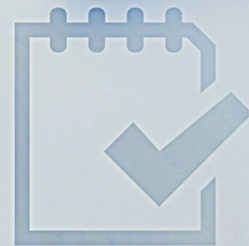
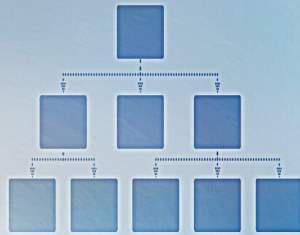


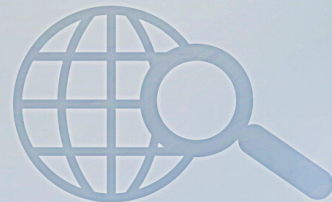
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HR Screening

MANPOWERGROUP
BULGARIA



HR





ManpowerGroup Bulgaria conducts numerous studies of the human capital management in the country.

In the context of the ever-changing environment of the labor market, high-level awareness, excellent knowledge of new trends and established practices, and sharing experience are key to the success of any business.

Objectives and Methodology

The objective of the current study is to provide timely data on the state of the HR sector in Bulgaria focusing on the in-depth understanding of specialists' and human resources departments' functions in view of two key aspects:

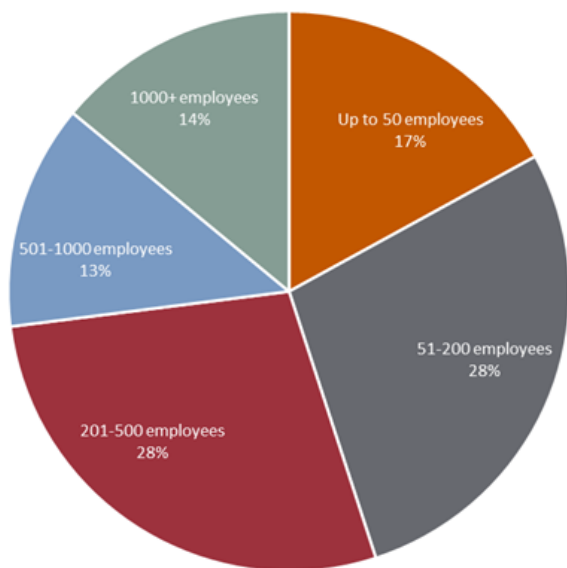
What is the role of corporate HR specialists/departments?

What challenges are they facing today?

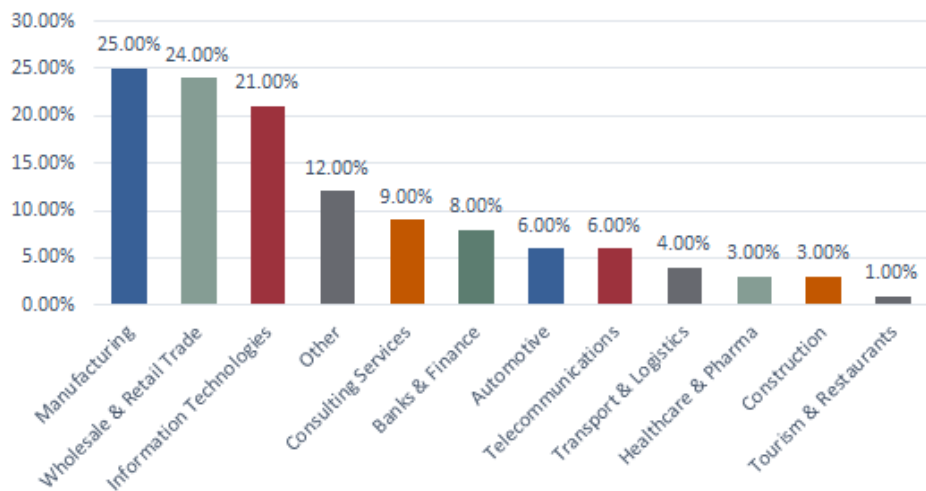
The conclusion of the study provides applicable solutions to help both organizations and HR departments achieve higher efficiency.

