



ManpowerGroup®

Survey of COVID-19 Induced Business Trends

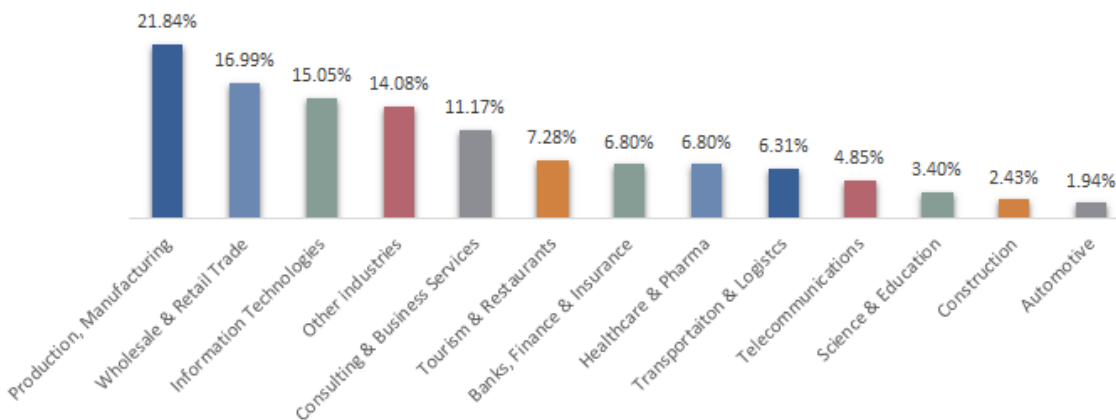
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MANPOWERGROUP BULGARIA



OBJECTIVES AND METHODOLOGY

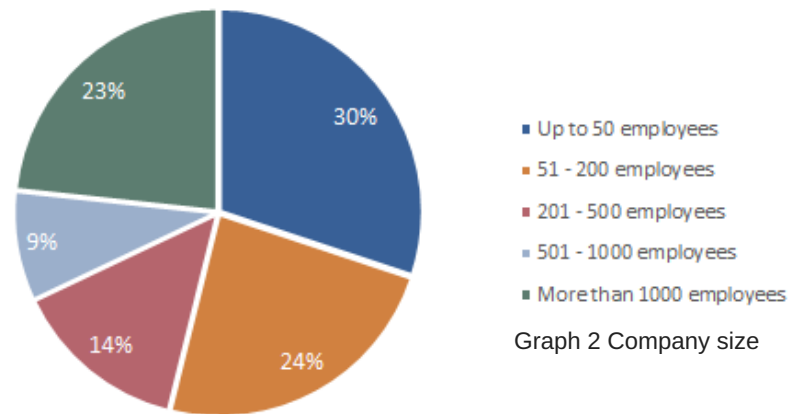
ManpowerGroup is actively focused on determining the current state of the labor market induced by the COVID-19 pandemic. In order to understand the effects and consequences in result of the unusual situation of the labor market, we take a systematic approach to analyzing information which can contribute to finding effective solutions.

The objective of this study is to analyze employers' reactions to the COVID-19 crisis situation, daily business changes and their impact on employees in different industries. Based on the existing findings, recommendations will be made for improving the systems of support and meeting staff needs, as well as for maintaining a successful business.



Graph 1 Industry sectors

The survey includes a representative sample of 217 employees at different hierarchical levels in companies of all industries, sizes, and regions in the country and was conducted between end Dec. 2020 - end Jan. 2021. All respondents answered a total of 16 questions we share and analyze herein.



Graph 1 and graph 2 present the profiles of the companies included in the survey.

SURVEY RESULTS

Is there a reduction in labour costs?

One of the common strategies for business sustainability during a crisis is to reduce company costs. We questioned the generally accepted perception that a large number of employers have taken this approach in the form of reduced additional social benefits, lower wages or forced unpaid leave.

The survey results show that although such measures are no exception, this approach was far from being widespread.

Key Findings:



About two-thirds of the companies in the country have not reduced their human resources spending by lowering wages, canceling additional social benefits or introducing unpaid leave for their employees.



The share of companies which need to hire additional manpower is larger than the ones that have laid off employees.

