

Press release
October 2016

Promotion is no guarantee for a salary increase

- Only 17% of companies say they always give a salary increase when they promote an employee
- Medium-sized companies are more inclined to always give a pay rise following a promotion compared to large and small companies
- 43% say they want to assess a promoted employee's performance before offering more pay

Singapore, xx October 2016 – A promotion doesn't automatically mean a bigger pay cheque in Singapore. Independent research by specialised recruitment company [Robert Half](#) indicates only 17 per cent of Singaporean companies *always* provide a pay rise following a promotion.

Medium-sized companies (21 per cent) are more inclined to always give pay rises with a promotion compared to large companies (15 per cent) and small companies (15 per cent)¹.

Matthieu Imbert-Bouchard, Managing Director Robert Half Singapore said: *"Promoting without a pay rise is far more common in Singapore than people might think. While receiving a promotion is a clear sign of confidence in an employee, taking on a more senior role and more responsibilities without getting a salary increase can negatively impact an employee's motivation which in turn can influence their decision to change jobs."*

"With Singapore's tight labour market and low unemployment rate, and in order to hold on to their top performers, employers need to reward their best employees by giving them career advancement opportunities. However, pay rises are a very effective retention tool. Many employees are prepared to work hard knowing the reward will be a promotion with a better salary and bonus."

"When employees don't receive a salary increase when promoted, it is vital to explain the reason, as well as potential targets that the employee needs to reach within a certain timeframe in order to receive a salary rise."

Practical reasons for promoting without a pay rise

More than four in 10 (43 per cent) 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. Little over one in five (22 per cent) refer to the business lacking the financial resources to increase salaries, followed by 11 per cent who say the role had to be filled urgently.

¹ Company Size Definitions

Number of staff in the respondent's business

Small	50-149 staff
Medium	150-499 staff
Large	500+ staff

Primary reason for promoting an employee without a corresponding pay rise

Employee performance needs to be assessed first	43%
Lack of financial resources	22%
The job had to be filled urgently	11%
Remuneration was too high for previous position	7%
We <i>always</i> promote with a corresponding pay rise	17%

Source: Independent survey commissioned by Robert Half among 100 Singaporean CFOs and finance directors.

Mr Imbert-Bouchard concluded: “Employees who receive a promotion without a corresponding salary increase should consider negotiating non-financial benefits. It is important for employees to remember though that the challenge of taking on a more senior role and additional responsibilities can result in more career advancement in the future, which eventually may make up for the lack of financial rewards.”

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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 100 Chief Financial Officers (CFO) and finance directors in Singapore. 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. Founded in 1948, the company has over 325 offices worldwide providing interim management, temporary and permanent recruitment solutions for accounting and finance, financial services and technology professionals in Singapore. More information on roberthalf.com.sg.

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For more information

Gabrielle Nagy
Public Relations Manager Robert Half Asia Pacific
gabrielle.nagy@roberthalf.com.au
+61 02 8028 7751

Lorraine Chua
Rubicon Consulting
lorriane@rubicon.com.sg
+65 9819 9151