

EMPLOYEE TURNOVER RATE 2021



A STUDY IDENTIFYING THE LEVELS OF AND FACTORS CONTRIBUTING TO STAFF TURNOVER OF VARIOUS BUSINESS SECTORS IN THE COUNTRY IN 2021

OBJECTIVES AND METHODOLOGY OF THE STUDY

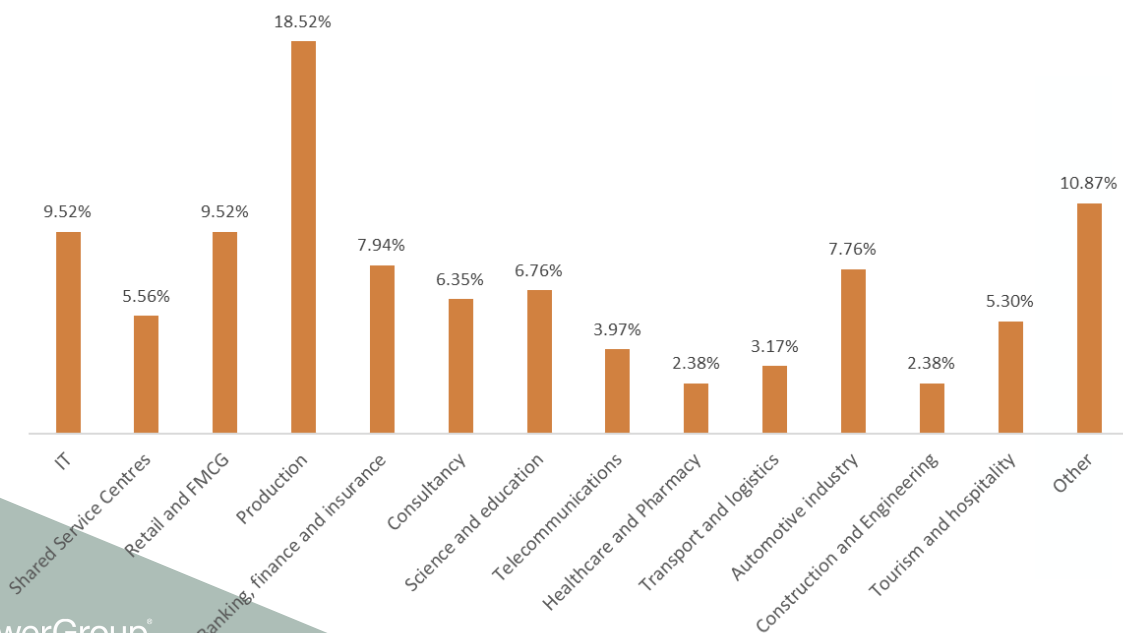
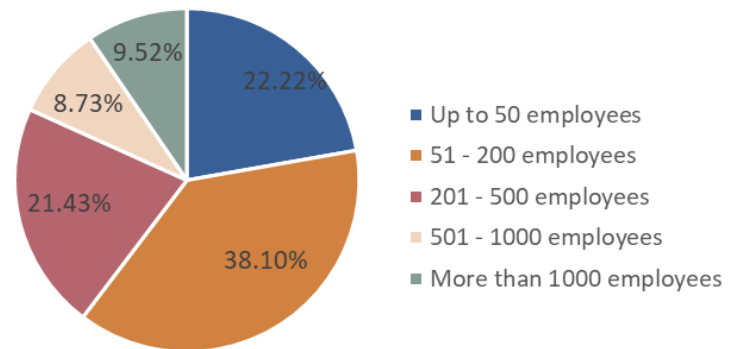
The aim of this study is to identify the main drivers of employee turnover in Bulgaria in 2021 across different business sectors and regions of the country. The topic was prompted by numerous inquiries from ManpowerGroup Bulgaria's partners, based on observed trends of unusually high levels of voluntary turnover worldwide.

The study was conducted through online surveys distributed via twelve different channels of communication. In it participated 256 companies from 14 business sectors, operating in all regions of Bulgaria which were actively collecting respondents throughout November 2021.

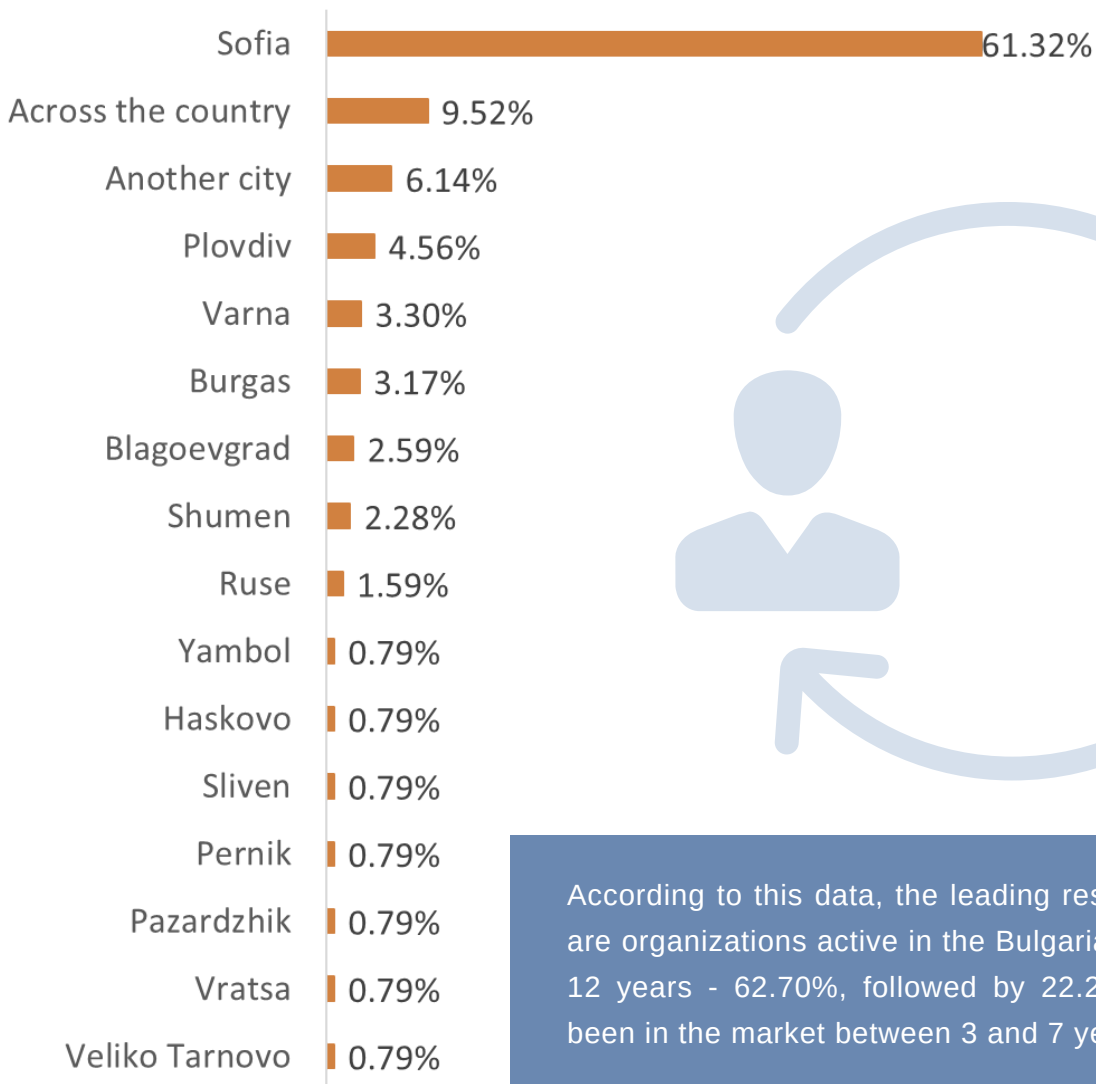
The 2021 Employee Turnover Rate Survey is the first of many future surveys devoted to analyzing trends and identifying drivers of voluntary and general turnover in companies operating in the Bulgarian market. In the upcoming months, similar analyses will be published in the remaining markets of the ManpowerGroup SEE cluster - Serbia, Bosnia and Herzegovina, Slovenia and Croatia.

