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**The study has been conducted among members of the Automotive Cluster in Bulgaria.**

## INTRODUCTION

In 2022, business in Bulgaria has faced some major difficulties that have been brewing since 2020 - the year of the Covid-19 pandemic. If two years ago the situation for business was inevitable and difficult to control, and projections for the labor market and talent availability were difficult to predict, today we can state that business is still compensating and solving those problems. In the year of the 'Great Exodus' we often hear '*there are no candidates*', and '*there are no employees*', but where are those people and what do they actually want?

In order to answer these questions and suggest possible solutions *Manpower Bulgaria* and *Automotive Cluster Bulgaria* conducted a targeted survey among employees of companies that are members of the industry organization.

This report presents the results of the survey, together with analysis by HR specialists of ManpowerGroup Bulgaria, psychologists of SOVA agency, and the economist Kuzman Iliev.

# METHODOLOGY AND STRUCTURE OF THE STUDY

In order to analyze the attitudes of employees working in the automotive sector, we designed a survey with six specific questions, the aim of which was to measure the engagement and to predict potential changes that employees would make in their career path. 152 employees from different companies took part in the survey and all members were invited. Respondents were divided into categories of "*unskilled workers*", "*skilled workers*", "*engineers*", "*administrative positions*" and "*managers*", whereas most of the respondents were collected from industries representing the automotive industry in the country. The survey was shared through the internal communication networks of the organizations which decided to participate.

The ZOHO Survey and ZOHO Analytics platforms were used in the qualitative and quantitative analysis process. The results of the survey are presented in a systematic way through charts and statistics.

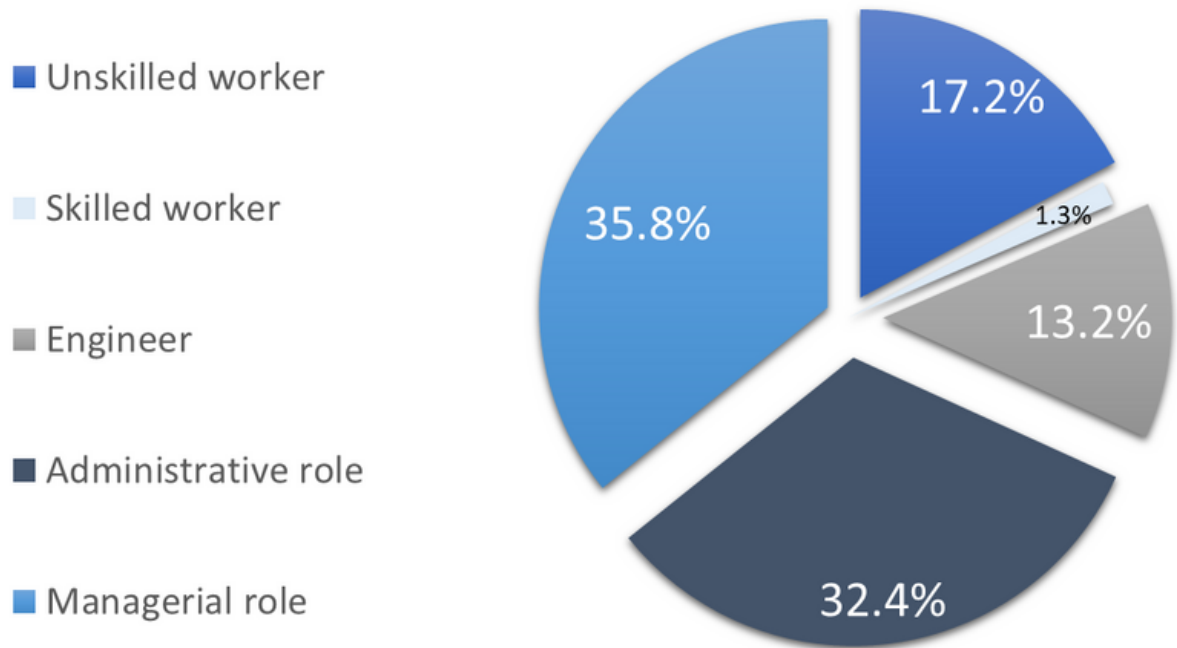
## Questions from the survey:

1. What motivates you to be part of the company?
2. What would motivate you to change your current employer?
3. Are you looking for opportunities to earn extra income?
4. Would you change your field of work?
5. Would you work abroad?





