# EMPLOYMENT MOBILITY AND INCOME GROWTH AMONG YOUNG EMPLOYEES IN BANGALORE.

Project report submitted in partial fulfillment of the requirements for the Award of the Degree of

**MASTERS OF ARTS IN ECONOMICS**

**of**

**BENGALURU NORTH UNIVERSITY**


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## DEPARTMENT OF ECONOMICS

## CERTIFICATE OF ORIGINALITY

This is to certify that this project work titled **"Employment mobility and income growth among young employees in Bangalore"** is based on an original Project Report done by **Manvi Johri, Reg No 23MECO23** of M.A Economics under the guidance of Dr. Sivasubramanian K, Kristu Jayanti College Autonomous.

This project work has not formed the basis for the award of any degree / diploma by bangalore north university or any other university.

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# DECLARATION

I, **Manvi Johri, 23MECO23** student of M.A Economics Kristu Jayanti College (Autonomous), hereby declare that this Project Report titled **"Employment Mobility And Income Growth among Young Employees in Bangalore"** is an original Project report done by me under the guidance of **Dr. Sivasubramanian K, Head of Department of Economics,** Kristu Jayanti College (Autonomous). This has not been submitted earlier for the award of any other degree / diploma from Bangalore North University or any other University.

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# CHAPTER I

## Introduction

The relationship between employment mobility and wage growth has been a major research and discussion focus, particularly for young professionals as they chart their careers in the midst of a dynamic and multifaceted labor market. In recent years, conventional career advancement models have been upended by the pace of technological change, shifting economic trends, and altering workplace norms. These changes have given rise to new patterns of employment characterized by greater flexibility, decentralization, and varied work arrangements. As a result, the reasons for Employment mobility and their impact on wage growth have become more complex and nuanced than ever before.

The modern job market is no longer constrained by the rigid structures of the past.

The increase in remote work, the growth of the gig economy, and the increased frequency of freelance and contract work have changed how people perceive their careers. Young professionals are increasingly looking for flexibility, work-life balance, and professional development rather than the traditional practice of working long-term with one company. This transformation has created a more dynamic and fluid labor market, in which employment mobility- that is, the frequency and type of switching between jobs, employers, or industries-has emerged as a major component of career advancement. But the connection between employment mobility and wage growth is not straightforward.

Although employment mobility has traditionally been associated with more rapid wage increases, the present economic environment includes new factors complicating this linkage.

Determinants of industry demand, location, skill levels, and general economic conditions impact the degree to which employment mobility results in meaningful salary increases. The recent phenomenon of non-traditional work arrangements, such as gig and short-term employment, complicates the matter since these do not come with the same security and benefits that full-time work traditionally does. Globalization has increased the stakes even further with respect to determining the relationship between employment mobility and wage increases. As industries become increasingly global and competitive, professionals are no longer confined to national or local employment opportunities.

This more extensive scope of opportunity has opened up new avenues for career growth but also heightened competition, thereby putting greater stakes on the career aspirations of those who want to maximize their earning capacity.

Against this background, the acquisition of job transition navigational skills has emerged as a crucial competence for young professionals looking for sustainable wage progress and career prosperity in the long term. Beyond personal career trajectories, there is a broad relevance of this issue to policymakers, employers, and educators. For policymakers, this understanding can inform labor market regulations and programs that foster economic stability and upward mobility. For employers, the information can be used to develop retention strategies and compensation programs that can address changing worker expectations.

Educators and career counselors can use this data to prepare young professionals better for the realities of the contemporary job market, providing them with the appropriate skills and knowledge to manage their careers successfully. Given these trends, this research seeks to explore the intricate relationship between wage growth and employment mobility, with a focus on young professionals. Through examination of the drivers of employment mobility, the impacts on salary levels, and the larger implications for career progression, this study aims to offer an inclusive understanding of employment mobility and wage growth in the modern-day fluid labor market. Through the analysis, the research will join the debate regarding career progression and present useful recommendations for individuals, firms, and policy makers.

With the character of work still evolving, comprehending how employment mobility interacts with wage growth remains an essential topic of research.

By shedding light on the driving mechanisms behind such phenomena, this research seeks to enable young professionals to make career choices informed by knowledge while enabling stakeholders to evolve in accordance with the changing world of work. Finally, it aims to develop a labor market that is not just more flexible and dynamic but also equitable and remunerative for all stakeholders.

## A) Brand Topic Area Selected

The relationship between employment mobility and wage increase has been an important area of research in labor economics, human resource management, and career development. Employment mobility, which is the movement of employees across jobs, employers, or

industries, is critical in determining career progression and economic performance. Conversely, wage growth is a significant indicator of economic progress and personal financial security. They are both together key to comprehending the way in which people navigate their career paths in the face of shifting labor market trends.

In recent times, the interaction between employment mobility and wage growth has grown more complex as a result of fast-paced changes in work arrangements, technological advancements, and economic globalization.

The classic pattern of a lifetime of work with one employer has given way to a more dynamic labor market, in which workers often shift jobs in search of greater opportunities, higher pay, and more time off. This has been fueled by the growth of telecommuting, the gig economy, and the increasing number of freelance and contract positions. As a result, the causes of Employment mobility and their implications on wage outcomes have grown more intricate. Analysis of employment mobility and wage increase is particularly relevant to young professionals, who are usually at the vanguard of adjusting to emerging work patterns and economic conditions.

Usually branded as people between the ages of 18 and 30, young workers tend to switch careers more often as they build their careers, acquire new skills, and pursue financial security.

Yet, the effect of such changes in employment on wage growth is not always linear. Some research suggests that employment mobility can result in significant pay raises, while others indicate that high rates of employment mobility can lead to wage stagnation or loss, depending on industry, location, and personal situation.

The larger implications of employment mobility and wage growth extend beyond personal career experience. For employers, knowing the drivers of employment mobility and their impact on wage growth is important to devising successful talent retention plans and compensation structures.

For policymakers, knowledge of these trends can inform labor market policy and programs aimed at encouraging economic stability and mobility.

For career counselors and teachers, this information can help equip young professionals with the skills and knowledge needed to successfully navigate their careers, given the realities of the contemporary job market.

## B) Research in the Specialized Area of the Topic Selected

While the overall association between labor mobility and wage growth has been investigated across different contexts (Topel, 1991; Katz & Autor, 1999; Boswell & Straubhaar, 2004), there is little research focused particularly on young professionals in rapidly expanding urban labor markets. Studies of India's labor force show shifting trends in labor mobility and wage patterns, but urban youth workers in cities such as Bengaluru, a central hub for economic and technological growth , have been given little consideration (Mehrotra & Parida, 2019; India Skills Report, 2023). This research seeks to address that omission by focusing on this group.

Bengaluru, popularly referred to as the "Silicon Valley of India," is a hub for diverse industries including information technology, biotechnology, production, and finance (Mehrotra and Parida, 2019; India Skills Report, 2023). Bengaluru attracts numerous young professionals from across the nation because of its abundant career and skill development prospects. Yet, with all its orientation towards work and innovation, there is no extensive study of the impact of job mobility on wage growth of young workers in Bengaluru (Boswell & Straubhaar, 2004; Topel, 1991). The purpose of this study is to fill this lack by exploring the link between employment mobility and wage growth for young professionals in Bengaluru.

Focusing on this demographic and site, the study aims to provide an extensive examination of factors of employment mobility and how these determine salary promotion. The study will explore many features of employment mobility, ranging from the extent of job transition to the reasons why individuals transition across jobs, variations across industries, demographic drivers, and changing patterns of the workplace (Katz and Autor, 1999; Mehrotra and Parida, 2019).

## C) Theoretical View regarding the Topic

The theoretical framework of this study is grounded in human capital theory and labor economics. Labor economics provides a foundation for understanding employment mobility and wage increases by pointing to the role of supply and demand within the labor market, the position of labor market institutions, and how individual and organizational actions influence employment outcomes. Human capital theory, on the other hand, focuses on education, skills, and experience as determinants of an individual's earning capacity and career progression.

Human capital theory presumes that people invest in their skills and education in order to increase productivity and thereby earning capacity. Employment mobility may be considered a way of augmenting human capital, which allows people to gain new skills, experience different jobs, and access better job opportunities. But the relationship between employment mobility and wage increases is not always direct. Whereas some career changes can bring enormous pay rises, others can mean wage stagnation or reduction depending on variables such as the quality of the new job, the skill set of the individual, and the economic environment.

The research also includes the theory of job matching, which suggests that the match between a person's skills and a job's demands has a strong influence on wage outcomes. According to this perspective, employment mobility can promote wage increases when it results in an improved match between a person's skills and job requirements. Conversely, a bad match can result in wage stagnation or even decline.

Additionally, the research will consider the effects of new trends in work on labor mobility and income growth .

The rise of remote work, the gig economy, and adaptable work arrangements added complexity to how Employment mobility have implications for earnings outcomes. To be specific, whereas remote working has provided workers with greater autonomy and flexibility over their lives outside work, as well as for managing work-time responsibilities, remote work also constricts pathways to career promotion and income upgrading. Likewise, gig employment and freelancing

jobs could offer opportunities for skill development and income diversification but tend not to have the security and fringe benefits associated with traditional jobs.

**1.1Significance of the Study**

This research is significant in various respects. In the first place, it improves on existing research into employment mobility and wage progression by focusing on a given group and geographic location that has otherwise been largely understudied. By investigating the realities of young professionals in Bengaluru, the research provides a deep understanding of factors shaping employment mobility and earnings performance in an urbanizing and dynamic labor market.

Second, the research has implications for practice for employers, policymakers, and young workers. For employers, the research can inform talent retention policies and compensation packages responsive to the shifting aspirations of workers. For policymakers, the knowledge can inform regulations of the labor market and interventions designed to promote economic stability and mobility. For young professionals, the study gives useful insights into what affects wage growth , so they can make better choices about changing jobs and career planning.

Lastly, the study has general implications for understanding the impact of new work trends on the labor market.

As work itself remains to change with the increasing popularity of remote working, the gig economy, and flexible working patterns, comprehension of the interrelationship between wage growth and employment mobility will be important as ever. Through its examination of these relationships, the study aims to support the development of a labor market that is not just more flexible and dynamic but also more equal and more fulfilling for all its players.

**1.2 Broad Area Understanding: Employment Mobility and Economic Growth**

Employment mobility, also referred to as employment mobility, is the movement of laborers across and between occupations, industries, and geographical areas. It may manifest in different ways, including voluntary employment mobility triggered by individual career aspirations, forced

change due to layoffs or firm restructuring, side moves within the same industry, or upward mobility signaling career progression. In essence, employment mobility portrays the dynamic character of the labor market, where employees seek better opportunities, increased pay, better working conditions, or higher job satisfaction.

One basic theoretical underpinning of employment mobility is the idea of labor market dynamism, which posits that a flexible and mobile job market increases productivity by mobilizing human capital to its most productive uses.

Labor market dynamism is associated with economic growth because it helps in the matching of employees to jobs that suit their abilities and talents. This not only improves individual career opportunities and income but also improves overall productivity and competitiveness in the economy. For instance, when employees move into jobs that best utilize their productivity, companies enjoy greater efficiency, resulting in increased economic output. Literature in economics has long studied the effect of employment mobility on both micro and macroeconomic outcomes.

One of the prominent perspectives is that increased employment mobility leads to more innovation and productivity.

As employees switch between companies or industries, they bring new ideas, skills, and insights that can trigger innovation and improve organizational performance. This sharing of knowledge is especially valuable in knowledge-intensive industries, including technology and finance, where innovation is a key driver of growth . Furthermore, mobility in jobs can stimulate competition between companies as they compete to recruit and retain high-skilled workers through better pay, benefits, and career prospects.

However, the relationship between employment mobility and economic performance is not always a positive one. Excessive movement, particularly for young professionals, might be an indication of employment insecurity and deter stable long-term professional growth .

The constant shift might lead to disconnected career progress, which becomes difficult for employees to acquire advanced specialist skills or establish themselves within one industry.

It might even bring about a stagnant or reduction in wages because such employees will be perceived as being less skilled or dedicated. In addition, too much mobility can have a wider macroeconomic impact, e.g., lower investment in the training and development of employees because firms are unwilling to invest in employees who are going to exit the firm very soon. Both employee satisfaction and economic growth will be encouraged with the right amount of employment mobility and job stability. While some mobility is a necessity for workers to find opportunities that align with their skills, interests, and career goals, too much mobility can undermine the stability required for long-term career progress and organizational success. Policymakers, employers, and workers therefore have to manage carefully this balance to produce a dynamic yet sustainable labor market.

The connection between employment mobility and economic growth is also made more complex by the evolving nature of work in the 21st century. The rise of remote work, the gig economy, and flexible work arrangements has introduced new complexities to employment mobility. For example, remote work allows workers to change jobs without geographical limitations, potentially broadening the scope of opportunities. Similarly, the gig economy enables workers to work on more than one job or project at a time, resulting in income diversification and skill development.

Yet, the trends have potential downsides such as reduced job security, absence of benefits, and long-term career opportunities because gig and freelance workers lack the stability and security of traditional jobs.

Further, employment mobility has significant implications for regional and national economies. Places that have high employment mobility will usually see increased economic vibrancy because they attract talent and investment from other countries and places. Bengaluru, India, for instance, is now a global tech and innovation hub and attracts young professionals of different backgrounds who contribute to the city's economic development and competitiveness. However, the gains from employment mobility are not equally shared, and policymakers need to address challenges such

as income disparities, affordability of housing, and infrastructure development to make the gains from mobility comprehensively enjoyed.

In summary, labor mobility is an intricate and multi-dimensional phenomenon whose important influence can be felt on the career trajectories of individuals and macroeconomic outcomes.

Although labor mobility can promote innovation, productivity, and economic growth , too much movement can cause job instability and impede long-term career advancement. The changing nature of work, with the growth of remote work and the gig economy, brings new opportunities and challenges for workers and firms alike. Comprehending the forces of employment mobility and its impact on economic growth is crucial for policymakers, employers, and employees in order to be able to tackle the complexities of the contemporary labor market. Through the right equilibrium between mobility and stability, a dynamic and stable labor market can be achieved, fostering economic growth and improving worker well-being.

### 1.3 Defining the Wider Topic: Employment Mobility and Economic Development

Employment mobility or labor mobility can be defined as the movement of employees between occupations, industries, jobs, and geographical locations (Boswell and Straubhaar, 2004). The movement is in different forms, including self-directed career transition, movement as a result of layoff or company restructuring, sideways movement between industries with small scope for advancement, or movement in the form of promotion representing professional growth (Topel, 1991). In essence, job mobility reflects the dynamic character of the labor market, wherein workers consistently seek improved opportunities, more remunerative wages, better working conditions, or greater job satisfaction (Katz & Autor, 1999; Mehrotra & Parida, 2019). One of the underpinning theoretical foundations for Employment mobility is dynamism in the labour market, which postulates that a flexible and dynamic job market enhances productivity through human resources reallocation into their most effective uses (Mortensen & Pissarides, 1994). It is on this perspective that one can infer that Employment mobility improves not just for individual labour but also contributes to overall economic efficiency by ensuring a match of skills with the level of market demand and enhancing workforce innovation.

Labor market dynamism is associated with economic growth , as it helps to match employees with jobs that are commensurate with their skills and abilities. This not only improves individual career opportunities and income potential but also increases overall productivity and competitiveness in the economy. For instance, when employees move into jobs that optimize their productivity, companies gain from greater efficiency, resulting in greater levels of economic output. There is extensive economic literature on the influence of employment mobility on individual and macroeconomic outcomes.

One important perspective is that increased employment mobility fosters increased innovation and productivity.

When employees shift between firms or industries, they bring in fresh ideas, expertise, and points of view that can foster innovation and organizational performance. This sharing of knowledge is especially useful in knowledge-based industries, including technology and finance, where innovation is key to growth . Moreover, employment mobility can stimulate competition among companies as they compete to recruit and retain high-skilled workers through better pay, benefits, and career prospects.

