

OMAM'S SALARY PROJECTION SURVEY

2024

WORKFORCE, TRENDS &
SALARY INCREASE INSIGHT
FOR 2024



The Indian Economy- A Review



India's economy outperforms every other major economy and is poised to continue this path. The nation has demonstrated a strong and resilient growth story over the decades, propelled by tenacity, inventiveness, and vision. When faced with previously unheard-of difficulties like the Covid pandemic and geopolitical unrest, the Indian economy has proven to be remarkably resilient, turning setbacks into learning opportunities as it works to attain robust, sustainable, equitable, and inclusive growth.



The economic growth in India is projected to remain “strong” at 7% in 2024. While manufacturing and services sectors will likely continue to drive the country's economy, erratic rainfall patterns will likely dampen agricultural output.



India is now the third-largest fintech economy globally, after the United States and the United Kingdom. In addition, it has overtaken Hong Kong to take the fourth position in the world's stock exchanges.



Amid gloomy global prospects as well as expected Lok Sabha Elections 2024, India will continue its upward growth trajectory on the back of stable and robust domestic demand, expanding private consumption and investments, and structural reforms. However, concerns about food inflation, the slow expansion of the services sector and rural output and increased geoeconomic fragmentation will still persist.

Annual Salary Increment Study: 2024

- ❑ The findings in this report, depicts a varied range of organizations spanning a wide cross-section of 15 industries and more than 100 organizations nationwide, and are based on a summary analysis of responses gathered between January/ February 2024.
- ❑ This comprehensive report highlights the 2024 salary increase projections and identifies HR trends across industries. This study also aims to establish benchmarks for compensation and aid organizations in creating their compensation budgets and cost optimization.
- ❑ In spite of economic instability, India's wage growth is expected to remain in the near double digits, with an average increase of 9.7 percent . The heightened competition has led to increased salary offers.

OUR APPROACH



Planning & Understanding

- Determine and clarify goals
- Identify the sector and companies to be studied
- Finalize the study's essential parameters



Data Collection & Validation

- Design questionnaire
- Collect and collate the data
- Study data and revalidate



Data Analysis & reporting

- Survey analysis
- Work-out conceptual framework
- Report generation

Projected Salary Increase For 2024

Average Salary Increase – 2023 (A)	Average Salary Increase – 2024 (P)
9.61%	9.73%



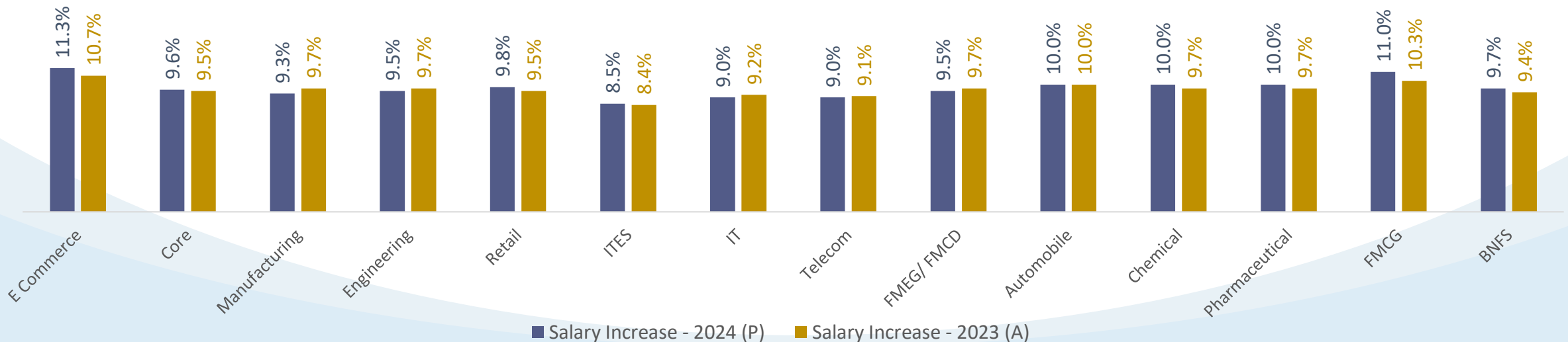
The anticipated 9.7% pay increase in the year 2024 is consistent with the previous two years. This is a result of India's competitive job market and rising need for skilled employees.



The report indicates that industries such as E-Commerce (11.3 percent), FMCG (11.0 percent) followed by Pharmaceutical, Chemical & Automobile (10.0 percent) will offer the most significant hikes.



