

SATR BULGARIA / H2 2022

Salary and additional benefits - trend research



Study objective

SATR H2 2022 is the third study of a series of regular analyzes of the trends in salaries and additional incentives, surveying employers from all regions and economic sectors in the country regardless of their companies' size. The surveys is conducted semi-annually in order to identify employers' plans for the following six months.

The objective of the current study (SATR H2/2022) is to outline the changes employers from different sectors and regions in Bulgaria plan to make in the amount of monthly remunerations and benefit packages of their employees for the second half of 2022 (H2/2022). This is the second part of the semi-annual study done also in the cluster of ManpowerGroup SEE which includes also Serbia, Croatia, Slovenia & Bosnia and Herzegovina.

The survey was conducted in a month and a half – during April and May 2022. In total 154 different companies from various business sectors in Bulgaria took part in our research and shared their vision for the future of their employees' remuneration.



Methodology

ManpowerGroup Bulgaria in the process of market research uses the ZOHO platform. For analyzation purposes, cross-tab reports and statistical charts, this study used ZOHO Survey and ZOHO Analytics.

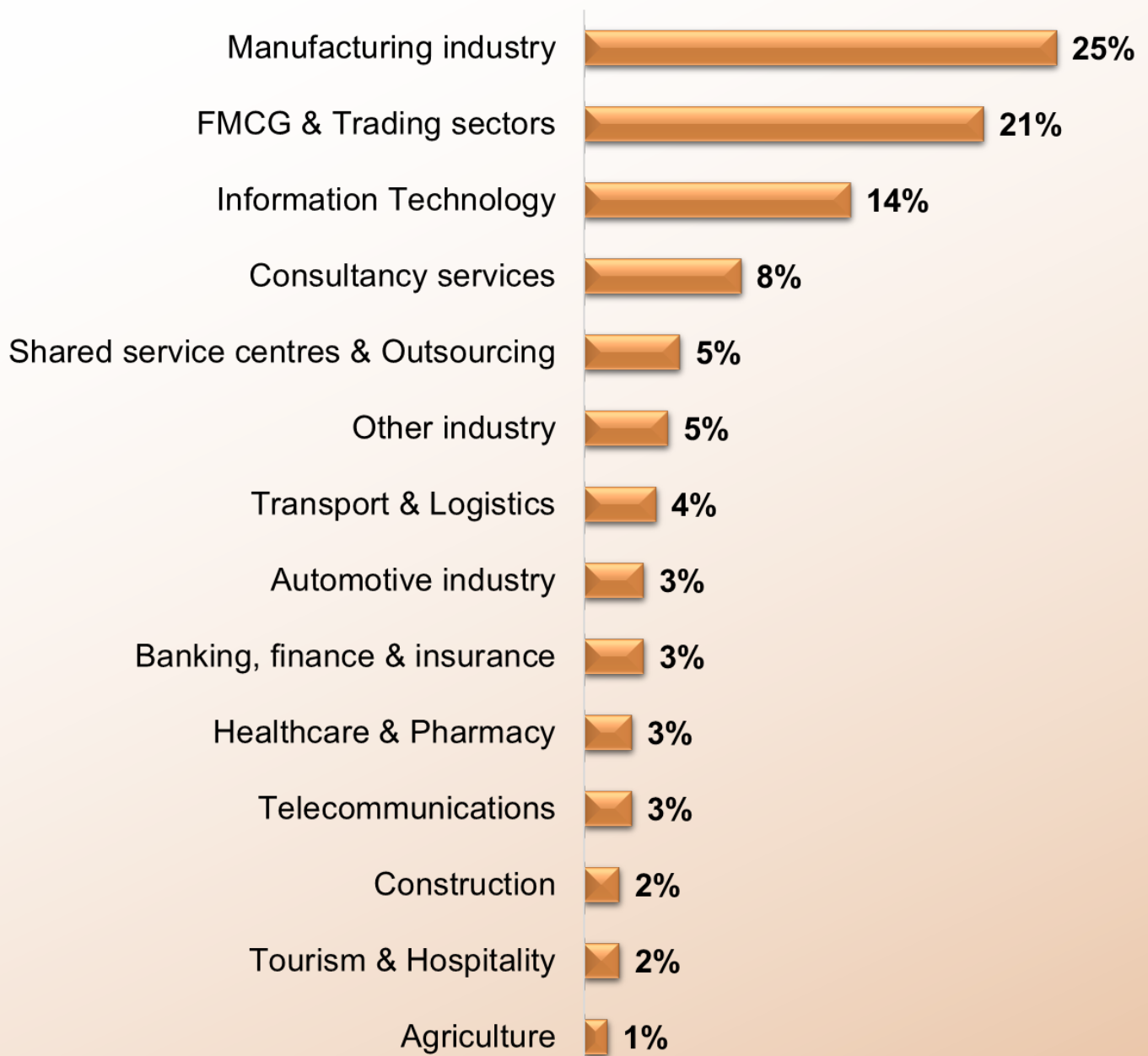
The study was widespread through social media platforms, seven professional clusters and chambers and all ManpowerGroup Bulgaria external and internal channels of communication.

Respondents' profile

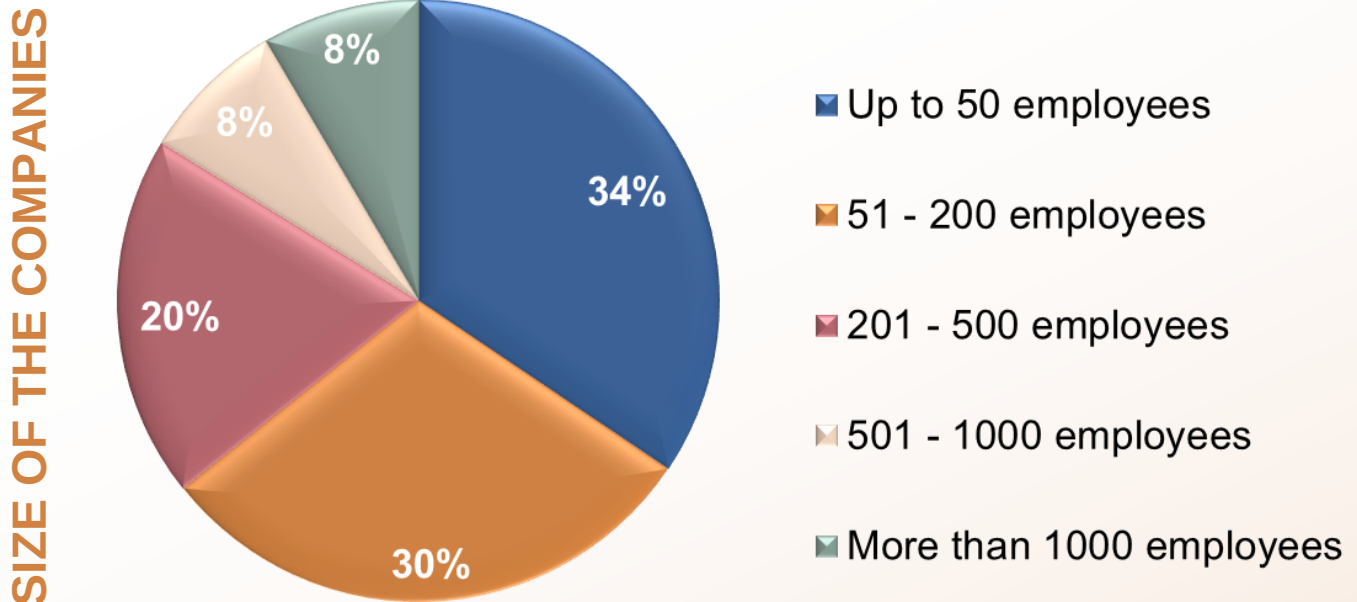
154 companies from 14 different business sectors took part in this survey. The business sectors with most respondents are FMCG (23,3%), Manufacturing (18,6%) and IT (16,3%).

All projection of changes in salaries, benefits and financial incentives are analyzed based on the results from business sectors with most respondents in this survey.

