

WageIndex Report India

Wages and working conditions on
the formal labour market in India

Prepared by

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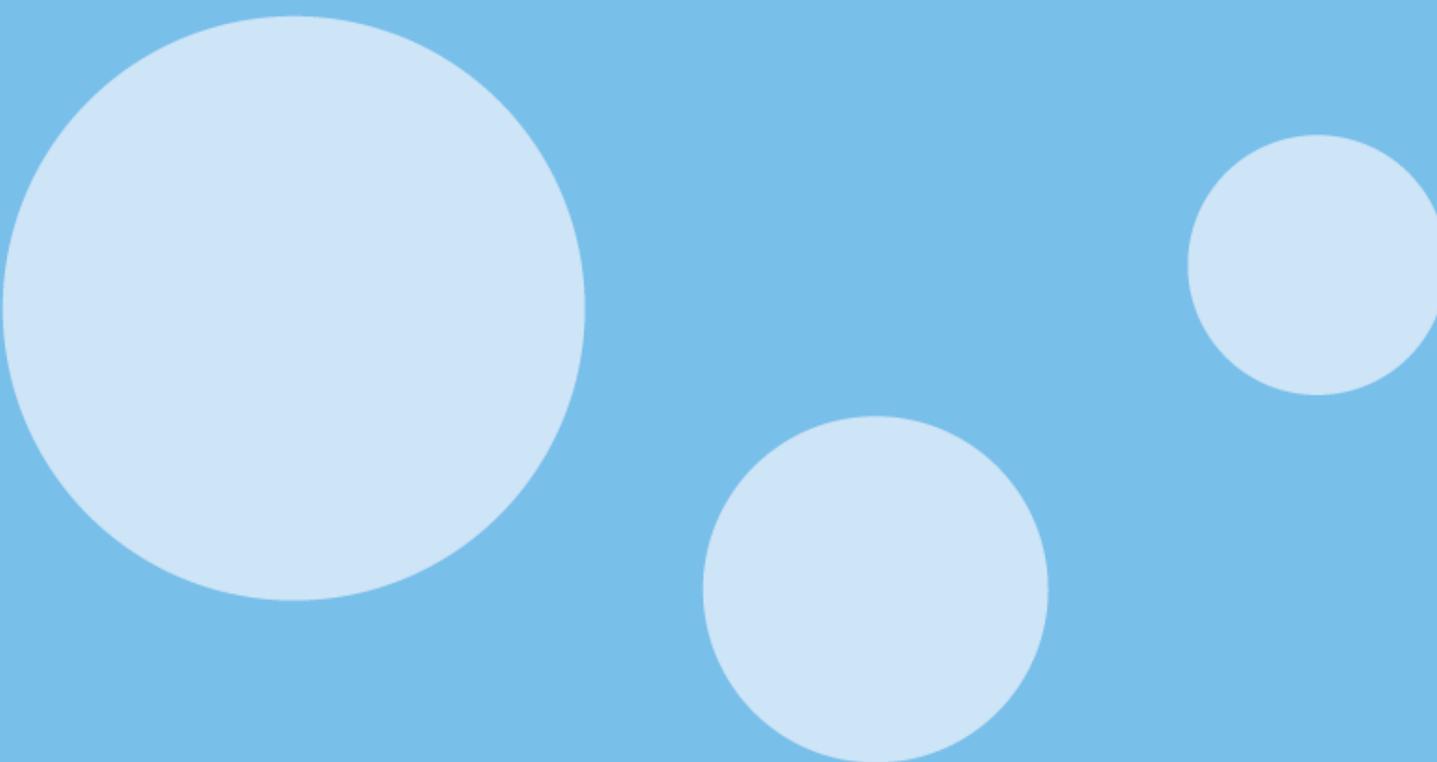
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About WageIndicator Foundation

WageIndicator Foundation (StichtingLoonwijzer) - www.wageindicator.org

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. WageIndicator Foundation has offices in Amsterdam (HQ), Ahmedabad, Bratislava, Buenos Aires, Cape Town, Dar es Salaam, Maputo and Minsk.

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About Paycheck India

Paycheck India – www.paycheck.in

[Paycheck India](http://Paycheck_India) a research initiative at [Indian Institute of Management Ahmedabad](http://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.

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About IIMA

Indian Institute of Management Ahmedabad (IIMA) – 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 country to be part of WageIndicator.

About CELSI

Central European Labour Studies Institute (CELSI) - 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.

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About Monster India - (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 11 other cities of India viz., Mumbai, Delhi, Bangalore, Chennai, Pune, Kolkata, Ahmadabad, Baroda, Chandigarh, Jaipur and Cochin.

In 2014, Monster mPower Search was voted **Product of the Year** under the 'Online Job Portals category' in a survey of over 18000 people. 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 also initiated 'Rozgarduniya.com' - a job portal exclusively for jobseekers in rural India, in an alliance with ITC e-Choupal to enable in corporate India to connect with rural talent, thus removing the traditional barriers they face in this process.

Key findings

- The information, communications, and technology sector (ICT) has the highest median wage in the Indian economy, at INR 341.8
- Relatively lucrative careers are also found in the financial sector with average gross wage of INR 291.0 per hour.
- The lowest median wage is found in the education and research sector, at INR 186.5.
- Overall, advanced education comes with over a INR 100 per hour premium in comparison with three-year Bachelor's degrees.
- On average, men earn INR 259.8 per hour whereas female colleagues earned just INR 190.5, i.e. about 27% less than men.
- In India's economy, workers in domestically owned companies earn about INR 115 per hour less than workers in firms partially owned by foreigners.
- The highest wages are enjoyed by workers in companies fully owned by foreigners. Such workers earn INR 153 per hour more than workers in firms with mixed ownership and INR 268 more than in domestically owned companies.
- The average wage in small firms with 10-50 employees is just above INR 150, in companies with more than 50 employees it is around INR 250, and in big companies with at least 5,000 employees, the wage is in the area of INR 320.
- Only 5.8% of the sample received overtime bonus - working beyond office hours is considered part of the job by most firms in India.
- One of five manufacturing workers received an annual bonus and/or performance bonus, the most of any sector.
- Only 51.9% of all sampled workers are satisfied with their pay.
- Manufacturing sector workers tend to be slightly more satisfied than workers in other fields, where 60% of them expressed satisfaction with their life as a whole.

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1 Introduction

The labour market structure plays a vital role in chalking out the development and growth path of a country. The labour market policies, institutions, and patterns of employment in turn determine the structure of the labour market. Thus, it is essential to understand and study the labour market structure.

The Census of 2011 estimates the total population of India to be 1.21 billion (Census of India, 2011). But the labour-force participation to population ratio in India is at 56%, as compared to the world average of almost 64%. This is mainly because of low female labour-participation rate which stands at a mere 31%. Even though about 49% of workers are engaged in the agricultural sector in India, their contribution to output was merely 14% of total GDP. We cannot neglect the fact that nearly 92% of the workers are absorbed by informal employment and have almost no social protection, coupled with very low wages (Institute for Human Development, 2014).

Labour market segmentation is visible across sector, region, gender, caste, etc. *“Women in general are disadvantaged in the labour market. In addition to their low share in overall employment, greater proportions of them are engaged in low-productivity, low-income, insecure jobs in farms, and in the unorganised and informal sectors as compared to men”* (Institute for Human Development, 2014)

In the recent years, India has witnessed substantial growth in some sectors like IT and ITES, automobiles, and pharmaceuticals. The spill-over effects of these sectors have been seen on the forward and backward linkage industries. This has eventually resulted in increasing productivity in several industries. In the past few years, India has also realised a rise in the unionization of the informal sector.

2 About the Dataset and Definitions

The analysis presented in this report is based on the WageIndicator dataset covering the period of quarter 1 2012 up to December 2014 for wages and till quarter 1 2014 for working conditions and satisfaction. The wage analysis is based on data collected from the [Paycheck.in](#), [Salary Calculator](#) and [Monster Salary Index](#) from the aforementioned period. The sample used for the analysis consists of 35,929 respondents, approximately 85.7% of which are men and the remaining 14.3% representing women. Respondents from different age groups, varied industries, and various hierarchical positions in their respective occupations are included in the sample (Tijdens & Osse).

Being an online volunteer survey, the data is biased towards those people who have access to the internet and are inclined to complete the questionnaire. Because of this limitation, the data captures only the organised sector in India.

WageIndicator and Paycheck India regularly surveys and evaluates the Indian labour market. The data analysed for this report has some specific characteristics. For example, urban-educated workers and professional workers are mainly concentrated in three important sectors: manufacturing, finance, and IT. Figure 1 below illustrates the sector-wise decomposition based on our data gathered from respondents. Furthermore, according to the Planning Commission of India statistics, 52.9% of the workers are engaged in Agricultural activities, 10.5% in the Manufacturing sector, 12.2% in the Non-manufacturing industries and 24.5% in the Services sector (Planning Commission of India, 2014).

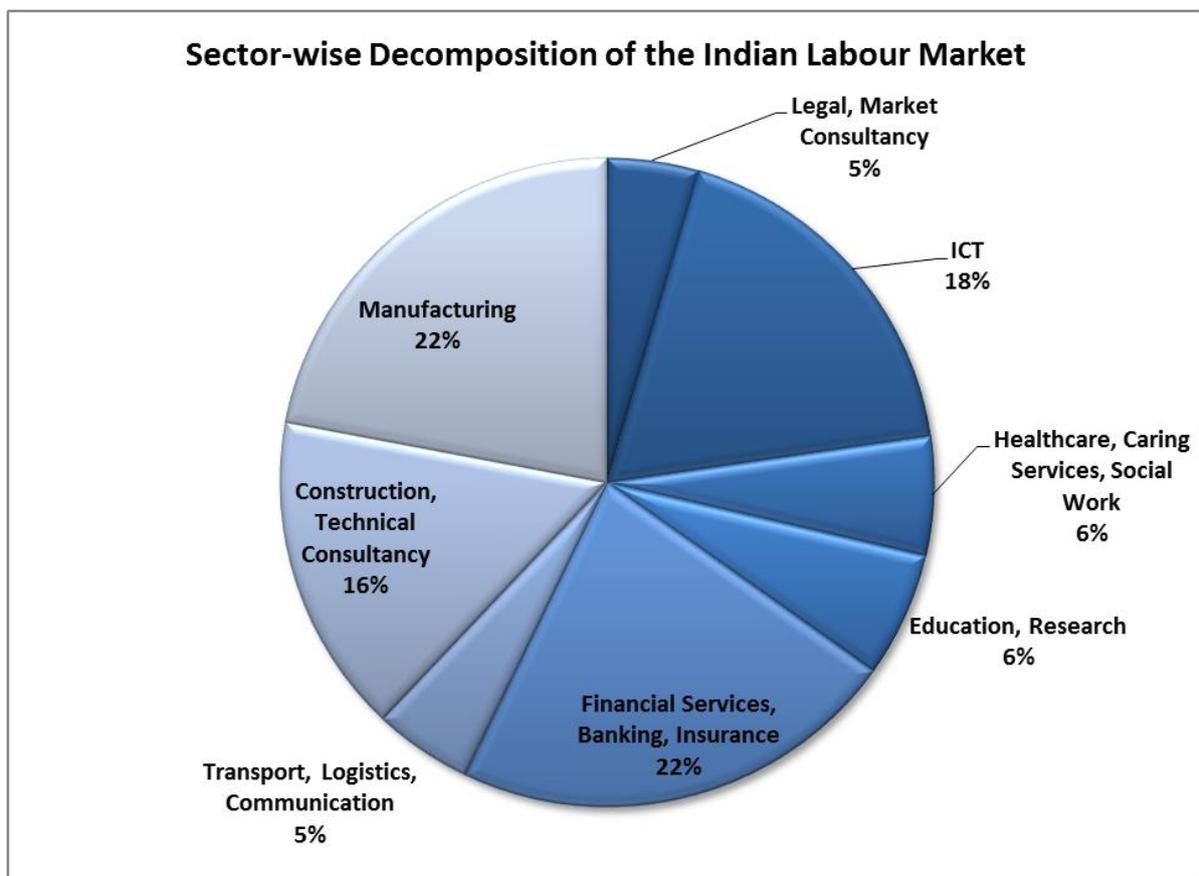


Figure 1: Sector-wise Decomposition of the Indian Labour Market, Source: WageIndicator

Gross hourly wage and bonuses – Gross hourly wage, for our purposes, is computed based on the hourly wage calculated on the grounds of wage and working hours reported by respondents.

