Press release
4 July 2016

Promotion doesn't always bring a pay rise

87% of businesses say a promotion is no guarantee of a pay rise

- Only 13% of CFOs and finance directors say promotion always goes hand-in-hand with a fatter pay cheque.
- Large companies are more inclined to always give a pay rise following a promotion compared to SMEs.
- 39% say the key reason for promoting without a pay rise is they want to assess an employee's performance before deciding whether to offer a pay rise following promotion.

Sydney, 4 July 2016 – A promotion doesn't automatically mean a bigger pay cheque. Independent research by specialised recruitment company Robert Half confirms only 13% of business organisations *always* provide a pay rise following a promotion. Large companies (17%) are more inclined to always give a pay rise when promoting an employee compared to SMEs (11%).

Practical reasons for promoting without a pay rise

Companies cite various reasons why a pay rise doesn't always flow from a promotion. Almost two out of five (39%) finance leaders say the primary reason for promoting without attributing a corresponding salary increase is because they want to assess an employee's performance first before remuneration is increased. Three out of ten refer to the business lacking the financial resources to increase salaries, followed by 10% who say an employee who was overpaid in the first place won't receive a pay rise following an uptick in responsibility.

Primary reason for promoting an employee without a corresponding pay rise

Employee performance needs to be assessed first	39%
Lack of financial resources	30%
Remuneration was too high for previous position	10%
The job had to be filled urgently	8%
We *never* promote without a corresponding pay rise	13%

Source: Independent survey commissioned by Robert Half among 300 Australian CFOs and finance directors.

David Jones, Senior Managing Director Robert Half Asia Pacific said: *"A promotion is a clear sign of confidence in an employee. However taking on greater responsibilities, being expected to complete more - or more complex - tasks, or having a more senior title without a corresponding rise in pay can significantly impact an employee's motivation. This in turn can fuel an employee's desire to leave the organisation."*

"Salary increases can be a highly effective staff retention tool especially when employees are asked to take on additional responsibilities. When employees are promoted without the benefit of a pay rise it is critical to explain why this is the case, and offer clear guidelines on when their salary will be reviewed together with firm benchmarks that need to be attained in order for the employee to enjoy a salary uptick."

David Jones concluded: *"Employees who are offered a promotion but no pay rise should consider negotiating other non-cash benefits. Bear in mind too, the challenge of a more responsible role can deliver long term career benefits which can compensate for the lack of an immediate pay rise."*

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Notes to editors

About the research
The annual study is developed by Robert Half and conducted by an independent research firm, surveying 300 Chief Financial Officers (CFO) and finance directors in 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 world's first and largest specialised recruitment consultancy and member of the S&P 500. Founded in 1948, the company has over 325 offices worldwide providing temporary, interim 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.

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Vox Pop: What would YOU do with a salary increase?
We've hit the streets to find out what people think about remuneration. We asked some questions, and had some interesting responses. Are your opinions the same or different? Watch this video and find out.

How to effectively negotiate a pay rise
Robert Half's Andrew Morris shares his tips for employees on how to negotiate a pay rise effectively. Watch this video and find out what you should be aware of when negotiating your salary with your manager.

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