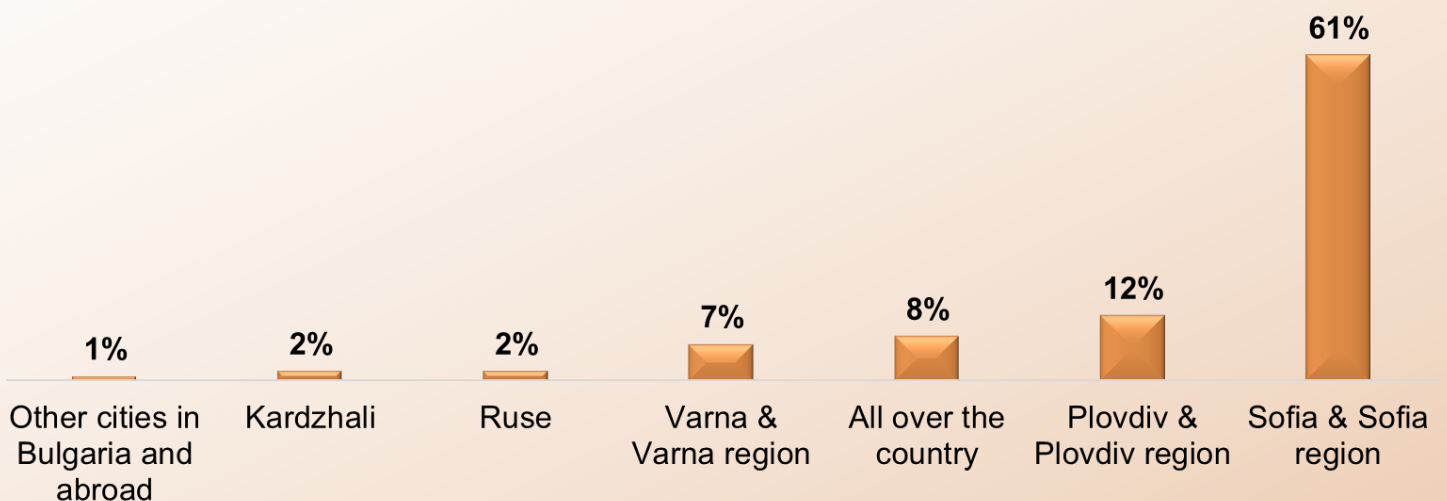
There are some representatives included in the percentage under '**Other industry**' from sectors such as Energy generation and trading, R&D and Advertisement.



34% of all respondents are organizations with up to 50 employees. Companies with up to 200 employees are occupying the second place with 30%, followed by 20% from companies with up to 500 employees and 8% are organizations with more than 1000 employees.



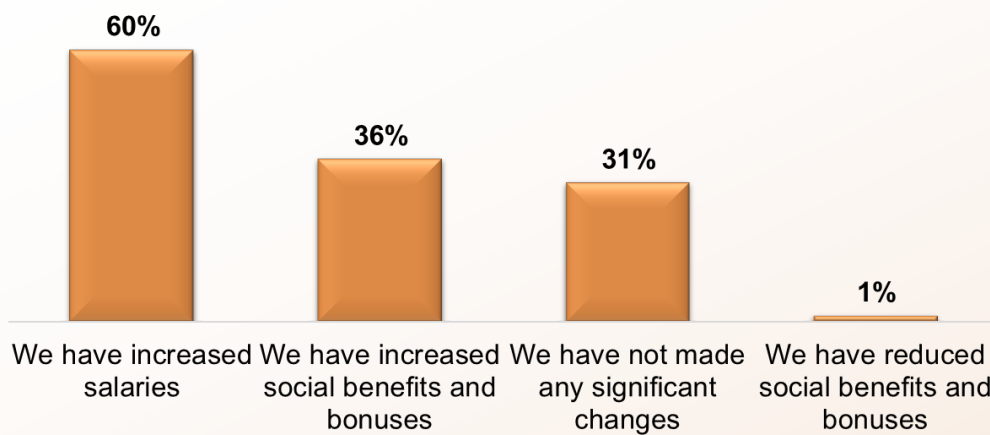
The biggest portion of respondents are companies from Sofia and Sofia region (61%). 12% are from Plovdiv and the surrounding area, followed by 8% from organizations with offices all over the country and 7% from Varna and the region.



In the lower percentages we observe representatives from companies located in Ruse and Kardzhali (2%). In the 1 percentage there were companies from Shumen, Pazardzik, Blagoevgrad, Gabrovo, Vratsa, Veliko Tarnovo, Burgas, Stara Zagora and abroad.

Planned changes in remunerations, benefits and financial incentives

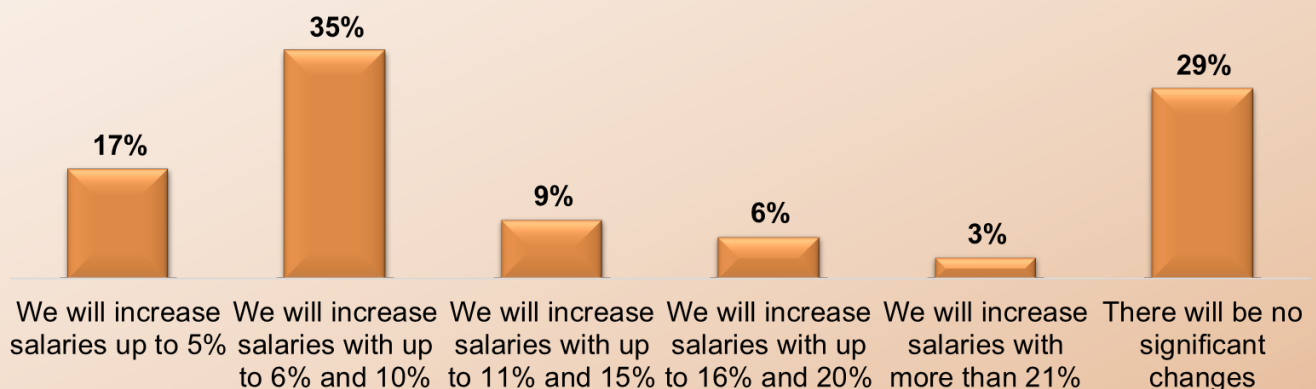
H1 2022



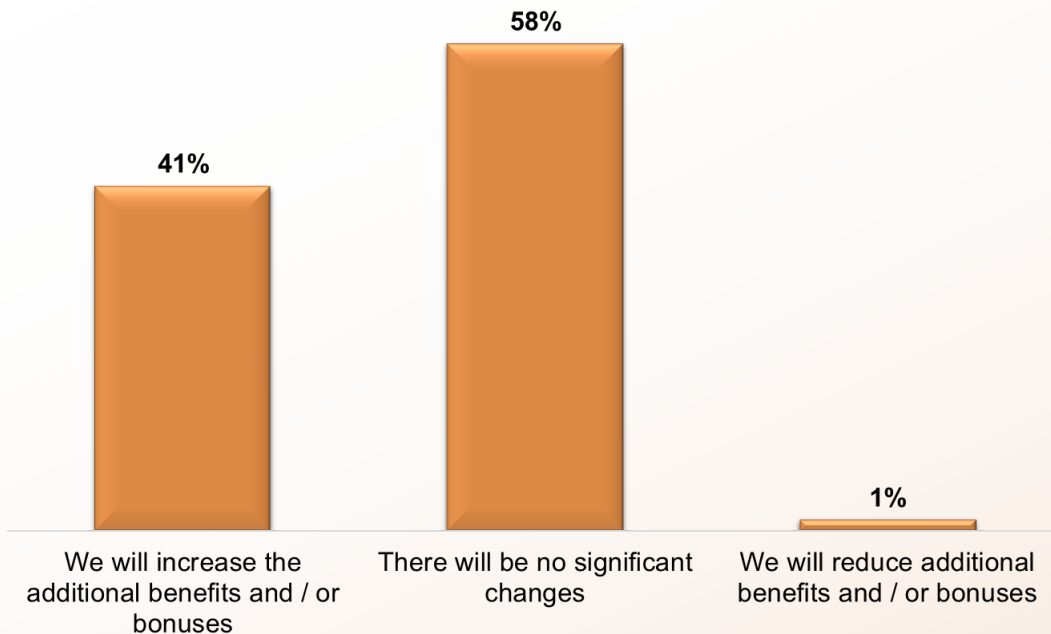
In the beginning of 2022, 60% of all companies in this survey increased salaries and other 36% raised their benefits or / and financial incentives. Around 31% of all did not make any changes in their organizations and only 1% reduced their social and financial packages.

For H2 35% of all respondents plan to increase base salaries with up to 10 percent for salaries and other 17% - with up to 5%. There are some organizations which will increase remunerations even more – up to 21 percent (3%), others plan to increase with up to 15 percent (9%). Around 29% plan to keep the salaries at their current levels.

H2 2022



Additional benefits and financial bonuses

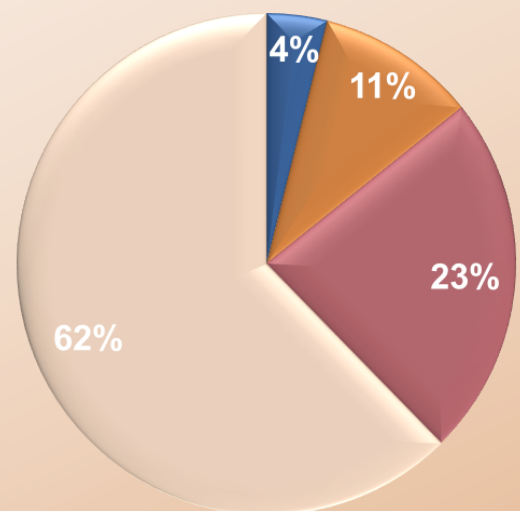


Increase in additional benefits and bonuses is also expected by 41% of the respondents. Other 58% do not plan to make any changes within the given period. Below 1% of the organizations consider reductions.