# RESPONDENTS PROFILE



## Experts' analysis and comments

### "What motivates you to be part of the company?"

Over 45% of respondents working in the sector stated that competitive pay and bonuses, as well as fringe benefits, are the most important motivators. Flexible working hours and career development opportunities ranked among the most important factors, just behind financial compensation. As expected, the hybrid work environment was considered the least important motivator, as in manufacturing positions, which is what the vast majority of companies in the automotive industry are, it's impossible to have this option at all.



**Kuzman Iliev:** "The main motivators for managers are remuneration, career prospects, and flexible working hours. These are people who make daily decisions and thus, have a long plan for themselves and their professional future. Their work is highly skilled and, most importantly, they work with people. In administrative positions, there is a subsidence, a lack of dynamism, and a demand for calm and predictability. Here, a good location, decent remuneration, and a secure working environment are the guiding factors. After the pandemic and the wave of digitalization of the workflow in high priority, flexible working hours and the possibility of a home office are perceived as convenient solutions for companies and employees."

## "What would motivate you to change your current employer?"

Competitive remuneration is also the major motivator for changing employers, with 77% of respondents strongly choosing it as the leading reason for switching from their current employer to another. The least important motivator for changing companies is safe working conditions, cited by only 11% of respondents. The observations of the specialists from ManpowerGroup Bulgaria indicate that companies in the automotive sector in the country usually meet very high standards for safe working conditions, which to some extent determines the proposed answer.

For half of the unskilled workers and engineers who responded, the second major motivator for changing employers was the opportunity for additional training and the development of competencies. In addition, career development opportunities are among the top factors for switching jobs for one in two engineers, and 46% of managers in the sector.

### What could be the reason for leaving your current employer?



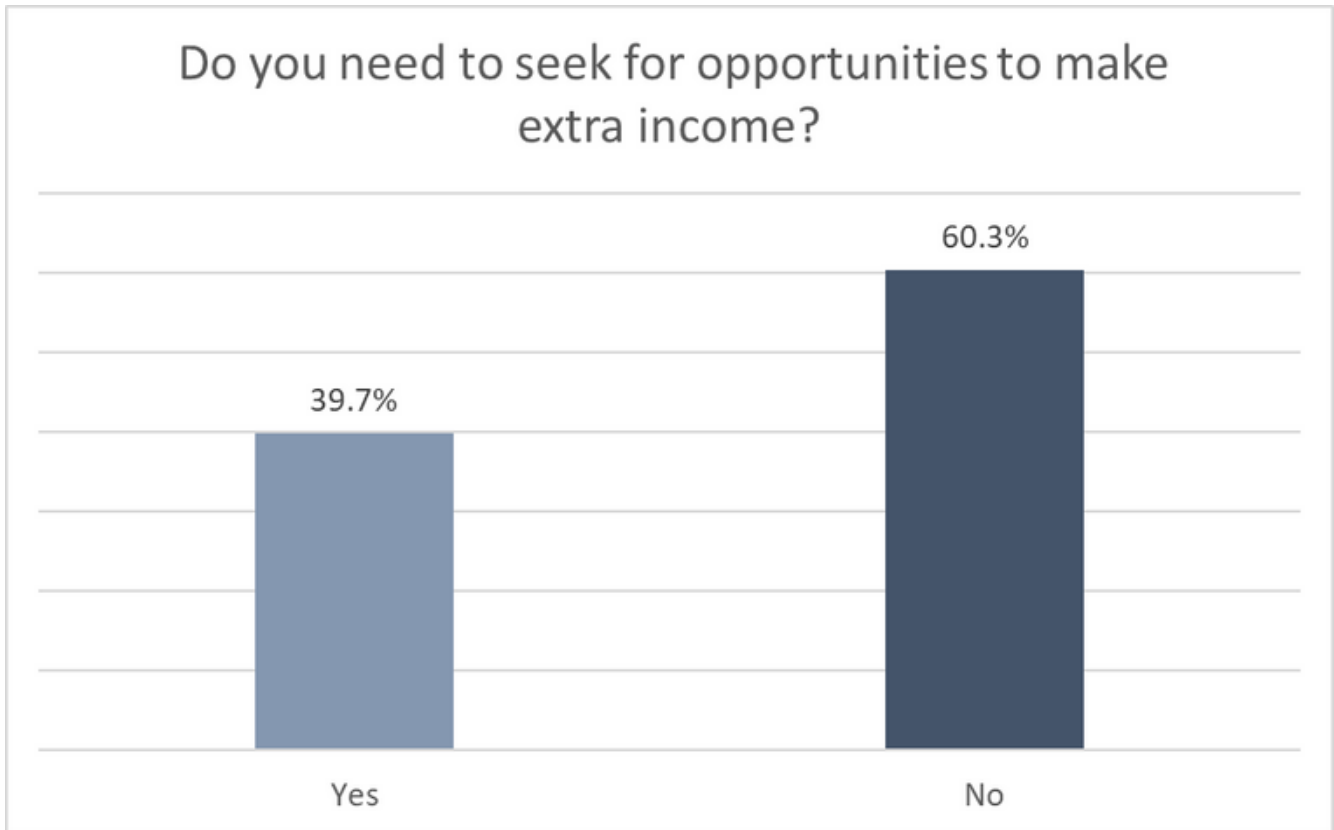
**Kuzman Iliev:** "One of the main drivers of the desire to change employer for managers is the opportunity and prospect of progression. "*Stuck in one place*" is a serious disadvantage for employees with this type of work ethic profile. A major factor remains to pay, as it is perceived as an appreciation for work, skills, and responsibility. Training and staff development also ranked among the main factors, outlining a better prospect for developing personal qualities and '*investment in oneself*'. There is demand for conveniences such as location, pay, and benefits. In the case of unskilled labor, the factors of '*money*' and domestic convenience are leading in this type of decision."