However, the relationship between employment mobility and economic performance is not all positive. Excessive mobility, particularly among young professionals, can be a sign of job instability and hinder long-term career advancement.
Job-hopping can lead to disjointed career trajectories, which can make it difficult for individuals to gain specialized skills or gain traction in a specific field.

This might result in pay stagnation or reduction, as employers might consider such employees to be less dedicated or competent. In addition, too much mobility can have macroeconomic implications as well, like reduced investment in training and development of employees since firms may not want to invest in workers who will soon be leaving. Getting the right balance between employment mobility and job stability is essential to foster both worker satisfaction and economic growth. While some mobility is necessary for workers to pursue opportunities that are best suited to their skills, interests, and career aspirations, undue mobility threatens the stability

required to achieve long-term career progress and organizational prosperity. Policymakers, employers, and workers alike must therefore proceed with caution in balancing this imperative to foster a dynamic and sustainable labor market.

The connection between employment mobility and economic growth is also made complex by the dynamics of work transformation in the 21st century. The presence of remote working, the gig economy, and flexible work policies has introduced more complexity to employment mobility. An example is the fact that remote working allows the possibility of shifting jobs without considering geographical location, which can, in turn, increase the amount of opportunities being offered. Similarly, the gig economy enables workers to work on various roles or projects at the same time, which results in income diversification and skill development.

Nonetheless, these trends pose concerns regarding job security, benefits, and long-term career paths, as gig and freelance workers tend to lose the stability and protections that come with conventional jobs.

In addition, employment mobility has significant implications for regional and national economies. Areas with high employment mobility tend to experience enhanced economic dynamism as they draw talent and investment from other regions and countries. For example, Bengaluru, India, has become a worldwide hub for technology and innovation, attracting young professionals from various backgrounds who drive the city's economic growth and competitiveness. However, the benefits of labor mobility are not enjoyed equally, and policymakers need to address problems such as income inequality, housing affordability, and infrastructure construction in order to make the mobility dividend inclusive.

Overall, employment mobility is a multifaceted and intricate phenomenon that is significant in determining career paths of individuals and macroeconomic outcomes.

Although labor mobility can spur innovation, productivity, and economic development, excessive mobility can create job insecurity and impede long-term career advancement. The changing face of work, with the growth of remote work and the gig economy, brings new opportunities and

challenges for employees and corporations alike. The ability to comprehend employment mobility and the impact it has on economic development is critical to policymakers, business owners, and employees who are seeking to successfully navigate the complexity of the current labor market. By attaining the appropriate mobility-stability equilibrium, a labor market that is dynamic and sustainable can be attained, with attendant economic growth as well as better worker well-being.

### 1.4 Theoretical Background

Employment mobility and salary development are crossroads issues within the fields of labor economics and human resource administration, with the diversity of theoretical concepts explaining job turnover's implications for salary improvement, career enhancement, and economic efficiency in labor markets. These theories provide a foundation for understanding the mechanisms through which employment mobility can promote wage increases, and the possible difficulties and trade-offs involved. Here, we discuss four main theoretical approaches that this study draws on: Human Capital Theory, Job Matching Theory, Tournament Theory, and Dual Labor Market Theory.

#### A) Human Capital Theory

Human Capital Theory, advanced by Gary Becker in 1964, postulates that people invest in education, skill, and knowledge to increase their productivity and income. According to this theory, occupational mobility is an important way of maximizing such investments. By realigning themselves to occupations more suitable to their talents and with better pay, people are able to realize the best returns on their human capital.

For the youth professional, mobility at work is a career development strategy.

Early in their professional lives, workers shift jobs to learn new skills, gain diverse experiences, and increase their marketability. For example, a young software professional in Bengaluru may switch from an average-sized IT firm to a leading multinational firm to take advantage of better

training, cutting-edge projects, and better pay. In the long run, these actions can result in significant pay increases as people accumulate useful human capital and set themselves up for better opportunities. Yet, the dynamic between employment mobility and wage expansion is not a linear one. Frequent shifting, particularly where it is unconnected to career goals or skills development, has the potential to lead to segmented work histories and reduced returns to human capital investment. Thus, while employment mobility can be very powerful in powering wage expansion, its impact rests on the excellence and strategic planning of the Employment mobility.

**B) Job Matching Theory**

Job Matching Theory, brought forth by Boyan Jovanovic in 1979, emphasizes the importance of matching an employee's capabilities with job specifications. According to this theory, the labor market is not certain, and both workers and employers search for best matches. In the early part of their working lives, young professionals tend to try out many jobs, industries, and employers to identify where their capabilities and interests are best applied.

In such a situation, employment mobility can be interpreted as a process of strategic exploration rather than an indication of instability. For instance, a biotech professional from Bengaluru can change between research, project management, and entrepreneurship until they have reached their optimum career path. Transitions such as these can end up bringing greater job fit, job satisfaction, and better wage growth .

Job Matching Theory also relies on information asymmetry in the labor market. Young professionals do not know everything about their own abilities or requirements of different jobs and thus early-career Employment mobility become necessary to learn. As they experience and become wise, their Employment mobility become specialized and efficient, which leads to increased wage progressions.

### C) Tournament Theory

Tournament Theory, suggested by Edward Lazear and Sherwin Rosen in 1981, explains the labor market as a tournament in which workers compete for promotions and pay raises. In this school of thought, employment mobility is a method of climbing up the hierarchy by gaining improved posts and better remunerations through competitive strengths. The theory is similar to tournaments in sports, in which rewards are given disproportionately to superior performers.

For young professionals, career mobility can be a powerful tool for career progression. By transferring to positions with more responsibility, more visibility, or higher compensation, individuals can improve their chances of future promotions and salary increases. For example, a young Bengaluru finance professional could move from the mid-level analyst role in a local firm to a senior one in a global investment bank and leverage this platform for future success.

Tournament Theory also points to the way that incentives motivate employment mobility. Companies tend to utilize promotions and raises as incentives to get the best out of their employees. This competitive environment can, however, create problems in the form of increased stress and job dissatisfaction, particularly if rewards are seen as unfair or impossible to achieve. Thus, although employment mobility may stimulate wage increases, its broader effect on staff welfare and company culture must be taken into account.

### D) Dual Labor Market Theory

Dual Labor Market Theory, developed by Peter Doeringer and Michael Piore in 1971, divides the labor market into two segments: the primary market and the secondary market. The primary market is dominated by stable jobs, high salaries, career opportunities, and availability of benefits like health insurance and retirement schemes. The secondary market is dominated by job insecurity, low salaries, limited benefits, and limited career opportunities.

Mobility in employment for young professionals is important in making the switching between the secondary and primary labor market possible. Mobility in early careers can be a transition from temporary or contract employment in the secondary market to regular employment in the

primary market. For example, a young Bengaluru IT professional may start with a low-salary freelance job before securing a full-time job at a popular tech company and thereby gaining access to better wages and career opportunities.

Dual Labor Market Theory also places emphasis on structural impediments that can hinder mobility. Educational level, social networks, and the demand in a particular industry may influence one's capacity to transition from the secondary to the primary market. Young professionals with master's degrees or strong professional connections, for instance, might get primary market jobs more readily, while others with fewer such connections might be stuck in the secondary market, experiencing minimal wage advancement.

Synthesis of Theoretical Perspectives

These theoretical frameworks together offer a comprehensive explanation of the relationship between employment mobility and wage growth.

Human Capital Theory emphasizes the role of skill formation and productivity in explaining wage rises, whereas Job Matching Theory highlights the role of matching workers with appropriate jobs. Tournament Theory emphasizes the competitive dynamics of the labor market and the incentive role in stimulating Employment mobility, and Dual Labor Market Theory points to the structural determinants of mobility and pay consequences. For young workers in Bengaluru, these theories provide critical information on how to strategically employ employment mobility to attain wage increases and career progression. By knowing the effects of Employment mobility on earnings, individuals can make informed decisions regarding when and how to switch jobs. At the same time, employers and policymakers can use these findings to develop policies that increase labor market efficiency, reduce obstacles to upward mobility, and promote fair distribution of the gains from employment mobility.

In the context of this research, these theoretical explanations will guide examination of the effects of employment mobility on wage increase among young adults in Bengaluru. Through inquiry into the processes of interaction among individual choices, labor market pressures, and the

structure, this research seeks to gain a sensitive understanding of what factors influence the wage outcomes of a dynamic competitive urban labor market.

Despite being an employment and innovation hub, limited research has been conducted to assess how employment mobility influences income growth for the young workforce in this region. By focusing solely on young workers in Bengaluru, this paper aims to shed detailed light on the link between Employment mobility and wage growth . The role of employment mobility as a wage growth trigger is widely discussed in the literature. Topel and Ward (1992) and Light (2005) are very prominent studies where it is suggested that strategic changes in jobs, even in the first years of a person's career, can maximize gain in salary terms. These researchers suggest that changes in jobs not infrequently but also with purpose tend to lead to long-term increments in salary rather significantly.

However, the model fails to determine the appropriate number of Employment mobility and the circumstances under which employment mobility results in successful financial gain. Sectoral variations even make it more complex to establish a link between employment mobility and salary growth . Kambourov and Manovskii (2009) even analyzed occupational mobility in explaining wage inequality but failed to compare the growth of high sectors across industries for young professionals. In addition, very little attention has been devoted to the effect of emerging work trends, including remote work, hybrid work models, and freelance or gig employment, on decisions regarding employment mobility and subsequent growth in salary. The present research fills this gap by focusing on five critical dimensions:

1. **Number of Employment mobility:** Examining the impact of employment mobility frequency on the income growth of young workers in Bengaluru.
2. **Motivation to Change Job:** Reasons why workers change jobs; these can include job dissatisfaction, work-life balance reasons, and prospects of career development.
3. **Sector:** Exploring how various sectors impact the interaction between employment mobility and salaries.
4. **Demographic Variables:** The way age, gender, educational qualifications, and previous work experience influence the employment mobility pattern and income growth will be analyzed.
5. **New Work Trends:** The effects of remote work, hybrid work arrangements, and gig economy participation on the employment mobility decision and salary advancement will be analyzed. This study applies focused correlation analysis to assess whether there is a positive or

negative correlation between employment mobility and salary progression for young professionals in Bengaluru. It further seeks to establish the dominant factors that determine such patterns and study their differences within various industries and demographic groups.

The findings are expected to be very informative in labor economics and career development. For employers, the linkage between employment mobility and income growth can guide strategies for talent retention and workforce enhancement. For young professionals, the research will yield actionable insights into factors affecting salary progression, aiding informed decisions regarding Employment mobility and career planning.

It also examines wider implications from employment mobility patterns in a transforming labor market. The rapid introduction of digital technologies, the move toward flexible work arrangements, and the rise of a knowledge-driven economy are reshaping employment. Policymakers and business leaders seeking to create an environment that is conducive to economic growth and workforce development need to be aware of the manner in which these changes affect employment mobility and pay outcomes.

Through a case study of Bengaluru, this research presents a unique perspective on employment mobility and income growth in a vibrant and competitive urban labor market. This paper finds Bengaluru an ideal place to explore evolving employment trends and their implications for young professionals because of the city's status as a hub for innovation and entrepreneurship. Based on that, it would be a comprehensive attempt to fill the gaps in existing literature by providing an in-depth analysis of factors influencing young employees' employment mobility and income growth in Bengaluru.

The research not only enriches academics in the studies of labour economics and human resource management but also helps stakeholders involved in the job market.

By focusing on demographic specifics, sectoral variations, and contemporary work trends, the study aims to deepen our understanding of how job transitions influence career outcomes in the 21st-century labor market.

## 1.5 Objectives

**1. Study the relationship between employment mobility and salary increases for young professionals in Bangalore.**

This research investigates whether repeated job switching results in greater salary increases and whether there is a point of diminishing returns beyond which mobility does not pay.

**2. Determine the influence of age, gender, and education on employment mobility and salary advancement.**

The study examines if younger workers change jobs more, if there are gender gaps in pay outcomes, and if higher education stimulates career advancement.

**3. Determine contributing factors to job transitions.**

The research examines how job dissatisfaction, career stagnation, work-life balance, and organizational culture shape Employment mobility among young professionals.

**4. Assess the effect of contemporary work trends on employment mobility and salary appreciation.**

The study considers how working from home, freelancing, and blended models influence patterns of job-switching and earning capacity.

## 1.6 Hypothesis

**1. $H_1$: Employment mobility is positively related to salary increases among Bangalore's young professionals.**

Employment mobilityrs frequently have higher salaries as businesses provide competitive wages to retain capable employees. Yet, there could be declining returns from excessive mobility.

**2. $H_2$: Career growth , work-life balance, and increased compensation are primary drivers of employment mobility and salary increases.**

Younger workers value more pay, promotions, and greater work-life balance when switching companies. The research will also analyze if variables such as gender, age, and education moderate the choices.

**3. $H_3$: Upcoming work tendencies (telework, freelancing, blended frameworks) have positive effects on profession mobility and pay increases.**

Flexible work arrangements offer access to varied job opportunities, which maximizes earning capacity. But possible negative aspects such as job insecurity and deprivation of benefits will also be considered.

## 1.7 Research methodology

It outlines the study design, methods of data collection, sampling strategy, and statistical tools utilized in the study. The methodology establishes a coherent method for studying job mobility and income growth among the youth in Bangalore, and how demographic characteristics and modern work practices influence these two variables.

### 1) Research Design

Quantitative research method is used to investigate the impact of job mobility on wage progression in a structured manner. Descriptive and analytical research design is used to:

- Describe the degree of job mobility among young careerists.
- Determine major drivers of job switching (e.g., dissatisfaction, career plateau, work-life conflict).
- Examine the impact of modern work patterns (e. g., freelancing, telecommuting, blended models) on employment mobility and salary progression.
- The research employs a cross-sectional design, gathering data at one point in time to reflect existing employment trends and salary patterns among young professionals in Bangalore. **2) Data Collection Technique**

**1. Primary Data Collection**

Research is grounded in primary data gathered using a pre-designed questionnaire addressed to young working professionals from diversified industries. The questionnaire was devised to collect the following information:

- Demographics (age, sex, education level).
- Employment history (jobs changed, each job's length of stay, salary trend directions).  Motivation for job shifts (career progress, job disappointment, work-life balance, fiscal rewards).
- Work trends (remote work, hybrid work, freelancing).

A mix of Likert scale responses, multiple-choice questions, and open-ended questions was used to ensure comprehensive data collection.

**2. Data Collection Process**

The questionnaire was administered via online media (LinkedIn, WhatsApp, professional networks) to reach a diverse population of professionals.

A pilot survey was done before full-scale data collection to test the effectiveness and clarity of the questions.

The responses were collected within a given time frame to provide sufficient representation.

**3) Sampling Method**

**1. Sampling Technique**

Non-probability snowball sampling was used in the research, wherein primary participants referred others from their professional circles. This technique was used because:

The difficulty of accessing a centralized database of young professionals from diverse industries.

The need to include multiple categories of employment, such as full-time workers, freelancers, and hybrid workers.

The convenience of accessing professionals who work remotely or use alternative models of working.

**2. Sample Selection Criteria**

To meet the research goals, the participants were selected according to the following criteria:

- Should be aged between 18 and 30 years.
- Should have work experience of one year or more.
- Should have shifted jobs once in their working career.
- Should be employed currently in Bangalore.

The research achieved a sample of 140 participants, which provided sufficient representation from industries like technology, finance, retail, and startups.

**4) Data Analysis Methods**

The collected data was analyzed through statistical analysis in SPSS and Microsoft Excel to obtain meaningful insights. The following methods were utilized:

**Descriptive Statistics**

Generated summaries of job mobility patterns, salary fluctuations, and demographic features (e. g., average salary fluctuation, number of job changes).

- **Cross-tabulation analysis**

Examined the relationship between work patterns (remote work, freelancing, hybrid models) and job mobility.