62% of the respondents claim that the planned changes would apply to most of their employees. Other 23% plan for the changes to affect up to 80 percent of the employees, and 11% only plan to make the change for approximately half or less of their personnel.

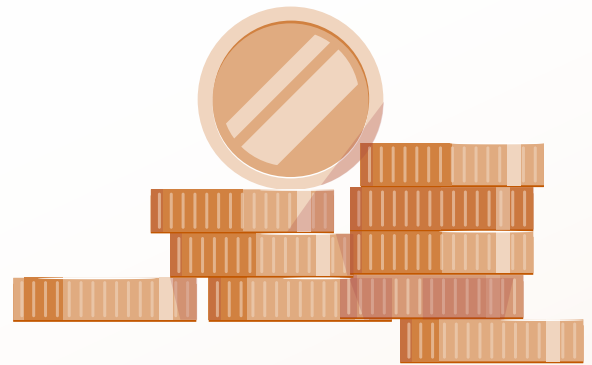
EMPLOYEES AFFECTED BY THE CHANGES

- Up to 20% of those involved in the company
- Between 20% and 50% of those involved in the company
- Between 50% and 80% of those involved in the company
- All employees in the company

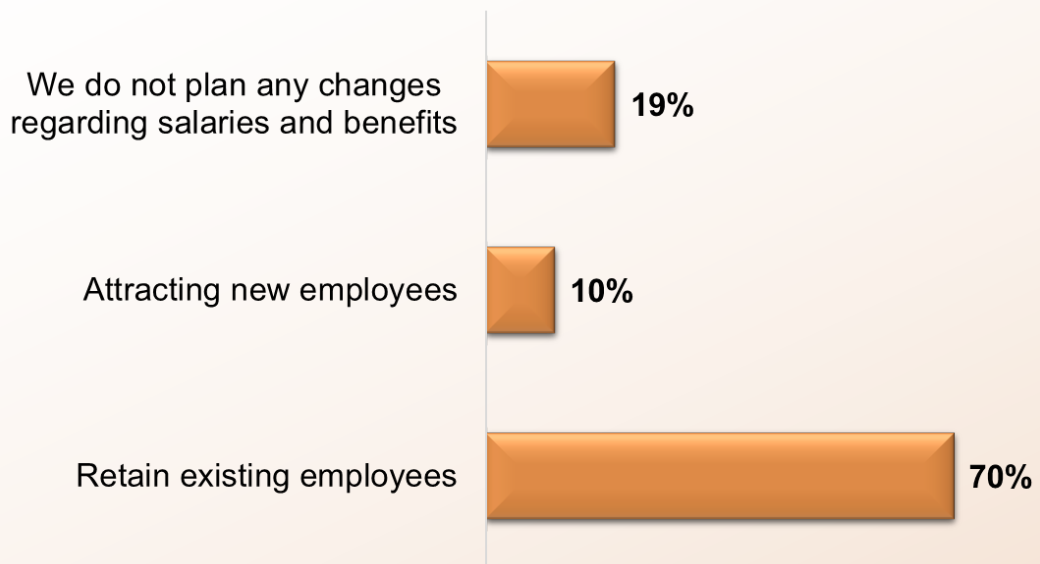


Same as the previous study SATR H1/2022 claimed, the main driving power to any changes in comp & bens in the organizations is retaining existing people.

For the second half of the year most of the companies agreed on the same - 70% of all respondents would increase salaries and / or incentives with the main aim of retaining talent. Around 10% of the respondents share that compensation increase would be more because of the need to attract new talent.



MAIN REASONS FOR CHANGES IN H2 2022



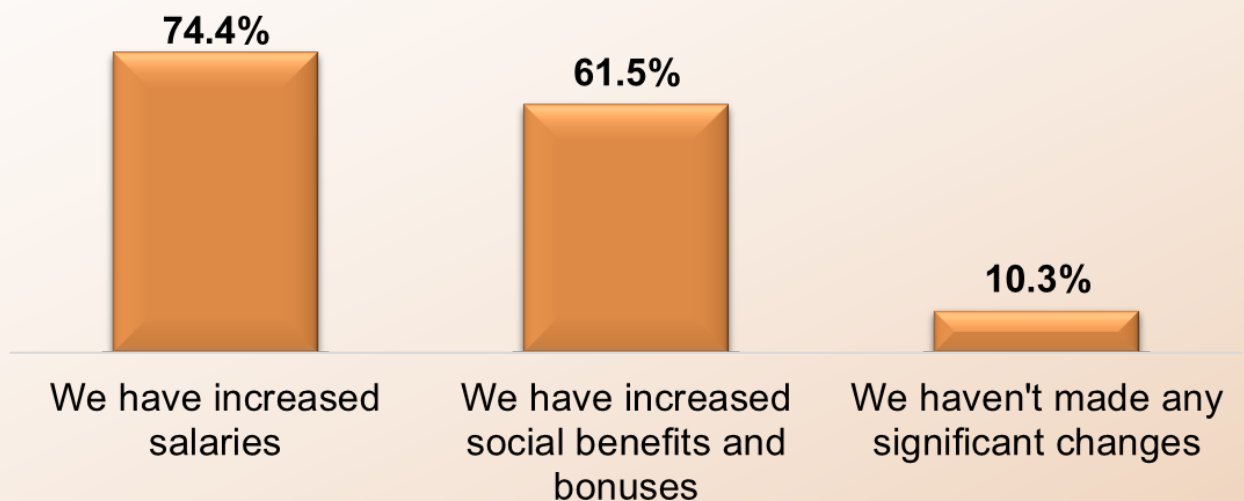
Manufacturing & Production

From the Manufacturing sector most of the respondents are organizations with up to 500 employees (38,5%) followed with 20,5% representatives form organizations with up to 1000.

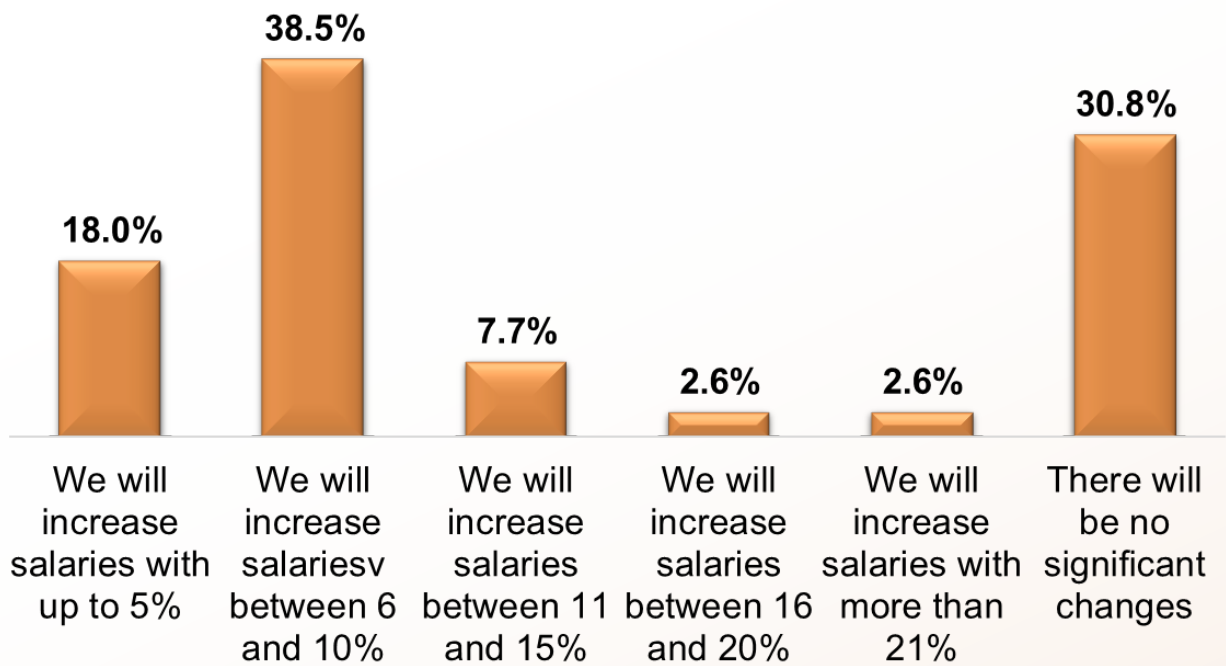
Applied changes in H1 vs planned changes for H2

We asked our partners what changes they applied for H1, and almost all of all respondents from Automotive sector shared they have increased the salary levels, and 20% of them also increased additional incentives.

