

Forget Perks, it's Purpose:

What truly ignites today's top talent

Compensation & Benefits Survey 2024

In India's booming tech landscape, talent holds the reins. The days of generic perks are over; today's workforce demands a compensation and benefits revolution. Competitive salaries are now table stakes, not a win. What truly ignites their passion? Our survey, filled in by over 6000 respondents, delves into the hearts and minds of today's tech talent, decoding what makes them choose one employer over another.

Tailored compensation & benefits package, upskilling programs, clear career paths, and abundant learning opportunities are the new gold standard. Flexibility and well-being still reign supreme, with hybrid work options and mental health support differentiating the best employers. Our findings reveal that stagnant salaries and glacial promotions are recipes for resignation. Predictable compensation plans may bring stability, but they lack inspiration and fail to retain top talent.

The survey encompassed a broad spectrum of today's tech talent ecosystem, including a significant representation from Global Capability Centers (GCCs). Since GCCs are known for offering better compensation and benefits compared to others, we aimed to draw insights from GCC employees. While they reported slightly higher satisfaction levels, it does not discount the fact that there remains ample room for improvement across the board.

Join us as we explore the evolving landscape of compensation and benefits, offering a roadmap for creating workplaces where top talent can thrive.



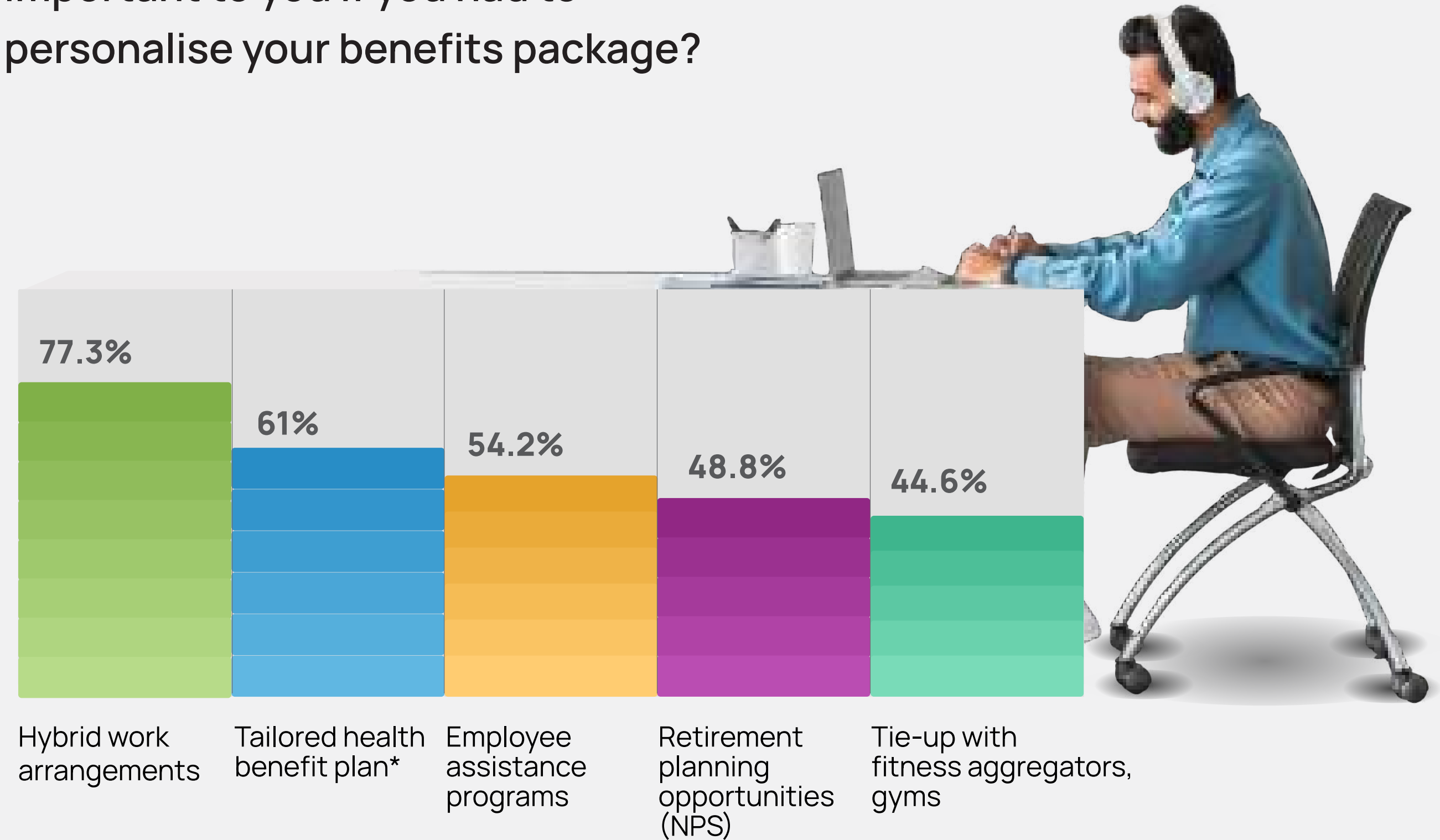
**The future of
work is here:
Personalize benefits
or get left behind!**



In today's business landscape, employees are increasingly seeking benefits that go beyond conventional offerings, looking for innovative and adaptable solutions. Hyper-personalization has become imperative, with a growing demand for benefits such as pet insurance, child adoption leave, return-to-work programs tailored for women, coverage for same-sex partners, and support for gender-affirming surgery. Notably, 61% of respondents emphasized the importance of customizable health benefits programs.

It's evident that the talent pool views these personalized benefits as significant incentives for engagement and retention.

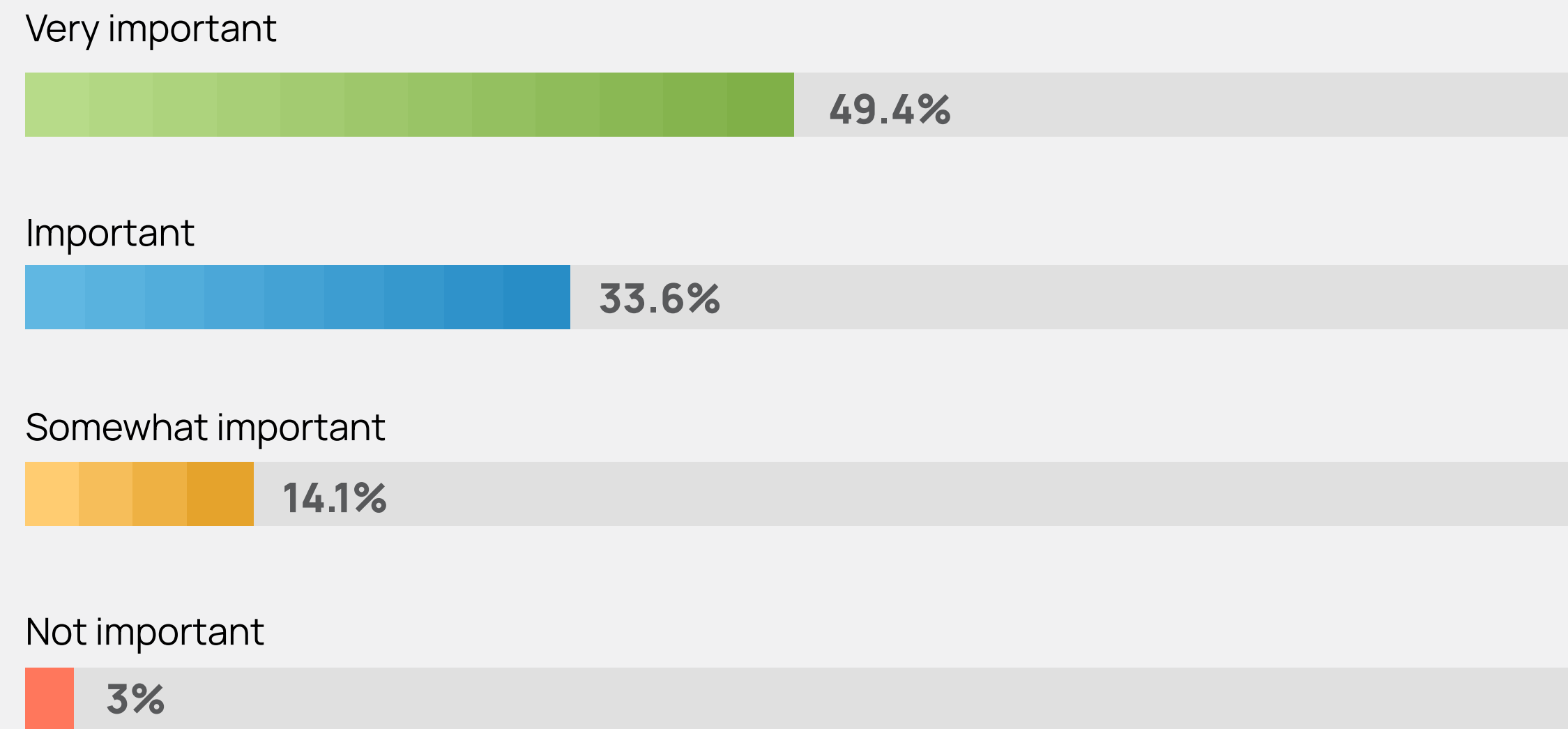
Which of the following benefits would be important to you if you had to personalise your benefits package?