- **T-Tests and ANOVA**

Compared salary increase across different groups of demographics (age, gender, level of education).

Analyzed differences in salary increase concerning working arrangements (e.g., working remotely vs. office-based employees).

- **Logistic Regression Analysis**

Recognized main influences on career shifts, e.g., job discontent, career stagnation, and expected salary.

Conducted all statistical tests to test hypotheses as well as examine the significance of employment-related factors.

## 1.8 Statement of Problem

The current environment in the competitive labor market provides much pressure upon young professionals seeking to strategically position themselves during their careers amid fluidity in their workplaces. Many of them are adopting frequent job-changing habits with the goals of higher compensation, career growth , and proper work-life balance in mind for achieving a single objective: advancement. Employment mobility is widely considered to be one of the most important strategies for young professionals who want to speed up their career advancement and achieve financial security. However, the relationship between employment mobility and wage growth remains under-explored, especially in the context of Bangalore's vibrant labor market. Bangalore is often called India's Silicon Valley. There are sectors such as technology, finance, retail, and the startup ecosystem. This makes it a perfect location for the study of the employment pattern for young professionals who form part of this changing labor force. While job transitions may provide good catches for some others, there may be other issues like job insecurity, loss of benefits, and prolonged wage stagnation.

Many studies show that strategic Employment mobility can result in substantial salary increases and accelerated career advancement. For example, early-career individuals who strategically switch jobs tend to have faster income growth than those who are loyal to a single employer. At

the same time, there are also signs that too much employment mobility may compromise career stability, limit learning opportunities, and create holes in professional development.

Further factors can influence the connection between mobility and increases in salary beyond changes in jobs. These include demographic factors like age and gender and educational qualifications. In general, the income growth will be facilitated by the more frequent transitions for an employee with specialized technical skills who is younger. Gender disparities can also influence how income growth materializes after the employment mobility since women are often placed at a disadvantage as regards negotiation of competitive compensation packages.

In addition, incentives for changing jobs significantly influence outcomes. Some professionals change jobs because of dissatisfaction with prevailing work conditions, lack of prospects for advancement, or pay. Others may be motivated by the desire to attain better work-life balance or a sense of interest in innovative roles in emerging sectors. The rationale behind employment mobility plays a critical role in determining whether such transitions yield concrete financial benefits.

Modern employment practices, such as telecommuting, freelancing, and hybrid models, add another layer of complexity to the employment mobility dynamics. These arrangements provide flexibility and allow young professionals to work on a variety of projects, but they also bring job insecurity, limited long-term benefits, and increased competition. Whether participation in these non-traditional work trends contributes positively or negatively to income growth and career advancement is still not known.

Given these complexities, it is therefore important to assess the circumstances surrounding employment mobility resulting in salary progression for young working professionals.

This research study seeks to fill the present gap in studies by exploring employment mobility and income growth for young working professionals in Bangalore. This research analyzes the key factors, such as job dissatisfaction, work-life balance, and career development opportunities, alongside demographic variables like age, gender, and education, to understand in depth the factors that influence salary outcomes. The study will also evaluate how new work trends, such as remote and hybrid work models, impact employment mobility and wage progression. It will also examine whether there is an optimal frequency of Employment mobility that maximizes income growth while ensuring long-term career stability. These results of the research are hoped to yield practice advice for professional workers that enter into labor more successfully and

ensure they perform a smooth career change in gaining greater returns in employment. Moreover, it will offer employer-friendly suggestions toward recruiting and keeping best performers as it could contribute more significantly in handling how best talents in labor change dynamically within and in Bangalore.

Finally, this research aspires to make a significant contribution to the discourse on labor economics, career development, and employment strategies within the 21st-century workforce.

### 1.9 Chapter Scheme

**This research paper consists of the following chapters:**

**1. Introduction**

The introduction presents a detailed introduction to the study, with the emphasis on employment mobility and earnings growth among youthful professionals in Bangalore. It specifies the research issue, goals, hypotheses, as well as the significance of the study. In addition, the chapter addresses the impact of the current work tendencies, such as remote work, freelancing, and hybrid concepts, on job mobility. This section sets the stage for the study by discussing major economic and labor market considerations influencing young professionals in the city.

**2. Review of Literature**

This chapter offers a critical overview of the literature on labor market mobility, wage advancement, and the dynamics of labor markets. It examines some theoretical approaches, such as human capital theory, job matching theory, and labor market segmentation theory, to shed light on the relationship between wage growth and job mobility. Empirical evidence from both the Indian and international contexts is discussed to reflect on gaps in existing research, thereby calling for this research.

**3. Economic Profile of the Study Area**

The chapter provides an all-round picture of Bangalore as a field location. It talks about critical economic markers, labor trends, prominent industries, and population considerations that influence employment mobility and pay increase. The role of Bangalore as the country's center for technology and startups is highlighted, and data on sectoral employment distribution and employment market tendencies make it an optimum site to study employment mobility among youth professionals. **4. Analysis and Discussion**

This chapter presents the findings of the study using survey data. It examines the relationship between job mobility and income growth , evaluates demographic variables like age, gender, and education on labor market patterns, and explores key drivers of job transitions, such as job dissatisfaction, career plateauing, and work-life balance. In addition, it analyzes the impact of current work patterns, including remote working, freelancing, and blended models, on job mobility and wage progression. The chapter incorporates statistical interpretations, tables, and graphical displays to support the argument**.**

**5. Summary, Conclusion, and Policy Recommendations**

This concluding chapter emphasizes the major conclusions of the research and their policy implications for young professionals, employers, and policy-makers. It provides useful recommendations for career strategy planning, salary bargaining, retention of employees, and labor market policy. The study limitations are recognized, and future research proposals involve longitudinal research, cross-regional comparison, and sectoral analysis. The chapter ends by emphasizing the evolving nature of job mobility and its significance for workforce development and economic growth .

**6. Bibliography**

The final chapter is an extensive list of all the sources cited in the study, be they books, articles, reports, or Internet-based resources.

## 1.10 Limitations of the study

This study reveals how employment mobility correlates with the growth of salaries of young employees in Bangalore; however, it has numerous limitations:

- **Geographical Scope:**

The study is limited to Bangalore and does not represent employment flows in other cities or cities. The results thus are context-specific and can't be generalized to other areas.

- **Self-Reported Data:**

This research depends heavily on surveys administered personally to the respondents, and such may have inherent biases because respondents may give subjective or even wrong information. It may thus be susceptible to recall errors, social desirability bias, or reluctance to share sensitive financial information. It is cross-sectional in nature.

This study uses a cross-sectional design, which captures data at one point in time. Therefore, it does not account for long-term trends or changes in employment mobility and salary growth , making it impossible to establish causal relationships or observe evolving career patterns.

- **Industry-Specific Insights:**

As the workforce of Bangalore is mainly driven by technology and startup sectors, the research findings may be biased towards these industries. The experiences of young employees in sectors like manufacturing, retail, or traditional services may not be represented adequately.

- **Limited Variables:**

Although the study takes into account employment mobility and growth in salary, it does not really look into other important variables like job satisfaction, skill acquisition, work-life balance, and professional networks, which may equally be crucial to determining career pathways and financial performance of young workers.

By recognizing these limitations, the study should encourage fuller future research to fill the many gaps and improve understanding of employment mobility and salary growth .

### 1.11 Scope for future research

There are several areas which this study throws open to be further researched on to increase understanding of employment mobility and growth of salary. Here are some scopes for future research:

- **Longitudinal Studies:**

Further study can use longitudinal approach by examining the patterns in employment mobility, and how their salaries are grown over a larger period of time. This could capture emerging trends and identify causes and effects arising from changes of jobs on earning wages.

- **Cross-City or State Comparisons:**

Studies that compare the employment mobility and salary trends in different cities or states of India can help analyze the geographical inequalities. Such a study may give an idea of regional factors responsible for employment and salary hikes.

**Industry-Specific Trends:**

Targeted research on specific sectors, such as technology, healthcare, finance or manufacturing, would yield granular insights into employment mobility and income growth within those sectors. This focus may identify high-growth sectors for emerging professionals.

- **Other Influencers:**

  Investigating variables such as skill development, educational background, and job satisfaction would help in understanding the elements that influence income growth and job transitions. Inclusion of these factors would add richness to the findings and provide more holistic career recommendations.

- **Remote Work and the Gig Economy:**

  The next generation of research studies could consider how contemporary work arrangements, including telecommuting, freelancing, and hybrid work arrangements, impact employment mobility and salary growth. Understanding these dynamics is particularly relevant in the contemporary labor market as it is undergoing significant transformations.

Exploring these research streams can help scholars and practitioners deepen their understanding of employment mobility and income growth and can inform informed decisions for employees and employers.

# CHAPTER – II

## 2.1 Review of literature Introduction

Career mobility is widely recognized as an important determinant of career progression and earnings increases, particularly for younger professionals in competitive labor markets. With changing industries and working conditions, workers switch jobs in quest of improved salaries, career progression, job fulfillment, and work-life balance. Yet, the long-term consequences of high rates of job shifting remain in debate, with some studies indicating that strategic job mobility can lead to higher rises in wages, but others identifying the possibility for turbulence and stagnation. To assess its implications on pay advancement and professional development, it is necessary to grasp influencing factors on employment mobility including education, ability, industry needs, and financial situation.

This chapter provides a comprehensive review of the literature, considering the relationship between job change and wage trajectories. It describes prominent theoretical frameworks, such as Human Capital Theory, Job Matching Theory, and Dual Labor Market Theory, which provide insight into employment mobility mechanisms and wage progression. In addition, the chapter explores empirical research that examines how demographic variables (age, gender, education), profession objectives, income expectations, and modern labor trends (freelancing, distant work, blended models) influence work mobility. Through combining existing studies, the chapter identifies research lacunae and emphasizes the need for an in-depth study of work mobility and income increase among young professionals in Bangalore.

Employment mobility has been identified as a critical determinant of income growth among young employees. Many studies have provided nuanced understanding of the interplay between job transitions and wage trajectories.

1. Bartel and Borjas (1981) also depicted the dual nature of job turnover in determining wage growth ; hence it is crucial in inter-job and intra-job income growth s. The findings of the study show that young men who quit on their own experience more significant wage gains than those who stay. It is also on the benefits of employment mobility for older men, which is mainly observed only when they move to better opportunities. Though employment mobility in early stages of career does lead to improvements in wages, those people who continue making

Employment mobility at a later stage in life suffer lower overall wage growth . It suggests that the impact of labor turnover is of two conflicting ways. Employment mobility can be very rewarding in the short run, but it might slow down long-term wage growth . These insights would be relevant in understanding the patterns of employment mobility and income growth among Bangalore's young workers.

2. Flinn (1986) uses a discrete-time model in analyzing the relationship of employment mobility and wage dynamics. The study emphasizes that both wage growth and turnover processes are interrelated; in this regard, it gives due importance to unobserved heterogeneity between workers and firms in determining wage structures.

3. Altonji and Shakotko (1987) re-evaluated the relationship between job tenure and wages, challenging the commonly accepted assumption that tenure contributes importantly to higher earnings. Controlling for both observed and unobserved individual and job-specific effects through an instrumental variables technique, they found that the effect of tenure on wages is quite small. Career wage growth is largely determined by general labor market experience and job switches. The strong positive relation was totally attributed to heterogeneity bias. This finding provides important insights into the impact of employment mobility on wage outcomes and the role of employment mobility in driving income growth during young employees' careers, especially in Bangalore.

4. Shields and Shields (1989) offer a detailed examination of the literature on internal labor migration, categorizing migration theories into four groups: labor supply, human capital investment, regional amenities consumption, and household production. Of particular interest in their work is the shift from individual to household migration, focusing on the role of the household in the production of home-produced commodities. The extended framework highlights the intricacies of migration decisions, with economic and non-economic considerations at play. Their results are relevant to understanding employment mobility and earnings dynamics in cities such as Bangalore, where family considerations may significantly influence work choices.

5. Topel and Ward (1992) discuss employment mobility and wage growth of young men through longitudinal data. They found out that the first decade after joining the workforce an average worker moves jobs seven times, that constitute two thirds of all his Employment mobility throughout the career. Most importantly, wage gains from job transitions constitute more than one-third of the income increases in the early career stages, and wages play a vital role in

employment mobility decisions. This paper is relevant to the establishment of stable career paths that are impacted by job transitions and sheds light on the implied relationship between employment mobility and income growth among the young professional population in Bangalore.

6. Keith and McWilliams (1995) study the wage effect of cumulative employment mobility based on National Longitudinal Survey of Youth data from 1979–1988. The results reveal that the wage impact of employment mobility is significantly different depending upon the type of mobility. Worker-initiated separations are normally associated with positive wage effects, whereas employer-initiated separations often have the effect of generating wage penalties. Economic quits show higher positive outcomes than family-based quits, layoff, and discharges concerning wage gains. However, employment mobility trends across males and females differ. This report highlights interesting differences between each employment mobility on both males' and females' wage growth of the young employed population in Bangalore.

7. Mincer's (1997) research extends Ben-Porath's human capital framework to explore the contributions of human capital investment to life-cycle wage growth . His research supports that wages are significantly determined by education and training, with investments early in the lifecycle contributing to subsequent long-run earnings growth . He also considers the fall of capacity wages ahead of observed wages, attributing this to labor supply changes along the lifecycle. The study also highlights the close relationship between education, job training, and wage gaps. These are important findings in recognizing the role of employment mobility in relation to wage advancement, especially for entry-level workers taking career changes. 8. Light and McGarry (1998) study employment mobility using the mover-stayer model and National Longitudinal Survey of Youth data. The findings show that frequent employment mobilityrs have worse wage trajectories. This is very relevant to my paper, "Income growth and Employment mobility Among Young Employees," which focuses on the impact of employment mobility on wage growth and match quality.

9. Walt Woerheide's(1998) study, "The Impact of Salary Growth , Inflation, Employee Age, and Career Length on the Relative Desirability of Pension Fund Type," examines how the preference for a specific type of pension fund (pension plan of defined contribution-DC versus that of defined benefit-DB plan) varies over time as its determinants; namely, changes in salary, inflation, the age of the worker, and tenure, occur. High income growth and older age of

employees positively influence the probability of favoring DB pensions, while length of career favors DC pension plans. The inflationary impact varies, but greater inflation levels appear to favor DC plans. The implications of this research are most relevant to workers weighing two different job opportunities that vary by type of pension available.

10. Neumark 1999- investigates early job stability in determining long-run wage outcomes for US youth labor markets. Despite such unstable job transitions being characterized by most authors as chaotic and potentially damaging, it is a major benefit of the job shopping activity. Applying an instrumental variable estimation to take account of the process of job searching, early job stability increases adult wages substantially-contrary to previous OLS estimates suggesting near zero effects. The paper depicts an important trade-off between job stability and employment mobility, facilitating vital insights into employment trends and income growth among young workers in Bangalore.

11. Haisken-DeNew and Zimmermann (2001) studied the impact of trade and immigration on German workers' wages and mobility. The findings indicated that trade negatively affected wages and occupational mobility but increased inter-firm transitions, while immigration had mixed effects.

12. Le Grand (2002) examines internal and external employment mobility of Swedish males wage earners. It shows that relative to external mobility, its impact is strengthened over time for internal mobility in comparison with earnings growth .

13. Perticara (2004) observes the connection on employment mobility and wage growth . Employment mobility can be an important tool for career development and higher wages. This paper distinguishes between two types of Employment mobility, voluntary and involuntary Employment mobility, where considerable differences exist in earnings effects. Worker categories such that their wages are significantly below average workers are more likely to opt for voluntary separations, those whose wages are above average are more likely to experience layoffs. On average, employment mobility due to voluntary reasons increases wages by 7%. Layoffs, on the other hand, reduce wages by 5%. This study points out the merits of planned employment mobility. Such research is significant for understanding employment turnover and growth in incomes among the young working professionals of Bangalore.