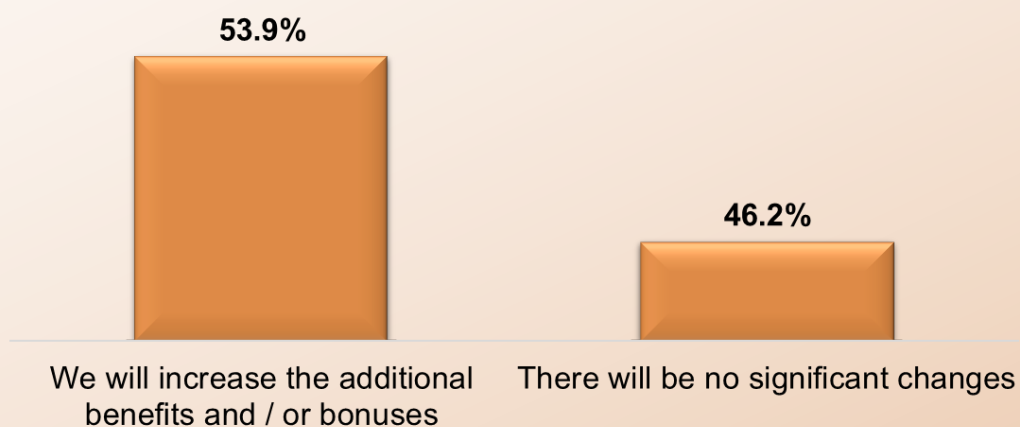
APPLIED CHANGES FOR H1 2022



**PLANNED CHANGES
FOR H2 2022**

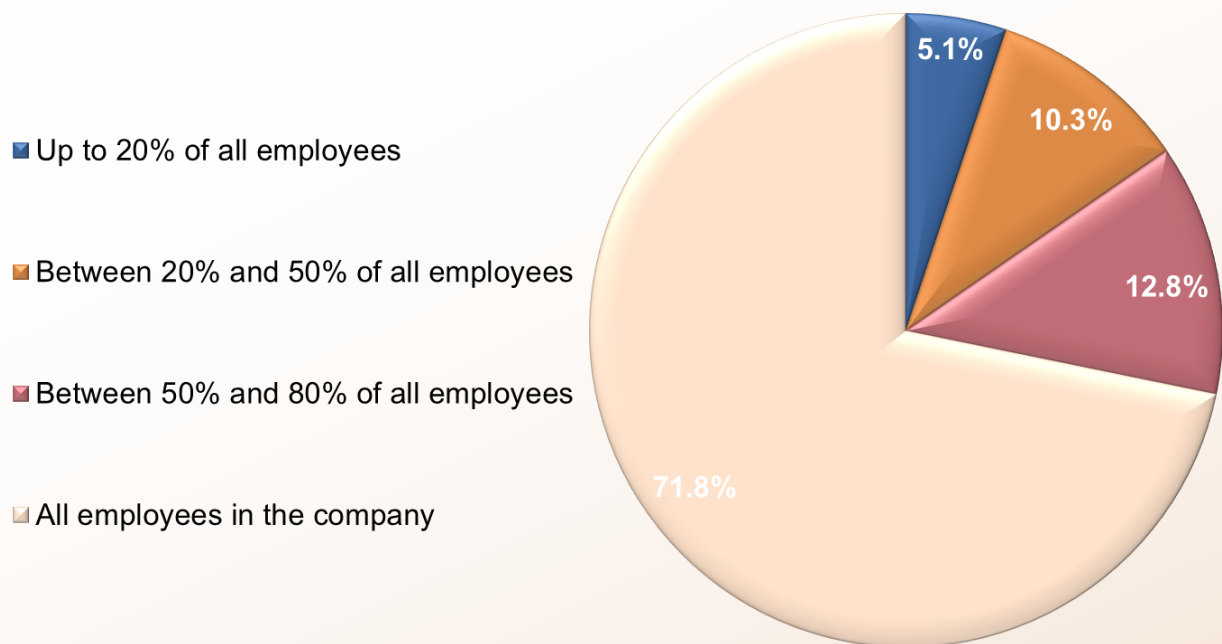


Planned changes in benefits & financial incentives for H2 2022



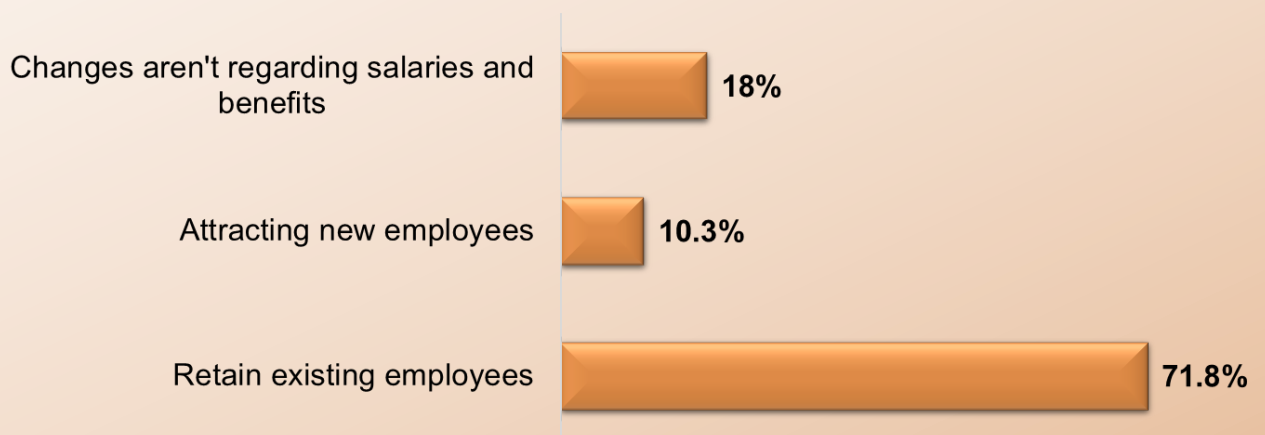
How many of your employees will be affected by the changes for H2 in remunerations and benefits & financial incentives?

71.8% out of all agreed that the changes will affect all employees, 12.8% - plan for them to affect up to 80 percent of the organizations' employees, 10.3% - up to half of their employees and 5.1% only for 1/5 of their employees.



We are expecting significant changes in remunerations and benefits for the sector in H2 because of the ongoing "Great resignation" phenomena once again making the main reason for the expected changes - retaining existing talents.

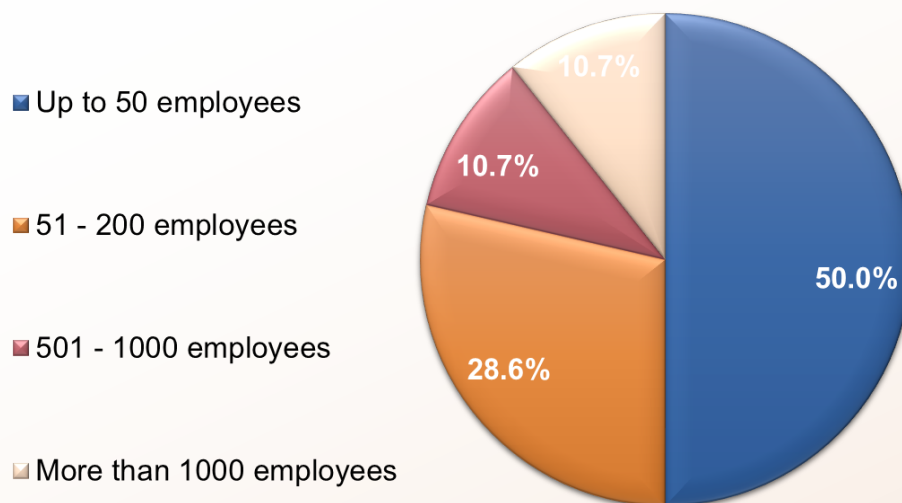
MAIN REASONS FOR CHANGES IN H2 2022



FMCG & Retail

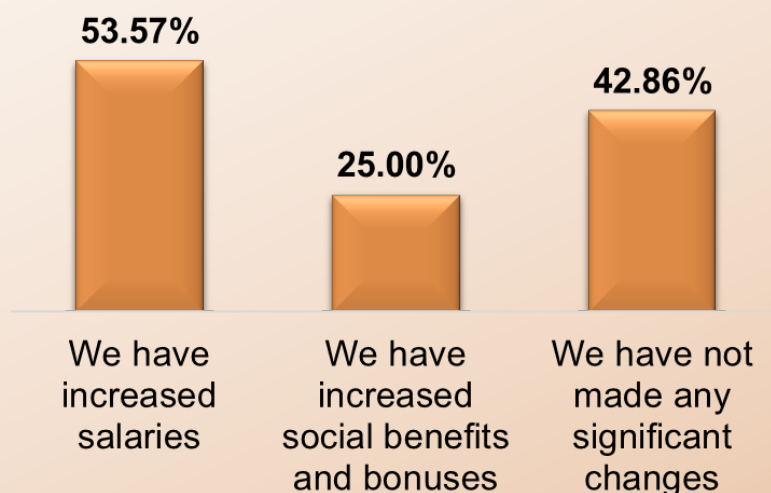
For the FMCG & Retail sector respondents came from different sized companies. Approximately half are parts of organizations with up to 50 employees, while 11% are larger employers with more than 1000 people.