RESPONDENTS' PROFILE

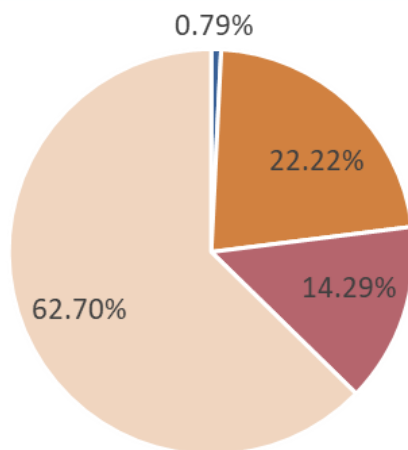
Among the respondents, companies in the manufacturing (approx. 20%), IT (approx. 10%) and trade (approx. 10%) sectors were the most active. Among the well represented sectors were agriculture, media, and energy. Nearly 40% of the surveyed companies indicated that their operations are carried out by between 51 and 200 employees, followed by small companies - with up to 50 employees (22.22%) and large ones - with 201 to 500 employees (21.43%).



Nearly 10% of the surveyed organizations responded that they also have offices across the country. Of all respondents, nearly 62% cited Sofia as their main location, followed by smaller cities in the country with 6.14% and Plovdiv with 4.56%.



According to this data, the leading respondents to the survey are organizations active in the Bulgarian market for more than 12 years - 62.70%, followed by 22.22% of those that have been in the market between 3 and 7 years.

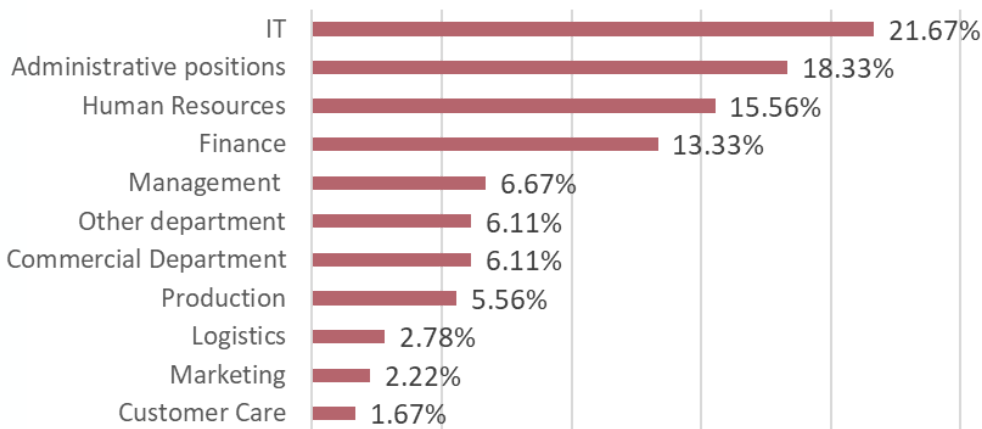


- From 2 years or less
- Between 3 and 7 years
- Between 8 and 12 years
- More than 12 years

OVERVIEW OF TURNOVER BY FUNCTION

In the survey we asked the organizations which departments and divisions in their organizations have undergone the highest and respectively - the lowest levels of turnover in 2021 r. This report looks at the turnover levels across different business sectors, and this section describes the general trends.

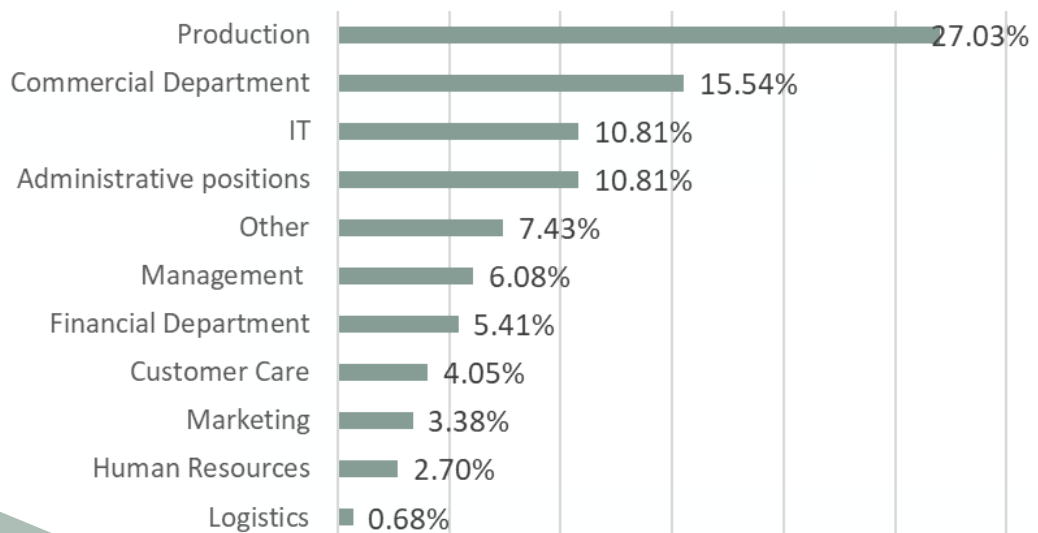
LOWEST TURNOVER BY DEPARTMENT FOR 2021



With a result of 21,67%, the lowest turnover rate for the year is observed for Information Technology positions, followed by Administrative at 18.33%. Immediately after that, Human Resources employees are ranked with 15.56% followed by employees in Finance with 13.33%.

HIGHEST TURNOVER BY DEPARTMENT FOR 2021 Г.

When it comes to the highest levels of overall turnover, the surveyed companies indicated that employees in the Production sector, which includes activities like operator or warehouse worker, change jobs most often. The reasons provided for this include mainly lack of motivation, poor work conditions, and low wages. The second most cited sector in this category is Commercial, marked as critical by nearly 16% of respondents.



