

## **The 2023 Salary Guide: Employers' Needs in a Still-Competitive Job Market**

Strong competition for talent still defines today's hiring market despite soaring inflation, rising interest rates and general chaos in global markets. Employers are also still dealing with the "Great Resignation," which has evolved into more of a "Great Reshuffle," as those who quit jobs are finding new careers rather than completely abandoning the labor force. And when they do, they're pushing compensation expectations to new heights, according to the [2023 Salary Guide From Robert Half](#).

The guide also reports that employees have developed a variety of other ideas as to what they envision a job should entail. And the employment environment means they can afford to stick to their guns when approaching a company about a new position or pushing for changes in their current one. The following are some insights on key hiring and retention trends from the Salary Guide based on recent Robert Half workplace surveys along with what we're hearing from our recruiting professionals throughout the United States.

### **Flexible work is now an expectation**

The most prominent — and the most publicized — of these shifts is the move toward greater flexibility in when and where employees are allowed to work. Kick-started by the COVID-19 pandemic, the notion of flexible work, including fully remote, hybrid and nontraditional schedules, is now impossible to put back in Pandora's box. More than half (54%) of U.S. workers say they would quit rather than return to the office full time.

Flexible work that attracts employees also includes windowed work — when team members can break up the business day into two or three separate time slots to suit their home and childcare responsibilities — and other schedule options. As to a compressed workweek, almost half (48%) of employees say they want to work four days a week.

All this means that flexible work is no longer a safety measure or even a perk. It has become a recruitment and retention strategy for many companies. But it also carries a distinct advantage for employers, not just employees: the ability to hire skilled talent from virtually anywhere.

### **Salaries continue trending upward**

With demand for skilled candidates high and job seekers able to find numerous opportunities, including fully remote jobs offered in other markets, they have been able to negotiate higher and higher salaries. This goes for existing employees as well: 82% of senior managers have given raises to employees who expressed salary concerns stemming from such factors as inflation.

An unintended consequence of rising salaries for employers is pay equity issues — when new hires make more than current staff doing the same job — that are prompting retention

challenges. In response, 57% of executives who have observed pay compression say they now better benchmark salaries and give raises to those who are underpaid.

### **Employers taking closer note of employees' personal priorities**

Salaries and flexible work aren't the only enhancement to the employee experience workers are influencing. Companies are becoming much more employee-centric than in the past as they increasingly recognize more aspects of the fundamental shift in worker sentiment that has taken place in the past few years. Employees and job seekers are attracted more than ever to a company culture that aligns with their personal values.

Workers are drawn, for example, to companies that prioritize diversity, equity and inclusion (DEI). They want to be part of an organization where everyone can connect, thrive and grow. Employees from a variety of backgrounds support DEI efforts — 80% say it's an important requirement when deciding to work for a company. Businesses that build DEI into their succession plans for senior and executive management roles are finding that it boosts staff retention.

Organizations are doing their best to accommodate the full scope of workers' needs, including health and wellness, which are much more important to people now than before the COVID-19 pandemic. Efforts include a focus on mental health, stress management, as well as financial health. Employers are also amending their employee benefits plans to cover health services through telemedicine.

Businesses are helping their team members develop new skills that will bring them closer to their career goals. Reskilling and upskilling can help workers keep pace with how their jobs are evolving, especially regarding digital advances that are creating new roles that require advanced expertise. And it's not just in IT — accounting, marketing and administrative staff, for instance, must now be competent with an array of digital tools. Managers appear to be listening: 59% in a survey for the Salary Guide say they are focusing more on staff's career growth.

### **Companies leaning more on contract talent**

The tough market for permanent hires has made interim professionals even more valuable. According to the Salary Guide, 55% of U.S. company managers plan to bring in more contract professionals in the coming year — up from 35% in a similar survey a year ago.

But hard-to-find permanent staff isn't the only driver of this trend. One-time events, suddenly spiking or shrinking customer demand and unforeseen operational roadblocks all require the scalable resources only contract talent can provide.

This assistance comes in a continuum of experience levels, specializations and availability, depending on a business's needs. Contract engagements can be short- or long-term and involve

few or many professionals. An example of the latter is the 73% of companies that use [managed solutions arrangements](#) for complex business initiatives where they may bring in an entire contract team that is overseen by expert outside consultants. These consultants create a strategy for the project and guide its implementation.

Many employers are also bringing in contract professionals with an eye on their potential for joining the team in a permanent role. The Salary Guide reports that almost two-thirds of managers (64%) say they have converted more contract professionals to full-time hires in 2022 than in 2021.

Download a copy of the [2023 Salary Guide From Robert Half](#) for more details on these and other trends, including perks and benefits — which can be just as important as salary to employees — a full section on flexible work, and, of course, the starting salaries candidates command for hundreds of positions across seven professional fields.

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