Respondents' Profile:

The survey was conducted in the January-March 2021 timeframe with 101 human resources specialists from different hierarchical levels, industries and company sizes:



Graph 1- Number of Employees

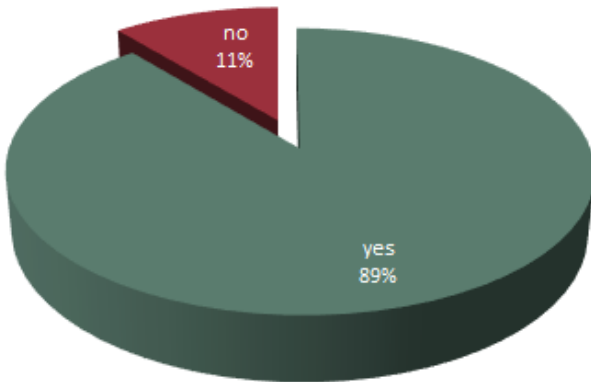


Graph 2 - Industries

Findings

WHAT IS THE ROLE OF CORPORATE HR SPECIALISTS/DEPARTMENTS?

Does your company have a Human Resources department?



Graph 3 - HR department

When analyzing the role of corporate HR specialists and departments, it is important to note that 11% of all participants state that their organizations do not have a separate Human Resources department.

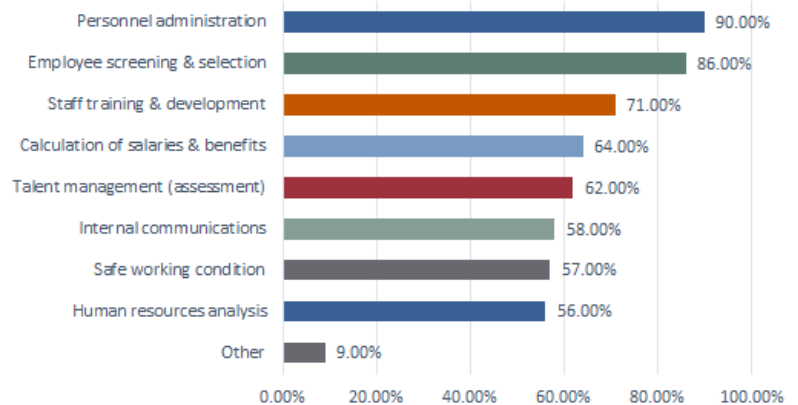
Despite the low percentage, it remains worrying that there are still structures in which the human resources function is not legitimized and thus deprived of the opportunity for strategic development and targeted human capital management.

Of course, the smallest companies are the exception since the establishment of such a function would not be possible; however, the need for a specific person interested in and following the practices and trends for systematic and adequate human capital management remains crucial.

Regarding the main functions performed by corporate human resources specialists, the respondents indicate personnel administration, selection of new employees, and staff training.

As for the rest of the answers, the strictly operational nature of these functions is rather impressive with one exception - human resources analysis (56%), which is a necessary and important condition for good human capital management.

Please list the existing functions of the HR department in your company



Graph 4 - HR function

73%

find the function of their in-house HR department not just as a supporting but as an integral part of the business

78%

confirm that the HR department stands out as a strong strategic partner of the business or affects the company's operations

No1

challenges for HR practitioners continue to be Talent shortage and employee turnover

TOP 3 MAIN ACTIVITIES AND FUNCTIONS PERFORMED BY THE RELEVANT CORPORATE DEPARTMENT

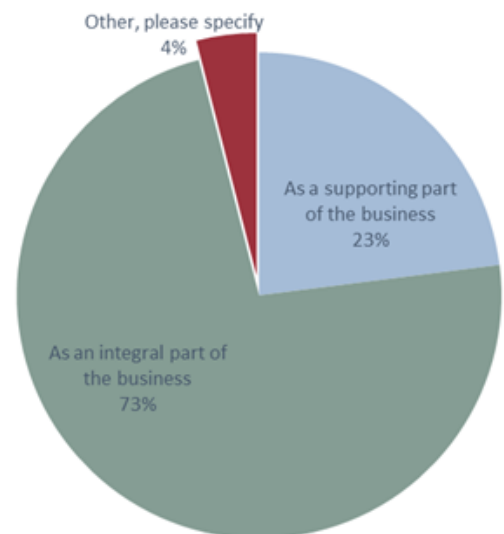
The same trend is being confirmed when analyzing the top three activities performed by the different corporate departments. With a few exceptions, e.g. identifying talent suitable for promotion and identifying & planning training needs, the rest of the above-mentioned key responsibilities and activities performed by the various HR functions in the organizations are focused on operational work which is to provide the needed labor force.

