, the percentage of Indian workers receiving an annual bonus (26.9%) is a lot higher than the percentage of IT sector workers only who received it (15.9%).

### 3.8. Bonus structure

■ 2014-2015 ■ 2014-2015 + 1-6/2016



Source: WageIndicator Foundation





# Wages and Working Conditions in the Indian IT Sector

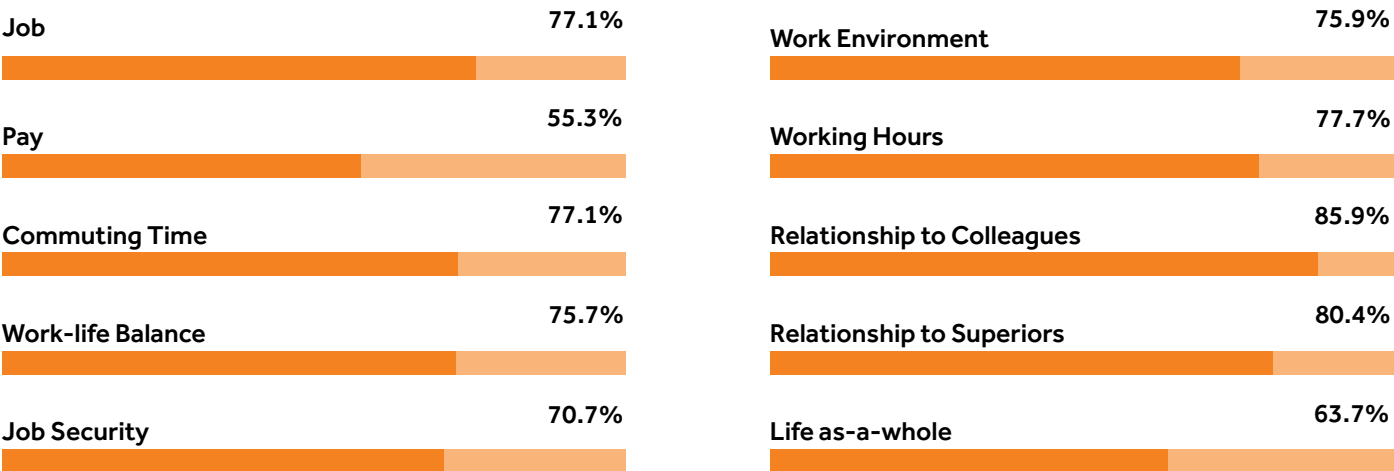
**Satisfaction**  
Workers in the IT sector reported highest satisfaction with the relationship with their colleagues (85.9%), relationship with their superiors (80.4%) and their working

hours (77.7%). The least satisfying aspect of work was wage, as usual, with which 55.3% of respondents are satisfied. Overall, 63.7% of workers reported to be satisfied with their life as a whole.<sup>9</sup>

<sup>9</sup>The figure for satisfaction with life as a whole is calculated using a different scale and methodology than the other, job-related satisfaction questions. Therefore, satisfaction with life as a whole cannot be put into context with the job-related satisfaction questions

## 3.9. Satisfaction of workers

Satisfaction Level for Sector



Source: WageIndicator Foundation





# Appendix About the Dataset and Definitions

The analysis presented in this report is based on the WageIndicator dataset covering the period of January 2014 - June 2016. The wage analysis is based on 19,466 observations from Paycheck India's ([www.paycheck.in](http://www.paycheck.in)) Salary Calculator and Monster Salary Index from the aforementioned period. The sample used and analyzed in this report contains 3,454 observations from the IT sector of India.

The sample of observations from the first half of 2016 only (1-6/2016) wasn't sufficient to make separate comparisons for this period only. Therefore, to examine the latest developments in wages, wages from the two-year period of 2014-2015

are compared with wages from an extended 2.5-year period of Jan 2014 - Jun 2016.

## Gross Hourly Wage and Bonuses

Gross hourly wage, for our purposes, is calculated on the ground of gross wage and working hours reported by respondents. We report median of gross hourly wage. The calculations are based on dataset cleared from outliers. All wages and bonuses figures presented are nominal figures based on respondents' answers at the time of the survey, i.e. they are not adjusted for inflation.

## Purchasing Power Parity (PPP)

Is based on differences in prices of goods and services in different country. Using the PPP index we can calculate an "international dollar" that has the same purchasing power as the US dollars have in the USA. The implied conversion rate used for India is 1:17.6, valid by April 2016 (WEO Database, 2016). For calculation of annual wage, we assume a total of 2000 working hours per year.