Despite organizations' focus on cost management and their commitment to nurturing critical talent, companies will continue to reward top performers with higher variable payouts. Organizations are looking forward to revise salaries because of two key concerns : tightening labour markets and escalating inflation.



■ Salary Increase - 2024 (P) ■ Salary Increase - 2023 (A)

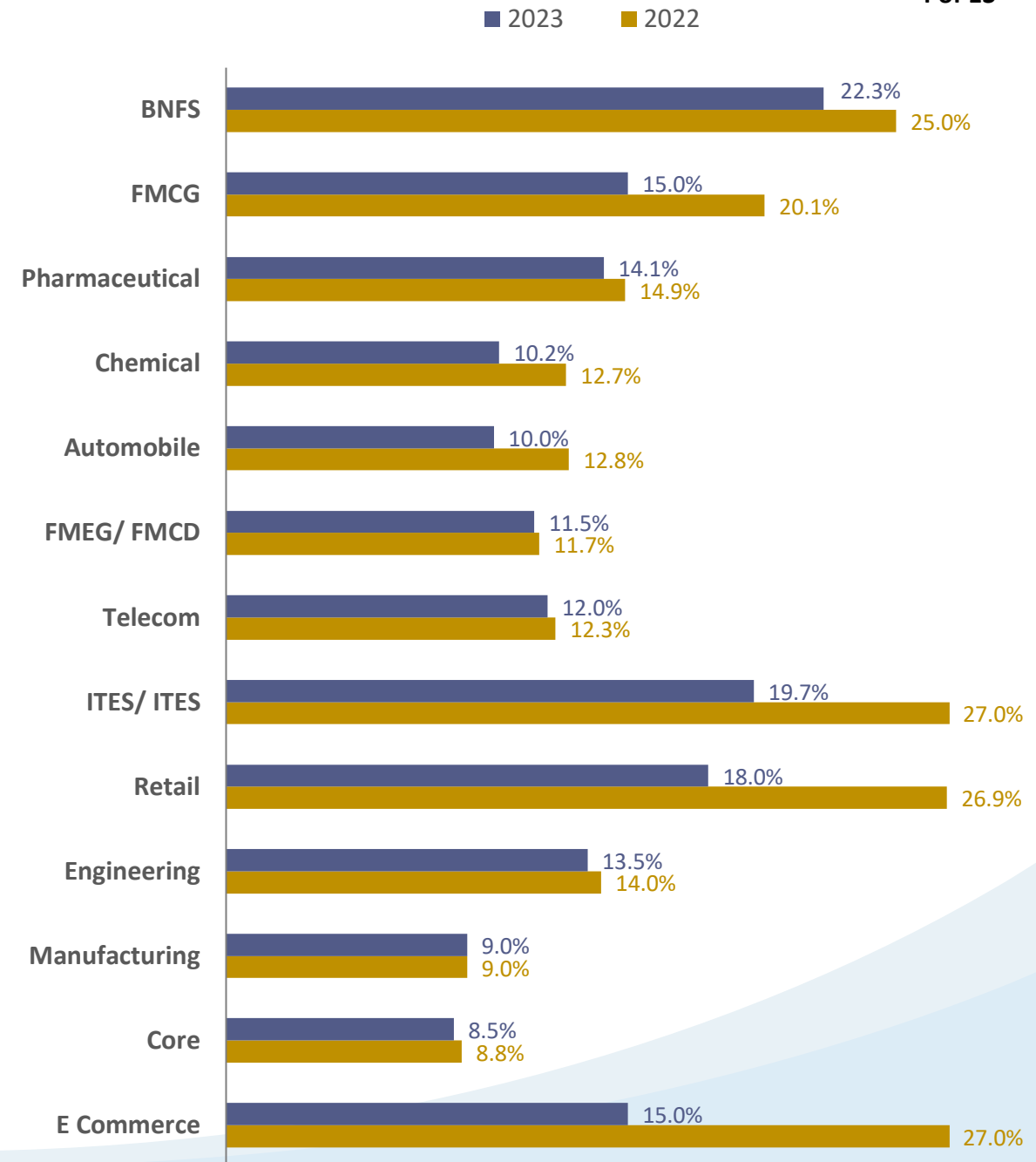
Overview: Attrition Rate - 2023

Average attrition rate - 2022	Average attrition rate – 2023 (Till Dec 2023)
17.09%	13.75%