### ***"Are you looking for opportunities to earn extra income?"***

The topic of remuneration comes up again in the next question of the survey. As many as 40% of the respondents working in the automotive sector in the country indicate that they must look for opportunities to earn additional income, which is most common for unskilled workers (66% of them), as well as for people in administrative positions (47%), while it is least common for those in managerial positions (22%).

The experts from ManpowerGroup have indicated that in recent years the Bulgarian labor market has increasingly offered opportunities for additional, second, hourly, night work, etc. for activities such as rearranging warehouse or retail space, labeling and packaging goods, night inventory of companies with a daily work cycle and other similar activities. Workers in the automotive sector are traditionally known as people with good organization, and good work habits who follow quality instructions, which is why they are preferred to work on such projects.

However, the effect that extra work can have on people's physical, mental, and psychological health should not be underestimated - especially for the people who do not have a normal daily routine because of night shift work.



**Kuzman Iliev:** "Managers and engineers are by nature more resistant to the need for extra income. The added value they bring and the relative scarcity of their skills and qualities lead to better pay levels. For skilled labor and administration, the responses are 'split' evenly. Those who feel the greatest need for additional resources are the ones with unskilled job profiles."

**Psychological Center S.O.V.A.:** "Mental health is an important factor that influences motivation. The body recovers physically, emotionally, and mentally during sleep and when the sleep rhythm is disturbed, recovery and chronic fatigue accumulate. This is one of the biggest prerequisites for chronic physiological and mental stress and it can lead to professional burnout (burnout) if measures are not taken to manage it."

