

Press release  
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## Australian employers are reigning in their salary increases for 2023

- 58% of Australian employers state that remuneration decisions in 2023 will be solely based on individual and/or company performance.
- 20% say remuneration decisions will be solely based on tenure.
- 70% plan to offer more benefits this year.

**Sydney, 25 May 2023** – More than half (58%) of Australian employers are basing their remuneration decisions on individual or company performance rather than as a form of retention, new independent research by specialised recruiter [Robert Half](#) finds.

One fifth (20%) of employers say salary increases will solely be based on tenure, while 22% say salary increases will be based on a combination of company and/or individual performance as well as tenure.

*“2022 was an eventful year for employment in Australia as high business confidence saw mass hiring across the nation and skyrocketing salaries. As the market is shifting and businesses are ‘rightsizing’ themselves, companies are taking a more cautious approach to their remuneration policy by predominantly rewarding salary increases based on the performance of their business,”* said **Nicole Gorton, Director at Robert Half.**

*“Even with the rising cost of living in the spotlight, there is no guarantee who will receive a pay rise this year, and how much. Salaries cannot and will not continue to rise at the rate they did in the previous two years,”* **Gorton** mentioned. *“Pay related decisions have become a balancing act. Businesses need to ensure they are keeping pace with the market rate of roles they are recruiting for, and roles that their staff currently hold to avoid losing the skillsets they need to stay ahead of their competitors. But at the same time, they are increasingly scrutinising who receives how much extra pay given the changes in the market.”*

### Bringing in benefits as a substitute

Business leaders are turning to benefits and perks alongside salary to enhance the overall remuneration package. Seven in 10 (70%) employers plan to increase benefits in 2023 with flexible work schedules (60%), mental health programs (55%), and remote work options (52%) being the most commonly used benefits. More than two thirds (67%) enable employees to swap a proportion of their salary in return for non-financial perks, such as holidays.

*“With businesses putting careful thought and consideration into who will receive a financial incentive in 2023, many employers are turning to benefits as a substitute when a monetary increase cannot be offered. Companies would benefit from looking beyond salary and considering the overall employee experience that differentiates them from their competitors and offsets the absence of a higher salary or pay increase. Benefits that support employees’ work-life harmony, such as flexible work hours, and hybrid or remote work arrangements are likely to be some of the lasting workplace legacies of the upcoming jobs landscape,”* concluded **Gorton.**

**Here are Robert Half’s tips on how to approach the topic of salary adjustments based on your performance:**

### #1 Record your achievements

If you are approaching your employer about a pay rise based on your performance, you’ll need to present why you believe it’s deserving. Quantify and write down what you have achieved in the past

6-12 months, and next to each one, clearly outline how your achievements have contributed to wider organisational success. Taking a results and performance-based approach to a pay rise relies heavily on your ability to show your personal improvement and impact on the business.

### **#2 Set a timeline for a meeting**

Once you have built your case, speak to your manager about when a pay review can be booked in. Having an agreed timeline on when the conversation can happen will give you peace of mind knowing the request is going to be addressed.

### **#3 Practice your pitch and state your case**

Asking for a pay rise can be a daunting task, but if you practice how you will deliver your pitch, it will set you up for an effective conversation with your manager. Take a gracious approach while outlining your achievements and speak clearly and concisely.

### **#4 Stay up to date with market rates**

With the employment market rapidly shifting, you need to ensure you are compensated correctly for the role you are performing. To get an up-to-date view of the compensation landscape for the role, consult the [Robert Half Salary Guide](#). The Salary Guide lists the current market rates for positions in finance, accounting, technology, HR, marketing, and business support.

### **#5 Know when it is time to move on**

If you are unable to secure compensation for your performance-based results or get any clarification when your salary could be reviewed, it might be time to think about whether or not you would like to stay with your employer or look for another job opportunity. If you secure another offer with a new employer, be cautious about considering counter offers from your existing employer.

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## **Notes to editors**

### **About the research**

The study is developed by Robert Half and was conducted online in November 2022 by an independent research company, surveying 300 hiring managers, including 100 CFOs and 100 CIOs, from companies across Australia. This survey is part of the international workplace survey, a questionnaire about job trends, talent management, and trends in the workplace.

### **About Robert Half**

Robert Half is the global, specialised talent solutions provider that helps employers find their next great hire and jobseekers uncover their next opportunity. Robert Half offers both contract and permanent placement services, and is the parent company of Protiviti, a global consulting firm. Robert Half Australia has offices in Brisbane, Melbourne, Mount Waverley, Perth, and Sydney. More information on [roberthalf.com.au](https://roberthalf.com.au).

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