86% of respondents are working mainly from Sofia, and around 11% have offices or branches located in many towns and cities in the country.



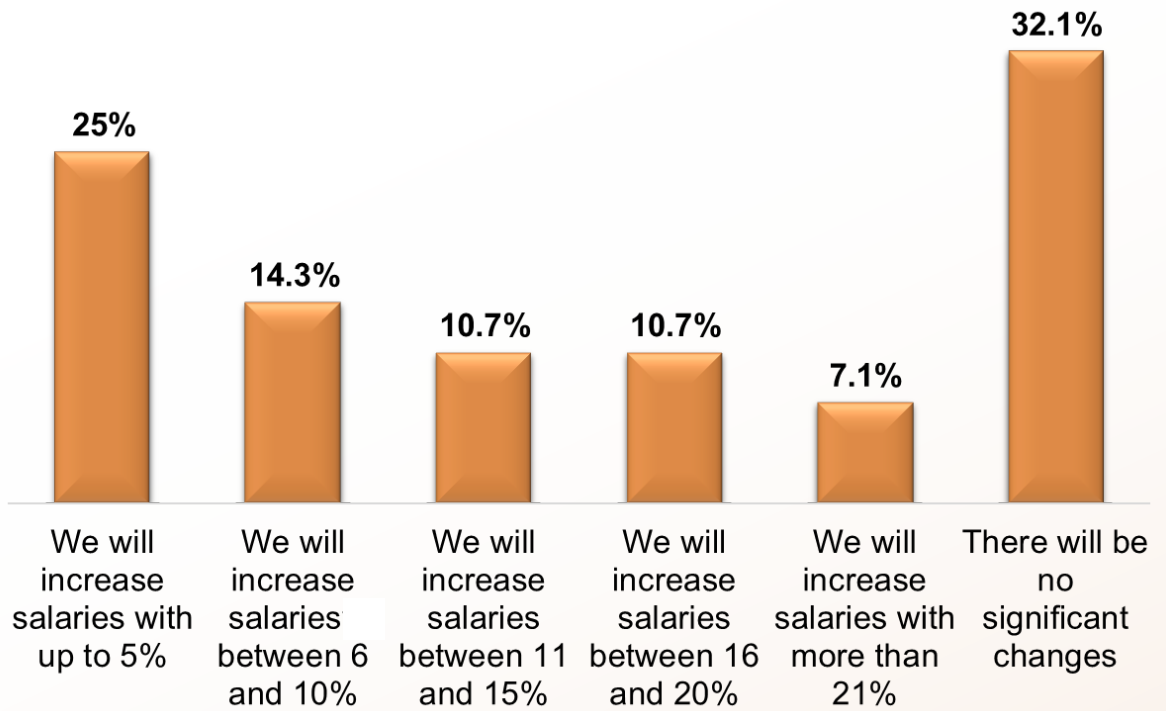
Applied changes in H1 vs planned changes for H2

APPLIED CHANGES FOR H1 2022

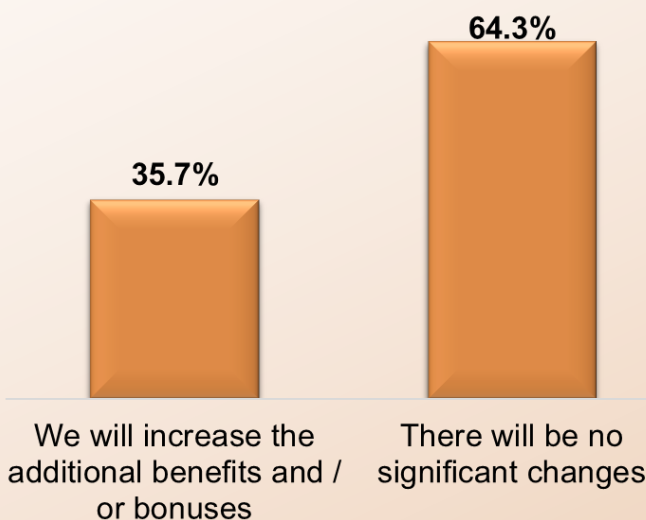


Half of the employers that answered the current survey have increased the salaries in their companies in the first half of 2022 and 43% of all did the same thing but for additional incentives. As for the second half of the year 67,9% from the respondents plan to increase remuneration with up to 21%.

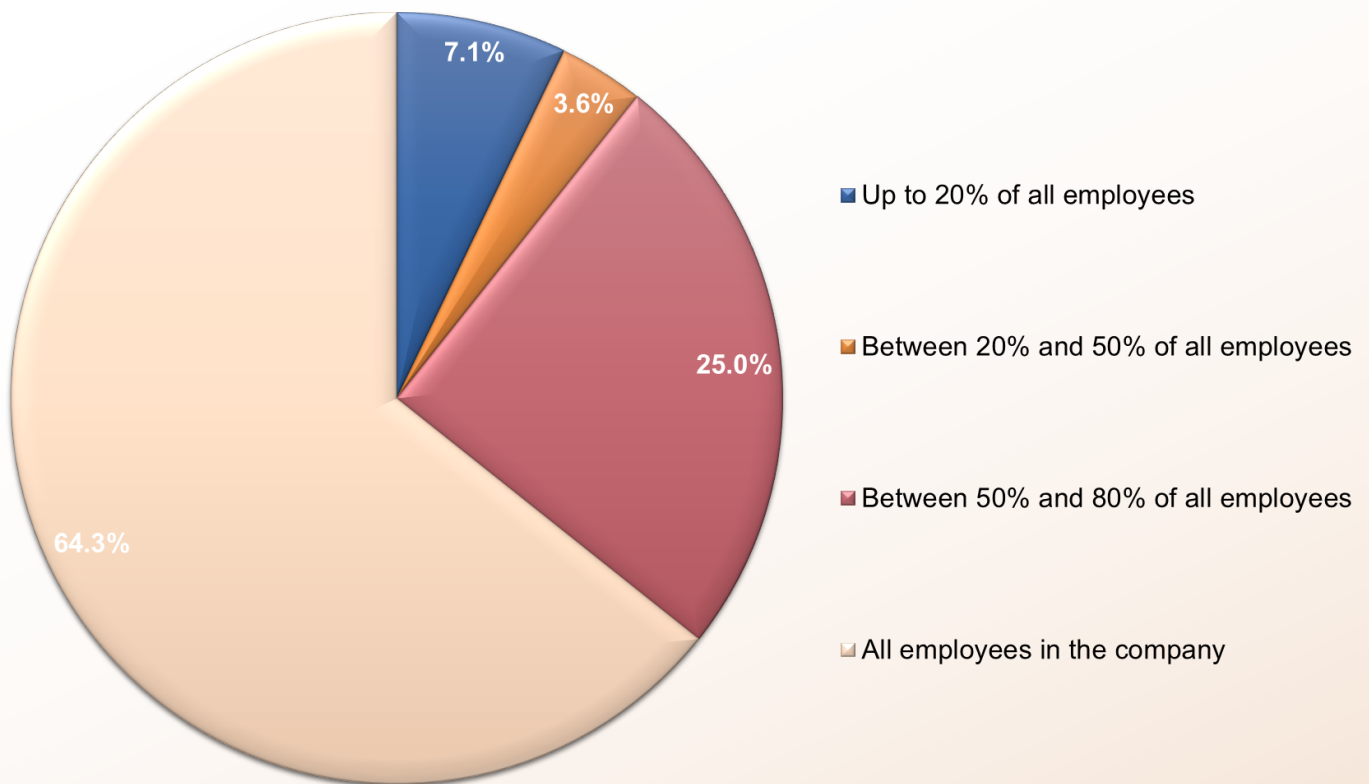
**PLANNED CHANGES
FOR H2 2022**



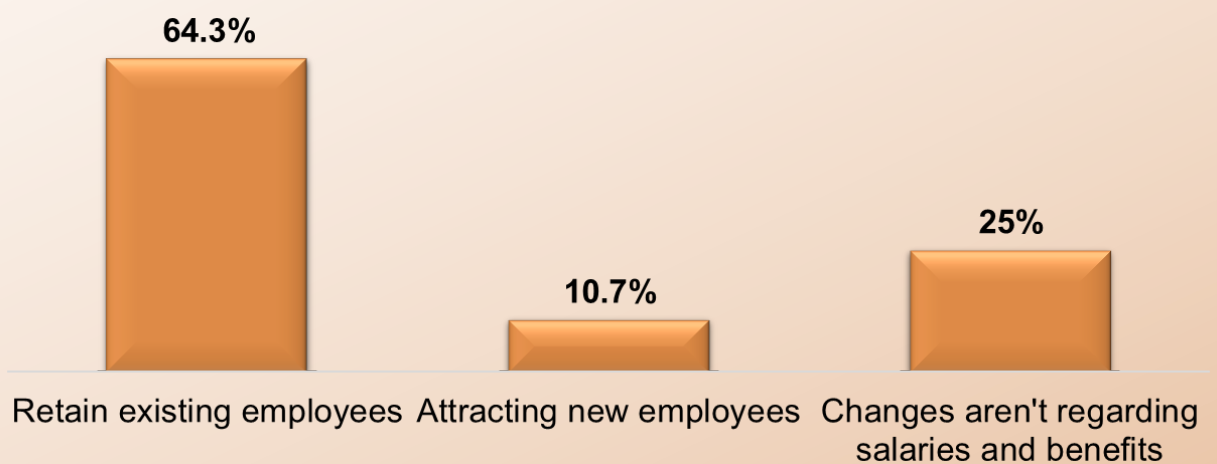
Planned changes in benefits & financial incentives for H2 2022



How many of your employees will be affected by the changes for H2 in remunerations and benefits & financial incentives?

