



The Great Job Transition: Understanding the Post-Increment Career Moves

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ABSTRACT In the dynamic world of work, a significant trend has emerged where professionals tend to transition to new roles shortly after receiving a pay raise. This trend, particularly noticeable in the Indian job market, suggests that increments can serve as a catalyst for change. Data from 2023 AMJ Quarter reveals that over 220,000 professionals in India changed jobs, with a significant portion of these transitions occurring post-increment. This trend was particularly pronounced among senior professionals and across diverse functions and industry verticals. The reasons behind this trend could be manifold, including a desire for new challenges, increased market value, or a better work-life balance. The key takeaway is that professionals today are driven by more than just monetary rewards; they seek growth, learning, and job satisfaction. Therefore, organizations need to offer more than just competitive salaries to retain their best talent.

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Overview

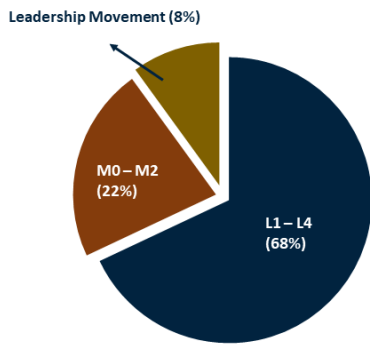
In the dynamic landscape of the modern job market, professionals are perpetually on the move, seeking new opportunities, challenges, and growth. One of the most intriguing trends observed in recent years, especially in the Indian job market, is the tendency of employees to transition to new roles shortly after receiving an increment. An increment, or a pay raise, is often seen as a reward for an employee's hard work, dedication, and contribution to the organization. It's a moment of validation and recognition. However, interestingly, it's also a time when many professionals start to consider new job opportunities.

In the quarter AMJ 2023, over 5 lakh professionals received promotion while approx. to 3.5 lakh changed their jobs. A significant portion of these job changes occurred shortly after these professionals received their annual increments.

The Senior-Level Shuffle

The trend is particularly pronounced at the senior level. Over 160,000 senior professionals transitioned to new roles. This suggests that experienced professionals, despite or perhaps because of receiving a pay raise, are more likely to seek new challenges and growth opportunities.

The reasons for this could be manifold. Senior professionals, having climbed the corporate ladder, may feel that they have reached the peak in their current organization and seek new mountains to climb. Alternatively, the increment could make them more attractive to competitors, who may offer them more enticing roles or responsibilities.



The chart represents the data of employees who have changed their jobs based on seniority levels. The chart is divided into three sections, each representing a different seniority level. The largest section is indicating professionals working as a team lead or below that comprising L1-L4, while second includes manager level M0 – M2, comprising from Assistant Manager to Additional Manager. 9% of the movement comprise of leadership movement which is significant because of strategic plan. It includes directors, vice-presidents or CxOs.

Job Changes by Seniority Level

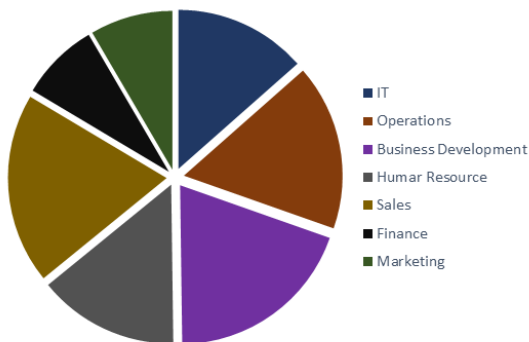


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The Functional Flip

When we break down the job changes by function, we see a diverse spread across various domains. IT, Operations, Business Development, Human Resources, Sales, Finance, and Marketing all saw significant numbers of job changes. This cross-functional mobility suggests that the trend of job transitions post-increment is not confined to any particular domain.

This could be because increments often come with increased responsibilities. While some professionals thrive under this increased workload, others may feel overwhelmed or underappreciated, despite the increased pay. This could trigger a desire for a role that better matches their skills, interests, or work-life balance needs.