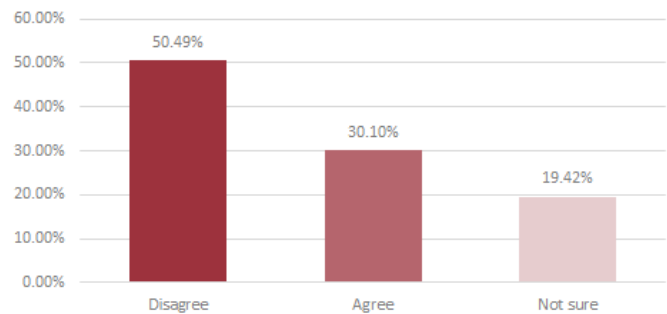


66% of the respondents would recommend their company as an employer of choice.

Starting with the question of additional social benefits, more than half of the respondents share that these have registered no change.

Approximately one-third of the companies have canceled some of the existing additional social benefits.

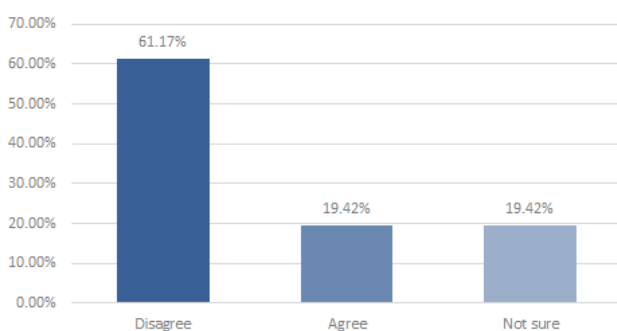
The company I work for has canceled some of the existing employee benefits



Graph 3 Employees' additional social benefits

In addition to the direct cost-saving association, it should be borne in mind that such an approach may be due to the long period of home-based work for a particularly large number of people which replaces the need for additional social benefits in the form of reimbursement of public transport tickets or fuel vouchers, provision of coffee and catering in the offices and similar.

Salary cuts for some or all company employees



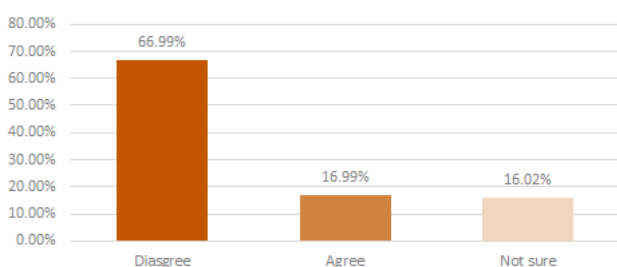
Graph 4 Salaries

A significantly smaller number of companies have taken the next cost-reduction step, that is, cutting salary levels.

Just over 19% of the respondents share that their employers have resorted to this measure while nearly 62% report no reductions.

In addition, ManpowerGroup observations show that the current situation has not affected the remuneration levels regarding roles and sectors with talent shortages, and salaries continue to rise, albeit at a slower pace.

During the COVID-19 crisis the company I work in introduced/still does/ unpaid leave for a large number of employees



Graph 5 Number of employees

The share of the companies which have had or still have to introduce unpaid leave for their employees is even smaller.

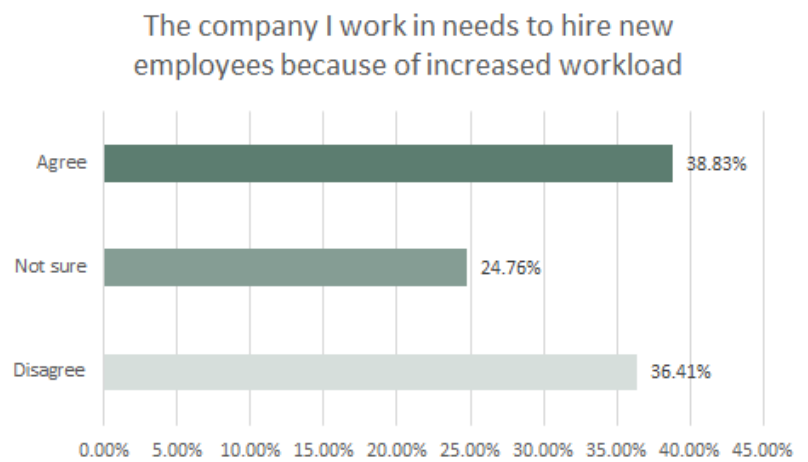
Merely 17% of the respondents confirm this, mainly for companies (79%) from the affected business sectors: Tourism & Restaurants, Wholesale & Retail Trade, Manufacturing.