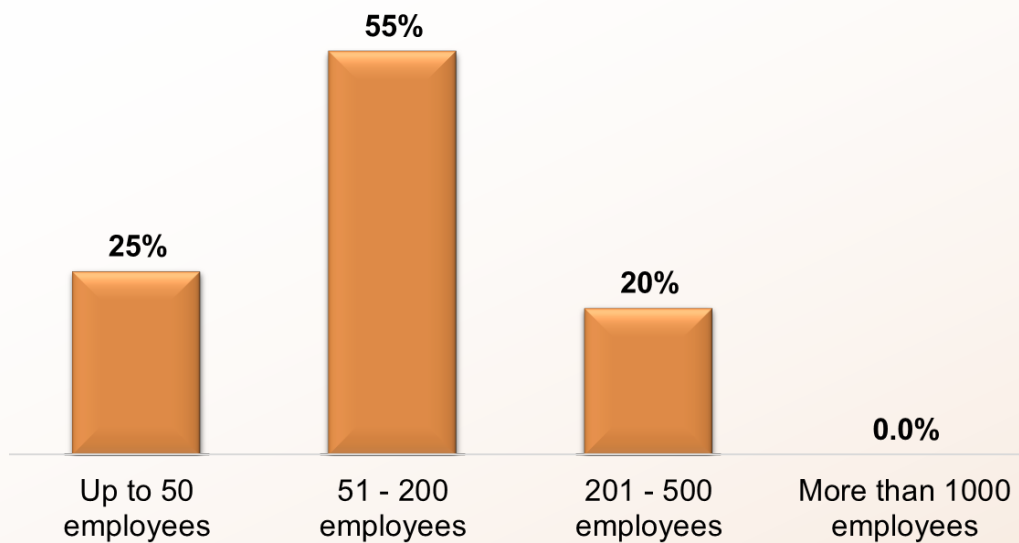


MAIN REASONS FOR CHANGES IN H2 2022



Information Technology

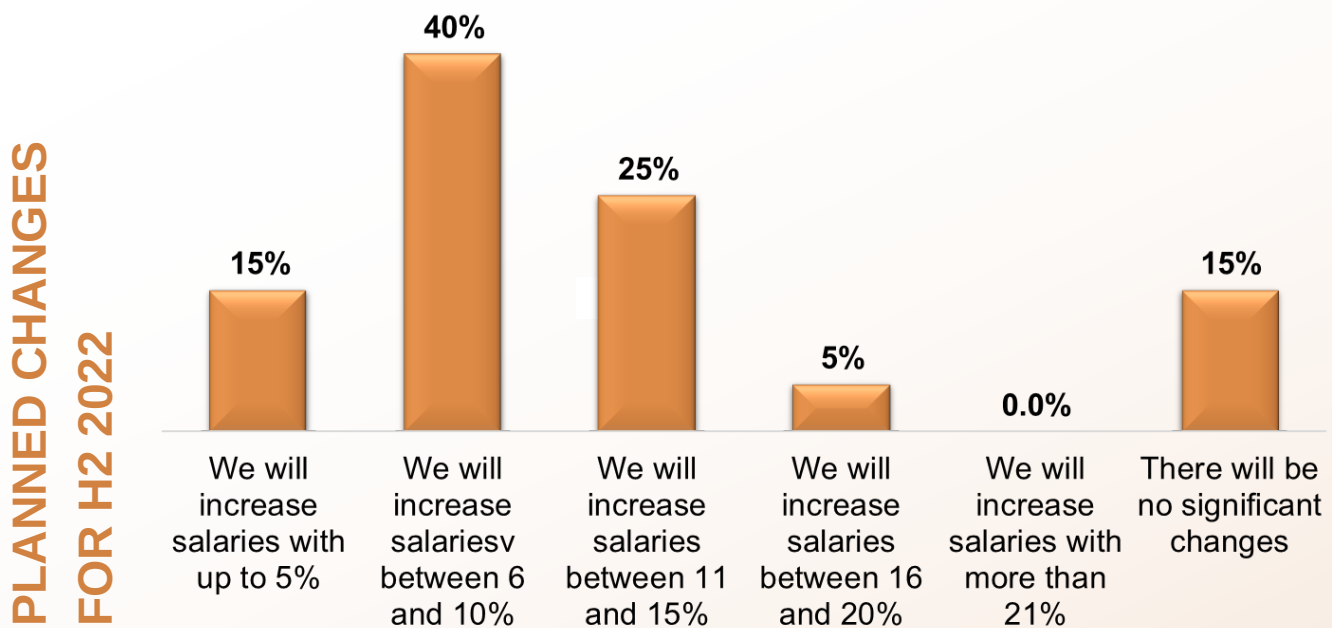
Respondents from the IT sector state that they are mainly located in Sofia (75%), followed by 10% in Varna, 5% in Plovdiv and Veliko Tarnovo and the rest nationwide (5%). When it comes to the companies' sizes most prevalent were respondents from companies with 51 to 200 employees (55%), 25% work in companies with up to 50 employees and 20% are part of bigger organizations with 201 to 500 employees.



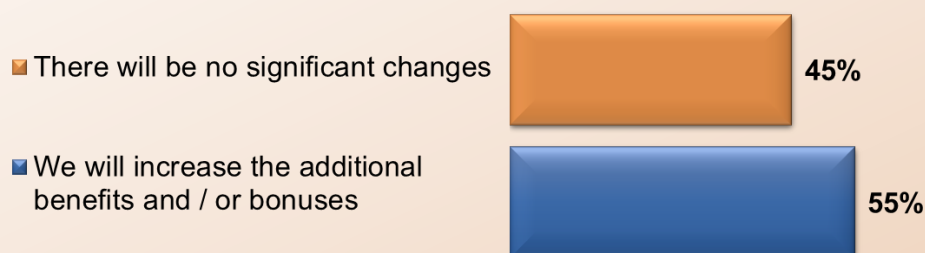
Applied changes in H1 vs planned changes for H2



In H1 2022 in IT sector majority of the companies (38%) shared that they plan to increase salaries with up to 10%. For H2 they confirmed that additional changes will be made and they even plan to increase salaries again with additional up to 10% (around 40% of all respondents in the sector).