14. Cross-European study carried out by Davia, 2005 reported findings that switching the employer always results in earning more wage, but more than reasonable mobility has

consequences of decreasing them. The analysis was a reminder that the wage outcomes maximized only if mobility had controlled.

15. Light (2005) analyses data from NLSY79 to derive job separations and their consequence on earnings. Findings from this study illustrated that employment mobility is extremely important in current dynamic labor markets and indeed impacts significantly on wage trends.

16. García Pérez and Rebollo Sanz (2005) studies the relationship of employment mobility to wage dynamics with European countries through data from European Community Household Panel for the years 1994–2001. Using multinomial endogenous switching model the study finds adverse effects of employment mobility driven by unemployment on the wages. The wage cuts experienced by job stayers as a result of unemployment vary from 8% in Portugal to 21% in Germany, whereas voluntary movers have losses ranging between 14% in Spain to 31% in Portugal. These findings describe the wage costs associated with the mobility of jobs due to unemployment and give relevance to the trend of employment and wage growth in young workers of Bangalore.

17. Polachek, 2008 provides detailed work on the Mincer earnings function, which gives a way for understanding the distribution in earnings by segments of populations. The author goes ahead and gives evidence on education and how its impact relates positively to earnings: wage growth gradually slows with a career span. The discussion then touches on variables such as gender, race, and employment mobility, suggesting young people have greater Employment mobility than others within the career-building stages. These findings justify the study on employment mobility and income growth of young workers and show how early career mobility patterns affect earnings trajectories.

18. According to Kambourov and Manovskii (2009), "occupation plays an important role in shaping the distribution of wages." Using the available data, occupational changes explained over 90% of wage inequality increase between the 1970s and the 1990s with annual Employment mobility increasing from 16% to 21% in the course of this period.

19. Mouw and Kalleberg (2010) studied wage inequality among US men and found that employer mobility accounted for 39% of the short-term increase in inequality, and effects decayed over time. Stability in employer relationships accounted for a larger share of inequality gains.

20. Del Bono and Vuri (2011) also studied employment mobility and the wage gap between genders in Italy, demonstrating that mobility explained 30% of men's wage growth but only 8.3%

of that for women. Much of this gap was due to differences in the returns from voluntary job moves.

21. Pratik Mukesh Mehta's (2012) study, "The Factors Driving Employee Salaries: Determining Their Weights Across Industries," studies the relationship of salary with other nonmonetary factors and job satisfaction. The study reveals that salary has no association with job satisfaction, but six non-monetary factors have a significant influence on job satisfaction, with five being significant at the 1% level. Furthermore, the research concluded that benefits are normally inversely related to salaries; whereas work hours should also raise salaries if they are lengthy. It discussed implications for employers and employees along with the research limitations, highlighting opportunities for further inquiry in employees' well-being and management effects

22. Pok Fu Lam (2012) his paper, "The Relationship between External Employment mobility and Salary Attainment Across Career Stages," examines how employment mobility influences income at different stages of the career. It is based on Hong Kong and the U. S. data; high mobility is favorable for early career professionals, yielding higher salaries, while it has a negative association with income at mid-career stages. Interestingly, mobility has a positive relationship with income among late-career professionals. Finally, suggestions for future research on employment mobility are presented in the conclusion.

23. Kim et al. (2013) investigate the impact of employment mobility on the growth of wages within Korea, using the Korean Youth Panel dataset. It follows a set of individuals from graduation time until when they enter and advance in the labor market. What this study found is that factors such as tenure, experience, and background of study enhance wage growth positively with education playing a more significant role than either tenure or experience. However, high employment mobility among the young workers in Korea relates to lower wages, since the Korean concept of employment mobility more often points out bad qualities than a prospect for improvement in productivity. The studies suggest that there is an interactive relation between Employment mobility and wages; these studies will help explain employment mobility and income growth in Bangalore.

24. Gius (2014) studied the impact of industry and occupation-specific mobility on wages. Retaining relevant skills through intra-industry or occupation moves led to positive wage outcomes, whereas broader changes often resulted in earnings declines.

25. Liu (2015) investigate "Employment mobility and Wage Risk" and conclude that employment mobility helps to cushion shocks in the labor market. Using 1996 data from the SIPP, the study uncovers highly significant match-level wage shocks, so actual wage risk is three times the variance after mobility and how it has reduced wage volatility and increased salary growth .

26. Camp (n.d.)(2015) examined employment mobility among US college graduates, with some complex effects on labor market results, including unemployment duration and overeducation. The study brought out the fact that a positive correlation existed between mobility for employment reasons and more limited unemployment durations after a recession but showed mixed trends in wage outcome.

27. Danninger (n.d.)( June 2016 ) investigated the impact of structural changes in labor markets on wage growth and employment mobility. The study revealed lower job turnover rates and slower labor market recoveries, especially after 2008. These trends reflect tensions in the flexibility of labor markets, with spillovers for wage growth among younger workers

28. Bosler and Petrosky-Nadeau (2016) observe a significant decline in job-to-job transitions in the U. S. labor market over the past two decades, particularly among the younger workers aged 16 to 24. In contrast, mobility for workers aged 25 and older has been stable. They consider employment mobility as an important component of economic opportunity, which opens up opportunities for better wages, better working conditions, and career advancement. This, in turn has raised concerns about the reduction in labor market dynamism. It is worth knowing for understanding the dynamics of employment mobility and their significance to income growth between young professionals in Bangalore.

29. Forsythe (2018) analyzed occupational mobility and wage trends in a declining U.S. labor market dynamism. The findings suggest that, although the rate of wage growth significantly dropped in the early 2000s, it did improve after 2012, indicating the changing relevance of occupational mobility for the young.

30. Panda and Mishra (2018) examined temporary labor migration and found such factors as labor contractors, social networks, and inter-generational mobility. The results of this study advanced the knowledge on processes of migration and wage effects for seasonal workers.

31. Ejermo and Schubert (2018) analyzed Swedish inventors and found that increased wages reduce mobility because the opportunity cost of changing a job increases. The impact of wages on mobility was more complex for high performers, such as star inventors.

32. An OECD study (2018) looks into employment mobility's effect on wage growth and worker reallocation in Norway and the United States, making use of employer-employee data. It brings to the fore four main findings: while Norway features lower overall employment mobility, workers churn between low-wage and high-wage firms at a rate almost as high as in the U. S. Job reallocation is counter-cyclical in Norway; in the U. S. it is pro-cyclical. High wage firms, of course, do not hire the workers when economy is experiencing an economic slowdown. The effect is greater on the high skilled labor in Norway compared to low skilled labor in the U. S. Further, the decline in wage growth can be traced back to on the job wage increase rather than lower job reallocation. All this is significant to understand wage dynamics and job reallocation for the young worker population in Bangalore.

33. John Ldama and Mohammed Nasiru(2020) examine the impacts of salary increases on employee performance in Adamawa State University, Mubi. It was found out that low wage affects the worker, causing dissatisfaction, de-motivation, and institutional poor performance. Examining 269 staff, the study showed the existence of very significant positive relationships between increases in salary and workers' efficiency, cooperation, and innovativeness (r = 0. 778, 0. 565, 0. 865, P < 0. 05). Increased wages encourage innovation and performance. The study recommends a salary structure change and more decision-making authority for employees.

34. Shahen et al. (2020) studied wage mobility between sectors in Egypt, citing persisting wage premia in the public sector and substantial losses at transition to the informal sector. These results again underline the difficulties of getting towards economic stability in the context of developing economies.

36. Deng et al. (2022) studied how various types of mobility may affect earnings. The mobility of people geographically was positively related to wage expectations; on the other hand, mobility of industry or occupational nature often led to lower expected earnings.

37. According to Yankow (2022), the analysis of data from the National Longitudinal Survey of Youth 1997 reveals that moderate Employment mobility early in a career and then lower mobility will increase wage growth more than either immobility or job churning. Contrary

to the earlier studies that suggest that immobility brings about the highest wages, it instead indicates the role of strategic employment mobility early in the career stages.

38. Hadira Thumaninah Jibril (2023) study, Determination of the Causes of Employment mobility in Employment, identified seven key factors influencing Employment mobility in Makassar City's informal sector: economic conditions, labor quality, information technology proficiency, working hours, family influences, employment status, and distance. While maintaining the focus on the economic drivers, like salary dissatisfaction and employment instability, the findings point towards these factors as being of extreme importance, in accordance with this particular research on income growth being a factor of employment mobility among young employees in Bangalore. Further, the specific notions of work-life balance and digital competencies demonstrate equivalent trends within Bangalore's tech-savvy workforce, reflecting the importance of relatively accommodating work arrangements and skill-building in career change transitions.

Collectively, these studies highlight the two-way relationship between employment mobility and income growth and give valuable insights into career dynamics and economic outcomes for young employees.

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# CHAPTER – III

# Profile of the study area

## 3.1 Introduction

The Karnataka state capital Bangalore is now the vanguard of Indian technology and innovation, achieving "Silicon Valley of India" status. Bangalore is also significant in its ability to dictate national employment, mostly in IT, finance, entrepreneurship, and freelance economies. Bangalore is pulling professional youth looking to advance careers with better wages and worklife benefits as the nation's economy speeds up and more jobs get generated. This chapter provides an overview of Karnataka's economic and employment trends, with Bangalore being the central focus as a point of job mobility and income augmentation. The research explores prominent drivers of employment change, such as salary requirements, career growth opportunities, freelancing, and blended work models. It further looks at government programs, like local employment quotas and Global Capability Centers (GCC) incentives, that are shaping Bangalore's labor market.

The chapter also delves into employment trends in the post-pandemic era, how work-from-home and hybrid work, digitalization, and the rise of gig-based jobs have impacted career mobility. Government statistics provide numerical evidence to support Bangalore's high per capita income, increased labor participation, and favorable employment market conditions. The research evaluates the role of upskilling, networking, and the startup ecosystem in promoting career mobility and wage progress. By examining sector-specific trends in IT, finance, and creative services, this chapter positions Bangalore as a thriving job hub, providing important insights into the determinants that drive job shifts and salary increases among India's urban youth.

### 3.2 Overview of Karnataka

Karnataka in the southwestern part of India is one of its largest and most economically important states. It spreads over 191,791 square kilometers, thereby being the country's sixth largest state by territorial area. With a population of about 68.4 million (Census 2011, which could go beyond 72 million as of 2024), Karnataka is a lead player in the industrial, agrarian, and technological sectors in India.

**1. Geopolitical Importance**

It has its frontiers with Maharashtra (North), Goa (Northwest), Kerala (Southwest), Tamil Nadu (Southeast), and Andhra Pradesh (East).

It comprises 31 districts, each playing a distinct role in its socio-economic landscape.

The capital city of the state, Bengaluru, is India's top technology center and commonly known as the "Silicon Valley of India."

**2. Natural Resources and Geographic Features**

The topography of Karnataka is very varied, consisting of four broad geographic areas:

**(a) Coastal Plains**

The 320 km coastline of Karnataka on the Arabian Sea is most vital for sea trade.

Major agricultural crops: Coconut, areca nut, and paddy cultivation are prevalent because of fertile soil.

Fisheries & Ports: Mangalore, Karwar, and Belekeri ports are located in the coastal belt and hence it is an important trade center. Karnataka contributes 6.3% of India's total fish production (Department of Fisheries, Government of Karnataka).

**(b) Western Ghats (UNESCO World Heritage Site)**

Stretching 38,720 sq km in extent, the Western Ghats are highly bio-diverse and contribute significantly to water conservation and climate control.

Important rivers rising from these mountains are:

Kali River (Uttara Kannada)

Sharavathi River (Shivamogga, for hydroelectric purposes)

Netravati River (Dakshina Kannada)

The state has a few sanctuaries and national parks, such as Bandipur, Nagarhole, and Kudremukh National Parks.

**(c) Malnad Region**

This hill region is the largest coffee-growing region in India, with Chikkamagaluru and Kodagu (Coorg) producing more than 70% of Karnataka's coffee production (Coffee Board of India). Karnataka is the largest spice-producing state in India, with major crops being black pepper, cardamom, and cinnamon.

**(d) Deccan Plateau**

The Deccan Plateau occupies almost two-thirds of Karnataka and is the largest geographical area in the state.

Key farm produce: The region's black soil can be used for growing cotton, millet, pulses, and oilseeds.

Industrial Centres: Top-tier cities of the region are:

Bengaluru (Startups & IT)

Mysuru (Industry & Tourism)

Hubballi-Dharwad (Industry & Trade)

Ballari (Steel and Iron Industry)

**3. Economic Overview**

The economic profile of Karnataka has been steadily good for years. The Economic Survey of Karnataka 2022-23 estimates the Gross State Domestic Product (GSDP) at current prices to be ₹22. 41 lakh crore for the fiscal year 2022-23, a growth rate of 14. 2 percent over the last financial year. Per capita income has increased from ₹2,65,623 in 2021-22 to ₹3,01,673 during the same period, thus indicating Karnataka's continued economic development. The state is among the top performers of India in terms of per capita income and industrial development (Planning, Programme Monitoring & Statistics Department, Government of Karnataka, 2023).

**4. Sectoral Contribution to GSDP**

Karnataka's economy has an optimal contribution of its agriculture, industries, and service sectors.

- Agriculture Industry Service

The agricultural sector accounts for about 15% of Karnataka's GSDP and provides significant employment, especially in rural areas. The state is well known for its cash crop production, particularly coffee, which constitutes around 70% of India's total coffee output. Karnataka also leads in silk and spice production, significantly contributing to the national supply of these goods. Major agricultural products include ragi, maize, and millets, which support both food security and export markets.

- Industry

  The industrial sector accounts for nearly 24% of the state's economy. Karnataka has emerged as a hub for automobile manufacturing, machine tools, aerospace, and biotechnology. Bengaluru is home to various industrial estates and special economic zones (SEZs), hosting numerous national and multinational firms. The Peenya Industrial Area, one of Asia's largest industrial hubs, exemplifies the state's strong industrial foundation.

- Services

  The services sector dominates the economic landscape, accounting for about 61% of Karnataka's GSDP. The key sectors are information technology (IT), biotechnology, financial services, real estate, and tourism. Bengaluru, the state capital, is globally acknowledged as the "Silicon Valley of India" due to its flourishing IT ecosystem, with companies like Infosys, Wipro, and many multinational IT firms headquartered or having significant offices in the city.

**5. Workforce composition**

The 2011 Census states that Karnataka has a literacy rate of 75. 36%, with a large segment of its population holding technical and professional qualifications. Bengaluru, in particular, has become a hub for talent in the IT and biotechnology sectors, drawing skilled professionals from all over India. The city's diverse environment and economic prospects have made it appealing to young professionals in pursuit of career advancement.

Karnataka's large share of IT professionals, engineers, and research scientists constitute the work force. The establishment of quality focus on education and skill building has been one of the positive innovations created in developing this reservoir of talent. Educational institutions such as Indian Institute of Science (IISc), Indian Institute of Management Bangalore (IIMB), and engineering colleges of great repute add to the human capital of Karnataka.

**6. Employment Mobility and Income Growth in Bengaluru**

The city of Bengaluru has a vibrant job market, especially in the IT, biotechnology, and financial services sectors, offering numerous opportunities for young professionals. Its cosmopolitan

environment and economic dynamism have drawn people from different regions, leading to a diverse workforce.

This influx of talent and competitive landscape has created considerable employment mobility among young workers. Professionals often change roles and companies in pursuit of better pay, work-life balance, and career growth . A survey by TeamLease Services reveals that Bengaluru has one of the highest job-switching rates among Indian metro cities, especially among IT and financial services professionals.

**7. Government Policies and Their Impact**

- Local Employment Mandate:

  In 2024, the Karnataka state government passed a bill that mandates companies to reserve 50%70% of jobs for local residents, with the aim of reducing unemployment in the local community (Reuters, 2024). This policy is expected to influence employment trends in Bengaluru by potentially changing job opportunities for both local and migrant young professionals.