Hybrid work arrangements are important for 77% of respondents. With most companies adopting a hybrid future, it's time to customize benefits packages to optimize the hybrid work experience and meet evolving employee expectations.

*Physical - Lasik, dental cover, OPD cover, ear implants, teleconsultation

How important are additional benefits that support your well-being (EAP, fitness logger, subscriptions for meditation apps, etc) & other allowances such as internet, phone bill coverage?



83% of workers have responded that well-being benefits are no longer a perk, they're a dealbreaker.

Almost half (49%) consider them crucial, not just nice-to-haves. Not only health insurance, but also on-site gyms & clinics, yoga for stress relief, and healthy cafeterias are on high demand. Flexible work schedules, childcare help, and financial planning support round out the well-being wish list. Employers who prioritize these benefits can create a workplace that's not just productive, but make for offers that cannot be turned down.



Recommendations

Foster a culture of well-being and employee choice

Implement a flexible and customizable benefits program that empowers employees to tailor their health and well-being benefits to their individual needs and life stages. Preferred employers such as GCCs recognise that employees are wholly committed to their company. Offering choice in benefits demonstrates a commitment to employee well-being and caters to a diverse workforce, leading to higher employee satisfaction and engagement.

Invest in a holistic approach to employee well-being

Prioritize well-being and mental health benefits as a core component of the employee value proposition. Investing in mental health resources and stress-reduction programs creates a healthier, happier workforce, resulting in increased productivity and reduced absenteeism.

Support a dynamic and flexible work environment

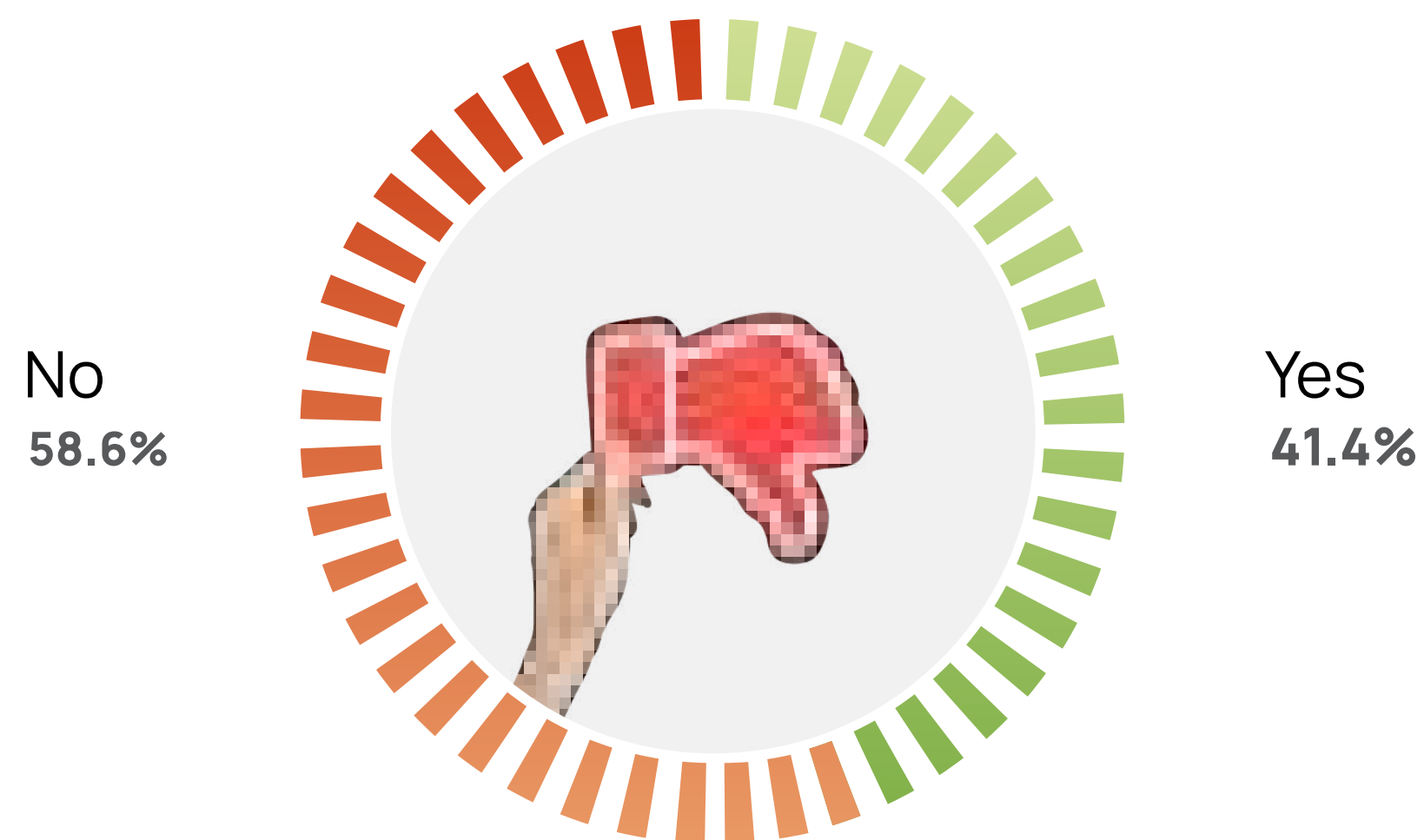
Adapt and personalize benefits packages to support the unique needs of employees working in hybrid arrangements. A dynamic benefits package that addresses the challenges and opportunities of hybrid work fosters a sense of trust and inclusivity, leading to higher levels of employee retention and performance.