VOLUNTARY TURNOVER OR A NEED FOR CHANGE

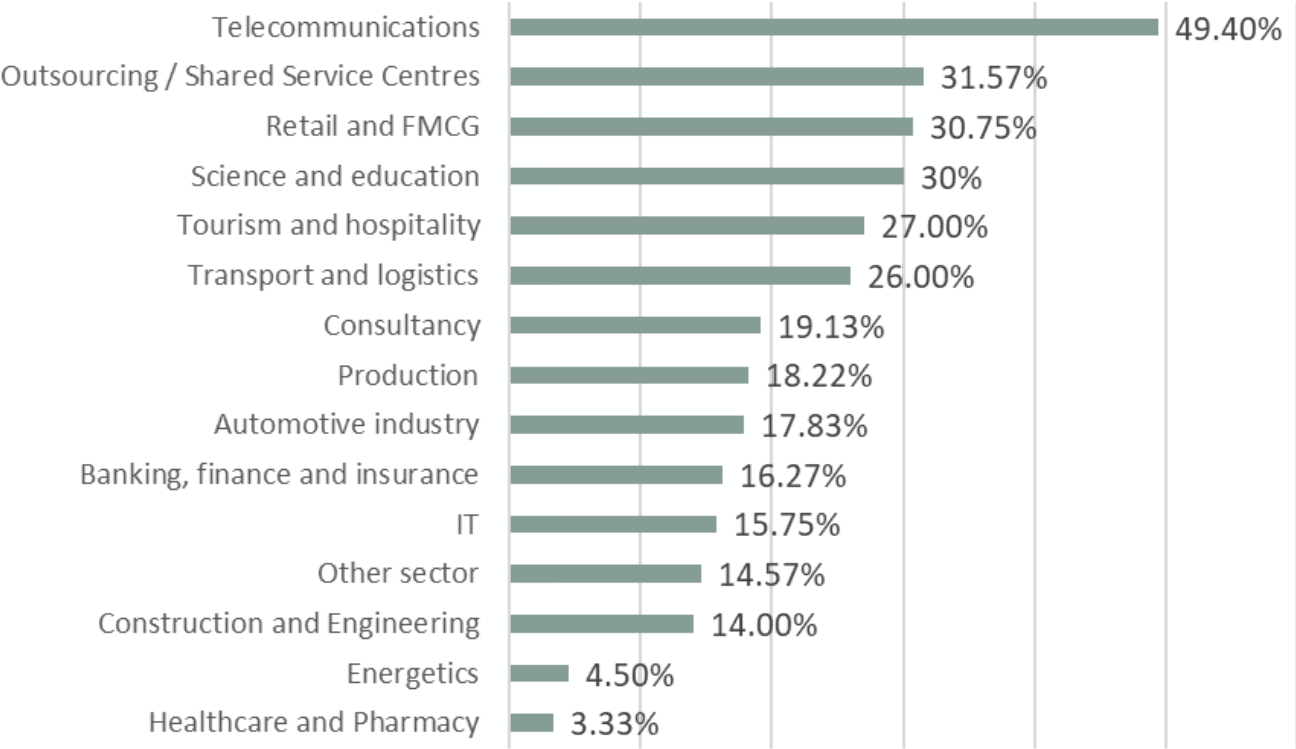
Around 85% of all respondents cited "higher pay at another company" as the main reason for **voluntary** turnover, followed by "lack of growth opportunities" and "personal disagreements."

Around 20% of all companies indicated that poor communication and delegation of tasks resulted from a mismatch between job descriptions (19%) and difficulty onboarding new hires (17%). Only 11% of respondents cited poor working conditions as a factor, and less than 1% noted COVID-19 as a reason for an overall organizational change that led to voluntary staff turnover.

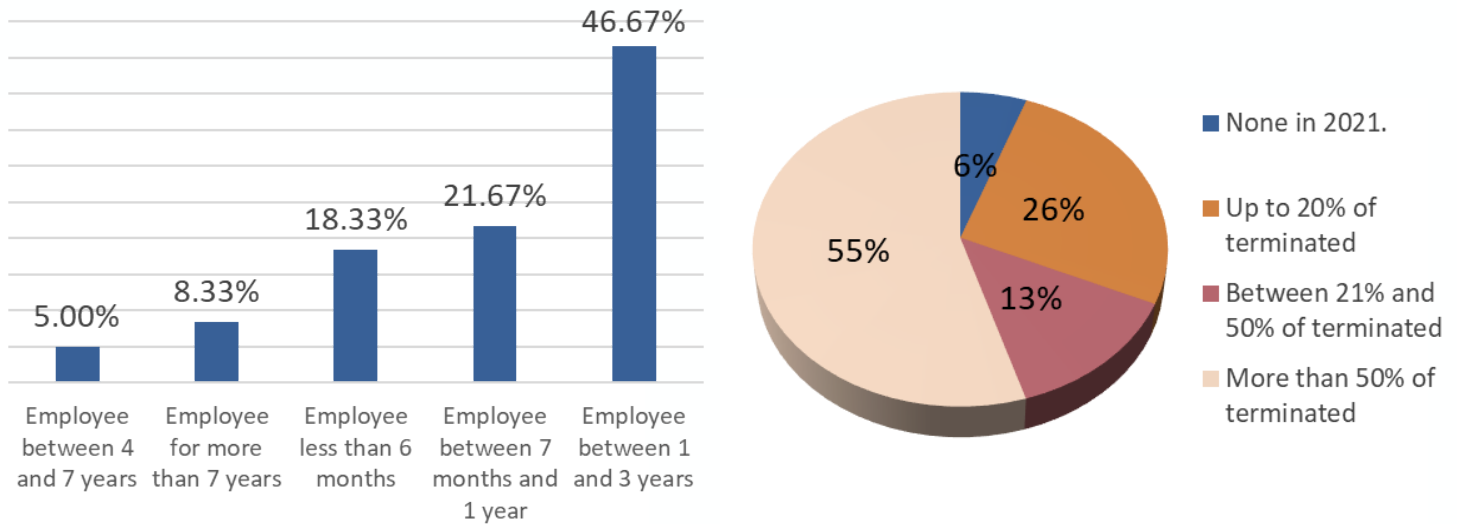
According to employers, the number one reason for voluntary turnover in the past year is higher salary offers from other companies.

Data shows the highest voluntary turnover rate for 2021 belongs to employees in the telecommunication sector. Almost half of respondents confirm that their past employees have changed jobs voluntarily. Around 32% of shared service center employees made the same decision, followed by those in retail (31%) and education (30%).

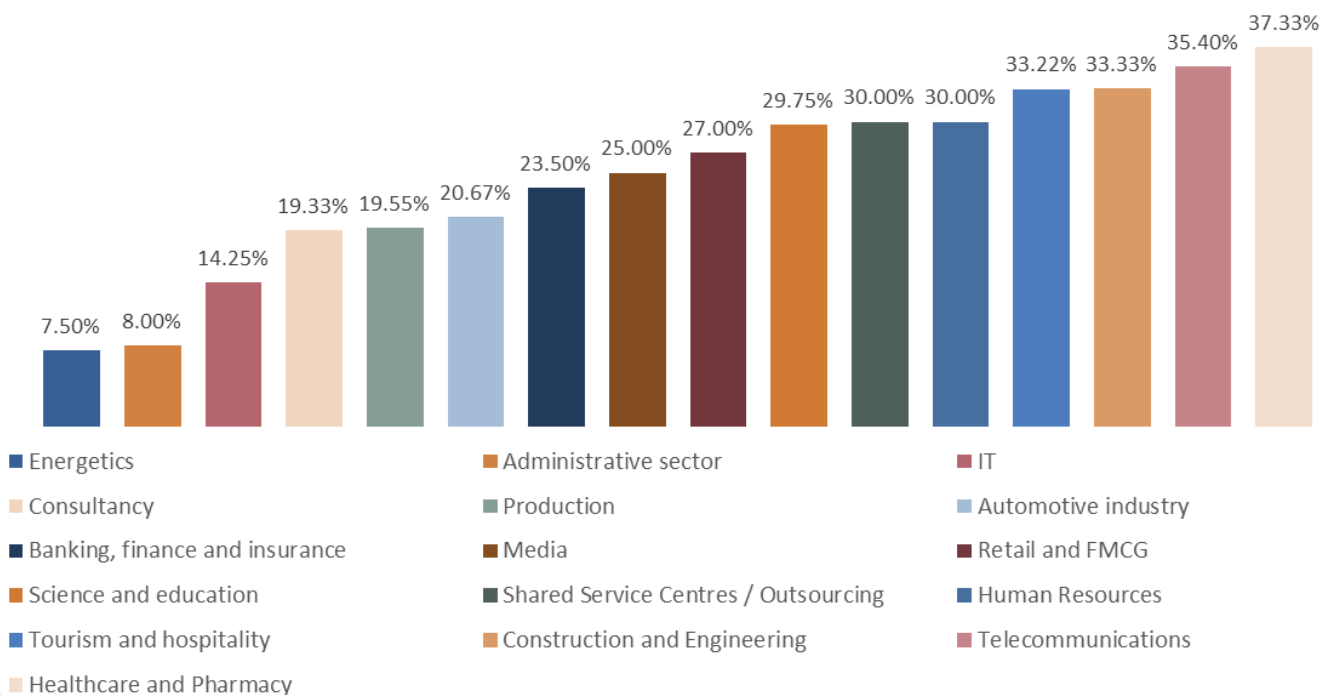
The data shows that only 3.33% of healthcare representatives chose to switch jobs, followed by those in the energy sector at 4.5%.