- Global Capability Centers (GCCs) Policy:

  Karnataka's draft policy looks to raise the number of global capability centers to 1,000 and generate 350,000 jobs by 2029. The government will offer incentives such as rent reimbursements, patent fee subsidies, and electricity duty exemptions depending on the number of jobs created. The aim is to generate $50 billion in economic output through these centers, which have developed to support various functions for global firms (Reuters, 2024).

- Startup Ecosystem:

  Bengaluru is at the forefront of India's startup ecosystem, promoting entrepreneurship and innovation. The Karnataka Startup Policy offers support to emerging entrepreneurs, influencing employment generation and mobility among young workers.

- Skill Development Initiatives:
  The state has initiated several programs that aim to enhance the employability of youth. The Karnataka Skill Development Corporation (KSDC) offers training in IT, manufacturing, and biotechnology, among other fields.

**8. Implications for Employment Mobility and Income Growth**

The changing job market in Bengaluru, influenced by government policies and economic initiatives, offers both opportunities and challenges for young professionals. While the presence of varied job roles and competitive salaries encourages upward mobility and income growth , policies focused on local employment may require migrant professionals to enhance their skills to stay competitive.

Understanding these employment trends and their relation to income growth is very important for policymakers, businesses, and researchers. This is because an analysis of factors that influence employment mobility and salary advancement will enable stakeholders to design strategies for sustainable economic development and fair opportunities for young professionals.

## 3.3 Bengaluru: Study Area for Research

### 1. Economic Significance

Bengaluru is the capital of Karnataka and one of the fastest-growing cities in Asia. Known as the "Silicon Valley of India," it is one of the country's most important cities in terms of technological and digital economy. The strategic importance is also underscored by its sizeable contribution to Karnataka's Gross State Domestic Product (GSDP). According to the Karnataka Economic Survey 2022-23, the Bengaluru Urban district accounts for nearly one-third of the state's GDP, thereby underlining its importance in driving economic growth .

The city's economic landscape is bolstered by a variety of sectors, creating a vibrant environment for employment mobility and career growth :

a) **Information Technology and Software Services**: It houses large IT companies in Bengaluru city such as Infosys and Wipro, aside from thousands of international tech-based firms, hence employing directly to the tune of 1. 5 million professionals.

b) **Biotechnology and Research and Development**: It has shaped itself into one of the hot biotechnology zones having leading institutes for research activities, and organizations such as Biocon.

c) **Startups and Entrepreneurship**: Bengaluru leads the pack with over 11,000 startups as per the NASSCOM Report 2023. The city encourages innovation and entrepreneurial activities.

d) **Manufacturing:** Several large manufacturing units are present in the Peenya and Electronic City industrial complexes, making it a diversified workforce.

**2. Demographic Profile a) Population Overview**

According to the 2011 Census, Bengaluru Urban District has a population of 9,621,551, making it the most populous district in Karnataka and the third most populous in India. The district covers an area of 2,196 square kilometers, resulting in a population density of approximately 4,381 individuals per square kilometer.

bengaluruurban.nic.in

**Key Statistics: (Table 3.1)**

| | |
|---|---|
| Total Population | 9,621,551 |
| Male | 5,022,661 |
| Female | 4,598,890 |
| Urban Population | 8,749,944 (90. 94%) |
| Rural Population | 871,607 (9. 06%) |
| Sex Ratio | 916 females per 1,000 males |
| Child Population (0-6 years) | 1,052,837 |
| Child Sex Ratio | 944 females per 1,000 males |

Source: bengaluruurban.nic.in

The district has experienced a decadal population growth of 47. 18%, highlighting its rapid urban development and appeal as a residential and commercial center. **b) Literacy and Education**

Bengaluru Urban District has a literacy rate of 87. 67%, which tells about the focus on education and knowledge sectors.

**(Table 3.2)**

| | |
|---|---|
| Total Literacy Rate | 87. 67% |
| Male Literacy Rate | 91. 01% |
| Female Literacy Rate | 83. 74% |

Source: bengaluruurban.nic.in

The literacy rate in the urban areas of the district is 88. 61%, with male literacy at 91. 66% and female literacy at 85. 27%. On the other hand, the rural areas have a literacy rate of 78. 21%, with male literacy at 84. 54% and female literacy at 70. 92%.

bengaluruurban.nic.in

The presence of institutions like the Indian Institute of Science (IISc) and the Indian Institute of Management Bangalore (IIMB) further enhances the educational environment in the district. **c) Workforce Composition and Economic Sectors**

Bengaluru's workforce is predominantly engaged in various sectors, contributing significantly to its economic prowess. **Occupational Distribution:** **Total Workers:** 3,998,286 **Main Workers:** 3,998,286

**Sectoral Employment in Factories: (Table 3.3)**

| Sector | Number of Factories | Male Workers | Female Workers |
|---|---|---|---|
| Readymade Garments | 840 | 97,976 | 309,059 |
| Textiles | 110 | 3,747 | 2,687 |
| Chemical | 186 | 6,512 | 1,465 |
| Engineering | 1,210 | 58,424 | 12,172 |
| Others | 5,421 | 316,048 | 96,967 |

Source: bengaluruurban.nic.in

The dominance of the readymade garments sector, especially in female employment, is noteworthy. Additionally, the engineering sector employs a substantial number of male workers. bengaluruurban.nic.in

**d) Migration and Cultural Diversity**

The growth of Bengaluru is very largely influenced by migration, both from the country and from other countries.

**In-Migration**

**Domestic:** The city attracts a host of professionals from different Indian states including Tamil Nadu, Andhra Pradesh, Kerala, Maharashtra, and Uttar Pradesh, as the IT and service sectors expand.

**International:** An increasing expatriate community adds to the city's cosmopolitan culture. This influx has enhanced Bengaluru's cultural tapestry, transforming it into a melting pot of languages, cuisines, and traditions.

**e) Gender Dynamics**

Sex ratio of the district is 916 females for every 1,000 males, which is less than the national average.

**Child Sex Ratio (0-6 years):** 944 females per 1,000 males

Ongoing efforts include gender balancing and increasing female participation in areas with low female representation.

**f) Urbanization and Infrastructure**

With 90. 94% of its population residing in urban areas, Bengaluru Urban District is one of the most urbanized regions in India.

**Urban Infrastructure:**

- **Housing:** High-rise apartments, gated communities, and traditional homes are all available to meet the needs of different population groups.
- **Transportation:** Though Bengaluru faces issues such as traffic congestion, projects like Namma Metro are in place to enhance urban mobility.

- **Utilities**: Current efforts include improving water supply, sewage systems, and electricity distribution to serve the increasing population.

**3. Income growth and Employment mobility Trends in Bengaluru**

Bengaluru is the hub for both technology, finance, and the creative industries; it has the most competitive job market. Changes in the nature of employment across the city happen due to rapidly changing technologies, a thriving start-up culture, and changing forms of work arrangements, all these factors have impacts on income growth and employment mobility trends .

**A) Factors Determining Employment mobility a. Value Increment through Job Switching**

Professionals in fields like technology, finance, and consulting often enjoy significant salary bumps when switching jobs. The average salary increment for job switchers in Bengaluru is between 15% to 25% compared to the national average of around 8% to 12%. Professionals in specialized fields such as AI, machine learning, cybersecurity, and blockchain often enjoy increases greater than 30% due to talent shortages.

**b. Career Advancement Opportunities**

The city boasts a vibrant startup ecosystem with over 12,000 registered startups, offering the professional a multitude of roles and responsibilities. Innovative companies open the door to speedy skill development and career advancement opportunities. Large technology firms like Google, Microsoft, and Amazon operate in Bengaluru with large scale operations, giving a competitive pay and international experience

. **c. Hybrid and Remote Work Models**

Post-pandemic work trends have changed the nature of employment mobility. Hybrid and fully remote jobs have opened up opportunities for professionals to seek job opportunities without the need to relocate. Companies that offer flexible work arrangements attract top talent and have lower turnover rates.

**d. Job Dissatisfaction**

Workplace Culture: Poor management practices, lack of inclusivity, and burnout are significant contributors to job dissatisfaction.

Limited Growth Opportunities: Stagnant roles without specific career paths send professionals searching elsewhere.

Compensation Misalignment: Salary inequities, even when compared against peers in the same organization or industry, leads to job switches.

**B) Industry-Wise Trends**

- **Technology Sector:**

  There is a huge demand for software engineers, cloud architects, data scientists, and cybersecurity experts.

  Job hopping is very common due to the attractive offers and skill requirements.

- **Finance and Fintech:**

  Investment bankers, risk managers, and financial analysts are job hoppers due to better compensation packages and global opportunities.

  Fintech companies are offering competitive salaries to attract talent from traditional financial institutions.

- **Creative and Marketing Industries:**

  Digital marketing specialists, UI/UX designers, and content strategists often switch jobs as companies compete for the best creative talent.

**C) Growth in Salary**

**Early Career Professionals (0-5 years):**

Usually get 20% to 30% pay rise when they change jobs, especially in the high-demand technical areas.

**Mid-Level Professionals (5-10 years):**

15% to 25% increases, but leadership positions pay even more for their services.

**Senior-Level Executives:**

Salary increases are more performance and negotiation-driven, 10% to 20% depending on the strategic value that is brought to organizations.

**D) Emerging Trends in Employment mobility**

**Upskilling and Reskilling:** Professionals who are constantly upskilling and reskilling, especially in emerging technologies, will be more likely to get the high-paying jobs.

**Global Talent Demand:** The professionals from Bengaluru are in high demand globally for international assignments due to their technical skills and problem-solving abilities.

**Freelance and gig economy:** These are more on the increase, where professional people opt for freelancing as it guarantees them flexibility with adjustable incomes.

**E) Growth of Salary**

**Fresh Career Professionals (0-5 years**):

Generally, their salaries increase 20-30% when they shift to a new job, especially for highdemand technical fields.

**Mid-Level Professionals (5-10 years):**

15% to 25% increase in salary; leadership positions yield higher compensations **Senior-Level Executives:**

Salary hikes are more performance and negotiation-driven, between 10% and 20% based on the strategic value added to organizations.

**F) Emerging Trends in Employment mobility**

**Upskilling and Reskilling:** Professionals who constantly upgrade their skills, especially in emerging technologies, are more likely to get into high-paying jobs.

**Global Talent Demand:** Bengaluru professionals are increasingly being tapped for international assignments due to their technical skills and problem-solving capabilities.

Increasing levels of freelancing and gig economy; professionals entering freelance contracts because they provide higher flexibility and mixed sources of incomes.

**4. Relevance of Bengaluru to the Study**

Several key factors highlighting the importance of Bengaluru as a focal point for the study titled "Employment Mobility and Income Growth Among Young Employees in Bengaluru: A Correlation Study" supported by data from government sources include the following:

**a) Dynamic Job Market**

Labor Force Participation Rate (LFPR): The LFPR in Karnataka was not witnessed to increase significantly among those over 15 years by the count of 51. 2% for the year 2018-19 and 56. 9% for the year 2020-21.

Service Sector Growth : Bengaluru Urban District, from FY12 to FY19, had an average GVA growth rate of 10. 6% in the services sector. The growth has clearly reflected the city's crucial role in propelling the state's economy. b) **High-skilled, Young Workforce**

Demographic Advantage: Bengaluru's workforce is significantly young, with an important share within the 25–35 age range that boasts high employment mobility.

Educational Institutions: The city has some of the best institutions like Indian Institute of Science (IISc) and other engineering and management colleges, which throw up a highly skilled talent pool every year.

**c) Industry Diversity**

IT: Bengaluru is one of the strong hubs to India's IT sector, making a substantial contribution to the software export in India.

Finance and Startups: This city has been hosting a higher number of financial institutions and startups that create more job avenues in the city. **d) Evolving Work Trends Post-Pandemic**

Remote and Hybrid Work Models: The shift to remote work during the pandemic has resulted in the enduring hybrid work practices of Bengaluru, affecting the employment mobility and income growth trends.

Expansion of the Gig Economy: The city has seen a rise in gig and platform-based work models, offering new income opportunities across several sectors.

des.karnataka.gov.in

**Unemployment Rate**: Karnataka's urban unemployment rate was around 5. 3 percent. This means that the employment scenario for the state remained relatively stable compared to national levels.

e) **IT and Startup Ecosystem Contributions**

**IT Dominant Sector:** Bangalore is also one of India's major software exporters and its hub for information technology.

**Startup Ecosystem**: The city is home to an increasing number of financial institutions and des.karnataka.gov.in

**5. Statistical Snapshot Source: Economic Survey Karnataka 2022-23 and NASSCOM Reports 1. Population and Workforce Demographics**

- **Population Size:** According to the 2011 Census, the population in the Bengaluru Urban District was around 9. 6 million. The city has grown at a fast pace, and the latest estimates are more than 13 million.
- **Age Distribution:** This is a relatively large working age group in the population of Bengaluru, majorly between the ages of 25 and 35 years which is in agreement with the youthfulness of Bengaluru's labor force.

**2. Employment and Unemployment Rates**

- **Labor Force Participation Rate (LFPR**): There has been an increase in the LFPR from 15 and above years across Karnataka. LFPR increased to 56. 9% in 2020-21 from 51. 2% in 2018-19.
- **Unemployment Rate:** Karnataka's urban unemployment rate was at about 5. 3 percent. It indicates that the employment scenario of the state had remained more or less stable when compared to the national level.

**3. Contribution of IT and Startup Ecosystem**

- **IT Dominant Sector:** Bangalore is one of India's major software exporting cities and is also the IT hub of India.
- **Startup Ecosystem:** There are many more financial institutions and startups found here, thus making a lot of employment opportunities for people.

**□ Career Mobility and Earnings Trends**

- Career advancement or job switching earnings increase by 12% to 20%, which reveals a competitive career opportunity in Bengaluru's IT sectors.
- **The future of work dynamics**: It had changed so profoundly with remote or hybrid models as most of the companies have come to be accommodative for their employees and hence, a different pattern for the mobility of careers in Bengaluru.

**5. Economic Growth and In-Migration**

**Gross Value Added (GVA):** Since FY12 to FY19, Bengaluru Urban District has surpassed Karnataka with an average GVA growth rate in services sector at 10. 6% that reflects its economic power.

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**In-Migration Trends**: The increasing number of jobs in the city attracts the professional class from all over the country, thereby aiding it to strengthen a multicultural and competitive workforce.

- Population (Bengaluru Urban): ~13 million
- Unemployment Rate (Urban Karnataka): ~5. 3%
- Employment Contribution: 38% of the overall IT workforce of India
- Start-up Count: More than 11,000; Bengaluru contributes almost 40% of the unicorns of IndiaThis detailed profile highlights Bengaluru's significance as an emerging employment center, which further provides a suitable backdrop to study employment mobility and wage progression of young professionals. Results from this research are expected to throw light valuable to both academia and corporate consultants alike.

**6. Detailed Analysis of Employment Mobility A) Pattern of Employment mobility**

- **Dynamic Workforce Mobility:** Bengaluru's rapid economic growth and diversified industrial base, especially in IT and the startup sector, has made Employment mobility a norm of life. Young professionals between 25 and 35 are changing jobs frequently as they seek variety and experience in their careers.
- **Post-Pandemic Trends**: The shift to work-from-home and hybrid models accelerated during the COVID-19 pandemic and will only continue to influence employment mobility trends in the city.

**B) Influencers of Employment mobility**

- **Higher Packages:** The most significant influencer of Employment mobility is the higher salary packages. For instance, in the IT industry, employment mobilityrs receive major pay upgrades from their previous employers when they join new companies.

- **Upskilling Opportunities:** The key driver of employment mobility is the desire for positions that advance upskilling opportunities in emerging technologies such as artificial intelligence, cloud computing, and fintech.
- **Work Culture**: Work cultures that center on working for the well-being of employees, their professional growth, and inclusive practices help retain the best talent.
- **Location and Flexibility:** Growth in remote work has also de-emphasized the importance of physical locations for office work, allowing professionals to look for opportunities without geographical constraints.