**Wage inequality in
India's tech boom:
A potential obstacle
to sustainable growth**

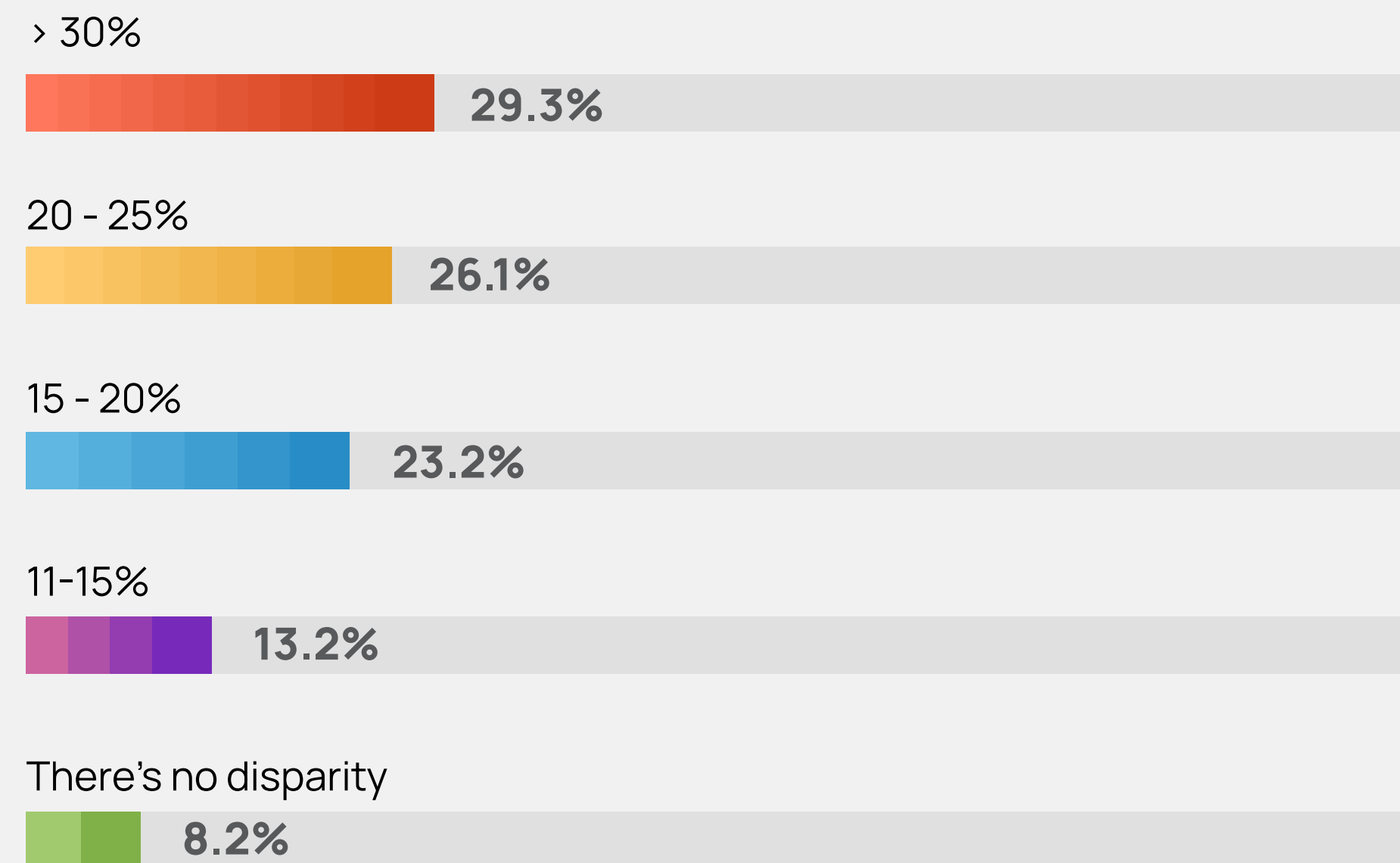
A significant 60% of tech professionals express dissatisfaction with their compensation, signaling a pervasive issue within the industry. However, this concern merely scratches the surface of broader challenges. In addition to compensation grievances, our findings shed light on more serious issues such as gender disparity and role-based pay differentials, underscoring the need for comprehensive action within organizations to address systemic inequities.

Do you feel you are currently being fairly compensated for your work?



Over 56% of tech professionals believe there is a pay disparity of at least 25% among different roles. This perception of inequity contributes to dissatisfaction and turnover.

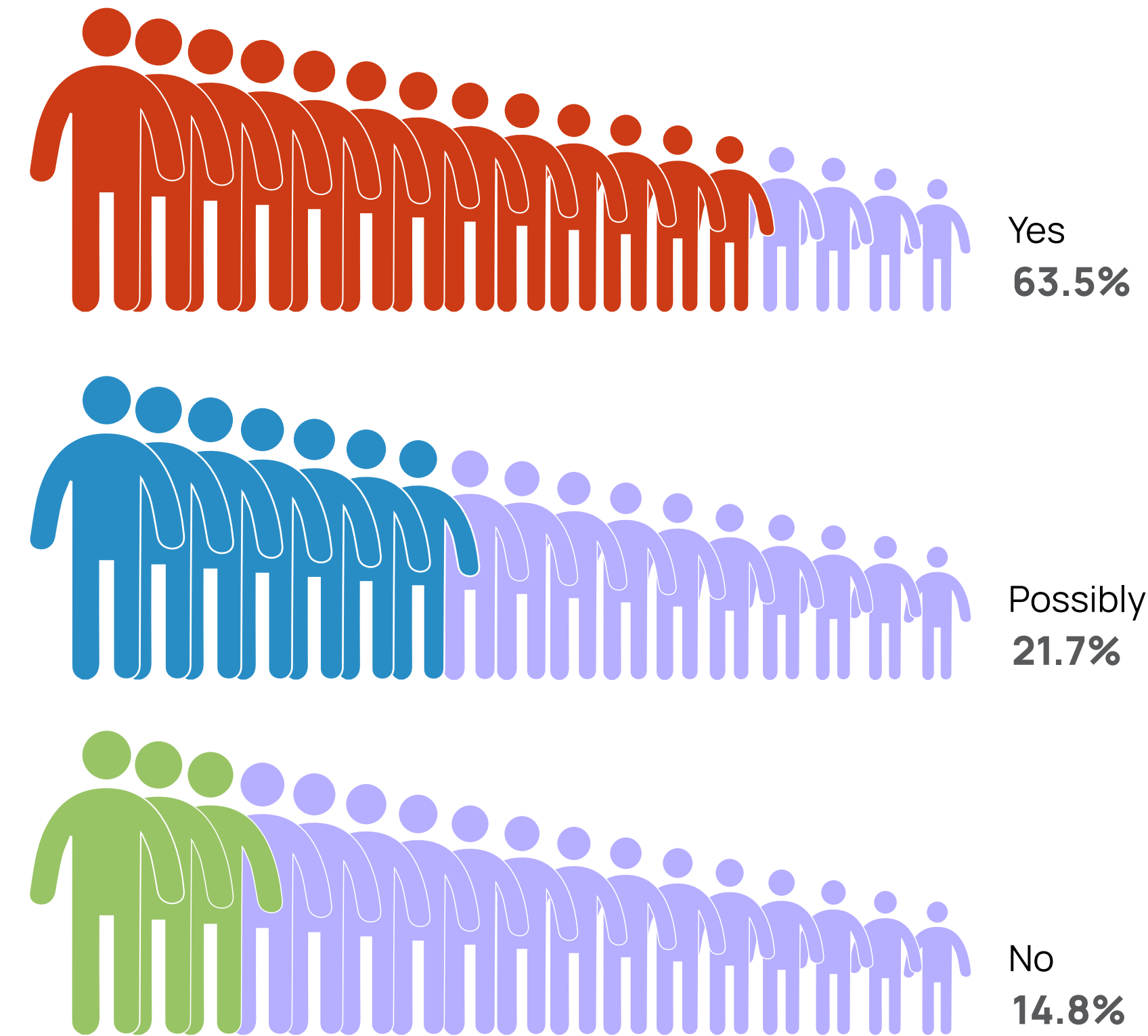
How much pay disparity do you feel there is among different job roles within your industry (e.g. DevOps versus QA, Mainframe versus Cloud Manual Testing versus Automated Testing)?