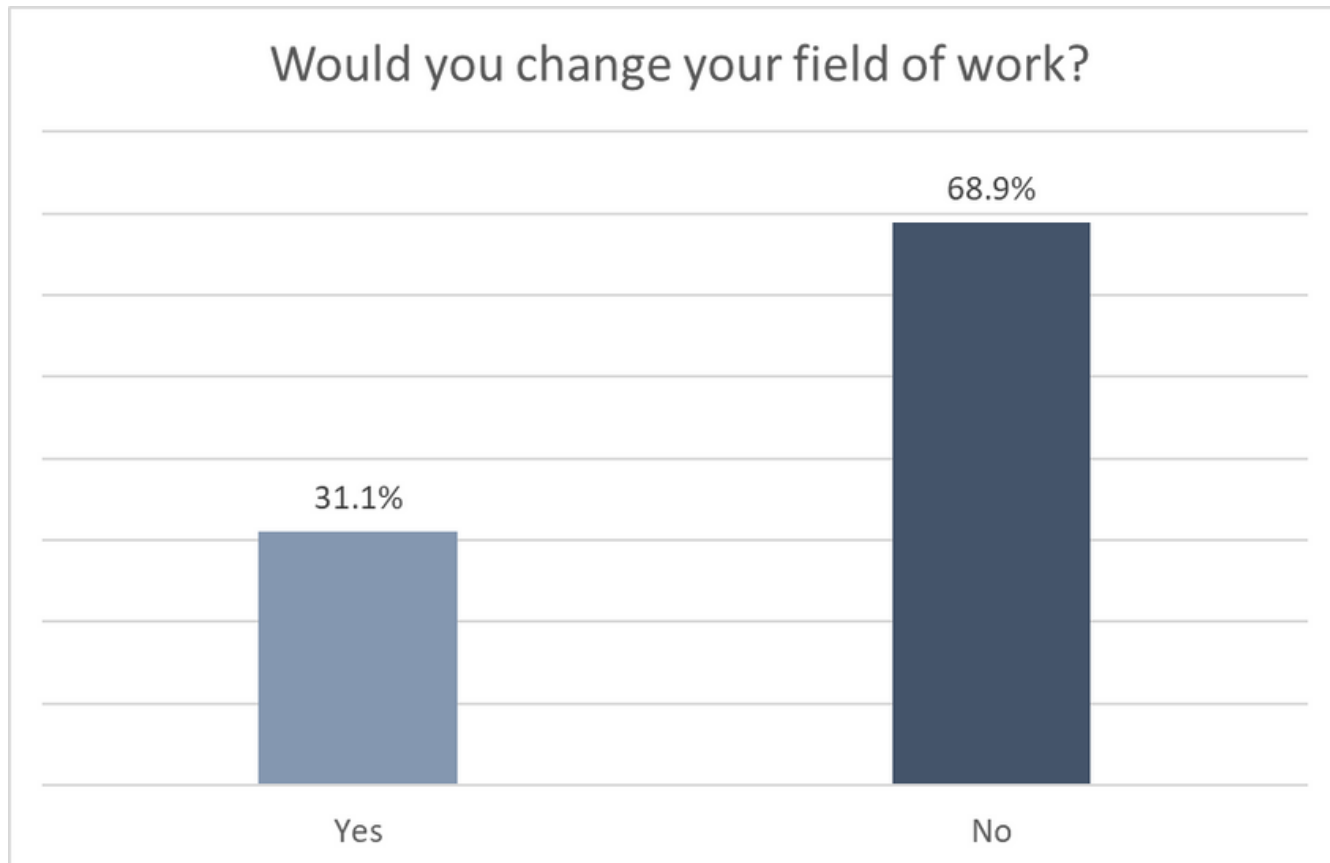
When working systematically at night, it is difficult to compensate for sleep during the day, since the sleep hormone - melatonin is released in the body at night. Therefore, permanent reduction in performance and a lack of experience of satisfaction and well-being can occur."



## "Would you change your field of work?"

Two out of three people working in the automotive industry indicate that they would not change their field of work. As many as 85% engineers in the sector answered "no" to the question. In total 43% of workers in administrative positions have stated that changing the field of work is a possible prospect.

Analysis by ManpowerGroup Bulgaria's specialist in automotive sector jobs reveals that that so-called direct staff are usually much more definite about staying in the sector, even if they want to change employer, while for indirect staff a change of industry is common, with the biggest "migration" being towards companies in the outsourcing or IT fields



**Kuzman Iliev:** "The highest proportion of negative responses here was for engineers given that their job skill was also the '*most specific*' and required a longer period of acquisition and attestation. For them, changing their field of work is a complete reformatting of their professional life and qualifications.

Managers are also now running on the track of valued and highly prestigious work that also brings high psychological satisfaction. An abrupt change of the line of work would generally be risky and not necessarily suitable for people with in-depth knowledge of the processes of a business or niche and experience of working with people.

