

Press release  
January 2020

## More than four in ten Australian workers feel underpaid and prioritise securing a pay rise in 2020

### Three tips for overcoming salary negotiation hurdles amid slow wage growth

**Australia, 20 January 2020** – As employees are faced with the rising cost of living<sup>1</sup> coupled with slow wage growth of 2.3%, many Australians are dissatisfied with their existing financial remuneration. An independent survey of 1,000 employees in Australia commissioned by specialised recruiter [Robert Half](#) shows that 43% of workers feel that they are underpaid in their current job while 45% say that getting a pay rise is their top career goal for 2020.

However, securing a higher salary in 2020 will prove to be a growing challenge for many employees as business confidence is tempered by slowing GDP growth forecasts and uncertain global headwinds<sup>2</sup>.

#### Gender and geography shape pay satisfaction

Salary remains a crucial element when it comes to attracting and retaining top talent, and incentivising strong performance. While over half (55%) of Australians say they are being compensated fairly, more than four in ten (43%) feel they are being underpaid.

Of workers surveyed, however, 7% more females feel that they are underpaid compared to their male peers. While more Western Australians state they are being compensated fairly (64%) than any other surveyed group, Victoria showed the highest level of dissatisfaction with half (50%) feeling underpaid.

Office workers were asked “Thinking of your current job, do you feel you are underpaid/overpaid/paid fairly?”. Their responses:

	Underpaid	Overpaid	Paid fairly
<i>Total</i>	43%	2%	55%
Male	40%	3%	57%
Female	47%	1%	52%
NSW	41%	1%	58%
VIC	50%	2%	48%
QLD	43%	1%	56%
WA	31%	5%	64%

Source: Independent survey commissioned by Robert Half among 1,000 office workers in Australia.

**Nicole Gorton, Director of Robert Half Australia** points out: “Regardless of the market conditions, it is critical for companies to have competitive remuneration policies in place to optimise staff acquisition and retention. Employees know their worth, so employers shouldn’t risk losing key players because they are not showing them they’re valued at the company.”

<sup>1</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6467.0>

<sup>2</sup> <https://www.rba.gov.au/publications/smp/2019/may/economic-outlook.html>

*“However, given the stagnant wage growth forecasts Australians face for 2020, many employees are likely to find it more challenging to obtain a pay rise. That being said, business transformation and digitisation are ongoing priorities for businesses, creating continued demand for specialised positions that are often in low supply – which in turn means increased salary potential for such talent.”*

*“Even in highly favourable market conditions, pay rises are generally no longer attributed based on the time the employee has been with the company - any request for a higher salary needs to be framed in a way that shows the added value the employees has brought and continues to bring to the company.”*

*“In this climate, it’s of even greater importance for Aussies to understand how to demonstrate their value to a company in order to differentiate themselves from their peers and secure a salary increase.”*

Specialist recruitment agency [Robert Half](#) has outlined three hurdles employees may face in negotiating salary with their current employer, and ways to address them:

### **1. Hurdle: Employers can’t see the extent of your value to the company**

In tight conditions, businesses are more likely to fixate on short-term or bottom-line results in the context of macro-organisational considerations. Particularly for employees whose role is not typically measured against bottom-line KPIs, this can mean that they find it more challenging to demonstrate their worth based on actual numbers, even if a manager feels the employee does a good job. This in turn can make securing a salary increase challenging.

#### ***Solution: Track growth***

To state their case in the most persuasive way, employees should benchmark any growth and skills developments they have shown. A useful strategy is to quantify the value they bring to the company. They may have cut the time taken to prepare monthly reports by 10%, increased the number of invoices processed or consistently achieved an outstanding customer satisfaction rating.

### **2. Hurdle: Current business priorities sit outside initial job description**

Today’s workplace is fast-moving with new technologies constantly emerging. This has resulted in an ongoing skills gap which is a challenge to businesses trying to drive forward a business transformation agenda. Accordingly, employers strongly value those who bring of-the-moment technical skills or meet emerging gaps in the business.

#### ***Solution: Upskill***

Employers are more likely to offer pay rises to retain top talent with in-demand and hard-to-find capabilities. Professionals who are prepared to continually upskill their existing qualifications or undertake professional development relevant to the current and evolving needs of their role will be in a stronger negotiation position.

### **3. Hurdle: Slowing economy has harmed business performance overall**

A slowing economy often means a loss of consumer confidence, diminishing cashflow and contracted growth for business, all of which can impact a company’s bottom line. When a company is faced with a volatile market and a decline in profitability, they are likely to be unwilling or simply unable to afford to meet requests for salary increases – no matter how valuable the employee is to the organisation.

#### ***Solution: Consider benefits***

In a period of slow wage growth, an employer may not be able to meet requests for significant pay raises, but that doesn't mean negotiations are off the table. If a salary raise is not possible, work with the manager to explore mutually beneficial non-remuneration benefits. This includes increased annual leave, subsidised health and wellbeing programs, novated car leases, or flexible working hours and telecommuting benefits.

### **About Robert Half**

Robert Half is the world's first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has more than 300 offices worldwide providing temporary, interim management and permanent recruitment solutions for accounting and finance, financial services, technology, and administrative professionals. Robert Half Australia has offices in Brisbane, Melbourne, Mount Waverley, Perth and Sydney. More information on [roberthalf.com.au](http://roberthalf.com.au).

### **Follow Robert Half Australia**



Read related articles on our [Robert Half's worklife blog](#)

### **For more information**

Katherine Mills  
Public Relations Manager Robert Half Asia Pacific  
[katherine.mills@roberthalf.com.au](mailto:katherine.mills@roberthalf.com.au)  
+61 02 8028 7757

Helen Hu  
Account Coordinator LEWIS  
[RobertHalfAU@teamlewis.com](mailto:RobertHalfAU@teamlewis.com)  
02 8599 1000