**C) Analysis of Income Growth**

Bengaluru has an extremely competitive market for jobs, thus salaries increase quite significantly when one changes a job. It is thus an excellent example to see the income growth trend.

- **IT Sector:** Tech professionals are widely in demand in the city, thus generally, their salaries significantly rise with the change in job.
- **Startup Industry:** Typically, performance-based bonuses and equity options are the hallmark of rapidly growing startups as an attractive package for acquiring and retaining high-value talent.
- **Finance Industry:** Though this sector traditionally provided for relatively conservative increases in salaries, fintech jobs have lately brought in competitive pay packages into Bengaluru.

**D) Statistical analysis in government sources**

- **Economic Growth:** Karnataka has achieved an average annual growth rate of 6. 8%, and a per capita income of ₹2,12,477 has positioned it at the seventh rank in the country.
- **Labour Force Participation Rate (LFPR):** The LFPR for the state has increased from 51. 2% during 2018-19 to 56. 9% during 2020-21, which reflects an expanding active workforce.
- **Formal Employment:** EPFO data indicates that Karnataka has 10% of formal employment in India and 8. 8% of the national Gross Value Added (GVA).

**E) Post-Pandemic Trends in Employment in Bengaluru**

The post-pandemic era has marked a tremendous transformation for Bengaluru's job market, both from the emerging work models, innovations in technologies, and shifting market conditions.

**Distributed and hybrid work models**

During the COVID-19 pandemic, remote work was adopted at an almost mass scale. The Karnataka Economic Survey 2022-23 finds that over 45% of Bengaluru's IT/ITES companies are

still operating in a hybrid mode. Transitioning in such a significant manner has marred employee expectations, leading them to view flexibility as one of their important requirements while seeking jobs.

**The Rise of the Gig Economy**

Flexible hiring models, including freelance, contract-based, and platform-driven employment, are growing as businesses increasingly opt for such models. For instance, after the pandemic, Swiggy, Ola, and Upwork registered a 20% increase in gig worker registration (Labour Department of Karnataka).

**Accelerated Digital Transformation**

The pandemic accelerated the growth of digital technologies and increased the demand for AI, cloud computing, data analytics, and cybersecurity positions. Other governmental initiatives that have been significant in promoting employment through tech mean concepts include the Karnataka Innovation and Technology Society, abbreviated as KITS.

## 7. Policy Implications on Employment Dynamics A) Local employment mandate

Karnataka state government has come up with a policy requiring local populations to take 50% to 70% of all job assignments by companies, especially in jobs that don't require deep specialization so that it can accelerate the hiring of locals and support more balanced growth ," said the Department of Industries and Commerce, Karnataka.

**B) Global Capability Centers Policy**

Bengaluru is a place where there are currently 500 GCCs. The state government has a plan to make Bengaluru achieve 1,000 GCCs by 2029. GCC Policy 2022 provides incentives in the form of rent reimbursement, patent fee subsidies, and talent development programs for encouraging investment and creating 350,000 new jobs.

## 8. Expanding Factors on Income growth and Job Dynamics in Bengaluru A) Educational Attainment and Skill Levels

**Highly Educated Workforce:** Bengaluru has a large number of professionals with postgraduate degrees in technology, finance, and management.

- **Skilled talent development:** Upskilling and reskilling have been more established in this city, in both governmental initiatives and private ones.

- **Government Initiatives:** Training programs, such as KSDC and the Skill India Mission, have provided skills in areas like cloud computing, machine learning, AI, and cybersecurity (KSDC).
- **Emerging Certifications:** The certifications by global platforms like Coursera and edX, and the local tech institutes have become popular in a more significant manner than before. Such certifications increase the employability of candidates as well as salary.

**B) Role of Professional Networking  Formal Networking Platforms**

LinkedIn usage has witnessed a surge amongst professionals in Bengaluru to hunt for jobs or recruit people. According to the LinkedIn India Insights report of 2023, Bengaluru features as one of the top cities for professional and technical activities, connections, etc.

**Informal Networks:**

Communities such as Headstart, NASSCOM circles and sector-specific meetups bring together talent and new job opportunities.

**C) Innovation and employment creation through start-ups**

- **Vibrant Startup Ecosystem:** From the data available, as of 2023, over 11,000 startups are present in Bengaluru, accounting for about 40% of India's unicorns (Startup India Hub). Fintech, healthtech, edtech, and clean energy are the flourishing sectors.
- Equity-Based Compensation: Startups often attract fresh talent by issuing stock options as well as providing performance-related incentives.
- **Career Advancement**: There is much to learn and gain exposure to in dynamic work environments, and hence employees advance up the ranks more quickly than in the traditional corporate setting.
- **Government Facilitation:** Karnataka Startup Policy 2022-27 aims to facilitate the ecosystem through grants, incubation centers, and tax incentives (Invest Karnataka).

# CHAPTER IV

# Analysis

## 4.1 Introduction

This chapter reports an economic investigation of labour mobility and income increases amongst youth professionals in Bangalore. The results are based on statistical tests, such as correlation, regression, ANOVA, t-tests, and logistic regression, to determine the link between career mobility and salary increases, as well as the impacts of demographic attributes and significant drivers of job transitions.

The research is intended to examine the relationship between job mobility and wage increases, assess the roles of age, gender, and education, and determine the major causes of occupational changes, including increased salary aspirations, career progress, job satisfaction, and work-life balance.

In addition, current work patterns like freelancing, hybrid working, and working from home are examined to identify their impact on job mobility and earnings growth. The results provide meaningful insights into what influences career transitions and pay raises, which help professionals, employers, and policymakers make the right choices on career planning, employee retention, and labor policy.

The chapter is structured as follows:

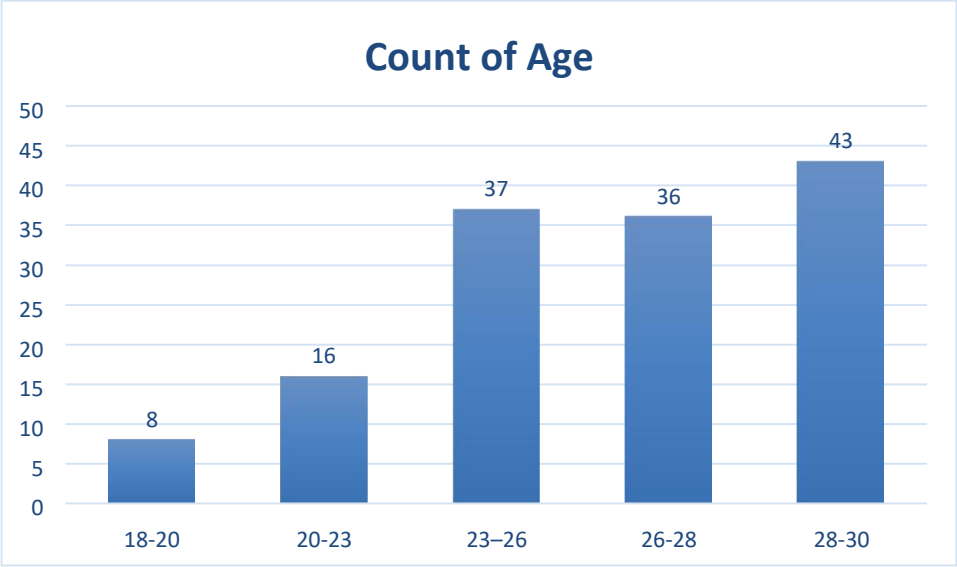
- Demographic Profile of Respondents: Distribution of age, gender, and education.  Statistical Hypothesis Testing: Testing the relationship between job mobility and salary advancement using correlation, regression, and ANOVA tests.
- Key Drivers of Job Mobility: Determining factors such as job dissatisfaction, pay expectations, career advancement, and work-life balance.
- Influence of Contemporary Work Patterns: Evaluating the ways that freelancing, blended work, and distributed work influence labor mobility.

## 4.2 Economic analysis of employment mobility and income growth Table 4.1- Age-wise frequency distribution of sample respondents

| S. No. | Age | Count of Age |
|---|---|---|
| 1 | 18-20 | 8 |
| 2 | 20-23 | 16 |
| 3 | 23–26 | 37 |
| 4 | 26-28 | 36 |
| 5 | 28-30 | 43 |
| **Total** | | 140 |

Source: Primary data

## Fig 4.1- (Same as previous table)




The distribution by age of the respondents shows that the majority of young professionals in Bangalore fall within the age group of 23-30 years (82. 8%), of which the largest category is that of 28-30 years (30. 7%). This suggests that career mobility and salary increases are most relevant for individuals in their late 20s who are more likely to be concerned with career growth and better pay. The 20-23 age range (11. 4%) consists of entry-stage workers looking for career chances,

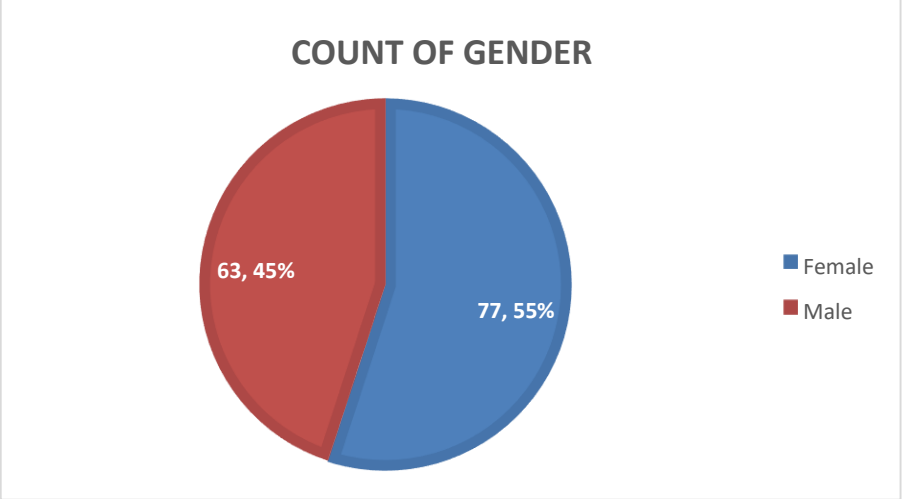
while the 18-20 age range (5. 7%) consists of fresh entrants with little experience in mobility. Since age exhibits a weak statistical relationship with occupation changes, the evidence indicates that career advancement is mainly driven by skill acquisition, market demand, and remuneration expectations and not necessarily by age.

## Table 4.2- Gender-wise frequency distribution of sample respondents

| S. no | Gender | Count of Gender |
|---|---|---|
| 1 | Female | 77 |
| 2 | Male | 63 |
| **Total** | | 140 |

Source: Primary data

## Fig 4.2- (Same as previous table)




Gender-breakdown of the respondents shows a dominance of women (77 respondents, 55%) as compared to men (63 respondents, 45%). This is reflective of the active involvement of women in the labor market and employment mobility. While gender-based pay discrimination and glass ceilings are issues of concern, the closely matched representation of both male and female professionals in the sample indicates that both are equally engaged in career change. Because the

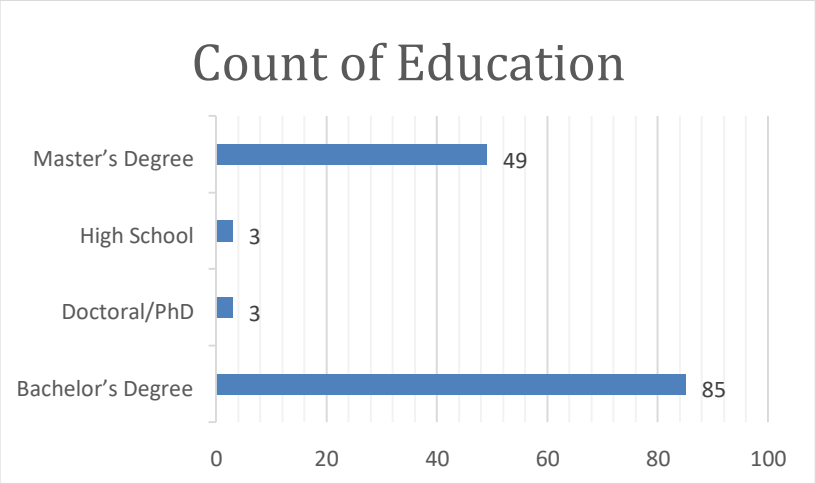
study could not find a gender difference in salary increases, it means that salary advancement depends more on such variables as career position, occupational demand, and acquisition of skills than on gender.

**Table 4.3- Education-wise frequency distribution of sample respondents**

| S. No | Education | Count of Education |
|---|---|---|
| 1 | Bachelor's Degree | 85 |
| 2 | Doctoral/PhD | 3 |
| 3 | High School | 3 |
| 4 | Master's Degree | 49 |
| **Total** | | 140 |

Source: Primary data

**Fig 4.3- (Same as previous table)**




The educationally breakdown of the respondents shows that they are mostly holding a Bachelor's degree (85 respondents, 60. 7%), followed by Master's degree holders (49 respondents, 35%). The group holding PhDs (2. 1%) or holding only a high school degree (2. 1%) is extremely low. This means that tertiary education has a great impact on employment mobility and wage progression since the majority of young professionals in Bangalore hold a Bachelor's degree or higher, making them eligible for good-paying jobs. The research also concluded that increased levels of higher

education have a positive impact on wage rises, which supports the argument that obtaining advanced qualifications, such as a Master's degree, can improve career progression and pay.

## 4.3 Testing hypothesis

## OBJECTIVE 1 - Analyze the correlation between job mobility and income growth for young professionals in Bangalore.

**Null Hypothesis ($H_0$1): Job mobility has no significant impact on salary increases among young professionals in Bangalore.**

**Table 4.4 Correlation Analysis Between Job Mobility and Income Growth**

| | | Employment mobility | Income growth % |
|---|---|---|---|
| Employment mobility | Pearson Correlation | 1 | .355** |
| | Sig. (2-tailed) | | .000 |
| | N | 139 | 139 |
| Income growth % | Pearson Correlation | .355** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 139 | 139 |
| **. Correlation is significant at the 0.01 level (2-tailed). | | | |

The correlation analysis reveals moderate positive correlation (r = 0. 355, p < 0. 01) between income growth and job mobility among young professionals in Bangalore. This indicates that individuals who change jobs at frequent intervals are likely to experience better salary growth . The statistical significance (p = 0. 000) reveals that this relation is unlikely to occur by chance.

Though correlation is not causation, the findings suggest that job mobility could be a strategic factor in career development, which might allow professionals to negotiate higher pay and enhance their economic status. This aligns with the general trend of salary boosts tied to job switches in competitive labor markets.

**Table 4.5 Model Summary of Regression Analysis**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .355[a] | .126 | .120 | 2.034 |
| a. Predictors: (Constant), Employment mobility | | | | |

The model displays a modest positive relationship (R = 0. 355) between career mobility and earnings growth , although career transitions only explain 12. 6% of earnings growth variance ($R^2$ = 0. 126). The standard error (2. 034) indicates significant volatility, so whilst career mobility will have an impact on earnings growth , there is also an important role played by industry, expertise, and experience.

**Table 4.6 ANOVA Test for Regression Model Significance**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 81.850 | 1 | 81.850 | 19.784 | .000[b] |
| | Residual | 566.783 | 137 | 4.137 | | |
| | Total | 648.633 | 138 | | | |
| a. Dependent Variable: Income growth % | | | | | | |
| b. Predictors: (Constant), Employment mobility | | | | | | |

The ANOVA table tests whether the overall significance of the model of regression estimating income growth to depend on changes in jobs is statistically significant. The F-statistic (19. 784, p = 0. 000) shows that the model is significant statistically, i.e., the mobility of a job has an observable impact on salary growth . Yet, the sum of squares remaining (566. 783) is significantly larger than the sum of squares from regression (81. 850), which implies that a high percentage of variation in salary increases remains unexplained, which testifies to the fact that salary progress is also influenced by factors other than changes in jobs.

