

Compensation criteria in the HR Department, “www.magazintraining.com”

Vienna, Austria – How much does an HR employee earn? What about a recruiter? And how can the HR department negotiate for higher salaries?



When one company launched its new HR development program for executives, the Managing Director took the HR Director aside and asked “And who will take care of you?” Many HR managers have difficulties in balancing conflicting interests at work: On one hand, they represent the company's interests vis-a-vis the employees, and must thus implement unpleasant measures, such as layoffs or wage cuts. However, they are employees themselves, and thus are directly affected by the company's personnel policies.

The question of how HR managers negotiate their salaries sounds as paradoxical as the question of who cuts the barber's hair. HR professionals must constantly tell the employees that payroll costs must be kept strictly under control, but on the other hand, HR managers would also like to benefit from higher salaries.

HR employees are usually not the company's best earners, and tend to bring home lower salaries than their colleagues in sales, engineering and finance.

A young graduate in the HR department earns an average of 31,300 Euros gross per year. Over the next decade of working life, this will increase to an average of 54,800 Euros. HR Managers in smaller companies earn an average of 78,400 Euros gross per year. However, the Head of HR in a large corporation will earn a salary well in excess of 100,000 Euros – an average remuneration of 154,700 Euros, including bonuses.

For fresh graduates starting a career in recruitment, the average salary is 32,100 Euro gross per year, rising to 48,900 Euros after the first five to ten years of professional experience. Recruiters with more than ten years of professional experience can expect to earn an average salary of around 57,000 Euros.

On average, HR developers earn a gross income of 31,300 Euros per year, rising to 48,100 Euros after five to ten years of professional experience. Experienced HR developers with more than ten years of professional practice earn an average income of 55,800 Euros per year, with Heads of HR Development earning an average of 71,300 Euros per year including bonuses. Finally, experienced payroll managers typically earn more than 60,000 Euros gross per year.

The basic entry requirement for a career in HR is a college degree, ideally with a focus on HR. Other desirable attributes include training in HR or organisational development, coaching or consulting experience, and practical knowledge in the conception, monitoring and implementation of change management processes.



How HR managers can increase their salary.

Many HR managers have to endure a reputation within the company as a pure cost factor. Unlike, say, the sales department, the HR department is not seen as contributing to the company's profits, but only incurring additional costs, which must be kept as low as possible during an on-going economic crisis. HR managers can nevertheless make several arguments for higher remuneration.

1. Projects

Which projects have performed exceptionally well, and how have they earned additional revenue or profit for the company?

These soft factors are not highly significant for most companies; the key question for HR managers is how they can make their performance visible and support it with concrete figures.

2. Responsibility

An increased area of responsibility is a strong argument for a higher salary. If, for example, an HR manager is responsible for Austria and also Eastern Europe, their salary should be raised accordingly.

In preparation for a salary discussion, it is therefore important to check your own job profile in order to see which additional areas of responsibility have been added, and to present these points as arguments justifying a higher salary.

3. Company success

In a company, three areas must work smoothly and "invisibly" to allow overall value to be maximised: HR, Finance and IT. In many companies, a distinction between Front Office and Back Office is customary, and the same is true for sales and support functions. Recently, some corporations have started to assert that areas such as HR, Finance or IT do not merely support sales, but rather enable sales. With this attitude, the HR manager can also argue: "Because of my work, I have made it possible for us to achieve our corporate goals. We have increased our profit by 10% through measures such as sales training. Therefore, I suggest a salary adjustment of 10%."

4. Knowledge is power

A company's HR manager has the great advantage of knowing what his colleagues earn, putting him in a stronger bargaining position. In addition, HR managers have direct access to salary surveys and recruitment consultants, who share their knowledge about remuneration questions and the market rates for different positions, in order to maintain business relationships with clients.

5. Salary negotiation failed?

Even the most capable HR manager with the strongest arguments will not always succeed in negotiating a payrise. No matter how much you enjoy doing your job, your salary is important because it is an expression of your employer's appreciation. What costs nothing is worth nothing.

If the management does not see any value in the HR manager as part of the workforce, it is time for the HR manager to ask herself if she sees any value in staying with the company.

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