We report median¹ of gross hourly wage. The calculations are based on dataset cleared from outliers.² Inflation was taken into account for wages reported in 2012 (IMF, 2013).

Purchasing power parity (PPP) – Is based on differences in prices of goods and services in different countries. Using the PPP index, we can calculate an “international dollar” that has the same purchasing power as the US dollars has in the United States. The implied conversion rate used for India is 1:22, valid according to April 2013 WEO database (WorldBank, 2013). 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 & Van Klaveren, 2012):

$$\text{Pay gap} = \frac{\text{Median wage}_{\text{male}} - \text{Median wage}_{\text{female}}}{\text{Median wage}_{\text{male}}} * 100\%$$

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

¹ A median is the numeric value separating the upper half of a sample from its lower half. For example, by definition of median wage 50% of the sample earn more and 50% less than median wage.

² This is respondents reporting wage significantly lower or higher than usual.

3 The Indian Labour Market – An Overview

3.1 Education Attainment and Wages

Level of education (Table 1) is observed to be one of the major factors influencing wages in India. In general, it pays off to invest in a four or five-year degree in India. Such advanced education comes with over INR 100 per hour premium in comparison with the three-year Bachelor's degrees. Nevertheless, a three-year degree still brings a little over INR 80 per hour premium over Plus Two or equivalent higher secondary education. Thus, in terms of wages, it is beneficial to invest in education in order to obtain higher returns in the future.

Table 1: Average hourly wage with respect to educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	86.6
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	169.4
Four/five year's degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	274.6
Masters (arts, science, engineering, commerce, MBA/equivalent)	288.7

Source: WageIndicator Foundation

3.2 Gender Perspective

Gender also continues to play a significant role in the wage determination in the Indian labour market. On an average, men earn INR 259.8 per hour whereas female colleagues earned just INR 190.5, i.e. about 27% less than men in our sample. Some reasons behind this gap in earnings could be preference for male employees over female employees, preference for promotion of male employees to supervisory positions, career breaks of women due to parenthood duties, and other socio-cultural factors (Varkkey & Korde, 2013).

Table 2 below presents a relative comparison between male and female supervisory roles and wages. Three clear assertions are evident. The sample is heavily weighted by male respondents, at a disproportional 86% to 14% female sample. Male workers are more likely to have a supervisory role, and those that do, out earn female workers with supervisory roles by INR 77.³

Table 2: Supervisory position per gender

			Has a supervisory position			
			Percentage of sample		Median gross hourly wage	
Gender	%	Median gross hourly wage	No	Yes	No	Yes
Male	86%	259.8	46%	54%	209.9	346.4
Female	14%	190.5	58%	42%	169.4	269.4
Total	100%	252.3	47%	53%	203.5	336.8

Source: WageIndicator Foundation

³ For detailed report on Gender Pay Gap in India refer to Gender Pay Gap in the Formal Sector: 2006 – 2013, Preliminary Evidences from Paycheck India Data (Varkkey & Korde, 2013)

Table 3 below highlights the tenure in respective jobs for male and female workers, as well as median wages by tenure groups. Wages are higher for males in all tenure groups, and the wage gap between males and females increases when tenure is above 5 years.

Table 3: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	16%	26%	35%	23%	127.0	190.5	333.6	450.3
Female	24%	32%	30%	14%	101.0	173.2	261.7	348.6
Total	17%	26%	35%	22%	120.3	186.9	323.3	433.0

Source: WageIndicator Foundation

3.3 Ownership of Company and Wages

An additional factor influencing wages is the nature of ownership of the company. Workers in domestic companies⁴ earn about INR 115 per hour less than workers in firms partially owned by foreigners. The highest wages are enjoyed by workers in companies fully owned by foreigners. Such workers earn around INR 150 per hour more than workers in firms with mixed ownership and INR 268 more than in domestically owned companies. The workers in the wholly foreign owned companies enjoy not only international standards in terms of work environment and but also comparable wages.

Table 4: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	61.2%	141.1
Partly domestic and foreign owned	14.7%	256.3
Wholly foreign owned	24.1%	409.4

Source: WageIndicator Foundation

3.4 Size of the Company and Wages

Finally, size of the company plays also an important role (Figure 2). The average wage in small firms with 10-50 employees is just about INR 150, in companies with more than 50 employees it is slightly above INR 190, and in big companies with at least 5,000 employees, the wage is meagerly above INR 320. A general observation can be made, that with an increase in the size of the company, the average wage paid to the employee is higher.

⁴ Public sector is included in the “wholly domestic owned” category in this report.

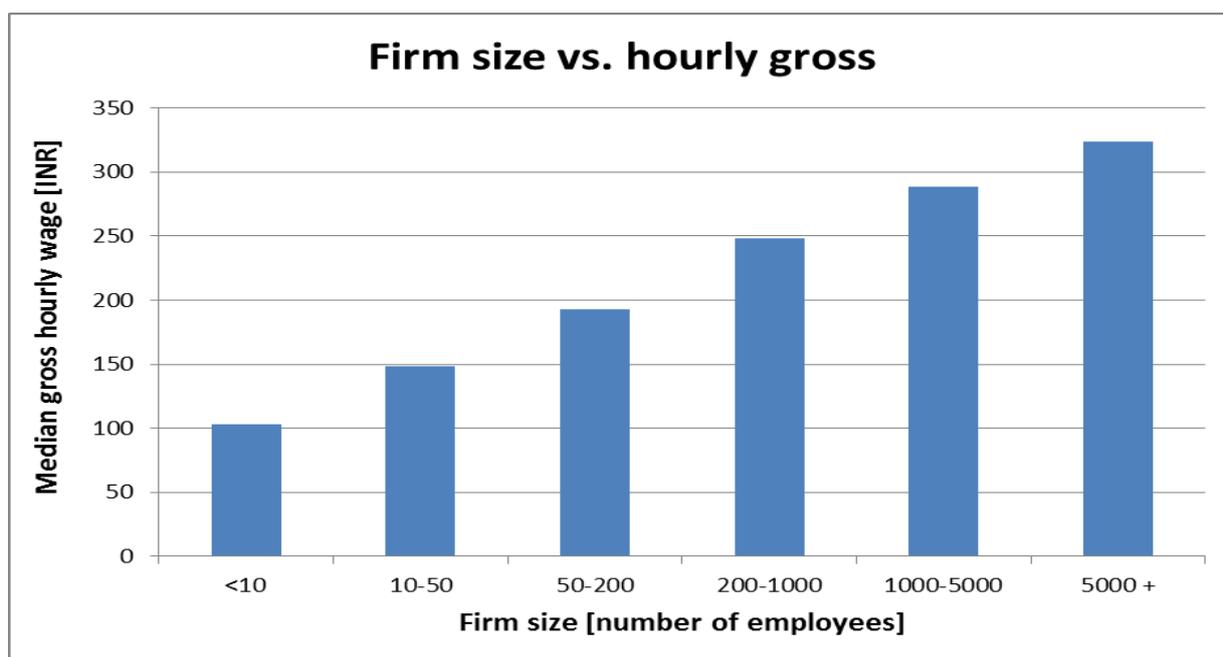


Figure 2: Average pay per firm size, Source: WageIndicator Foundation

3.5 Overtime and Bonus Payments

Very few firms acknowledge overtime work hours or weekend work hours in terms of monetary benefits (Table 5). This is evident from the analysis of our sample data, wherein only 6.6% of the sample received weekend allowance and only 5.8% of the sample received some overtime bonus. Most of the firms consider working beyond office hours as a part of job, and do not believe in compensating employees for extra hours.⁵

Table 5: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	6.6%	1500
Overtime bonus	5.8%	2000

Source: WageIndicator Foundation

According to the Payment of Bonus Act (1965) every factory and establishment employing not less than 20 persons on any day during the accounting year are liable to pay bonus (The Payment of Bonus Act, 1965), to employees earning wages up to Rs. 10,000 per month. Survey data shows that very few Indian employees actually enjoy statutory bonuses in addition to the wage, possibly because they fall outside the coverage of legislation. However, on top of compensation for work, Indian employees were rewarded for good performance (21.8% of workers) or given a financial award on annual basis (20%) (Often called annual bonus/ex-gratia or other names like purse) Sharing of profit with employees was rarer, with only about 4% of respondents reported benefiting from it⁶ (Table 6).

⁵ While India has laws related to overtime payment for defined categories (e.g. factory workers), the respondents to the online surveys belonged to exempt category. Hence the observed trend.

⁶ Since the data is collected from voluntary online web-based survey, the target group might have been excluded from the scope of the study.

Table 6: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	20.4%
Profit share	4.0%
Performance bonus	21.8%

Source: WageIndicator Foundation

3.6 Job Satisfaction⁷

It is essential to understand and study the job satisfaction since workers spend almost 1/3rd of their time at work place (Guzi & Pedraza, 2013). The understanding of job satisfaction of workers for employers is also essential to control attrition rates (Varkkey & Korde, 2013). The analysis of job satisfaction shows that workers in India are relatively satisfied with their relationship with colleagues (75.7%) and relationship with superiors (72.2%). On the other hand, only 51.9% of workers are satisfied with their pay. About 60% of Indian workers reported being satisfied with their overall life. Information regarding dissatisfaction of workers can only be inferred by the figures in table 7.

Table 7: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	64.8%
Pay	51.9%
Commuting time	65.9%
Work-life balance	63.7%
Job Security	62.7%
Work environment	64.9%
Working hours	67.7%
Relationship to colleagues	75.7%
Relationship to superiors	72.2%
Life as-a-whole	59.4%

Source: WageIndicator Foundation

Inter-sector comparison of the Indian Labour Market

Wages received by employees in India vary across sectors of employment (Table 8). Indian ICT companies pay by far the best, on average INR 341.8 per hour before taxation, as per our survey results analysis. Relatively lucrative are also careers in finance with average gross wage of INR 291.0 per hour followed by construction and technical consultancy (INR 259.8) and manufacturing (INR 230.9). On the other hand, employees in education sector get the lowest hourly wage (INR 186.50) followed by the healthcare, caring services, social work sector and the legal, market consultancy, business activity sector, both at INR 215.6.