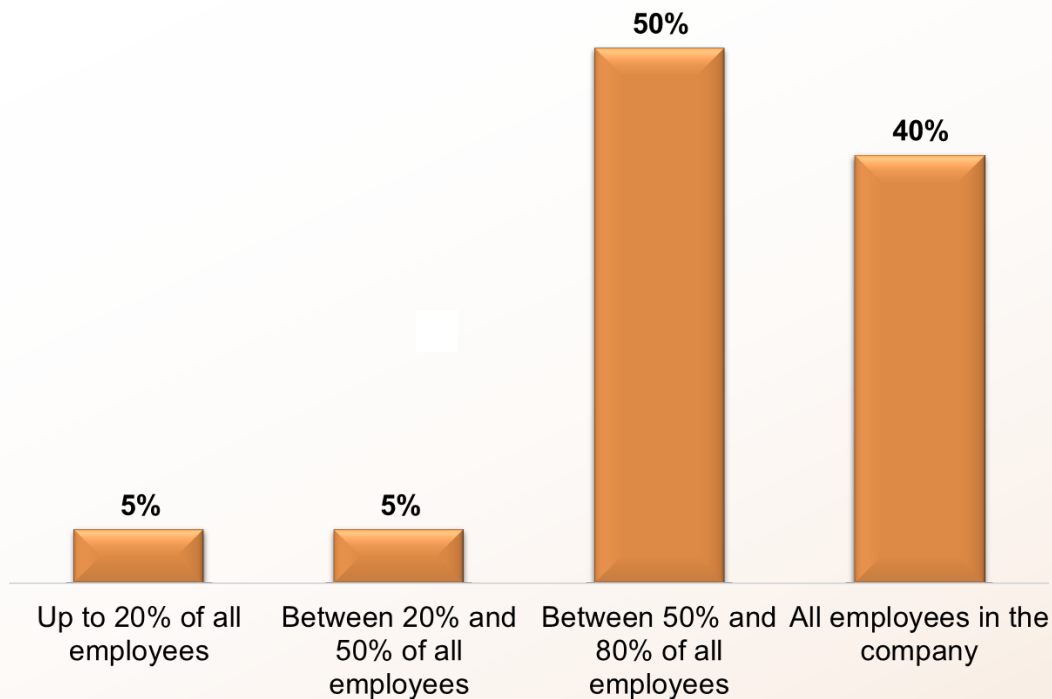


Planned changes in benefits & financial incentives for H2 2022

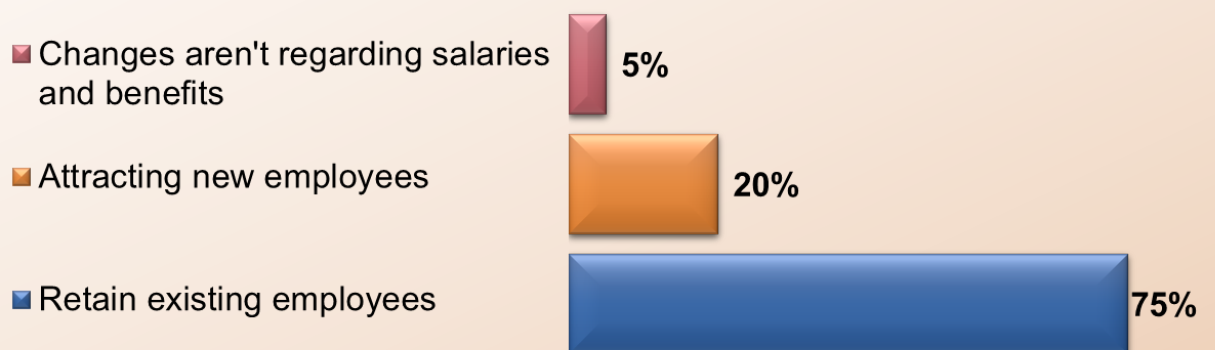


The IT sector is planning to increase additional benefits and bonuses with salaries for at least 80% of all employees.

How many of your employees will be affected by the changes for H2 in remunerations and benefits & financial incentives?



MAIN REASONS FOR CHANGES IN H2 2022

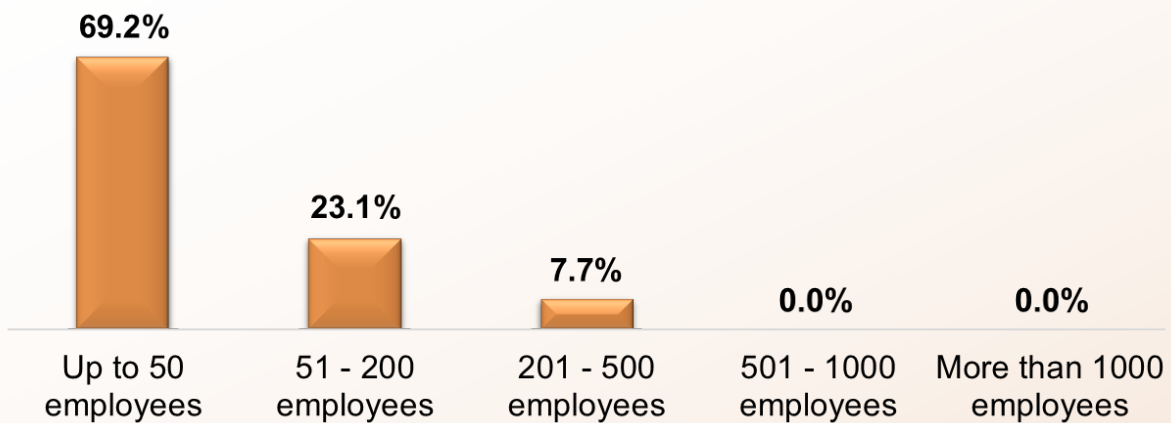


100% of all Telecommunication companies will change salaries, benefits and bonuses only for retention reasons, while around 17% of SSC and 20% of IT want to attract new ones.

Consultancy services

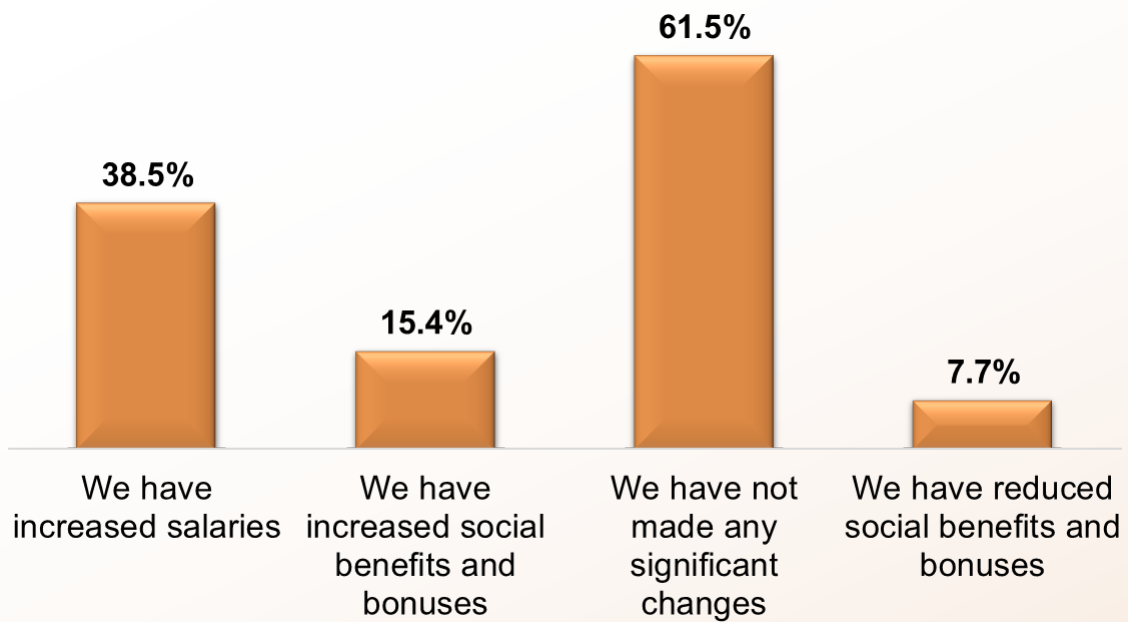
Once again respondents from these sectors state that they are mainly located in Sofia (69.2%), followed by organizations operating from Varna (15.4%). Interestingly enough Pazardzhik takes the third place with 7.7%, the same percent as the rest of the cities and towns in Bulgaria.

Sizewise, here we observe representatives from smaller companies - 69.2% with up to 50 employees, 23.1% with up to 100 and only 7.7% respondents from organizations with 201 to 500 employees. No responses were given from employers and managers in big organization with more than 500 employees.



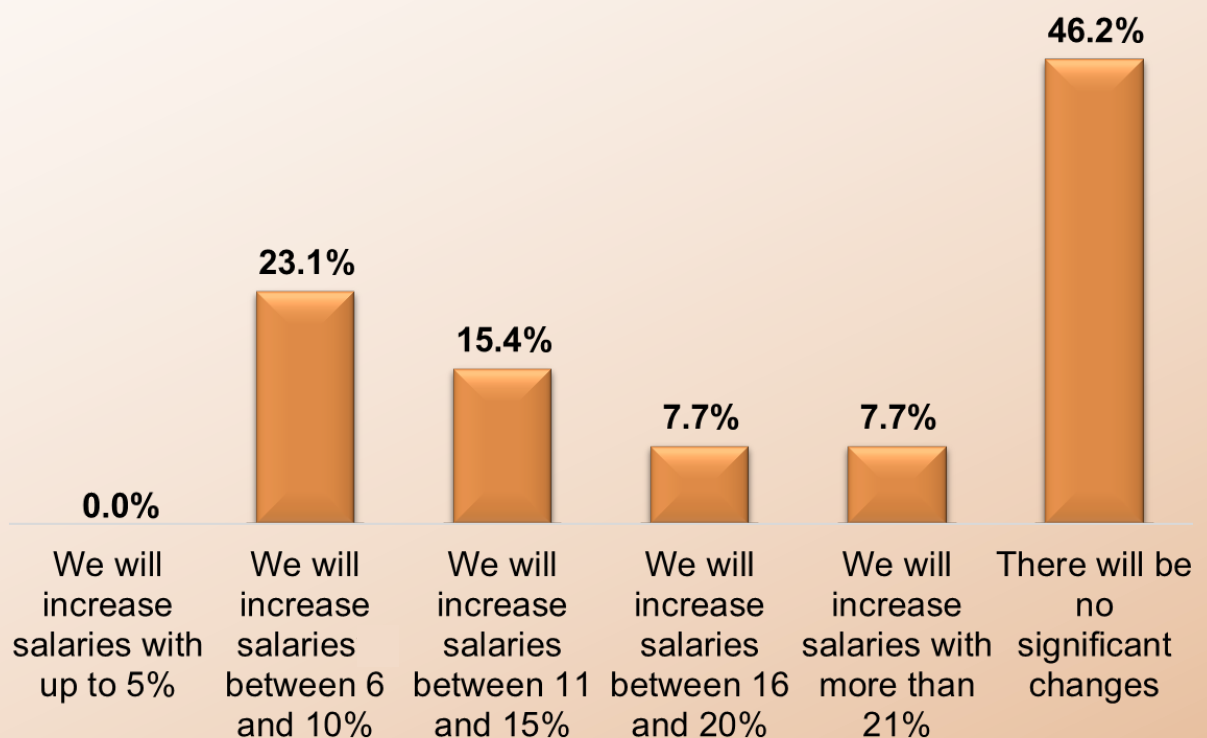
Applied changes in H1 vs planned changes for H2