The situation is similar in administration, where the willingness to acquire entirely new skills is not a given and the '*investment*' would be extremely large."



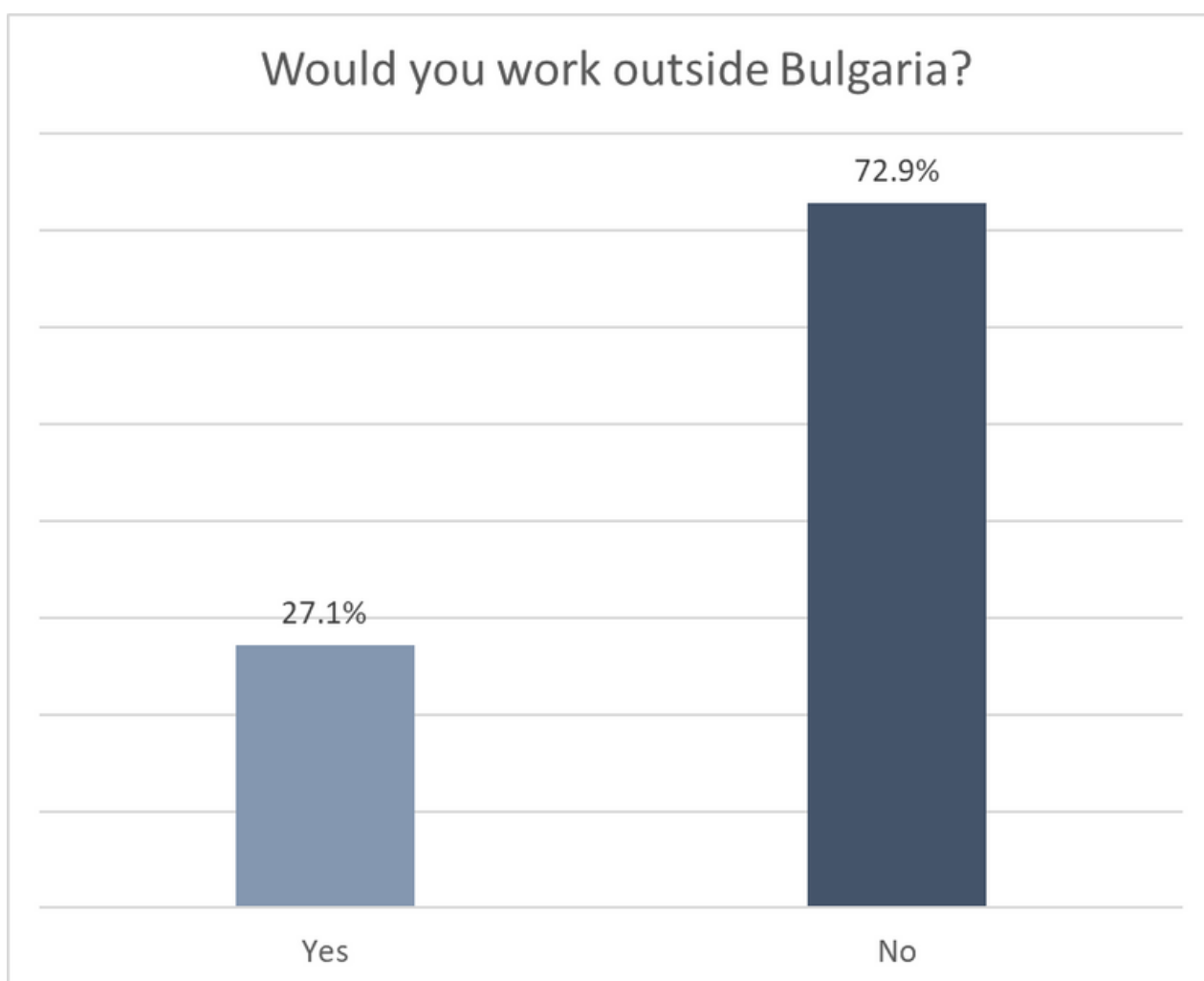
### ***"Would you work abroad/outside of Bulgaria?"***

According to the survey, 27% of the people working in the automotive sector would work abroad, with unskilled workers (31%) being the biggest group.