55% of companies claim that half of their former employees with whom they separated in 2021 left the organization of their own volition. The most frequent leavers were employees who had been in the company for a period between 7 months and 3 years. A significant number of people have remained for the on-boarding period and the standard period of probation, but left after that. Compared to factor number one, representing better remuneration elsewhere, the results show that re-evaluations on pay for 2022 and consequent increases are necessary for many organizations in virtually all sectors to preserve employee count.



OVERVIEW OF TOTAL TURNOVER BY BUSINESS SECTORS

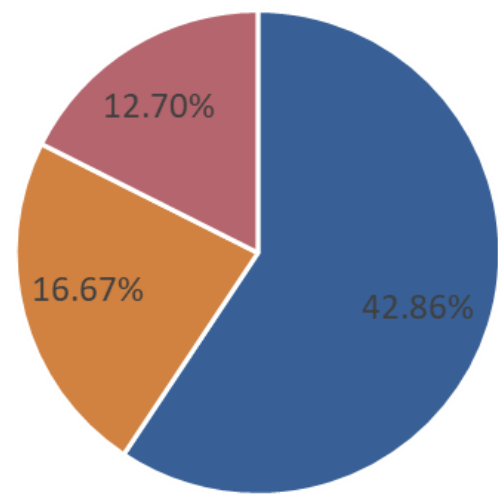


Upon being asked, "What is the overall turnover rate for your company in 2021?" organizations indicated the total percentage of leaving employees. According to the responses, the sectors with the highest overall turnover were Healthcare (37.33%), Telecommunication (35.40%) and Construction & Engineering (33.33%). The lowest figures correspond to companies in the Energy and Information Technology sectors with 7.5% and 14.25% respectively.

„In 2020, our turnover was very low, but short-lived and influenced by employees' fear leaving their jobs because of the COVID-19 situation.” some respondents shared.

By comparing numbers on a year-on-year basis, **nearly 43% of companies indicated that the turnover is significantly higher in 2021.** Nearly 17% said there was no significant difference in numbers YoY. **Only 12% of companies say overall turnover in 2021 is lower than last year.**

TURNOVER 2021 VS 2020



■ Higher ■ Unchanged ■ Lower

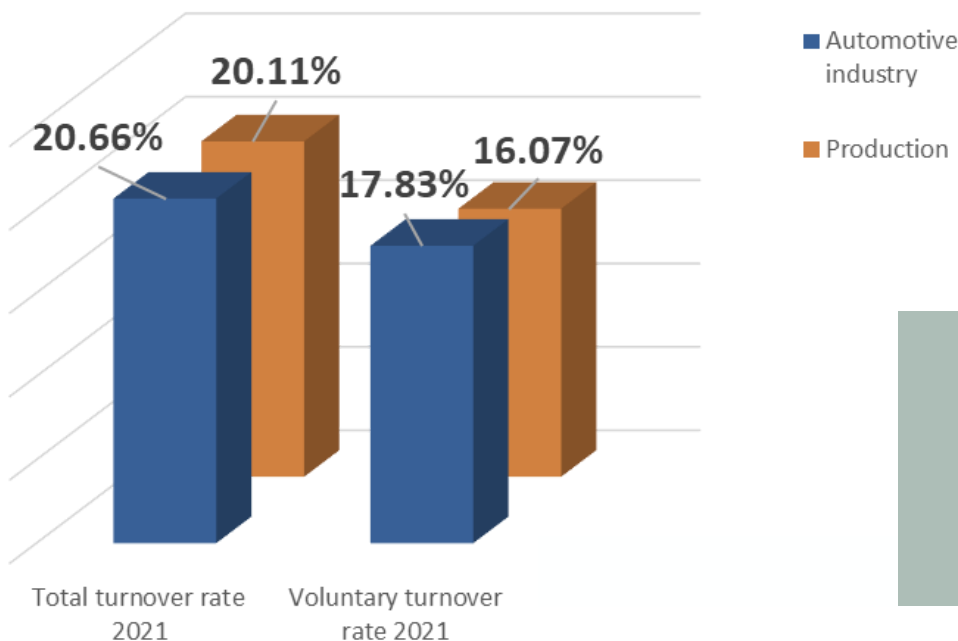


MANUFACTURING AND AUTOMOTIVE INDUSTRY

33% of respondents in the Automotive industry indicated that they are located in the region of **Sofia**, another 25% - in **Plovdiv**, and the rest in smaller cities across the country.

In the **Manufacturing sector**, the companies that participated in the survey indicated their location in the following regions: in **Sofia - 32%**, in **smaller towns - 24%**, in **Shumen - 12%**, in **Varna, Plovdiv, Blagoevgrad and Targovishte - less than 8% each**.

90% OF COMPANIES IN BOTH SECTORS OPERATE WITH MORE THAN 200 EMPLOYEES



MAIN REASON FOR LEAVING: WORKING CONDITIONS AND PAYMENT.

According to the companies in the Manufacturing sector in 2021, the total turnover rate of employees is about 21%, while nearly 17% of that represents people who left voluntarily. In the Automotive industry, the results are similar - 20.66% for total turnover, of which 18% comprise of employees who left voluntarily.