⁷For a more elaborate explanation on job satisfaction in the Indian labour market refer to WageIndicator report on Exploring Job Satisfaction in India using Paycheck India Survey Data (Varkkey & Korde, Exploring Job Satisfaction in India using Paycheck India Survey Data, 2013).

Table 8: Distribution of the sample and average hourly gross wage per sector

Sector	Percentage of sample	Median gross hourly wage
Construction, technical consultancy	15.95%	259.8
Education, research	6.25%	186.5
Financial services, banking, insurance	22.27%	291.0
Healthcare, caring services, social work	5.91%	215.6
ICT services	18.17%	341.8
Legal, market consultancy, business activities	4.54%	215.6
Manufacturing	22.01%	230.9
Transport, logistics, communication	4.90%	230.9
Total	100.00%	252.3

Source: WageIndicator Foundation

4 Sectoral Overview

Construction and Technical Consultancy

The Sector Performance Review

Adequate infrastructure is essential for rapid economic growth for any country, especially for a developing economy like India (IBEF, 2013). Thus, the construction sector in India has received growing attention from both the government and the public, especially the real estate sector which has been recognized as the driving force of the economic growth (IBEF, 2014). The government has committed massive investments of close to USD 500 billion in the infrastructure sector in the period 2008 to 2012. The Planning Commission of India has proposed even the double amount of investments (around USD 1 trillion) for the Twelfth Five Year Plan (2012-2017) (Planning Commission of India, 2012).

Hence, the construction industry in India has witnessed a considerable growth in the recent years powered by massive investments on housing, road, ports, water supply, and rail transport and airport development. According to the Planning Commission, the total investment in infrastructure (including roads, railways, ports, airports, electricity, telecommunications, oil gas pipelines and irrigation) in the Eleventh Five Year Plan is estimated to have increased from 5.71% of GDP in 2007 to around 8.037% by 2012 (Planning Commission of India, 2009). Though the construction sector's growth has slowed down due to the economic crisis in 2008, it has picked up in the recent past.

The construction sector is the second largest employer sector in the country, next only to agriculture. Apart from that, many ancillary industries such as cement, steel, brick, timber, and building material are dependent on the construction industry.

The report of the working group on Construction for the 11th Five Year Plan (2007 – 2012) estimates the construction labour force to be at 31 million people. It means that the construction sector provides employment to 14 % of all employable citizens. The employment figures have shown a steady rise in the recent years (Planning Commission, 2007).

Wages and Workers' Satisfaction

Work in the construction and technical consultancy sector is moderately well paid. The average gross hourly wage rate in the sector is INR 259.8, which corresponds to the average wage in the overall Indian economy. Due to limitations in the dataset and survey, differentiating this sector in to two parts was not feasible. Only a small number of respondents clearly identified themselves as belonging to either construction or technical consultancy. Further decomposition in this sector shows median wages solely in construction are projected at INR 241.55, while median wages amount to INR 319.36 for workers in technical consultancy.

Table 10: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	132.3
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	173.2
Four/five year's degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	282.3
Masters (arts, science, engineering, commerce, MBA/equivalent)	297.7

Source: WageIndicator Foundation

The gender gap in the construction sector is approximately the same as in the whole economy. Average male worker earns INR 271.5, while his female colleague earns just INR 197.4, i.e. about 28% less. The effects of supervisory position and work experience are roughly similar to the figures for the whole economy.

Table 11: Supervisory position per gender

Gender	%	Median gross hourly wage	Percentage of sample		Median gross hourly wage	
			No	Yes	No	Yes
Male	88%	271.5	47%	53%	214.8	345.2
Female	12%	197.4	56%	44%	154.0	303.1
Total	100%	259.8	49%	51%	205.3	342.8

Source: WageIndicator Foundation

Table 12: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	17%	27%	34%	22%	128.3	202.1	333.6	481.1
Female	25%	33%	31%	11%	116.7	174.5	276.0	386.8
Total	18%	28%	34%	20%	128.0	197.3	327.2	481.1

Source: WageIndicator Foundation

The analysis of the data shows that two out of three workers in the Indian construction and technical consultancy industry work in domestically owned firms, which is about 10% more than the share of domestic owned companies when the overall economy is considered. One reason might be that the construction industry being highly unorganized and compels, the number of small/medium firms with domestic ownership is high.

Table 13: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	67.4%	145.9
Partly domestic owned, partly foreign owned	13.5%	286.1
Wholly foreign owned	19.1%	334.2

Source: WageIndicator Foundation

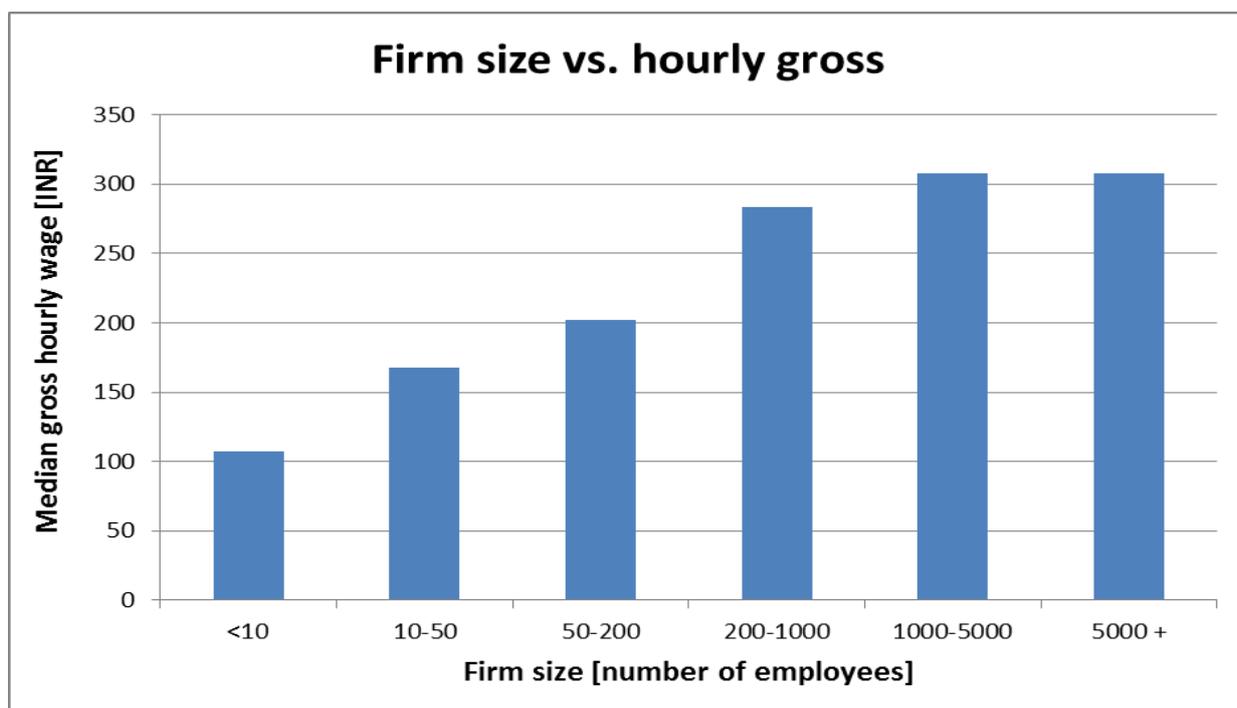


Figure 2: Average pay per firm size, Source: WageIndicator Foundation

Paid extra work is less common in this sector than in the overall economy. Only 6% of respondents reported to receive money for unsocial hours/weekend work and 5% for overtime work. The monthly compensation for unsocial hours/weekends in the construction and technical consultancy sector is just half of the usual rate in the Indian economy and monthly overtime bonus is INR 250 lower. Annual bonuses in construction and technical consultancy tend to be slightly more and depend slightly less on performance, than in other fields.

Table 14: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	6.1%	2250
Overtime bonus	5.0%	2000

Source: WageIndicator Foundation

Table 15: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	21.3%
Profit share	4.1%
Performance bonus	20.8%

Source: WageIndicator Foundation

Satisfaction levels are broadly in line with the averages in the Indian economy, with life-as-a-whole satisfaction being slightly lower at 59.2%.

Table 16: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	64.4%
Pay	52.5%
Commuting time	64.0%
Work-life balance	62.5%
Job Security	62.6%
Work environment	64.5%
Working hours	65.1%
Relationship to colleagues	76.1%
Relationship to superiors	73.0%
Life as-a-whole	59.2%

Source: WageIndicator Foundation

Education and research

The Sector Performance Review

Substantial economic growth and technological developments highlighted the need for a more responsive and labour-demand oriented education sector. Demand for education has increased in India, and additional funds are being sought by local governments to meet this demand.

India also expects to reap its demographic dividend in the year 2045, given its young population today. But to reap this demographic dividend it is essential that the Indian youth are absorbed by the labour force. This happens only if the employability of workers is ensured, this can be attained only through sufficient investment in education and health (Roychowdhury, Chandrasekhar, & Ghosh, 2006). Thus, the country requires even more universities and training institutes in order to increase student enrolments in higher education. India will have a distinct advantage in the younger age group over the next few years, and to secure quality education for these young people is a crucial precondition for India to maintain its economic growth.

Education in India is mainly provided by the public sector but the role of private equity is still increasing. Private companies are gradually entering the Indian educational market, while foreign universities ponder the option. Still, private universities in India are outweighed by central universities, state universities, and deemed universities. Seventeen Indian universities found themselves on the list of 300 best universities on the Asian continent, whereas some of the universities, such as the Indian Institute of Management (IIMs) have been globally acclaimed for their quality.

Despite growing investment in education, 35% of Indian population is still illiterate; only 15% of Indian students reach high school, and just 7% actually graduate. Until 2008, India's post-secondary high schools offered only enough seats for 7% of India's college-age population, 25% of teaching positions nationwide were vacant, and 57% of college professors lacked either a master's or PhD degree (IBEF, 2014).

Wages and Workers' Satisfaction

PhD. holders form an exception with an hourly wage of INR 350.5. Hence, they belong to the good earning strata of the Indian labour market, although their earnings still lag behind other professional fields such as finance or IT.

Table 17: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	128.3
Four/five year's degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	233.5
Masters (arts, science, engineering, commerce, MBA/equivalent)	202.1
PhD. or equivalent	350.5

Source: WageIndicator Foundation

Even though the education and research sector is also male-dominated, there are relatively more women working here than in other sectors. This might partly explain relatively low wages in this sector. The pay gap, however, remains quite high at almost 18%. Women are even less represented among supervisors in the education and research sector than on average national figures computed in this study. Additional striking aspect of gender pay gap is that the men in the field enjoy rising income with growing work experience (albeit at relatively modest rate), while the effect is not visible for women after 5 years of experience.