**Table 4.7 Regression Coefficients for Job Mobility and Income Growth**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| | (Constant) | 26.888 | 2.556 | | 10.520 | .000 |
| | Employment mobility | 3.295 | .741 | .355 | 4.448 | .000 |
| a. Dependent Variable: Income growth % | | | | | | |

The table of coefficients illustrates that Employment mobility has a very strong positive impact on Income growth %. The unstandardized coefficient (B = 3. 295, p = 0. 000) indicates that one more employment mobility is associated with an average salary rise of 3. 295 percentage points. The standardized coefficient (Beta = 0. 355) also reflects a moderate positive relationship. The coefficient (26. 888, p = 0. 000) suggests that even in the absence of employment mobility, the salary increase is 26. 89% on an average. The significance values (p < 0. 01) confirm job mobility as a statistically significant determinant of salary increase.

The results show moderate positive correlation (0. 355, p = 0. 000) between income growth and changes in jobs that suggests frequent changes in jobs relate to greater rises in salary. Regression analysis illustrates that with every additional career change, there is an average salary boost of 3. 3%, though job mobility only explains 12. 6% of income growth variation, highlighting the influence of other determinants like skills, experience, and industry demand. While Employment mobility can boost incomes, too much mobility could lead to stability concerns, pointing to the significance of careful career planning, personal skill acquisition, and in-company advancement opportunities for sustained financial achievement**.**

## OBJECTIVE 2 - Assess the impact of age, gender, and education on job mobility and salary progression.

**Null Hypothesis ($H_0$2): Age, gender, and education do not significantly affect employment mobility and salary advancement.**

**REGRESSION FOR AGE**

**Table 4.8 Regression Model Summary for Age and Job Mobility**

| del | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .093[a] | .009 | .001 | .2592 |
| a. Predictors: (Constant), Age | | | | |

The age regression against job mobility and salary increase also indicates a very weak correlation (R = 0.093). The value of R Square (0.009) signifies that only 0.9% of variation is explained by age, so the effect of age is slight. The Adjusted R Square (0.001) further illustrates that age is not significantly predictive. The standard error (0.2592) indicates great variability in the data, highlighting that variables other than age play a greater role in job mobility and salary progression.

**Table 4.9 ANOVA Test for Age as a Predictor of Job Mobility**

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| | Regression | .080 | 1 | .080 | 1.187 | .278[b] |
| | Residual | 9.201 | 137 | .067 | | |
| | Total | 9.281 | 138 | | | |
| a. Dependent Variable: Employment mobility | | | | | | |
| b. Predictors: (Constant), Age | | | | | | |

The ANOVA outcome confirms that the age model as a regressor predicting occupational changes is statistically insignificant (F = 1.187, p = 0.278). With such a large p-value (>0.05), it indicates that age cannot explain job mobility in any meaningful manner. In addition, the small regression sum of squares (0. 080) compared to the residual sum of squares (9. 201) reiterates that age explains very little of the variability in Employment mobility, even more confirming its weak predictive power.

**Table 4.10 Regression Coefficients for Age and Job Mobility**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | |
|---|---|---|---|---|---|---|
| | B | Std. Error | Beta | | | |
| 1 | (Constant) | 3.626 | .183 | | 19.836 | .000 |
| | Age | -.008 | .007 | -.093 | -1.090 | .278 |
| a. Dependent Variable: Employment mobility | | | | | | |

The coefficients table shows that age does not have a major impact on job mobility (B = -0. 008, p = 0. 278). The negative sign of the coefficient suggests a small decline in Employment mobility with an increase in age, but the large p-value (> 0. 05) indicates that this impact is not statistically significant. The standardized Beta (-0. 093) confirms a very weak inverse relationship. Briefly, age does not play an important role as a predictor of job mobility, which implies other variables affect changes in jobs more than age itself.

**T- TEST FOR GENDER**

**Table 4.11 Group Statistics for Gender and Income Growth**

| | Gender | N | Mn | Std. Deviation | Std. Error Mean |
|---|---|---|---|---|---|
| Income growth | 0 | 5 | 5 | 3.374 | .418 |
| | 1 | 4 | 9.26 | 3.171 | .369 |

The group means of the t-test for gender show that the average percentage change in salary is 39. 15% for group 0 (presumably female) and 39. 26% for group 1 (presumably male). The standard deviations (3. 374 and 3. 171, respectively) suggest similar variability in income growth s across genders. The small difference in means (0. 11%) indicates that gender might not have a significant influence on salary growth , although this needs to be confirmed by the results of the independent samples t-test.

**Table 4.11 Independent Samples t-Test for Gender and Salary Growth**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Mean | | | | |
|---|---|---|---|---|---|---|---|---|
| | | F | | t | df | Sig. (2-tailed) | Mean Difference | Std. Error D |
| Income growth | Equal variances assumed | .301 | .584 | .183 | 37 | .855 | .068 | .369 |
| | Equal variances not assumed | | | .14 | 131.40 | .854 | .068 | .367 |

The t-test findings show that gender does not have a significant impact on salary advancement. Levene's test shows equal variances (p = 0. 584), and the t-test (t = 0. 183, p = 0. 855) shows that the difference in mean income growth between genders (0. 068%) is not statistically significant. Additionally, the 95% confidence interval (-0. 662 to 0. 798) includes zero, further affirming that gender does not have a considerable influence on salary growth. These results suggest that salary advancement is determined by experience, ability, and sector trends and not by gender.

**ONE WAY Table 4.12: One-Way ANOVA for Education Level and Salary Growth**

| Income growth % | | | | | |
|---|---|---|---|---|---|
| | **Sum of Squares** | **df** | **Mean Square** | **F** | **Sig.** |
| **Between Groups** | **160.854** | **3** | **53.618** | **14.840** | **.000** |
| **Within Groups** | **487.779** | **135** | **3.613** | | |
| **Total** | **648.633** | **138** | | | |

The results of one-way ANOVA reveal that education level has a significant impact on salary development (F = 14.840, p = 0.000). The low p-value (< 0.01) ascertains that income growth variation between education groups is statistically meaningful. Between-groups sum of squares (160. 854) shows that the majority of the variation in salary is due to differences in educational levels, but within-groups sum of squares (487. 779) suggests that there is also a variation due to some other factors in salary differences. Further post-hoc analysis must be conducted in order to specify which educational levels significantly influence the growth in salaries.

The evidence suggests that age weakly negatively influences job mobility, meaning that senior professionals are less likely to switch occupations frequently, although the effect is small ($R^2$ = 0. 9%). Gender does not significantly influence salary advancement (p = 0. 855), which means that salary development is more dependent upon occupational factors than gender divisions. On the other hand, education strongly and significantly impacts salary increase (F = 14. 840, p = 0. 000),

indicating that increased levels of education lead to greater salary increments. In conclusion, age and gender have limited influence, while education is an important determinant of salary advancement, which underscores its importance for professional growth .

**OBJECTIVE 3 - . Identify key factors driving Employment mobility.**

**Null Hypothesis ($H_o3$): Job dissatisfaction, career stagnation, work-life balance, and organizational culture do not significantly influence job transitions.**

**Table 4.13: Descriptive Statistics for Employment Mobility and Key Factors**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Employment mobility | 139 | 2.5 | 3.5 | 3.284 | .4129 |
| Higher Salary | 139 | 0 | 1 | .67 | .472 |
| Career Growth | 139 | 0 | 1 | .60 | .491 |
| work Life Balance | 139 | 0 | 1 | .50 | .502 |
| Job Dissatisfaction | 139 | 0 | 1 | .75 | .436 |
| Valid N (listwise) | 139 | | | | |

The descriptive statistics show that the respondents often shift jobs, having a mean value of Employment mobility equal to 3. 284. From the primary driving forces behind the Employment mobility, job dissatisfaction comes out as a major one because 75% of the respondents listed it among the reasons why they changed their jobs. Also, 67% of the respondents changed their jobs for more money, stressing monetary rewards as an important push factor. Career development is also crucial, with 60% of the respondents citing it as a motivation for mobility. Although worklife balance has a lesser role to play, it still contributed to the choices of 50% of the respondents to switch jobs. Overall, job dissatisfaction and salary improvement are the major drivers for career change among young professionals.

**LOGISTIC REGRESION Table 4.14: Omnibus Tests of Model Coefficients for Logistic Regression**

| | | Chi-square | df | Sig. |
|---|---|---|---|---|
| Step 1 | Step | 119.345 | 4 | .000 |
| | Block | 119.345 | 4 | .000 |
| | Model | 119.345 | 4 | .000 |

The Omnibus Tests of Model Coefficients test the significance of the overall logistic regression model. The Chi-square statistic of 119. 345 on 4 degrees of freedom (df) with a p-value of. 000 indicate that the model is significant statistically. This shows that the independent variables (Higher Salary, Career Growth , Work-Life Balance, and Job Dissatisfaction) are useful in predicting Employment mobility, supporting the fact that the model adds to a baseline (null) model without predictors.

**Table 4.15: Classification Table for Logistic Regression Model Accuracy**

| | | | Predicted | | |
|---|---|---|---|---|---|
| | | | Employment mobility | | Percentage Correct |
| | Observed | | 2.5 | 3.5 | |
| Step 1 | Employment mobility | 2.5 | 28 | 2 | 93.3 |
| | | 3.5 | 4 | 105 | 96.3 |
| | Overall Percentage | | | | 95.7 |
| a. The cut value is .500 | | | | | |

The Classification Table evaluates the predictive performance of the model. It shows that the model predicted 93. 3% of cases correctly where Employment mobility = 2. 5 and 96. 3% of cases correctly where Employment mobility = 3. 5. The overall accuracy of the model is 95. 7%, which proves the model's excellent ability to predict Employment mobility from the independent variables. This accuracy level proves that the model has a good ability to distinguish among different levels of job mobility among young professionals.

**Table 4.16: Logistic Regression Coefficients for Predicting Employment Mobility**

| | B | S.E. | Wald | Df | Sig | Exp(B) |
|---|---|---|---|---|---|---|
| Higher Salary | 3.284 | 1.296 | 6.426 | 1 | .011 | 26.690 |
| Career Growth | 21.579 | 3405.609 | .000 | 1 | .995 | 2353105639.526 |
| Work Life Balance | 4.875 | 1.634 | 8.903 | 1 | .003 | 130.983 |
| Job Dissatisfaction | 24.396 | 3405.609 | .000 | 1 | .994 | 39358868621.235 |
| Constant | 25.400 | 3405.609 | .000 | 1 | .994 | .000 |

a. Variable(s) entered on step 1: Higher Salary, Career Growth , Work-Life Balance, Job Dissatisfaction.

The Variables in the Equation table indicates which of the factors determine Employment mobility most. The findings indicate that work-life balance and higher salary significantly determine Employment mobility since their significance values (p-values) are extremely low (0.011 and 0.003), indicating they are statistically significant. Exp(B) values indicate employees are significantly more likely to change jobs when these factors become better. In contrast, Career Growth and Job Dissatisfaction have unreasonably large Exp(B) values with extremely high standard errors, making their estimates unreliable, presumably because of multicollinearity or model convergence problems. This highlights the need for further model refinement to produce more stable estimates.

## OBJECTIVE 4 - Evaluate the impact of modern work trends on job mobility

**Null Hypothesis ($H_0$4): Modern work trends (remote work, freelancing, and hybrid models) have no significant effect on job mobility and salary growth .**

**Table 4.17: Cross-tabulation of Remote Work and Employment Mobility**

| Count | | | |
|---|---|---|---|
| | Employment mobility | | |
| | 2.5 | 3.5 | Total |
| Remote Work | 8 | 128 | 136 |
| | 0 | 3 | 3 |
| Total | 8 | 131 | 139 |

The crosstabulation test reveals that remote work is rare among the respondents with only 3 out of 139 having remote work experience. Notably, all teleworkers had greater job mobility (JobChanges = 3. 5), which suggests a possible relationship between telework and greater Employment mobility. Nevertheless, based on the small sample size of remote workers, this trend cannot be confirmed for sure. The information indicates that remote work could be more flexible and provide new possibilities, with an impact on mobility at work, but additional study with a bigger sample of telecommuters is needed to draw conclusions.

**Table 4.18: Cross-tabulation of Hybrid Work and Employment Mobility**

| Count | | | |
|---|---|---|---|
| | Employment mobility | | |
| | 2.5 | 3.5 | Total |
| Hybrid Work | | 124 | 132 |
| | | 7 | 7 |
| Total | 8 | 131 | 139 |

The crosstabulation analysis indicates that hybrid work is slightly more common than remote work, as 7 out of 139 respondents engaged in a hybrid arrangement. All the hybrid workers reported higher job mobility (Employment mobility = 3. 5), suggesting that hybrid work can be associated with higher job transitions. This may be the result of a higher level of job flexibility, greater exposure to diverse work environments, or being able to pursue a greater diversity of career prospects. Nevertheless, as the proportion of hybrid workers is limited within the sample, more research will be needed to confirm this tendency and understand its broader implications on career mobility.

**Table 4.19: Cross Tabulation of Freelancing and Employment Mobility**

| Count | | | | |
|---|---|---|---|---|
| | | Employment mobility | | |
| | | 2.5 | 3.5 | Total |
| Freelance | | 0 | 16 | 16 |
| | | 8 | 114 | 122 |
| | | 0 | 1 | 1 |
| Total | | 8 | 131 | 139 |

Analysis through crosstabulation shows a significant association between freelancing and labor mobility. In 139 samples, 122 engaged in freelancing, where a vast majority (114) showed increased levels of job switching (Employment mobility = 3.5). This demonstrates that freelancers switch jobs frequently, probably attributed to the flexibility of project contracts and work engagements. On the other hand, the 16 respondents who never freelanced also had high job mobility, which suggests that freelancing is not the sole reason for frequent employment mobility. Nevertheless, the data highlights freelancing as a major contributor to Employment mobility among young professionals.

The results indicate that current work patterns heavily influence job mobility. While the number of remote and hybrid working arrangements is less common, employees in these configurations indicated higher job-changing frequencies, suggesting a link between flexibility and mobility. Freelancers have the strongest association, where 114 of 122 are constantly shifting among jobs, perhaps because the type of project work lends itself to this type of mobility. Yet, there were also changes in jobs that non-freelancers underwent, which demonstrate that different causes influence mobility. In conclusion, flexible work, especially freelancing, is pivotal in job switches among young working professionals.

## 4.4 Discussion

The results provide valuable information on employment mobility patterns and determinants of salary increases among young professionals. The moderate relationship between Employment mobility and salary increases indicates that changing jobs can be financially rewarding but is not the sole determinant of salary increases. Factors like industry trends, negotiation ability, and work experience play a significant role in determining income. This emphasizes the need for professionals to pursue a balanced approach using employment mobility as well as focusing on career planning and skill development.

Age-related patterns in employment mobility accord with prevailing theories in the labor market, in which younger workers prefer varied options, while older professionals prefer stability and long-term rewards. A weak association between age and employment mobility, though, suggests that career choices depend on numerous other factors besides age.

The gender analysis demonstrates that salary increases do not meaningfully vary among male and female workers, which suggests relative gender parity in salary increases in the sample under study. This, however, does not rule out the existence of gender differences in other dimensions of career advancement, such as opportunities for leadership or long-term earnings growth , that could be further investigated.

Education is recognized as a key driver in salary increases, supporting the proven correlation between advanced education and professional achievement. Staff members with higher levels of qualifications generally find higher-paying jobs, highlighting the need for continuous learning and career development.

Regarding job models, the research highlights the shifting patterns of employment models.