Job cuts or job openings?

There is also a widespread belief that the COVID-19 crisis leads to labor market stagnation and declining demand for new talent.

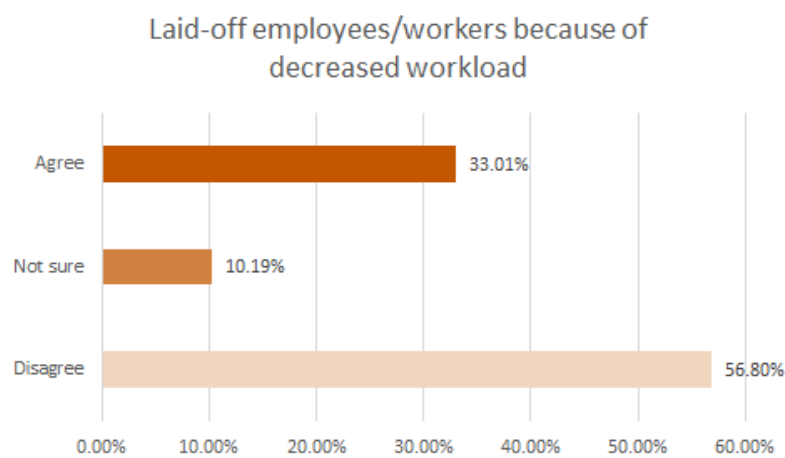
The data show that actually there is a small predominance of the respondents who say that the trend was the opposite in their companies - 39% share that their employer needs to increase the number of employees with 32% of them working in Information Technologies, 18% - in Healthcare & Pharma, and 17% - in Transport & Logistics.

39%
of
the respondents state that their
employers need additional staff
because of
increased workload during the crisis



Graph 6 Increase of staff

On the other hand, 33% share that some employees had to be laid off because of decreased workload.



Graph 7 Workforce reductions

ManpowerGroup observations show that a large number of the companies which had to and still have to cut staff down are careful in their actions and often turn to HR companies - intermediaries in this process who help laid-off employees to quickly find a suitable new job, including in a different industry sector.

How effectively do businesses tackle the crisis?

The abrupt changes regarding everyday work and the market, in general, made us face many challenges. During the first months of the pandemic, business companies registered a wide range of suggestions on how they could support their employees. Here are employers' systematic measures respondents were most satisfied with during the crisis:



79%

Provision of protective clothing (masks, gloves, disinfectants)



75%

Home-based work opportunities



69%

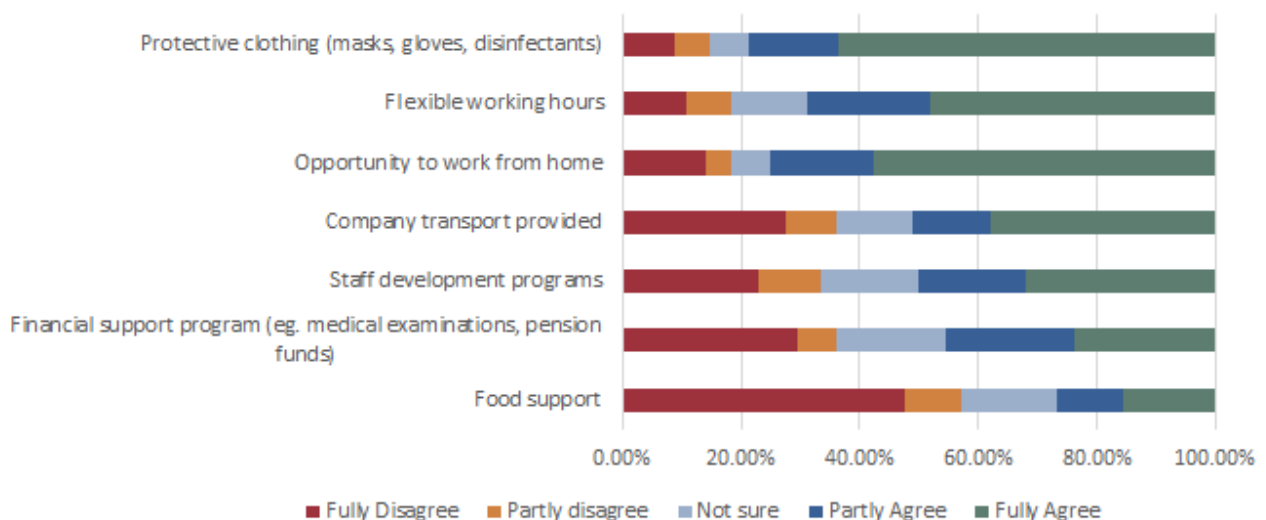
Flexible working hours related to employees' family tasks