Table 18: Supervisory position per gender

Gender	%	Median gross hourly wage	Percentage of sample		Median gross hourly wage	
			No	Yes	No	Yes
Male	74%	202.1	54%	46%	179.6	243.9
Female	26%	165.4	64%	36%	164.2	192.5
Total	100%	186.5	56%	44%	173.5	241.3

Source: WageIndicator Foundation

Table 19: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	23%	26%	30%	21%	120.3	173.9	247.3	288.7
Female	24%	30%	23%	23%	112.0	173.2	203.7	170.8
Total	23%	27%	29%	21%	117.4	173.2	242.5	242.0

Source: WageIndicator Foundation

Share of foreign capital in the sector is much lower than the average in the overall economy. Nevertheless, working in a wholly foreign owned research and education institution is associated with double wage compared to workers in domestic institutions. Correlation with firm size is weaker than in other sectors.

Table 20: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	83.1%	141.6
Partly domestic, partly foreign owned	7.3%	173.9
Wholly foreign owned	9.6%	362.5

Source: WageIndicator Foundation

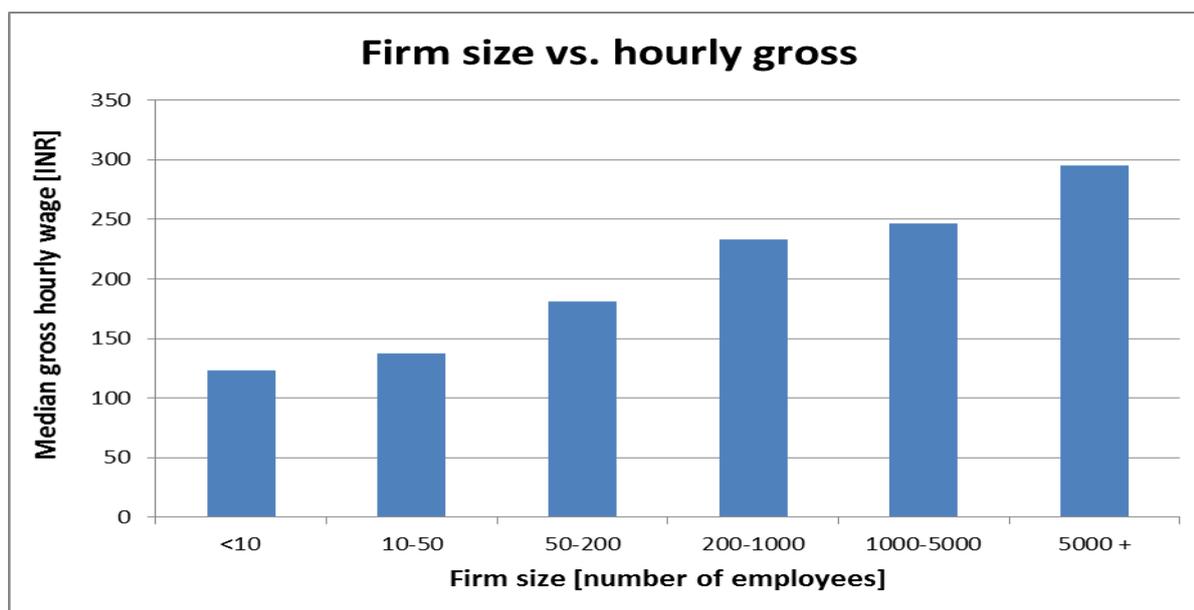


Figure 3: Average pay per firm size, Source: WageIndicator Foundation

Extra work is rarely paid in the education and research industry. Only about 3% of people reported to receive bonus money for unsocial hours/weekend work, although the average amount of INR 2,966 per month is quite substantial. Overtime bonus was received by almost 4% of respondents and the amount was just INR 500. Bonuses are also very seldom. Teachers working in the higher education sector are often paid according to their levels, number of students or number of sessions taken. Teachers are also often paid some extra amount for examination paper setting, supervision done during examination, guiding students in their research work, etc.⁸

Table 21: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	2.8%	2966
Overtime bonus	3.9%	500

Source: WageIndicator Foundation

Table 22: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	10.2%
Profit share	1.7%
Performance bonus	9.8%

Source: WageIndicator Foundation

In spite of low wages and absence of bonuses, workers in the education and research sector tend to be more satisfied than the average- especially in terms of relationships at the workplace, working hours and commuting times. Nearly 60% of respondents reported being satisfied with their lives.

⁸ We have not counted such payments as part of wages.

Table 23: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	64.2%
Pay	49.6%
Commuting time	68.3%
Work-life balance	64.4%
Job Security	57.0%
Work environment	64.5%
Working hours	69.3%
Relationship to colleagues	75.4%
Relationship to superiors	71.6%
Life as-a-whole	59.6%

Source: WageIndicator Foundation

Financial services, Banking, Insurance

The Sector Performance Review

This sector is one of the largest employers in India. Financial services continue to be big business in India's consulting world, and whilst representing just under a third of all consulting revenues, and growing by 8% in 2012, it was the fastest growing sector. However, adverse international economic trends posed challenges to the financial and banking sector in India in the aftermath of the financial crises. After the rapid expansion, the sector is now growing at a slower pace and is plagued by bad loans.

India's financial sector is diversified with lot of scope for further growth. It comprises commercial banks, insurance companies, non-banking financial companies, cooperatives, pension funds, mutual funds and other smaller financial entities.

Some of the biggest banks in India are SBI and associate banks, ICICI Bank, Punjab National Bank and HDFC Bank, Allahabad UP Gramin Bank, Deutsche Bank, Credit Suisse, and HSBC (RBI, 2013).

As regards the insurance sector, India has the largest life insurance sector in the world with 36 core policies, whilst ranked 10th among 147 countries in the life insurance business in fiscal year (FY) 2013 with a share of 2.03 percent. Among non-life insurance, motor insurance accounts for the largest chunk at 43.2 percent share in FY 2013. Key investments of the insurance industry are spent on IT services with USD 666.78 million in 2014 and a potential growth rate of 16 per cent (IBEF, 2014).

Wages and Workers' Satisfaction

With median gross wage of INR 291.0, finance is the second most lucrative career path after IT. Workers in the field tend to be highly educated, which is reflected in their salaries. Workers with four or five year Bachelor's degree or a Master's degree receive on average over INR 300 per hour.

Table 24: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	183.3
Four/five year's degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	323.3
Masters (arts, science, engineering, commerce, MBA/equivalent)	318.1

Source: WageIndicator Foundation

Gender pay gap in the finance sector is about 19%, which is a lower figure than the average in the Indian economy. However, the negative effects for women also persist in finance sector also.

Table 25: Supervisory position per gender

		Median gross hourly wage	Has a supervisory position		Median gross hourly wage	
			Percentage of sample		No	Yes
Gender	%		No	Yes	No	Yes
Male	87%	306.0	51%	49%	242.5	401.6
Female	13%	248.3	61%	39%	200.2	362.3
Total	100%	291.0	52%	48%	230.9	392.6

Source: WageIndicator Foundation

Table 26: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	15%	28%	40%	17%	142.5	211.7	369.5	548.5
Female	22%	33%	32%	13%	115.5	189.9	334.6	461.9
Total	16%	28%	39%	17%	138.6	207.1	362.5	530.2

Source: WageIndicator Foundation

Workers in finance benefit from high inflows of foreign capital into the sector. Workers in fully foreign owned financial companies earn on average INR 496 per hour, i.e. INR 333 more than their colleagues in wholly domestically owned companies.

Table 27: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	51.0%	163.2
Partly domestic, partly foreign owned	19.2%	311.8
Wholly foreign owned	29.8%	496.5

Source: WageIndicator Foundation

Finally, size of the company plays an important role. In small firms with 10-50 employees, the average wage is roughly INR 158, in companies with more than 50 employees it's above INR 280; big employers with 5,000 and more employees pay on average INR 323. Again, there is a positive relationship between firm size and wages paid by companies in our sample.

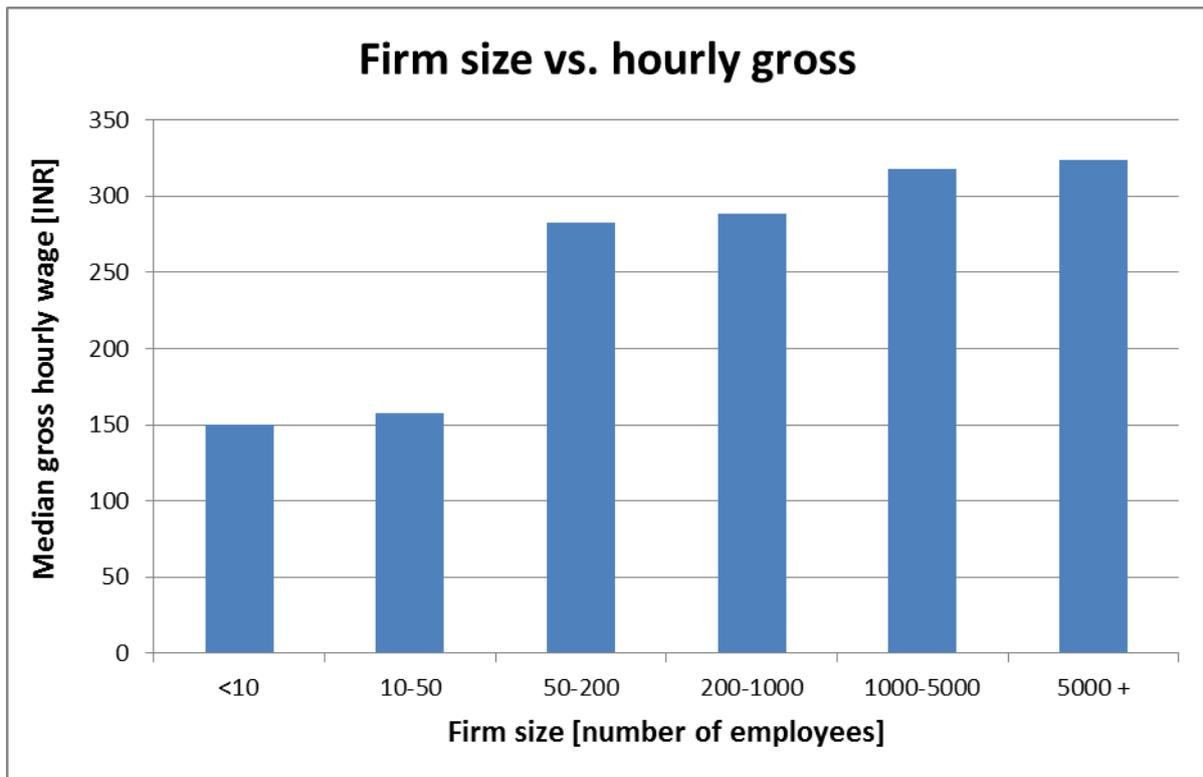


Figure 4: Average pay per firm size, Source: WageIndicator Foundation

Compensation for extra work is approximately the same in size, but unsocial-hours bonus/weekend allowance is more prevalent in finance than in other sectors of the economy. In a similar fashion, bonuses are also more widespread than elsewhere, in particular the performance bonus reported by 28% of respondents, but also the annual bonus received by 22.9%.

Table 28: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	10.0%	2500
Overtime bonus	6.0%	2000

Source: WageIndicator Foundation

Table 29: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	22.9%
Profit share	2.9%
Performance bonus	28.1%

Source: WageIndicator Foundation

Satisfaction of Indian finance workers is similar to average for the whole economy. Moreover, 58.8% of workers reported being overall satisfied with their life.