A recent article in the Economic Times sheds light on a significant concern: the gender pay gap. According to the article, this gap persists across various levels of seniority, with disparities of approximately 28% to 30% at senior levels and around 20% in junior management positions. Our survey findings align with this concern, **as 63% of respondents acknowledge the existence of a gender pay gap.**

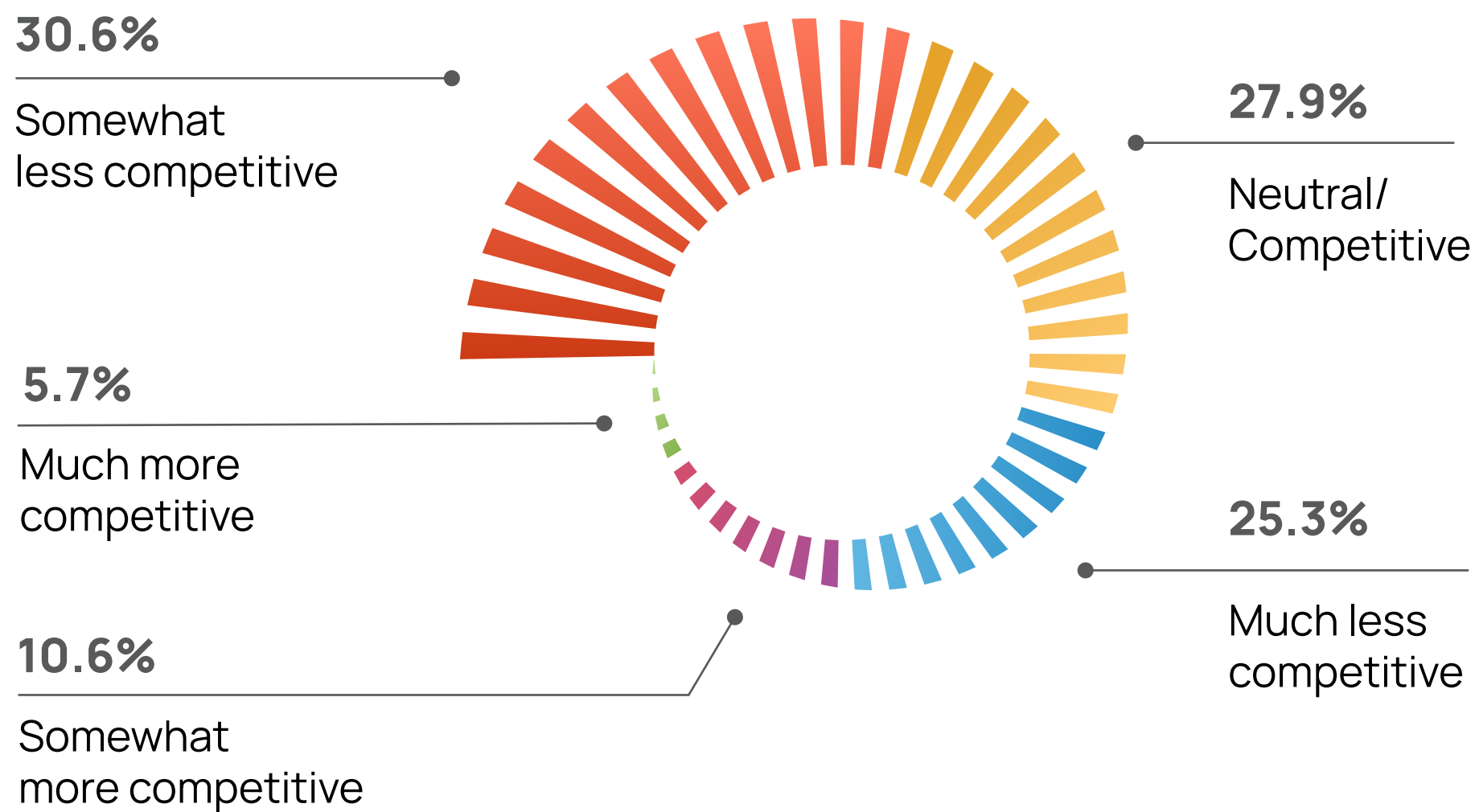
Various factors contribute to this gap, including perceived risk aversion among women, potential differences in negotiation skills, and the enduring presence of gender bias in the workplace. This issue underscores the need for organizations to address gender-based disparities in compensation.

Do you believe there's a gender-based pay gap in your current or previous roles?



The pay conundrum extends beyond mere disparity. **Over 80% of respondents express dissatisfaction with their compensation structure**, indicating that it falls short of market standards in terms of competitiveness. Furthermore, **41% of respondents express dissatisfaction with their bonus structure**, revealing another area of concern within the compensation framework. A staggering 44% of IT/ITES employees are underpaid, making it one of the sectors with the largest share of dissatisfied workers.

Considering both salary and benefits, how competitive would you rate your total rewards package compared to other similar opportunities in the market?



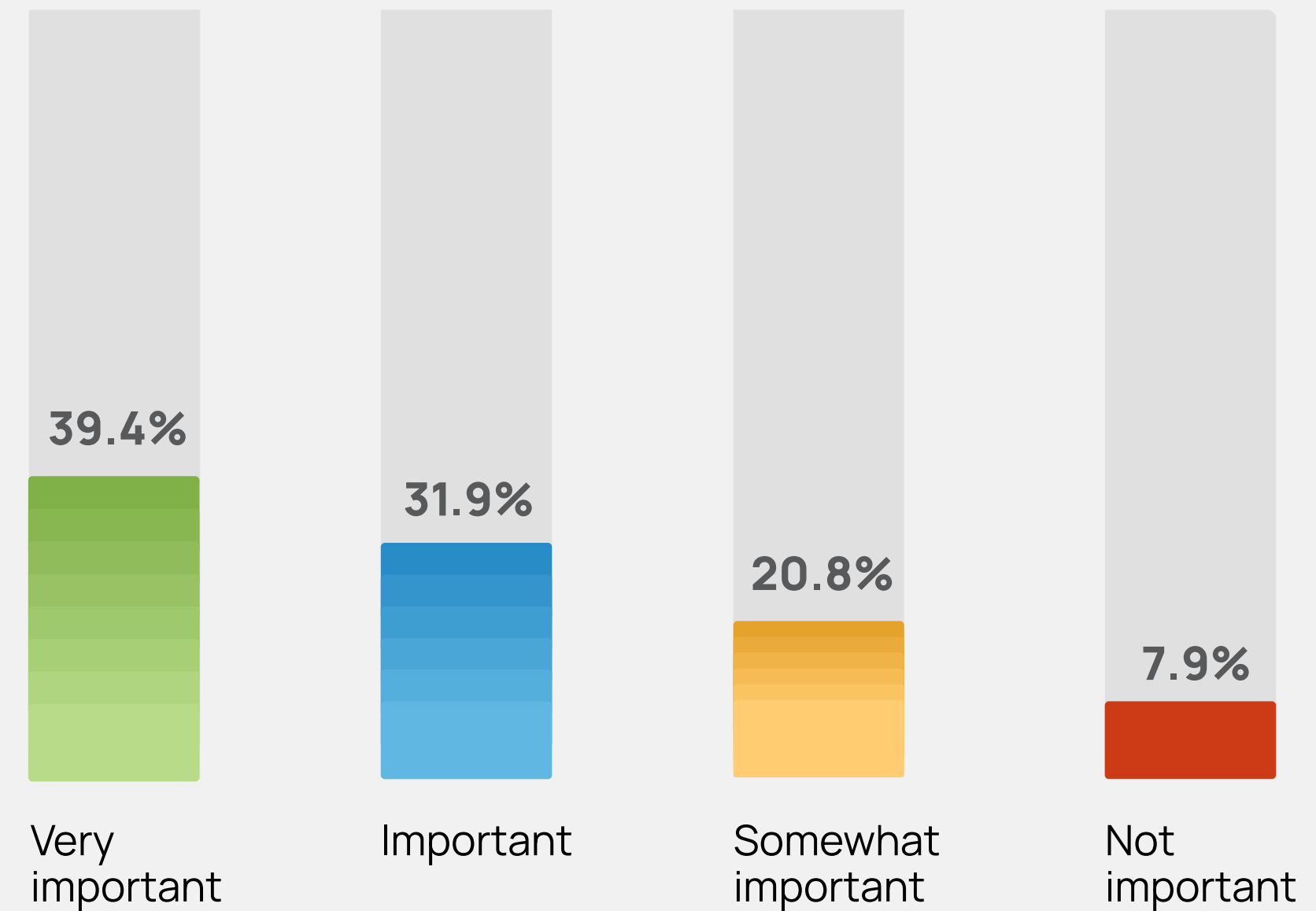
How satisfied are you with your current bonus structure and annual salary increments?