□ The overall average attrition rate is reported as **13.75** percent, 3.3 percent lower compared to last year (17.09 percent)

Top Five Reasons for Attrition

- Lack of Career Growth Opportunities
- Inadequate Compensation
- Recognition Programs
- Workplace Culture
- Poor Work Life Balance



Latest HR Trends Shaping 2024

Technology & AI

Artificial
Intelligence

Embracing HR
Technology

Transformation & Change Management

HR Driving
Change
Management

Employee
Mental
Health
Support

Learning & Development

Continuous
Learning

Reskilling And
Internal
Mobility

Industry Overview



Industry Overview



Automobile Industry

Automobile Industry has always been a good indicator of how well the economy is doing.. The Indian automotive sector is a vital growth driver of the Indian economy. The contribution of this sector to the National GDP has risen to about 7.1% now from 2.77% in 1992-93. It provides direct and indirect employment to over 19 million people. India aims to double its auto industry size to Rs. 15 lakh crores by end of year 2024.



- The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.
- India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.
- By 2030, the Indian government has committed that 30% of the new vehicle sales in India would be electric.



- The Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and the Indian automotive industry to lay down the roadmap for the development of the industry.
- The Government of India's National Manufacturing Policy aims to increase manufacturing's share of GDP to 25% by 2025.
- The FAME Scheme was extended for a further period of 2 years up to March 31st, 2024.



Manufacturing Industry

Manufacturing Industry By 2030, India can contribute more than US\$ 500 billion yearly to the global economy and become a major centre for manufacturing. The manufacturing sector currently contributes about 17 percent of the Indian GDP, which is hoped to grow to 21 percent in the next six to seven years. The manufacturing sector is critical for the economy's growth as it employs 12 per cent of the country's labor force as well as provides a transitional opportunity to the labor force in agriculture.



- By 2030, the Indian manufacturing sector might boost the world economy by more than \$500 billion a year.
- By 2025, next-generation manufacturing will be so advanced that enterprises will open up factories and let customers experience their innovative capabilities firsthand.
- Manufacturing employment is expected to increase by 2% in 2024, wages and benefits costs are anticipated to rise by 5.2%, according to the Institute for Supply Management.



- The Government of India has announced a national manufacturing policy with the objective of enhancing the share of manufacturing in GDP to 25% within a decade and creating 100 million jobs.

Industry Overview



Chemical Industry

Chemical Industry is extremely diversified and can be broadly classified into bulk chemicals, specialty chemicals, agrochemicals, petrochemicals, polymers, and fertilizers. India is the 6th largest producer of chemicals in the world and 3rd in Asia, contributing 7% to India's GDP.



- India's chemical sector, which is currently estimated to be worth US\$ 220 billion in 2022, is anticipated to grow to US\$ 300 billion by 2025 and US\$ 1 trillion by 2040.
- The Indian chemical industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%. The demand for chemicals is expected to expand by 9% per annum by 2025. The chemical industry is expected to contribute US\$ 383 billion to India's GDP by 2030.



- The government introduced production-linked incentive (PLI) scheme to promote domestic manufacturing of agrochemicals.



Retail Industry

Retail Industry Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around eight % of the employment. India is the world's fifth-largest global destination in the retail space. In the FDI Confidence Index, India ranked 17 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).



- Nearly 60 shopping malls encompassing a total retail space of 23.25 million sq. ft are expected to become operational during 2023-25.
- It is expected to create 25 million new jobs by 2030
- The retail sector in India is expected to reach a whopping US\$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).



- 100% FDI allowed in single-brand retail under the automatic route.
- Liberalization of FDI is expected to give a boost to Ease of Doing Business and Make in India.

Industry Overview



IT Industry/
ITeS industry

IT Industry/ ITeS industry India is one of the topmost offshoring destinations for IT companies around the world. The IT sector has become one of the most significant growth catalysts for the Indian economy, contributing significantly to the country's GDP and public welfare. The IT industry accounted for 7.4% of India's GDP in FY22, and it is expected to contribute 10% to India's GDP by 2025. India's rankings improved six places to the 40th position in the 2022 edition of the Global Innovation Index (GII).



- India's IT and business services market is projected to reach US\$ 19.93 billion by 2025.
- The data annotation market in India stood at US\$ 250 million in FY20, of which the US market contributed 60% to the overall value. The market is expected to reach US\$ 7 billion by 2030 due to accelerated domestic demand for AI.
- The revenue of India's public cloud services market totaled US\$ 6.2 billion in 2022, and it is expected to reach US\$ 17.8 billion by 2027 growing at a CAGR of 23.4%.