Table 30: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	64.0%
Pay	50.9%
Commuting time	65.2%
Work-life balance	62.8%
Job Security	65.3%
Work environment	64.9%
Working hours	67.0%
Relationship to colleagues	74.1%
Relationship to superiors	70.3%
Life as-a-whole	58.8%

Source: WageIndicator Foundation

Healthcare, caring services, social work

The Sector Performance Review

The health care sector in India is expanding rapidly since a middle class with more disposable income to spend on healthcare is being created by the thriving economy. Apart from rising income levels, the growth is expected to be driven by number of factors: rising life expectancy, increasing penetration of health insurance and rising incidence of lifestyle-related diseases. The coverage and the quality of health care services are constantly improving. As one of the fast-growing service sectors in India, the health care contributes 6 – 7% to the country's GDP. And the health care sector employs around 4 million people (CII, 2014).

According to Equentis Capital's report on Healthcare Sector in India, the healthcare sector is growing at a 15% compound annual growth rate and is estimated to grow to \$158.2 billion in 2017 from \$78.6 billion in 2012. Per capita healthcare expenditure has increased from \$43.1 in 2008 to \$57.9 in 2011, which corresponds to the compound annual growth rate of 10.3%. The figure is expected to rise to \$88.7 by 2015 (Equentis Capital, 2013).

Nevertheless, there is still a huge scope for expansion. It is estimated that over 6,800 more hospitals are needed in India to provide basic health facilities to people in rural areas. Foreign investors can play a significant role in the development of the hospital sector. Private sector's share in healthcare delivery is expected to increase from 66% in 2005 to 81% by 2015. Some of the health care brands operating in India are Fortis, Apollo, Max, Global and Care (NDA Report, 2013).

The care for elderly people is traditionally, and legally an obligation of the children. Upon neglect or refusal to provide for the parent who is unable to maintain her or himself, the children may be sentenced to imprisonment by Article 125 of the 1973 Code of Criminal Procedure (The Code of Criminal Procedure, 1973). The State may also in certain circumstances provide public assistance to in cases of old age, as stated in Article 41 of the Constitution of India (Ministry of Law and Justice, 2007). However, the NGO sector is also a strong provider of volunteer care and old age homes in India.

Wages and Workers' Satisfaction

Average gross hourly wage in the care sector is INR 215.6, second lowest, next only to education. Interestingly, workers with a Master's degree with a hourly wage of INR 230.9 per hour are visibly out-earned by four/five-year degree holders (Table 31).

Table 31: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	78.6
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	159.1
Four/five years degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	259.8
Masters (arts, science, engineering, commerce, MBA/equivalent)	230.9

Source: WageIndicator Foundation

There are relatively more women working in the care sector than in any other sector of the Indian economy. But the female workers earn almost 40% less than their male colleagues. One important reason behind this difference is that more than 1/3 of the female care workers have less than 2 years of experience and thus belong to a group with earning just INR 80.2 per hour.

Table 32: Supervisory position per gender

		Median gross hourly wage	Has a supervisory position			
			Percentage of sample		Median gross hourly wage	
Gender	%	Median gross hourly wage	No	Yes	No	Yes
Male	79%	240.6	46%	54%	192.5	281.9
Female	21%	144.9	56%	44%	128.3	202.1
Total	100%	215.6	48%	52%	181.1	264.6

Table 33: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	17%	26%	36%	21%	126.8	202.7	280.0	393.1
Female	33%	24%	26%	17%	80.2	151.8	206.9	242.5
Total	20%	26%	34%	20%	113.5	194.8	263.5	371.1

The share of domestic ownership in the sector is slightly higher than average in the overall economy. Domestically owned care institutions seem to be associated with very low wages, on average just INR 80.8. Only wholly foreign owned institutions, which employ about 19% of the workers in the care sector, pay wages comparable with other sectors. Size of the company does correlate clearly with wages, and wages in big institutions (200 and more employees) tend to be higher than in the smaller institutions.

Table 34: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	66.5%	80.8
Partly domestic, partly foreign owned	14.4%	158.2
Wholly foreign owned	19.1%	345.8

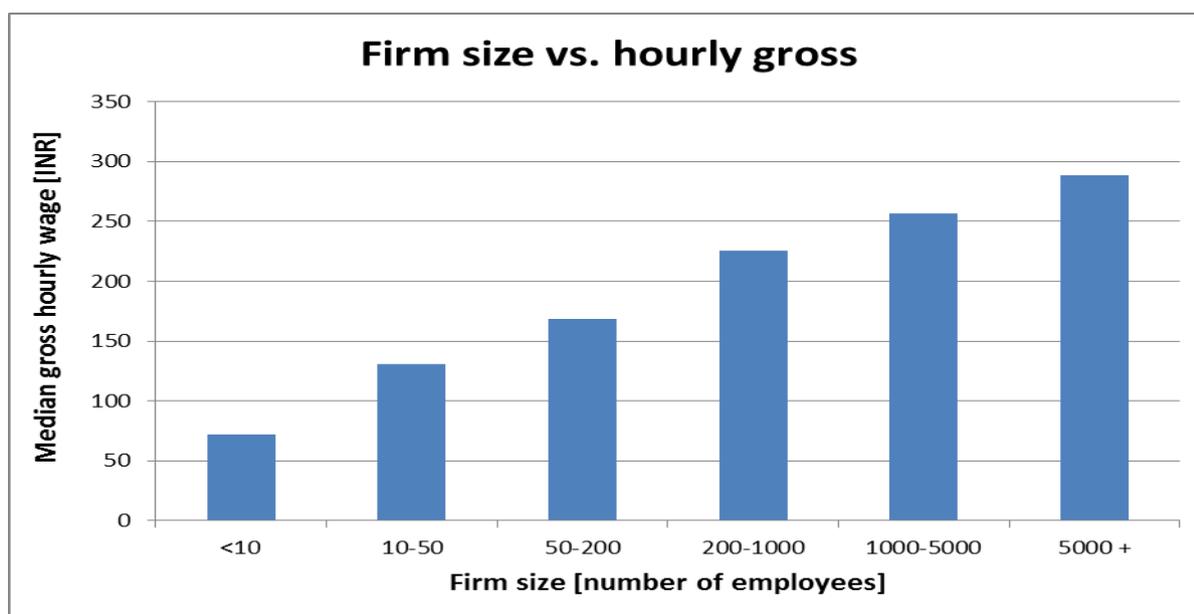


Figure 5: Average pay per firm size

The incidence of pay for extra work in the care industry is about the same as in the Indian economy as a whole, but the amounts received were much lower: just INR 500 per month for unsocial hours/weekend work and INR 300 for overtime work. Bonuses in general are rare.

Table 35: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	6.2%	500
Overtime bonus	6.1%	300

Table 36: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	12.6%
Profit share	1.6%
Performance bonus	12.7%

Despite low wages, satisfaction of healthcare workers is about average, 59.1% workers in the sector reported being satisfied with their life.

Table 37: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	66.8%
Pay	50.0%
Commuting time	67.0%
Work-life balance	62.8%
Job Security	60.0%
Work environment	62.9%
Working hours	68.0%
Relationship to colleagues	77.5%
Relationship to superiors	74.0%
Life as-a-whole	59.1%

Information and Communication Technology (ICT)⁹

The Sector Performance Review

Internet and Communication Technology (ICT) sector is very important for the Indian economy. The Indian government data show that (Government of India, 2012-13):

- Aggregate revenues of the ICT sector in India amounted to \$ 108 billion in 2012/2013 fiscal year.
- 3 million Indians work in the sector and another 9.5 million jobs depend on ICT indirectly.
- The ICT sector generates 8 % of Indian GDP.
- The sector is growing rapidly; in 1998 the ICT sector formed only 1.2 % of the economy in the country.
- The rapid growth of the ICT sector contributed to increased prosperity of India, which enjoyed 8 % average GDP growth over the last decade.

Most of the output in the sector is currently exported. The annual Survey on Software and Information Technology Enabled Services Exports conducted by the Reserve Bank of India reveals that India's Software services exports has been growing at remarkable pace (RBI, 2014). The software services exports constituted around 45% of total services exports of India as well as 3.5% of GDP in 2012-13. As per the survey, India's total export of computer and ITES/BPO services has exhibited 20.7% growth in US\$ terms over the previous year.

Export revenues are estimated to \$75, 8 billion and 2.3 million ICT jobs depend on export. In particular, the outsourcing activities for the US and European companies are very important, generating revenue of \$14.1 billion.

The outsourcing and export activities are still growing healthily; nevertheless the dependency relations created by mutual trade also increase vulnerability of India to global economic cycles. This is evident by recent slowdown of Indian economy, when growth rate has fallen to 5.4%

Access to the ICT Services is still limited. According to the International Telecommunication Union the internet penetration in the country is only 12.6% and the share of households connected to the Internet is 6% as per OECD data (OECD, 2013). Nevertheless, the middle class growth, particularly in the metropolitan areas¹⁰, along with Indian government's policies to develop e-governance initiatives areas fuels new internal demand for ICT products (Government of India, 2014). Several major multinational corporations are based in India, including Tata Consultancy, Infosys, Wipro and HCL.

Wages and Workers' Satisfaction

The average gross hourly wage in ICT is INR 341.8, which is by far the highest wage of all sectors. This applies especially to highly educated workers (Table 38). ICT is also a rare example of a sector where getting a Master's degree actually results in higher earnings. Master's diploma holders out-earn their colleagues with four or five-years Bachelor's degrees by slightly more than INR 60 per hour and workers with three year degree by over INR 150 per hour.

Table 38: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	117.5
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	237.8
Four/five years degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	333.6
Masters (arts, science, engineering, commerce, MBA/equivalent)	392.9

⁹A separate WageIndex report for ICT sector has been published in quarter 1 2014 - <http://www.wageindicator.org/main/Wageindicatorfoundation/publications/2014/wages-and-working-conditions-in-the-indian-it-sector>

¹⁰Particularly observable in Bangalore, Chennai, Kolkata, Hyderabad, Trivandrum, Noida, Mumbai and Pune.

Nevertheless, even the ICT sector is not immune to gender gap. On average, women earn around 34% less than men. The difference is most pronounced among experienced workers with supervisory positions.

Table 39: Supervisory position per gender

Gender	%	Median gross hourly wage	Percentage of sample		Median gross hourly wage	
			No	Yes	No	Yes
Male	87%	359.3	49%	51%	256.6	461.9
Female	13%	238.6	62%	38%	202.1	359.3
Total	100%	341.8	51%	49%	249.7	461.9

Table 40: Average earnings of men and women depending on the length of tenure

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	13%	25%	40%	22%	141.1	215.6	404.2	668.5
Female	21%	34%	32%	13%	115.5	202.1	313.1	558.1
Total	14%	26%	39%	21%	134.7	212.8	392.6	663.0

Source: WageIndicator Foundation

Just like in finance, the high share of foreign capital in the industry drives wages up. This is especially visible in terms of wages of employees working in the wholly foreign owned companies, whose hourly compensations reaches INR 557.3. Figure 6 below illustrates higher wages associated with larger firms, as defined by the number of employees.