It becomes apparent that Restricted Stock Units (RSUs) are emerging as a crucial component of modern pay structures for talent retention. According to our findings, 70% of candidates emphasize the importance of access to company stock and other Long Term Incentives (LTIs) or equity-based incentives for their long-term commitment to an employer.

Incentives focused on ownership-building, such as RSUs, cultivate a shared sense of success and contribute significantly to higher retention rates.

How important is access to company stock or equity-based incentives for your long-term commitment to an employer?





Recommendations

Equity and trust

Eliminating gender pay gaps demonstrates a commitment to fairness and attracts diverse talent. Transparency in compensation builds trust with employees and reduces feelings of unfairness.

Bring together common goals

Linking bonuses to clear performance metrics incentivizes employees to go the extra mile, ultimately driving better results for the company.

Encourage ownership

Attract and retain high-potential employees by fostering a sense of ownership and shared success. Offering RSUs (Restricted Stock Units) ties employee compensation to the company's long-term growth, aligning employee and company interests. Educating employees about the benefits further incentivizes them to contribute to the company's success.



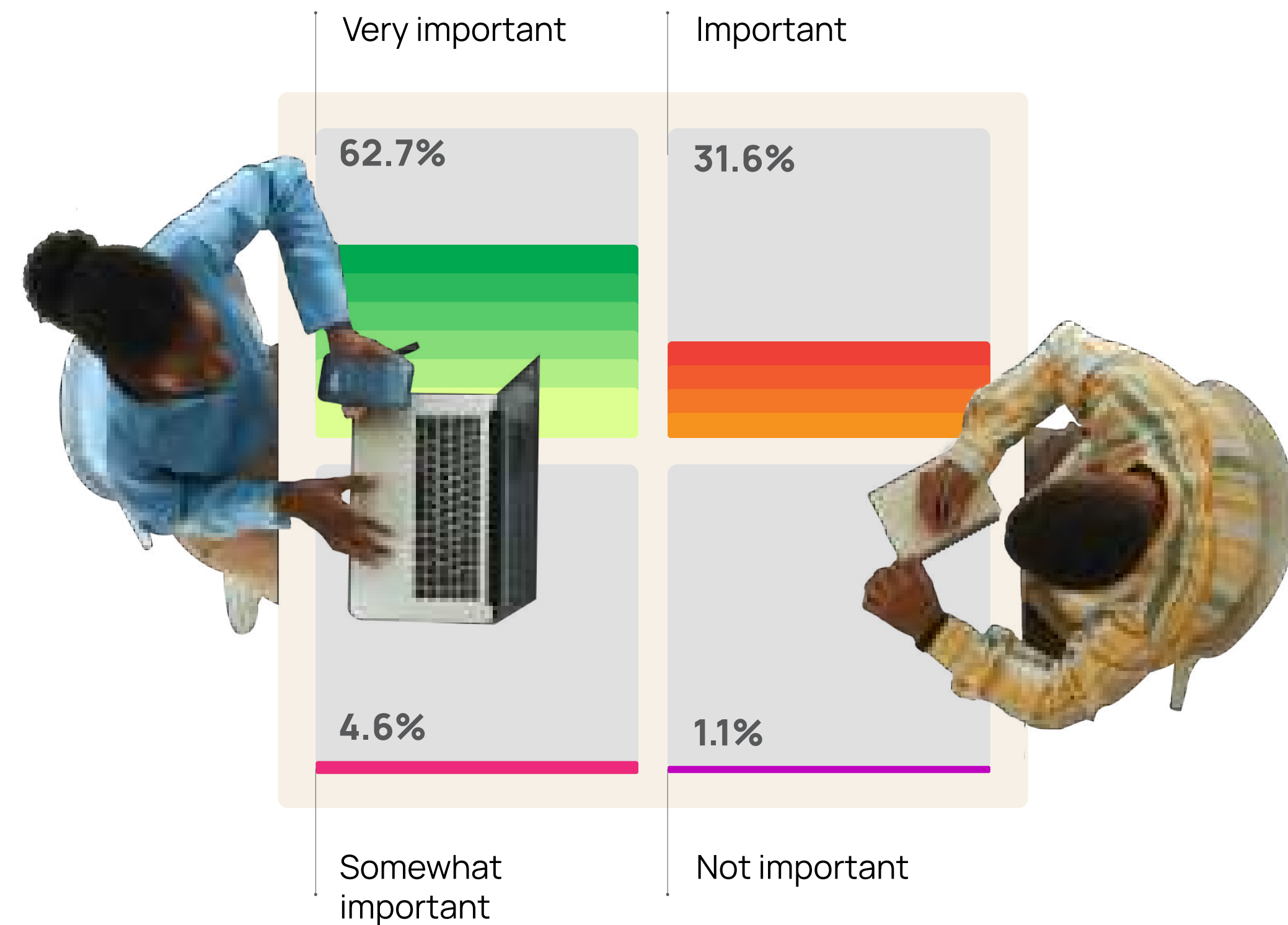
Beyond paychecks:
The call to transform
today's workforce into
tomorrow's leaders

Beyond monetary rewards, tech professionals are increasingly prioritizing leadership opportunities and career development. Learning and Development (L&D) programs, clear career paths, and mentorship opportunities are essential for retaining talent and fostering growth.

When it comes to L&D, GCCs are investing in their future leaders with targeted Rewards and Recognition programs. From mentorship with industry experts to a mix of learning styles, they're equipping managers with the skills to excel. Business school partnerships for senior leaders add an extra layer of expertise. Identifying leadership qualities, the GCCs have an environment that goes on to become a launchpad for potential leaders across Product, Innovation, HR, Delivery and more that are housed in India.