Department	No1	No2	No3
"Personnel Administration"	Management of the necessary documentation regarding employment amendments and/or termination	Maintenance of employee files	Appointment and dismissal of employees
"Employee Selection"	Job postings	Candidate interviews	Pre-selection and recruitment
"Talent Management (Assessment)"	Employee assessment	Identification of talent suitable for promotion	Conducting interviews for professional development
"Trainings & Development"	Organization of team trainings	Identification & planning of training needs	Creation of training programs
"Salaries & Benefits"	Calculation of bonuses	Preparation of payrolls	Creating and reviewing pay levels

Contrary to these results, a total of 73% of the respondents share that they find the HR department function in their companies not just supporting but an integral part of the business.

ManpowerGroup Bulgaria practice shows that, in view of the current state of the labor market, the full integration of HR departments in the strategic corporate management stands out as a driving force for successful business development, and in other cases - a critical point for such.

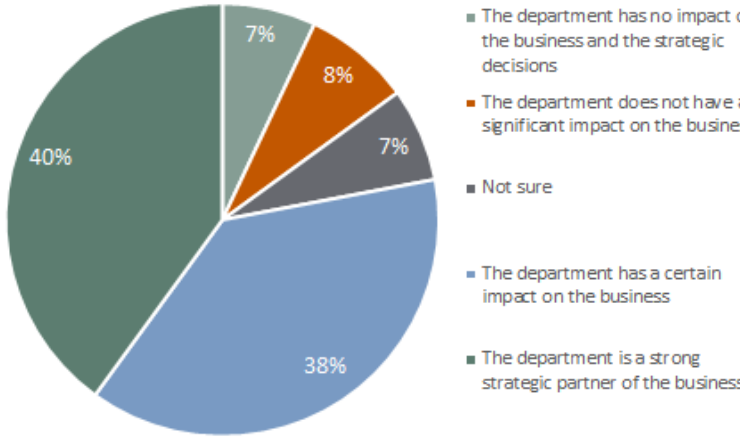
How do you perceive the function of the Human Resources department in your company?



Graph. 4 - Function of the HR department

A total of 78% of the respondents confirm that the HR department is a strong strategic partner of the business or affects the company's operations.

How would you rate the Human Resources department in your company?



Graph. 5 - HR department rating

The analysis of the obtained data shows a discrepancy between the identified strategic role of the HR practitioners and departments and the operations-focused function the majority of in-house departments actually perform.

It is a good practice that companies often turn to external HR consultants to help them transition from an operational to a strategic level of human resources management, and it is also common for them to outsource certain operational processes which in turn frees up internal capacity to perform strategic functions.

PLEASE LIST OTHER ACTIVITIES WITHIN YOUR HR DEPARTMENT WHICH ARE NOT MENTIONED AMONG THE MAIN HUMAN RESOURCES FUNCTIONS AND ARE PERFORMED ONCE OR SEVERAL TIMES A MONTH