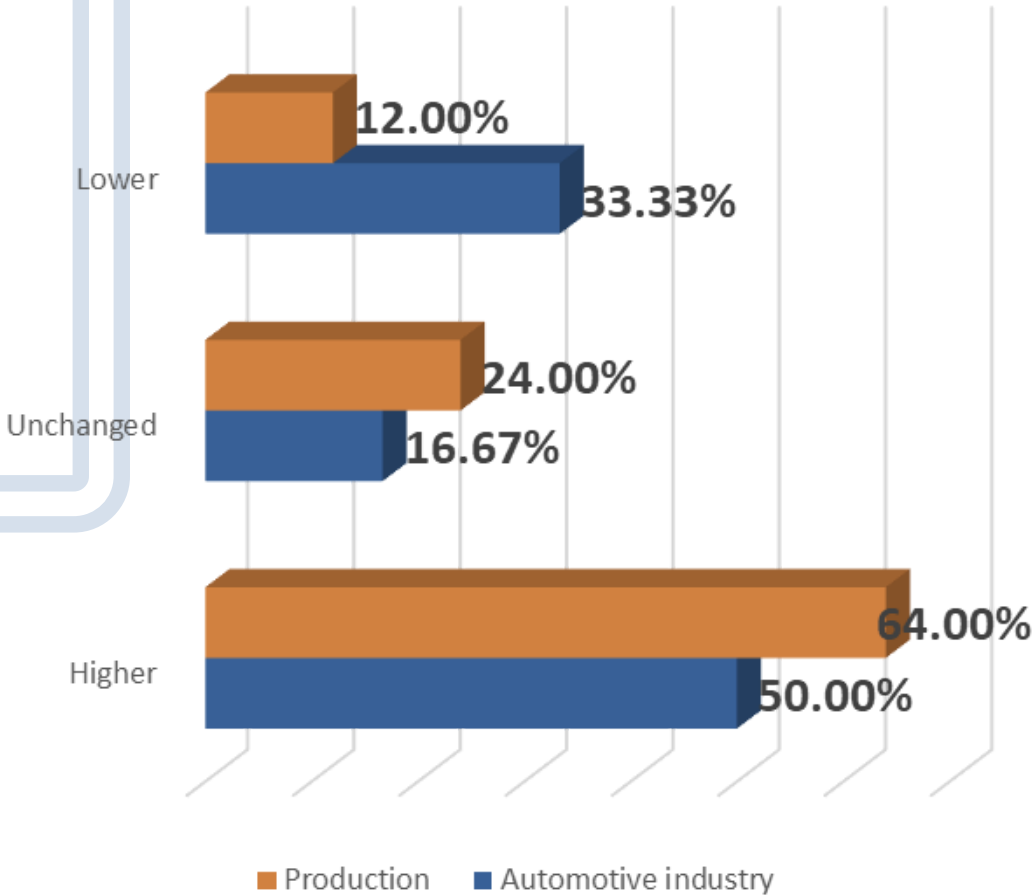
The two business sectors also agree that the departments with the highest turnover belong to **Production** which is especially true for the employees in the lower hierarchical levels - mainly operators. Less often, the data also shows turnover in administrative and sales departments, as well as in management roles.

The answer to the question whether the duration of service of the employees who left in 2021 differs significantly across companies - there is no data for outstanding trends on this issue in the two business sectors. Each employee, who left, has shown a different level of commitment to the company, but in any case the main reason for departure was again **better financial remuneration in another company**.

Both industries agree that turnover is higher in 2021 than last year. However, nearly 35% of respondents in the Automotive Sector say that for them turnover is even lower this year. Analysis from another study on salary trends in the second half of 2021 by ManpowerGroup Bulgaria shows that these are the companies that significantly increased their wages in the second half of this year.

Night shifts have also been a factor in the increased turnover rates for 2021 in the two sectors. Often night work is not properly valued, according to employees.

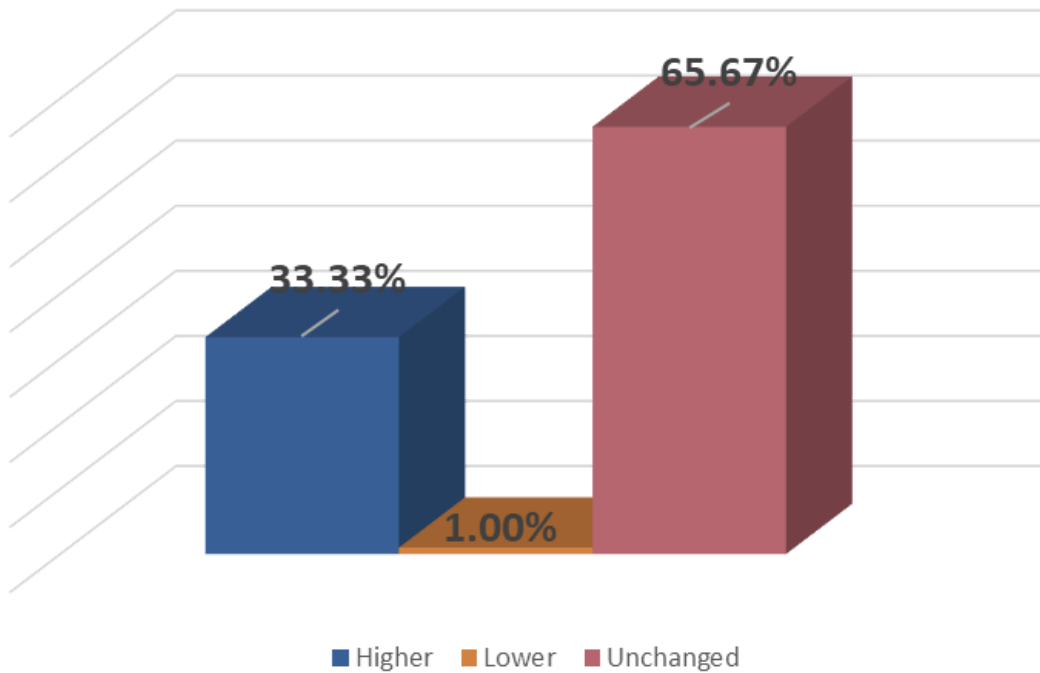
TURNOVER 2021 VS 2020



TRANSPORT AND LOGISTICS

The most surprising trend in Logistics and Transport is that out of the overall turnover rate of nearly 33% in 2021, only 21% were voluntary leavers. This is the only sector in which voluntary turnover does not have such a predominance over that initiated by the company. It is important to note that this is also where the largest number of respondents cited "personal disagreements" as a reason for leaving.

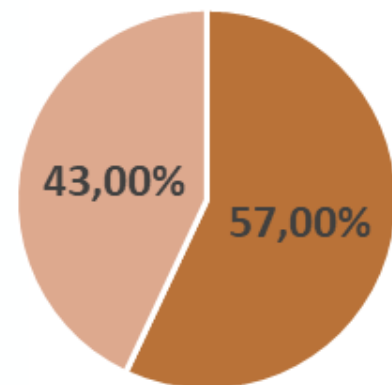
TURNOVER 2021 VS 2020



Another important trend in the sector is that nearly 70% of respondents clearly state that turnover in 2021 is unchanged from that of 2020. For most other business sectors, we notice significant differences on this criterion.

WHICH DEPARTMENT HAS EXPERIENCED THE HIGHEST TURNOVER?

Respondents identified "warehouse workers" with 57% and the operations department with 43%

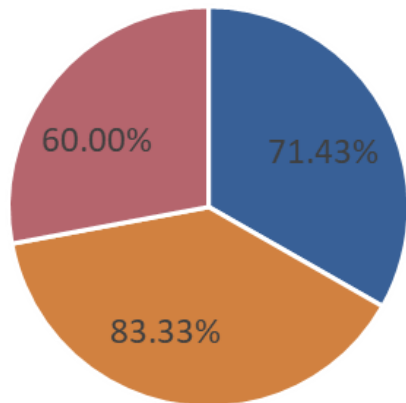


■ Warehouse workers ■ Operations

TELECOMMUNICATIONS, INFORMATION TECHNOLOGY AND SHARED SERVICES CENTERS

Most often, the employees who leave are people who have worked between one and three years in the field