Remote work provides job security without compromising salary increases, and as such, it is a desirable option for professionals seeking flexibility. Hybrid arrangements combine career progression and flexibility, but freelancing is the most dynamic work setup, with continuous job hopping and swift skill acquisition. It appears that workers should judiciously analyze their career aspirations and work preferences when choosing between classical employment and freelancing.

# CHAPTER V

# Results, Summary, Conclusion, Recommendation and Scope for future Research

## 5.1 Introduction

The chapter reports the major conclusions of the study, analyzing the connection between career mobility, salary advancement, and modern work patterns among young professionals in Bangalore. The findings, extrapolated from statistical tests like correlation tests, regression analysis, t-tests, ANOVA, and cross-tabulation, provide empirical support on the determinants of career changes and salary increases.

The chapter is divided into a number of sections. The results section deals with the significant findings in relation to job mobility effects on salary development, demographic variables such as age, gender, and education, and the key employment transition drivers (e. g., job dissatisfaction, earnings expectations, career progression, and work-life balance). In addition, the role of contemporary work patterns, i. e., freelancing, hybrid working, and working from home, on job mobility is examined.

The summary captures the key findings from the analysis, and the conclusion translates these insights into the domains of career development, wage trends, and labor market patterns. Young professionals, employers, and policymakers are given recommendations, and strategic guidance for career planning, talent management, and policy responses. The chapter also discusses the limitations of the study and presents areas for future work, such as possible longitudinal studies, comparisons at regional and industry levels, and the impact of new technologies on labor mobility. Lastly, the bibliography provides the references used in the research, ensuring academic rigor and credibility.

## 5.2 Results

The relationship between job mobility and salary progression and how the trends of current work influence working patterns among youthful professionals in Bangalore were investigated through

this study. The results have been derived using statistical tests of correlation, regression analysis, and crosstabs, revealing the key variables driving job transition and salary advancements.

**1. Influence of Job Mobility on Salary Progression**

The results of the analysis demonstrated a medium strong positive relationship between job turnover and salary increases ($r = 0.355$, $p < 0.01$) whereby individuals with more job turnovers receive greater increases in salaries. Only 12.6% of salary variation, however, can be explained by job mobility ($R^2 = 0.126$), so other aspects such as industry conditions, abilities, experience, and employer initiatives probably contribute extensively to salary increase. Although job switching can lead to monetary gains, long-term salary increases depend on skill acquisition, promotions, and networking.

**2. Demographic Impact on Employment mobility**

**Age and Occupational Mobility**: Older professionals are less likely to change occupations, but age was revealed to have a weak and statistically non-significant influence on occupational mobility by the regression analysis. This indicates that even though younger professionals are more likely to search for new professional opportunities, age in itself is not a reliable indicator of job transitions.

Gender and Wage Increase: The t-test findings suggest that there is no statistically significant variation in wage increase between men and women, which means that wage differences based on gender could be negligible in this sample.

**Education and Salary Increase:** The ANOVA test also validated that increased levels of education have a significant impact on salary increase, with higher-educated professionals enjoying higher salary increases. This supports the notion that greater qualifications yield improved employment opportunities as well as monetary compensation.

**3. Significant Drivers of Employment mobility**

Job Dissatisfaction: 75% of the sample respondents cited job dissatisfaction as the reason for seeking a employment mobility, and it was the most significant driver of employment mobility. Higher Salary Hopes: 67% of the sample respondents changed jobs in pursuit of better salaries, a reflection of how pay packages determine career decisions.

Career Development: 60% of the sample identified career advancement prospects as a key driver of employment mobility, which suggests that career development is an important factor driving employment change.

Work-Life Balance: Although less common than other drivers, 50% of the sample took work-life balance into consideration when making job-changing decisions, suggesting that flexibility at work and job satisfaction are equally important for employee retention.

**4. Influence of Contemporary Work Patterns on Employment mobility**

Freelancing and Employment mobility: The study identified a high correlation between freelancing and high Employment mobility, as 114 of 122 freelancers (93%) reported high Employment mobility. This indicates that the project-driven nature of freelancing leads to high career turnover.

Hybrid and Remote Work Trends: It was noted in the research that participants employed hybrid and remote working practices showed increased job mobility. Still, there were small samples of both hybrid and remote workers, precluding a comprehensive generalization of the trend. The outcomes signify that contemporary trends of work such as freelancing make immense contributions towards occupational movements because adaptable labor conditions permit careerists to shift towards different vocations.

## 5.3 Summary

This research set out to measure the relationship between job mobility, wage growth , and modern trends in work among young professionals working in Bangalore. Based on an examination of statistical datausing correlation tests, regression analysis, and crosstabulationsthe research established central factors driving labor transitions and wage growth .

**Effect of Job Mobility on Wage Growth**

The findings illustrate a weak but positive relationship between job mobility and salary advancement ($r = 0.355$, $p < 0.01$), showing that those who tend to change jobs more often experience more salary increases. Yet job mobility is only responsible for 12. 6% of salary differences ($R^2 = 0.126$), which indicates that other variables like industry trends, skill acquisition, and employer initiatives also influence salary progress. This underlines that although job hopping

can be lucrative in the short term, realizing a sustainable salary increase requires long-term planning, up-skilling, and professional development.

**Determinants of job mobility:**

The research cited a number of determinants of job mobility among young professionals:

Job Dissatisfaction:

The leading determinant of Employment mobility, where 75% of the participants reported dissatisfaction as their primary motivation for changing jobs.

Job dissatisfaction can stem from few career progression opportunities, inadequate recognition, bad work culture, or static remunerations.

This discovery means that firms must focus on job satisfaction and employee engagement to curb turnover.

- **Higher Salary Expectations:**

Sixty-seven percent of the respondents left their jobs for higher salaries, highlighting salary development as a crucial driver of employment changes. Increased living costs and rising career goals lead employees to pursue better-paid opportunities through career changes. This tendency suggests that firms need to offer competitive compensation plans to retain individuals.

- **Career Advancement Opportunities:**

Sixty percent of the participants said that they switched jobs for career advancement. This suggests that employees value career growth , promotion, and skills improvement when they are making employment decisions. Employers who offer career development plans and internal promotions might experience lower turnover rates.

- **Work-Life Balance Issues:**

While not as salient as other variables, half of the respondents indicated that work-life balance influenced their job transitions. Increased emphasis on mental health, flexible work schedules, and decreased stress in the workplace has positioned work-life balance as a key factor in job satisfaction. Organizations with flexible work schedules, telecommuting, and employee wellness initiatives can improve retention.

**Influence of Contemporary Work Trends on Job Mobility**

The research analyzed the impact of new work trends, including freelancing, hybrid work, and remote work, on job mobility.

- **Freelancing and Job Mobility:**

Freelancers showed the highest labor mobility, as 114 out of 122 (93%) reported they often switch jobs. The conditions of freelancing, with its short-term contracts, project-oriented employment, and flexible work arrangements, lead to higher career mobility. This implies that freelancing is a strong factor in promoting labor market fluidity and has higher levels of freedom for employees.

- **Hybrid and Remote Work Arrangements**

Hybrid work was more common than telecommuting, and 7 out of 139 participants were involved in hybrid models. Flexible work models may facilitate employment mobility as both hybrid and telecommuting workers reported greater job mobility. Because of the small sizes of the hybrid and telecommuting groups, these results should not be generalized to the larger population. Further studies are required to assess the long-term implications of hybrid and telecommuting work on career stability and wage growth .

## 5.4 Conclusion

The research determines that career mobility in employment is a critical career approach for younger employees who pursue pay increases, job progression, and general satisfaction with their occupation. Although changing occupations often is positively associated with personal finances, this is not the only driving element of salary growth . Additional relevant factors, like education, company demand, vocational development, and company policy, play critical roles in long-term financial accomplishment. This realization emphasizes the balancing of job switching with skill upgradation, career development, and stability for enduring career progression.

One of the major findings of the study is that job dissatisfaction and expected salary are the main drivers of job mobility.

75% of the respondents quoted dissatisfaction as the prime reason to leave their job. This discontent could be based on reasons including low career opportunities, negative corporate culture, neglect or lack of recognition, and inefficient compensation patterns. Moreover, 67% of

the respondents shifted jobs to secure higher remuneration, also reflecting how pay continues to be a very motivating factor behind career changes. These results underscore the need for competitive compensation structures, worker involvement, and work-site enhancements in reducing voluntary turnover.

The research further explored the impact of contemporary work trends such as freelancing, blended work, and telecommuting on job mobility. The results indicate that freelancers exhibit maximum job mobility, where 93% change jobs frequently. This is consistent with the nature of freelancing, which involves short-term assignments, reversible contracts, and the possibility to work for different industries and employers. While hybrid and remote workers too showed significant job mobility, due to their lesser sample size broad conclusions are difficult. However, the findings suggest that flexible working arrangements enable higher job transitions as they provide experts with more control, work-life balance, and exposure to different career prospects. Furthermore, the analysis looked at demographic characteristics influencing employment mobility.

The findings suggest that age plays a limited role in Employment mobility, implying that although younger professionals change jobs more often, age does not play a significant role in determining job mobility. Rather, career changes seem to be determined more by professional ambitions and sectoral dynamics than by age. In addition, education plays a significant role in influencing salary growth , with those possessing higher qualifications enjoying higher salary increments over time. This highlights the fact that greater qualifications and skills development result in better earning capacities and job security. Surprisingly, the study found that gender does not play a major role in determining salary increases, and male and female professionals in this sample had identical wage growth trends. Yet more studies across a variety of industries and geographies might be needed to determine whether gender wage differences exist in particular industries.

Although job-hopping can yield short-term economic benefits and professional growth , persistent job-hopping without proper career planning can risk long-term financial stability. Experts who constantly hop from one job to another without gaining new qualifications, enhancing knowledge of their sector, or forming robust networks may find it challenging to achieve higher-level jobs or secure stable career prospects in the long run. This emphasizes the need for a balanced approach, wherein professionals plan their Employment mobility carefully, give importance to continuous learning, and make career decisions align with long-term goals.

The findings of this research provide useful information for professionals, employers, and policymakers.

They must make proactive measures to reduce job dissatisfaction by improving working conditions, offering career growth , and having competitive pay scales to keep the good employees on board. Companies that focus on employee welfare, mentoring programs, and reward-linked incentives can reduce turnover and have a more productive and motivated workforce. For policymakers, the rise of freelancing, hybrid employment, and remote jobs highlights the necessity of new labor laws that safeguard gig workers, provide fair wages, and provide social security benefits for independent professionals.

## 5.5 Recommendations

From the results of this research, a number of important recommendations have been established for young professionals, employers, and policymakers to improve job mobility results, salary development prospects, and labor stability.

**1. Young Professionals' Recommendations**

- **Strategic Career Planning:**

Instead of changing jobs repeatedly just for pay hikes, young professionals must focus on longterm career planning, skill acquisition, and internal mobility. Knowing the trends in the industry and making career transitions in line with personal and professional development can result in long-term salary hikes and better job security.

- **Salary Negotiation & Upskilling:**

Increased pay is a key driver of job mobility, and negotiation skills and certifications are thus important for career advancement professionals. Spending money on industry-specific courses, technical training, and leadership development can increase earning capacity and job security. Establishing a robust professional network can lead to internal promotions and improved job offers.

- **Balancing Stability and Flexibility:**

While freelancing, hybrid work, and remote employment offer flexibility, professionals must balance short-term prospects with long-term career aspirations. Individuals engaged in gig or project-based employment must diversify their sources of income and build a strong portfolio to guarantee steady employment. Balancing the advantages and disadvantages of permanent employment against contract employment can help individuals make informed career choices.

**2. Employer Recommendations**

- **Improving Employee Retention Strategies:**

Companies need to develop competitive pay structures, incentive pay based on performance, and defined career progression channels to keep top talent. Spending on training, mentorship, and leadership development programs can help employees stay in the organization instead of seeking opportunities elsewhere

.

- **Workplace Flexibility:**

The growth of remote and hybrid work underscores the need for flexible work schedules that balance work and life and maintain productivity. Remote-friendly policies, flexible work schedules, and hybrid work arrangements must be put in place by employers to cater to changing workforce needs and draw top performers.

- **Handling Job Dissatisfaction**

Businesses should focus on enhancing workplace culture, job satisfaction, and employee recognition to counteract dissatisfaction and turnover. Feedback sessions by employees and wellbeing initiatives can foster a more engaged and committed workforce.

**1. Recommendations for Policymakers**

- **Fair Wage Policies and Gig Economy Protections**:

All governments ought to enact fair wage policies, social security entitlements, and regulatory protections for freelance workers and gig workers in an effort to suppress income uncertainty and employment insecurity. Enforcing observance of minimal wage provisions, offering tax

assistance, and arranging access to healthcare and retirement schemes can support gig workers' monetary stability.

- **Education Reforms & Industry Congruence:**

Policymakers need to favor skill-centric education, vocation training schemes, and curriculum planning aligned to industries so graduates can have industry-ready skills. Facilitating knowledge-sharing between institutes of learning and industries can act as a link in bridging skill shortages and providing better opportunities for employment. Also, by providing scholarships and subsidies for professional courses and on-going learning opportunities, upskilling can be made more feasible.

## 5.6 Scope for future research

This research has presented insightful findings in relation to job mobility, earnings progression, and modern work behavior among young Bangalore professionals. Additional research, owing to the altering employment pattern is needed to derive a better comprehensive understanding of the dynamics of job mobility. In the future studies, researchers ought to examine Employment mobility' long-term implications, variations in locations, and incoming workforce trends for further comprehensive comprehension of work practices and pay increments.

- **Longitudinal Analysis**

- The current investigation provides a point-in-time view of employment mobility and salary growth . Employment behaviors do change with time, however, and whether and how intensive employment mobility negatively impacts career advancement and economic stability in the long term is speculative. Future investigators should conduct longitudinal investigations following workers over multiple years to investigate:
- How job mobility affects income growth during a worker's career life.
- Whether people who move from job to job more often earn better or worse than others who stay in one company longer.
- The consequences of job shifts on career contentment, proficiency development, and employment stability.

- **Regional and Industry Comparisons**

- This research focused particularly on young professionals in Bangalore, which is renowned for its dynamic employment market as a business and technology hub. Yet, trends in job mobility may vary across different regions and sectors based on reasons such as:
- Economic conditions (for example, major cities with large demand for employment compared to small towns with little opportunity).
- Industry-specific trends (e.g., the IT and finance industries tend to offer more job mobility than manufacturing or government jobs).
- Future studies should compare various cities and sectors to determine if the results of this study can be generalized across various work environments.

- **Remote and Hybrid Work Impact**

- The results point towards a potential link between work arrangements and employment mobility; the limited sample population of remote and hybrid employees within this study holds it back from such a definite determination.
- While future studies look forward to analyzing:
- How the remote setup impacts career continuitydo remote workers keep switching employers frequently or remain longer with the same company?
- The impact of flexible work arrangements on wage growth do telecommuters enjoy the same pay raises as office workers.
- Whether businesses are more likely to keep telecommuters because of cost savings and productivity benefits.

- **Work-Life Balance & Job Mobility**

- While monetary incentives were the major cause of employment changes in this research, non-financial elements such as company culture, mental well-being, and job satisfaction are increasingly driving career decisions. - Future studies need to investigate:
- The extent to which work-life balance affects employment retention do employees leave mainly due to financial issues, or is an unfavorable working environment equally influential? - The effect of employment transitions due to burnout, job stress, and mental health problems.

- The effect of workplace policies (e.g., employee well-being initiatives, mental health assistance, flexible working) on rates of job mobility.

**Effect of AI and Automation on Job Mobility**

- The increasing application of artificial intelligence (AI), automation, and digitalization is rapidly transforming the workforce. Future studies must examine how these new digital patterns affect job mobility and wage increases, such as:
- Do AI and automation facilitate or thwart job mobilitydo technological shocks cause workers to change jobs more often?
- The impact of AI-led upskilling programs on career progression and salary increase. - The creation of emerging job positions and skill requirements emerging from the digital revolution.

# CHAPTER VI

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