Participation in company projects

Onboarding of new hires

Team buildings Wellness programs

Development programs for managers

Internship programs **Employer branding**

Legal counseling

Employee motivation

Deployment of global projects

Conflict resolution

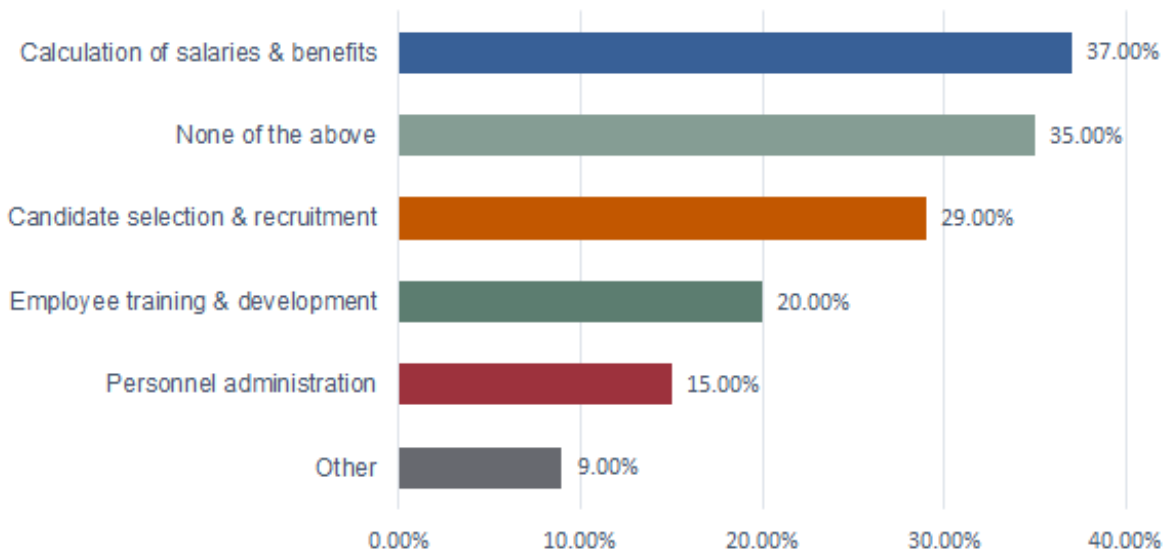
Participation in health & safety workplace initiatives

Participation in different forums and surveys

Another observation of ManpowerGroup Bulgaria is that increasingly more attention is being paid to the experience of the candidates and the organizations' employees, as well as to the methods for workforce motivation and retention.

The data show that in addition to the above-analyzed standard functions of the HR departments other important aspects include the onboarding of new employees, team buildings, development programs for managers, as well as newer and non-traditional facets such as psychological or legal counseling and wellness programs.

Which of the following HR services does your company outsource?



Graph. 6 - Outsourced HR services

In order for so many different functions to be integrated into a single point of contact, the selection of external partners to manage various processes such as staff selection, training, payroll administration, and similar is usually assigned to the HR departments, too.

Choosing partner organizations is often critical for the work of the HR teams as the latter usually outsource the processes of payroll preparation (37%), candidate recruitment (29%), and employee training and development (20%).

A common challenge among the HR practitioners in the country is the necessity to co-work with a number of external companies and agencies on different aspects. The calculation of salaries and benefits is handed over to accounting companies, candidate recruitment - to a recruiting agency, trainings - to external coaches, etc. As a result, an additional communication burden is created for the internal departments instead of them having more free resources by outsourcing certain functions.

ManpowerGroup Bulgaria recommendation is that companies apply a strategic approach when choosing an HR partner starting with an internal analysis of the functions they would outsource or which they really need an external partner for. In order to facilitate the internal processes, it would be optimal if the company assigned all functions to a single strategic HR partner. This would save it time and efforts to introduce different companies and third parties in the organization's goals and requirements.

WHAT CHALLENGES ARE HR PROFESSIONALS/DEPARTMENTS FACING TODAY?

For the last twelve months, COVID-19 has been one of the biggest challenges for both companies and employees. In addition to the pandemic's strong effect on the labor market, there are other challenges human resources professionals and departments are facing in the current situation, the biggest difficulty in the daily work of half of the respondents being talent shortage and employee retention.

TOP 5 CHALLENGES FACED BY IN-HOUSE HUMAN RESOURCES DEPARTMENTS



ManpowerGroup Bulgaria observations confirm the data and the fact that the dynamics caused by the layoffs in certain sectors has not led to relevant major changes – talent shortage is one of the main reasons HR professionals turn to us for support. A positive trend we should highlight is that last year we witnessed a significantly growing interest in strategies for effective employee retention.