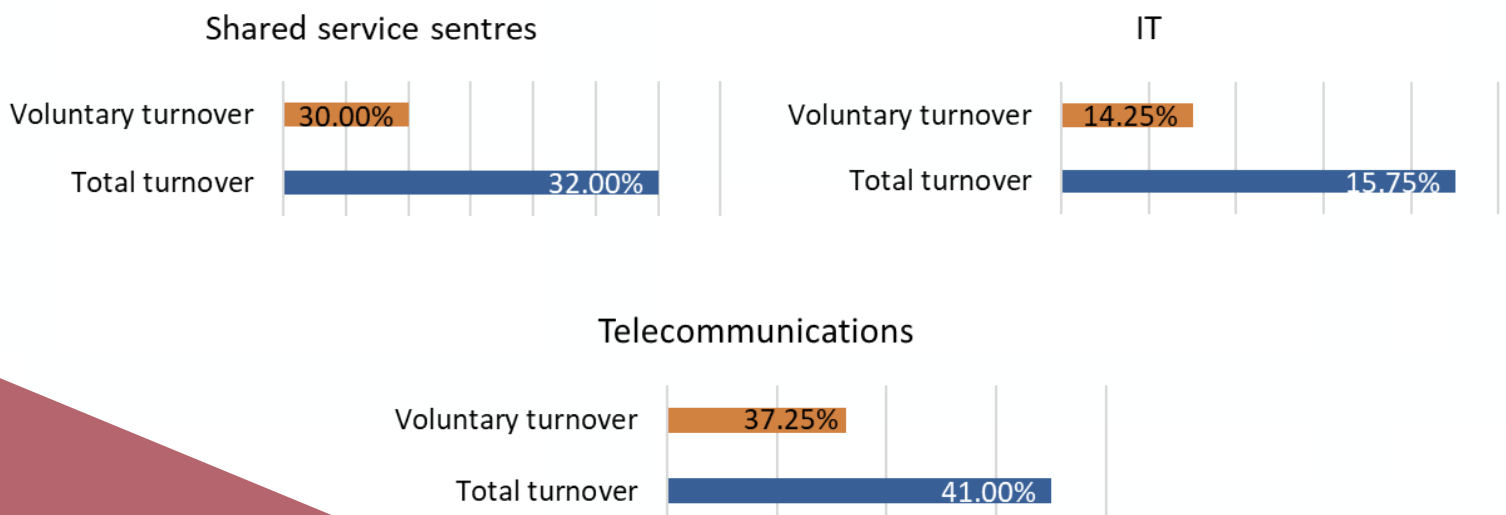
All respondents from these business sectors are located in Sofia or have offices throughout the country. They unanimously share that more than 60% of the departing employees have worked at the company between one and three years.



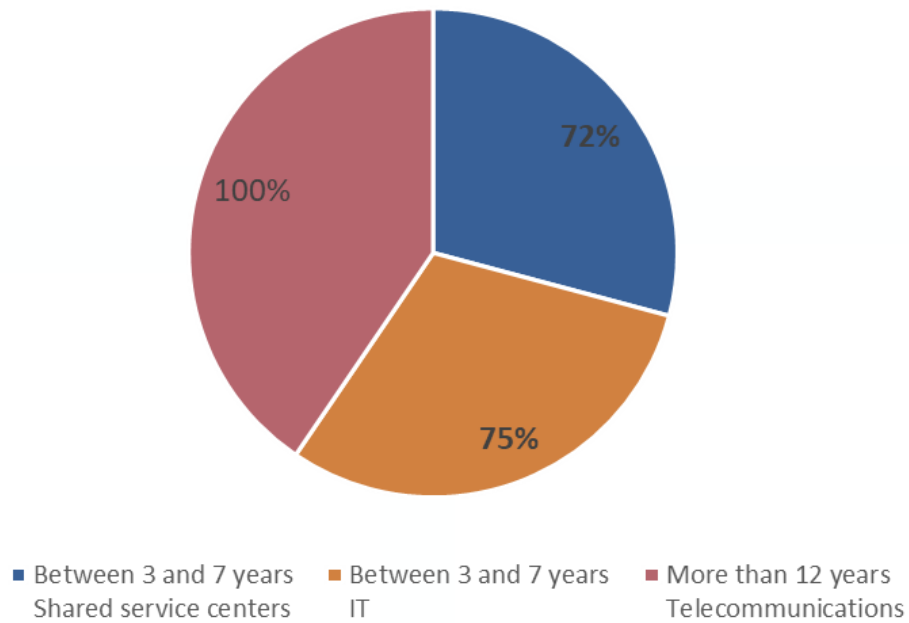
- Shared Service Centres
- IT
- Telecommunications

Turnover with the highest data is observed in the Telecommunications sector - 41%. Of these, nearly 38% were voluntary leavers. There is a significantly more balanced trend in "Information Technology", but turnover was again almost entirely employee initiated. In shared services centers the figures are similar - 32% overall turnover, of which 30% voluntarily left.

In response to the question "Which department has the highest turnover for 2021?", all three sectors provide single answers for specific departments - administrative, technical, financial.

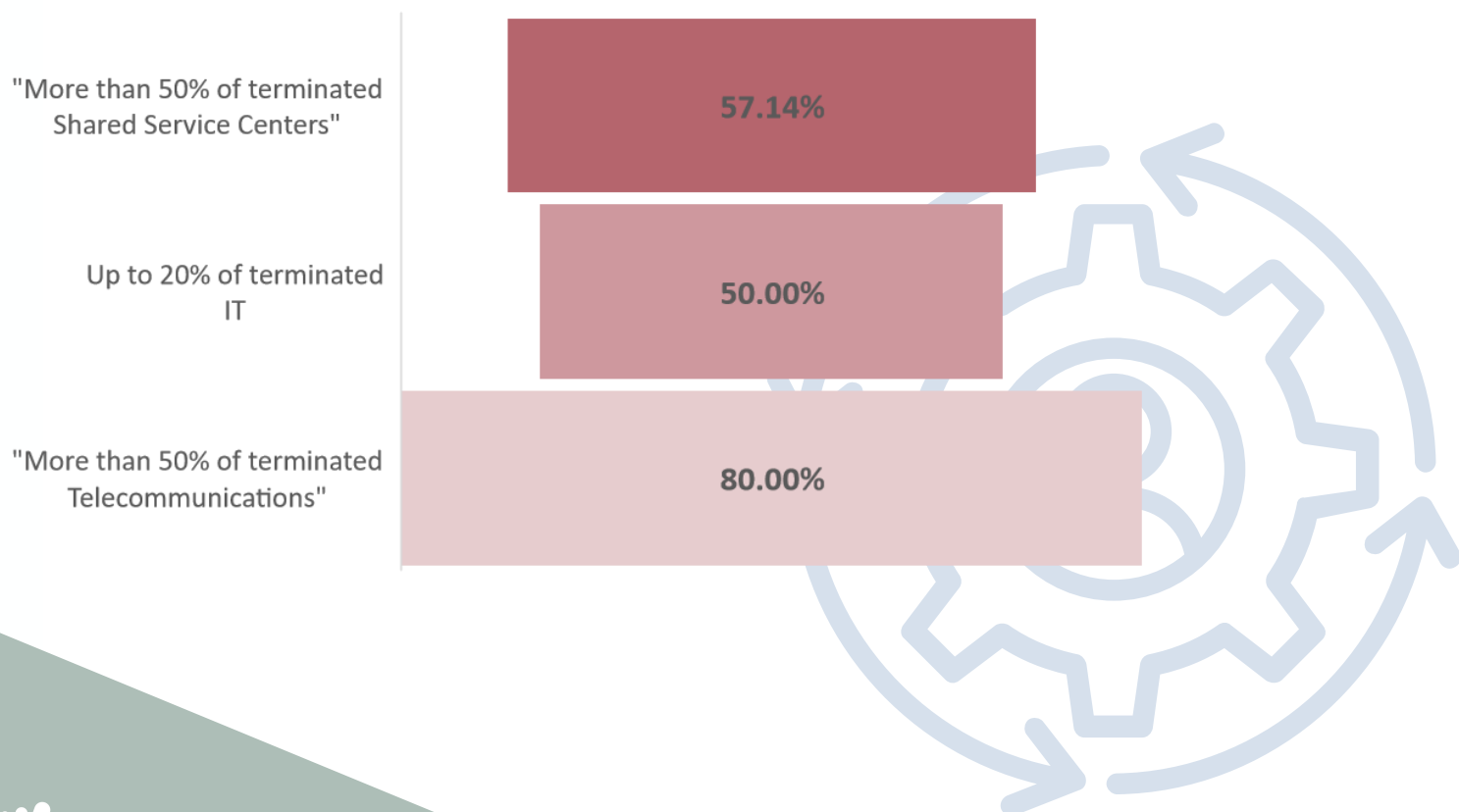


72% of shared services companies indicate that turnover in 2021 is higher than last year, reaching an increase of about 30%. Companies in the Telecommunications sector confirm the same trend.



