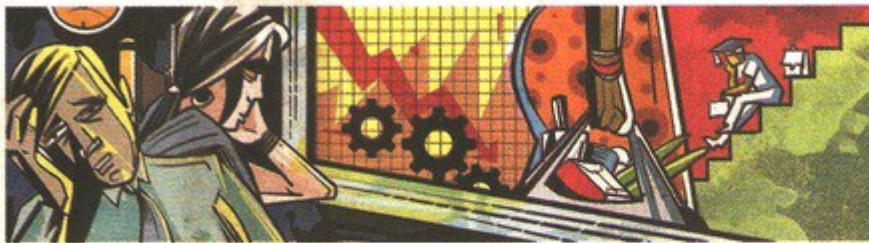


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## IT firms cut freshers' salary, while CEOs get plush packages

Freshers are non-entities, while executives are brands, thus the difference



dna correspondent @dna

**Bangalore:** IT firms have been crying themselves hoarse about a worsening economy while trying to defend lower pay packages for freshers. But a close look at the revenues of top guns like Infosys, Wipro and TCS over the last five financial years (see table) shows that despite the turmoil, revenues have gone up.

What's more, IT CEO remuneration has leapfrogged in the same period (see table).

Other than Infosys CEO SD Shibulal, who took a 26.5% cut in pay, due to the board aligning compensation of directors with what is applicable to other employees; the remuneration of the Wipro and TCS CEOs has risen drastically.

"CEOs have become brands, just like sport and film stars," says the headhunter.

Take ex-Infy top brass Ashok Vemuri for example. Merely quitting Infosys and joining iGate pushed up his pay from ₹4.91 crore, to over ₹15 crore in a matter of days.

"Remuneration of CEOs and MDs will keep increasing, irrespective of any downturn," says the headhunter.

### Fresher surplus

So why is it that fresher salaries lag behind?

HR experts say freshers have no bargaining power, simply because they are presently non-entities.

"Freshers have never had any bargaining power. More so, now,

### Revenues of Infy/TCS and Wipro over the last 5 financial years in ₹ crore

Financial year	Revenues of Infosys in ₹ crore	Revenues of TCS in ₹ crore	Revenues of Wipro in ₹ crore
FY 2008-09	21,696	27,815	22,621
FY 2009-10	22,742	30,029	24,070
FY 2010-11	27,501	37,325	27,176
FY 2011-12	33,734	48,894	32,275
FY 2012-13	40,352	62,990	37,767

Source: Capitaline Plus. \*Wipro numbers are for their IT services business only

"I'm getting ₹23,000 per month. I know people from my own institute whose starting pay in the same firm was more than ₹28,000 per month when they joined. But I have no choice

—A trainee working with an IT company

when the supply of talent is much more than the demand," says Lala.

Estimates by the All India Council for Technical Education (AICTE) state that the number graduating this year from engineering colleges is around 15 lakh.

This is massive compared with 2005, when about 3.65 lakh engineers graduated.

And of the total graduating lot, about 60-75% seek jobs in the IT sector. Coming at a time when companies are being "cautious" on their hiring front, it makes the situation even more out of favour with freshers.

This year, almost all the top IT firms have scaled down their recruitment numbers. Rough estimates peg hiring numbers to be about 1.5 lakh, compared with two lakh in 2012, and about four

lakh in 2007, when demand was higher.

"So it's a clear demand-supply mismatch, where companies have the upper hand," says Kris Lakshminanth, co-founder of city based executive search firm HeadHunters India.

Moreover, with the bad job market, professionals are choosing to stick to existing employers, and this has led to the attrition dropping from 20% some time ago to about 10% and less now.

"It's a tricky situation where attrition has dropped, demand has plunged, but supply is ever-increasing. With companies having the upper hand, candidates have no choice," says Lakshminanth.

### Freshers at a loss

For Sunil Pawar, it is a choice be-

### Salaries of top guns in IT firms

TK KURIEN—Wipro ED and CEO

Financial year	Remuneration
FY 2010-11	₹ 1.89 crore
FY 2011-12	₹ 4.38 crore
FY 2012-13	₹ 6.13 crore

N CHANDRASEKHARAN—TCS MD and CEO

FY 2008-09	₹ 1.92 crore
FY 2009-10	₹ 2.98 crore
FY 2010-11	₹ 5.30 crore
FY 2011-12	₹ 8.01 crore
FY 2012-13	₹ 11.69 crore

SD SHIBULAL—Infosys CEO & MD

FY 2008-09	₹ 87 lakh
FY 2009-10	₹ 95 lakh
FY 2010-11	₹ 1.08 crore
FY 2011-12	₹ 83 lakh
FY 2012-13	₹ 65 lakh

Source: Capitaline Plus

tween ₹3 lakh per annum, or "nothing, since getting a job now is worth lot more than the package."

Pawar's institute is expected to see campus recruitments happen in the next few days.

"If I crib, there are 10 more waiting eagerly to grab the offer," says Pawar.

Mitali Singh (name changed), who joined an IT services company last month as a trainee for ₹2.8 lakh per year, says she knows people who were recruited by the same firm for much more way back in 2008. "I'm getting ₹23,000 per month. I know people from my own institute whose starting pay in the same firm was more than ₹28,000 per month when they joined. But I have no choice."

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