## Gender Pay Gap

Gender pay gap is computed according to the formula (Tijdens & Klaveren, 2012)

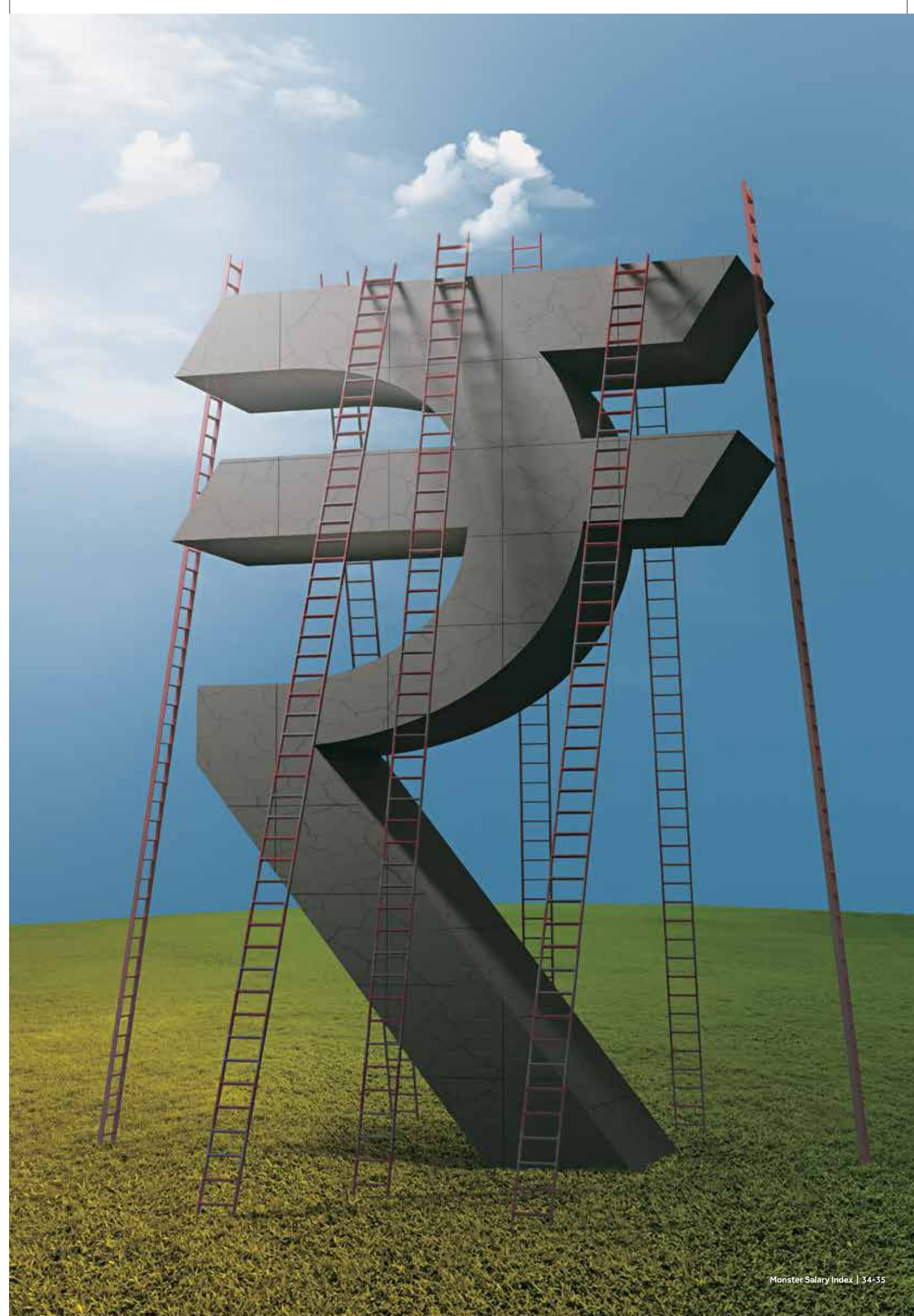
$$\text{PAY GAP} = \frac{\text{MEDIAN WAGE MALE} - \text{MEDIAN WAGE FEMALE}}{\text{MEDIAN WAGE MALE}} \times 100\%$$

It can be interpreted as the per cent difference between female and male median wages.

<sup>1</sup>A median is the numeric value separating the upper half of a sample from its lower half. By definition of median wage, 50% of the sample earn more and 50% less than the median wage.

<sup>2</sup>These are respondents reporting wages significantly lower or higher than usual.

<sup>3</sup>The CPI inflation rate in India stood at 6.3% in 2015 and 5.9% in 2014: <http://www.inflation.eu/inflation-rates/india/historic-inflation/cpi-inflation-india.aspx>





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