The situation is different in the Information Technology sector. For 33% of respondents, the turnover rate in 2021 is not significantly different from that in 2020, and nearly 20% of respondents even say that it is lower this year.

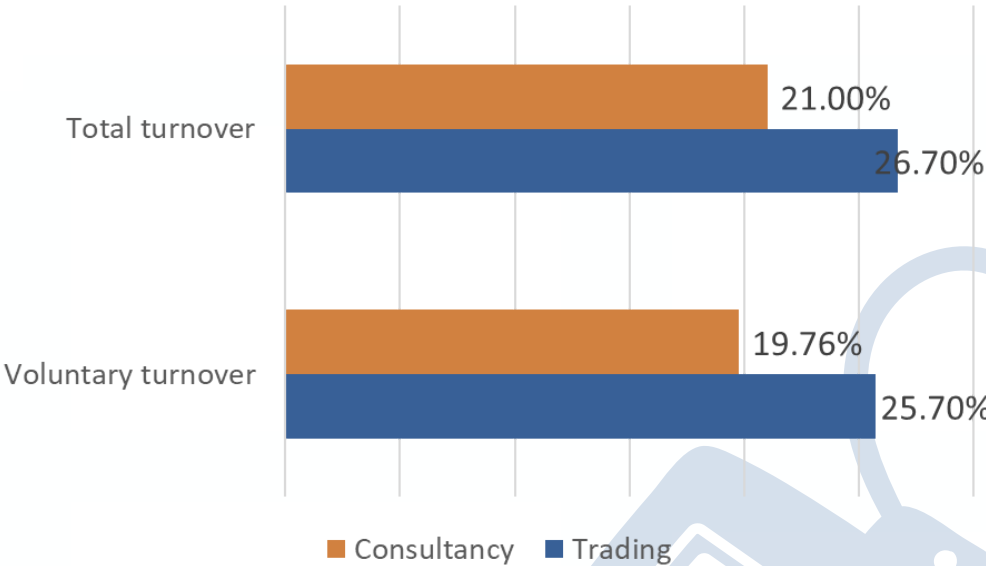
WHAT PERCENTAGE OF EMPLOYEES HAVE LEFT THE COMPANY VOLUNTARILY:



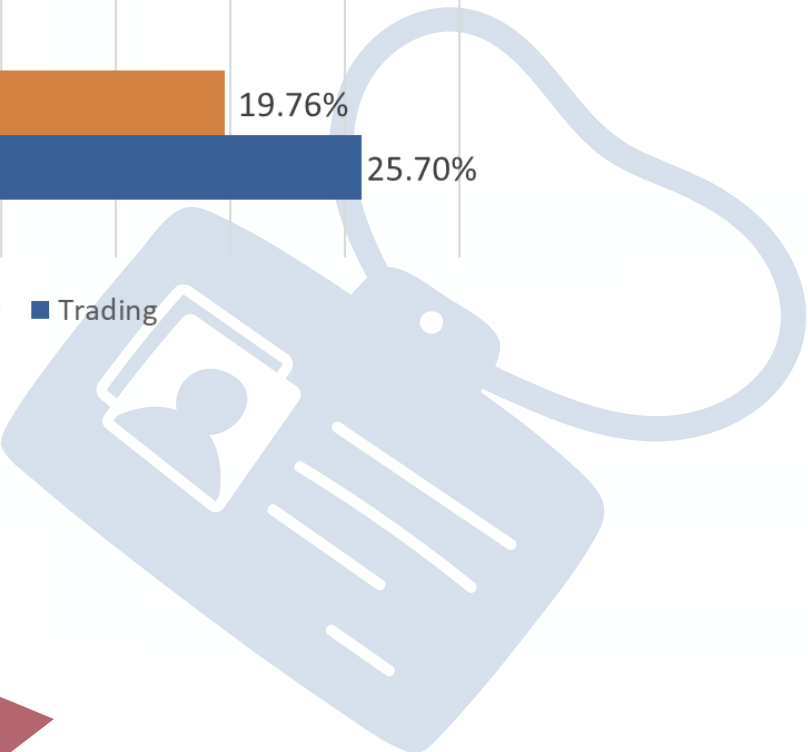
CONSULTING AND TRADE

In the Consultancy and Trade sectors, respondents are adamant that most employees who leave do so for higher pay and the social benefits they receive. 80% of employees who leave companies in this field have between 1 and 3 years of experience in the company.

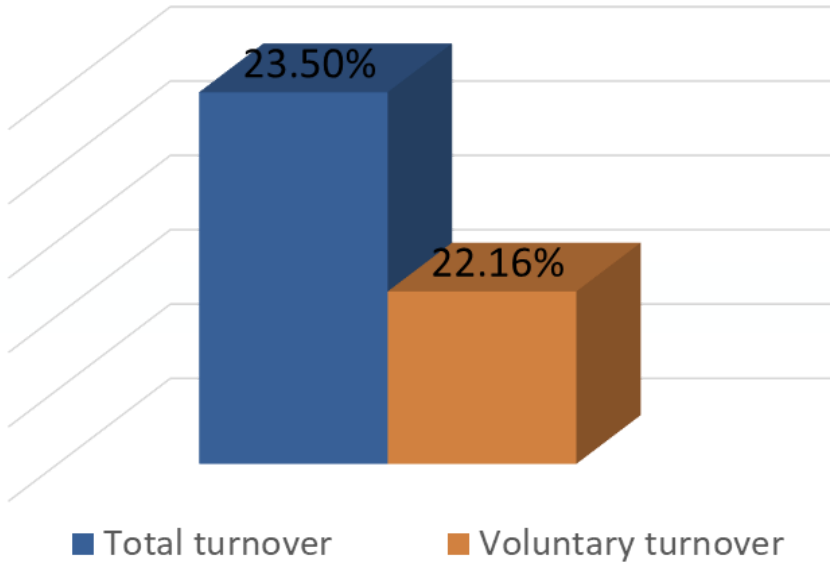
	Department with the lowest turnover	% respondents
Trading	Administrative Department	61,11%
Consultancy	Finance, Accounting and Control	57,00%



The tendency that almost all employee turnover has been voluntary is strong in both these sectors.