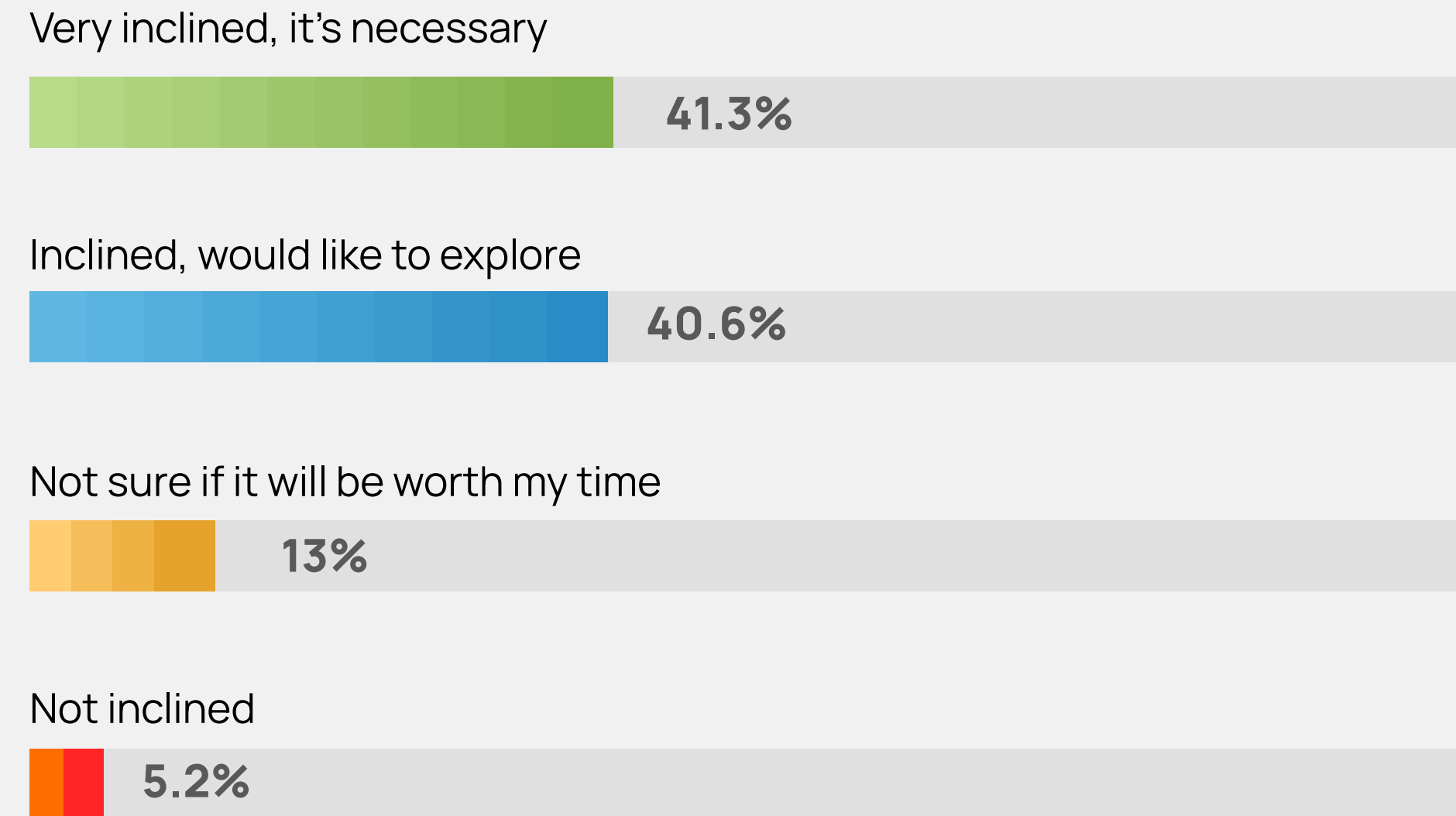
Our survey reveals that over 90% of respondents consider career pathing and L&D programs as crucial factors when evaluating potential employers.

How important is it for a potential employer to offer robust learning and development programs that fast-tracks career growth?



Additionally, over 81% of respondents have expressed a strong preference for mentorship programs and stretch roles, clearly indicating their ambition and desire for growth towards leadership positions. Many companies within the realm of GCCs are hence opting for group coaching sessions & case study discussions to further such mentorship programs and retain talent that exhibit leadership skills and keenness to grow.

How inclined would you be towards coaching programs, mentorship programs or stretch roles offered by organizations?





Recommendations

Need for learning & development

Build a highly skilled and adaptable workforce prepared for future challenges and opportunities. Structured mentorship programs and stretch assignments accelerate knowledge transfer and foster innovation, furthering career growth for employees.

Creating room for employee ownership

Highlighting career pathing frameworks and L&D programs demonstrates a commitment to employee growth and fosters a sense of ownership. Employees empowered to develop their careers become more engaged and contribute more effectively to the company's success.



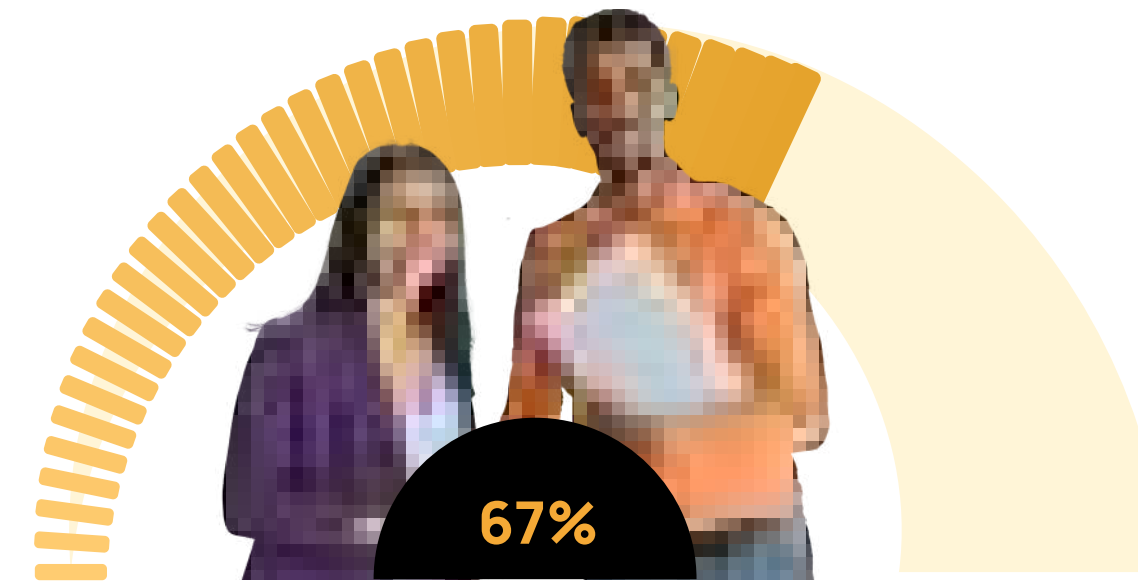
The GCC advantage:
Where satisfaction
meets growth

Global Capability Centers (GCCs) are known to provide a dynamic work environment with a mix of employee satisfaction and compensation considerations. However, while certain aspects receive positive feedback, there are areas identified for improvement. For example, while employee contentment with compensation and benefits exceeds 60%, respondents from the GCC sector have flagged a significant pay gap ranging from 20-25%. Additionally, a significant 67% express a desire for Restricted Stock Units (RSUs) or company stocks, emphasizing the appeal of equity-based incentives for long-term commitment.