Table 41: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	46.3%	256.6
Partly domestic owned, partly foreign owned	17.1%	398.4
Wholly foreign owned	36.6%	557.3

Source: WageIndicator Foundation

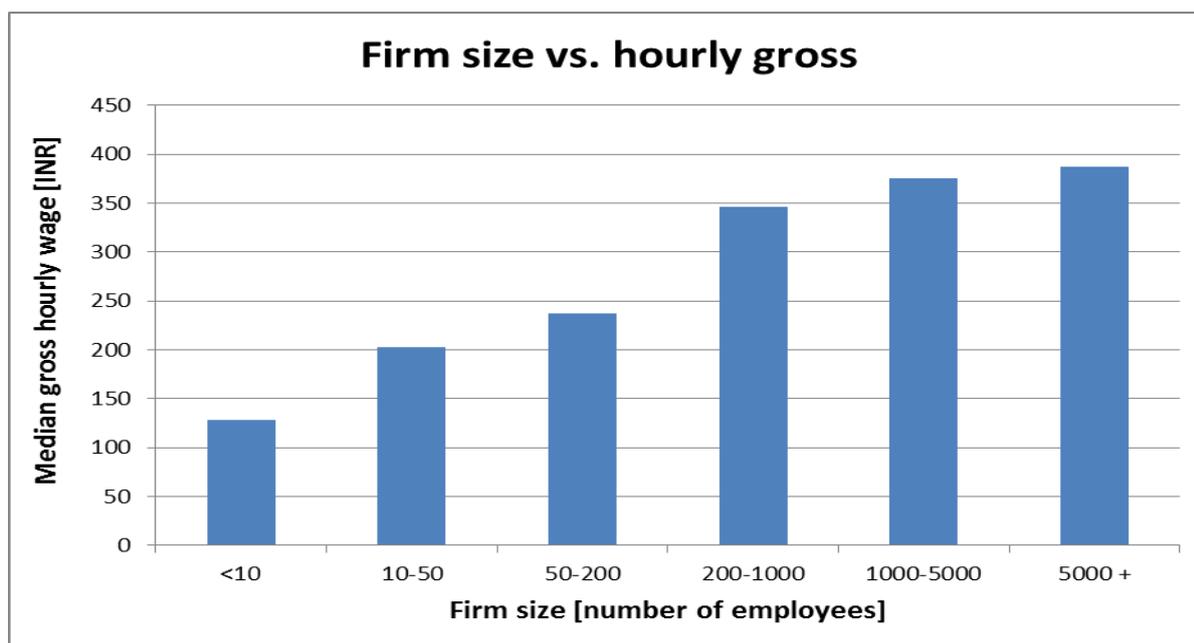


Figure 6: Average pay per firm size Source: WageIndicator Foundation

2% of surveyed ICT workers reported receiving extra money for working unsocial hours or during weekends. The median bonus amounted to INR 2000 per month. Only a tiny fraction (0.9%) of workers received compensation for working overtime. The median value of compensation was INR 1211. Bonuses are generally quite prevalent, in particular 'bonus for good performance' (28.8%) and 'annual bonus' (17.4%).

Table 42: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	2.0%	INR 2,000
Overtime bonus	0.9%	INR 1,211

Source: WageIndicator Foundation

Table 43: Bonus structure

Bonus	Percentage of sample
Annual bonus	17.4%
Profit share	6.0%
Performance bonus	28.8%

Source: WageIndicator Foundation

ICT workers tend to report similar levels of satisfaction as workers in other sectors. About 61% of them reported being satisfied with their life as a whole.

Table 44: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	64.6%
Pay	52.8%
Commuting time	65.0%
Work-life balance	63.8%
Job Security	64.6%
Work environment	66.0%
Working hours	67.8%
Relationship to colleagues	75.0%
Relationship to superiors	69.8%
Life as-a-whole	60.7%

Source: WageIndicator Foundation

Legal and market consultancy, business activities

The Sector Performance Review

Legal services in India have seen a growth at a steady rate of 8.2% since 2005-06. "The Indian legal profession today consists of approximately 1.2 million registered advocates, around 950 law schools, and approximately 4 to 5 lakh law students across the country. Every year, approximately 60,000–70,000 law graduates join the legal profession in India" (Economic Survey, 2013). Indian firms providing accounting services are now increasingly providing associated services like management consultancy, advisory services, corporate finance, auditing, etc.

Consultancy and legal services in India are often done by small organisations or by people in the unorganised economy. Since many freshers are engaged in these occupations, the wages tend to be way lower than paid by internationally recognised organisations or big firms. This group of workers might be excluded from the scope of our study.

Due to this nature of the consultancy services it is extremely difficult to estimate the exact the size of the business in India. But an estimate suggests that it employs about 100,000 persons in about 5000 firms and its size is more than 10,000 crores and is expected to grow at about 25% in the coming years (Consultancy Development Centre, 2006).

Wages and Workers' Satisfaction

The average hourly gross wage in legal and market consultancy and business activities equals to INR 215.6, which is equivalent to the healthcare sector, and the second lowest next to the education and research sector in India.

Table 45: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	144.3
Four/five years degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	256.6
Masters (arts, science, engineering, commerce, MBA/equivalent)	250.2

Source: WageIndicator Foundation

Workers in this field tend to be less experienced in comparison with the other sectors. The share of workers of both genders with 10 and more years of experience is about half of the average in the Indian economy. Gender pay gap is approximately 17%.

Table 46: Supervisory position per gender

	Gender	%	Median gross hourly wage	Has a supervisory position		Median gross hourly wage	
				Percentage of sample		No	Yes
				No	Yes	No	Yes
	Male	79%	230.9	52%	48%	180.4	317.6
	Female	21%	190.8	60%	40%	181.4	262.8
	Total	100%	215.6	53%	47%	180.4	312.7

Source: WageIndicator Foundation

Table 47: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	23%	31%	32%	14%	123.7	180.0	347.7	384.9
Female	33%	29%	31%	7%	105.2	173.2	277.9	545.3
Total	25%	31%	32%	12%	120.3	179.6	320.8	407.6

Source: WageIndicator Foundation

Share of foreign capital is approximately the same as in the overall economy, but again, foreign owned companies offer wages above the average.

Table 48: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	60.1%	120.3
Partly domestic, partly foreign owned	16.7%	235.1
Wholly foreign owned	23.2%	395.3

Source: WageIndicator Foundation

The relation between firm size and wages is clear in this sector - companies with more employees seem to be paying the highest wages (Figure 6).

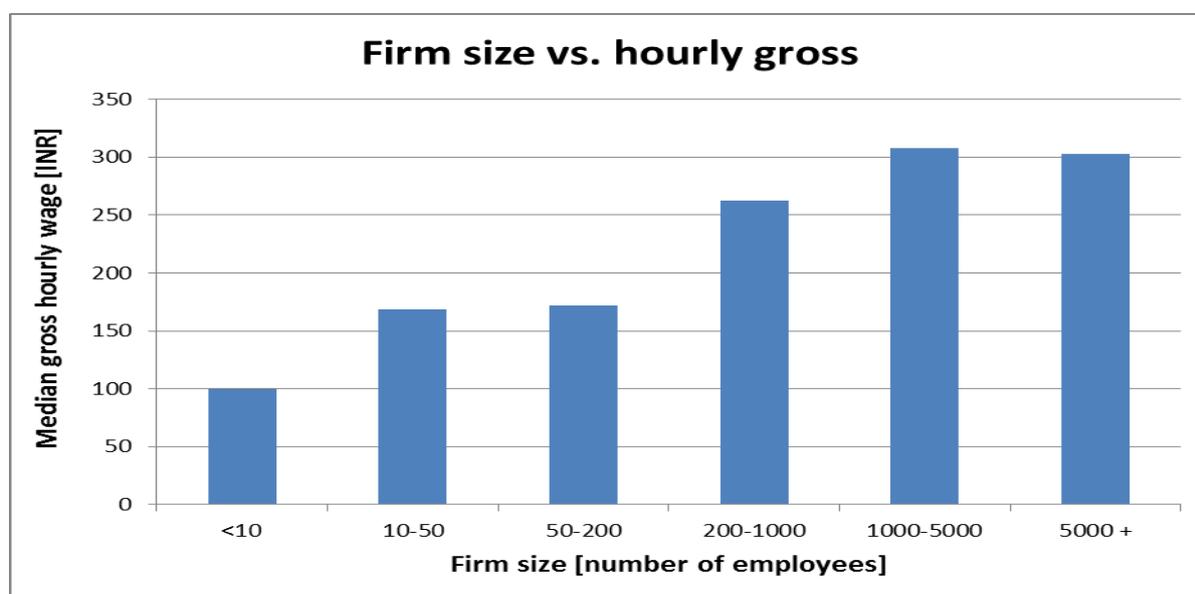


Figure 6: Average pay per firm size, Source: WageIndicator Foundation

Paid extra work is not very common in the legal and market activities, consultancy sector compared to the other sectors. On the other hand, the average overtime bonus of INR 2,500 per month is relatively generous. The incidence of bonuses was comparable to average in the whole economy.

Table 49: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	3.8%	1000
Overtime bonus	3.9%	2500

Source: WageIndicator Foundation

Table 50: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	18.0%
Profit share	5.9%
Performance bonus	24.2%

Source: WageIndicator Foundation

Satisfaction rates of workers in this sector are broadly in line with other sectors of the economy. Approximately 58.5% of workers reported being satisfied with life as a whole.

Table 51: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	63.4%
Pay	49.0%
Commuting time	65.0%
Work-life balance	64.4%
Job Security	58.4%
Work environment	64.2%
Working hours	68.4%
Relationship to colleagues	75.4%
Relationship to superiors	73.8%
Life as-a-whole	58.5%

Source: WageIndicator Foundation

Manufacturing

The Sector Performance Review

The manufacturing industry India is the backbone of Indian economy with many links to agriculture and the service sectors. The Manufacturing sector employed 58 million people in 2008, which constituted 12% of the workforce. It is estimated that every job created in manufacturing has a multiplier effect of creating 2–3 jobs in the services sector (CII, 2014).

The top five sub-sectors of manufacturing are food products, basic metals, rubber and petrochemicals, chemicals, and electrical machinery. Together they account for over 66.0 per cent of total revenues in manufacturing.

The manufacturing sector contributed 16% to the country's GDP and 66% to the exports in 2011. Total manufacturing exports grew to US\$168.0 billion in 2011 from US\$ 115.2 billion in 2010. The sector had been growing at a compound annual rate of 20% in the period 2007-2011 (IBEF, 2013).

Manufacturing of various products in different industries are included in this section's analysis. Some of these industries include paper products, chemicals, refined petrol, pharmaceuticals, rubber, plastic goods, automobiles, bricks, glass, cement, and machinery, among others.

Some of the manufacturing companies operating in India are Aditya Birla Group, Larsen & Toubro, Bombay Dyeing, Hindustan Lever Network, Haldia Petrochemicals Ltd., and Apollo Tyres.

Wages and Workers' Satisfaction

Median wage in manufacturing is INR 230.9, which is slightly lower than the average in the whole economy. Further, wages in this sector show some disparities. Median wages in manufacturing of pharmaceuticals is INR 157.5, and the median wage in the manufacturing of motor vehicles is INR 264.6. Education is very important in the sector. Employees without tertiary education earn roughly INR 77 per hour. The best education for a career in manufacturing is the four or five-year Bachelor's degree, which leads to hourly wage of INR 288.7, which is almost INR 50 more than median wages received by those with a Master's degree.