APPLIED CHANGES FOR H1 2022

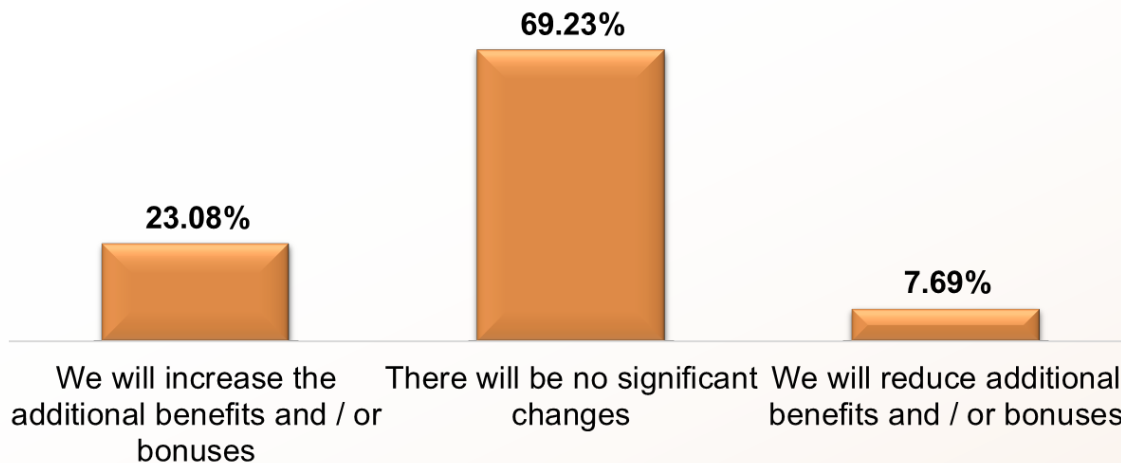


Regarding the Consultancy services sector for H1 2022 – the majority shared that no significant change in terms of comp & bens has been made. Half of the Consultancy services organizations do not intent to make any significant changes in remuneration. However, a quarter of them intent to increase salary levels with between 6 and 10%.

PLANNED CHANGES FOR H2 2022

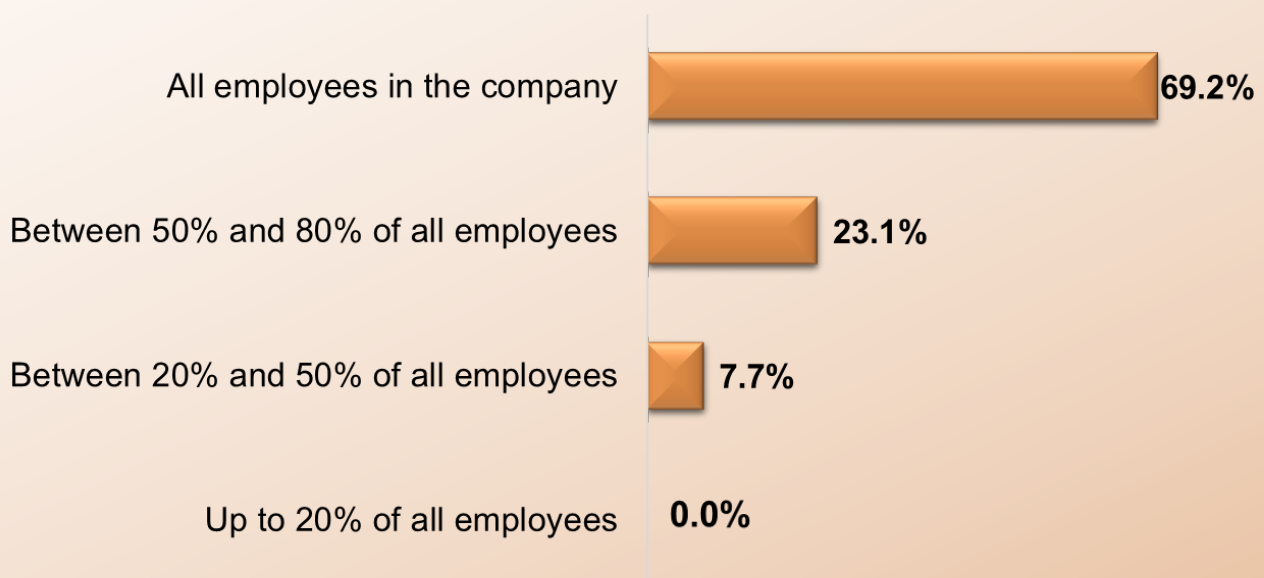


Planned changes in benefits & financial incentives for H2 2022

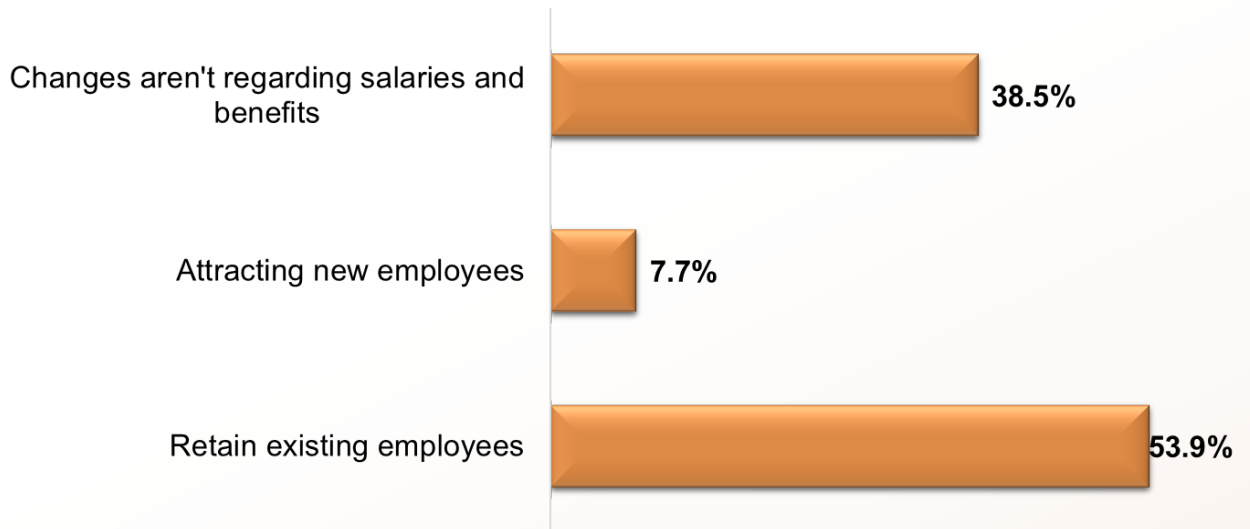


Increasing benefits and bonuses for more than the half of employers in the Consultancy services sector is not a plan for the second half of 2022 - 70%. But regarding any changes in increasing or adding additional benefits and bonuses, most of the employees are to be affected.

How many of your employees will be affected by the changes for H2 in remunerations and benefits & financial incentives?



**MAIN REASONS FOR
CHANGES IN H2 2022**



For every second employer in these sectors an increase in compensations and benefits would be with a focus on retention of existing employees, while for only 7.7% a potential driver would be mainly attracting new people.



Key conclusions

The data herein should support wage planning for the second half of 2022, as well as provide an overview of the changes in the salary levels and additional benefits that will characterize the labor market as a whole.

The study key findings show that:

During the second half of 2022 salary levels are expected to increase in all business sectors in most of the cases with amounts between 6 and 10% of the monthly salary.

No business sector or region forecasts a reduction in staff wages or additional incentives.

62% of the respondents plan to change compensation and benefits packages for all their employees.





ManpowerGroup®

ManpowerGroup Bulgaria comprehensive portfolio of services include our Research and People Assessment teams which help us conduct real-time surveys on key HR metrics such as pay levels, additional benefits, staff turnover, employee satisfaction and engagement in combination with automated market research on staff availability in specific regions and industries.

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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