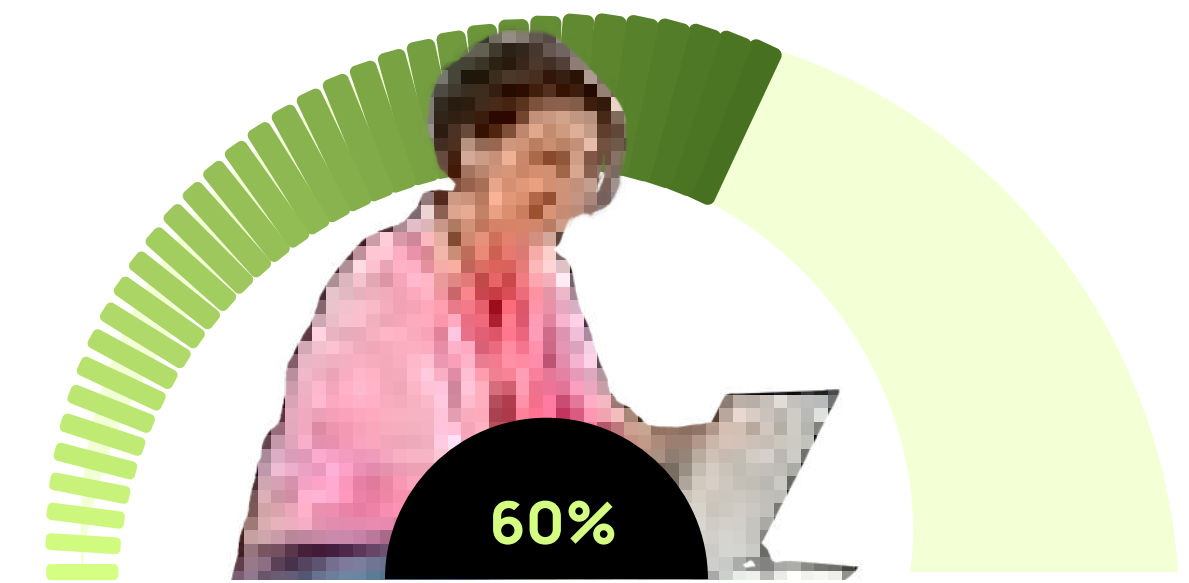
GCCs excel in L&D efforts, with around 62% of employees affirming alignment between L&D initiatives and their career aspirations.

This emphasis on professional development underscores GCCs' commitment to nurturing talent and fostering a forward-thinking workforce.

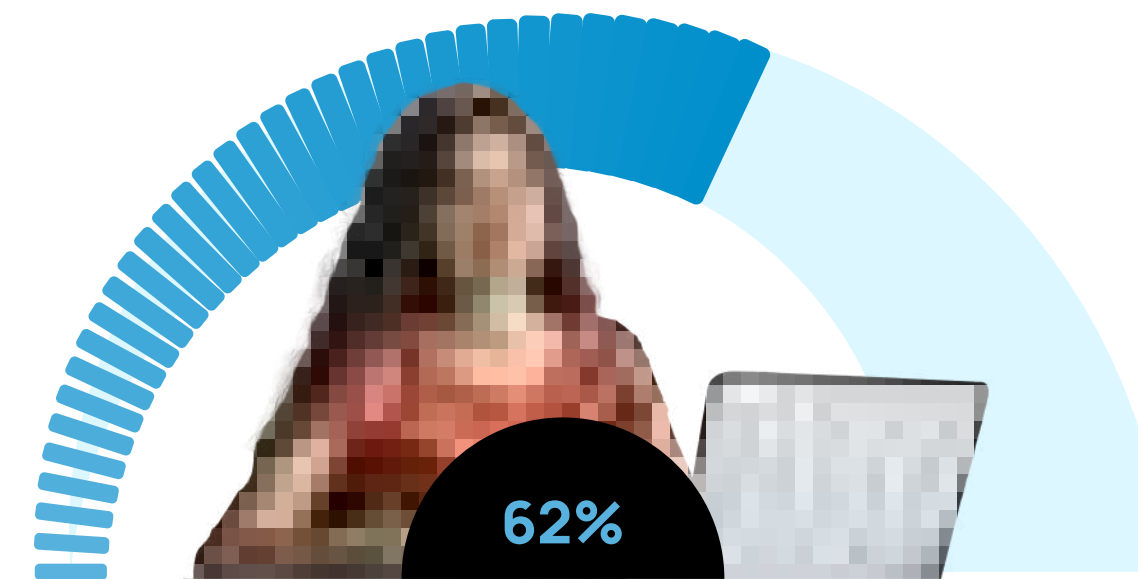
Findings:



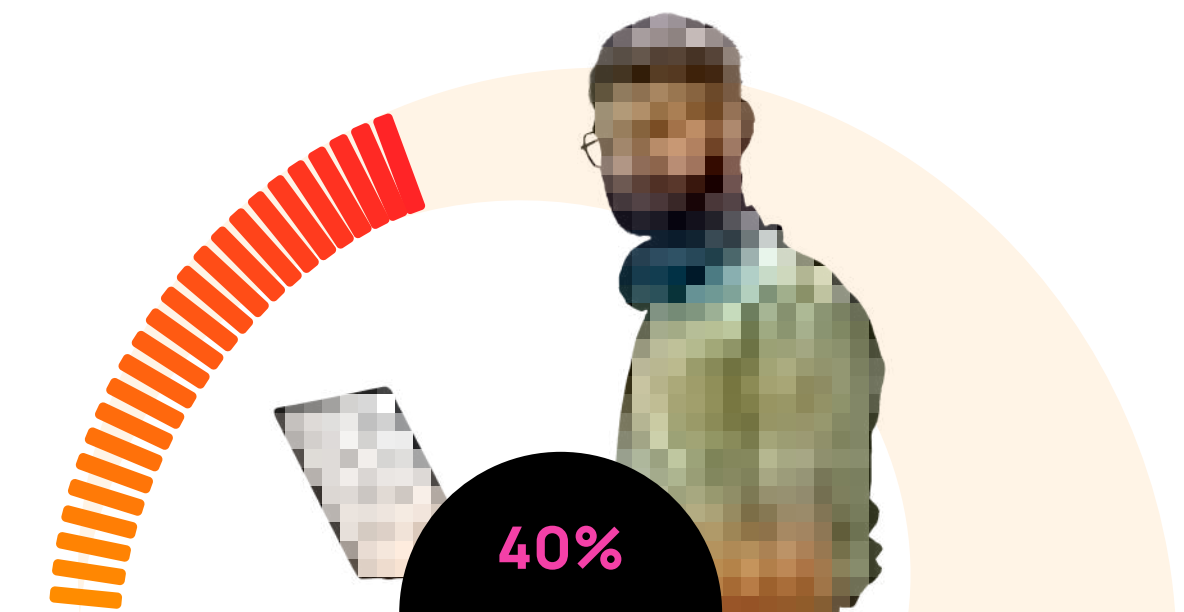
67% of GCC employees express interest in RSUs or company stocks as part of their long-term commitment.



Over 60% of GCC employees are satisfied with compensation and benefits, with 78% particularly appreciating tax-saving benefits.

