

Press release
October 2022

19% starting salary premiums give rise to pay equity concerns

- 93% of Australian business leaders are adding an average premium of 19% to starting salaries
- 65% of business leaders say their employees have expressed concerns about pay inequities between new hires and existing employees
- 72% of business leaders have offered raises to employees expressing concern about salary inequities
- 31% of Australian office workers believe they are being paid less than new hires in a similar role

Sydney, 31 October 2022 – In order to fill vacant roles, new independent research by specialised recruiter [Robert Half](#) finds that 93% of Australian business leaders are currently adding an average premium of 19% to starting salaries to stay competitive when recruiting for in-demand roles. CIOs, large organisations of 500+ employees and employers in Queensland are extending the largest premiums to starting salaries.

On average, how much of a premium do you add to starting salary offers when recruiting for in-demand roles to remain competitive?

All	Sector		State				Business size	
	CFO	CIO	NSW	QLD	WA	VIC	SME	Large
19%	19%	24%	11%	27%	21%	15%	15%	25%

Independent survey commissioned by Robert Half among 300 business leaders, including 100 CFOs and 100 CIOs in Australia.

Business leaders address growing concerns about pay inequity

While challenges to secure talent are putting upwards pressure on salaries for new hires, this is giving rise to pay equity concerns, with growing salary discrepancies between new hires and more tenured staff. Almost two-thirds (65%) of Australian business leaders say their employees have expressed concerns about pay inequities between new hires and existing employees in the past 12 months, going up to nearly three-quarters (73%) of CIOs saying their employees have raised similar concerns.

Of those who have had employees express concerns over pay inequities, 72% extended raises to those employees. This is largely consistent across both CFOs (75%) and CIOs (74%). More than one quarter (28%) did not extend raises to those who asked.

Companies are currently taking several additional steps to tackle potential pay inequities between new hires and current employees in similar roles, including:

- conducting regular pay audits and adjusting existing employees' pay to align with market rates (59%),
- determining compensation based on talent and responsibilities rather than employee location (54%),
- publishing salary ranges within new job postings (49%).

Office worker salary sentiment

Remuneration remains a key consideration amongst employees both joining or remaining with an organisation – even more so in a climate dominated by inflation and rising cost of living. More than a one-third (38%) of office workers say they feel they are being underpaid while 31% of office workers believe they are being paid less than new hires in a similar role. Of employees looking for or considering a change in roles in 2022, 48% cite low salary as the top reason to move.

“Talent shortages have put pressure on employers to offer new recruits higher pay in a bid to stay competitive in the market, but this response can stir concerns among workforces. Waiting for a tenured or loyal employee to identify and raise concerns over pay inequity before responding is likely to erode the trust, loyalty, and engagement of the employee at hand and creates the risk that they will already be half way out the door before their concerns are addressed,” said **David Jones, Senior Managing Director Robert Half Asia Pacific** in announcing Robert Half’s latest survey results.

“Businesses that are serious about retaining their staff should be regularly benchmarking salaries across the organisation and maintaining a clear and transparent dialogue with each of their employees about their salary and role expectations. Ensuring existing staff are rewarded at the same rate as new employees could significantly reduce the risk of losing crucial knowledge and experience to more competitive external offers.”

“In addition to making sure salaries are both competitive and fair for all employees, employers should also look beyond remuneration for ways to attract and retain employees in a tight talent pool. Companies would benefit from re-evaluating the entire employee experience to build talent acquisition and management strategies that satisfy employees’ personal and professional needs in a modern market. Specifically, career advancement and flexible working arrangements including remote working are two top priorities for workers today,” concluded **Jones**.

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Notes to editors

About the research

The study is developed by Robert Half and was conducted online in June 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.

The Australian worker study is developed by Robert Half and was conducted online by an independent research firm in June 2022, surveying 1,019 office workers from across Australia.

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.

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