50%

Staff counseling, support and development programs (coaching, individual interviews, trainings, evaluations, online consultations)

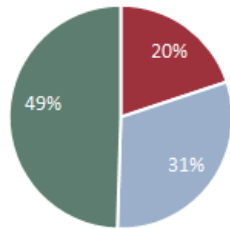
Employees are least satisfied with financial support programs (e.g. coverage of bills, medical checks, pension funds), as well as with aid support in the form of basic foods – business practices which are not widespread.



Graph 8 Employers' systematic measures

Evaluate the quality of the employee support system for COVID-19 in your company.

■ Not satisfied ■ Not sure ■ Satisfied



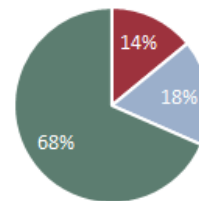
Graph 9 Quality of support systems

Overall, nearly half of the respondents are satisfied with employers' measures taken during the COVID-19 crisis, 31% are not sure and 20% are dissatisfied with companies' support programs.

A significantly larger part – two-thirds of the respondents, are satisfied with the work organization during the COVID-19 crisis and only 14% express dissatisfaction.

To what extent are you satisfied with the organization of work and the daily business of your company during the COVID-19 pandemic?

■ Not Satisfied ■ Not sure ■ Satisfied

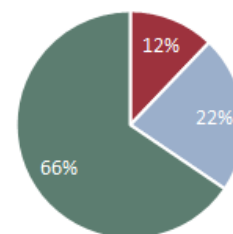


Graph 10 Work organization

That is the reason why two-thirds of the respondents would recommend their company as an employer of choice even in times of a crisis.

To what extent would you recommend your company?

■ I would not recommend it ■ Not sure ■ I would recommend it



Graph 11 Recommendation of employer

CONCLUSIONS AND ADVICE

The information herein is to serve as a basis for business improvement and sustainability even after the COVID-19 crisis. Employees are the most important company ambassadors, including in emergency situations such as the current one.

ManpowerGroup Bulgaria recommendations to Bulgarian employers:

1

Constant monitoring, analysis, and implementation of good practices from other companies as a basis for business strategy redesign and opportunity for successful positioning as an employer of choice.

2

Active usage of non-traditional solutions for efficient work organization such as providing opportunities for flexible working hours and outsourced workplace, temporary employment, outsourcing of certain work processes to external partners, etc.

3

Building business strategies and financial plans on a precise analysis of the labor market, good risk, and potential assessment compared to the standard methods of cost cuts.

4

Focusing on keeping the employer brand and investing resources in effective support programs tailored to employees' individual needs.

Once the COVID-19 crisis is over, the expected results from the applied staff systematic measures are:

Optimized costc

Motivated and engaged employees

Competitive company position on the labor market





Assert International services as part of ManpowerGroup Bulgaria portfolio help us conduct real-time surveys on key HR metrics such as salary levels, additional social benefits, staff satisfaction, and engagement combined with automated market researches of talent availability in specific regions and industry sectors.

Our surveys blend up-to-date business information, official statistical data and feedback from job candidates and current employees, thus allowing timely and informed decisions regarding human capital strategic development.

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