- The government introduced the STP Scheme, which is a 100% export-oriented scheme for the development and export of computer software, including export of professional services using communication links or physical media.
- The Karnataka government signed three MoUs worth US\$ 13.4 million (Rs. 100.52 crore) to help the state's emerging technology sector.



Pharmaceutical Industry
& Healthcare

Pharmaceutical Industry & Healthcare India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. The Pharmaceutical industry in India is the third largest in the world in terms of volume and 14th largest in terms of value. The Pharma sector currently contributes to around 1.72% of the country's GDP.



- According to a recent EY FICCI report, as there has been a growing consensus over providing new innovative therapies to patients, Indian pharmaceutical market is estimated to touch US\$ 130 billion in value by the end of 2030.
- The domestic pharmaceutical industry would likely reach US\$ 57 billion by FY25 and see an increase in operating margins of 100-150 basis points (bps).



- The Department of Pharmaceuticals will soon launch the Scheme for the Promotion of Research and Innovation in Pharma (PRIP) MedTech Sector. The scheme has been approved by the Union Cabinet for a period of five years starting from 2023-24 to 2027-28 with a total outlay of Rs. 5,000 crore (US\$ 604.5 million).

Industry Overview



Banking & Financial Industry

Banking and Financial Services has recently witnessed the rollout of innovative banking models like payments and small finance banks. In recent years India has also focused on increasing its banking sector reach, through various schemes like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. Schemes like these coupled with major banking sector reforms like digital payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India’s financial inclusion and helped fuel the credit cycle in the country. India has the 3rd largest FinTech ecosystem globally.

- Indian Fintech industry is estimated to be at US\$ 150 billion by 2025
- There are currently more than 2,000 DPIIT-recognized Financial Technology (FinTech) businesses in India, and this number is rapidly increasing. The digital payments system in India has evolved the most among 25 countries with India’s Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).* India’s Unified Payments Interface (UPI) has also revolutionized real-time payments and strived to increase its global reach in recent years.

- The RBI has launched a pilot to digitalize KCC lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
- In November 2022, RBI launched a pilot project on central bank digital currency (CBDC).
- India Post Payments Bank (IPPB), in collaboration with Airtel, announced the launch of WhatsApp Banking Services for IPPB customers in Delhi.



Fast-Moving Consumer Goods (FMCG)

Fast-Moving Consumer Goods (FMCG) sector in India expanded due to consumer-driven growth and higher product prices, especially for essential goods. FMCG sector provides employment to around 3 million people accounting for approximately 5% of the total factory employment in India. Employing more than 10 million people, contributing to nearly 10% of the country's GDP, the Fast-Moving Consumer Goods (FMCG) sector in India plays a quintessential role in the Indian economy. The Fast-Moving Consumer Goods (FMCG), which includes products like food items, personal care, cleaning products etc, is regarded as the fourth largest sector of the Indian economy.

- Indian food processing market size reached US\$ 307.2 trillion in 2022 and is expected to reach US\$ 547.3 trillion by 2028, exhibiting a growth rate (CAGR) of 9.5% during 2023-28. .
- The India online grocery market size has been projected to grow from US\$ 4,540 million in 2022 to US\$ 76,761.0 million by 2032, at a CAGR of 32.7% through 2032.

- The Union government approved a new PLI scheme for the food processing sector, with a budget outlay of Rs. 109 billion (US\$ 1.46 billion). Incentives under the scheme will be disbursed for six years upto 2026-27.

Industry Overview



Engineering & Capital Goods Industry

Engineering & Capital Goods is the largest of the industrial sectors in India. It accounts for 27% of the total factories in the industrial sector and represents 63% of the overall foreign collaborations. India’s Capital Goods manufacturing industry serves as a strong base for its engagement across sectors such as Engineering, Construction, Infrastructure and Consumer goods, amongst others.. Capital Goods sector contributes to 12% of India’s manufacturing output and 1.8% to GDP.



- The electrical equipment market share in India is expected to increase by US\$ 33.74 billion from 2021 to 2025 at a CAGR of 9%. Domestic electrical equipment market is expected to grow at an annual rate of 12% to reach US\$ 72 billion by 2025.
- The India generator sets market is expected to grow at a CAGR of more than 5% over the period of 2020-2025.
- The India power transformer market is expected to rise at a CAGR of more than 3% during the forecast period of 2020-25.
- The Indian machine tools market size reached US\$ 1.4 Billion in 2022 and is expected to reach US\$ 2.5 billion by 2028, exhibiting a growth rate (CAGR) of 9.4% during 2023-28.



