**VIJAYAWADA PAYS APPRENTICES 22% HIGHER STIPENDS than Minimum Wages states teamlease report**

*~The city is ranked as the best city for apprentices to work in with media stipends for some sectors going as high as 141%~*

**Vijayawada, 20th May, 2019**: TeamLease Skills University recently launched their report ‘Stipend Primer 2019’, a detailed analysis of stipend payouts to apprentices by sector, region, educational qualification and roles. According to the report findings, Vijayawada and Mysore were ranked as the best cities for apprentices to work in, with the median stipends being 22% higher than the applicable minimum wages in the city. Further, apprentices in Vijayawada are not only paid handsomely; their net cost versus benefit ratio is also much higher than the metro cities. While the cost of living in Vijayawada stood at 21.88 and the stipends ranged between Rs. 12283 to Rs. 13058.

**Commenting on the analysis, Mr. Sumit Kumar, Vice President, TeamLease Skills University, said** *“Adoption of apprenticeship in Andhra Pradesh has seen a positive momentum in the last few years and Vijayawada has emerged as one of the promising cities for apprentices to work in. Some of the sectors like Retail, Automobile and Financial Services have grown exponentially, with media stipends going as high as 141%, 130% and 125% respectively. We are glad to see this optimistic traction and are hopefully that apprenticeships will continue to grow in the city in the years to come as well.”*

According to the report findings, sales promoters, customer support executives and quality & maintenance engineers were the most sought after job profiles from a stipend payout forefront. Median stipends rewarded to apprentices for these profiles stood at respectively 135%, 124% and 121% higher than normalized stipend/act.

At national level also as per the analysis the stipends offered to apprentices are higher than the minimum wages. In fact, the median stipend is around 41% higher than the applicable minimum wages in majority of the sectors and cities. Further, as per the study apprentices who are under the Other Employability Schemes (OEES, which comprises programs such as NETAP – National Employability Through Apprenticeship Program) received a higher stipend (7.66% higher) than the stipend paid under the Apprenticeship Act.

***KEY FINDINGS OF THE SURVEY***

* *Other Employability Schemes (OEES) pay 7.66% higher than the stipend paid under the Apprentices hip Act*
  + *Market stipends (as per Apprentice Act) are 23% higher for Technical graduates than for non Technical apprentices; OEES stipends are higher for Technical graduates in 6 of the 9 cities covered by the study.*
* *The apprenticeship market has matured and pays out handsome stipends at a significant premium over minimum wages.*
  + *Top sectors and states (premium paid over minimum wage)*
    - *Top sectors: Construction & Real Estate (125%), IT & ITeS (122%), FMCG (110%), Automotive (82%)*
    - *Top states: Maharashtra (159%), Andhra Pradesh(132%), Tamil Nadu (112%), Gujarat (84%)*
* *Manufacturing and Services sectors both pay fairly high stipends in the average range of Rs.9,000 – Rs.10,000 per month.*
  + *The Services sector pays marginally higher stipends compared to the Manufacturing sector (median measure)*
    - *The Services sector pays a median stipend 1% (OEES) | vis -a- vis Apprenticeship Act*
    - *The Manufacturing sector pays a median stipend of 1.5% (OEES) | vis-a -v is Apprenticeship Act*
  + *Top 3 Manufacturing sectors: Construction/Building , Automotive & Allied Industries, Electrical & Electronics*
  + *Top 3 Services sectors: Tourism and Hospitality, Banking & Financial Services, Consumer Products / FMCG*
* *Normalized stipends for most satellite cities / towns are 10% to 47% higher than for their respective main hub cities. Delhi is a lone exception, with lower stipends for satellite cities / towns*
  + *Mumbai versus satellite cities / towns: 10%*
  + *Bangalore versus satellite cities / towns: 47%*
  + *Chennai versus satellite cities / towns: 18%*
  + *Delhi versus satellite cities / towns: - 28%*
  + *Hyderabad versus satellite cities / towns: 31%*
* *Mysore (35% - 48% higher normalized stipends) and Vijayawada (22% - 27% higher normalized stipends) are the best cities for apprentices to work in, and Noida (38% - 55% lower normalized stipends) and Gurgaon (27% - 33% lower normalized stipends) are the worst, based on the net cost versus benefit (ratio of the normalized stipend and the cost of living index)*
* *Generic and soft skills in apprentices are a hygiene factor, while domain specific skills are highly sought after. The stipend premium that specialized profiles fetch for domain specific skills is at least 21% to 39%*
  + *Candidate expectations are significantly higher than stipends paid by employers. The divergence in the top 5 metro cities (in terms of candidate expectations) are as follows:*
    - *Delhi [Candidate Expectation: Rs. 15,500 | Market Stipend: Rs. 9,033]*
    - *Mumbai [Candidate Expectation: Rs. 12,800 per month | Market Stipend: Rs. 9400]*
    - *Chennai [Candidate Expectation: Rs. 12,000 per month | Market Stipend: Rs. 9300]*
    - *Bangalore [Candidate Expectation: Rs. 14000 per month | Market Stipend: Rs. 9800]*
    - *Hyderabad [Candidate Expectation: Rs. 11,000 | Market Stipend: Rs. 8400]*
* *Kolkata and Delhi have the highest percentage of candidates (around 80% or more) willing to relocate to any city – hub or otherwise*
* *Employers are Raising Expectations*
  + *A majority of employers (46% to 77% of those who responded to the survey) expect applicants to be aware about essential soft skills and a good 63% expect applicants to possess domain awareness.*
  + *Employers rank domain awareness and quantitative / analytical abilities at the top (#1 through #3) in specialized domains [IT, Finance and Accounting, Production and Manufacturing].*
  + *Soft skills awareness is predominant as compared to functional skills awareness in generic / support function domains [Administration, HR, Sales and Marketing] and its attributes are ranked #1 through*