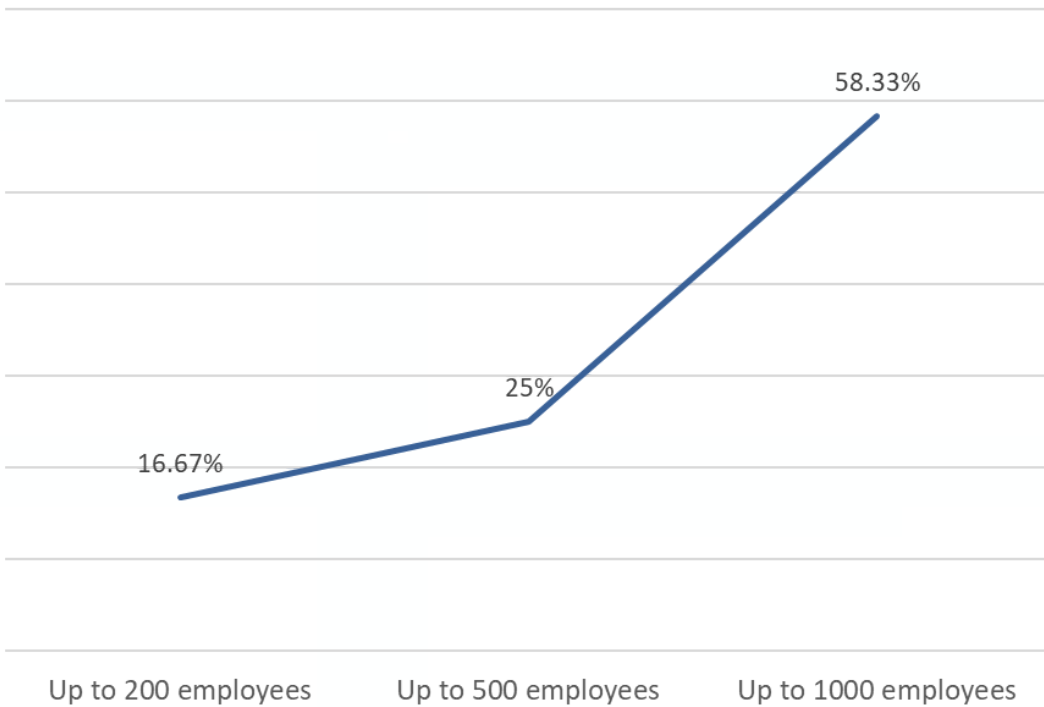


BANKING, FINANCE AND INSURANCE



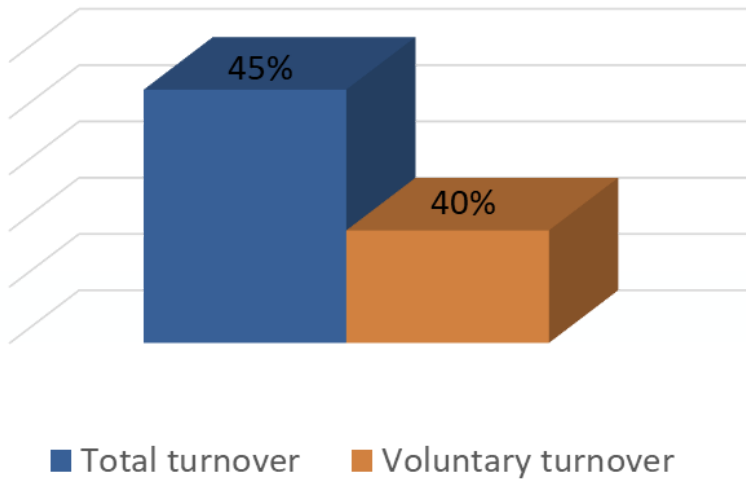
"In 2020, not only was the turnover lower than the current one, but on the contrary - people were hired and retained much easier," commented sector representatives.

Companies in the sector indicate the Business Development department as the most sustainable, while the Front office department has seen the highest turnover, the leading reason being again the better levels of remuneration, often in another sector. 50% of respondents say that employees leave after no more than a year and a half of experience in an organization. People who have worked in organizations in the sector for more than five years are less likely to change jobs compared to new entrants.



Nearly 60% of the companies who responded have more than 500 employees. All major banking and financial institutions are centralized in the capital.

TOURISM AND HOSPITALITY



“Because of the difficult predictability of our industry’s performance in the Covid-19 crisis, both 2020 and 2021 have been particularly difficult for us. Voluntary and involuntary turnover due to reduced workload are at extremely high levels.”

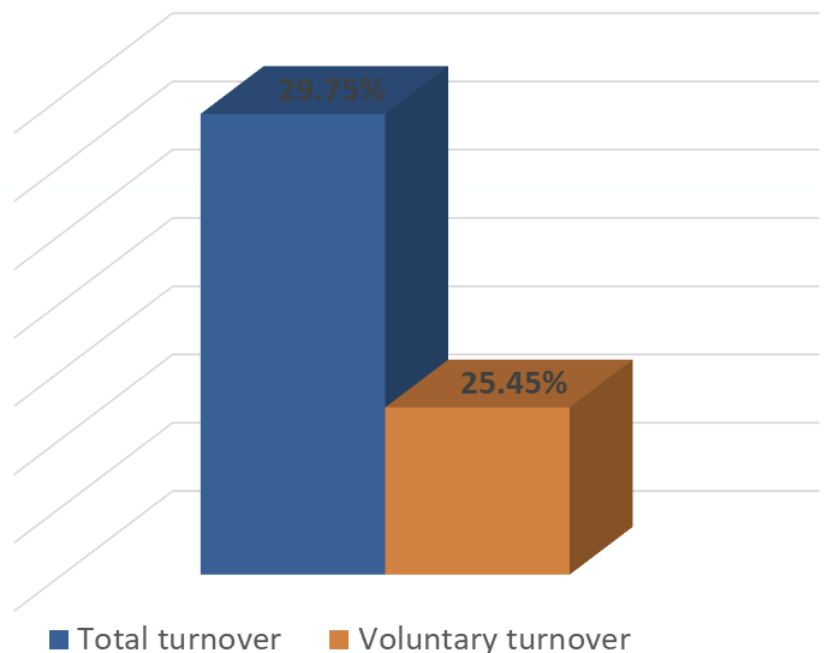
The results in the Tourism sector do not go beyond market expectations. The turnover is at high levels, and the practice shows a huge outflow of this type of specialists. Driven by the difficult predictability of the market due to the Covid-19 crisis and interruptions in their business, a huge number of employees in the sector have been seeking and finding employment opportunities outside the sector. Nearly half of employees at surveyed companies leave their employer within a year.

SCIENCE AND EDUCATION

Around 10% of the educational institutions that took part in the survey are outside the capital.

In the Science and Education sector, respondents were from both the private and public sectors. Despite the private sector offering more competitive salaries in both areas, there is a similar trend - turnover in 2021 is around 15% higher than in 2020. The highest levels are observed for those directly involved in education, namely teachers.

Most of the companies surveyed indicated that the vast majority of lecturers do not stay in the position for more than one year, and the most common follow-up for them is reassignment to another sector or activity involving higher remuneration.



KEY CONCLUSIONS



STAFF TURNOVER IN 2021 HAS INCREASED IN ALL BUSINESS SECTORS COMPARED TO 2020.



STRONG INCREASES ARE OBSERVED IN INDUSTRIES AFFECTED BY THE COVID-19 CRISIS.



THE MAIN REASON PEOPLE LEAVE THEIR JOB IS HIGHER REMUNERATION OFFERED IN OTHER COMPANIES OR EVEN BUSINESS SECTORS.



Assert International services as part of ManpowerGroup Bulgaria portfolio 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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