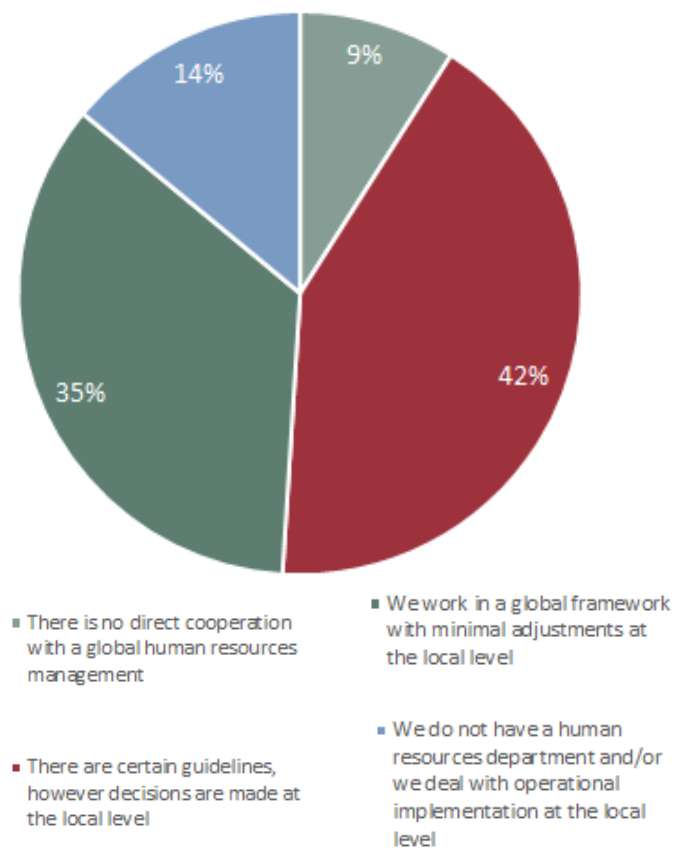
Our practice shows that talent shortage and employee turnover are among the most time-consuming processes for most HR professionals. The repeating recruitment processes involve a lot of operational and bureaucratic work, and HR practitioners share that the search for new staff often sidelines other strategic aspects such as employee engagement and motivation, management of remote workers, process digitalization.

In view of this data, the above-mentioned strategic HR activities become the next big challenge.

Working with international human resources teams and policies also ranks in the top five challenges. More than two-thirds of the respondents from international organizations state that their job is directly related to overseas HR policies and management.

Sharing good practices, using other countries' experience, and meeting international standards are prerequisites for high-quality human capital management. On the other hand, a similar way of working could also imply negatives such as lack of adaptability to the specifics of the local market, insufficient opportunities for solutions tailored to the characteristics of the particular country, and even blocking the creativity of the local HR practitioners.

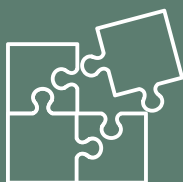
To what extent are the activities and functions of your company's human resources department managed globally?



Graph. 7 - HR management on a global level

Conclusions and Guidelines

This analysis confirms ManpowerGroup Bulgaria daily observations. Our key and most important conclusions are:



73%

of the respondents state that they find the function of their in-house HR department not just as a supporting but as an integral part of the business



78%

confirm that the HR department stands out as a strong strategic partner of the business or affects the company's operations



No1

challenges for HR practitioners continue to be Talent shortage and employee turnover

ManpowerGroup Bulgaria recommendations are:

Purposeful strategic work on building and maintaining an excellent employer brand as a mechanism for dealing with the never-ending talent shortage.

Development of a competitive internal program for talent retention and development in order to overcome employee turnover and to effectively retain staff in the long term - key factors for the success of business operations

Operational tasks and day-to-day functions should not shift the focus from strategic and fundamental ones. The active work with a trusted external partner to deal with the cumbersome repetitive operational processes is key in providing the HR department with sufficient free time and resources to perform its strategic functions such as brand positioning and human capital planning and development



Assert International services as part of ManpowerGroup Bulgariaportfolio 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.

For more information, please contact our experts:

Maria Stoeva
Head of Sales and Business Development
maria.stoeva@manpower.bg
+359 879 958 628

Gerasim Naydenov
Senior Consultant
gerasim.naydenov@manpower.bg
+359 879 958 620

www.manpower.bg