Job changes by function reveal a diverse distribution across domains. From the provided data, Business Development and Sales show the highest number of job changes with 23,000 each, while Finance has the lowest at 9,500. This indicates varied opportunities and movements in different functional areas.

Job Changes by Department



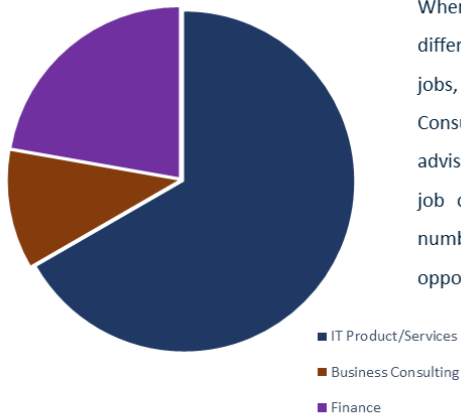
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The Industry Intrigue

The industry verticals that saw the most job changes were IT Products/IT Services, Business Consulting Services, and Financial Services. This aligns with the ongoing digital transformation in India and the growing demand for strategic insights and advisory services.

The IT sector, in particular, is known for its competitive salaries and rapid career progression. Therefore, it's not surprising that professionals in this industry would be quick to seize better opportunities after receiving an increment.

When examining job changes by function, a diverse spread is observed across various domains. In the IT field, 16,000 employees changed jobs, indicating a dynamic market with opportunities for professionals in this sector. The Operations function saw 20,000 job changes, suggesting a significant level of movement and potential growth in this area. In Business Development, 23,000 employees changed jobs, highlighting the importance of strategic partnerships and growth initiatives within organizations. The Human Resources domain witnessed 17,000 job changes, reflecting the ongoing need for HR professionals to support organizational development and employee well-being. Sales also experienced 23,000 job changes, indicating a competitive landscape and the continuous pursuit of revenue generation. Finance recorded 9,500 job changes, suggesting a more stable and specialized field with fewer movements. Lastly, in the Marketing field, 10,000 job changes occurred, indicating a dynamic and evolving landscape where professionals play a crucial role in driving brand awareness and customer engagement. This data showcases the varying dynamics and opportunities within different functional domains.



When examining job changes by industry vertical, we observe a significant movement across different sectors. In the IT Products/IT Services industry, over 60,000 employees changed jobs, indicating a dynamic and evolving market with abundant opportunities. Business Consulting Services saw over 10,000 job changes, reflecting the demand for expertise in advising and supporting organizations. The Financial Service sector witnessed over 20,000 job changes, underscoring the fluidity and competitive nature of the industry. These numbers highlight the shifting landscape and the need for professionals to adapt to new opportunities in these respective industries.

Job Changes by Industry Vertical



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The "Why" Behind the Move

So, why do professionals seek new roles after receiving an increment? One theory is that a pay raise often leads to a period of introspection. Professionals may start to evaluate their current role, their career trajectory, and their job satisfaction. An increment might also boost a professional's confidence, making them feel more comfortable exploring new opportunities.

Furthermore, an increment can also highlight a professional's market value. With a higher salary, they may feel more confident in negotiating better compensation packages with potential employers. This could be particularly true in industries with high demand for specific skills, such as IT or financial services.

The Takeaway

The trend of job transitions post-increment underscores the dynamic nature of today's job market. Professionals are not just driven by monetary rewards; they are constantly seeking growth, learning, and new challenges. As we move forward, understanding these trends will be crucial for organizations looking to attract and retain top talent.

In conclusion, the job market is a complex and ever-evolving landscape. Increments, while a cause for celebration, can also be the catalyst for change. As professionals continue to navigate their career paths, it's clear that the pursuit of growth and fulfillment goes beyond the paycheck. Organizations, therefore, need to offer more than just competitive salaries to retain their best talent. They need to provide a conducive environment for growth, learning, and job satisfaction.

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