- De-licensed engineering sector; 100% FDI permitted.
- Increasing exports – currently, it is 27% of the production. The policy seeks to increase it to 40%.
- Push for domestic production – currently, the share of domestic production in the demand is 60%. The policy seeks to increase it to 80% and making India a net exporter of capital goods.



E- Commerce Industry

E-Commerce The new expansion in digital proficiency has ignited a wave of investment in e-commerce businesses, levelling the playing field for new entrants to establish a foothold while also producing cutting-edge patterns to upend established systems of operation. The fast development of India’s e-commerce industry has been aided by the nation’s rising opulence, speedy expansion in web clients, and smartphone penetration. The e-commerce industry in India has changed how business is led and opened up an assortment of market specialties.



- India's e-commerce business is anticipated to grow to US\$ 111 billion by 2024 and US\$ 200 billion by 2026.
- The smartphone market has grown dramatically and is anticipated to reach 1 billion units by 2026, which would aid India's digital sector and is anticipated to reach US\$ 1 trillion in sales by 2030.
- The India E-Commerce Market size is estimated at USD 112.93 billion in 2024, and is expected to reach USD 299.01 billion by 2029, growing at a CAGR of 21.5% during the forecast period (2024-2029).



- India's upcoming National E-commerce Policy holds the promise of transforming the nation's digital landscape. By addressing regulatory challenges, safeguarding consumer interests, and fostering innovation, the policy aims to create an environment conducive to economic growth and global competitiveness.
- Launching the Bharat Net project: Provide internet connectivity in local bodies in every Panchayat, which will increase the reach and access of e-commerce in rural areas.

Industry Overview



FMEG/FMCD Industry

Fast-Moving Electric Goods (FMEG)/ Consumer Durables (FMCD) is a growing industry in India's current market environment. The use of electric goods has grown exponentially in correlation with the expansion of infrastructure in the residential, commercial, and industrial sectors. The retail and consumer durables sectors make significant contributions to India's economy. It accounts for over 10 % of the country's Gross Domestic Product (GDP) and around 8 % of the employment.



- The dishwasher market in India is expected to surpass US\$ 90 million by 2025-26, driven by rising demand from metro cities such as Mumbai, Hyderabad, Delhi and Bangalore.
- India aims to achieve electronics manufacturing worth US\$ 300 billion in electronics exports by FY26.
- By 2025, India's Consumer Electronics and Appliances Industry is predicted to be the fifth-largest in the world. The Indian Appliances and Consumer Electronics (ACE) market is predicted to nearly double in the next 3 years, reaching approximately US\$ 17.93 billion (Rs. 1.48 lakh crore) by 2025.



- 100% FDI allowed in the electronics hardware-manufacturing.
- India has made changes to the White Goods PLI Scheme, which aims to increase local production of consumer durables like ACs and LEDs
- The government approved 14 companies under the production-linked incentive (PLI) scheme for IT hardware. Over the next four years, these companies are expected to fuel total production of Rs. 1,60,000 crore (US\$ 19.23 billion).



Telecom Industry

Telecom Industry in India is the world's second-largest telecommunications market. The total subscriber base, wireless subscriptions as well as wired broadband subscriptions have grown consistently Tele-density stood at 84.43%, as of June 2023, total broadband subscriptions grew to 861.47 million until June 2023.



- India's 5G subscriptions to have 350 million by 2026. accounting for 27% of all mobile subscriptions.
- By 2025, India will need ~22 million skilled workers in 5G-centric technologies such as Internet of Things (IoT), Artificial Intelligence (AI), robotics and cloud computing.
- India ranks 2nd in "International mobile broadband Internet traffic" and "International Internet bandwidth."



- The Union Cabinet approved Rs. 12,195 crore (US\$ 1.65 billion) production-linked incentive (PLI) scheme for telecom & networking products under the Department of Telecom.
- To drive the development of 6G technology, the Department of Telecommunications (DoT) has developed a sixth-generation (6G) innovation group.

About Omam Consultants

We hope that this study would assist you in comprehending the increment cum industry trend for 2024.
Thank You for your participation!!!

In case of any query/ suggestion, please write to us at – hrcc@omamcrd.com

OUR MISSION...

Building Careers and Transforming Organizations



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