Table 52: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	77.0
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	148.8
Four/five years degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	288.7
Masters (arts, science, engineering, commerce, MBA/equivalent)	239.9

Source: WageIndicator Foundation

Gender pay gap in the field is 32%, which is well above the average in the country. The industry is heavily dominated by male workers. The size of the gender pay gap is influenced by the work experience and share supervisory position taken by male workers.

Table 53: Supervisory position per gender

Gender	%	Median gross hourly wage	Has a supervisory position			
			Percentage of sample		Median gross hourly wage	
			No	Yes	No	Yes
Male	89%	240.6	38%	62%	202.1	288.7
Female	11%	162.9	54%	46%	163.9	221.3
Total	100%	230.9	39%	61%	199.7	288.7

Source: WageIndicator Foundation

Table 54: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	14%	22%	32%	32%	105.9	164.2	277.1	375.3
Female	20%	33%	30%	17%	85.9	155.2	209.9	303.1
Total	15%	23%	32%	30%	101.1	163.6	265.3	371.7

Source: WageIndicator Foundation

The share of foreign ownership in manufacturing is approximately the same as in the whole economy. The relationship between wages and company ownership is nearly deterministic in manufacturing.

Table 55: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	60.0%	124.7
Partly domestic, partly foreign owned	13.3%	230.9
Wholly foreign owned	26.7%	309.4

Source: WageIndicator Foundation

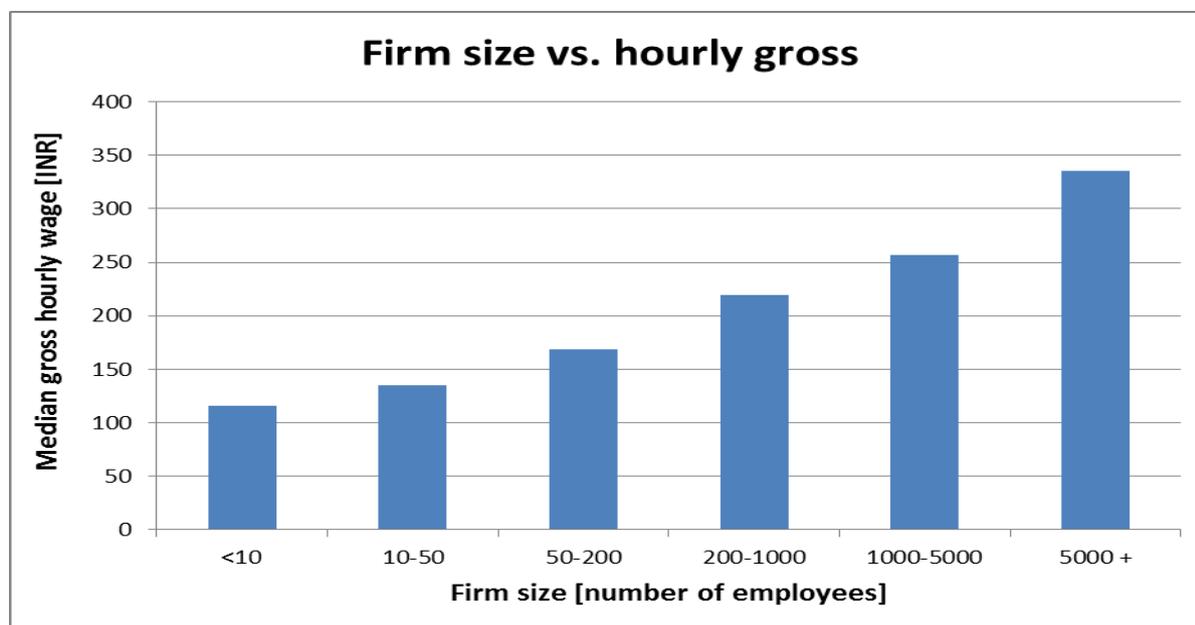


Figure 7: Average pay per firm size, Source: WageIndicator Foundation

Overtime bonus was received by 7.1% of manufacturing employees. The average monthly amount of this bonus is INR 5,000 per month, which is highly above the average in the economy. One of five manufacturing workers received annual bonus and/or performance bonus.

Table 56: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	4.3%	1000
Overtime bonus	7.1%	5000

Source: WageIndicator Foundation

Table 57: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	24.3%
Profit share	4.8%
Performance bonus	22.2%

Source: WageIndicator Foundation

Manufacturing workers tend to be slightly more satisfied than workers in other fields. 61% of them expressed satisfaction with their life as a whole.

Table 58: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	65.8%
Pay	52.8%
Commuting time	66.4%
Work-life balance	64.4%
Job Security	63.6%
Work environment	64.4%
Working hours	68.4%
Relationship to colleagues	75.7%
Relationship to superiors	73.4%
Life as-a-whole	60.1%

Source: WageIndicator Foundation

Transport, logistics, communication

The Sector Performance Review

The high economic growth in India has resulted in a significant rise in the volume of freight traffic. This has provided growth opportunities in all facets of logistics including transportation, warehousing, freight forwarding, express cargo delivery, container services, shipping services etc. The market size of the logistics sector in India is worth around USD 130 billion in 2012/2013. It is also estimated that the industry employs over 45 million people and was growing at the compound annual growth rate (CAGR) of 16% in the last five years (IBEF, 2013).

The annual cost spends for Logistics services are estimated at 14% of the GDP as the share of the total value of goods. With this figure, Indian logistics costs are estimated to be among the highest in the world (EBTS Report, 2013). The high cost of logistics in India when compared to developed nations may be attributed to poor quality of infrastructure and services.

The transportation sector in India provides services to more than 1.1 billion people and its contribution to the national GDP was estimated around 5.5 per cent in 2007 (The World Bank, 2013). Nevertheless, poor infrastructure of the transport sector has been signalled as a major impediment to the rapid economic development of the country (ADB, 2007). Railways are the most important means of passenger and cargo transport in India, but faces significant capacity constraints. On the other hand, roads are by far the most dominant mode of transportation, carrying around 90 per cent of the country's passenger traffic (The World Bank, 2013).

The communication industry is among the fastest developing sectors in the country with a total number of wireless and wire line users of 922.04 million on January 31st 2014 (TRAI, 2014).

As regards the telecom industry, there are 15 operators. Bharti Airtel is the leading operator in the communication sector with around 180 million subscribers and a 23.46 per cent market share, followed by Vodafone, Reliance, Idea/Spice and BSN L (TRAI, 2013).

Wages and Workers' Satisfaction

The average gross hourly wage in the transport, logistics and communication sector is INR 230.9 per hour, which is below the average for the economy. Four or five-year diplomas come with a significant wage premium over three-year degree.

Table 59: Average hourly wage per educational attainment

Education level	Median gross hourly wage
Secondary education (Plus Two etc.)	89.9
Three year degree (B.com, BBA, B.Sc, B.A. etc.)	150.1
Four/five years degree (B.E., MBBS, B.Arch, B.Pharm, LLB, etc.)	279.3
Masters (arts, science, engineering, commerce, MBA/equivalent)	264.3

Source: WageIndicator Foundation

Transportation workers are compensated higher if they are male, as indicated by the gender wage gap of 20%, which is still low in the context of the Indian economy. In fact, the difference only becomes prevalent after 5 years of work experience between males and females in this sector.

Table 60: Supervisory position per gender

Gender	%	Median gross hourly wage	Has a supervisory position		Median gross hourly wage	
			No	Yes	No	Yes
Male	86%	240.6	44%	56%	196.4	317.6
Female	14%	192.5	60%	40%	164.5	280.0
Total	100%	230.9	46%	54%	192.5	310.8

Source: WageIndicator Foundation

Table 61: Tenure groups per gender

Gender	Share				Median gross hourly wage			
	0-2	3-5	6-10	11+	0-2	3-5	6-10	11+
Male	17%	26%	34%	23%	127.0	179.3	317.6	380.1
Female	23%	30%	35%	12%	94.9	147.0	293.2	210.3
Total	17%	27%	35%	21%	120.3	176.0	310.8	359.3

Source: WageIndicator Foundation

Wages in transportation, logistics and communication sector strongly depend on firm size and the premium for working in a fully foreign owned company- visible in all sectors of Indian economy- applies also here.

Table 62: Average wages per company ownership

Ownership of company	Percentage of sample	Median gross hourly wage
Wholly domestic owned	57.5%	139.9
Partly domestic, partly foreign owned	14.6%	361.8
Wholly foreign owned	27.8%	404.9

Source: WageIndicator Foundation

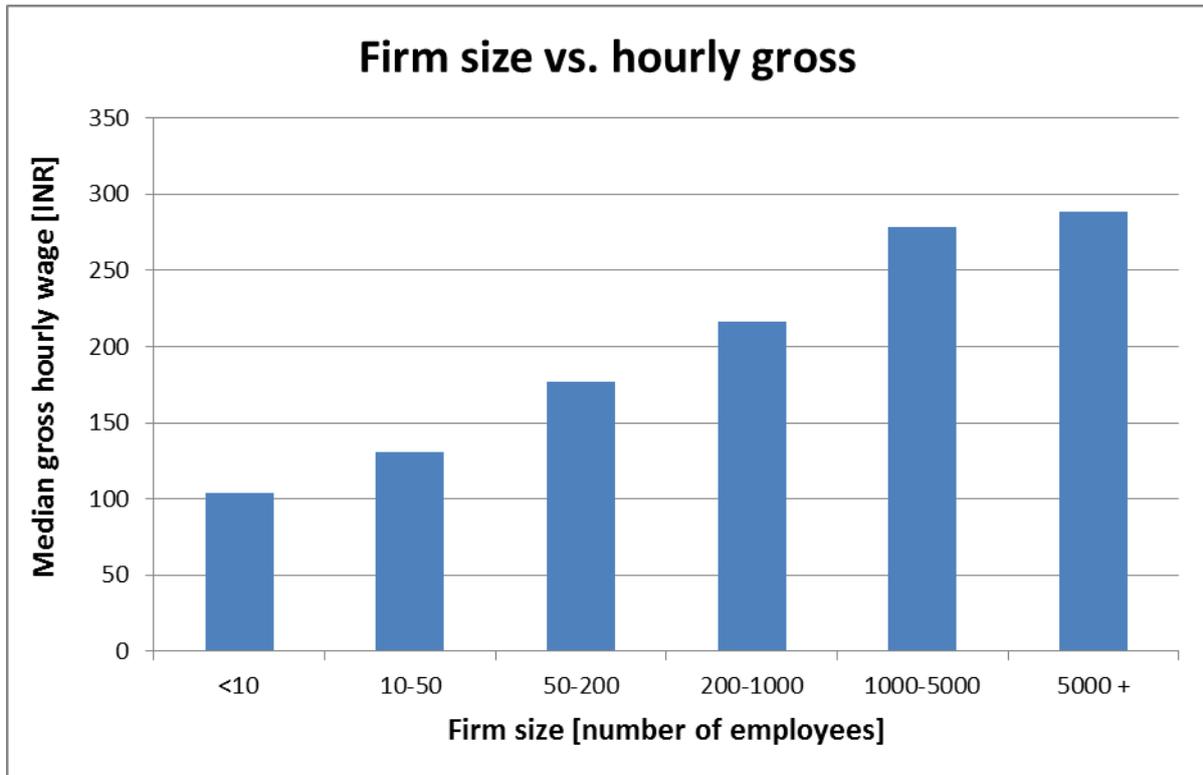


Figure 8: Average pay per firm size, Source: WageIndicator Foundation

Prevalence of extra pay in the sector is roughly in line with the situation in the economy, although the amounts are smaller. Annual bonus, received by 21.9%, is the most frequent bonus form.

