

IT freshers' salary remains at pre-recession level

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New Delhi/Bangalore, 29 June

ALTHOUGH the recruitment of freshers has gained momentum in the information technology (IT) sector, salary packages offered to campus recruits have remained almost at the pre-recession level.

Remunerations of senior executives have, however, increased considerably.

The joining annual salary of freshers in 2008 was in the range of ₹2.5 lakh to ₹3 lakh in several Indian and global IT companies. In 2011, the joining salary has remained the same, except in some cases where it has gone up marginally.

The job market had started experiencing the effect of recession from the later part of 2008, which continued for nearly two years.

The average joining salary at Mahindra Satyam is ₹3.07 lakh per annum this year, which is a notch higher from ₹290,000 in 2008.

For most Indian IT companies, the joining salaries have not gone up. Tata Consultancy Service (TCS) is offering freshers in the range of ₹3.1-3.2 lakh, while Infosys is offering ₹3.2 lakh. The salary packages offered to freshers by mid-

sized IT services firms are ₹3 lakh each. Most IT firms agree the salary levels for campus recruits were at the same level as in 2008.

On their part, the companies feel for young talents it is not about the money, but the learning and experience they gain in the initial years that matters, said sources.

"Almost 90 per cent of the students to whom we give job offers join us. They look for experience. We show them career growth paths," said Sridhar Maturi, head of recruitment for Mahindra Satyam.

Vijay Gandhi, Regional Director of Reward Information Services at global management consulting firm Hay Group, said, "It is more of a demand and supply issue. Entry level candidates look for good brand and growth opportunity. They are willing to take a hit on their fixed pay for a good brand. So, it is a win-win situation for the candidates and the company hiring them."

"The banking sector is paying on an average Rs 460,000 to the freshers (qualified professionals) compared to the Rs. 310,000 paid by the IT industry," said Rajesh Kumar, CEO of MyHiringClub which offers products and solutions to hiring firm & employer

According to Nasscom 370,000 tech graduates and post-graduates (computer science, electronics, telecom etc) are expected to pass out this year compared to 290,000 in 2010. TCS, India's leading IT services provider, had earlier indicated the company would hire 37,000 professionals through campus recruitments in financial year 2011-12. Infosys, the second largest IT services firm, had earlier said it had made 26,000 offers at campuses for 2011-12.

A recent report by Human Resource (HR) consultancy firm Aon Hewitt said though outsourcing and technology sectors have had a big swing back from the recessionary period of 2009, they have remained cost-sensitive. This is the reason why they are offering a relatively lower salary increase of 11.9-12 per cent (for the overall IT and ITeS sector).

However, Deepak Kaistha, Director, Planman Consulting, feels it is unfair to say the packages are stagnant since 2008. "Ideally the salary bar for a fresher in the IT sector is anything between ₹325,000 to 400,000 per annum, which eventually picks up depending on the candidate's performance and appraisal systems in organisations," he said.