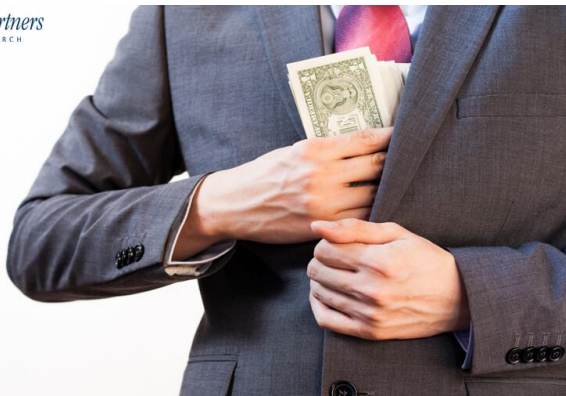


A Manager's salary, "karieri.bg"

Sofia, Bulgaria – Imagine that you're finalising the selection process for a management position and you've already approved a potential new hire, who is now awaiting your compensation offer. What should you offer them? What kind of bonuses and benefits should you include in the package?

Examining the Market

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EXECUTIVE SEARCH



The market is your first point of reference, as it drives the supply, demand and price of labour. Most companies perform their own compensation research, and have up-to-date information and reliable data on the rates of their competitors, and of companies with comparable revenue and headcount. For example, if you intend to make an offer for the position of a Commercial Director in a pharmaceutical company, you would be expected to look for information on the compensation paid by the other players on the pharmaceuticals market and to compare and analyse all numbers in detail, to make a competitive offer.

Market research can also offer a point of reference for your company's annual remuneration reviews. However, these levels must be in line with your company's internal compensation policies. Therefore, you should take care to study both the market rates and your company's internal pay bands, and adapt them as necessary before starting the selection process. The latter will help you decide how much flexibility to employ when making your final offer to your potential new hire. Remember that if you're not able to offer a competitive salary, you can augment it with bonuses and benefits. These items may not necessarily represent a significant cost item for the employer, but can form an integral part of the package.

Contemplating the Responsibilities

After analysing the market data and internal policies, you should consider the new manager's responsibilities, including the size of the team they'll be working with, the number of their direct reports and their future goals and objectives. As the hiring party, you should take the necessary time to consider the scope of your expectations for your selected applicant, and to determine a compensation that corresponds to the actual rates for this level within your organisation's hierarchy, thus ensuring consistency in remuneration.

Considering Return on Investment

As a third step, you should consider the company's return on investment in the new manager. Imagine you have decided to offer a very attractive compensation plus on-site and international training – you should try to make an accurate estimate of the amount you intend to invest as an employer within the first year of the new manager's employment, as well as the results you expect in return.

It is advisable to consider yet another point – top talent expects compensation well above the average market rates. In this case, measuring your investment against the expected return rates must be your absolute priority and should not be disregarded. It is easy to haggle and negotiate if you would like to be generous towards your new star employee, but you should still be pragmatic and spend some time on a preliminary analysis. It is evident from our current practice that very few employers spend enough time doing this.

If the company is part of an international organisation, you will probably have to negotiate with head office if you want the offer to exceed the compensation levels defined by local market rates. Negotiations of this kind are seldom easy – a preliminary estimate of the company's investment in the new hire against the expected results will prove a strong argument for better compensation, if you believe this to be the best way to go. Remember that your objective is to get the best possible deal out of the negotiations, and you should have a clear view as to what this deal is.

Be a Star Employer

Labour is a commodity like any other commodity on the market, so bargaining over job offers is a normal and understandable fact of life. A company's investment in its good reputation and brand as an employer will certainly increase its attractiveness on the labor market – and in return, such a desirable company will not need to offer extremely high salaries in order to lure the best people. In my job, I have experienced situations where a company makes an offer to a potential manager that is lower than his current salary, but the offer is accepted due to the new organisation's excellent market reputation and good working atmosphere.

Subjectivity Also Plays a Role

The considerations that we have discussed so far are based on objective data and analysis. Naturally, it is difficult to completely avoid subjectivity, because as human beings we are influenced by recommendations, external advice, sympathy, etc. However, I would still advise you to rely on measurable and objective criteria, regardless of the tiny bit of subjectivity that we are all susceptible to. This type of indefinable 'chemistry' with the selected manager will only be advantageous during the negotiation process and when closing the deal.

Annual salary levels in Bulgaria for 2016 (companies with 100 to 250 employees)
Amount is gross and includes salaries and bonuses (currency: LEV)

Job title	Age	Lower limit average	Upper level	Border
Personal assistant	27	18 100	20 500	24 200
Call centre specialist	28	21 600	24 200	27 700
Accountant	30	25 400	30 100	35 000
Executive Director Assistant	35	27 700	31 600	35 800
Financial Analyst	32	28 700	32 600	38 000
Logistician	35	29 300	33 500	38 200
HR Specialist	34	28 900	33 700	39 900
Office Manager	38	33 600	38 900	45 800
Product Manager	39	38 900	44 500	51 000
Finance Controller	44	42 200	50 000	58 700
Key Account Manager	42	48 900	55 600	65 100
IT Project Manager	46	50 400	61 000	73 100
HR Director	43	54 700	66 9 0 0	81 500
Marketing Director	48	56100	68 200	84 100
Financial Director	47	67100	81 200	99 300
Commercial Director	45	69 300	83 900	102 700
Business Unit Manager	46	70 600	89 600	111 900
General Director	52	129 700	164 500	207 900

Where Does Your Company Rate?

Salary levels in Bulgaria are a flexible concept. Depending on the sector and the company, salaries can vary even for the same role – what matters is the company's size, and whether it has a local or international scope. In this context, any data about average market compensation rates, including management level salaries, can only serve as a point of reference. Remember that many criteria differentiate individual compensation levels, and there may be a great deal of variance between the lowest and the highest rates.

However, if it is your responsibility to define the salaries of managers in the company, we can offer you some points of reference to help you start out – see table above. Pedersen & Partners collected the information via a mid-size businesses analysis in Bulgaria, i.e. companies with 100-250 employees. Salary tables represent the average annual compensation levels (salary and benefits) for various managerial roles together with the levels for other lower positions in order to help illustrate the difference between them. The compensation data serves as a reference to demonstrate that the salary can vary within a relatively wide range based on the above criteria, with age and experience playing a very important role too and we have therefore explicitly focused on these criteria in the illustrated examples.



Since 2009 [Irena Bushandrova](#) has been the Director for Bulgaria of [Pedersen & Partners](#), an international company in the field of leadership recruitment. She also has extensive experience in the Financial Services sector. A former employee of ING Bank for 11 years, she has been responsible for the bank's credit portfolio. Before that, she's been part of the Crediting Team of the Bulgarian-American Enterprise Fund. She holds a Master's degree in Economics from the University of National and World Economy in Sofia, Bulgaria.

Photo credit: Tsvetelina Belutova

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