Table 63: Additional pay for extra work

Special work hours	Percentage of sample	Monthly median benefit received
Unsocial hours bonus / Weekend allowance	6.6%	1000
Overtime bonus	7.6%	1300

Source: WageIndicator Foundation

Table 64: Most frequent bonuses.

Bonus	Percentage of sample
Annual bonus	21.9%
Profit share	2.8%
Performance bonus	20.0%

Source: WageIndicator Foundation

Workers in transportation are slightly less satisfied than workers in other sectors. 56.6% reported being satisfied with their life as a whole.

Table 65: Satisfaction of workers

Satisfaction with	Satisfaction level
Job	63.5%
Pay	50.3%
Commuting time	66.7%
Work-life balance	62.8%
Job Security	62.0%
Work environment	62.7%
Working hours	66.5%
Relationship to colleagues	74.1%
Relationship to superiors	71.1%
Life as-a-whole	56.6%

Source: WageIndicator Foundation

5 Worldwide comparison of occupations

The WageIndicator database allows for wage comparisons across different occupational groups and across various countries in the European Union, former Soviet Union area, and the Americas. Furthermore, the analysis also takes into account a few Asian and African countries. Due to different price levels in the above countries, we gross and net wage in **international US dollars**. The figure expresses the wage in US dollars that have the same purchasing power as US dollars in the United States.

The international comparison of wages shows that Indian educated workers are not significantly worse-off than workers in other parts of the world. Nevertheless, that is also a reflection of relatively low cost of living in India, which makes it possible to afford a decent lifestyle with relatively modest income. Furthermore, the wages for these highly skilled workers are not necessarily reflective of the situation of the entire labour force.

Indian managers, professionals and technicians workers are better off than in other Asian countries such as Sri Lanka, China, Indonesia and Pakistan. However they are still three-times poorer than their counterparts in the United States and Australia, and can only afford about half as much as similar workers in Western Europe. Compared to countries such as Indonesia, Egypt or Ukraine, the Indian educated workforce enjoys nearly three times higher purchasing power. Just like in many other countries that are undergoing economic transformation, Indian managers and professionals enjoy significantly higher wages than technicians and associate professionals. (See table below).

Country	Managers	Professionals	Technicians and Associate Professionals
United States	39.56	32.39	19.72
Belgium	39.20	28.02	23.69
United Kingdom	28.28	26.36	21.41
Australia	24.61	30.07	19.46
Germany	21.34	25.75	20.86
Netherlands	27.11	21.54	19.12
Sweden	25.78	20.96	18.99
Spain	28.41	18.26	16.61
Denmark	18.95	26.25	17.95
Luxembourg	24.68	20.00	17.48
Finland	23.68	19.29	16.72
Italy	24.22	16.96	16.28
South Africa	22.08	19.70	13.08
France	17.99	19.34	15.01
Argentina	21.65	16.58	12.30
Peru	24.12	8.71	6.58
Chile	18.46	12.08	7.61
Czech Republic	15.38	12.55	10.00
India	13.46	11.65	6.83
Portugal	12.91	10.48	7.39

Costa Rica	11.49	10.68	6.24
Mexico	13.66	8.78	4.98
Ghana	11.47	8.63	5.88
Tanzania	12.26	8.49	4.93
Slovakia	9.78	8.64	7.02
Colombia	11.41	8.77	4.80
China	11.23	8.27	5.49
Kenya	12.61	6.77	4.75
El Salvador	8.92	10.09	4.94
Bulgaria	7.78	7.07	7.25
Honduras	9.30	7.45	4.76
Guatemala	9.97	5.99	5.23
Brazil	8.17	7.87	4.82
Hungary	8.29	6.13	6.09
Nicaragua	9.45	6.38	4.33
Romania	7.82	6.79	4.95
Senegal	8.78	5.56	3.33
Azerbaijan	7.20	5.37	5.02
Russian Federation	6.83	5.68	4.98
Belarus	5.56	4.68	4.34
Pakistan	6.06	4.48	3.94
Kazakhstan	5.39	4.46	3.82
Sri Lanka	5.77	4.33	3.06
Zimbabwe	6.01	3.88	3.25
Mozambique	4.98	3.87	3.24
Ukraine	4.47	3.91	3.37
Egypt	3.93	2.41	2.34
Indonesia	3.44	2.61	2.37

Source: WageIndicator (2012-2014); Purchasing power parity adjustment based on the IMF's WEO database (April 2013)

Note: Only results for countries with more than 100 observations are reported

6 Conclusion

This report looked into overall median wages in India's economy, as well as median wages by several key sectors. These sectors included construction and technical consultancy; education and research; financial services, banking, and insurance; healthcare, caring services, and social work; ICT services; legal and market consultancy, business activities; manufacturing; transport, logistics, and communication.

The leading sector in terms of wages is ICT, with INR 341.8 representing the median value. The lowest median wages of INR 186.5 belong to the education and research sector, which is 45% less than median wages in the ICT sector. However, PhD holders in the education sector earn a median wage of INR 350.5. With booming demand for education in India, the search for qualified teachers and professors could potentially push wages higher.

The size of the firm, as determined by the number of employees, is positively associated with higher wages. In other words, larger companies pay higher wages than smaller ones. There is also a clear difference in higher median wages paid by foreign firms compared to lower median wages paid by domestic firms. Taking higher wages as a signal for greater efficiency in foreign firms, there is scope for further integration of processes and methods between both types of firms.

Median wages for females continue to lag behind male median wages in every sector, as well as with respect to supervisory positions held by both female and male.

Education attainment is rewarded with higher wages in every sector. Interestingly, attaining a 4 or 5-year Bachelor degree will reward similar median wages as attaining a Master's degree in some sectors. The median wage for the 4 or 5-year degrees is even higher than the median wage for the Master's degrees in the education, healthcare, manufacturing, and transportation sectors.

Bonuses and overtime pay are not prevalent forms of compensation in India. When bonuses do arise, they are mainly distributed in the manufacturing sector, and the median bonus amount is also higher than in other sectors. Likewise, satisfaction with life is higher in the manufacturing sector compared to other sectors

APPENDIX 1 - Typical occupations in analyzed industries

1. Legal and market consultancy, business					
Personnel and Careers professionals	Legal and related associate professionals	Advertising and marketing professionals	Sales and marketing managers	Accountants	Management and organization analysts

2. Financial services, banking, insurance				
Financial Analysts	Accounting associate professionals	Accountants	Financial and insurance services branch managers	Credit and loans officers

3. ICT				
Systems Analysts	Software Developers	Software and Applications Developers	Information and Comm. Technology Engineers	Applications Programmers

4. Transport, logistics, communication				
Telecommunications engineers	Transport clerks	Stock clerks	Freight handlers	Supply, distribution and related managers

5. Healthcare, caring services				
Software developers (medical software)	Specialist medical practitioners	Technical and medical sales professionals	Generalist medical practitioners	Nursing professionals

6. Construction, Technical Consultancy					
Construction supervisors	Civil engineers	Mechanical engineers	Electrical engineers	Building architects	Supply, distribution and related managers

7. Education, Research

Education methods specialists	Secondary education teachers	Primary school teachers	University and higher education teacher	Research and development managers
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8. Manufacturing

Managing directors and chief executives	Mechanical engineers	Sales and marketing managers	Industrial and production engineers	Manufacturing managers
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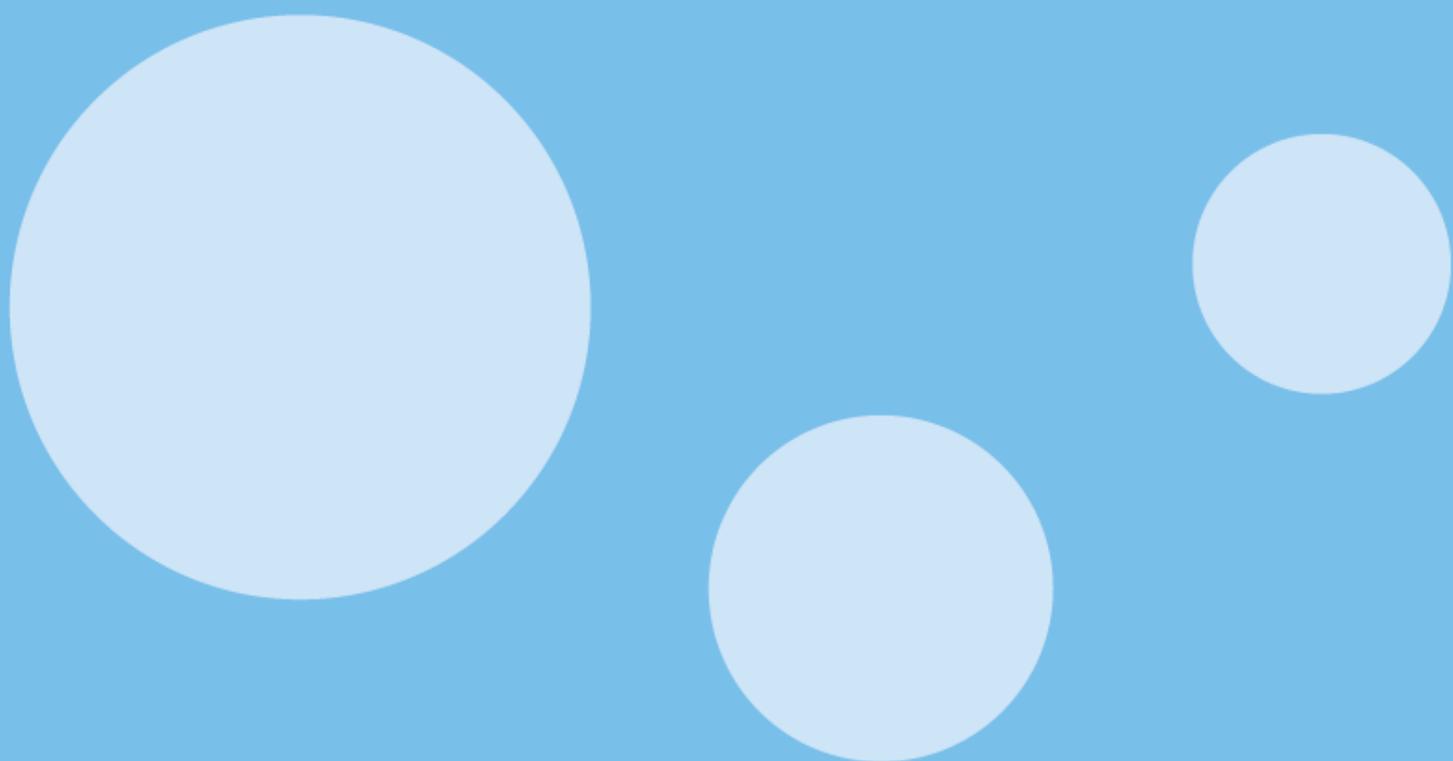
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