The report also delved into comparative analysis between stipends paid by large businesses vs. stipend paid by Medium and small businesses. While large businesses paid significantly higher stipends [12% to 34%] than others, and the difference in stipends between medium and small businesses is not very significant. Further, the report brought to the forefront employers expectations with regard to skills. Some of the skills employers looked for in applicants were domain awareness, quantitative abilities, analytical abilities in specialized domains like IT, finance and accounting, production and manufacturing. In addition to domain expertise, employers also looked for soft skills and functional skills in generic as well as support function domains like administration, HR, sales and marketing.

The Stipend Primer is a detailed analysis pertaining to payouts to apprentices by sector, region, educational qualification and roles. The study covers apprentices employed in nine sectors across nine cities.

**ABOUT TEAMLEASE SKILLS UNIVERSITY (TLSU)**

TeamLease Skills University (TLSU) located in Vadodara, Gujarat, is India’s first “Skills University” established under Public–Private Partnership between the Government of Gujarat and TeamLease Services - India's largest manpower, recruitment & staffing solutions Company that has placed more than 1.7+ million people in India over the last few years. It is notified as a Private University by Govt. of Gujarat by Gazette Notification under the Gujarat Private Universities (Amendment) Act w.e.f. 22nd April’ 2013 and is promoted by TeamLease Education Foundation. In FY2015, TeamLease rolled out NETAP (National Employability through Apprenticeship Program) to provide on-the-job training to unemployed youth. TLSU aims to provide a holistic education through traditional & non-traditional programs focusing on academic, vocational, professional, technical and life skills – all aimed at making graduates “job-ready” from day-1. TLSU vision is to contribute to workforce productivity, socio-economic development and social harmony through well rounded and industry relevant educational programs with employment at the heart of academic offerings, technology at the heart of operation and academic mobility as the focus deploying inclusive, distributed and low cost delivery methodology.

**ABOUT TEAMLEASE SERVICES**

TeamLease Services is one of India’s leading human resource companies offering a range of solutions to 3500+ employers for their hiring, productivity and scale challenges. A Fortune India 500 company listed on the NSE & BSE, TeamLease has hired 17 lakh people over the last 17 years and has 2 lakh+ open jobs everyday. One of India’s fastest growing employers, TeamLease also operates India’s first Vocational University and fastest growing PPP National Apprenticeship Program. The company offers solutions to large, medium and small clients across the 3Es of Employment (1.5 lakh+ employees), Employability (2 lakh+ students) and Ease-of-doing Business (1000+ employers).