Experts from ManpowerGroup Bulgaria suggest that one of the possible solutions gaining popularity in recent years is hiring people from third countries, given the demographic picture in the country, as well as the readiness of a large part of the working population in Bulgaria to work abroad. Experience shows that for the automotive industry, these opportunities are currently most often taken up by companies in the manufacturing and logistics sectors, where the language barrier is relatively easy to overcome. People from countries such as Uzbekistan, Sri Lanka, Moldova, etc. are already successfully integrating into a lot of companies working in our country.

Most often, these solutions are used by companies in geographic regions remote from major locations - border regions or companies in the north-west part of the country. Due to the decreasing population in the respective location, it would be difficult to rely on a workforce from Bulgaria, no matter what working conditions an employer would offer.

We are observing another trend among engineers and IT specialists. Since the post-pandemic world has enabled work from anywhere, relocation of such people to Bulgaria has become much more difficult than before. Most companies in Europe, including a huge number in Bulgaria, are currently open to working with remote teams, and the employees can stay and live in the country they are in while working for a company on the other side of the world. While this model of working has disadvantages, at the moment the positives that employers and employees are seeing outweigh the negatives significantly.



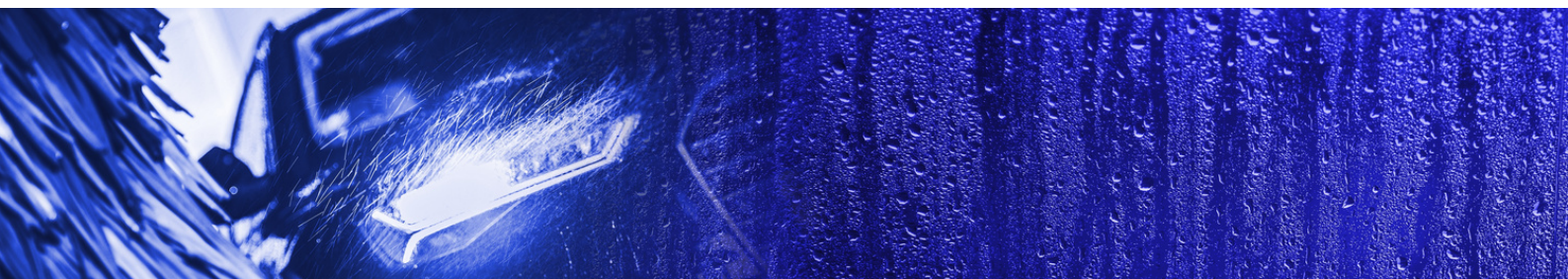


**Kuzman Iliev:** "The abrupt change in environment and language is the biggest problem for people with "soft" professional skills. A manager who has to work in a foreign country would face issues mainly with mentality, work ethic, work habits, and relationship culture and not so much with language. This also applies to administration. People with '*specific*' skills such as engineers, whose work is more universal in nature, are more comfortable. Low-skilled employees whose skills do not require particular communication skills or specific types of knowledge are also relatively more likely to make such a career move."

## Analysis of the labour market challenges

A major cost for businesses is "*salaries*" in the context of negative growth and high prices of manufacturing and consumer goods. In such an environment, they increase the rate of labor productivity growth, especially when combined with the lack of skilled and trained labor in the relevant labor market.

In an environment like that, inflation plays a positive role for the entrepreneur in terms of opening up 'space' for the profit margin. However, societal pressures, inadequate labor supply, regulations, and union actions "*fill*" these margin niches, which of course reduces the prospects for the entrepreneur/investor and hence the ultimate economic activity.



Adding **Assert** to our portfolio we aim to support the companies in making the business wise and people wise decisions and individuals in their personal career management by providing unique insights generated through application of internationally recognized and standardized methods.

**Assert Research** - The aim is to provide every client with successful benchmarking, both regarding working conditions and human potential, in the labor market.

**Assert Assessment** - A wide range of quality solutions that provide information concerning abilities, skills, personality characteristics, motivation, preferences, emotional intelligence, and all other aspects which are important within the work environment.

**Assert People Development** - The approach is based on the precise identification of development needs, the application of the most efficient methods and techniques based on quality and innovative adapted development solutions.

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