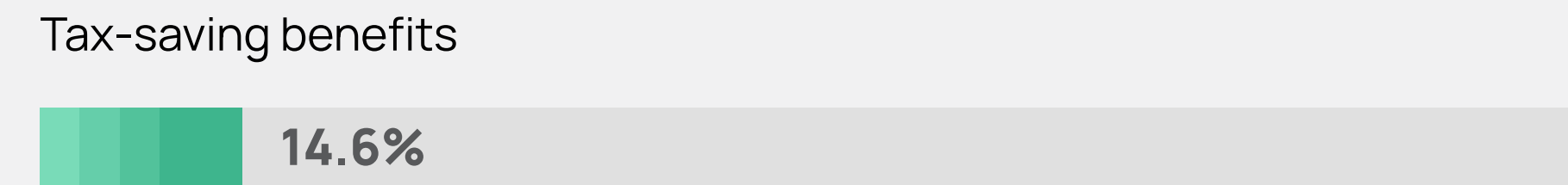
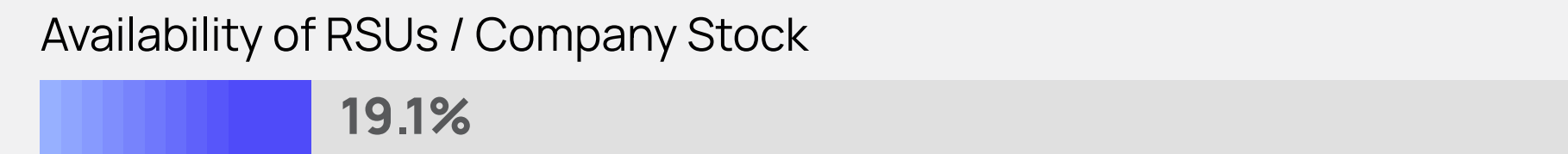
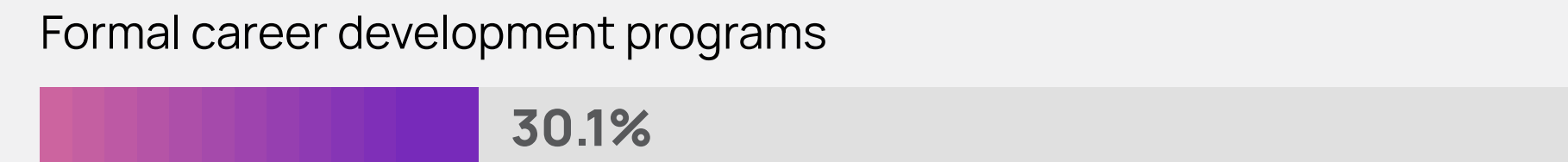
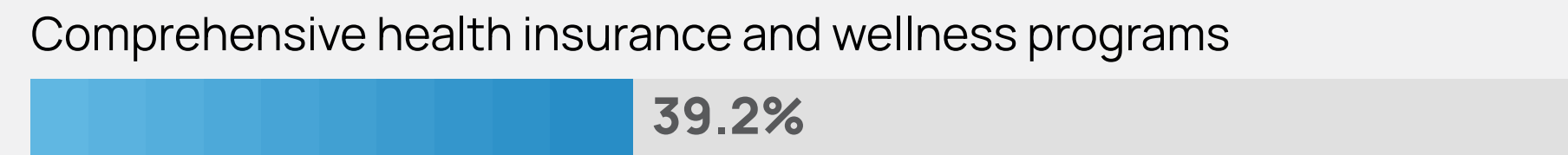
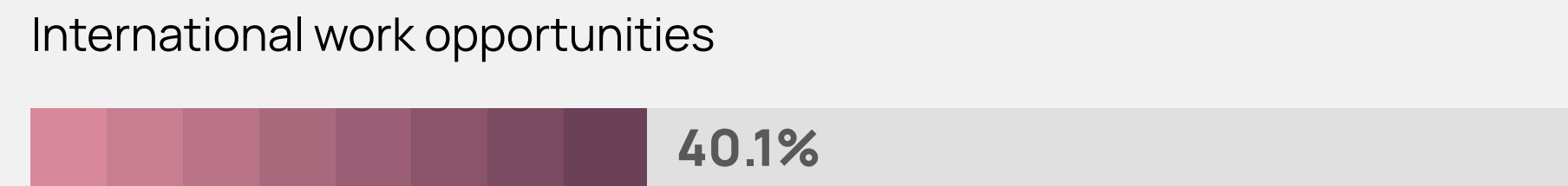
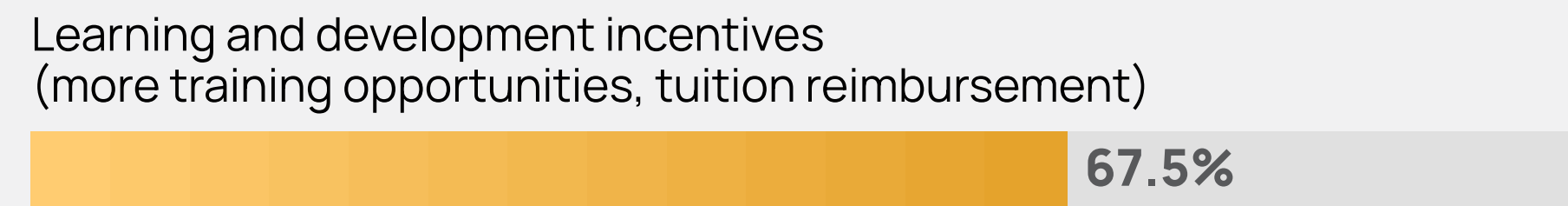
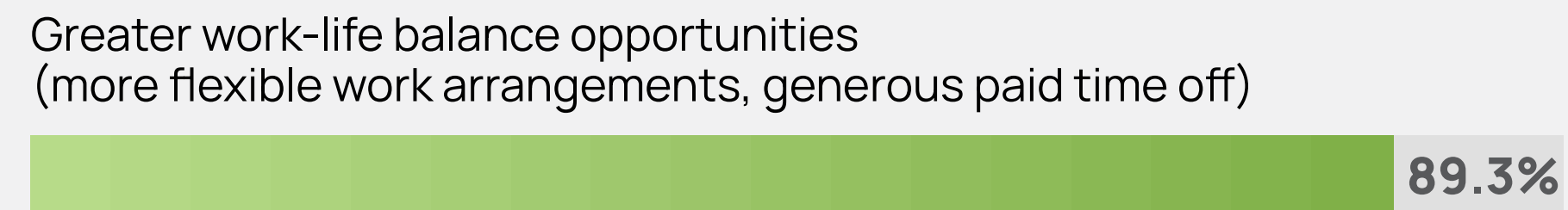


Around 62% of employees believe that L&D initiatives align well with their career goals, highlighting GCCs' excellence in talent development and career advancement.



Approximately 40% of GCC respondents feel they are not fairly compensated, with a notable pay disparity of 20-25%. While that's not a large number, it is a significant increase from the rest of the industry.

What draws talent to GCCs?





Recommendations

Changing needs, changing structures

Regularly analyze compensation structures to ensure fairness and competitiveness, attracting and retaining top talent across all demographics.

Adapting to changing business needs

Expand and enrich leadership development programs to equip high-potential employees with the skills and experience to lead GCCs on the global stage. Investing in leadership development fosters a sense of career progression within the GCC, strengthens the talent pipeline, and positions the organizations for future growth.

Long-term commitment between employees & workplaces

Implement equity-based incentive programs, like RSUs or stock purchase plans, to align employee and company interests, fostering long-term commitment and shared success. Employees today need to feel they have skin in the game.

The bottom line

In summary, our survey underscores the dynamic evolution of the talent landscape, where one-size-fits-all approaches are no longer sufficient. As the workforce becomes increasingly diverse in needs and aspirations, organizations are compelled to reassess their strategies. Modern benefits, fair compensation, and robust Learning and Development (L&D) programs remain crucial for attracting and retaining talent. However, our findings highlight the necessity for a more nuanced approach. Addressing pay disparities, aligning L&D initiatives with individual career aspirations, and offering customizable benefits packages are imperative in meeting the varied needs of today's workforce. This calls for a moment of introspection and adaptation, as organizations across sectors, including Global Capability Centers (GCCs), strive to remain competitive and responsive to the evolving demands of their employees.

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